



1 MARCH 2017

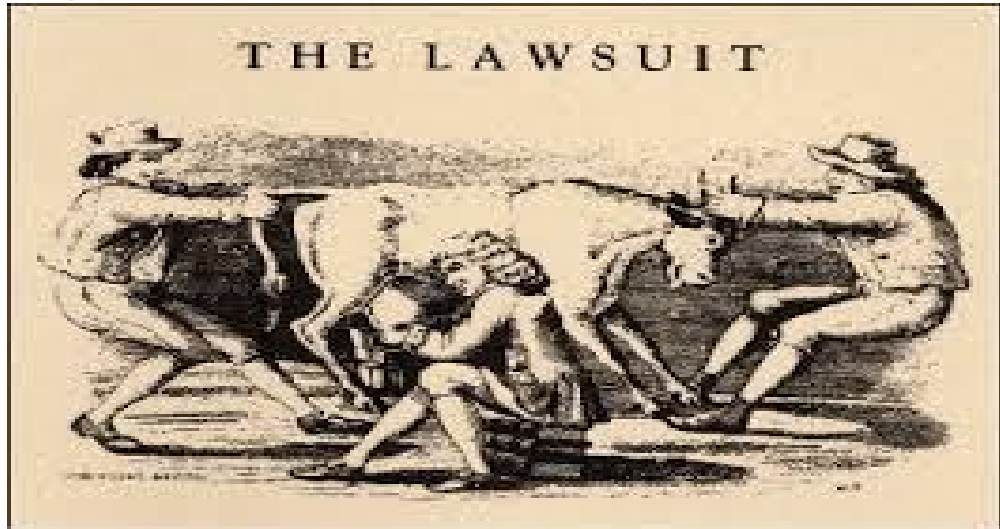
www.drdconsulting.co.za

"Are your company records up to date?"

The Companies Act 71 of 2008 requires ALL companies to maintain their company records. Contact us for more information; leon@drdconsulting.co.za



Negotiate...



Cape Town – [BUDGET 2017](#)



Pravin Gordhan

Budget in a Nutshell for 2017/18

- Proposed expenditure totals R1.56 trillion.
- Projected revenues amount to R1.41 trillion, up 7%.
- The Budget deficit of R149bn, or 3.1% of GDP, will be borrowed.
- Government debt has risen to R2.2 trillion, 50.7% of GDP.
- Annual interest payments on debt now amounts to R169bn.
- An extra R5bn for higher education will be added to the R32bn previously announced.
- Tax receipts have risen from 27.8% of GDP three years ago to 29.4% in



1 MARCH 2017

www.drdconsulting.co.za

Shares and Share Registers

Non-Listed companies are required to keep a register of Shares issued and all transactions relating to the transfer or sale of shares.

"Are your Share Registers up to date?" For more information, contact us at leon@drdconsulting.co.za or dot@drdconsulting.co.za



2016/17. It is forecast to rise to 29.8% in the year ahead.

- Government spending has risen from 31.5% of GDP in 2013/4 to 32.8%.

It is forecast to increase to 33% this year.

Tax collection shortfalls

Last year's tax revenues were R30.4bn below what was estimated in the 2016 Budget, the largest shortfall in revenue since GFC-impacted 2009/10.

Personal income tax generated R15.2bn less than expected; VAT was R11.2bn below target; and in customs duties the shortfall was R6.5bn.

This problem was signaled in October's Mini Budget, but has grown by more than a third from the R22.8bn shortfall that was expected then.

Treasury is making a habit of making over-optimistic forecasts. In last year's Budget it had to admit to revenues that were R11.6bn below what had been projected the previous year.

Tax increases

2017's higher taxes of R28bn come from a five sources:

- R12.1bn, will accrue through "bracket creep". Taxable income thresholds are usually adjusted to offset inflation; this year the adjustment will be minimal.
- R4.4bn will be raised through an increase to 45% in the marginal tax rate on income above R1.5 million. This will affect about 100 000 taxpayers.
- R6.8bn will be raised through the hike from 15% to 20% in the dividend withholding tax, rationalized because the higher marginal tax rate would otherwise offer an arbitrage opportunity.
- R3.2bn will be generated by a net 39c per litre increase in the fuel taxes. Since 2014, tax on petrol has risen from 27% to 36% of the pump price; and for diesel from 28% to 45%.
- R1.9bn comes from increased excise duties for alcohol and tobacco of between 6% and 10%.



Tax relief

Limited tax relief will be provided through:

- There is a marginal increase in the threshold for taxable income (from R75 000 to R75 750) and property transfer duties (from R750 000 to R900 000).
- Allowance for tax-free savings accounts increased to R33 000.
- Medical tax credit is increased in line with inflation, but is in line for a reduction in future as part of financing the National Health Insurance.



Social assistance

- The old age grant will increase by R90 to R1600 for pensioners over the age of 60, and R1620 for those over 75.
- The disability and care dependency grants also increase by R90 to R1600 a month.
- Foster care grants increase by R30 to R920 a month.
- The child support grant increases by R20 to R380 a month.

The Finance Minister's Budget summary:

1. While global growth is slightly better, geo-political and economic uncertainties have increased.
2. SA's low growth trajectory provides a major challenge for government and citizens.
3. SA needs to radically transform our economy so that we have a more diversified economy, with more jobs and inclusivity in ownership and participation.
4. Our financial situation is difficult, but we have still produced a credible



budget.

5. We need to prioritise our spending better, implement our plans more effectively and make a greater impact.
6. We need to build the widest possible partnership to promote consensus and action on a programme for inclusive growth and transformation.

