Tax Exemption Unit

South African Revenue Service

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PBO Reference No.
930092666

Income Tax Reference No.
9580714229

Date
09 October 2026

The Tax Representative
Nkwenkwezi Foundation
Bluevalley Golf Estate
86 Carlyke Street
Kosmosdale
Johannesburg
0157

Dear Sir / Madam

INCOME TAX EXEMPTION APPROVED: **NKWENKWEZI FOUNDATION**

The South African Revenue Service (SARS) would like to confirm that your application for exemption from income tax has been approved as it meets the requirements of a Public Benefit Organisation (PBO) set out in section 30(3) of the Income Tax Act No 58 of 1962 (the Act). Your Income Tax Exemption has been granted in terms of section 10(1)(cN) of the Act. Annual receipts and accruals will therefore be subject to the provisions of section 10(1)(cN) of the Act and accruals and receipts from trading or business activities which fall outside the parameters of section 10(1)(cN) will be subject to tax.

The following exemptions also apply and are limited to:

1. The public benefit organisation has been approved for purposes of section 18A(1)(a) of the Act and donations to the organisation will be tax deductible in the hands of the donors in terms of and subject to the limitations prescribed in section 18A of the Act with effect from 31 March 2005.
2. Donations made to or by the PBO are exempt from Donations Tax in terms of section 56(1)(h) of the Income Tax Act.
3. Exemption from the payment of Estate Duty in terms of section 4(h) of the Estate Duty Act No.45 of 1955.
4. Exemption from payment of the Skills Development Levy (SDL) in terms of section 4(c) of the Skills Development Levies Act No. 9 of 1999.

In order to maintain your exempt status, the following conditions must be complied with:

1. Amend the founding documents to comply with the requirements of section 30 of the Income Tax Act, the following clauses must be added –

a) At least three persons who accept the fiduciary responsibility for the public benefit organisation, will not be connected persons in relation to each other, and no single

person directly or indirectly controls the decision making powers relating to the such organisation

b) On dissolution of the public benefit organisation, the remaining assets must be transferred to:
   - Another public benefit organisation which has been approved in terms of section 30 of the Act.
   - Any institution, board or body which is exempt from payment of income tax in terms of section 10(1)(cA)(i) of the Act, which has as its sole or principal object the carrying on of any public benefit activity; or
     - Any department of state or administration in the national or provincial or local sphere of government of the Republic contemplated in section 10(1)(a) or.
   - The National Finance Housing Corporation.

c) The organisation is prohibited from directly or indirectly distributing any of its funds to any person (otherwise than in the course of undertaking any public benefit activity) and is required to utilise its funds solely for the object for which it has been established.

d) No donation will be accepted which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of section 18A: Provided that a donor (other than a donor which is an approved public benefit organisation or an institution, board or body which is exempt from tax in terms of section 10(1)(cA)(i),which has as its sole or principal object the carrying on of any public benefit activity) may not impose any conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.

e) A copy of all amendments to the founding documents will be submitted to the Commissioner for the South African Revenue Service.

A copy of the amended founding documents incorporating the above must be submitted to this office within a month on receipt of the approval letter.

The following options are available to you for the submission of the information:
- Electronically via e-mail to teu@sars.gov.za
- Nearest SARS Branch Office

2. When issuing a tax deductible receipt it must include the following information:
   a) The reference number (the PBO number quoted on this letter).
   b) The date of the receipt of the donation.
   c) The name and address of the organisation issuing the receipt to which enquiries may be directed.
   d) The name and address of the donor.
   e) The amount or nature of the donation if not in cash.
   f) Certification that the receipt is issued for the purpose of section 18A and that the donation will be used exclusively for the activities which are approved for section 18A purposes.
   g) The receipt must be issued in the year when the donation is received by the organisation approved for purposes of section 18A.

3. Furthermore, given the S18A approval granted, you must submit with your annual tax return, audit certificate stating that 18A funds for which 18A certificate were issued are utilised for 18A activities and supporting documentation which include the full particulars of all the receipts issued in respect of deductible donations and how these funds were spent.

4. Submit an annual Income Tax Return (IT12EI) by the due date via SARS eFiling or manually. Your IT12EI can be obtained by
   - Registering online at www.sarsefiling.co.za to access, request and submit the IT12EI electronically
   - Calling the SARS Contact Centre on 0800 00 SARS (7277)
   - Requesting an IT12EI by contacting the TEU on teu@sars.gov.za or calling (012) 483 1700
   - Requesting an IT12EI by visiting your local SARS branch.

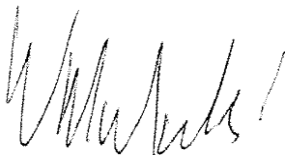
5. Tax-deductible receipts may only be issued for *bona fide* donations. Refer to Annexure A for more information in this regard.

6. The exemption approval as contained in this letter is subject to review on an annual basis by the TEU upon receipt of annual income tax return and s18A supporting documentation.

7. SARS must be informed in writing within 21 working days of any change in registered particulars (e.g. representative, change of name, address, trustee details, office bearers, etc.).

For further information or assistance, email your query to teu@sars.gov.za, visit the SARS website www.sars.gov.za, call the TEU on 012 483 1700 or visit the TEU offices. Kindly ensure that you have your ID and tax reference number on hand to enable SARS to assist you.

Sincerely



William Molotsi
Tax Exemption Unit
ISSUED ON BEHALF OF THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE

Annexure A: Information pertaining to S18A donations

What is considered a *bona fide* donation for S18A purposes?

A *bona fide* donation is a voluntary, gratuitous gift disposed of by the donor out of liberality or generosity, where the donee is enriched and the donor impoverished. There may be no *quid pro quo*, no reciprocal obligations and no personal benefit for the donor. If the donee gives any consideration at all it is not a donation. The donor may not impose conditions which could enable him or any connected person in relation to himself to derive some direct or indirect benefit from the application of the donation.

Examples of what does **NOT** constitute a *bona fide* donation for purposes of section 18A?

1. Donation of services rendered such as a professional person renders a skill free of charge.
2. An amount paid for attending a fundraising dinner, dance or charity golf day.
3. The amount paid for the successful bid of goods auctioned to raise funds by an organisation and Memorabilia, paintings, etc, donated to be auctioned to raise funds
4. Amounts paid for raffle or lottery tickets.
5. Amounts paid for school fees, entrance fees for school admittance or compulsory school levies.
6. Value of free rent, water and electricity provided by a lessor to the lessee which is an approved PBO.
7. Payments in respect of debt due