

Majestic Financial Services Quarterly Newsletter

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MAJESTIC FINANCIAL SERVICES

2nd Quarter Newsletter 2017

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Providing Peace of Mind

Meet the team

Malcolm Taylor (AIISA, AFP) - Managing Member
and Short Term Broker

Belinda Smith (LIISA) - Short Term Broker

William Mufeba - Short Term Claims Handler

Tephany Exton - Short Term Administrator

Dave Brewer (BCompt, SAIPA, CFP®) - Financial
Planning, Corporate Benefits and Investments

Vanessa Kruger - Long Term, Investments Manager
and Paraplanner

Jessica van Tonder - Long Term and Investments
Admin Assistant

Samantha McKay (BComm Hons (Tax)) - Tax
Consulting and Accounting

Jenna Rowlands - Medical Aid and Corporate
Benefits Administrator

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Majestorial - Letter from the Editor

Sam's Tax Talk - " 2017 Tax season begins on 1 July 2017 "

Short Term News - " Hacking South African Companies takes less than 1 minute"

Long Term News - " 4 Steps on how to cope with uncertainty" .

Majestic Services

Majestorial

Welcome to the second quarter newsletter

We endeavour to provide each of our clients with sound tactics to ensure that they are better equipped in dealing with any financial occurrence. Majestic's broad spectrum of expertise and specialized representatives offer this with every opportunity presented to us. We hope to spark a few questions with our newsletter in order to enable us to provide you with the knowledge you need to succeed and reach your financial goals.

Sam takes us through various points which includes the liability to submit tax returns and warns against the fraudulent emails making the rounds.

The short term department creates awareness of South African Companies falling victims to hacking and would strongly recommend re-evaluation of your company's risk management strategies to minimise risk of online security breaches.

On the long term side of things, we know that nothing is certain. They provide a few steps which can be used to cope with financial uncertainty.

"We would like to thank you for your continued support, and "assure you of our best attentions at all times!"

Take a look at the Majestic Services section and let us know if there is an area where you would like to consolidate your portfolio.

We are here to provide you with peace of mind.

Tephany Exton - Editor



Sam's Tax Talk

The 2017 tax season begins on 1 July 2017 and we would like to remind all taxpayers to get their returns submitted sooner rather than later. The deadline for non-provisional tax payers is 24 November 2017 and for provisional taxpayers 31 January 2018.

On this edition of tax talk, I would like to bring two important items to your attention:

Liability to submit a tax return:

- You are not required to submit a tax return if:
 - Receive income from **one employer** that amounts to R350 000 or less; and
 - Received no other income, such as a travel allowance, rental income or income from a trade; and
 - You are not claiming any deductions such medical aid expenses and retirement contributions; and
 - Your South African interest income is less than the threshold - R23 800 if you are below 65 years old and R34 500 if you are older than 65.
- With regards to the first point above, if you work for 2 or more employers and your income is less than R350 000 you are then liable to submit a return.
- If SARS specifically requests that you submit a return, then you are liable to do so even though you meet the criteria set out above.
- If you are unsure, please check with us.

Fraudulent emails:

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email requesting this information.

- o SARS will never ask you to open a link in an email and to follow the prompts in this link.
- o SARS will never tell you that you have a refund or what the value is in an email, so please don't reply or take any action if you receive an email like that.
- o In general, if SARS requires information or documents, they will either phone you or send you in email requesting you to log onto e-filing to see such request/notification.
- If you receive anything that seems out of the ordinary, please check with us or phone SARS before taking any further action .

If you have any questions regarding or require assistance with your tax return, please call Samantha McKay on 011 504 1200 or email her at samantham@majestic.co.za.



Short Term News:

HACKING SOUTH AFRICAN COMPANIES TAKES LESS THAN ONE MINUTE

When it comes to securing a business against cyber threats, the talk, money and focus seems to be on internal networks, systems and virtually everything inside the organization. Antivirus software, firewalls and intrusion and fraud detection are often discussed with executives who are responsible for looking after their businesses. But when I asked, 'How many passwords have already been leaked?' and, 'Is someone targeting your organization? Is your information for sale?' I was met with blank stares from the company executives. Indeed, the external world isn't considered in many business agendas.

The basic principle of cyberspace is that if you don't know what you have, you can't secure it. When it comes to ICT assets and systems, most companies seem to understand what they have on their premises. But nobody knows what's outside. During discussions, no single company was using only their internal systems; everyone was relying heavily on external vendors, supply chains and cloud providers. And the future brings even more inter-dependencies – almost everyone has a plan to cut their own assets.

While reducing the number of systems on one's own premises makes defending them easier and cheaper, the role of the known unknown – the external world – grows exponentially. Probability for an external data breach, exposed credentials, sensitive information disclosure or an actual data breach grows, and for self-centric organizations, there are no direct ways to reduce these risks. When we can't control everything, the question is: 'What can we do?' Exploring cyberspace is like walking the streets – and South Africans are very streetwise. You need to know who to trust and which route to take in order to stay safe. The next thing is to get cyber-wise: choose smart passwords, avoid online scams and pick reliable service providers. The good news is that cyber awareness training is cheap and effective compared to technology investments. The bad news is that anyone who isn't trained will act against you unintentionally! That means time is money.

