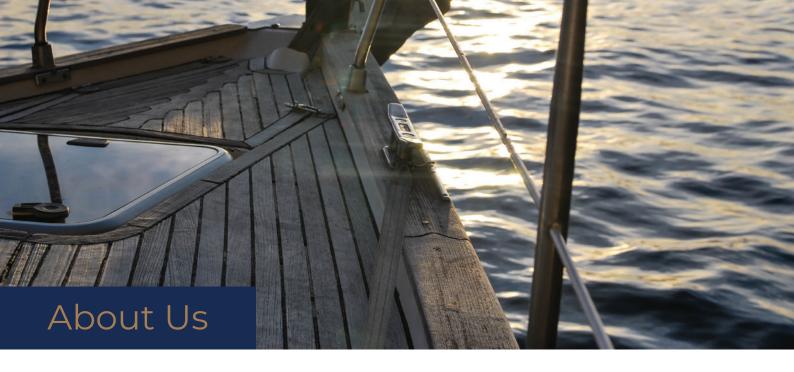




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Working at sea, whether it is in the luxury yachting industry, cruise ships or the commercial sector, is becoming more accessible and desirable by many as a way to travel and work. And while it is easy to cast off and go to sea, we often don't fully understand or consider our responsibilities when it comes to our financial and tax situations back home. Working at sea is a wonderful way to earn foreign currency while traveling, but what happens when you want to start spending that money back home?

As a seafarer you understand the dire importance of following rules and safety at sea, otherwise you risk paying the ultimate price. So why should you not observe and respect your tax and financial planning status in the same way? A tax compliant and financially optimised approach gives assurance of always being safe, ensuring that you are setting yourself up for in a secure and sustainable manner.

Let us be your guiding light in these matters and take away the stress and doubt allowing you to fully concentrate on your job safe in the knowledge that your "Home Port " is secure.





You need to be registered and submit a Tax return in the country you call home, this does not necessarily mean you will pay tax on your salary. If you do not do this you will be seen to be evading tax which is a criminal offence that can incur time in jail and hefty fines.

Here are the important and detailed explanation of the basics, remember we are here to help you through the below as each individual has different needs.

#### Employment status - critical for tax exempt status and minimisation of taxes

The tax exemption on your earnings and benefits provided on the vessel, including South Africa and many other countries, only applies where you can evidence (provide proof of) an employer / employee relationship. Whilst there are different tax rules for workers who are part of the passage of the vessel and those who perform other work on the vessel, the employment requirement remains critical for both these tax exemptions. There are different rules for crew working on luxury yachts, to entertainment or salon crew on cruise ships, to other operational crew, and we know them!



#### The following are important concepts to ensure tax compliance -



#### **South African Residents**

As a South African, you must register for tax where you are tax resident (this means the place you call home and are legally allowed to live), and submit a tax return each year, even if you are exempt from tax. Because it is the law and you do not want to return to South Africa in many years with no good explanation to SARS as to what you have been doing for the time abroad. In the case you have a South African and international bank account, the bank (or any other financial institution) will report you automatically to SARS every year, known as the FATCA (where you have a United States link) and CRS (rest of the world, meaning 'Common Reporting Standards'). The better approach is to ensure you remain fully compliant with South African law and that you are in good standing ('tax clearance') with SARS.



#### **Non-South African Residents**

Where you claim to be non-resident, there is a formal SARS and South African Reserve Bank process to be followed, commonly referred to as 'financial emigration'. A key requirement is that South Africa can no longer be your real or your main home, i.e. you have left South Africa permanently to settle somewhere else. This requires minimum that you have a valid work visa and / or residency permit for another jurisdiction. Where you have done 'financial emigration', this means that the 'employment requirement' (as per explanation above) is no longer applicable to your tax-exempt status. Different rules will then apply to you and we will guide you through that process.



#### Tax Compliance vs. Tax Lialility

Tax compliance and having a tax liability are two different discussions. As a South African resident, you are obligated under law to register for tax and submit an annual tax return. There are certain earnings limits where no registration is needed but working offshore you will be above these de minimis (legal/predetermined minimums) levels and must register for tax. It is a criminal offense to not complete a tax return when due and to make full and correct disclosure therein. This does not only result in an administrative penalty under the Tax Administration Act but can also be used for prosecution.



#### **Annual Tax Return**

Even where you are pro-actively well planned and tax exempt, you must still complete an annual tax return and claim the tax exemption on your tax return. It is a criminal offence, to make a false declaration, i.e. where you complete a zero-return showing you earned nothing or where you tick the box saving you were unemployed when you were not, this is patently untrue and criminal.







#### **Employment**

We will employ you legally for a fixed term, whilst you will maintain the freedom of choice on your work arrangement. After our tax diagnostic, we will confirm the rules applicable to you to ensure a guaranteed tax-exempt status where you keep to the rules and your tax return is done on a first-time accurate basis. Our preferred tax provider provides a similar guarantee on SARS correctly tax assessed position as a zero tax filing



## Monthly Payslips & Annual Consolidated Earnings

This means you will have a credit score! A very important part of being able to do anything from getting a home loan to taking out a cell phone contract. The benefits of having employer earnings and being able to provide this in a consolidated manner is well known. Your credit score and financial risk profile are determined with reference to your payslip and your earnings thereon.



#### Offshore & Local Banking Solutions

#### Customer History with your bank

The fact of employment provides you access to better banking solutions, especially for offshore bank accounts. Whilst you are not tied to our preferred providers with long established relationships, the savings generally speak for itself, especially where you earn more.

#### **Forex**

A key focus of our service here is the limitation of bank costs, which, other than what the uninformed thinks, does not pertain to bank charges. The largest financial loss you can suffer other than a correct tax setup, is an inefficient bank forex arrangement. This is where the international banking system makes money by applying a different exchange rate than the true exchange rate between currencies. We have the setup in place to give you flexibility on transfers, thus not only correct timing of currency conversions, but also securing the best rates possible.

#### Advice

We also provide specialist guidance and solutions on when you are bringing savings to South Africa, such as for buying a property in South Africa, withdrawing past retirement savings from South Africa or any other transaction where money transfers are involved.



#### Career history and professional reference

Access to unlimited professional references and have a singular port of call for your career history, skill set and qualifications.



## Company status is preferred by certain employers

This will make you a first choice on certain types of independent contractor work. Also, our solutions support, never compromise, where your client or offshore employer, wants to contract on their own standard terms and conditions of engagement.

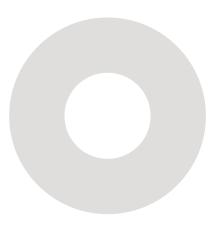


## Access to Credit, Financial Products and Home Loans

Most financial products are only accessible, or otherwise achievable with competitive rates, where you can prove employment. This is achievable by the product provider being allowed to make deductions from your payslip.

Depending on you and your personal priorities. It may be as simple as a having a funeral cover policy for family back home, offshore life and disability insurance or getting a home loan.

\* Having employment and payslip history is very important if you want to buy any property in South Africa with a home loan.





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