

19 February 2018

Valued client

Good day

### **YEAR-END: FEBRUARY 2018**

All clients, please read further:

If you are not a client, you do not need to read further.  
This is not compulsory reading for all clients.  
Only relevant to South African circumstances.  
No Afrikaans version of this e-mail available.

It is again time to conduct your annual year-end procedures for the end of the 2018 financial and tax year on 28 February 2018, either this week or soon afterwards, where applicable:

#### Please remember to:

- Collect all medical slips, medical aid certificates, Sec18A receipts, retirement annuity fund certificates and provident fund certificates.
- Collect all IRP5 certificates, IT3 certificates and interest certificates.
- Make a note of your car's odometer reading and update your log book.

#### Businesses also remember to:

- Do a stock take (on the 28th after work).
- Do a cash count (on the 28th after work).
- Verify your accounts receivable.
- Verify your accounts payable.
- Verify the cost of any work-in-process.
- Collect and reconcile your bank statements up to year-end.
- Reconcile your salaries and wages before final pay-outs.

#### Tax planning:

- The last few weeks prior to year-end is the best time for tax planning, as it allows us the best time of year to calculate and avoid taxes most accurately, and often allows us the opportunity to "fix" tax problems before the tax year has run out.

#### Deadlines and appointments:

- Our firm will continue to do most annual accounting work on appointment. Please ensure that you know when to expect us to request your bookkeeping, documents and information for the timeous completion of your annual financial statements.
- Please ensure that our annual appointment, to conclude your annual financial statements, allow for enough time to meet your other deadlines. Such deadlines will include your bank's overdraft revision date, your regulatory body's submission date, etc. SARS's deadlines are noted at [Our Workplace](#).
- Note that our firm will no longer allow appointments for annual accounting work during January and February of each year, or conclude any annual accounting work during this busier time of year.
- Companies, close corporations, co-operatives and public benefit organisations, with a February year-end, has until 28 February 2018 (twelve months after year-end) to submit their income tax returns for the previous tax year. The income tax returns of all individuals and trusts for the previous or earlier tax years should have been submitted by now.

#### Provisional tax and employees tax for 2018:

- Employers should by now have reconciled their employees tax for the current year (before paying the final salaries and wages for the current tax year). These figures will be used to submit your final employees tax reconciliation.
- Most provisional taxpayers would have received correspondence from our firm, indicating that a second provisional tax payment will be made on 28 February 2018. These amount(s) will effectively show on your online banking platform on 28 February 2018 to be authorized by yourself.

#### Provisional tax and employees tax for 2019:

- SARS expects all provisional taxpayers and employers to keep their bookkeeping and payroll up to date. Our firm will need these throughout the year to submit future provisional tax returns and employee tax reconciliations. Should you be unable to meet these requirements, please arrange for our firm to assist in this regard.
- Take careful note of the possibility of capital gains and capital gains tax, especially on passive investment products, and forward any such documentation and information to our firm well ahead of time.
- Version 0018 of your Salary Register for the 2019 tax year will be available soon after year-end. This basic salary register incorporates most of the functionality used by smaller businesses / employers and should be used to calculate employees tax, UIF, etc accurately.

#### Stricter compliance by SARS:

- We have seen an incline in SARS enquiries, and expect that SARS will continue with their strict compliance regime during the coming tax year, which may include stock lists, VAT-reports, tax invoices and explanations on specific expenses. Please ensure that you supply our firm with all such relevant documentation and information on time. You are welcome to e-mail the above-mentioned documentation and information to our firm shortly after year-end.

#### Stricter compliance with IFRS for SME's:

- The directors of companies and co-operatives, members of close corporations and management of other institutions, whose annual financial statements need to comply with the requirements of IFRS for SME's, need to take note of the strict compliance regarding both the prerequisite to approve / sign the annual financial statements within six months after year-end, and conducting the physical stock take, including the stock take of consumables, at year-end, without which the report of the accounting officer has to be qualified.

Please contact us, should you require any further advice or assistance.

Regards

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