

**2017 Draft Taxation Laws Amendment Bill**

**NATIONAL TREASURY / STANDING COMMITTEE ON FINANCE**

**TECHNICAL SUBMISSION**

From:

**EXPATRIATE PETITION GROUP**

“EPG”

Submitted by

**TAX CONSULTING SOUTH AFRICA**

“representative”

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**PROPOSED REPEAL OF FOREIGN EMPLOYMENT INCOME EXEMPTION  
SECTION 10(1)(o)(ii)**

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**A. PREAMBLE**

We make this submission with the prayer of humbleness that we adequately convey the manner and degree to which this tax proposal, where seen through, will impact the everyday lives of those whom we represent, our economy and which may do much more harm than the perceived good for which it was obviously proposed.

The Budget Speech 2017/18 contained the proposal that the section 10(1)(o)(ii) exemption, as contained in the Income Tax Act, No. 58 of 1962 (hereinafter,

respectively referred to as “the exemption” and “the Act”) be limited to South African tax residents who are “*subject to tax in the foreign country*” on their foreign employment income.

Following this proposal, there was a submission by the Big 4 Accounting firms (“the Accounting Submission”) to National Treasury, which appears to have addressed the unintended corporate consequences of the proposed change. This was made publicly available, thus now in public domain, however, we understand a National Treasury response was received hereon, which has not been made public.

The draft law amendment was announced by National Treasury on 19 July 2017, which proposed that the exemption be repealed, in its entirety, (hereinafter “the proposal”) thus impacting all South African tax residents working abroad (hereinafter “expatriates”) and thus significantly farther reaching than the Budget Speech announcement.

#### B. THE EXPATRIATE PETITION GROUP (hereinafter “the EPG”)

1. The EPG was founded as a Facebook group and which then started an online petition to gather complete facts to be presented before National Treasury and Parliament, with the purpose of ensuring proper consultation and informed decision making before any law change is made.
2. The group has at this time over 13,000 members and well over 10,000 petition signatories; which we believe to be a small segment of affected South Africans, but nonetheless a good representation of the interests of a much broader population.
3. We respectfully submit, as fact, that the EPG represents South Africans from diverse ages, ethnicities and backgrounds and does not only represent South African resident taxpayers who are expatriates, as has been incorrectly

reported by various sources. The group includes, for example, notable representation of South Africans living in South Africa supported by expatriates working abroad, parents supported by children working abroad, new expatriates considering international work offers, expatriates who have left South Africa many years ago (some 25 years plus) and who still consider themselves empathetic to South Africa, and students looking to gain international expertise, to name a few.

### C. MISCLASSIFICATION

4. We pray that the attempts to classify EPG members as non-compliant due to “quick mathematics” done by some, must therefore, please, be called to account by responsible National Treasury / SARS officials, including Members of Parliament.
5. The EPG is acutely aware of non-compliant South Africans, as these “trolls” have frequented the group but were brought into line by fellow members, removed and banned from returning. These “trolls” seem to have a peculiar preference for negativity, ranging from advocating the wasted expenditure of taxpayer monies, encouraging non-compliance, asking questions on how they will be traced and sarcastically wishing SARS good luck with the process, sharing information on how to buy tax residency in low tax countries, giving up citizenship, to even selling already-devised tax schemes on hiding money in various arrangements.
6. The EPG expressly distances itself from the before mentioned, and considers itself composed of South Africans who would prefer to be holistically viewed as “true South Africans” who care enough to make the effort by joining a group which has valid points to raise. Those who signed the petition are those who have genuine and honest concerns about the unintended consequences of this proposal.

#### D. IMPACTING THE LIVES OF SOUTH AFRICANS ACROSS SPECTRUM

7. There appears no information readily available on the extent to which South Africans abroad transfer money to South Africa to support local family, own property in South Africa, gain overseas work experience which is re-applied back home and otherwise, economically and socially, contribute to South Africa through their international activities.
8. We earnestly beg that such a significant change in policy should only be proceeded with, once the full economic impact thereof is properly considered and weighed against the policy reasons on the upside of this change.
9. This change will directly impact real lives and the relationship between expatriates and South Africa. The July 2017 White Paper on International Migration for South Africa, which is a forward-thinking piece of work by the Department of Home Affairs, recognizes for the first time the importance of “*management of ties with South African expatriates*”. The policy objectives are noteworthy – interventions to enable development purposes (study, work and business), inward investment (skills and capital) and those wishing to return to South Africa. The tax proposal appears, as considered by many expatriates as factual reality, to be in direct odds with the advocated objectives to not alienate South African expatriates.
10. Where there is any suggestion that tax compliance is not up to scratch for expatriate employees, we submit that an unjust policy move will further alienate the tax base. Non-compliance does not get corrected with an unjust rule of which there is no equivalent in the world. Non-compliance gets corrected by a world class Revenue Authority which finds those who are non-compliant and holds them fully to account for the benefit of all South Africans.

