

COMPENSATION FUND

COVID Amendment Act Chapter VIIA



employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA

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Vision, Mission & Values

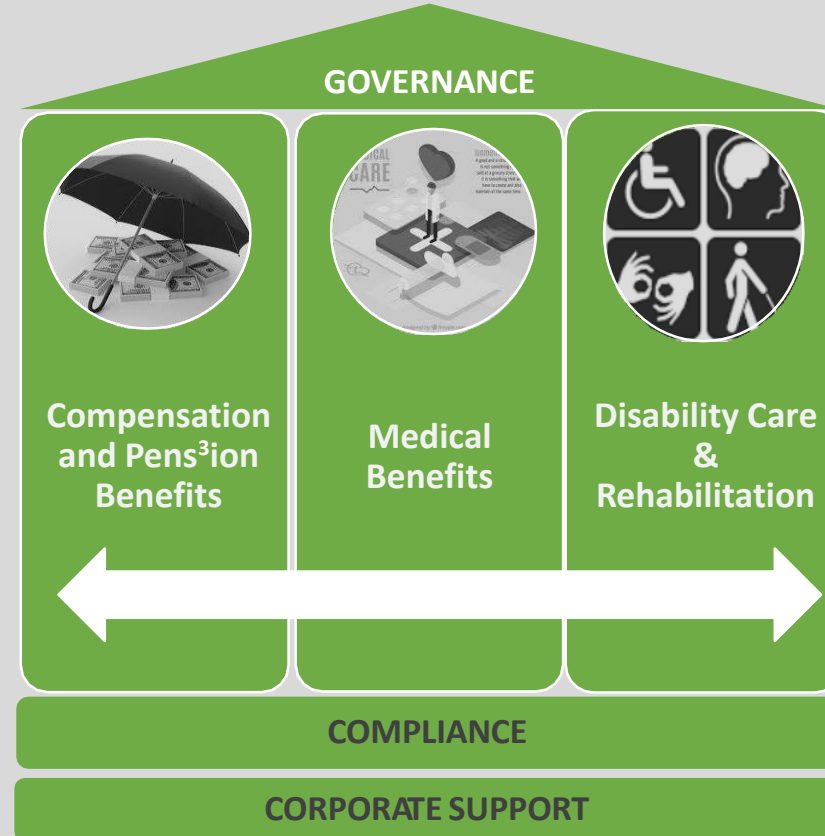
Respect | Excellence | Sinobuntu | Pride
| Integrity | Client-Centric

Vision

•To be a world class provider of sustainable compensation for occupational injuries and diseases, including rehabilitation and reintegration services.

Mission

- To provide efficient, quality, client-centric and accessible COID services.
- To sustain financial viability.
- To be an organisation which takes care of the needs of its staff for effective service delivery.





Rehabilitation, Reintegration and Return-to-Work



Rehabilitation, Re-integration and Return-to- Work Chapter VII

- ✓ In order to address amongst the tendency on part of some employers to dismiss employees on the basis of occupational injuries and or diseases, the new chapter seeks to introduce the concept of multi-disciplinary based process of rehabilitation and reintegration of injured or employees who contracted occupational diseases. This means an employer will have to exhaust all rehabilitation and reintegration processes before laying off an employee.

Rehabilitation, Re-integration and Return-to-Work

- A significant lever to deliver greater social value to injured workers, their dependents and the dependents of the fatally injured workers
- It is empowered by the recently passed **COID Amendment Act Chapter VIIA, Employment Equity Act: Code of Good Practice on Employment of Person with Disabilities, ILO Convention 159 Vocational Rehabilitation** and the expanded mandate of the Department of **Employment** and Labour.



