TAX EXEMPTION UNIT

Office
Pretoria

Enquiries
Mrs. RM Gomes

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PBO No. *
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Our Reference No. *
RG/0117/07/05

Date
25 July 2005

Ms. S Furman
The Chairperson
Friends of Vista Nova
PO Box 193
RONDEBOSCH
7701

South African Revenue Service

SARS: TEU
Pro-Equity Court
1250 Pretorius Street
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* Please quote our reference numbers in your correspondence with TEU.

Dear Madam

EXEMPTION FROM TAXES AND DUTIES AND APPROVAL IN TERMS OF SECTION 18A: FRIENDS OF VISTA NOVA

We write with reference to your facsimile transmission dated 11 July 2005.

1. It is confirmed that:-

   1.1 the association has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, (the Act) and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.

   1.2 the public benefit organisation has been approved for purposes of section 18A(1)(b) of the Act and donations to the organisation will be tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in section 18A of the Act,

   1.3 donations by or to the public benefit organisation are exempt from donations tax in terms of section 56(1)(h) of the Act;

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1.4 bequests or accruals from the estates of deceased persons in favour of the public benefit organisation are exempt from the payment of estate duty in terms of section 4(h) of the Estate Duty Act, 45 of 1955.

1.5 in terms of section 4(1)(f) of the Stamp Duties Act, 1968, any instrument which is executed by or on behalf of the public benefit organisation is exempt from stamp duty, if the duty thereon would be legally payable and borne by the public benefit organisation.

2. Kindly note that the relevant exemptions are subject to the following conditions:

2.1 Annual returns of income and accounts be submitted to the Tax Exemption Unit, together with financial statements and supporting documentation such as a statement showing how the income has been expended; as well as an audit certificate confirming that all the donations received or accrued for which receipts have been issued were utilized solely to provide funds to a public benefit organization, institution, board or body, as referred to in section 18A (1)(a), (which has been approved by the Commissioner), and which will utilize the donated funds solely in carrying out public benefit activities which have been approved for section 18A purposes.

2.2 The public benefit organisation must distribute at least 75% of the donations received, in respect of which tax deductible receipts were issued, in the year following the year during which the donations were received.

2.3 The following information must be given on the tax deductible receipts issued:

2.3.1 the reference number of the public benefit organisation, issued by the Commissioner for the purposes of this section. (The reference number quoted on this letter.)

2.3.2 the date of the receipt of the donation;

3/...

2.3.3 the name of the public benefit organisation, which received the donation, together with an address to which enquiries may be directed in connection therewith;

2.3.4 the name and address of the donor;

2.3.5 the amount of the donation or the nature of the donation (if not made in cash); and

2.3.6 a certification to the effect that the receipt is issued for the purposes of section 18A of the Income Tax Act, 1962, and that the donation has been or will be used exclusively for the object of the public benefit organisation concerned.

2.4 The public benefit organisation will, if necessary, within a period of five years, formally amend the founding document to comply with the provisions of section 30 of the Act.

2.5 The exemptions approved in paragraph 1 above, are subject to review on an annual basis upon receipt of the financial statements.

Sincerely

RM Gomes

Mrs RM Gomes
Tax Exemption Analyst
for THE COMMISSIONER SOUTH AFRICAN REVENUE SERVICE