## E. TAX POLICY FORMULATION

11. The Budget Speech Announcements and Draft Taxation Law Amendments published have always been very well aligned. However, on this proposal, a mere limitation of section 10(1)(o)(ii) in cases where “*no tax payable in the foreign country*” as announced in the 2017 Budget Speech, in contrast with a complete repeal in the section as proposed in the Draft Taxation Laws Amendment Bill (DTLAB), reflects a completely different stance.
12. We submit that proper consultation should include explaining this change in stance, as only such an explanation will allow for informed consultative process. Whilst we may speculate on the possible adverse impact of the Accounting Submission, perhaps additional information which has come to the attention of SARS evidencing non-compliance, or, perhaps that the plan was always to repeal the exemption and the Budget Speech conveyed an incorrect message; we find ourselves at risk of raising “misplaced” concerns, as the reasons for this change are not explained in the Explanatory Memorandum.
13. The mischief rule refers to the policy or mischief which a tax law change seeks to address. We presume the removal of the exemption is aimed at (a) collecting additional tax revenue, and (b) to tighten the compliance for South Africans abroad; but wish to submit that for the reasons noted herein, unintended adversities may arise.

## F. TAXPAYER COMPLIANCE

14. We share the view expressed by certain National Treasury and SARS officials that there is wide spread non-compliance by certain segments of South Africans abroad. We are, however, not aware of any research shared that expatriates are less, or more, compliant than any other segment of society.

Reciprocally, the very same National Treasury and SARS officials must acknowledge the many compliant South African taxpayers, who make full and correct disclosure of their tax liability. Those who do not hide in the shadows and behind anonymity, such as those joining the EPG, we would suggest as, obviously, representing those wishing to remain compliant.

15. The mere statement of “non-compliant” is also dangerous –
  - a. The non-compliant individuals may include South Africans who are fiscally non-compliant, for example where they have rental property in South Africa not declared, tax residents who earn independent contractor income which is not exempt under section 10(1)(o)(ii), and previous tax residents who triggered non-residency but do not declare a deemed disposal for capital gains tax purposes. These taxpayers should be treated in accordance with the law and it would be welcome if prosecution statistics become public, to show the efforts of SARS in addressing those who operate outside the legal framework.
  - b. However, there is also a category of non-compliant individuals who are technically non-compliant, but no actual tax liability exists. This would include taxpayers who have not completed their tax returns correctly, including those who had tax practitioners disclose zero tax filings or stated an unemployed status, when they should have disclosed exempt income. It appears from numerous social media comments that even the SARS call center officials may have incorrectly advised taxpayers. There is strong member reaction when it is suggested they have incorrectly completed their tax returns – many claim they were informed by SARS call center agents and walk-in offices to simply complete zero returns. Where this becomes

an item of importance, perhaps some affected expatriates will be brave enough to volunteer affidavits to this effect.

16. We wish to point out that correcting a past incorrect tax return is not always easy, as there is no mechanism in law designed for such corrections in cases where SARS has already raised an assessment thereon. The SARS Voluntary Disclosure Program is also only available where fiscus is owed a liability and not in instances where no liability is due.
17. The suggestion can also be made that filing a full disclosure expatriate tax return is no easy feat. Whilst we appreciate the reasons why SARS has decided that a tax return should only have the set questions and fields completed and that any supporting explanation which the taxpayer wishes to file renders a tax return invalid, in the interest of balance it should be noted that tax returns ask limited questions. Examples include: historically no initial question on whether the taxpayer is tax resident in South Africa and / or the basis for such non-residency status (ordinarily resident vs DTA exemption); only the 2016/17 filing now deals with non-residency triggered in a specific year, which appears to only aim at testing deemed disposal for CGT purposes; only recently and in some cases the residency is tested under a separate section 10(1)(o)(ii) etc.
18. We respectfully submit that, with more pertinent tax return questions designed to promote better compliance, the perceived non-compliance will be better addressed and more accurate information will become available for future policy decisions.

