**NB: Diagram par 26 / 27**

**Par 26:** P > A + B (***TP elects VDV***)

* **MV**: always incl. VAT

(**if VAT vendor: deduct**)

* **20% proceeds**
* TAB

1. **BASE COST**
2. Cap. Allow. claimed?
3. Exp. incurred on/after VD?
4. Disposed of for capital profit?

No to any

Yes

**DEPR. ASSET** FORMULA

**STANDARD PROCEEDS**

No

Exp. on/after VD?

Yes to All 3

**CHOOSE TAB FORMULA**

**STANDARD**

**TAB**

1. **INTRODUCTION**

* 8TH Schedule & s26A
* Residents: worldwide
* Non-residents:
* Immov. Property in SA
* (A)’s attributable to PE in SA
* Remember **s9C**: shares deemed to be capital

1. **ASSETS**

* Definition wide
* Property of any nature
* **Incl:** coins gold / platinum; R’s of whatever nature in property; Kruger Rands
* **Excl.:** currency

**1 Oct ’01 VD**

**Value @ VD**

**PAR 20 EXP**

**+ PAR 20**

**Donation: INCL. portion in BC**

|  |  |
| --- | --- |
| **DT paid by DONOR** | **DT Paid by DONEE** |
| Y = (MV – BC) x DT  MV | CG Donor x DT  MV |

\*\* **if cap. loss : ≠ incl. DT**

**Reduce par 20 exp:**

* Amount allowed as deduction in TI
* Recovered / recoverable / pd by another
* Exp. not been pd & not due in YOA

CGT

* Acquisition & creation
* Valuation costs (For CGT)
* Direct costs
* Est. / defend / maintain legal title
* Improvements **(reflected at time of disposal)**
* Value of option on 1/10/2001 & acquired before 1/10/2001, exercised after
* Holding costs/o.ship costs
* Wholly excl. for business
* Listed share
* i in CIS

Incl. 1/3

**A‘s acquired AFTER**

**A‘s acquired BEFORE**

1. **PROCEEDS**

* Amount rec / accrued
* **INCL**:
* Amount debt reduced
* Lessee received improvements
* **EXCL:**
* Amount included in TI: recoupments
* Repaid / repayable
* Debt owing waived
* ≠ at arm’s length / to CP:

Use **MV**

1. **DISPOSAL**

|  |  |
| --- | --- |
| **ACTUAL** | **DEEMED** |
| * Sale * Donation * Expropriation * Scrapping / destruction * Waiver / release * Distribution (CO 🡪 SH) * Granting, renewal, extension | 1. Resident RSA:  * **Cease**: MV = Proceeds * **Commence:** MV = BC  1. TS 🡪 Cap A: MV = BC   Cap A 🡪 TS: MV = Proceeds   1. PUA 🡪 Not PUA: MV = BC |

**NOT DISPOSAL**

* Transfer A as security for debt
* CO Issue or cancel own shares
* Disposal correct error in registry
* Issue of debt
* Security lent under arrangement