



**The Davis Tax Committee**  
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**MEDIA STATEMENT:**

**CALL FOR WRITTEN SUBMISSIONS ON CORPORATE INCOME TAX**

**07 December 2016**

The Minister of Finance established the Davis Tax Committee (DTC) in 2013 to inquire into the role of the tax system in the promotion of inclusive economic growth, employment creation, development and fiscal sustainability. In doing so, the committee will take into account recent domestic and international developments and, particularly, the long term objectives of the National Development Plan.

The DTC has adopted an approach that is participatory and consultative. This will provide for wide engagement with all stakeholders. Special dialogue sessions are arranged on an ongoing basis to take into account a diversity of interests and opinions. The DTC will also, from time to time, call upon interested parties to make submissions on specific items in its Terms of Reference, which can be viewed on the DTC's website, [www.taxcom.org.za](http://www.taxcom.org.za)

As specifically mandated in its Terms of Reference, the DTC is required to conduct a review of the corporate tax system (CIT) with special reference to:

1. the efficiency of the corporate income tax structure;
2. tax avoidance (e.g. base erosion, income splitting and profit shifting, including the tax bias in favour of debt financing);
3. tax incentives to promote developmental objectives and;

4. average (and marginal) effective corporate income tax rates in the various sectors of the economy.

CIT issues pertaining to tax base erosion and profit shifting (BEPS) (item 2 above) have been handled by the DTC BEPS Sub-Committee. Its second interim report has been submitted to the Minister of Finance for consideration and approval for publication on the DTC's website for public comment. The DTC would like to take this opportunity to thank all stakeholders for input on the first and second BEPS reports.

CIT matters pertaining to tax incentives (item 3 above) as a means of promoting developmental objectives are being handled by the DTC Tax Incentives Sub-Committee. CIT issues pertaining to the mining sector are being dealt with by the DTC Mining Sub-Committee.

A DTC CIT Sub-Committee has been established to deal with items 1 and 4 specifically. To assist this sub-committee, the DTC would like to invite written submissions on the following areas of CIT:

- a) The efficiency of the CIT structure;
- b) The average (and marginal) effective CIT rates in the various sectors of the economy;
- c) Group restructuring;
- d) Group taxation;
- e) Dividends tax;
- f) Any other South African CIT concerns that need to be addressed.

Kindly send all written submissions by e-mail to [taxcom@sars.gov.za](mailto:taxcom@sars.gov.za) or by post to PO Box 2344, Brooklyn Square, Pretoria, 0075 by **31 March 2017**.

Questions relating to this media statement can be directed to the Secretariat for the Davis Tax Committee using the provided e-mail address or on the telephone number **012 432 9390**.

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