#### G. ECONOMIC CONSIDERATIONS

19. We beseech you to consider that there may be more harm done than good when a policy change of this magnitude is implemented, contrary to international best practice and South Africa specific research. Whilst we do

not wish to pre-empt the findings thereof, we relay herein some specific concerns which underlines the severity of unintended consequences.

20. Limiting the Opportunities of the Youth and Those Seeking to Gain International Experience

- a. There are many valuable contributors to South African society who gained international experience, including employees of government, non-profit organisations, National Treasury and SARS.
- b. Whilst everyone's path is obviously different, we shall make a simple example of a South African working student or newly qualified professional working in the United Kingdom.
- c. The person is intending to return to South Africa and their mode of life determines the tie-breaker in favor of South Africa on application of the DTA, thus remaining a South African tax resident who will, on the proposal, not be exempt from South African tax and only United Kingdom tax credits may be claimed.
- d. The example is made of a low earner in the United Kingdom and earning, as an employee, the same as their personal tax threshold for 2017/18 being GBP11,500. Accordingly, there is no United Kingdom tax liability hereon as per their threshold. Using a GBP1:ZAR17 conversion rate as per section 25D of the Act (which is very favorable considering SARS average published tables and note the position worsens on weaker Rand) the South African taxable income is R195,500. The South African tax threshold for similar period is R75,750, thereafter a 18% up to R189,880 and then 26%. This means SARS would under the new rule be obligated, as it is creature of law and bound to enforce the new provision, to raise

taxes on R22,004 (R195,500 – R189,880 x 26% + R34,178 – rebate of R13,635).

- e. We submit that this R22,004 would be unaffordable for most students and newly qualified professionals. This speaks to the sovereignty of tax jurisdictions' thresholds and rules are based on factors such as cost of accommodation, transport and other living costs in that country. We are not aware of any country world-wide that has introduced tax policy which makes it harder to study or gain international work experience. Even the United States would use their foreign earnings exclusion of USD102,100 per annum, to create a safe haven for their tax residents, thus there would be no additional taxes payable to the IRS before the taxpayers is not earning over this threshold.
- f. There is also a compliance point to make and culture of paying tax, which we believe should be correctly instilled from the start. Where an unjust tax treatment is enforced on students seeking to earn their way or those seeking work experience, the upshot is that some would be tempted to simply not register nor declare.

21. Limiting those with a retirement plan and risk of alienating their return to South Africa

- a. There are many South Africans who are working internationally with the main purpose of funding their retirement. They do not view their life as one of choice, but sacrifice to work away from home for the purpose of sustaining themselves through retirement. The statistics of how few South Africans have enough for retirement are well researched by National Treasury and the main explanation given for the ongoing retirement reforms.

- b. This proposal will upset the retirement path of many expatriates and force them between a choice of not being able to settle in South Africa (the ordinarily resident test is an intention based test), aggressive tax planning or not being able to retire with security and then ultimately burdening the State. We suggest that the only legal option would be to assume a non-resident status and financial emigration, otherwise the choice is one of breaking the law or not sufficiently providing for oneself and dependents.
- c. The decision will come down to simple mathematics due to difference in tax rates and living costs, economic double taxation, coupled with the current South African taxation of fringe benefits, allowances and non-deductibility of expenses (as explained below).

## 22. Positioning South Africa as a Gateway to Africa

- a. There have been very specific and recent enactments of law to promote South Africa as a gateway to Africa and expansion of South African business interests into Africa, including tax and exchange control measures to enable this.
- b. Most African locations have a much lower income tax rate and lesser developed system of taxing allowances and fringe benefits; actually, we are not aware of any higher personal income tax rates and taxing of fringe benefit provisions in Africa than South Africa, except for CAR and Chad who has high tax rates. We encourage the promoters of the proposal to resist only noting odd examples, but that proper analysis should include all African countries recognised by South Africa.

- c. This change will impact the ability of South Africans to expatriate on fixed term contracts, and make employees of other jurisdictions more competitive than our own.

