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NEWSLETTER

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IN THIS ISSUE

With unity and pride still ringing in our hearts after bringing the Webb Ellis Cup home from France, 2023 winds down as we experience a feeling of relief mixed with Ox-powered jubilation.

South Africans are well known for their resilience, ubuntu, and tongue-in-cheek sense of humor, the Rugby World Cup certainly brought the best of these traits to the fore.

With social media keeping us on the button when it came to the drama both on and off the rugby pitch, fans did not miss the opportunity to get involved. We offered advice to the refs, voiced our opinions, shouted our support, and transitioned the goings-on into a string of memes in a way that only Bok supporters could do.

When it comes to business, the fast-paced digital environment of instant access to emails, messages, and opportunities, can feel exhilarating but sometimes a little exhausting. There is no more waiting for a fax to slowly drip through (and gracefully fade a while later), no watching the internet attempting to connect for the umpteenth time, and no delaying matters until we return to the office.

Like Faf we are constantly on the ball, connecting, intercepting, and repeatedly running toward the try line, as we chase the bonus points. Trying to do the best we can in business and at home. Putting our bodies on the line to be the difference, tackling all obstacles, we scrum against the opposition and continually push forward. Then just as Siya and the rest of the Bokke must, when the final whistle blows and the season ends, we celebrate our wins and losses, taking what we have learned into the next round.

As we consider decorating the Christmas Tree in green and gold this year and perhaps replacing the reindeer with Springboks, we may find ourselves holding our loved ones just a little bit tighter over these festive holidays, as we absorb the joy of the moment and take a well-deserved rest before running like Cheslin Kolbe into 2024.

Best Wishes from Roland Shaleen and the Accumulo Team

Our Accumulo Consulting 2024 Tent Calendars are Now Available
We will be distributing them out over the next couple of weeks.

THE RISKY NEW TRUST LANDSCAPE – WHAT TRUSTEES NEED TO DO NOW
Source: TGS South Africa

"The common assumption is that trusts are some kind of tax panacea…Then, conversely, from a South African Revenue Service (SARS) perspective, trusts are viewed with a degree of suspicion and mistrust. [T]he truth lies somewhere between these positions." (Broomberg on Tax Strategy)

The legal and tax landscape in which South African trusts operate has changed substantially over the last few months, thanks to changes to the Trust Property Control Act ("Trust Act") and the Financial Intelligence Centre Act ("FICA") by the General Laws (Anti Money-Laundering and Combating Terrorism Financing) Amendment Act, as well as new rules and requirements from SARS. These changes impose new duties on trustees, and apply to all trustees, not only independent trustees.

1. Disclosure to Accountable Institutions you engage with, and record-keeping
Changes to the Trust Act impose two specific new requirements on trusts to combat money laundering and crime-financed terrorism, and failure to comply is an offense. If convicted, trustees face a fine of up to R10 million, or imprisonment for a period of up to five years, or both. These requirements became effective on 1 April 2023, leaving most trustees already non-compliant. The first new requirement is that a trustee must disclose to any "accountable institution" (see here for the full list of what comprises an accountable institution, but the definition includes banks, attorneys, estate agents, long term insurers and brokers, trust companies and the like) that he/she engages with it in his/her capacity as a trustee, and that the relevant transaction or business relationship relates to trust property. The trustee must also record the details of the accountable institution the trust is engaging with.

2. Compiling and registering beneficial ownership
The second requirement imposed by the changes to the Trust Act is to establish and record the beneficial ownership information of a trust; to keep an up-to-date record of this information; and to lodge a register of the beneficial ownership information prescribed with the Master of the High Court. This second requirement recently doubled, as SARS issued notice that trusts will now also be required to submit beneficial ownership details when completing a trust tax return, among a number of other tax changes affecting trusts, as discussed below.

3. Filing third-party returns – the IT3(t)
A further onerous obligation was imposed by SARS: Most trusts are now also required to file third-party returns, in the same way banks report interest income and medical aids report medical aid tax information to SARS, which it uses to, for example, pre-populate tax returns. While trust distributions were not previously reported to SARS by third parties, the new requirements oblige trusts to file third-party returns to SARS to declare distributions and vesting amounts to beneficiaries.

