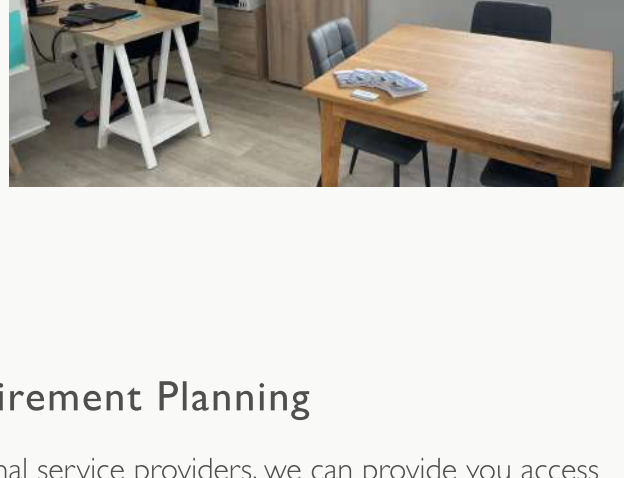


March 2025 Newsletter

SERVICE HIGHLIGHT

Since our last communication, Southern Right Financial Solutions Plett moved into its new office... 42 Green Point Avenue, Office 6, Plettenberg Bay

The Office is headed by Belinda who is in Plett 3 days a week and Knysna 2 days a week.



Auxiliary Services

Wealth Management, Insurance, Retirement Planning

Through strategic partnerships with various professional service providers, we can provide you access to specialised wealth managers, short term insurance, life insurance, Retirement Annuities, Investment Advice etc.

So, talk to us to gain access to these specialised brands:



Financial Management Programme

In conjunction with South African Financial Management Consulting

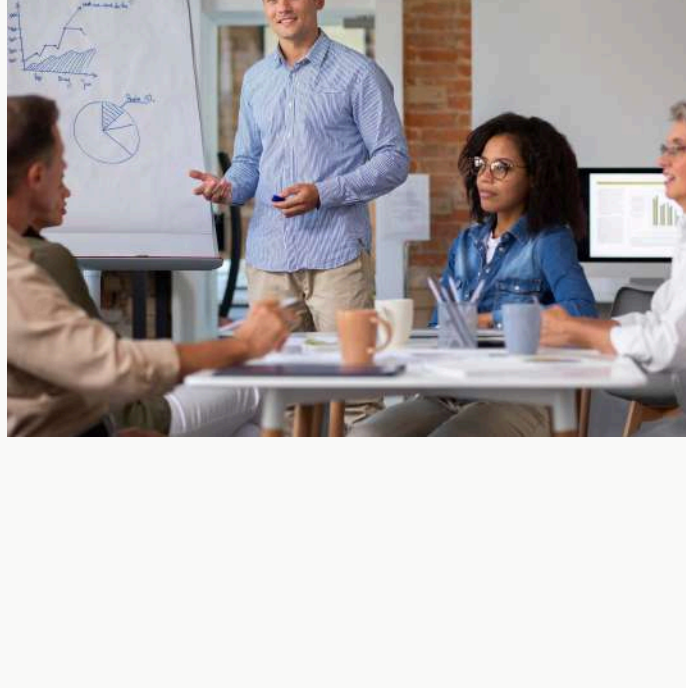
This programme is a personalised Financial Management Programme in which your money is managed holistically through one portal. This simplifies your personal and corporate (if applicable) Financial Planning. All solutions are Bespoke and specially designed around your personal objectives, goals and dreams. It creates and optimises your short, medium and long-term planning.



Coaching

Let us be your “Non-Executive Financial Director”

By attending your Board meetings, we are here to fulfil a role assisting your business to be successful. Through interrogation of numbers and ideas, we help you limit the risks and control costs. A board meeting is where we mean business, it is not just a get-together. Through fair and honest discussions, firm decisions are often needed. Business is hard. Sometimes you may just need a pep-talk, or a bit of motivation. Maybe it is not as bad as you think. But often it helps just to talk about it.