9 Quotes On Radical Economic Transformation in Pravin Gordhan's Budget 2017

In the run-up to the [Budget speech 2017](#), the phrase "radical economic transformation" has been used repeatedly by President Jacob Zuma and his allies. For critics, the phrase is cynical [code for state capture](#), and freeing resources from being carefully guarded by National Treasury under Pravin Gordhan.

In his speech on Wednesday Gordhan, a finance minister [under attack like no other](#), embraced the concept — in the truest sense of the phrase. Here are some of the most poignant quotes from his speech.

1. "Income growth has been uneven — the bottom 20 percent have benefited from social grants and better access to services, the top 20 percent have benefited from the rising demand for skills and pay increases. Those in the middle have been left behind."
2. "These, among other factors, are also driving a case for radical transformation of economic models, and a call for inclusive growth."
3. "This is not a transformation to be achieved through conquest, conflict or extortion, as in our past."



DRD CONSULTING E-MAIL NEWSLETTER

1 MARCH 2017

www.drdconsulting.co.za

4. "We do not seek to reproduce the racial domination that was the hallmark of apartheid nationalism."

5. "Our transformation will be built through economic participation, partnerships and mobilisation of all our capacities."

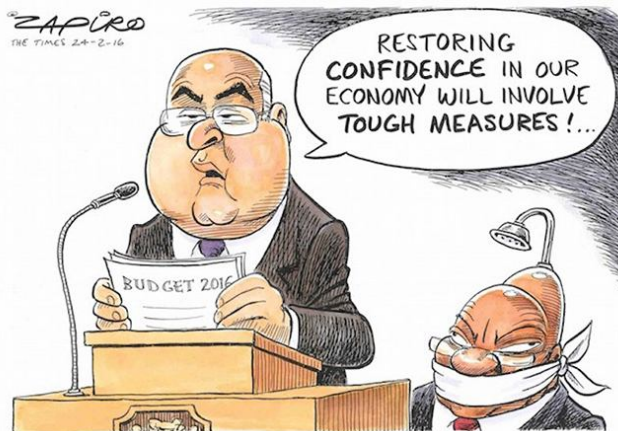
6. "It is a transformation that must unite, not divide South Africans. This is the task entrusted to us by Oliver Tambo, Helen Joseph, Walter Sisulu and Rolihlahla Mandela."

7. "All South Africans must share in a more prosperous future."

8. "Without transformation, growth will reinforce inequality; without growth, transformation will be distorted by patronage."

9. "President Jacob Zuma articulated this intent in the State of the Nation Address, rightly emphasising the radical nature of the socioeconomic transformation we need."

"At DRD CONSULTING we support technology and innovation and use it to enhance our skills....not replace it" Dot Schafer CA (SA)





DRD CONSULTING E-MAIL NEWSLETTER

1 MARCH 2017

www.drdconsulting.co.za

The Team

Linda, Dot, Angela, Ferial, Sam, Leon and Shannon



Government Tender in South Africa

The Minister of Public Works wanted to remodel her office, so she invited different contractors for tenders.

One was from Johannesburg, one from Durban and the last one from Soweto.

"OK gentlemen, I want a nice job," She said, "Let's hear from Jhb?"

The guy took out his ultrasonic measuring device and laptop and began measuring, scrawling on the computer, calculating.

Eventually he said "R90 000, Madam Minister,"

"That seems like quite a lot of money! Why R90,000?"



DRD CONSULTING E-MAIL NEWSLETTER

1 MARCH 2017

www.drdconsulting.co.za

"You see," he replied, "that's R40 000 for material, R40 000 for labour and R10 000 for my profit".

She seemed OK with that and turned to the Durban contractor. "So how much do you want to do the job?" she asked.

The Durban fella took out a rusted tape measure, broken clipboard and a blunt pencil. He took some measurements, scratched some calculations on the back of his Rothmans box and came up with a figure of R70,000.

"That's interesting!" said Stella. "Explain the R70 000?"

"Simple, Madam Minister, I got a brother-in-law in the hardware trade, so that's R35 000 for materials, R30,000 for my guys, and R5,000 for my profit and all."

She was amused but happy to accept the explanation.

Then she asked the Soweto contractor for his quotation. He just smiled, looked the minister in the eyes and said, "R270 000!"

"Yoh Yoh Yoh!.... How did you come to that amount without even taking your measurements? What is that amount for?"

"That's R100 000 for me and R100 000 for you!"

"So what about the remaining R70 000?"

"We hire that guy from Durban to do the job!!!"



Visit us at www.drdconsulting.co.za



DRD CONSULTING E-MAIL NEWSLETTER

1 MARCH 2017

www.drdconsulting.co.za

Next Month:

*The "Independent"
Trustee...*

Facts and Fiction



Contact information

Dorothy Rose Schafer CA (SA)

Practice Number 03084501

dot@drdconsulting.co.za

Bookkeepers

Ferial Salie: ferial@drdconsulting.co.za

Shannon Walden: shannon@drdconsulting.co.za

Angela Crossland: angela@drdconsulting.co.za

Linda Richards: linda@drdconsulting.co.za

Samantha: sam@drdconsulting.co.za

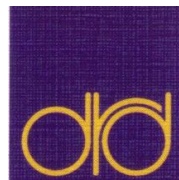
Deceased Estates/Trusts/Mediation/Legal

Leon Terblanche: leon@drdconsulting.co.za

Web links

www.drdconsulting.co.za

www.paralegalpractice.co.za



Layout and Editing by WordStorm (Pty)Ltd

WordStorm@outlook.com