



**The Davis Tax Committee**

Hatfield Gardens (Block A)

333 Grosvenor Street,

Hatfield, Pretoria, 0083

E-mail: [taxcom@sars.gov.za](mailto:taxcom@sars.gov.za)

Website: [www.taxcom.org.za](http://www.taxcom.org.za)

**MEDIA STATEMENT:**

**THE DAVIS TAX COMMITTEE CONCLUDES ITS WORK WITHIN 5 YEARS**

**12 April 2018**

The Davis Tax Committee (DTC) is pleased to announce the publication of four more final reports and the conclusion of its work based on its Terms of Reference.

The following four final reports are now available for viewing on the DTC's website [www.taxcom.org.za](http://www.taxcom.org.za):

1. VAT (replaces the first VAT report);
2. Corporate income tax (CIT) (with separate note and article on territorial taxation);
3. Public benefit organisations (PBO's);
4. Wealth tax.

The reports are based on the mandate of the DTC as per its Terms of Reference, which are also published on the DTC's website. The PBO and wealth tax reports were done in addition to the specified items in the Terms of Reference. The DTC does not require any further input on the four reports that have now been published as the reports have been finalised.

As part of the consultation process to finalise the four reports, the DTC extended invitations (through media statements and e-mail) for submissions for reports and comments on its reports from the public. Three lively public workshops were held on a possible wealth tax for South Africa.

It is important to note that, as mentioned in the Terms of Reference of the DTC, “the Committee is advisory in nature, and will make recommendations to the Minister of Finance. The Minister will take into account the report and recommendations and will make any appropriate announcements as part of the normal budget and legislative processes. As with all tax policy proposals, these will be subject to the normal consultative processes and Parliamentary oversight once announced by the Minister.”

This brings the DTC to the conclusion of its work within five years of being appointed by the Minister of Finance on 17 July 2013 to inquire into the role of the tax system in the promotion of inclusive economic growth, employment creation, development and fiscal sustainability.

The DTC faced many challenges over its tenure. These include political uncertainty due to the comings and goings of six Ministers of Finance, a breakdown in relations with the SARS Commissioner after a widely publicised spat in early 2017, limited resources, attrition, a small Secretariat, and the DTC’s Members having to work on a part-time basis in addition to their full-time professions.

Despite these challenges, the DTC was able to deliver on its elaborate Terms of Reference (and more) with 25 reports that were submitted to the Minister of Finance. The DTC issued 23 media statements and held 7 workshops to engage with the public. The full committee and its twelve sub-committees held 205 meetings and received 433 submissions in total. Meetings were held with academics, business organisations, civil society, government departments and agencies, international experts, NEDLAC, political parties, professional bodies, tax practitioners and trade unions. Progress reports were also presented to the Standing Committee on Finance in Parliament on two occasions.

The DTC’s operating costs over almost five financial years amounted to R12 380 000 (excludes costs of premises and Secretariat that were borne by SARS) which is considered to be prudent in light of monthly payments that had to be made to the DTC’s eight Members for services rendered and the vast array of expertise that was provided to the committee by outside parties. Judge Dennis Davis was not allowed to receive remuneration for his services as chairperson of the DTC as he is not a retired judge as yet.

The DTC held its last meeting on 27 March 2018. A detailed closing report has been published on the DTC's website to account for its almost five years in existence.

This is indeed an opportune time for the DTC to conclude its work as the country leaves behind difficult times and enters a more hopeful era (A New Dawn) of socio-political change and economic transformation. Based on the findings of the DTC, it is evident that the tax system of South Africa has an important role to play in the new era.

The DTC sincerely hopes that it has delivered on its mandate and that it has served the needs of South Africa well despite its challenges. It also hopes that its reports will serve as useful references in the formulation of tax policy and tax administration going forward.

The DTC would like to take this opportunity to thank all persons who have expressed an interest in the work of the committee and for providing assistance where required, especially the various Ministers of Finance, National Treasury, SARS, the International Monetary Fund, the World Bank and various ad hoc members for the support that they provided to enable the DTC to deliver on its mandate.

Questions relating to this media statement can be directed to the e-mail address [taxcom@sars.gov.za](mailto:taxcom@sars.gov.za)

**END**