

# culminIT

solutions not software

## Newsletter - February 2025



Welcome to the inaugural culminIT newsletter. In this edition we discuss the automated test cases in our TaxSage product and our approach to legislative changes.

TaxSage is a modern Capital Gains Tax & Section 24J calculation system developed by culminIT.

### **Does your tax system calculate the correct numbers?**

This is a question which must cross the minds of tax teams the world over, especially when tax filing deadlines loom.

In a complex environment such as asset-based taxes where we operate there can be high volumes of transactions with very technical rules that need to be applied, such as corporate events processing and anti-avoidance legislation.

Which is why we make it a priority to ensure that we have a comprehensive and robust testing approach.

Not only does it give us comfort that the system performs calculations as expected, but it also gives us the confidence to build new functionality and respond to legislative changes without fear of inadvertently compromising existing functionality.

### **TaxSage automated test cases**

In addition to traditional testing measures such as parallel processing, we rely on a comprehensive suite of test cases that automatically run against the system on a daily basis.



A test case is configured with inputs and expected outputs, which can include calculations and reports.

When executing a test case, the system generates a simulated live environment and processes the test case inputs according to the relevant parameters and configuration attached to the test case. The system generated results are then compared to the expected results, which are stored in the test case database. Any exceptions are flagged. If there are no exceptions the test case passes.

The system has a user interface for running test cases. A user can execute individual test cases or groups of test cases manually.

A business user will create the required test cases as part of the process of developing new functionality in the system.

### **Legislative updates**

The system functionality and requirements are evaluated on a continuous basis. One of the main drivers of new features in TaxSage is the changing legislative environment.

We analyse the relevant documents released by National Treasury to determine what needs to be implemented in the system. This is typically an annual cycle which starts with draft amendment bills and explanatory memoranda, followed by a process for comments, after which the final bills and related memoranda are released, and ultimately new legislation is promulgated.

### **Looking forward**

There are some important changes for section 24I, which deals with foreign exchange gains and losses.

The 2024 Taxation Laws Amendment Act, promulgated on 24 December 2024, ring-fences foreign exchange losses for companies that are not carrying on a trade. Their exchange losses will not be deducted directly from income anymore but will be set off against foreign exchange gains in current and future years of assessment.

The act also contains an update to the definition of “exchange item” in section 24I. The definition now includes a preference share in a foreign company. Note that this could impact financial arrangements such as cross-currency swaps if they involve preference shareholding in foreign companies.

The implementation date for these changes is years of assessment commencing on or after 1 January 2025.

## Did you know?

The word 'sage' can refer to a person with wisdom coming from age and experience, or it can refer to the sage plant found in nature. TaxSage is the product of 25 years of experience in South African capital gains tax. Just like the sage plant uses inputs such as sunlight and soil to produce outputs such as growing sage leaves, TaxSage uses inputs such as instructions and configuration to produce outputs in the form of tax results.

---

## Get in touch

[culminIT@culminIT.co.za](mailto:culminIT@culminIT.co.za)

[www.culminIT.co.za](http://www.culminIT.co.za)

[Privacy Policy](#)

**culminIT**  
solutions not software

---

## Legal Notice

The content provided within this newsletter is for informational purposes only and should not be considered as legal, financial, or professional advice.

## Copyright Notice

© 2025 CulminIT Holdings Group of Companies ('culminIT'). All rights reserved. You may not reproduce, distribute, or transmit any part of this publication without the prior written permission of culminIT.

## Privacy Policy

We respect your privacy. Any personal information collected through this newsletter subscription will be handled in accordance with our [Newsletter Privacy Policy](#).

culminIT is committed to providing valuable and compliant communications. If you have any questions, please contact us at [info@culminIT.co.za](mailto:info@culminIT.co.za).

1006 Val de Vie  
Paarl WC 7646  
SOUTH AFRICA

**Follow Us**

