
POETS 2020 - 2021

Tax Compliance

Over last two to three years the District has been concerned that it and its Clubs are not fully tax compliant with the SARS. But not only SARS but also the Namibian and Angolan authorities as well. We have been assured by the Namibian Rotarians that Clubs there are not subject to tax and we await the ruling from Angola. That leaves our Clubs in SA

The concern is that we promote Rotary as an ethical organisation and therefore we need to comply with the laws of the Country. Failure to do so can damage our credibility.

The message that we have been giving to Clubs is: Are you compliant with the SARS tax laws?

SLIDE 2

Many Clubs have indicated that they are but likewise many have been confused or are not understanding what it entails to be compliant. Some have found it too complicated and have just given up while others have turned to professional firms for advice but declined to follow through because of the cost.

Let me take you through the process which is quite simple and we have qualified Rotarians in the District who can advise Clubs if necessary.

There are three steps to Clubs being compliant with the SA tax laws

SLIDE 3

The **STEPS** to follow :-

1. Register with the Receiver of Revenue as a taxpayer.
This can be done locally and requires a Club Treasurer (or authorised person) to make application in person to get an Income Tax Number
2. In order to avoid paying income tax the next step is to register with SARS as a Public Benefit Organisation (PBO). SARS recognises PBOs like schools, orphanages, crèches, and many others including service organisations like Rotary as being public benefit organisations. The registration entails submitting an application form and your latest financial statements to SARS. The District can assist you with this
3. Once registered, to be compliant a Club must submit a return each year with its financial statements to SARS. Failure to do this can result in the Club's PBO status being revoked. This seems to be the major problem concerning compliance. Some Clubs have been registered as taxpayers and enjoy PBO status for many years but have not filed returns.

So we need to get all Clubs registered as taxpayers with PBO status and to assist those Clubs in arrears with tax returns to bring this up to date.

I will leave it there as I don't want to complicate the issue by getting into detail but if Clubs want to discuss this further please contact me at the District Office.