Another thing is to understand your organization's current and past exposure. What has been leaked already? Are hacker groups targeting you? Where is leaked information coming from, and whose passwords have been compromised? This is a starting point, but it's the most valuable security measure you can have when going asset light. Get your exposure assessed (and preferably monitored) at a pace you can handle.

Just to give a ballpark figure: The top 100 Johannesburg Stock Exchange companies have over 1,000 active usernames and passwords available – EACH. Those credentials provide instant hassle-free access to the organization without anybody asking or noticing. So my recommendation is to find what's out there already; mitigate any findings; and train your staff so that you have your entire team working with you – not against you.

Mikko S. Niemelä is President and CEO of Singapore-based cyber intelligence agency Kinkayo, Chairman of cyberattack company Silverskin and author of Anatomy of a Cyberattack.

Source: <http://camargueum.co.za/article/21062017/hacking-south-african-companies-takes-less-one-minute>

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Long Term News:

How to cope with ongoing uncertainty

"There is nothing certain but the uncertain."

Over the past year there have been plenty of painful reminders that we have no control over what happens in the world. And there doesn't seem to be any clarity waiting in the wings. So does this mean we have to get used to living in this highly uncertain state? And how do we cope with it?

Uncertainty is fine in manageable doses, but it compounds: not knowing what to do, not knowing what's going to happen, not knowing where to turn – and suddenly the uncertainty becomes anxiety.

Most of us crave certainty. We scour the news to glean direction. In the absence of a crystal ball we turn to Google. We latch on to opinions of those who appear in the know. But this seldom helps quell our angst. We seem to be desperate for firm assurance, as revealed by a study conducted by the American Psychological Association. Their results showed that most of us would prefer to definitely get an electric shock now than to maybe be shocked later. We seem to find waiting, or not knowing, much worse than even unpleasant certainty.

Many of us are so anti uncertainty that we forget it is not always a bad thing; it is a fact of life and can even be positive. Consider the TV series that we gorge on – we would have no appetite for the feast if we had certainty over the ending.

As investment managers we try to use unpredictable outcomes to our advantage. Our job is to construct portfolios that can deliver returns in multiple scenarios. Sometimes uncertainty causes share prices to fall and gives us the opportunity to pick up bargains and earn good returns for our clients over the long term.

Uncertainty is scary, but you can do something about it. *As with other things in life, we all have different tolerance levels for uncertainty and in fact a scale has been developed to measure how we cope. The Intolerance of Uncertainty Scale (IUS)* assesses how much people desire predictability and how they react to ambiguous situations. You can use the simple test to assess if your responses to uncertainty are negatively impacting your behaviour and whether you find that uncertainty is unfair and ruins everything for you. But perhaps more useful than finding where you sit on the scale, is figuring out how to manage the situation. This framework from US financial adviser Carl Richards may be helpful:*

Four steps to overcoming uncertainty:

1. Notice how you're feeling. *Simply acknowledging when you're feeling anxious or worried can help you identify and deal with your uncertainty.*

2. Separate the story from the reality. *Try separating the noise from the reality to get a true sense of what is going on. In our current case - Cabinet was reshuffled and we got junk ratings. That is the reality. Anything that goes beyond that fact is a story or an assumption. Will the rand fall dramatically? Will foreign investors race for the doors? Will inflation and interest rates soar? Who knows? The more we try to predict what will happen, the greater the anxiety. Focus on the facts.*

3. Make a list. *What can you control? Include practical things on your list that you can do. Don't worry about the things you can't control. Examples of things that may be on your list right now: a) Consult my investment plan and remind myself of my long-term objectives, b) Revisit my budget and make more space for reducing debt, c) Review my investments and check that they are well diversified, etc.*

4. Do something by doing nothing. *We can reduce our uncertainty and anxiety by acting on the things in our control, such as those things on our list. But when it comes to investments, acting on negative emotions is often the wrong action. Withdrawing or switching out of fear can ruin the returns you get. If you are invested, staying the course usually works out better in the long run. Self-control and discipline is the antidote to making poor decisions.*

Psychologists echo this sentiment. They encourage us to engage with uncertainty we are feeling before taking action. They advise us to focus on creating the outcomes and experiences we want, rather than expecting the future to deliver something specific. Our actions and intentions are within our zone of control. When it comes to finances,

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Source:

Buhr, K., Dugas, M. J. (2002). The intolerance of uncertainty scale: psychometric properties of the English version. Commentary by Jeanette Marais, director of distribution and client service, Allan Gray
 Allan Gray Proprietary Limited is an authorised financial services provider.



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Short Term Insurance

- Personal Lines
- Commercial Lines insurance, including
- Marine, Aviation,
- Contractors All Risks and
- Plant All Risks, Group Personal Accident,
- Liability Insurances, including Professional Indemnity, Directors and Officers Liability, Medical Malpractice, Employment Practice, Commercial Crime, Cyber Risk and General Liability insurance.

Financial Planning

- Death, Disability, Income Protection and Dread Disease Benefits
- Retirement Planning and Estate Planning
- Key Man Insurance, Buy & Sell Insurance,
- Contingent Liability
- Financial Needs Analysis

Healthcare & Corporate Benefits

- Individual & Group Medical Aids
- Group & Individual Gap Cover
- Company Group Schemes - Pension & Provident funds.

Tax and Accounting Services

- Individual Tax Returns
- Payroll
- Bookkeeping Services

The solutions offered at Majestic falls in line with our philosophy to

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