

Investor tax certificate (IT3(b)) explained

The tax season for submissions is:

- 1 July to 4 December 2021 for non-provisional taxpayers using eFiling and the MobiApp.
- 1 August to 31 October 2021 for taxpayers submitting at a South African Revenue Service (Sars) branch.
- 1 July 2021 to 31 January 2022 for provisional taxpayers using eFiling.

During tax season, you need to submit an income tax return (ITR12) to the South African Revenue Service (Sars) so that they can calculate your tax on your income and any tax-deductible expenses for the assessment year (1 March to the end of February).

Depending on the products that you have with Momentum, we'll publish the relevant tax certificates online every year so that you can complete your tax return. Usually, all your tax certificates would be published online by the end of June every year.

Some or all the information on the tax certificate may already be pre-populated by Sars on your tax return. All you have to do is to check the pre-populated information against the information on the tax certificate. If you are happy that the information is correct, you can continue completing your tax return.

Based on the information available, Sars may auto-assess your tax return (also referred to as a simulated tax calculation). Where you are auto assessed, an SMS will be sent to you to logon to Sars eFiling or the MobiApp to either:

- accept the results of your auto-assessment; or
- edit your return where you do not agree with the pre-populated data.

If your return hasn't been pre-populated by Sars, use the information on the tax certificate to complete your tax return.

You don't submit the tax certificates to Sars when you submit your tax return but keep them for a period of five years in case Sars requires them from you.

If you need any help completing your tax return, you can:

- click on 'Help-You-eFile' on Sars eFiling;
- request a call back; or
- call 0800 007 277.

Due to Covid-19, Sars is not able to assist any taxpayers at the branches. Please click [here](#) for all the methods available to interact with Sars.

General questions and explanations

What is an investor income tax certificate and when will it be issued?	<p>It shows the income you earned on your investment during a particular tax year.</p> <p>We'll give you a tax certificate if you received any of the following types of income from your investment:</p> <ul style="list-style-type: none">• Interest income• Dividend income <p>We'll include any local and/or foreign withholding taxes levied on these reportable events in this certificate.</p>
Why am I receiving it?	<p>Any amount paid, due or payable on your investment as well as any tax withheld must be reported to Sars.</p>
Will my certificate details and values automatically be updated on eFiling?	<p>The certificate detail may be pre-populated on your tax return. If the tax certificate information does not automatically display on your tax return, you will have to fill in the information under the 'Investment Income' section on your tax return.</p>

<p>What should I do with the certificate?</p>	<p>Use the certificate information to fill in the relevant fields on your tax return. If the tax certificate information is already pre-populated on your tax return, compare the information on the tax certificate to the pre-populated values to make sure that it displays accurately on your tax return. Keep the certificate for your records.</p>
<p>Should I register for tax even if my yearly income is below the threshold?</p>	<p>All taxpayers earning any remuneration above R500 000 per year, or who received any non-remuneration income (non-salary income), must submit an income tax return.</p> <p>Since 2012, if you have more than one source of remuneration, you must be registered for income tax and submit a tax return. Anyone who receives any form of income (eg annuity income), even if the income is below the tax threshold, must register.</p> <p>Click here for more information from Sars about whether you need to submit a tax return.</p>
<p>Where can I get more information and help with this tax certificate?</p>	<p>Speak to a registered tax practitioner or visit taxtim.com (a Multiply partner), who can help you file your return.</p> <p>You can also contact Sars on 0800 007 277 or visit its website at sars.gov.za.</p>

What do the different source codes and descriptions in this certificate mean?

<p>4201: Local interest</p>	<p>We show the gross amount of local interest subject to normal income tax received or accrued during a specific tax year under this code.</p>
<p>4238: Taxable local dividends</p>	<p>We show real estate investment trust (REIT) dividends that are subject to normal income tax in the hands of the SA beneficial owner, under this code.</p>
<p>Local dividends (subject to DWT)</p>	<p>We show local dividends (excluding REIT dividends accrued to SA residents) that are exempt from normal income tax but subject to dividend withholding tax, unless a specific exemption applies under this section. Note that no Sars source code applies.</p> <p>You must declare these amounts in the section "Amounts considered non- taxable" on your ITR12 income tax return.</p> <p>Certain taxpayers and types of dividends may qualify for an exemption from dividend withholding tax.</p> <p>To qualify for this exemption you must complete the relevant sections in the Momentum declaration of exemption form and submit this to us through the normal channels.</p> <p>We combine the gross amount of the following dividend types in this value:</p> <ul style="list-style-type: none"> • In-specie dividends • Cash dividends • Dual listed dividends • REIT dividends (paid to non-SA tax residents)

Local withholding tax on dividends	<p>The calculation of the withholding tax differs according to dividend type:</p> <ul style="list-style-type: none"> ▪ In specie – Zero % withholding tax ▪ Cash – gross dividend * 20% ▪ Dual listed – gross dividend * (20% less foreign rebate to a maximum of 15%) ▪ REIT – gross dividend * 20% when paid to non-SA tax residents
Local withholding tax on interest	The tax withheld on qualifying local interest streams paid to non-SA tax residents.
4216: Foreign dividends	<p>We show the gross amount of foreign dividends received or accrued during a specific tax year under this code. Certain foreign dividends qualify for exemptions in terms of section 10B of the Income Tax Act.</p> <p>Sars will apply the exemption according to section 10B(3) on foreign dividends subject to South African income tax.</p>
4112: Foreign tax paid on dividends	We show any tax withheld from foreign dividend earnings by the foreign jurisdiction under this code.
4218: Foreign interest	We show the gross amount of interest received or accrued from a foreign source, during a specific tax year, under this code.
4113: Foreign tax paid on interest	We show any tax withheld from foreign interest earnings by the foreign jurisdiction here.

Financial success is about you and your money, and how you use the money you earn to make a living and shape your financial future throughout the different stages of your life and that of your family.

How you structure your income, and therefore your tax payable, can have a significant effect on your journey to success. A financial adviser or registered tax practitioner can help you understand how to best structure your tax.

The information provided in this document is for general information purposes only and is not intended to be relied on as advice as contemplated in the Financial Advisory and Intermediary Services Act, 37 of 2002 (Fais). The information doesn't take into account your personal financial circumstances.

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