Dear Sir / Madam

CALL FOR COMMENT: DRAFT INTERPRETATION NOTE – DEDUCTION OF SECURITY EXPENDITURE

We refer to your call for comment regarding the above-mentioned. Set out below please find SAICA’s comments, which have been provided by members of our National Tax Committee.

The draft interpretation note clearly and correctly sets out the principles regarding the deduction of security expenditure in terms of the current provisions of the Income Tax Act No. 58 of 1962. At issue however is the increasing number of requests from various parties / lobbies to the South African Revenue Service for a specific deduction for security expenditure incurred by taxpayers in order to safeguard themselves and their property (private domestic nature), more specifically security expenditure incurred whether of a capital nature or not.

Please do not hesitate to contact me should you require further information.

Yours faithfully

M Hassan CA(SA)
PROJECT DIRECTOR: TAX
The South African Institute of Chartered Accountants