

EXECUTIVE SUMMARY

Welcome to this month's eFile. In this issue, we take a look at some important legislative amendments that are on the horizon.

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INTEGRATED ICT POLICY TRANSLATED INTO ICT SECTOR COMMISSION AND TRIBUNAL BILL

A new Bill is set to integrate the many diverse disciplines that make up South Africa's digital and ICT sector into a single, all-powerful entity. The draft Bill follows the Department of Telecommunications & Postal Services' ambitious Integrated ICT Policy White Paper and will give effect to its aims.

The White Paper outlined the Ministry's plan to provide cross-government leadership; facilitate multi-stakeholder participation; reinforce fair competition and facilitate innovation in the converged environment; protect the open Internet; address the digital divide and manage scarce resources. The Bill puts forward a structured plan to translate these ambitions into actionable steps.

The Ministry also hopes to amend the Electronic Communications Act to include clear policy approaches to infrastructure rollout, supply-side issues and the allocation of resources. South Africans will also be pleased to hear that the amendment looks to lower the cost of communications through an open-access wireless network.

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NATIONAL TREASURY REVISES TAXATION ON FOREIGN INCOME

Last year, South Africans were incensed by National Treasury revoking a long-standing exemption on foreign income. However, in response to public outcry, they have proposed reinstating a limited exemption on foreign earnings.

As a result of comments received from the public, Treasury has proposed to amend the Income Tax Act to exempt the first R1 million of foreign-earned employment income from being taxed as income in South Africa, provided all the requirements of section 10(1)(o)(ii) of the Act are met. This includes the condition that an employee must work outside of South Africa for more than 183 days, of which 60 continuous days must be during a 12-month period. Foreign income that exceeds R1 million will be subject to income tax in South Africa. This proposal will be effective from March 2020, which gives employees working abroad time to adjust their tax affairs and employment contracts.

Click here to [read more](#) or, for specialist advice on how this proposal applies to your foreign earnings, [contact us](#).

DUE DATE FOR COMMENTS ON CONTROVERSIAL ELECTRONIC COMMUNICATIONS AMENDMENT BILL EXTENDED

Last year, the Department of Telecommunications and Postal Services issued a controversial proposed Electronic Communications Amendment Bill. This included the contentious proposal to create a wholesale, open-access network from which telecoms licensees would be expected to buy capacity, a development which mobile network operators have vocally criticised. To add to the discontent, the Bill was published in November with an unreasonable 30-day period for comment. Thankfully, this was subsequently extended until 31 January 2018.

One aspect of the plan that is certain to inspire commentary is the proposed establishment of a Wholesale Open-Access Network (WOAN). This would house the sought-after bands of spectrum coveted by network operators and, according to the Department of Telecommunications and Postal Services, allow the nearly 400 electronic communications network service licensees access to spectrum.

However, concerned stakeholders, which include the top six operators, say that, in their discussions with the State, they were led to believe that a hybrid model would be adopted. This would have been a preferable compromise, in which some of the spectrum would be allocated on a competitive basis, while the remaining portion would be reserved for the WOAN.

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