Tax Exemption Unit

South African Revenue Service

Office
Pretoria

Enquiries
Michael Dayile

Telephone
(012) 018-0749

Income Tax Reference no
9972796180

PBO number
930085009

Date
08 May 2025

The Public Representative
BOUNDLESS FOUNDATION
411 MAIN AVENUE
FERNDALE
RANDBURG
2125

SARS Pretoria CBD Branch
Cnr Lillian Ngoyi & Francis Baard Street
Pretoria 0002
Private Bag X923 Pretoria 0001
SARS Online: www.sars.gov.za
Switchboard: (012) 483 1700

Dear Sir / Madam

APPLICATION FOR INCOME TAX EXEMPTION APPROVED: BOUNDLESS 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 effect from 12 December 2024. 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 08 May 2025.
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.

The application has been approved for the following public benefit activities:

- The provision of scholarships, bursaries, awards and loans for study, research and teaching on such conditions as may be prescribed by the Minister by way of regulation in the *Gazette*.

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

1. Amend the founding document 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 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 such organisation. Management clause needs to be amended

b) Dissolution clause needs to be amended to state that-on dissolution of the public benefit organisation, the remaining assets must be transferred to -
   i) A public benefit organisation, which has been approved in terms of section 30 of the Act.
   ii) Any institution, board or body which is exempt from the 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
   iii) 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 (b) of the Act.

2. The following clauses must be amended:

c) The activities of the organisation are carried on in a non-profit manner and with an altruistic or philanthropic intent.

d) No activity will directly or indirectly promote the economic self-interest of any fiduciary or employee of the organisation otherwise than by way of reasonable remuneration.

e) No funds will be distributed to any person (other than in the course of undertaking any public benefit activity).

f) The funds of the public benefit organisation will be used solely for the objects for which it was established.

g) The public benefit organisation will not be a party to, or does not knowingly permit, or has not knowingly permitted, itself to be used as part of any transaction, operation or scheme of which the sole or main purpose is the reduction, postponement or avoidance of liability for any tax, duty or levy which, but for such transaction, operation or scheme, would have been or would have become payable by any person under this Act or any other Act administered by the Commissioner;

h) No resources will be used, directly or indirectly, to support advance or oppose any political party.

i) No remuneration will be paid to any employee, office bearer, member or other person which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered and has not and will not economically benefit any person in a manner which is not consistent with its objects.

j) 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.

k) A copy of all amendments to the constitution will be submitted to the Commissioner for the South African Revenue Service.

A copy of the amended founding document incorporating the above must be submitted to this office within 12 months by:

- Scanning and emailing the document to teu@sars.gov.za

3. 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.
   h) Donor nature of person (natural person, company, trust, etc.);
   i) Donor identification type and country of issue (in case of a natural person);
   j) Identification or registration number of the donor;
   k) Income tax reference number of the donor (if available);
   l) Contact number of the donor;
   m) Electronic mail address of the donor;
   n) A unique receipt number; and
   o) Trading name of the donor (if different from the registered name).

4. Submit an annual Income Tax Return (IT12EI) by the due date via SARS eFiling. Your IT12EI can be obtained by
   - Registering online at www.sarsefiling.co.za to access, request and submit the IT12EI electronically

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 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

Michael Dayile
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
8. **Any distribution, contribution or donation made to an approved PBO for the purposes of BBBEE advancement (i.e. the donor and/or a related entity receives benefits in the form of BBBEE points by virtue of donating to a PBO).**
9. **Any distribution, contribution or donation made to an approved PBO for the purposes of complying with obligatory industry regulations (e.g. an entity in the energy sector is compelled by contractual agreement and/or industry regulation to contribute towards community development, in order to obtain or retain business with government).**