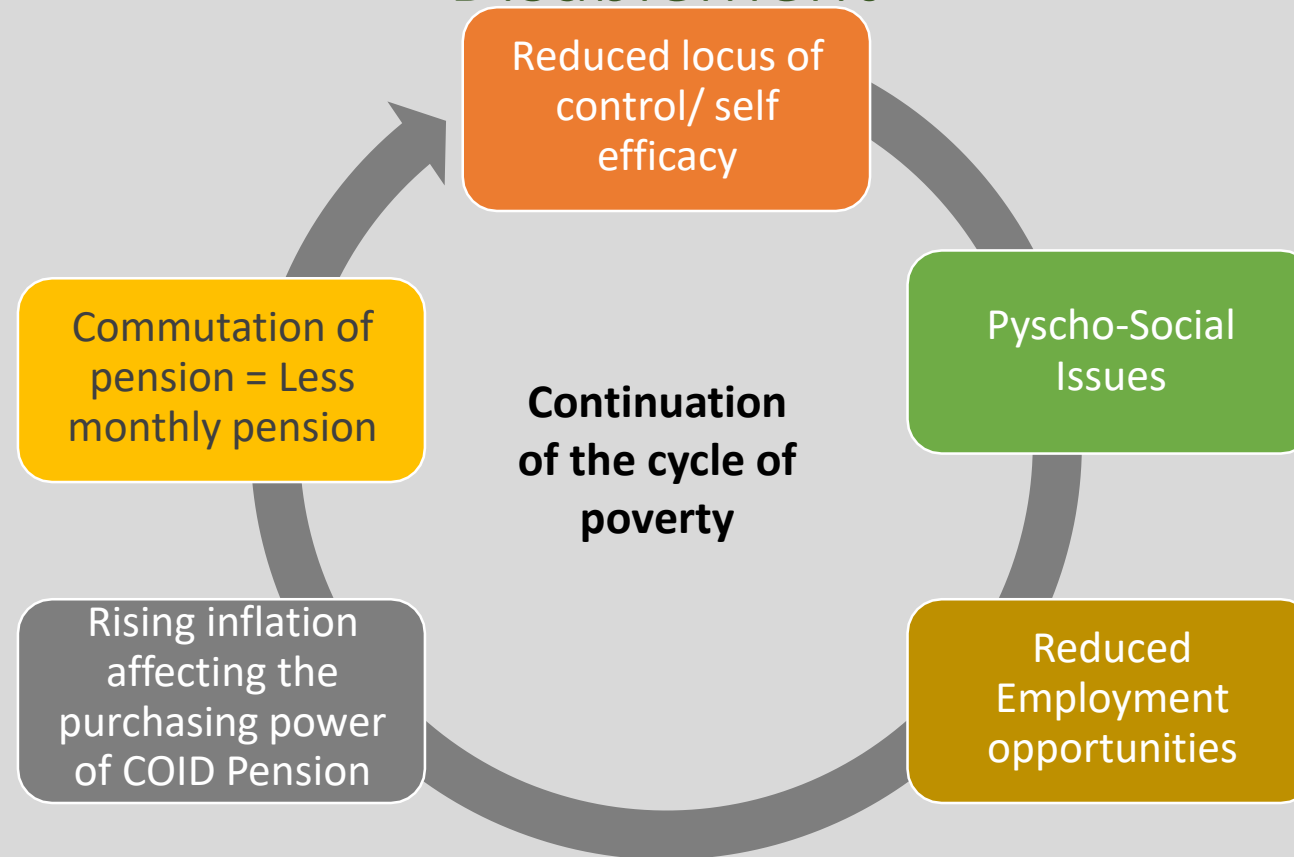


Pension Commencement, Rehabilitation, Reopening of Claims and Medical Expenses

SECTION 70A: Rehabilitation and re-integration

- Provides for clinical, vocational and social rehabilitation

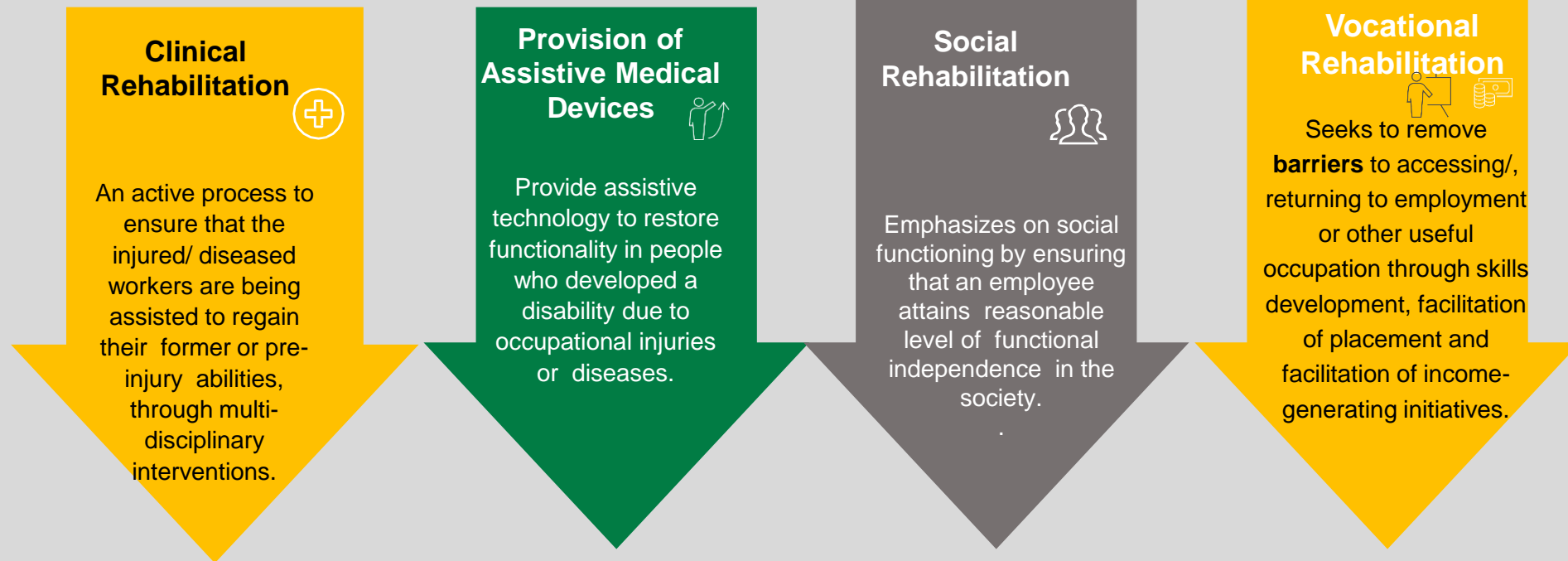
Life of a worker post an occupational injury and/or disease which resulted in Permanent Disablement



THE SOLUTION

Rehabilitation, Re-integration and Return-to-Work Programme

Case Management



SUSTAINABLE DEVELOPMENT GOALS



Thank You...

Vumile.Mofana@labour.gov.za
Matshidiso.Rauleka@labour.gov.za



employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA



COMPENSATION FUND

EMPLOYER SERVICES

July 2023



employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA



LEGISLATIVE MANDATE AND MISSION

Constitutional Mandate:

Mandate of the Compensation Fund is derived from Section 27(1)(c) – All South Africans have a right to social security

Legislative Mandate:

Compensation for Occupational Injuries and Diseases Act no. 130/ 1993 as amended by the COIDA 61/1997

Mission:

- To provide efficient, quality, client – centric and accessible COID services.
- To sustain financial viability.
- To ensure an organisation which takes care of the needs of its staff for effective service delivery.



NEW DEVELOPMENT

- CF-Filing replaced by ROE-Online.
- Umehluko replaced CompEasy.
- ROE submission date from 01 April 2023-30 May 2023. (Gazette)
- New Employer Compliance unit.
- Look out for the Government Gazette.
- New Nature of Business (Domestic Worker)
- New Assessment Model (Reduced sub-class from 103 to 13).
- Appointed 3 Services Providers to verify the Earnings, Nature of Business and The 1st Employee employee by the Employers.
- Look out for Regulations on New Amendment COID Act.
- Employer Audit blocks from 30% to 50% due to covid-19 and lockdown.



DEFINITIONS

Employer :

Any person, including the State, who employs one or more employees

Exempted employer:

An employer exempted in terms of Section 84:

- ❖ National & Provincial spheres of government
- ❖ 9 Municipalities (certification of exemption)

No assessments are raised for exempted employers. An annual administration cost in terms of section 88 is payable to CF according to the claims submitted.

DEFINITIONS

Employee:-

A person who has entered into or works under a contract of service or apprenticeship or learner ship with an employer, whether the contract is expressed or implied, orally or in writing and whether the remuneration is calculated by time or by work done or is in cash or in kind, and includes;

- ❖ A casual employee employed for the purpose of the employer's business
- ❖ A director or a member of a body corporate who has entered into a contract of service with the body corporate in so far as he acts within the scope of his employment in terms of such contract
- ❖ A person provided by a labour broker against payment to a client,
- ❖ Including domestic workers, gardeners (of private households), sole owner...

MUTUAL ASSOCIATIONS

- **Existence:**
 - ❖ Two mutual associations operates under a licence issued by Minister of Labour for specific period (renewable after a 3 year period)
 - ❖ Employers in specific classes may transfer to mutual associations and their subclass will be changed to RAND/ FEMA and their assessments will be processed and paid to the relevant mutual associations.
- **Rand Mutual Assurance Company Ltd (Rand Mutual)**
 - Class 4 (mining industry) - Optional
 - Class 13(iron and steel industry)
- **Federated Employers Mutual Assurance (FEM)**
 - Class 5 (Building and construction) - Optional

OBLIGATIONS OF AN EMPLOYER

Important COID Sections 80 to 89

- ❖ Register as an employer with the Compensation Fund (Sec 80)
- ❖ Keep records of employee's earnings (Sec 81)
- ❖ Furnish annual Return of Earnings (Sec 82) – W.As.8.)
- ❖ Assessment for employers (Sec 83)
- ❖ Exempted employers (Sec 84 – read with Sec's 31 and Sec 88)
- ❖ Variation of tariff of assessments (Sec 85)
- ❖ Payment of assessments (Sec 86)
- ❖ Penalties for non-payment of assessments (Sec 87)
- ❖ Contributions by employers individually liable and mutual associations (Sec 88)
- ❖ Mandators and contractors (Sec 89)

CONTRACTORS AND SUB- CONTRACTORS

- Contractor or sub-contractors to register with the Fund and pay assessment.
- Failure to comply with the COID Act by the sub-contractor will make the mandator or contractor to be responsible for any claims from the sub-contractor's employees
- The contractor may recover such payments direct from the sub contractor

EMPLOYER ASSESSMENT MODEL

EMPLOYER ASSESSMENT MODEL

- Reduction of Classes to 13 including Households (Private Domestic Employer)
- Tariff changes to be phased in over 5 years, through use of reductions and loadings
- Improve efficiency in the allocation of the subclasses
- Implemented date was on 01 April 2021

PREVIOUS EMPLOYER ASSESSMENT

- Currently, 23 classes and 102 industrial subclasses
- Complicated and resource intensive
- Resulting in:
 - Increased litigations and complaints from employers
 - Increased fraudulent activity
 - Assessment Collection Inefficiencies

Compensation Fund Business Model

Collect revenue

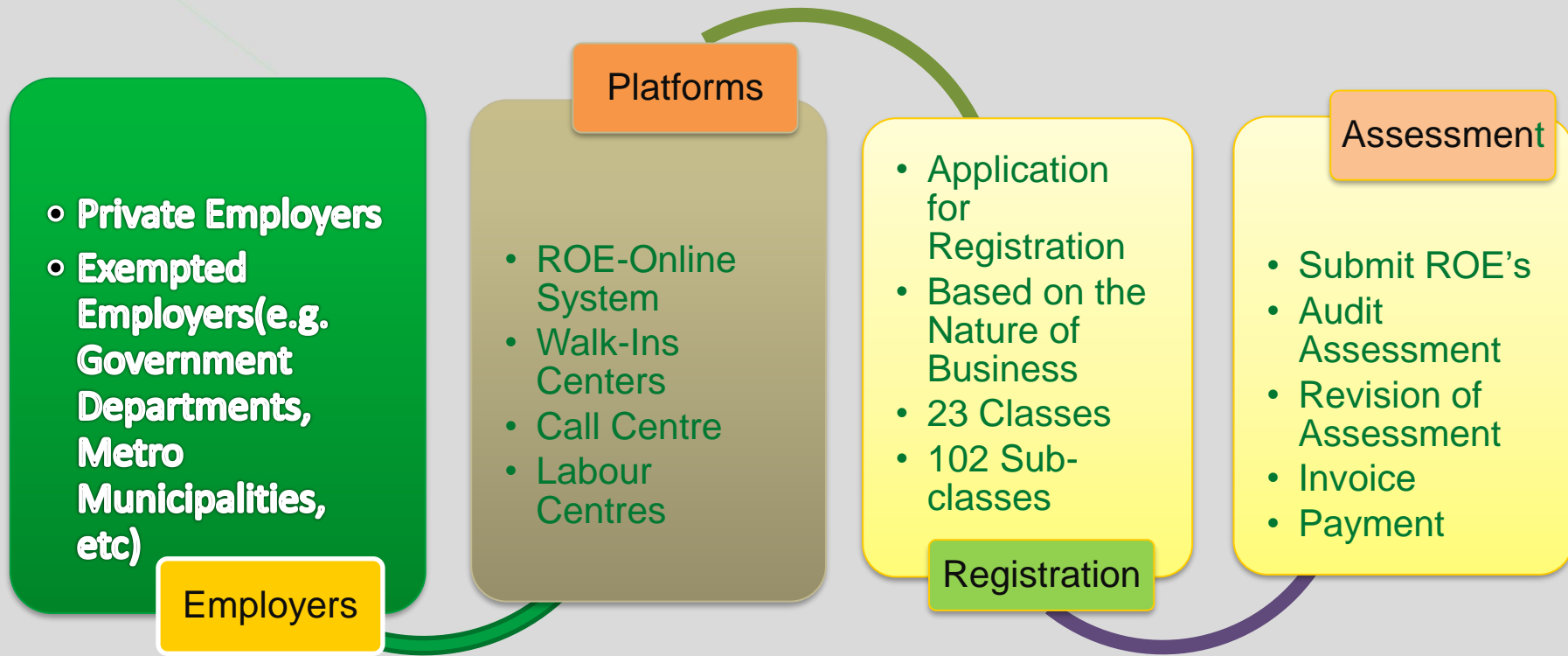
- Registration of employers
- Return of Earnings (ROE)
- Assessment tariff for sub-class
- S85 (1) Reductions and S85 (2) Loading
- Revenue Collection
- Debt collection

