

# A Guide to the Declaration of Dividends Tax via eFiling

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# 1. INTRODUCTION

In 2007, the Minister of Finance announced that Secondary Tax on Companies (STC) would be replaced by Dividends Tax. Since the announcement, legislation has been enacted annually to provide a legislative foundation for the implementation of Dividends Tax (refer to sections 64D to 64N of the Income Tax Act, 1962 as amended in this regard).

Dividends Tax legislation has now principally been finalised as per the latest amendments to the Taxation Laws Amendment Act, No 24 of 2011, promulgated on 10 January 2012. The implementation date of 1 April 2012 was announced in the annual budget speech and has been published in the Government Gazette dated 20 December 2011.

The Dividends Tax operates from the principle that the liability for Dividends Tax is triggered by the payment of the dividend and it falls on the recipient (i.e. beneficial owner) to pay the tax to SARS. However, Dividends Tax is administered on the basis of withholding the applicable percentage of tax from the dividend payment by either the company declaring the dividend or, where relevant, certain withholding agents (i.e. regulated intermediaries).

Dividends Tax replaced Secondary Tax on Companies (STC) on 01 April 2012. The last STC dividend cycle ended on 31 March 2012 and any STC credit as the result of the last cycle will be carried forward to be utilised against Dividends Tax liability.

A prescribed Dividends Tax return must be submitted to SARS by each entity that manages dividends, accounting for the payment/withholding of dividends to beneficial owners and/or the pass through of dividends to regulated intermediaries for further distribution. The return summarises the management (receipt/ declaration of dividends and the distribution of the dividends received/declared) of dividends by the entity and must be accompanied by supporting data underpinning the consolidated view of the return

## 2. HOW TO REGISTER

Select 'organisations'

**SARS eFILING** FOR ORGANISATIONS

USER **ORGANISATIONS** RETURNS CUSTOMS DUTIES & LEVIES SERVICES CONTACT LOGOUT Taxpayer List: A. Company Pty Ltd

**Organisation**

- Register New
- Change Details
- Banking Details
- Organisation Tax Types
- Request Tax Types
- ISV Activation
- Summary
- Interface
- Workflow
- VAT Vendor Search
- Delete Taxpayer
- Admin Reports
- Rights Groups
- Special Links

**Company** A. Company Pty Ltd  
**Description** Company/CC/Organisation

**Instructions on how to use this section**

**How do I register a new organisation**

- Click on Register New. Complete the required details.

**Who receives the notification that the returns have been issued?**

- Within REGISTER NEW and CHANGE DETAILS there is an OPTIONAL DETAILS area. The CONTACT PERSON listed here is the individual who will receive the returns notification. The contact details are automatically completed with the details of the user who is logged in, however this may be changed by completing the new details and clicking on continue.

**How do I register an organisation for PAYE/SDL, VAT and IRP6?**

- Choose the company you wish to register tax returns for from the drop down box labelled 'Taxpayer List' which is situated on the right hand side of the menu buttons above.
- Click on ORGANISATION TAX TYPES and complete the relevant tax return type reference number. These will be verified with SARS and your returns will be issued within 48 hours.

**How do I enter additional bank accounts to use for paying SARS?**

- Click on BANKING DETAILS and complete the banking details. Each bank account entered will be

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**How do I enter additional bank accounts to use for paying SARS?**

- Click on BANKING DETAILS and complete the banking details. Each bank account entered will be stored under the bank account name for use within the system. You may add as many bank accounts as you wish. This will allow you to pay SARS for VAT from one account and PAYE from a different bank account if needed.

**What can I do in HIERARCHY?**


- Hierarchy will be released shortly. This will allow you to view all outstanding tax returns, outstanding payments, submitted returns, payments made as well as values of multiple returns at group, division or company level.

**What is WORKFLOW and NOTIFICATION?**

- This service assists with corporate governance and reduces risk of late returns and penalties. WORKFLOW and NOTIFICATION allows the user to set the flow of tax return completion using a simple to use workflow wizard. Notifications may be sent to any email address whether the user is a SARS eFiling user or not. Users of SARS eFiling do not have to set up workflow and notifications unless they wish to use the functionality. As an example: A user with completion rights will complete a return, an email will automatically be sent to notify another user who then reviews and submits the

Click **'Register New'** and follow the instructions to complete the required details.



