

Investor tax certificate (IT3(c)) 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;
- 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 (IT3(c))?	It shows any gain or loss 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 it?	We report all gain or loss events that occurred, when you sold your investment components during the year of assessment, to Sars. Your intention when you do a transaction 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. As a taxpayer it remains your responsibility how you declare these transactions to Sars.

<p>Determining a capital gain or a capital loss</p>	<p>A gain or loss is triggered when you sell an asset or when you 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 amount that you receive (or that accrues to you) is the selling price (proceeds).</p> <p>The base cost of the asset is generally what you paid to get the asset.</p> <p>The profit is the positive difference when deducting the base cost of the investment from the proceeds.</p> <p>The loss is the negative difference when deducting the base cost of the investment from the proceeds.</p>
<p>When will we issue an IT3(c) certificate?</p>	<p>We'll give you a certificate if you sold part or all your investment units or shares during the tax year.</p>
<p>Will my certificate details and values automatically be updated on my tax return on eFiling?</p>	<p>The certificate details may be pre-populated on your tax return (ITR12). If it is not pre-populated, you will have to fill in the information on your income 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.</p> <p>If the certificate details are pre-populated on your tax return, compare the values on the tax certificate to the pre-populated values to make sure that it displays accurately on your tax return.</p> <p>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 income, 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 about this tax certificate?</p>	<p>Speak to a registered tax practitioner or visit taxtim.com (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 sars.gov.za for the comprehensive guide to capital gains tax.</p>
<p>What do the different source codes in this certificate mean?</p>	
<p>4250: Local capital gains – Profit</p>	<p>This code indicates that you gained when you sold a local instrument.</p>
<p>4251: Local capital gains – Loss</p>	<p>This code indicates that you made a loss when you sold a local instrument.</p>
<p>4252: Foreign capital gains – Profit</p>	<p>This code indicates that you gained when you sold a foreign instrument.</p>
<p>4253: Foreign capitals gains – Loss</p>	<p>This code indicates that you made a loss when you sold a foreign instrument.</p>

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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