

## DEPARTMENT OF TRADE AND INDUSTRY

NO. 489

29 APRIL 2016

## SECTION 12I TAX ALLOWANCE PROGRAMME

The Minister of Trade and Industry, Dr Rob Davies - in terms of section 12I (19)d of the Income Tax Act, 1962 (Act 58 of 1962) as amended (herein after referred to as the Act) and the Regulations promulgated in the Government Gazette No. 33385 of 23 July 2010 - hereby publishes the decision to **approve** an application received for the 12I Tax Allowance Programme.

**Particulars of applicant**

- Name of applicant: **Mondi Ltd.**
- **Mondi Ltd - Richards Bay Expansion Phase 1** is a project to manufacture Baywhite Packaging Paper & Baycel Pulp The project will invest a total of R 340 600 000, with the value of qualifying manufacturing assets equal to R 340 600 000. The project is classifiable under SIC 3231.
- Description and costs of qualifying manufacturing assets:

Assets	Expected Date of Assets In Use	Value of Qualifying Assets (R)
Plant and Machinery	May 2017	288 000 000
Buildings	May 2017	52 600 000
<b>Total Qualifying Assets</b>		<b>340 600 000</b>

- Date of approval: **11 December 2015.**
- Envisaged date of commercial production: **May 2017.**
- Additional investment allowance benefit period: **December 2015 to December 2019.**
- Additional training allowance benefit period: **December 2015 to December 2021.**
- **Mondi Ltd - Richards Bay Expansion Phase 1** is approved as a Brownfield project and awarded 8 points and afforded Preferred Status.

- The approved amount for the additional **investment** allowance in respect of manufacturing assets to be brought into use by the company is **R 187 330 000** (one hundred and eighty seven million three hundred and thirty thousand rand),
- The approved amount for the additional **training** allowance is **R 1 440 000** (one million four hundred and forty thousand rand).
- Total potential national revenue to be forgone by virtue of deduction of the approved allowances of Mondi Ltd - Richards Bay Expansion Phase 1 will be **R52 855 600**.

**Enquiries relating to this publication should be made to:**

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