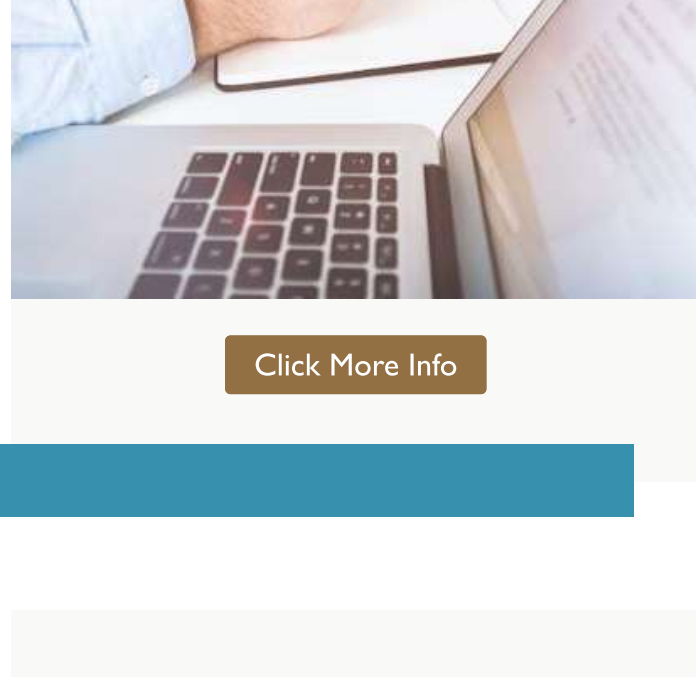
Accounting software

Xero

Thinking of changing accounting systems, speak to us about XERO

- We are Silver Xero partners, if you get your subscription through us, we can offer discounted monthly rates.
- Tailor made packages depending on the size of your business
- Accurate and up to date accounting reports linked to your bank account
- No more sending of documents to your accountant, with Hubdoc you can scan your slips with your phone as you spend it and match it to your bank feed, your key documents are stored online, in one place.
- Our staff are Xero certified and can provide training.

Let us help you plan ahead for 2025 from cashflow forecasts to budgets. By keeping your books up to date, you can make better decisions.



[Click More Info](#)

Basics for Business in South Africa

Short course developed by our Associate SRFS Tax consultant Andri Groenewald CA(SA)

This course is for small business owners and entrepreneurs.

Topics include: Trading forms, Companies Act, Income tax, Capital gains tax and VAT, Employees, Basic Accounting, Financial Statements, Independent reviews and audits, and basic controls.

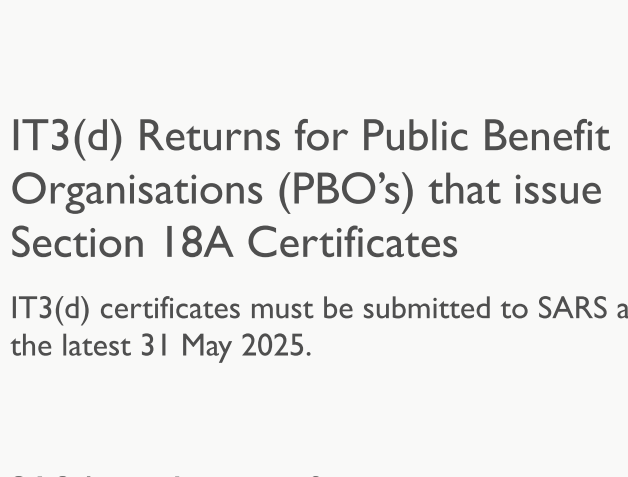
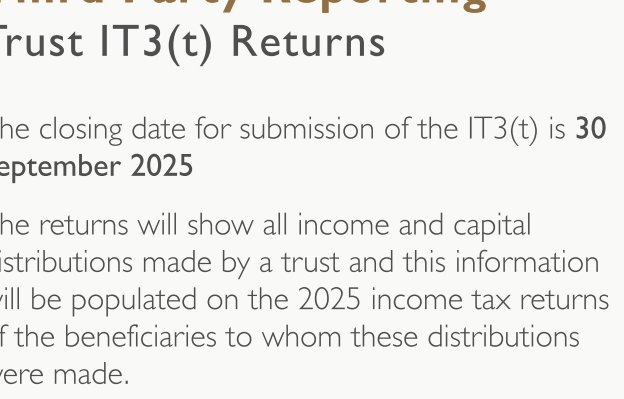
To receive a 10% discount on the course, use code: southern-right-financial-solutions10

SEASONAL NEWS

Tax Deadlines

EMP 501

The Annual EMP501 Reconciliation and workmen's compensation statement of earnings summary is due by the 31 May 2025.