 **FOR ORGANISATIONS**

USER

ORGANISATIONS

RETURNS

CUSTOMS

DUTIES & LEVIES

SERVICES

CONTACT

LOGOUT

Taxpayer List: A. Company Pty Ltd

**Organisation**  
 Register New  
 Change Details  
 Banking Details  
 Organisation Tax Types  
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 ISV Activation  
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 VAT Vendor Search  
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 Rights Groups  
 Special Links

### register new Organisation

**Mandatory Details**

What type of taxpayer are you adding?

☒ Company
 ☐ Trust
 ☐ Individual/Sole proprietor
 ☐ Partnership
 ☐ Fund/Other

Organisation Name

Trading As  Same as Above

Registration Number

Financial Year End 

February ▼

Please tell us how you heard about .

Are you a Tax Practitioner? ☐

---

Telephone Number 

( 012 )

000 0000

Fax Number 

(       )

---

**Physical Address**

A Street

A Suburb

A Town

0001

**Postal Address**

PO Box 00

A Town

0001

Click '**Continue**' to proceed

**SARS eFILING** FOR ORGANISATIONS

USER ORGANISATIONS RETURNS CUSTOMS DUTIES & LEVIES SERVICES CONTACT LOGOUT Taxpayer List: A. Company Pty Ltd

**Organisation**

Register New  
Change Details  
Banking Details  
Organisation Tax Types  
Request Tax Types  
ISV Activation  
Summary  
Interface  
Workflow  
VAT Vendor Search  
Delete Taxpayer  
**Admin Reports**  
Rights Groups  
Special Links