This must be done via an IT3(t) report which contains prescribed information relating to trust distributions and their beneficiaries and requires trusts to report on demographic information of the trust, demographic information of trust persons/beneficiaries, trust financial flows, and any amounts vested in a beneficiary, including net income, capital gains and capital amounts. The ITR3(t) must be submitted by 31 May of each year. The first submission will be for the 2024 year of assessment, with the first ITR3(t) due by 31 May 2024. This is the same as the due date for IT3(b) and IT3(c) returns for trusts, which report interest, dividends, and capital gains or losses to SARS, and will certainly present practical difficulties in meeting the deadlines.

4. Completing more probing trust tax returns
With the trust filing season now open, SARS has also reminded trustees that ALL trusts are required to register for income tax purposes and that the representative taxpayer – most often the trustee/s – must submit a trust return. SARS also recently introduced changes to the Income Tax Return for Trusts (ITR12T) with additional questions, and more mandatory supporting documents.

As mentioned, SARS has added a Beneficial Ownership Declaration page to the trust return to record all beneficial owners, and has indicated this information will be reconciled with the information reported to the Master's Office to identify any discrepancies. The changes also include additional questions to determine if any local or foreign amount(s) were vested in the trust as a beneficiary of another trust, or deemed to have accrued; and the number of trusts from where these amounts were received. In addition, beneficiaries and donors (where deeming provisions apply) of a trust must declare their income that was vested in a beneficiary by the trust during the year of assessment in their income tax returns. A range of mandatory and supporting documents must be submitted with the ITR12T. Depending on the trust type, this includes the Trust Deed and Letters of Authority, details of the 'Main' Trustee who is the registered representative to SARS; Annual Financial Statements, confirmation of banking details, and resolutions/ minutes of trustee meetings that document significant decisions and actions taken by the trustees.

5. Registering as an "accountable institution"
Due to amendments to FICA, trustees, trust accountants and trust administrators may – in certain instances – have to register as "accountable institutions" with the Financial Intelligence Centre (FIC). See the link and comments in paragraph 1 above for the full definition of "accountable institution" but, if in any doubt, be sure to confirm with your accountant whether you need to register as an "accountable institution" in terms of the new rules, and to obtain assistance in doing so where required.

Professional assistance strongly recommended. Given all these new laws and requirements, the complexity of the processes necessary to comply, the impossible deadlines – some of which have already passed – and the hefty penalties involved, if you are a trustee you should urgently seek assistance from your accountant to ensure you can successfully navigate this new trust landscape.

SARS - Big Changes to International Transfers
Source: businesstech.co.za

The South African Revenue Service (SARS) has made substantial changes for those looking to transfer money out of the country.
According to Lovemore Ndlovu from Tax Consulting SA, in April, SARS updated its Tax Compliance Status (TCS) process, which mainly looks at the approvals that individuals needed when transferring funds out of South Africa.

The taxman has now made further changes to the system, effective 30 October.

A tax resident looking to transfer more than R1 million in a calendar year will need a TCS pin from SARS under the category "Approval International Transfer" ("AIT"). Non-residents will require an AIT approval for all capital remitted.
In the past, taxpayers would require TCS approval from SARS based on emigration or through their Foreign Investment Allowance.

In April, these application types were subsumed into the AIT TCS process, demanding taxpayers to explain their tax residency status as well as any major new information requirements, such as a disclosure of a taxpayer's local and foreign assets and liabilities to SARS.

On 30 October, SARS said that it changed the AIT TCS PIN process after engagements with stakeholders, with the tax collector stating that new changes will improve the efficiency and accuracy of the AIT TCS PIN process.

The changes

In the previous system, a taxpayer's foreign assets and liabilities were a compulsory part of the application to SARS.
"However, it remained in question whether SARS was entitled to request such information in cases where the taxpayer was already a non-resident for a period of time," Ndlovu said.

In the new system, all fields under the "Foreign Assets and Liabilities Details" are optional, depending on when the taxpayer ceased their South African tax residency.

