IAPA Johannesburg
Chartered Accountants (SA)
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IAPA September 2025 Business Insights Newsletter

GREAT BUSINESS QUOTES

- “Real integrity is doing the right thing, knowing that nobody`s going to know whether you did it or not”-Oprah Winfrey
- “Honesty is the cornerstone of all success. Without honesty, confidence and ability to perform shall cease to exist.’ Maty Kay Ash
- “The greatest homage we can pay to truth is to use it”.-Ralph Waldo Emerson
- “The greatest of a man is not in how much wealth he acquires, but in his integrity and his ability to affect those around him positively.’ Bob Marley
- “Fall down seven times and stand up eight.” Japanese Proverb
- “I may not be there yet, but I’m closer than I was yesterday.” Anonymous
- “With ordinary talent and extraordinary perseverance, all things are attainable.” Thomas Fowell Buxton
- “A hero is an ordinary individual who finds the strength to persevere and endure in spite of overwhelming obstacles.” Christopher Reeve
- “When I meet successful people, I ask about who they attribute their success to. It is usually the same: persistence, hard work and hiring good people.” Kiana Tom
- “The only place where success comes before work is in the dictionary.”-Vidal Sassoon

FRANCHISING - THE GROWTH INDUSTRY

In South Africa there have developed some extremely successful franchised operations. Some of these are local operations of overseas franchise companies. There have also been large numbers of local companies who have taken the franchising route and have been very successful.

How Franchising Works

Franchising is basically a concept where a franchisor grants a franchisee the right to sell his products or provide a service using the franchisor`s proven business concepts.

The franchisee, to be successful, needs only to duplicate the successfully developed methods and procedures which have already been accepted in the marketplace.

The franchisee is thus assured success by avoiding the pitfalls and growing pains that are inherent in establishing a new business.

Benefits of Franchising

Franchising offers substantial benefits to both growing and established companies, including the following:

- Rapid expansion without heavy capital investment- it provided rapid expansion without the need to invest large sums of capital. Generally, the franchisee will provide the bulk of the capital required.
- Access to skilled management-A growing business will normally suffer from a shortage of skilled and motivated management. Franchising allows the franchisor to recruit motivated individuals who will invest money, time, and energy into the venture.
- Economies of scale-Due to the larger organization, there will be benefits of group purchasing and general economies of scale.

Franchisees would pay a franchisor a franchisee fee and royalty on turnover generated by the franchised area. Over and above the royalty, the franchisee would also contribute a percentage of turnover toward group advertising and promotions. In return for the franchise fee and subsequent royalties it will be necessary for the franchisor to provide potential franchisees with a range of services which include among others:

- Comprehensive training with regard to the day to day running of the business. Training must also be of an ongoing basis. Comprehensive training must be backed by detailed procedures manuals.
- Use of your trademarks
- Group purchasing-this will enable economies of scale and result in benefits to all concerned.
- Group advertising and promotion-this will also result in economies of scale which would be of benefit to all concerned.
- Continuous ongoing assistance and back-up with regard to all aspects of running your business

TAX YEAR SUBMISSIONS OF TAX RETURNS FOR COMPANIES

- The due date for submission of company tax returns is 12 months after its year end
- Monthly penalties will be imposed for late submissions of tax returns
- Kindly ensure that the necessary documentation is provided timeously to our office for purpose of compiling financial statements, in order to meet the aforementioned deadline.

INDIVIDUALS

- The due dates for submission of individual tax returns is as follows:
  24 October 2025 for non-provisional taxpayers
  23 January 2026 for provisional taxpayers
- Monthly penalties will be imposed for late submissions of tax returns

Auto Assessment Issued by SARS

- In some instances, SARS are going to issue automated assessments, based on whatever information they have on their system for a particular taxpayer.
- They will send a notification via sms to the particular taxpayer informing them of the automated assessment which has been issued.

- Should you receive any form of notification of such auto assessment issued to you kindly advise our office immediately thereof
- These auto assessments are not necessarily correct and need to be verified (for instance, no donations, additional medical expenses, other allowance deductions will not appear on them)
- Such verification needs to take place within 40 days of issue of the auto assessment, failing which, the assessment is deemed to correct and final.

FORMAL TAX EMIGRATION FROM SOUTH AFRICA

What is formal tax emigration?

Many South Africans have emigrated without formal tax emigration from South Africa.

Formal tax emigration is the process to close your financial affairs when leaving South Africa and immigrating to another country – and changing your status-for tax purposes from resident to non-resident. Emigration does not affect your citizenship or the right to retain your South African passport. There may be many advantages of arranging this formal tax emigration:

- Should there be a potential inheritance, this can be remitted only if the beneficiaries have formally emigrated.
- If there are any insurance policies or retirement annuities, these can be made paid up and proceeds can be remitted. They can be paid out even if retirement age is not reached.
- If you formally emigrate, your non-South African assets are no longer subject to Estate duty in South Africa.
- Passive income i.e. rent, dividends, director`s fees, salary for services rendered in South Africa and income from trusts can be formally remitted.

We can assist in arranging all aspects of formal tax emigration.

2025 INCOME TAX RETURN – DEADLINE 24 OCTOBER 2025

If we complete your personal tax return for the year ended 28 February 2025, could you please send us the following, where applicable, as soon as possible:
Please note that deadline for submission of 2025 tax returns for individual taxpayers is 24th of October 2025.

1. IRP5/IT3(a) Certificates.
2. Certificates of interest earned (including tax free), both local and foreign. Please ensure that all details of interest on investments are obtained and provided to us. Failure to do this could potentially result in penalties being imposed for non-declaration of income.
3. Certificates for retirement annuity fund contributions paid.
4. Certificate of medical aid contributions paid and a schedule of expenses not covered by medical aid scheme, as well as copies of these invoices and proof of payment thereof.
5. Details of dividends received, both local and foreign.
6. Rental income and any other income, both local and foreign. Please also include details of expenditure incurred in the production of rental income. Please include a certificate of bond interest paid, levy statements and rates and taxes if claiming this expenditure. SARS will not allow this expenditure without these documents.
7. If you received a travel allowance or a company car or claim travel expenses against business income, details pertaining to your motor vehicle (a comprehensive log book of all business and private mileage, vehicle purchase date, purchase price, registration number, odometer reading at the beginning and end of the tax year, and purpose of all business trips).
8. Details of any investments made or redeemed.
9. Details of any fixed property purchased or sold.
10. Any other information pertaining to your tax return.
11. Should you receive business income, SARS will require a statement of assets and liabilities. We will request this from you if needed. We may also request this information in other cases as well.

12. Section 18A tax certificates in respect of donations made. Your name, address, tax reference number, contact telephone number, email address and ID must please appear on the certificate.

We would appreciate it if you can forward the above, as well as any other relevant documentation required to complete your tax return as soon as possible to email address tax@iapa.co.za. It would be appreciated if you could gather all the above documentation and send it in one batch, if possible.

Please note that SARS compares the information submitted with your tax return with that as supplied to them by banks, other financial institutions, employers, etc. If they have record of income which is not declared in your tax return, they will issue additional assessments and potentially charge additional penalties for non-disclosure of income. Kindly therefore ensure that all income is supplied.

SERVICES WE PROVIDE

- Statutory Audits
- Reviews of financial statements
- Compilation of financial statements
- Financial statements of Close Corporations
- Outsourced Financial Management
- Completing personal and corporate income tax returns and advising on the implications of income Tax legislation
- Accounting services
- Providing company secretarial services including Company formations
- Financial emigration
- Voluntary disclosure programs
- Outsourced Payrolls
- Deceased estates

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