NB: We need to compile the annual financial statements for the Trust in order to populate the return, so please make sure you send through your information as soon as possible.

IT3(d) Returns for Public Benefit Organisations (PBO's) that issue Section 18A Certificates

IT3(d) certificates must be submitted to SARS at the latest 31 May 2025.



Third Party Reporting Trust IT3(t) Returns

The closing date for submission of the IT3(t) is 30 September 2025

The returns will show all income and capital distributions made by a trust and this information will be populated on the 2025 income tax returns of the beneficiaries to whom these distributions were made.

S18A audit certificate requirements

PBO's issuing section 18A certificates must obtain an audit certificate, in addition to the audit or independent review of its annual financial statements.

The audit certificate must confirm that all donations for which section 18A receipts were issued were used solely for the PBA.

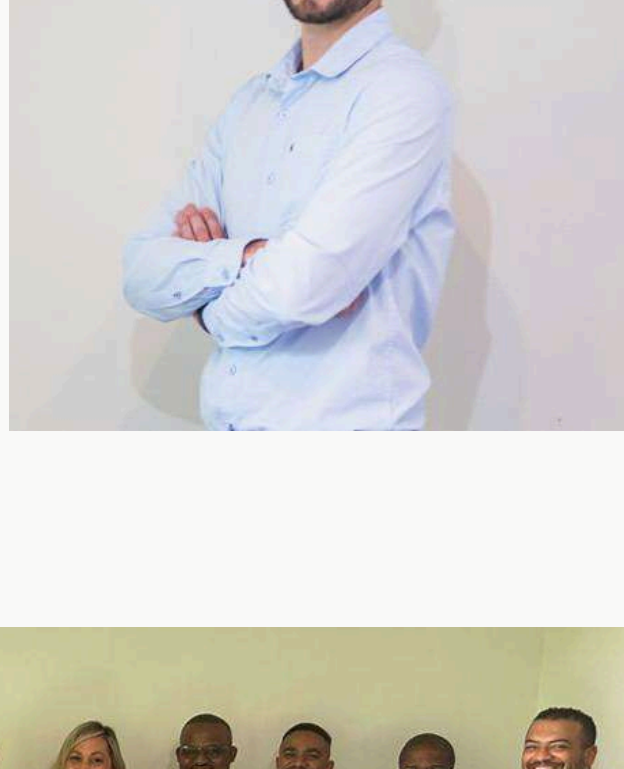
An approved organisation is not required to submit the audit certificate together with its annual income tax return, but the commissioner may request any supporting documentation, including the audit certificate, to be submitted to substantiate any aspect of the income tax return or to determine compliance with section 18A.

