

SPATIAL PLANNING & ENVIRONMENT Urban Regeneration City Improvement Districts

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The Chairperson Park Island City Improvement District 29 Park Island Way Marina da Gama 7945

Attention: Willem Boudewijn Giljam

Dear Sir

Approval of the Park Island City Improvement District

Attached is an extract of the Council minutes (Item no. C29/05/23) dated 25 May 2023 in respect of the establishment of the Park Island City Improvement District (Park Island CID). The full report can be found at the following link and should be downloaded and made available on your website as part of your establishment documentation:

https://www.capetown.gov.za/Family and home/Meet-the-City/City-Council/meetingcalendar/pc-meeting-detail?RecurrenceId=21188 Please pursue compliance in respect of the following:

- 1. Register the Park Island City Improvement District as a Non-Profit Company (NPC) with members.
 - Use the attached pro-forma Memorandum of Incorporation (MOI) as the inaugural MOI of the NPC. Any proposed amendments must be pre-approved by the City.
 - Provide the City with the registered address of the NPC.
 - Provide the City with updated POPIA declarations for all founding directors (template will be provided by the City).
- 2. Open a bank account in the name of the NPC.
- 3. Register the NPC for VAT and supplying the City with a notice of VAT registration issued by SARS. Follow the link below for VAT registration:
 - <u>https://www.sars.gov.za/businesses-and-employers/my-business-and-tax/register-</u> <u>for-vat/</u>
 - The City will provide you with a supporting letter to SARS for the VAT application once the NPC is registered.
- 4. Obtain tax compliance status from SARS.
- 5. Apply with the Tax Exemption Unit in SARS for exemption of income tax in terms of section 10(1)(e)(i)(cc) of the Tax Act.
 - 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 Standard Operating Procedure on how to apply for Tax Exemption).
- Register the NPC on the National Treasury Central Suppliers Database (CSD) and with the City as a supplier as per the following link: <u>http://www.capetown.gov.za/City-Connect/Register/Business-and-trade/Register-as-asupplier</u>
- 7. Conclude a finance agreement between the Park Island City Improvement District NPC and the City of Cape Town as per paragraph (d) of the attached Council resolution.
 - The Finance Agreement will be provided to you after we receive confirmation of compliance with points 1 and 2. This agreement must be concluded prior to the first pay-over from the City to the Park Island City Improvement District.
- 8. Provide the City with the names and contact details of the Chairperson, Deputy Chairperson and Treasurer once the first board meeting is concluded.
- 9. Convene the first members meeting within 6 months of the date of incorporation.
- 10. Register with the local sub-council as a community-based organisation after the first members meeting.

If any assistance is required, please consult with the author.

Yours faithfully

Joepie Joubert Manager: City Improvement Districts