Pay Compensation

- Temporary total disablement
- Permanent disablement (including fatal claims)
- Pension
- Medical aid



VALUE CHAIN RESPONSIBILITIES



VALUE CHAIN BENEFITS

BENEFITS		
EMPLOYER	EMPLOYEES	COMPENSATION FUND
Letter of Good Standing	Insured for occupational injuries and diseases	Revenue Generation
Business insured against litigations	Compensation Fund benefits	Provide effective Social Protection

IT SYSTEM (ONLINE PORTAL)

Online Employer Services platform with the following functions:

- ❖ Registration of Employers(CIPC)
- ❖ Submission of ROE's
- ❖ Retrieve a Letter of Good Standing
- ❖ Verification of letter of Good Standing

Log onto: www.labour.gov.za/OnlineServices/eCOID-CompensationMadeEasy/EmployerRegistrationandROESubmission

cfoffline.labour.gov.za

PAYMENT OF ASSESSMENTS

- ❖ Employers to pay within 30 days of notice of assessment
- ❖ Employers may apply in writing to settle assessments in instalments
- ❖ Instalment period not exceeding 12 months
- ❖ 20% of balance due required upfront for instalment arrangements
- ❖ Should the instalment fall overdue, the full amount becomes due and payable immediately

ASSESSMENT REVISIONS

Assessment is revised under the following conditions:

- Earnings were estimated and employer provide the actuals (within 180 calendar days)
- Penalty on late submission incorrectly charged
- Employer changed the nature of business
- Earnings incorrectly captured by the office
- **NB: Employers can request the revision within 60 days .**

APPLICATION: AUDIT CLEARING AND REVISION PROCESS

Supporting Documents	Application to Clear the Audit	Application for the Revision of Assessment
EMP 501	YES	YES
Annual Financial Statement	YES	YES
A Detailed Payroll Report	YES	YES
Affidavit to explain a reason for variance	YES	NO
CF-2A Return of Earnings Form	YES	YES
CF-2B Application for the Revision Form	NO	YES

FAILURE TO COMPLY

- ❖ Penalty will be imposed for late submission of ROEs (Sec 83(2) - 10%)
- ❖ Estimations will be done if no returns (ROEs) are submitted (Sec 83 (6)(a).
- ❖ Penalty on non-payment of assessments (Sec 87(1) - 10%)
- ❖ Interest on late payment of assessment (prevailing prime rate)
- ❖ A penalty is imposed where an employee meets accident/death and employer is not registered with CF (not exceeding full compensation payable to the employee) (Sec 87 (2)(a))
- ❖ An employer who fails to comply with a provision of this sections shall be guilty of an offence

VALID LETTER OF GOOD STANDING

IMPORTANT NOTICE TO ALL REGISTERED COIDA EMPLOYERS

Please be informed that a Letter of Good Standing is now available online and it can only be issued to employers who meet the following criteria:

1. Employer must be registered with the Fund as per section 80 of the COIDA Act.
2. Employer must have submitted all returns of earnings as per section 82 Of the COIDA Act.
3. Employer must be fully assessed as per section 83 of the COIDA Act.
4. Employer must have paid/ settled all outstanding debt as per section 86 of the COIDA Act.

In the event that employers meet all the criteria set out above, and still experience challenges in accessing the Letter of Good Standing online, please contact our call centre number below. In this case, then the Letter of Good Standing will be available online within 5 working days. Employers that have not yet been assessed by the Compensation Fund will first be assessed, up to the current assessment year, and are expected to pay all assessments in order to meet the criteria set out above.

Letters of good standing will also be issued on a month-to-month basis to employers that have entered into an instalment arrangement. The automation process is also targeting to facilitate the supply chain management process in any organisation to validate the letter of good standing issued by the Compensation Commissioner.

To obtain a Letter of Good Standing log onto: <https://cfonline.labour.gov.za/OnlineSubmissions/12>
To validate your Letter of Good Standing log onto: <https://cfonline.labour.gov.za/VerifyLOGS>

Department of Labour logo

Expiry date

Compensation Commissioner signature

Barcode with Certificate number

Date of Issue

Coat of Arms watermark

Compensation Fund logo

labour
Department of Labour
REPUBLIC OF SOUTH AFRICA

CALL CENTER NO: 0860 105 350
REG NO : 99000384867
FAX NO : 0123456789
ISSUE DATE : 2014-03-20
CERTIFICATE NO : 2012005879

CENDEV ELEKTRIES BK
PO BOX 476
MIDSTREAM ESTATE

LETTER OF GOOD STANDING
COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT 130 OF 1993 (AS AMENDED).
With reference to sections 80, 82, 86 and 89 of Compensation for Occupational Injuries and Diseases Act 130 of 1993 (As amended), I hereby certify that:
CENDEV ELEKTRIES BK
Compensation Fund
Nature of business : ELECTRICAL CONSTRUCTION
Expiry date : 2014-04-30

IMPORTANT NOTICE:
Any fraudulently obtained Letter of Good Standing shall constitute a criminal offence.
The Compensation Commissioner shall institute criminal proceedings against any perpetrators who unlawfully alter or deface this letter with intent to defraud or misrepresent facts contained therein.
<https://cfonline.labour.gov.za/VerifyLOGS>

PLEASE, use the Below link (Website Address) to check if the Letter of Good Standing is valid:
<https://cfonline.labour.gov.za/VerifyLOGS>

Yours faithfully
XARBA
COMPENSATION COMMISSIONER

Compensation Fund
Working for you

For more information call 0860 105 350

The Compensation Fund, working for you!

“If you think compliance is expensive, try
non-compliance”

*by former US Deputy Attorney
General Paul McNulty*

Thank You...



employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA



PRESENTER

**Amanda Botha: Standard
Setter at the ASB**

DISCLAIMER

The views and opinions expressed in this presentation are those of the individual. Official positions of the ASB on accounting matters are determined only after extensive due process and deliberation.

