

## **Amendments to Section 12I of the Income Tax Act effective from 1 January 2015**

NOTE: A complete version of the amended Act is available under Documents to Download on this page.

The amendments are summarised as follows:

1. The investment threshold for Greenfield projects have been lowered from R200 million to R50 million. (Brownfield projects remain unchanged on R30 million).
2. The point scoring criterion for job creation has been deleted. This requires amendments to the regulations to reallocate the original 2 points for job creation to other criteria. The amendments still need to be finalised and will be published in the Government Gazette later in 2015.

The original maximum of 10 points in the point scoring system prior to 1 January 2015 has consequently been reduced to 8 points and will be in use until the regulations are amended. This will have the effect that the score to attain Qualifying Status is 4, 5 or 6 points out of 8 and to attain Preferred Status is 7 or 8 out of 8.

3. The current Standard Industrial Classification of all Economic Activities (SIC), Edition 5, SIC 3: Manufacturing has been replaced by SIC Edition 7: Section C: Manufacturing. This is not a major change as the descriptions are very much the same; the only difference is the numbering of the various product categories. Both classification codes may be used in applications.  
The complete version is available under Documents to Download on this page.