



TAX INDABA

2017

WELCOME

Foreign employees working in South Africa

Topical matters in respect of foreign employees working in South Africa

- Provisional taxpayer status and resulting obligations
- Remember to plan for trailing income
- Employees' tax obligation of local employer in respect of participation in an international share scheme



Provisional taxpayer status and resulting obligations

- Definition of “provisional taxpayer” amended with effect from 1 March 2017 to include *“any person who derives income by way of any remuneration from an employer that is not registered in terms of paragraph 15”*
- What does this mean for expatriate employees that receive remuneration from their home country employer?
- Foreign remuneration accounted for on shadow payroll - does this change things?
- Short term business travelers.
- Commissioner’s discretion to direct otherwise



Planning for trailing income

- Things to look out for
 - Incentive compensation relating to a period other than the specific tax year
 - Section 8C restricted equity instruments
- Compliance obligations of the employer and the employee



Employees' tax obligation of local employer in respect of participation in an international share scheme

- Paragraph 11A of the Fourth Schedule to the Act
- The non-resident grantor and any employer paying or liable to pay remuneration are jointly and severally liable for the withholding of employees' tax
- Income apportionment and gross-up
- Directive and IRP5 certificate





THANK
YOU