As per the new guide, this will apply to South Africans who ended their tax residency in South Africa five years prior to the implementation of the AIT TCS PIN application.

In addition, when a taxpayer has received AIT approval, the associated document (PIN) will show the residency status under which the application was approved, which SARS said will ensure transparency and accountability.

Moreover, when an AIT TCS PIN approval is granted, the authorised dealer (such as a bank) has to ensure that the taxpayer has permission to make the international payment – this can be done through verifying the AIT TCS PIN or e-Filing.

"With this in mind, one of the new changes made to the AIT process is the addition of an "Amount" column added to the TCS verification dashboard. According to SARS, this enables AIT TCS PIN approvers and reviewers to view the total value of the international transfer per the AIT TCS PIN application made, including in cases where the application has not yet been approved," Ndlovu said.

This creates a more thorough view of the financial data associated with the AIT TCS PIN application, allowing for better decisions to be made.

SARS has also amended the AIT TCS PIN application process to replace the "Net Worth" field with the "Net Amount" under the "Assets and Liabilities Details" section in the application form.
"This appears to provide a clearer understanding of the information being requested, as it is not accurate to classify one's net worth based on the cost value of their assets," Ndlovu added.
The "Trust No." and "Passport No. of Main Trustee/ Representative Taxpayer of the Trust" fields in the "Local and Foreign Trust Details" section and the Local and Foreign Loan to a Trust Details" section have also been made optional. This will make it simpler for those involved in foreign trusts.

The "Trust No." field in "Distribution from Trust Additional Details" section is also now optional when "Foreign Trust" is specified, allowing for greater flexibility when dealing with foreign trusts.
Finally, the "Share code" and "Number of shares sold" fields have been disabled where "Listed Shares" is selected as the source of the transfer in the "Sale of Shares and Other Securities Details" section.

"One would agree that the latest adjustments made by SARS demonstrate a proactive approach to addressing stakeholder feedback and ensuring a more user-friendly and robust TCS approval system," Ndlovu said.

"However, the level of detail required by SARS in AIT TCS PIN applications still begs unwavering accuracy in the disclosures made, especially given the criminal implications which underpin false declarations made (whether intentional or negligent), for both taxpayers and tax practitioners alike."

POPIA DISHES OUT R5 MILLION FINE

NEASA Media Department

The Information Regulator recently issued a R5 million administrative fine to the Department of Justice and Constitutional Development for non-compliance with the Protection of Personal Information Act (POPIA).

This serves as a stark reminder that businesses, as responsible parties, need to ensure that they are complying with the provisions of the Act in all of their information processing activities. The Information Regulator received 895 complaints relating to alleged violation of POPIA during the 2022/23 financial year.

A fine for POPIA contravention can reach up to R10 million, whilst imprisonment for up to 10 years can also be imposed. When the Regulator has to determine the appropriate fine for contravention of any POPIA provisions, it considers a variety of factors including but not limited to the likelihood of substantial damage or distress, including injury to feelings or anxiety suffered by data subjects, and any failure to carry out a risk assessment or a failure to operate good policies, procedures and practices to protect personal information.

Unfortunately, a contravention of POPIA can occur extremely quickly and without intent or malice on the side of the responsible party. Mitigating steps taken afterwards by the responsible party will not reduce the fine issued by the Regulator.

What is important, is that businesses should not just ensure that they are compliant with the requirements of POPIA, or hope that there never occurs an event which leads to damage, loss or unauthorised access to information under their control, but also that they are compliant with the requirements of POPIA during the course of their business. The Regulator does not have to await a complaint to launch an investigation.

If the Regulator can issue fines accumulating into millions of rands for the state coffers for mere infractions of POPIA, businesses must be wary of its strong incentive to do so.