OVERVIEW OF TODAY'S SESSION

- Update on IPSASB projects
- Current ASB projects



UPDATE ON IPSASB PROJECTS

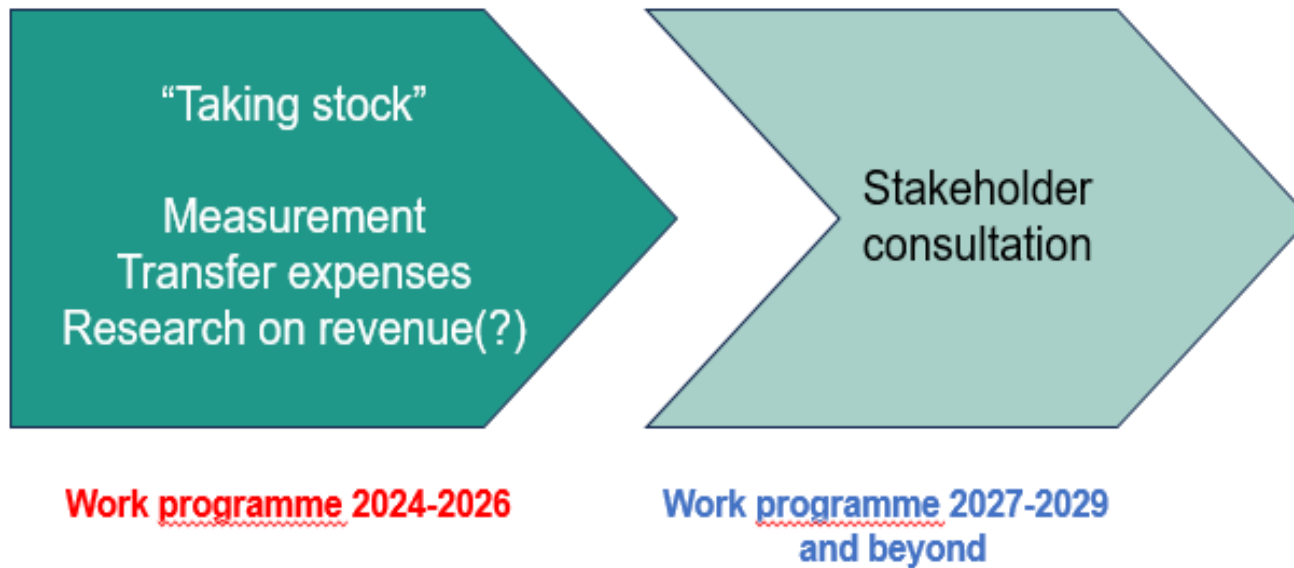
IPSASB PROJECTS

Project	Status
Revenue (1 Jan 2026)	IPSAS 47, replaces IPSAS 9, 11 and IPSAS 23 Aligned with IFRS 15
Transfer expenses (1 Jan 2026)	IPSAS 48
Measurement (1 Jan 2025)	IPSAS 46, aligned with IFRS 13
Conceptual Framework Measurement	Closer alignment with IFRS Conceptual Framework
Leases (1 Jan 2025)	IPSAS 43, aligned with IFRS 16
Property, Plant and Equipment (1 January 2025)	IPSAS 45, replaces IPSAS 17

IPSASB PROJECTS

Project	Status
Non-current Assets Held for Sale and Discontinued Operations (1 Jan 2025)	IPSAS 44, aligned with IFRS 5
Sustainability Reporting	Deal with public sector issues, use IFRS Sustainability Standards as a basis, initial focus will be on climate issues.

IPSASB PROJECTS INCLUDED IN ASB's WORK PROGRAMME





CURRENT ASB PROJECTS

EXPOSURE DRAFTS FOR COMMENT

Project	Background	Next steps
ED 200 Post-implementation Review of GRAP 109 Accounting by Principals and Agents	Consultations are ongoing. The comment deadline is 15 September 2023	The Board will decide next steps based on feedback from the consultation process
ED 204 Proposed amendments to GRAP 105 to GRAP 107 on Transfers of Functions and Mergers	Comparison of IPSAS 40 Public Sector Combinations (and IFRS 3 Business Combinations) with GRAP 105 to GRAP 107	Public consultation completed The Board will decide next steps based on feedback from the consultation process

PROJECTS IN PROGRESS

Project	Background	Next steps
Proposed Standard of GRAP on Social Benefits (likely approved July 2023)	Board reached consensus on the recognition point for a social benefit liability, and that this would differ for types of social benefits.	The Secretariat will discuss a proposed ED with project groups in March and June. The Board will consider the ED for approval in July 2023.
Post-implementation review of GRAP 108 Statutory Receivables	The Secretariat is undertaking the initial steps in the project, which is identifying the key issues in the environment that should be consulted on.	The Board will consider the initial feedback on issues in July 2023. The Exposure Draft will be developed thereafter.

PROJECTS IN PROGRESS

Project	Background	Next steps
GRAP 1 Presentation of Financial Statements (Going concern amendments)	Final amendments to GRAP 1 are available on the ASB website	Submission was made to the Minister of Finance for effective date of 1 April 2025
ED 201 Improvements to the Standards of GRAP, 2022	Minor non-urgent amendments to the Standards of GRAP	Public consultation closed; Board will consider final amendments in September 2023
ED 202 IGRAP on Foreign Currency Transactions and Advance Consideration	IGRAP developed from IFRIC 22 on IAS 21 – The Effects of Changes in Foreign Exchange Rates	Public consultation closed; Board will consider final amendments in September 2023

PROJECTS IN PROGRESS

Project	Background	Next steps
Enhancing the Application of the Standards of GRAP	Project to improve how the Standards of GRAP are applied, and how the information prepared using Standards of GRAP is improved. The project targets both preparers and users of financial statements.	Content will be available on YouTube, and will include topical subjects on assets and how to use the financial statements.

STAY INFORMED

STAY INFORMED

- All information can be accessed on our website www.asb.co.za
- FAQs
- Follow the ASB on LinkedIn, Facebook, Twitter, YouTube
- Subscribe to our Newsletter via our website.
- Translations of the Standards.

STAY INFORMED

- GRAP Updates (for public entities) on YouTube

Contact details

Tel: (011) 697-0660

Fax: (011) 697-0666

Email: info@asb.co.za

Website: www.asb.co.za

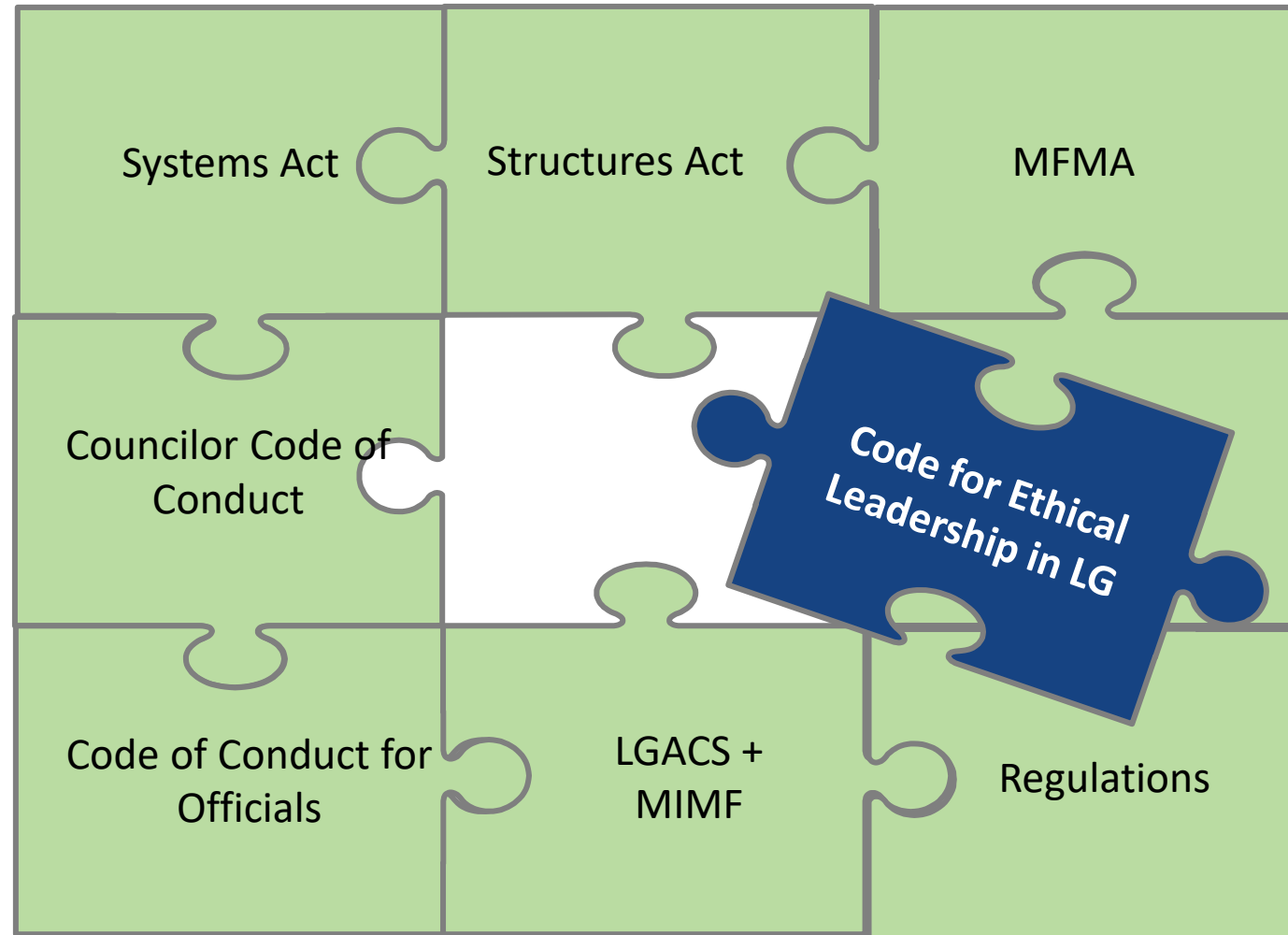




PRESENTER

**Kris Dobie - Senior Manager:
Organisational Ethics
Development at The Ethics
Institute**

Code for Ethical Leadership in Local Government





What makes ethical leadership difficult in LG?