STAFF INTRODUCTION

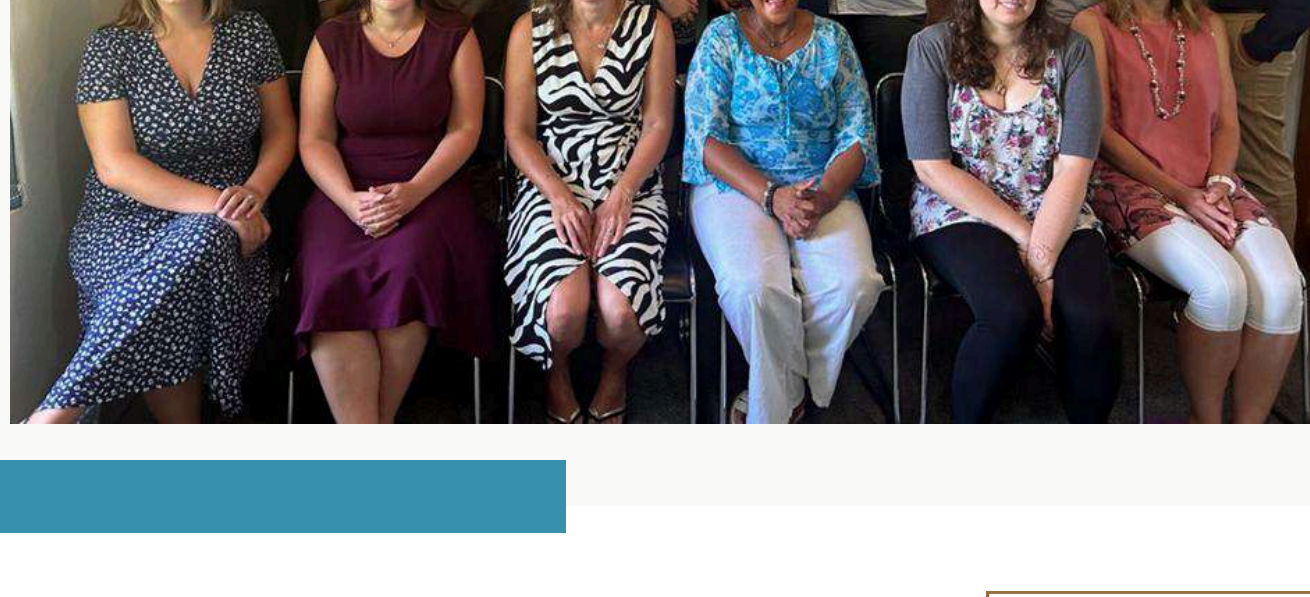
Marnus Meyer

Director - Knysna

We are pleased to welcome back Marnus Meyer as the latest addition to our team. As qualified Chartered Accountant (SA) and Registered Auditor, Marnus brings a wealth of experience and expertise to our firm. Having completed his articles at PKF Knysna in 2016, Marnus has been a proud resident of Knysna since 2012 and is deeply familiar with the local business landscape. He joined the Southern Right Team on 1 June 2024 and became a director on 1 November 2024. His dedication to excellence and client service aligns perfectly with our firm's values, and we look forward to the valuable contributions he will make.



Your dedicated SRFS Team



BUDGET HIGHLIGHTS

Budget highlights for 2025/2026

Tax proposals

- Personal Income Tax - no inflationary adjustments to personal income tax brackets, rebates and medical tax credits. Meaning tax payers will effectively pay more, as salaries increase with inflation
- VAT - VAT rate increases from 15% to 15.5% on 1 May 2025 and to 16% on 1 April 2026.
- VAT threshold: Remains unchanged, compulsory registration where the value of taxable supplies exceeds R1 million.
- Excise Duties: Increases of 6,75% in excise duties on alcohol and cigars and pipe tobacco and 4,75% on cigarettes and other tobacco products.
- Transfer Duty: 10% increase to the transfer duty thresholds

Steps taken to assist vulnerable/poor households:

- Providing social grant increases that are above inflation.
- VAT zero-rating - introduced on specific edible offal, specific meat cuts, unflavoured dairy liquid blends and specific canned vegetables.
- No increase in the fuel levy and road accident levy

Practical Implication of an increase in the VAT %

When a VAT rate increase is announced, the timing of when a quote is issued and when the invoice is issued can have significant implications. Here's how it generally works:

- Quote Issued Before VAT Increase: If a quote is issued before the VAT increase, it will typically reflect the old VAT rate. However, this does not guarantee that the old rate will apply when the invoice is issued.
- Invoice Issued After VAT Increase: If the invoice is issued after the VAT increase takes effect, the new VAT rate will apply, regardless of the date mentioned in the quote. This is because the VAT rate applicable is determined by the date of the supply, which is usually the date the invoice is issued or payment is received, whichever comes first.
- Contractual Agreements: In some cases, contractual agreements may specify the VAT rate to be applied. If the contract explicitly states that the old VAT rate will apply, this may be honoured, but it's essential to have clear documentation to support this.
- Transitional Rules: Tax authorities often provide transitional rules to address such situations. For example, the South African Revenue Service (SARS) has guidelines on how to handle VAT rate changes. According to SARS, the supply of goods or services is generally deemed to take place at the earlier of the date upon which an invoice is issued or any payment is received.

In summary, if the invoice is issued after the VAT increase, the new VAT rate will likely apply, even if the quote was issued before the increase. It's always a good idea to check with your tax advisor or refer to the specific guidelines provided by your tax authority to ensure compliance.

Speak to one of SRFS directors or Tax consultants to understand how these new proposals will impact your business

Free Tax Booklet 2025/2026

If you would like a comprehensive list of the tax changes applicable for the 2025/2026 period, our tax booklets are available. Please feel free to pop in at one of our offices to collect your copy.