Purpose of Act (https://popia.co.za/)
The purpose of this Act is to —
give effect to the constitutional right to privacy, by safeguarding personal information when processed by a responsible party, subject to justifiable limitations that are aimed at:

- balancing the right to privacy against other rights, particularly the right of access to information; and
- protecting important interests, including the free flow of information within the Republic and across international borders;
- regulate the manner in which personal information may be processed, by establishing conditions, in harmony with international standards, that prescribe the minimum threshold requirements for the lawful processing of personal information;
- provide persons with rights and remedies to protect their personal information from processing that is not in accordance with this Act; and
- establish voluntary and compulsory measures, including the establishment of an Information Regulator, to ensure respect for and to promote, enforce and fulfil the rights protected by this Act.

CEO vs CFO vs COO

Nicolas Boucher

What are the difference in their roles?

Knowing what the management does is going to help you in your career.

1. Their Main Leadership Roles
CEO leads the company
CFO manages finances
COO oversees the day-to-day operations.

2. On Strategic Vision
CEO drives strategy, growth, and innovation
CFO ensures stability and establishes discipline
COO implements the strategic initiatives

3. What Are Their Stakeholder Relations?
CEO represents the company to stakeholders and is the public face
CFO reports financials to the board and shareholders
COO liaises between different departments to ensure smooth execution

4. Their impact on Company's Values & Benchmarks
CEO sets corporate values
CFO sets financial benchmarks
COO ensures operational processes align with these values

5. Their Role in the Market Strategy
CEO drives global expansion
CFO optimizes existing markets
COO manages operational aspects of market penetration

6. What is their Client Focus?
CEO focuses on client acquisition
CFO focuses on client retention
COO enhances service delivery to facilitate both

7. Their Involvement with Risk Management
CEO sets the company's risk appetite,
CFO manages risk, and COO mitigates operational risks.

8. Their Relation to the Brand
CEO develops the brand
CFO tracks the performance
COO optimizes operational efficiency to uphold the brand promise

9. Their Role on Investments
CEO determines investment strategy
CFO manages investment portfolios
COO allocates resources to meet strategic objectives.

10. Their Involvement in the Product Lifecycle
CEO drives product development
CFO monitors product profitability
COO coordinates product manufacturing and delivery

South Africa's new pension system – 'the lesser of two evils'

Source: businesstech.co.za

Although there are some concerns about South Africa's new Two-Pot retirement system, it is still better than the current system in use.

The new Two-Pot system will come into effect on 1 March 2024 and allow for up to one-third of all retirement savings to be withdrawn before retirement, whilst the remaining minimum two-thirds can only be accessed at retirement age.

Although this is well-intentioned, as it will provide an emergency fund, there are concerns that it will defeat the point of a pension fund.

"This system will likely amplify the existing culture of short-termism, where individuals prioritise present needs over future financial security," said Michelle Acton, Retirement Reform Executive at Old Mutual

"South Africans are expected to dip into those accessible pots in significant numbers, accessing up to one-third of their available future retirement savings post the 1 March effective date."

However, the new Two-Pot system also counters the biggest problem of the current system – the ability to access one's entire pension savings.

Currently, a pension fund will allow a member to cash out completely when changing jobs, whereas most use all of their savings and have to start all over again whilst also losing out on compound interest that builds over time.

According to the National Treasury, only 6% of South Africans expect to have a comfortable retirement.

"The Two-Pot's short-term access is the lesser of the two evils. At the very least, it solves one problem: more South Africans can retire better," Acton said.

Immediate relief

Considering the challenging economic environment, the Two-Pot system's initial sending of 10% capped at R25,000 from the existing pension fund into the savings pot offers a welcome respite.

"Yet, it is essential to recognise that this injection, while providing momentary relief, should not be misconstrued as a panacea for all financial ills. Instead, it is a stepping stone toward a more secure financial future based on prudent financial planning and saving," Acton added.

"Critics might question the Two-Pot Retirement System's efficacy in ensuring short-term relief and long-term prosperity."

"But this system does not pretend to be the silver bullet to today's current woes. Instead, it seeks to establish a foundation upon which future financial security can be built. It is not merely about granting access but cultivating a sense of responsibility over one's financial journey."

Acton added that this new system will likely force members to play a far more active role with their retirement savings.

