



Chantel Elliott & Co

CHARTERED ACCOUNTANTS (SA)

30 March 2020

Dear Valued Client and Friend

As part of the fiscal package outlined by President Cyril Ramaphosa on the 23rd of March 2020 in his speech on the Escalation of Measures to Combat COVID-19, The Minister of Finance announced the following exceptional tax measures:

- The introduction of a tax subsidy to employers of up to R500 per month for the next four months for those private sector employees earning below R6,500 under the Employment Tax Incentive. This will help over 4 million workers;
- The South African Revenue Service to accelerate the payment of employment tax incentive reimbursements from twice a year to monthly to get cash into the hands of compliant employers as soon as possible;
- Tax compliant businesses with a turnover of R50 million or less will be allowed to delay 20% of their employees' tax liabilities over the next four months and a portion of their provisional corporate income tax payments without penalties or interest over the next six months. This intervention is expected to assist 75 000 small and medium term enterprises.

These tax measures are over and above the tax proposals made in the 2020 Budget on the 26 February 2020.

Yesterday the National Treasury and SARS published draft explanatory notes detailing the COVID-19 tax measures as well as the circumstances under which they will apply. These measures will take effect from the 1st of April 2020 and have been attached for your ease of reference.

National Treasury will also with the Commissioner of SARS be considering additional exceptional adjustments to assist with COVID-19 relief, which Chantel Elliott & Co will convey to you as soon as Government has released the specifics.

There is and will be a severe liquidity consequences arising from the COVID-19 Pandemic. Over this lockdown period we advise you, our valued client and friend, to:

- Collect funds from your debtors as much as you can.
- Ensure your Annual Financial Statements and management accounts are up to date, enabling you to apply for additional finance facilities from financial institutions as well as Government relief.

We as your accountant are at this time a pivotal service to you and we will assist you in every way we can during and after this lockdown period.

Please contact us should you have any queries or require assistance, our staff are available to receive your emails and calls during this lockdown period.

Kindest regards

Chantel Elliott



CA(SA)
CHARTERED ACCOUNTANT
SOUTH AFRICA
responsible leadership

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