### 23. Migrant Workers

- a. There are many South Africans who work internationally, not by choice, but as a simple means of supporting a family back home. They are on rotation, working a fixed period outside, often on site, and then returning home for a couple of weeks.
- b. Examples include where they work on sponsored infrastructure projects, foreign government projects, charitable work, security related industries, and there is often no tax payable in the foreign location.
- c. Branding these expatriates as not paying tax anywhere is a simple misunderstanding of how these projects work. Where projects are concluded by international sponsors or direct or indirect government enablement, special tax dispensations are agreed upfront. This is an example of using tax policy to stimulate growth, i.e. instead of employee tax and social security adding a cost layer, the agreement is that the funding will be given on proviso of tax exemption.
- d. Well-known examples close to home is the Mozal project in Mozambique, where foreign workers were granted an exemption from tax, as well as the many South African workers providing support in conflict territories including the rebuilding phases.
- e. South African workers will be placed at a significant competitive disadvantage where a tax cost layer is added.

## 24. Economic Double Tax

- a. Where an expatriate works in the UAE, there is no personal income tax, but this does not mean there are not very high, direct and indirect, other taxes and levies. The same as South Africans pump fuel price includes 36% tax on petrol and 40.2% tax on diesel, especially lower personal income tax countries have very high indirect / consumption based taxes. For example, rental in the UAE has been confirmed by some sources as 300% as high as South Africa, which includes a tax component.
- b. The same principle applies in many other jurisdictions where they have a social security system and, unlike South Africa, fund their social security costs from a separate social security tax and not necessarily income tax. Examples close to home are employee social security contributions for Namibia at 0.9%, Mozambique and Zimbabwe 3%, Zambia 5%, Angola 17%, albeit that there is capping in most jurisdictions.
- c. The current proposal will cause a “double” tax from an economic perspective in instances where the expatriate’s host country has adopted tax policy which favors consumption based taxes and social security, as opposed to income taxes.
- d. The upside is that South Africans will pay these taxes in the host country, but have no tax credit to claim, as their taxes are not categorised as income taxes.
- e. We caveat in dismissing this point as misplaced, on the rationale that this would the treatment would be similar for expatriates from all countries. Most other jurisdictions allow the relinquishment of tax

residency sooner, often on a days' test or, alternatively, have some tax exemption for foreign workers similar than our current exemption.

25. Tax on gross income less costs

- a. Certain commentators in the Media who serve on the Davis Tax Committee, have indicated that they support the tax proposal and use the example of a nurse who travels overseas for 6 months of the year to work. Their expressed view is there is no good reason why this person should be exempt from paying tax, compared to a nurse who works in South Africa. Where this is indeed the formulators of tax policy view, we should all be alarmed by the narrowness of perspective by someone who has been appointed as custodian of policy. The sacrifice of working from home to support a family, is simply not the point on which the objection turns. The costs imbedded to enable a commuting lifestyle are not something that can be avoided. The realities include an accommodation cost which is a duplicate cost as the South African home is maintained, cost of living is high and when you pay R100 for a tomato this is a bargain in some jurisdictions (if you can find one), connectivity to back home and so forth; all costs the local nurse would not have. These expatriates must be on employment contracts, otherwise the current section 10(1)(o)(ii) exemption does not apply. There is a very clear limitation of deduction of expenses for employees under section 23(m), including the expenses noted in the example. The expatriate would be taxed on gross employment income and no deduction allowed for actual and direct expenses incurred in the production of said foreign employment income.
  
- b. Many EPG members have much to say about the completely misplaced notion that they are earning big bucks abroad. The

majority just make an honest living and do not feel they are better off financially taken the costs of expatriate life. Adding tax to this equation would simply not make their numbers work.

## H. TAX TECHNICAL

We note below tax technical considerations -

### 26. Tax Residency Test – Ordinarily Resident

- a. The South African tax residency test retains tax residency for far longer periods than almost all international tax jurisdictions, specifically due to the “ordinarily resident” component of the test. Where South Africa remains the country to which a person would naturally and as a matter of course return from his wanderings, the taxpayer remains tax resident in South Africa. The upshot is that a South African tax resident remains far longer tax resident than just measured after a days’ test.
- b. The countries with which South Africa compares its tax policy is a bit of an enigma, but we suggest that BRICS countries would be a good start as a comparative base, as well as other African nations who promote international employees. Without having to repeat herein the rules per countries which National Treasury / SARS already would presumably well aware off, we submit that it is common cause that most countries break tax residency far quicker through a days’ or maintaining of home test.
- c. One of the few, but premier, examples of world-wide tax is the United States, but they have a balancing rule, similar to our current exemption test. A foreign earnings exemption of USD102,100 (2017