Members WILL have to reach out more often to figure out how much they can access from their savings Pot whilst also being aware of how much their savings have grown yearly.

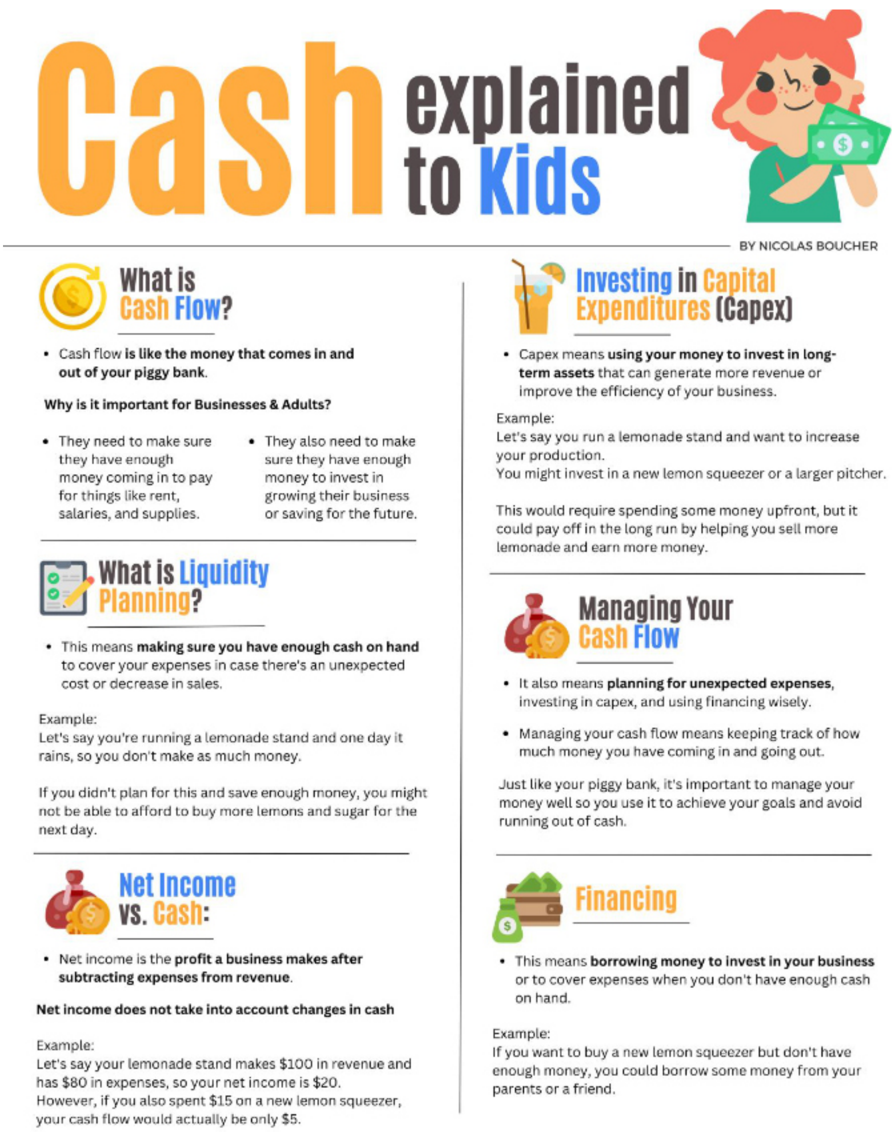
Tips to help encourage your kids to be financially aware.

When Shopping with kids get them to help by letting them:

- Check the price of items you are purchasing
- Find specials on the shelves and in the newspaper they give you with them on.
- Compare prices and make decisions on which item to choose based not only on the price but also value-for-money and quality
- Give them a separate budget eg:R100 to buy snacks with. This way they get to choose what they want within the budget, see how to get the most bang for their buck, take notice of how much items cost and use their maths skills.

When at Home you can:

- Take them with to open their own bank account for any pocket or birthday money they receive. Banks offer interest free accounts to minors plus some banks even offer an additional savings account option.
- Let them earn small amounts of extra cash by doing chores.
- Let them resell their old textbooks, video games or toys and keep the profit.
- Have discussions about budgeting. Parents could benefit from their kids understanding that they do not have unlimited funds and what the family expenses and priorities are eg:school fees, a family holiday etc.