1. Politicization of LG

- Destructive ‘deployment’
- Political interference
- Factionalism
- Lack of skills

2. Lack of councillor competence

3. Impunity / Lack of accountability

4. Criminal capture

- Politics of the stomach
- SCM abuse

Assumptions behind the code

1. One cannot legislate ethical leadership.

- As such this a moral rather than a legal document
- Leaders will either choose to abide by its principles, or they won't.
- The code will be a social compact between leaders and communities.

2. We believe there are enough good leaders who want to do the right thing – even when no one is watching.

3. The Code will be a rallying point for leaders who want to create an ethical and effective municipality

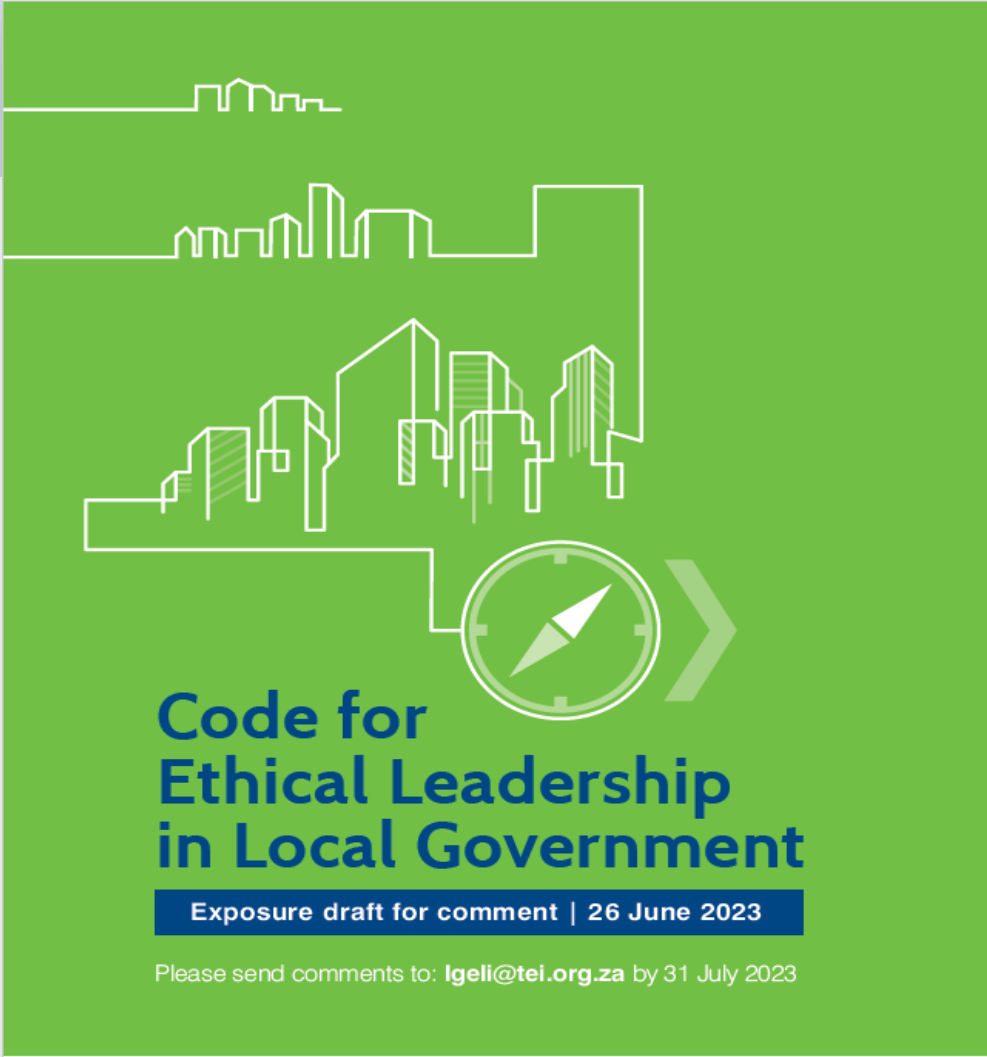
4. It clarifies what needs to be done based on the research

- Spirit
- Outcomes
- Principles – What to avoid and what to instil.

Ethics

Download at:
www.tei.org.za/Igeli

Comment till 31 July 2023




**Code for
Ethical Leadership
in Local Government**


Exposure draft for comment | 26 June 2023


Please send comments to: Igeli@tei.org.za by 31 July 2023

An initiative of The Ethics Institute in partnership with:

THE ETHICS INSTITUTE

 **cooperative governance**
Department: Cooperative Governance
REPUBLIC OF SOUTH AFRICA

 **SALGA**
SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION
Inspiring service delivery

 **rural regeneration movement**

Code for Ethical Municipal Leadership

SPIRIT
OF ETHICAL
MUNICIPAL
LEADERSHIP

- **Putting the community first:**
 - Leading in the long-term sustainable interest of the municipality and all its communities.

OUTCOMES

Ethical
Culture

Well-functioning
municipality

Trust

Code for Ethical Municipal Leadership



PRINCIPLES

An ethical municipal leader:

1. Sets the tone for an ethical culture.
2. Ensures a community-centred approach to governance.
3. Respects the boundary between the political and administrative arms of the municipality.
4. Ensures the appointment of staff who have competence and integrity.
5. Ensures the appropriate level of competence on oversight structures.
6. Deals fairly and decisively with ethics transgressions.
7. Engages respectfully and constructively with other municipal leaders.

Aspirational code

- It's a code for municipal leaders who WANT to be part of the solution.

Local Government **ETHICAL LEADERSHIP** — Initiative —

Queries:

Kris Dobie: kris@tei.org.za

Fatima Rawat: fatima@tei.org.za

An initiative of:



In partnership with:



**cooperative
governance**

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA



moral regeneration movement

Relevant . Insightful . Current

webcast series



Proposed Reforms for the Whistleblower Protection Regime in South Africa



Introduction

- The document looks at whistleblower protection from the point of view of the legal regime governing protected disclosures in South Africa and other Jurisdictions. The report sets out to identify gaps within South Africa's legislative framework and further proposes recommendations in closing the identified gaps
- Focuses on the South African whistleblower legal regime holistically
- Focuses on whistleblower protection regimes in international jurisdictions.

Proposals

- (a) The definition of occupational detriment should be expanded to include persons who are not employees but who have disclosed in terms of the PDA. 'Occupational detriment' should be changed to 'detrimental action' or improper conduct to avoid a narrow interpretation of who may make a disclosure.
- (b) Consideration should also be given to inclusion of detrimental action by fellow employees.
- (c) Improved measures to keep a protected disclosure confidential where information might identify the discloser
- (d) The creation of a reverse onus
- (e) The creation of an offence where a person uses force, coercion, threats, intimidation, or any other coercive means against another person
- (f) Enhancing the powers of the South African Human Rights Commission to deal with protected disclosures
- (g) Creation of a mechanism for the provision of legal assistance to whistleblowers.

Proposals

- (h) Proactive measure by appointing a “whistle blower champion” who is responsible for ensuring and overseeing the integrity
- (i) The creation of a fund for whistleblowers
- (j) A provision that will make any clause in any agreement or contract that aims to contract out of the PDA unlawful
- (k) Make it an offence if a person or body does not act upon a protected disclosure after a disclosure has been made.
- (l) Protection by the state to whistleblowers and their immediate family members in instances where their lives or property is endangered
- (m) Inclusion of whistleblower in the definition of witness in terms of the Witness Protection Act

Comments

- Closing Date for comments 15 August 2023
- SAICA will be submitting comments – Viola (PD: Ethics Standards) at violas@saica.co.za
- The comments on the discussion paper must be submitted to Adv. T Nkabinde:
 - (a) Postal address:
The Director-General: Justice and Constitutional Development
Private Bag X 81
Pretoria
0001
marked for the attention of Adv. T Nkabinde; or
 - (b) E-mail address:
whistleblowingreforms@justice.gov.za; or
 - (c) Fax nr:
012 406 4632.

