

## Investor tax certificate (IT3(b)) explained

**The filing season for individuals typically runs from the dates below. As the South African Revenue Service (SARS) may adjust the filing season dates, please check the SARS website for the exact opening and closing dates.**

- 1 July to October for non-provisional taxpayers using eFiling and the SARS MobiApp.
- 1 July to October for taxpayers submitting at a SARS branch, by appointment only.
- 1 July to January for provisional taxpayers using eFiling.

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

Depending on your products with Momentum, we'll publish the relevant tax certificates online every year to complete your tax return. Usually, all your tax certificates should be published by the end of June every year.

SARS may prepopulate some or all the information on the tax certificate on your tax return. If it is completed, you can check the prepopulated information against the information on the tax certificate. If you are happy that the information is correct, you can complete your tax return.

Based on third-party data received from employers, financial institutions, medical schemes, retirement annuity fund administrators and other third-party data providers, SARS may automatically assess you (also referred to as an original estimate assessment). If you are selected for auto-assessment, SARS will SMS you to log in to SARS eFiling or the MobiApp to either:

- view the results of your auto-assessment, and if you agree with the outcome, you don't need to take any further action; or
- if you don't agree with the assessment, you can update your tax return. You must then complete and file the return within the given timeframe SARS indicates on its website.

Auto-assessed taxpayers may have a limited period in which to amend and file their return. Check the SARS website for more details.

If SARS didn't prepopulate your return, use the information on the tax certificate to complete your tax return. Please make sure that your tax information with Momentum is up to date.

SARS doesn't require a copy of your tax certificates when you file your return. Keep your certificates on record though, as SARS may request them within five years from when you file your return.

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

- click on 'Help-You-eFile' on the SARS eFiling website (<https://sarsefiling.co.za>);
- request a call-back by phoning the SARS Contact Centre on 0800 00 7277 and selecting option 5 for Help-You-eFile; or
- use the SARS USSD code to make an eBooking appointment. Phone the code \*134\*7277# to establish real-time communication with SARS. SARS will then call you back to set up the eBooking appointment.

Please click [here](#) for all the methods available to interact with SARS.

## General questions and explanations

<p><b>What is an IT3(b) tax certificate?</b></p>	<p>It shows the income you earned on your investment during a particular tax year. 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"> <li>• Interest income</li> <li>• Real estate investment trust (REIT) dividends</li> <li>• Dividend income</li> </ul> <p>We'll also include any local and/or foreign withholding taxes levied on these reportable events in this certificate.</p>
<p><b>Why am I receiving this certificate?</b></p>	<p>Any amount paid, due or payable on your investment as well as any tax withheld must be reported to SARS.</p>
<p><b>Will my certificate details and values automatically be updated on eFiling?</b></p>	<p>Yes, the certificate detail should prepopulate on your tax return. If the tax certificate information doesn't automatically display, use your tax certificate to update your tax return under the 'Investment Income' section.</p>
<p><b>What should I do with the certificate?</b></p>	<p>Use the information to check all prepopulated sections on your tax return or complete any sections that have not been prepopulated. Keep the certificate for at least five years from the date of filing as SARS may ask for a copy later.</p>
<p><b>Should I register for tax even if my yearly income is below the threshold?</b></p>	<p>Yes, all taxpayers should register, but you may not have to submit an income tax return.</p> <p>Click <a href="#">here</a> for more information on whether you must submit a return.</p>
<p><b>Where can I get more information on and help with this tax certificate?</b></p>	<p>Speak to a registered tax practitioner or visit <a href="http://taxtim.co.za">taxtim.co.za</a> (a Multiply partner), who can help you file your tax return.</p> <p>You can also contact SARS on 0800 007 277 or visit its website at <a href="http://sars.gov.za">sars.gov.za</a>.</p>

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

<p><b>4201 Local interest</b></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><b>4238 Taxable local dividends</b></p>	<p>Under this code, we show real estate investment trust (REIT) dividends that are subject to normal income tax in the hands of the South African beneficial owner.</p>
<p><b>Local dividends (subject to dividend withholding tax or DWT)</b></p>	<p>We show local dividends (excluding REIT dividends accrued to SA residents) that are exempt from normal income tax but subject to DWT, unless an exemption applies under this section. 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 DWT.</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 usual channels.</p> <p>We combine the gross amount of the following dividend types in this value:</p> <ul style="list-style-type: none"> <li>• In-specie dividends</li> <li>• Cash dividends</li> <li>• Dual-listed dividends</li> <li>• REIT dividends (paid to non-South African tax residents)</li> </ul>

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

Financial success is about you, 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 your personal financial circumstances into account.

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