



02-06-2020

The Chairperson

Scott Estate and Baviaanskloof Community Improvement District

41 Andrews Road

Scott Estate

7872

Attention: Helen Snell

Dear Madam

### **Approval of the Scott Estate and Baviaanskloof Community Improvement District**

Attached is a copy of the covering report and an extract of the Council minutes (Item no. C42/05/20) dated 28 May 2020 in respect of the establishment of the Scott Estate and Baviaanskloof Community Improvement District (SEBCID).

Please pursue compliance in respect of the following:

1. Registering the SEBCID as a Non-Profit Company (NPC)
  - o Use the attached proforma Memorandum of Incorporation (MOI) as the inaugural MOI of the NPC. Any proposed amendments must first be approved by the City.
2. Opening a bank account in the name of the NPC
3. Registering the NPC for VAT and supplying the City with a notice of VAT registration issued by SARS
  - o An example of a completed VAT registration application is attached for ease of reference.
  - o Use the attached letter from the City to SARS as a supporting document for the VAT application.

4. Obtaining tax clearance
5. Registering the NPC as a PBO and applying for tax exemption in terms of section 10(1)(e)(i)(cc) of the Tax Act
  - o Application for Tax Exemption must be done in the first year of operation to avoid a tax liability at a later stage (refer to the attached Tax Exemption Guide for Public Benefit Organisations)
6. Registering the NPC with the City as a supplier as per the following link:  
<http://www.capetown.gov.za/City-Connect/Register/Business-and-trade/Register-as-a-supplier>
7. Concluding a finance agreement between the SEBCID NPC and the City of Cape Town as per paragraph (d) of the attached Council resolution.

The Finance Agreement will be submitted to you after receiving confirmation of compliance with point 1 and 2. This agreement must be concluded prior to the first pay over from the City to the SEBCID.

If any assistance is required please consult with the author.

Yours faithfully



Eddie Scott  
Manager: City Improvement District  
Directorate: Urban Management  
City of Cape Town