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REPUBLIC OF SOUTH AFRICA.

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**EXPLANATORY MEMORANDUM**

ON THE

**REVENUE LAWS AMENDMENT BILL, 1963.**

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CLAUSE ONE.

An amendment is in due course to be introduced to the First Schedule to the Public Service Act, 1957, changing the designation of the Commissioner for Inland Revenue to the Secretary for Inland Revenue. Clause *one* of the present Bill is designed to ensure that any reference in any law or document to the Commissioner for Inland Revenue will be interpreted as a reference to the Secretary for Inland Revenue.

CLAUSE TWO.

In terms of the amendment introduced by this clause to section *four* of the Transfer Duty Act, 1949, the rate of the penalty payable in any case where the transfer duty is not paid within six months of the date of the transaction in respect of which the duty is payable, is, with effect from 20th March, 1963, reduced from twelve per cent per annum to seven and a half per cent per annum. In terms of the proviso, where the six-month period prescribed by the Transfer Duty Act, 1949, for payment of the duty expired before 19th March, 1963, the penalty will be calculated at the rate of twelve per cent per annum up to and including 19th March, 1963, and at the rate of seven and a half per cent per annum thereafter.

CLAUSE THREE.

In terms of paragraph (*b*) of sub-section (1) of section *nine* of the Transfer Duty Act, 1949, transfer duty is not payable in respect of the acquisition of property by any institution or body contemplated in paragraph (*vi*) of section *eighty-five* of the South Africa Act, 1909. In terms of the amendment introduced by clause *three* of the Bill the said paragraph (*b*) has been re-written so as to expand the exemption to include, besides the institutions and bodies at present covered, also the Evaton Native Township Liaison Committee as constituted under Part II of Schedule B to Proclamation No. 54 of 1959.

CLAUSE FOUR.

Section *twenty-one* of the Transfer Duty Act, 1949, provides for the recovery of any transfer duty which became payable under any repealed law. In terms of the various laws repealed by that Act interest is payable in respect of late payments of transfer duty at the rate of twelve per cent per annum. The purpose of the amendment introduced by clause *four* of the Bill is to reduce the rate of interest under the repealed laws to seven and a half per cent per annum in respect of the period from 20th March, 1963, to the date of payment of the duty.

CLAUSE FIVE.

Section *twenty-one* of the Exchequer and Audit Act, 1956, provides that the payments to be made by the Commissioner for Inland Revenue into the Exchequer Account and the various provincial revenue funds of the amounts due to such funds under the income tax laws of the Republic may be made at monthly intervals. In terms of the amendment introduced by clause *five* of the Bill the provisions of the said section *twenty-one* will apply also in respect of payments of similar amounts into the Transkeian Revenue Fund.

## CLAUSE SIX.

This clause brings about a textual change in sub-section (7) of section *seven* of the Stamp Duties Act, 1962.

## CLAUSE SEVEN.

This clause effects a textual amendment to the Afrikaans version of Item 17 of the First Schedule to the Stamp Duties Act, 1962.

## CLAUSE EIGHT.

This clause prescribes the short title.