Support for Whistle Blowers

- SAICA MOU signed with the Whistle-Blower House to support members who may need assist when blowing the whistle
- Support
 - ✓ Legal services
 - ✓ Health Services
 - ✓ Financial assistance
 - ✓ Risk management services
 - ✓ Advise regarding media
 - ✓ Job opportunities
- Not for profit organisation – donate to support
- Link to website - [The Whistleblower House](#)



Thank you

The background features a large, semi-circular graphic on the left side. It is composed of overlapping circles in shades of green and blue. Inside these circles, there are faint, glowing icons: a person holding a document, a globe, and a group of people. A hand is shown at the bottom right of the graphic, with the index finger pointing towards a bright light source, creating a lens flare effect. The overall aesthetic is futuristic and tech-oriented.

ISSB Sustainability Disclosure Reporting Developments

ISSB: A New Frontier for Sustainability Reporting

Release of the inaugural IFRS ISSB Sustainability Disclosure Standards

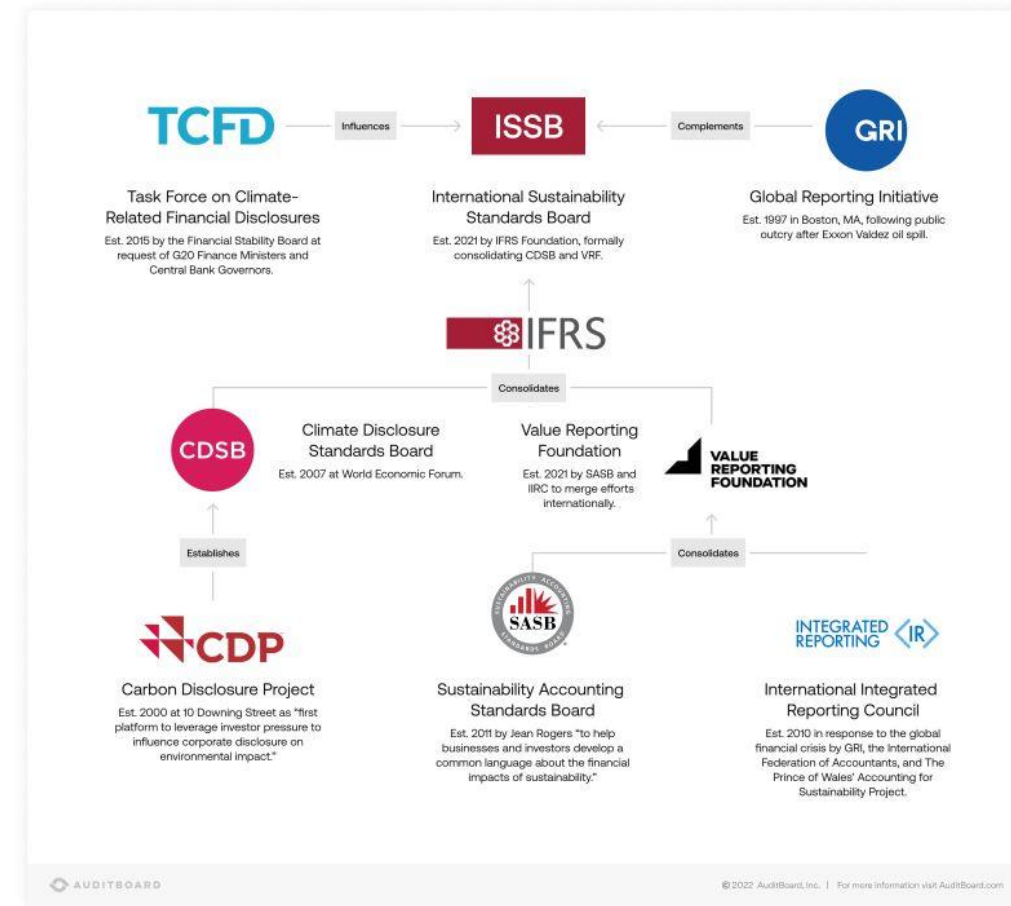
- The International Sustainability Standards Board (ISSB), launched at COP26 in Glasgow, published its first two finalised sustainability standards material to investor needs:
 - IFRS S1 General requirements for Disclosure of Sustainability-related information
 - IFRS S2 Climate-related Disclosures.
- The effective date of these globally comprehensive set of Standards is January 2024.
- S1 and S2 are voluntary for sustainability reporting unless mandated by jurisdictions.
- The Standards will influence organisations and jurisdictions to adapt a consistent approach to sustainability reporting across sectors and geographies.
- The ISSB Standards are expected to introduce simplicity, enhance transparency and comparability to build trust in company disclosures with sustainability plans.
- Supports common reporting language for companies subject to multiple jurisdictional laws.



ISSB Sustainability Disclosure Framework

Fusing the fragmented ESG reporting landscape

- The ISSB standards framework is structured off the same full recommendations used by the TCFD requirements, with unified approach between all prominent sustainability disclosure standards.
- Companies will be required to disclose S2 related risks and opportunities first, with S1 in the following year of reporting.
 - Scope 1 and 2 mandatory reporting, alongside the disclosures of Scope 3 emissions (Scope 3 relief provisions are being explored)
 - Required to use climate scenarios to report on climate resilience
- The ISSB is to provide support for undertaking scenario analysis by:
 - Building on existing TCFD scenario analysis guidance
 - Providing guidance for which climate scenarios should be used



IFRS ISSB Global Launch

SAICA Hosts the ISSB Launch in South Africa

- Launch of the ISSB Sustainability Standards with jurisdictional partners globally.
 - SAICA leading the way in enabling sustainability and broader integrated thinking considerations together with eminent stakeholders.
 - Three themes emerged – Data clarity, conciseness and comparability.
 - Cost effective and non duplicative standards – interoperability.
 - Focus on value creation stemming from S1 and S2 to deliver quality information.
 - IR framework and integrated thinking - ideal foundation for the implementation of S1 & S2.
 - Management commentary’s vital role in informing decision useful information.
 - Easy access point for new companies into sustainability reporting.
- Created alongside IAASB, to be used in conjunction with any accounting requirements – GAAP.
- Propelled assurance of the non-financial information (IAASB) for enhanced accountability.

BusinessBoard
Directors
Governance Corporate
Responsibilities of
Roles Strategy

Building Towards a Sustainable Future

Supporting a changing global landscape in sustainability reporting

- 2002's King II Report identified the lack of a universal standard or common language as a future need for the less defined sustainability aspects.
- The ISSB Sustainability Disclosure Standards bases its definition of 'materiality' on the IFRS Accounting Standards approach.
- Relationship of S1 and S2 based on value creation for all stakeholders, as the IR framework
- ISSB provides a clear framework for risk analysis related to sustainability challenges, which can materially impact a company's performance and longer-term value creation.
- It allows for sustainability disclosures with the flexibility for regional building blocks to be added by regulators when necessary to meet local and multi stakeholder needs
 - Ghana, Nigeria and Zimbabwe – to adopt IFRS S1 and IFRS S2.
- Inclusive collaboration and transparency is key in determining regional reporting pathways



Supporting Universal Progress

Embedding comprehensive corporate reporting system

- The IFRS Foundation to take over the monitoring of the progress on companies' climate-related disclosures from the TCFD as of 2024.
- Intends to provide a framework for Scope 3 measurement to incorporate use of estimation
- Better alignment to climate-related SASB Standards with:
 - The application guidance in IFRS S2 on financed emissions
 - The Industry-based Guidance on Implementing IFRS S2 Climate-related Disclosures.
- Drive interoperability with jurisdictions and GRI Standards to support a building block approach
- To navigate these changes in reporting, businesses should identify gaps in reference to ISSB standards, assess and adapt their internal quality control and assurance processes, and train employees on the relevant shifts in business procedures.



Supporting the Application of the ISSB

Application guidance to support companies

- Have recognized the usefulness of existing and widely used concepts and terminology
- Transitional reliefs are built in for supporting the implementation of S1 and S2.
- Support with educational material, material information, connectivity between ISSB and IASB requirements.
- Guidance on how companies should apply sources of guidance for identifying sustainability-related risks and opportunities and applicable metrics.
- Clarifying the use of qualitative information and qualitative scenario analysis on financial effects rather than quantitative information.
- Disclosing information about the climate-related targets a company may have set or is required to meet by law or regulation.

