	2019 ZAR'm	2018 ZAR'm

8. Empowerment transaction (continued)

The value of the ZAR2.6bn has been calculated using a discounted cash flow valuation method, applying a terminal growth factor of 5.5%, applying a cost of equity of 11.9% and a non-controlling interest discount factor of 17.5%.

9. Taxation

The tax charge is determined based on taxable income for the year and includes current tax, deferred tax and dividend withholding tax.

The current tax charge is the tax payable on the taxable income for the financial year applying enacted or substantively enacted tax rates.

Deferred tax is provided for on all temporary differences between the carrying amount of assets and liabilities for accounting purposes and the amounts used for tax purposes. No deferred tax is provided on temporary differences relating to:

- the initial recognition of goodwill; and
- investments in subsidiaries, associates and interests in joint arrangements to the extent that the temporary difference will probably not reverse in the foreseeable future and the control of the reversal of the temporary difference lies with the parent, investor, joint venturer or joint operator.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences and unused tax losses can be utilised.

Deferred tax assets have been recognised for the carry forward amount of unused tax losses relating to the group's operations where taxation losses can be carried forward indefinitely and there is evidence that it is probable that sufficient taxable profits will be available in the future to utilise all tax losses carried forward. The estimated tax losses available may be subject to various statutory limitations as to its usage. The group has not recognised any deferred tax assets for carry forward unused tax losses in any of the years presented.

The holding company tax rate is 28% for 2019 and 2018.

Dividends paid on or after 22 February 2017 to shareholders that are not exempted from dividends withholding tax under South African tax law are subject to dividend withholding tax at a rate of 20%. This tax is on the shareholders and is not recognised in the consolidated income statement. Dividends paid prior to this date are subject to dividend withholding tax at a rate of 15%.

The group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures.

Major components of the tax expense

	2019 ZAR'm	2018 ZAR'm
Current		
South Africa	**3 033**	2 926
Current year	**3 079**	2 892
Prior year	**(46)**	34
Foreign taxation	**1 285**	462
Current year	**1 283**	356
Prior year	**2**	106
	4 318	**3 388**
Deferred		
South Africa	**(541)**	320
Current year	**(555)**	350
Prior year	**14**	(30)
Foreign taxation - Current year	**(4)**	1
	(545)	**321**
Total taxation per income statement	**3 773**	**3 709**

	2019 ZAR'm	2018 ZAR'm

9. Taxation (continued)

Reconciliation of taxation

	2019 ZAR'm	2018 ZAR'm
Taxation at statutory rate of 28%	**699**	1 749
Adjusted for:		
Non-deductible expenses	**354**	274
Empowerment transaction	**718**	-
Intercompany and related party dividends	**11**	13
Initial recognition of prior year taxes	**(30)**	110
Non-taxable income	**(197)**	(72)
Temporary differences not provided for*	**887**	1 287
Foreign withholding taxes	**1 182**	261
Tax adjustment for foreign taxation rates	**118**	61
Tax attributable to equity-accounted earnings	**31**	26
Taxation provided in income statement	**3 773**	**3 709**

** Relates to unrecognised assessed tax losses in the Rest of Africa segment.*

10. Deferred taxation

Reconciliation of deferred tax asset

	2019 ZAR'm	2018 ZAR'm
At beginning of year	**863**	1 090
Credited/(Charged) to income statement	**545**	(321)
(Charged)/Credited to other comprehensive income	**(560)**	152
Disposal of subsidiaries and business	**-**	(31)
Foreign exchange effects	**26**	(27)
	874	**863**