


Overall impressions

- Well put-together Bill, majority of measures introduced understandable, justified and indeed welcomed
- Again, welcome consolidation (other than Parts IIA and IIB)
- Timing



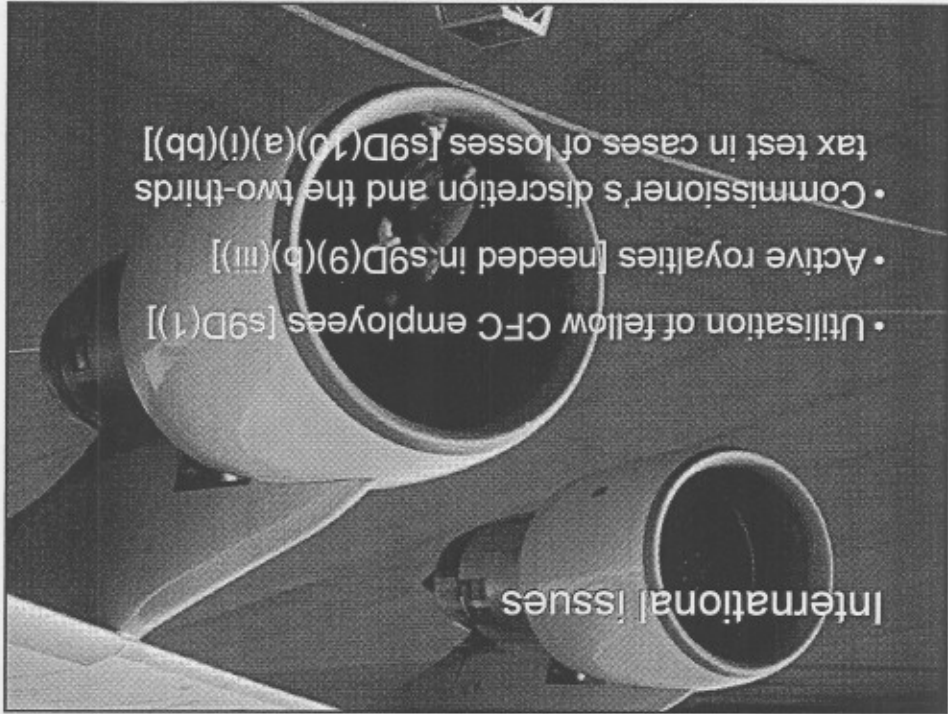
Revenue Laws Amendment Bill, 2006
 Representations and submission to the Portfolio Committee on Finance
 October 2006

PRICEWATERHOUSECOOPERS

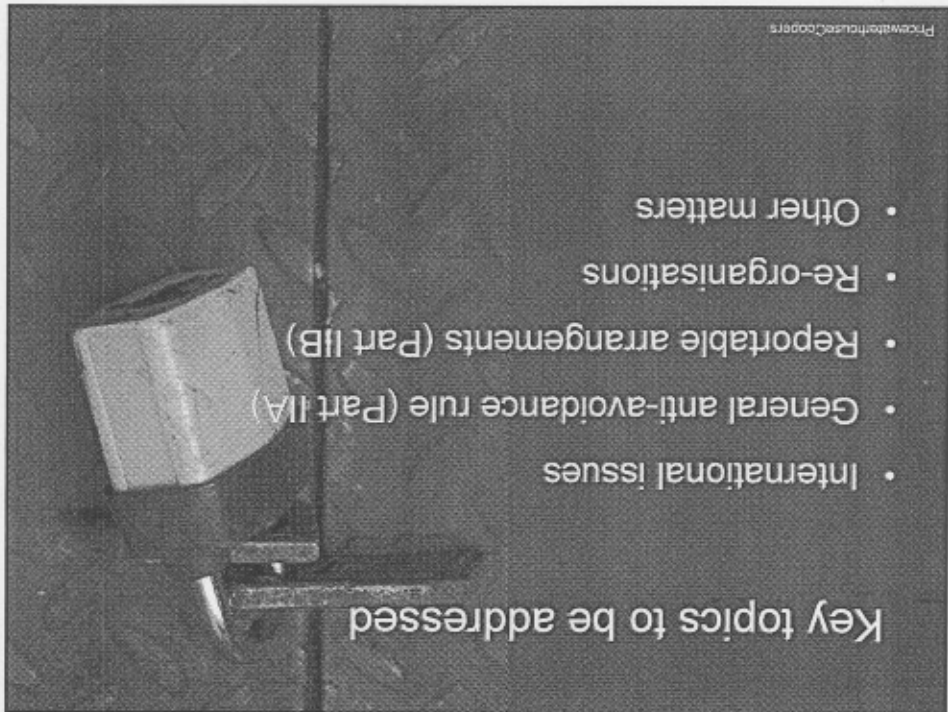
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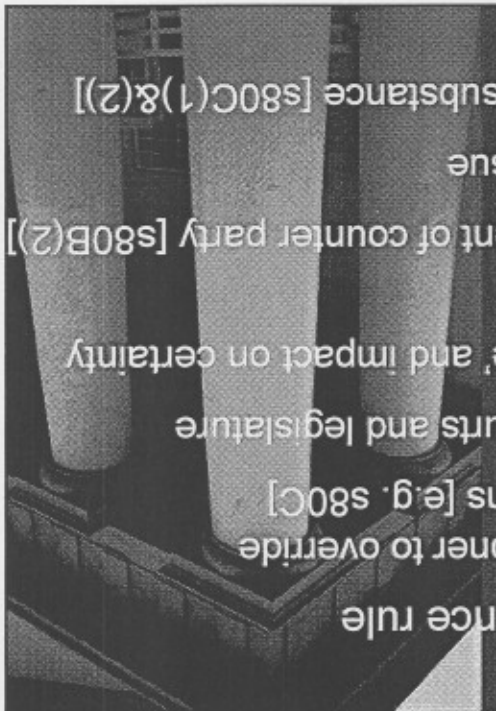
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Reportable arrangements

- Reference to indicators of lack of commercial substance [s80M(1)(b)]
- Penalty to be subject to objection and appeal [needed in s3 re s80S]



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General anti-avoidance rule

- Power of Commissioner to override legislative exemptions [e.g. s80C]
- Override of courts and legislature
- Meaning of 'frustrate' and impact on certainty [s80A(c)(ii)]
- Mandatory adjustment of counter party [s80B(2)]
- prescription issue
- Lack of commercial substance [s80C(1)&(2)]
- Timelines [s80J(2)]

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Other matters

- Mining rehabilitation trusts and disposals of mines [s37A]
- Bursary limits – s10(1)(q)
- Distributions of capital by foreign trusts – s25B(2A)
- Donations to government [s18A]
- Effective dates

Re-organisations

CIS

- Impossibility of application
- Inappropriate taxation [e.g. s42(7) & para. 61]
- DFIHC and FFIHC tests [s41(1)]
- Not appropriate in group scenarios
- Proviso precedence
- Short-term exclusion