United States fiscal year) per annum is granted, thus only taxing above a certain income level. This exemption is given where the taxpayer meets either a “physical presence” (330 days outside in 12 months) or “bona fide” test (legal resident of another country for full calendar year). We submit that even such a mechanism has withstood the test of time with the IRS, recognising a full tax mechanism for expatriates and only allowing foreign tax credits is counter-productive. Where the fiscus is adamant that the current law must change, at least such a half-way house should strongly be considered.

- d. We request consideration whether the proposal should not be more comprehensively weighed against international best practice as this is no doubt out of sync with the norm, and places South Africa at a disadvantage. This proposal seen through will encourage the breaking of ties with South Africa, as, to the contrary, with recent examples in India and the White Paper of the Department of Home Affairs, ties with its citizens abroad should be strengthened.
- e. We are averse to recommend that a component of the tax residency test, being the “ordinarily resident” test, which has for so long been part of our law should be repealed. However, this must be placed on the table where the view remains that the exemption must be removed.

## 27. Tax Treaty Exemption

- a. The “residency test” allows for a treaty tie-breaker on tax residency. Simply put, where a taxpayer who would otherwise be tax resident in South Africa, qualifies to be tax resident exclusively in another country, in terms of the double tax agreement (hereinafter “DTA”) between South Africa and that country, then the taxpayer would be

resident in another country.

- b. The Draft Explanatory Memorandum specifically notes this relief and references the 78 DTA's South Africa has in force. We note the following on the DTA relief as a viable control mechanism –
  - i. There are 193 countries in the world, depending on whether certain jurisdictions are recognised by South Africa. This upshot is that more than half of the countries world-wide do not have a DTA with South Africa, so for South African expatriates in these locations, they do not have the DTA residency exclusion available.
  - ii. We submit that neither National Treasury nor SARS have any current statistics available on how many South Africans abroad are legitimately non-resident and due to DTA relief. The basis for this submission is simply that this question has never been posed before as part of tax return submissions, therefore, the extent of reliance hereon is currently an unknown for SARS.
  - iii. Where the proposal in current form is seen through, we submit that claiming DTA exemption will have to be specifically catered for as part of the annual tax filing process. This comes with its own cost and administration procedure. Tax residency must be proven on an annual basis and we submit that in discharging the onus of proof, every affected taxpayer will have to (a) submit proof of tax residency in another country, (b) evidence that the DTA tie-breaker clause operates in favor of the other country and not South Africa.
  - iv. Obtaining these tax residency certificates is not for free in

many locations and in the UAE this is currently AED2,400 (roughly R8,500 per year), which is also a non-tax deductible item under current tax rules. The certificate is only half the onus of proof, as the secondary part will remain proving that the tie-breaker works in favor of the host jurisdiction and against South Africa, re-tested on an annual basis by the taxpayer as we have a quasi self-assessment basis of personal tax filings (or SARS during audit).

- v. The complexity of a continuous compliance with CGT deemed disposal rules must also be factored, including on career expatriates who have gaps in service due to end of contracts. This means when they can prove DTA residency, there is a deemed disposal for CGT, a following year they may not meet the DTA requirements, then there is a re-recognition of world-wide assets for CGT purposes, and so forth.

## 28. Fringe Benefits

- a. Where the section is permitted to pass in its current format, there will be an inadvertent complexity created by the current wording of the Seventh Schedule dealing with the quantification of fringe benefits.
- b. There are a variety of fringe benefits which will be created by our current law, which will be exempt in various host country jurisdictional systems. Simply put, in the host jurisdictions certain items will be deliberately exempt from tax whilst as part of their tax policy, but not bear equivalent exemption in South Africa.
- c. An example would be a company provided vehicle with a driver and / or security detail provided in the host country for the expatriate and / or family. These are often compulsory in high-risk territories. There

is no tax in the host countries hereon. However, under current wording of South Africa law, where not covered by an exemption section, this would be fully taxable as a fringe benefit.

