

FINANCIAL SERVICES BOARD

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INFORMATION CIRCULAR PF NO. 4 OF 2012

CLARIFICATION ON APPROVALS AND CANCELLATIONS FOR PURPOSES OF THE “ONE-STOP SHOP”

1. Background

The purpose of this information circular is to provide clarity on:

- 1.1 the requirements in respect of the approval of retirement funds for Income Tax purposes and fund approval numbers issued; and
- 1.2 the cancellation of the approval of a fund for Income Tax purposes.

2. Requirements for retrospective applications for the registration and approval of a fund or a participating employer in an umbrella fund

Where the FSB approves the rules of a fund with a retrospective effective date for registration purposes, the rules can only be approved retrospectively for Income Tax purposes on confirmation of the following::

- 2.1 the fund has been administered in terms of the rules of the fund as submitted for registration and approval; as if the fund was an approved fund for purposes of the Income Tax Act from the effective date contained in the rules; and
- 2.2 all income tax obligations have been met, i.e.:
 - (i) tax directives have been applied for and obtained and, where applicable, all taxes that were due in respect of all benefit payments were paid over to SARS;
 - (ii) income tax has been deducted and paid in respect of any annuities paid by the fund; and
 - (iii) IRP 5 certificates were issued and reconciliations were submitted to SARS.

3. Income Tax approval reference number

As a result of the implementation of the “one-stop shop” with effect from 1 April 2012, no new Income Tax approval numbers (18/20/4) are being issued. The number issued by the FSB for purposes of registering the fund in terms of the Pension Funds Act will be regarded as the approval number in respect of funds registered after 1 April 2012.

Due to the secrecy provisions contained in section 4 of the Income Tax Act, the SARS approval number, if such number was obtained prior to 1 April 2012, cannot be published on the FSB website.

4. Impact of the “one-stop shop” on Tax Directive Applications

4.1 Retirement Funds approved before 1 April 2012

Retirement funds must continue to use the SARS approval number on the tax directive application, irrespective of whether the tax directive application is in respect of a member of a free-standing fund or a member of a registered participating employer of an umbrella fund.

4.2 New Retirement Funds approved on or after 1 April 2012

- (i) New retirement funds approved on or after 1 April 2012 must submit manual tax directive application forms per e-mail to Daleen Pietersen at dpietersen@sars.gov.za and the Retirement Funds Team at retirementfunds@sars.gov.za
- (ii) The heading ‘**FSB tax approved: tax directive application**’ must be indicated in the subject field of the e-mail.
- (iii) The FSB reference number must be indicated on the tax directive application form and the FSB approval letter must be included in the directive request.
- (iv) Kindly note applications reflecting the incorrect PAYE and FSB reference numbers will not be processed.

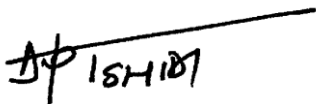
5. Cancellation of Income Tax approvals

When retirement funds apply for the cancellation of its registration in terms of the Pension Funds Act and the cancellation of its approval in terms of the Income Tax Act, the valuator/principal officer/auditor has to submit a declaration confirming that:

- 5.1 the fund has no members, assets and liabilities; and
- 5.2 as part of the declaration relating to liabilities, it must be confirmed that the fund has no outstanding income tax liabilities.

Once the abovementioned information has been confirmed, the cancellation by the FSB will also serve as a cancellation of the approval of a fund in terms of the Income Tax Act.

Yours sincerely

A handwritten signature in black ink, appearing to read 'DP TSHIDI', with a long horizontal line extending from the top right of the signature.

**DP TSHIDI
REGISTRAR OF PENSION FUNDS**