



Tax & Legal Flash



October 2020

Mining Tax incentives proposed amendment – Deferred!

We previously communicated the proposed amendment to section 15 and 36 of the Income Tax Act No. 52 of 1968, as provided for in the Draft Taxation Laws Amendment Bill (DTLAB), issued on 31 July 2020. In the communication, we emphasised that the proposed changes will have unintended income tax and royalty tax consequences.

During National Treasury's workshop in September, a strong view was expressed by the stakeholders that extensive consultation should be performed to understand the potential impact, prior to such amendments being enacted.

On 13 October 2020, National Treasury has released its Draft Response Document on the 2020 DTLAB where it is stated that, to avoid negative and unintended consequences from the proposed amendments, *"Government and the industry will be given more time to investigate and find solutions that may have less negative impact on the mining industry before amendments are made to the tax legislation"*. The amendments will be reconsidered in a subsequent legislative changes cycle.

We welcome the response and encourage the role players in the mining industry to be involved in these consultations.

For any questions in this regard, please feel free to contact us.

[Contact us](#)



Johann Kotze
Director: Tax Management Services
Email: johann.kotze@kpmg.co.za
M: +27827195598



Julie Winnan
Senior Manager: Tax (Mining)
Email: julie.winnan@kpmg.co.za
M: +27825762986

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