Office Décor Ideas to Increase Productivity

Adapted. For full article visit https://www.mydomaine.com/work-office-decor-ideas

Start With Ergonomics

Before getting into the specifics of your office décor, you'll want to start by laying out a functioning workspace. "Start with great working ergonomics," Alison Davin of Jute Home suggests, noting to take different working styles and office requirements into account.

Opt for Large Surfaces

Similar to taking each individual's needs into account, consider incorporating large surfaces that can be multi-functional. Create different workstations that suit your staff's personality and day-to-day logistical needs. Sometimes simple observation will be all you need, or you can try interviewing your staff about what a perfect environment means to them.

Declutter Your Space

"Good office feng shui starts with decluttering," Davin says. We may live in the digital age where it's easy to acquire more file storage on our cloud accounts, but real-world clutter isn't so simple. While it's inevitable, you'll do yourself (and your productivity) a favor by creating a clean space that inspires you to start the workday. Carve out space for digital storage devices and the working basics (pens, pencils, printing paper, notepads, dry-erase boards, easels, or important files).

Incorporate Living Plants

A foolproof way to make an office feel inviting is to style it with plenty of living plants. Plants bring the outdoors in, invite a natural coziness to a space, and even clean the air. Oversized species can make a statement in your design, or small desk plants for each team member can create a cohesive look across the office.

QUICK TIP

Arranging books by title or author may seem most functional, but in a workplace, it can actually be more efficient to arrange your collection in sections by topic.

QUICK TIP

Since many different people work in offices together, opt for air-cleaning species of plants that freshen the space by fighting bacteria and other toxins

Design Communal Areas

When it comes to creating a functional workplace, it's also important to make sure you design spaces for people to gather. Creating communal areas encourages your team to spend time bouncing ideas off one another, getting to know their coworkers, and socializing about projects. Opt for an extended table with plenty of seating, and give it a stylish flair to make those lunches and long meetings more inviting.

Use Repurposed Furniture

According to Davin, a clever office designer's trick is to repurpose pieces you already own for storage. For example, turn a dresser into a filing cabinet, add bins and baskets to fill empty shelves, or use old dining chairs to serve as seating for guests. Create built-in closets with plenty of shelving to keep clutter out of sight and organized. Here, function and design intersect as a sense of home and personal style meet inside a warm wood desk.

Energize Your Lighting

Bad lighting is a catalyst for feeling sleepy and drained. Traditional fluorescent office lights feel more stale than inviting, so incorporate new lights for a boost of energy. Pepper your office with lamps (big or small, standing or table) for a nice sense of relaxation and comfort. "Table lamps instead of task lighting are a great way to make a desk feel warm," says Mazzarini. Plus, a beautiful table lamp can be the perfect statement piece on a simple desk.

Style With Unique Décor

Giving your office a unique flair of personality can make it feel more dynamic and playful. Opt for affordable art pieces to illuminate your space, or style a few mirrors to bounce light around the room. "Small mirrors placed in a series or grouping can be a creative and attractive display," says Hobbs. Mirrors, wallpaper, and pieces of wall art can complete each room

Looking Back
A Busy Second Half of 2023

Helping one of the local school feeding schemes

Accumulo Consulting seen in Potchefstroom the Milieland Bowls Tournament

Shining bright and sharing the warmth during winter at our local sports facility

Let it Snow, Let it Snow, Let it Snow!
A rare occurrence in Jozi

Supporting our South African Ladies Soccer team.
Banyana Banyana!

Accumulo Consulting Spring Breakfast 2023 was abuzz with colourful hats and dresses, delicious food and a lot of smiles


Secretarial
Services
Internal Accounts
Payroll
Financials & Audit
Individual & Corporate Tax
Bookkeeping
WE WISH YOU
a very
MERRY
CHRISTMAS
AND
Happy New Year
ACCUMULO
CONSULTING