

Ref: #758959

**FEEDBACK SUMMARY  
30 JANUARY 2020**

**GENERAL**

SAICA attends various discussions and meetings on behalf of members with National Treasury (“NT”), South African Revenue Service (“SARS”) and other stakeholders (internal and external). These meetings represent an opportunity for them to obtain further information on any tax matter from the public and discussions and views expressed do not represent policy or decisions. Furthermore, these discussions do not represent an undertaking by SARS, NT or other stakeholders, but merely statements of their understanding or how they perceive or anticipate a particular matter to be addressed.

The below Feedback Summary should be seen in the above context as merely attempts to inform SAICA members of the discussions and of any proposals that were made during such discussions.

**MEETING WITH THE MASTER’S OFFICE  
[22 January 2020]**

SAICA met with the Master’s Office to engage on various matters affecting members. The following matters of importance are highlighted below.

## **Regulation 910<sup>1</sup>**

The Master's office plans to meet with the Minister of Justice and Correctional Services in February to discuss proposals to withdraw Regulation 910, in terms of which only legal practitioners, a board of executors, a trust company and Registered Auditors may be appointed as executors, as well as to discuss further modernisation and a proposal to update the Trust Property Controls Act.

### **Appointment of auditor or accountant to a trust**

The Master's office is unclear about the duties and qualifications of registered auditors versus independent reviewers and accountants. SAICA offered to prepare a presentation to explain the difference between the requirement to appoint an auditor to a trust and to have the financial statements of the trust independently reviewed. This will be considered in line with the modernisation project.

### **Insolvency Practitioner appointments**

The previous policy of the Master on the Appointment of Insolvency Practitioners has been declared unconstitutional and the Master's office will be releasing a new policy with a proposed implementation date of April 2020. Currently the Master's office only uses a list of names where they allocate appointments on a random basis.

### **Trusts and tax**

SAICA requested that SARS automatically registers a trust as a taxpayer when the information of registration at the Master is provided to them. The Master will take this up at a meeting with SARS.

SAICA expressed a concern with the fact that road accident fund trusts, registered following a court order, often only have one trustee.

The last return of income to be submitted by the estate, and the SARS requirement that it be completed with respect to income until the 21-day period of inspection of the L&D accounts has lapsed, was discussed. SAICA pointed out that SARS often only audits the returns after the L&D account has been laid for inspection at the Master's office. The Master will also take this up with SARS at the meeting with them.

SAICA pointed out that it came to our attention that there is a SARS view that the valuation of land used for bona fide farming operations could only be 70% of market value-value if the deceased actually carried on the farming activities personally. This is not a correct interpretation of the law. The matter will be discussed at the meeting with SARS.

The Master confirmed that it is a Master's office requirement that the tax compliance certificate be obtained by the executor and provided to the Master.

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<sup>1</sup> GNR.910 of 22 May 1968: Regulations prohibiting the liquidation or distribution of the estates of deceased persons by any person other than an Attorney, Notary, Conveyancer or Law Agent (*Government Gazette* No. 967) as amended by Notice