Basis for Conclusions on IFRS S1—summarises the ISSB’s considerations in developing the requirements in IFRS S1 and S2



[IFRS - IFRS Sustainability Standards Navigator](#)

ISSB Enhancing Future Direction

Applicability of the SASB Standards and – Due on 9 August

- ✓ A survey is available for response as an alternative to a comment letter
- Exposure Draft Methodology for Enhancing the International Applicability of the SASB Standards and the SASB Standards Taxonomy
- SASB is based on industry metrics.

Request for Information – Due on 1 September

- ✓ Three research projects on sustainability-related risks and opportunities:
 - biodiversity, ecosystems and ecosystem services;
 - human capital
 - human rights and
 - integration in reporting beyond the requirements related to connected information in S1 and S2.

IAASB Assurance Engagements on Sustainability – Due December

- ✓ Assurance of sustainability information
 - Global standard-setting solution for assurance on ESG reporting
 - Address only limited assurance, or both limited and reasonable assurance.
 - Relationship between the standard ESG Assurance and ISAE 3000 (Revised)
 - ISSA 5000 addresses all sustainability elements

Establish a globally accepted overarching standard for assurance on sustainability reporting by the end of 2024 - IAASB

THANK YOU



South African Revenue Service

Voluntary Disclosure Programme SAICA National Tech Talk Webinar



Thank you for walking this journey with us



Welcome to the SARS Stakeholder Engagement

Purpose:

This presentation is merely to provide information in an easily understandable format and is intended to make the provisions of the legislation more accessible

Disclaimer:

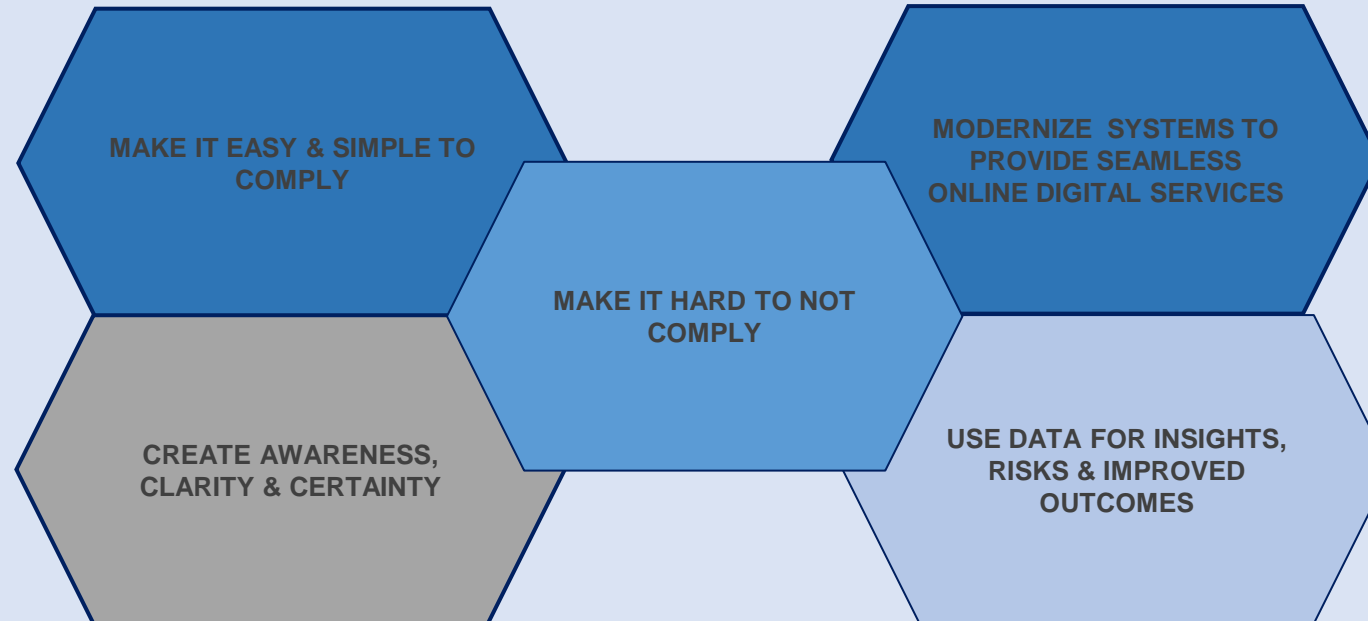
The information therefore has no binding legal effect and the relevant legislation must be consulted in the event of any doubt as to the meaning or application of any provision.



SARS Vision 2024

To build a smart modern SARS with unquestionable integrity, trusted and admired by Government, the public, as well as our international peers.

For the purpose of this presentation, we focus on the following strategic objectives:



Topic to be covered

1. Objectives of Voluntary Disclosure Programme
2. Principles of Voluntary Disclosure Programme
3. Benefits of the Voluntary Disclosure Programme
4. Requirements of the VDP
5. Who may apply
6. VDP application process
7. VDP Concepts
 - ▼ “default”
 - ▼ Disclosure
 - ▼ Voluntary
8. SARS Service Charter Requirements
9. Some Notes and Tips
10. Contact Us

Objectives of the VDP

- ✔ VDP is an internationally accepted mechanism introduced to provide relief.
- ✔ South African taxpayers with tax defaults in respect of any tax types administered under the Tax Administration Act are encouraged to make use of it.
- ✔ The objectives of the VDP is-
 - ✔ To broaden the culture of tax compliance;
 - ✔ Increase the taxpayer base;
 - ✔ Reduce the tax gap and revenue leakage;
 - ✔ Provide certainty to taxpayers in regard to their tax affairs.

Principles of the VDP

- ✔ Something that has already entered the SARS system / “mind” and which SARS has knowledge of, will not fall within VDP but should be dealt with i.t.o the normal SARS processes. Unless under strict circumstances contemplated in section 226(2)
- ✔ Disclosure must be **full and complete in material** respects and information withheld that is deemed material renders the application invalid
- ✔ Taxpayers are expected to remain compliant after using the VDP, hence the limitation of 5 years for disclosures with **similar defaults**
- ✔ Disclosure must be in the **interest of the fiscus** and any disclosure that is to the benefit of a taxpayer should be regularised through normal SARS process

Benefits of the VDP

- Section 229 of the Tax Administration Act; SARS must:
 - ✔ Not pursue ***criminal prosecution for a tax offence*** arising from the 'default',
 - ✔ Grant relief in respect of any **understatement penalty** referred to in column 5 or 6 of the understatement penalty percentage table in section 223 and
 - ✔ Grant 100 per cent relief in respect of an **administrative non-compliance penalty** imposed under Chapter 15 or a penalty imposed under a tax act, excluding a penalty imposed for the late submission of a return
- Information, including the VDP01 Form and supporting documents submitted via the VDP process is not shared with any other division within SARS.

Requirements of the VDP

Requirements of section 227 must be met

- ✔ The declaration of a **default** must be voluntary
- ✔ The default being disclosed must **not be similar** to another default previously disclosed in the last 5 years
- ✔ **Full and complete disclosure** of all material respects
- ✔ The default must involve a **behaviour** listed under the understatement penalty percentage table in section 223 of the TA Act;
- ✔ The declaration must **not result** in a refund due to the taxpayer.
- ✔ The application must be made in the **prescribed form** and manner

