

[IT3(c)] tax certificate explained

The tax 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.

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

Automatic assessment (Auto-assessment)

Based on 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 send you an SMS to log in to SARS eFiling or the MobiApp. You should check the prepopulated information against the information on your various tax certificates.

- If you agree with the outcome, you don't need to take any further action.
- If you don't agree with the auto-assessment, edit your tax return and ensure you file it before the filing season due date.

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

SARS doesn't require copies of your tax certificates when filing your return. However, it is important to keep your certificates on record, as SARS may request supporting documents for up to five years after you file your return, to verify your declaration.

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

What is an IT3(c) tax certificate?	It shows any gain or loss made on your investment based on the transactions you finalised during the tax year, from 1 March to the end of February.
Why am I receiving this certificate?	<p>We are obliged to report all gains and losses on the sales of your investments that occurred during the tax year on your behalf to SARS.</p> <p>Your intention when you transact, is one of the main indicators that determine the tax consequences of a transaction. We don't know your intent, and as such, we merely report the total proceeds received, the associated cost and the net gain or loss when you sold investment components.</p> <p>As a taxpayer, it remains your responsibility how you declare these transactions to SARS.</p>
Determining a capital gain or a capital loss.	<p>A gain or loss is triggered when you sell an asset or are deemed to have sold an asset. Capital gains tax (CGT) applies to all capital assets sold on or after 1 October 2001. Only the gain or loss attributable from 1 October 2001 to the selling date is subject to CGT.</p> <p>Once you sell an asset, the selling price is recorded as the proceeds of the transaction.</p> <p>The base cost of the asset is what you paid for the asset.</p> <p>The profit is the positive difference when deducting the base cost of the asset from the proceeds.</p> <p>The loss is the negative difference when deducting the base cost of the asset from the proceeds.</p>
When will we issue an IT3(c) certificate?	We'll give you a certificate if you sold part of or all your investment units or shares during the tax year.
Will my certificate details and values automatically be updated on my tax return on eFiling?	<p>SARS may prepopulate your certificate details on your tax return (ITR12). If it is not prepopulated, you can use the certificate to complete your tax return.</p> <p>We use the weighted average method to calculate gains and losses on your investments but you may use any other method acceptable to SARS under the Eighth Schedule.</p>
What should I do with the certificate?	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 to verify the information.
Should I register for tax even if my yearly income is below the threshold?	<p>Yes, all taxpayers should register, but you may not be required to submit an income tax return.</p> <p>Click here for more information on whether you must submit a return.</p>
Where can I get more information and help with this tax certificate?	<p>Speak to a registered tax practitioner or visit taxtim.co.za (a Momentum 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 sars.gov.za for the comprehensive guide to capital gains tax.</p>

What do the different source codes in this certificate mean?

4250 Local gains - Profit	This source code indicates that you made a capital gain when you sold a local asset.
4251 Local gains - Loss	This source code indicates that you made a capital loss when you sold a local asset.
4252 Foreign gains - Profit	This source code indicates that you made a capital gain when you sold a foreign asset.
4253 Foreign gains - Loss	This source code indicates that you made a capital loss when you sold a foreign asset.

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 structure your tax best.

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