

COMPLIANCE INSTITUTE –
AMENDED MOI COVER NOTE
6 March 2026



Introduction

ngoLAW is a legal consultancy with its primary expertise in tax exemption and the set up and governance of non-profits. We were approached by the Compliance Institute to empower the organisation's operational structure to comply with the Income Tax Act requirements for section 10(1)(d) status, and SARS' interpretation thereof. ngoLAW prepared a formal opinion on the steps needed to be taken by the Compliance Institute to ensure ongoing and sustainable compliance with the requirements of its tax-exempt status (dated 4 November 2025).

One of the recommendations of ngoLAW was to add a class of non-voting members so that these members:

- may be customers of the Institute, despite not holding voting membership, and not disturb the required ratio of member:non-member-sourced income;
- can participate in Institute activities despite not holding voting membership; and
- may be juristic persons without diluting the current decision-making protocols of the Institute.

Our approach:

ngoLAW's primary concern was to adjust the membership structure to enable practical compliance. To that end, the main changes relate to broadening the membership structure. To ensure that the review was thorough and complete, we also:

- inserted some mandatory clauses from the Income Tax Act and SARS that were misconstrued or absent;
- updated some of the language to accommodate changes to the law and current legal interpretations;
- re-arranged the order of the clauses for brevity and a narrative flow; and
- made sure that the governance and decision-making mechanisms included in the MOI are an accurate reflection of the Institute's practical process.

We have prepared the document in two versions. The first has tracked the most fundamental changes (changes where the clause has been re-ordered or simply re-phrased have not been tracked for ease of reading). We have also attached a "tidy" version in draft form, with the tracking and highlighting removed so that sharp eyes can spot changes that would need to be made before the document can be adopted by the members.

We look forward to receiving your input and feedback.

A handwritten signature in black ink, appearing to read "Nicole Copley", written over a white background.

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A handwritten signature in black ink, appearing to read "Chelsea Swanepoel", written over a white background.

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