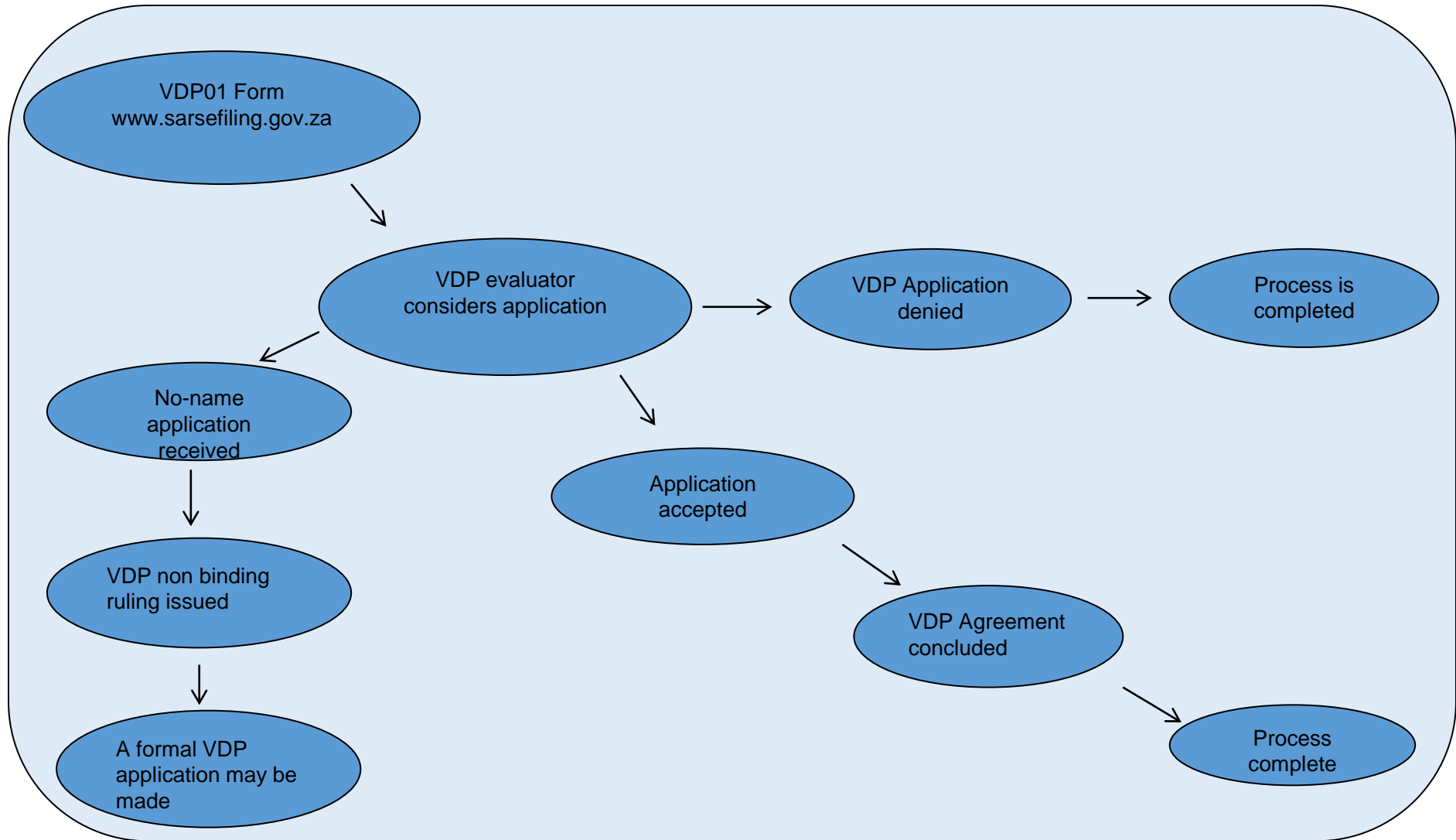
Who may apply

- ✔ Individuals
- ✔ Companies and/ or
- ✔ Representative of such individual or company
- ✔ A person who is not given notice of commencement of audit or criminal investigation

Exceptions

- ✔ A Senior SARS official may direct a person under audit /investigation may still apply, under certain circumstances

VDP Application Process



VDP Concepts – ‘Default’

- For purposes of the VDP, a default is the –
 - ✔ the submission of inaccurate or incomplete information to SARS,
 - ✔ the failure to submit information, or
 - ✔ adoption of a ‘tax position’,

For purposes of Chapter 16, the term “tax position” is defined in section 221 and means an assumption underlying one or more aspect of a tax return, including whether –

- an amount, transaction, event or item is taxable;
- an amount or item is deductible or may be set-off;
- a lower rate of tax than the maximum applicable to that class of taxpayer, transaction, event or item applies; or
- an amount qualifies as a reduction of tax payable.

If such default resulted in an understatement, *i.e.* a shortfall or a tax prejudice to SARS

VDP Concepts – ‘Default’ Cont

Examples of a default involves:

- ✔ the under declaration of gross income,
- ✔ reduction of assessed loss,
- ✔ overstating deductions
- ✔ over claiming of input VAT and under declaration of output VAT

VDP Concepts – ‘Disclosure’

The term “disclosure” is not defined in the TA Act. The *Cambridge English Dictionary* defines “disclosure” as –

- ✔ “to make something known publicly, or to show something that was hidden”.
- ✔ To disclose something involves the act of making something known that was hidden.

The word “disclosure” was considered in *Reed v Minister of Finance and Others* and the judge stated that: “it means to open up something closed or folded up...., If somebody knows something then it is difficult to see how, without straining language into incomprehensibility, another person can “disclose” the thing known to the first person. Determining whether something is (disclosable) is not a subjective matter but is purely objective – **does the person have knowledge of the thing or not; if not, it can be disclosed, if yes it cannot be disclosed.**”

In this case, the taxpayer was aware that SARS was looking into his tax affairs and made a VDP application subsequent to this fact becoming known. It was held that the taxpayer had not disclosed in the application to SARS anything that SARS was unaware of.

VDP Concepts – ‘Voluntary’

The entire programme is based on the voluntary disclosure of a default by an applicant, the meaning and understanding of “voluntary” is of utmost importance.

➤ The word “voluntary” is not defined in the TA Act. The *Cambridge English Dictionary* defines “voluntary” as –

“done, made, or given willingly, without being forced or paid to do it”.

Section 227(a).

In *Purveyors South Africa Mine Services (Pty) Ltd v C: SARS* the court considered whether the application made by the taxpayer was “voluntary” for purposes of section 227(a).

VDP Concepts – ‘Voluntary’ Cont

Both the High Court and the Supreme Court of Appeals agreed with SARS’ argument that the taxpayer’s application was not “voluntary” based on the following reasons –

- ✔ If there is an element of compulsion underpinning a particular act, it is no longer done voluntarily.
- ✔ It was submitted that the application was brought in fear of being penalised and with a view to avert the consequences referred to.

The term “voluntary” under section 227 is not limited to the provisions relating to Audit/Investigation under section 226 (2).

VDP Concepts – ‘Voluntary’ Cont

Example – Other SARS Actions:

On 10 April 2022, SARS issued Company Z with a notification of verification of the 2021 year of assessment. The company had the option to submit a revised ITR14. Company Z has a year of assessment ending 31 March. .

Company Z submitted an application for voluntary disclosure relief under the VDP on 8 May 2023 for a default relating to the 2022 year of assessment. The default was the omission of income from the 2022 ITR14. The taxpayer became aware of the default as a result of an in-house audit and not as a result of the SARS verification being conducted.

Result:

The requirements under section 227 should be considered to determine if the application meets the requirement of a voluntary disclosure. As the 2022 year of assessment was not the year being verified and there is nothing that suggests that the default would have been detected during the verification of the 2021 year of assessment, the disclosure meets the requirement of it being “voluntary” in terms of section 227(a).

VDP Concepts – ‘Voluntary’ Cont

Example – New Registration vs Outstanding Returns:

If a liability for tax is triggered by the registration for the tax type, the taxpayer may approach the VDP Division (VDU) for guidance on the submission of a voluntary disclosure application as part of the registration process.

In order for the application to be regarded as valid, it must be submitted within a reasonable timeframe from the date after which the taxpayer has registered for the applicable tax type. In general, the VDP Unit allows a timeframe of 21 business days or a month from the date of registration for the tax type.

Outstanding returns do not meet the VDP requirements and must be regularised through SARS normal process.

Notes and Tips

- ✔ VDP applications are made via eFiling- Ensure that you have received an acknowledgement of your application 48hrs after application, if not contact the VDP Division
- ✔ The taxpayer and the representative taxpayer must both be registered on eFiling and the representative taxpayer must be linked to the tax types and profiles of the taxpayer
- ✔ If unsure whether your application will qualify for relief, you may request non-binding private opinion on a no name basis.
- ✔ Gather information or supporting documents relevant to the default disclosed.
- ✔ SARS may accept reasonable estimates where default goes beyond prescription period.
- ✔ Refer to the External Guide- Voluntary Disclosure Programme or visit VDP portal for more information and FAQs.
- ✔ Defaults excluded from the VDP:
 - Provisional tax
 - Reportable arrangements

Contact Us




Remember to use our Digital Channels

- We've made it easier for you

Go Digital!

- vdp@sars.co.za
- VDP Division Toll free number 0800 864 613
- SARS Website via sars.gov.za

- Visit and follow SARS Social Media platforms

- Linked In  Facebook  Twitter 



- For more information, visit the:

- SARS YouTube channel: www.youtube.com/sarstv

Conclusion



*Thank you
Re a leboha
Re a leboga
Ndza Khensa
Dankie
Ndi a livhuwa
Ngiyabonga
Enkosi
Ngiyathokoza*