- d. There are plenty more examples hereon and obviously the treatment will differ from one jurisdiction to the next. We submit that proper research hereon should be done before passing law and items which may be considered to impact special schooling for children to remain in international curriculum, emergency evacuation services, life and disability cover (which can be very high in risk territories), special medical aid for expatriates, flights for the family (although there is a limited exemption in the Seventh Schedule), accommodation costs (although there is a limited exemption in the Seventh Schedule).

## 29. Allowances

- a. The exact same considerations noted on fringe benefits also apply for various types of allowances. In many locations employees are paid special allowances which enables employment, which are either taxed at preferential rates or exempt from tax.
- b. These allowances would be fully taxed in South Africa, with no tax deduction due to the section 23(m) limitation and also limited or no tax credit to claim, due to the host country exemption.
- c. Examples hereof would include housing allowance, travel allowance, per diem allowances, etc.

## 30. Employment vs Independent Contractor

- a. The current tax exemption regime strongly promotes employment. Where the expatriate is not in employment, the section 10(1)(o)(ii)

exemption does not apply and independent contractor income is not exempt from tax.

- b. Where the proposal is promulgated, this will encourage a move away from employment contracts to a planned approach of independent contractors. The reason is simply that as independent contractors the general deduction of expense formula will ensure tax deduction of expenses, which sees a far more economical outcome.
- c. The planning opportunities emanating will create additional compliance and / or admin burden for both the taxpayer and SARS.

#### I. TAX AVOIDANCE / EVASION SCHEMES

- a. The implementation of the proposal will be no doubt fertile ground for many unscrupulous tax products being sold, which will become tempting for expatriates to utilise, especially where sold on the basis of providing a defensible legal better tax treatment.
- b. We appreciate that National Treasury and SARS, quite correctly, may treat this comment with scorn, but beg that one should pause to consider some practical examples where promoters of avoidance schemes may have had the upper hand.
- c. A good local example is section 8C of the Act, implemented 26 October 2007, to effectively curb the unjust treatment of income from employment as different naming, including capital gains tax and dividends. Despite a very clear intention under law, certain South African advisors have immediately pounced on the opportunity and promoted schemes which are inconsistent with the spirit of the law. Since the year of promulgation, there has not been a single legislative cycle, including the current year, where this section has

not been subject to extensive tax law amendment or refinement. This is no doubt a frustrating process and obviously following these law changes, the ingenuity of some of these schemes would leave anyone exhausted trying to limit the tax leakage. This demonstrates the complexity and effort to manage solely South African hatched ideas, which implores submission to create a tax environment which does not create fertility for schemes.

- d. Another example is international parties promoting schemes to South Africans in South Africa. We have personally, as a tax practice, and within the past year, been made aware of these advertisements to some of our clients, upon which we have asked the question whether these schemes have been reported to SARS under the Reportable Arrangements provisions in section 35 of the Tax Administration Act 28 of 2011 (“TAA”). Even where we have forwarded same to the reportable arrangement division in SARS, the actions emanating thereafter have not been clear and some of these practices appear to remain in business. We do not envy the task of having to close down these schemes.

## J. SUBMISSION

31. The EPG submits that such a fundamental shift in tax policy requires proper consultation and that the underlying tax policy change which moved this recommendation, must be fully ventilated to be equitable for all South Africans.
32. The principle of equitability includes that SARS execute existing laws to better collect from all non-compliant taxpayers rather than more harshly taxing those who are compliant residents.

33. Whilst we respectfully acknowledge that it is not our place to recommend tax policy, nor how the legislative process should be followed, National Treasury has always had open doors for a consultative process and that we pray that this change not be rushed through.
34. It would be valuable for a White Paper to be prepared hereon, wherein the manner in which this tax policy change will stimulate growth, investment and benefit South Africa as a whole, to contrast with the unintended disadvantage to society and which will allow for better comment. This would also ensure a responsible path to ensure informed decision making on additional tax collection vs. additional administration.
35. We believe that this submission puts to record valid and legitimate concerns, which goes beyond the unfortunate narrative, and wholly untrue and unsubstantiated claims, that expatriates earn a tax-free living and expatriates are generally non-compliant.
36. We request that the proposed repeal of section 10(1)(o)(ii) not be promulgated as proposed by the DTLAB, especially considering that the implementation is only 01 March 2019 allowing time for proper consultation.

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