A Street t PO Box 00  
A Suburb A Town  
A Town  
0001 0001

**Contact Person**

Title	Initials	Firstname	Surname
Mr ▼	A	Average	Taxpayer

Designation Accountant

Telephone Number ( 012 ) .000 0000

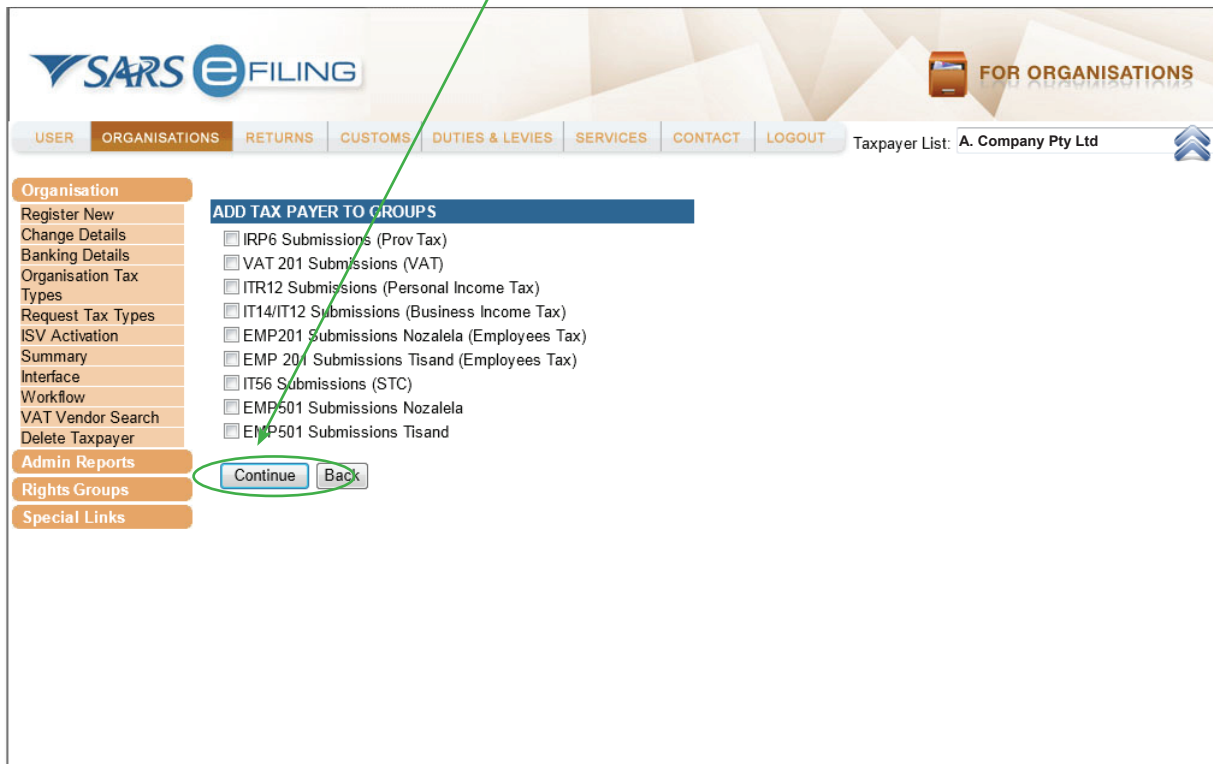
Cell Number

E-mail Address

**Company Description**

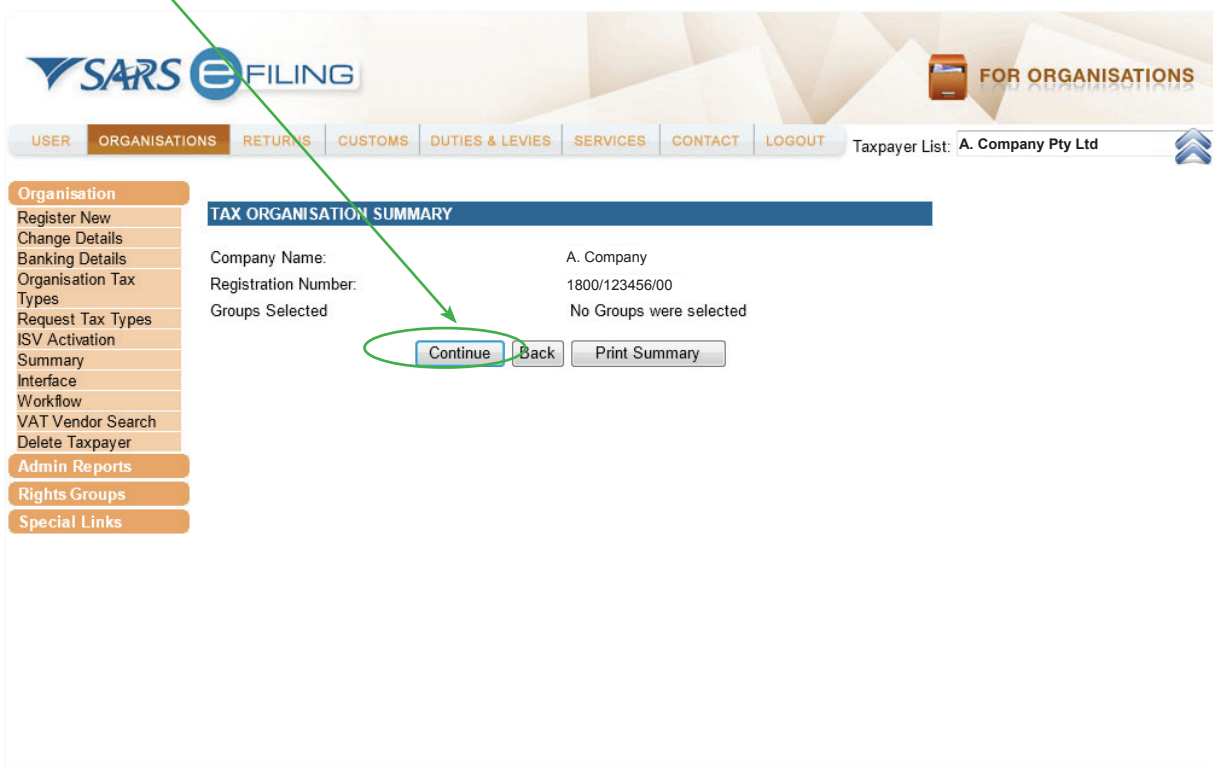
Continue Reset Back

Select the relevant submission and click 'continue'.



The screenshot shows the SARS eFILING interface for organisations. The top navigation bar includes links for USER, ORGANISATIONS, RETURNS, CUSTOMS, DUTIES & LEVIES, SERVICES, CONTACT, and LOGOUT. The 'Taxpayer List' shows 'A. Company Pty Ltd'. On the left, a sidebar menu lists various options under 'Organisation', 'Admin Reports', 'Rights Groups', and 'Special Links'. The main content area is titled 'ADD TAX PAYER TO GROUPS' and contains a list of checkboxes for different tax submissions: IRP6 Submissions (Prov Tax), VAT 201 Submissions (VAT), ITR12 Submissions (Personal Income Tax), IT14/IT12 Submissions (Business Income Tax), EMP201 Submissions Nozalela (Employees Tax), EMP 201 Submissions Tisand (Employees Tax), IT56 Submissions (STC), EMP501 Submissions Nozalela, and EMP501 Submissions Tisand. At the bottom of this list, there are 'Continue' and 'Back' buttons. A green arrow points from the instruction above to the 'Continue' button.

Click 'continue' to proceed to the next step.



The screenshot shows the 'TAX ORGANISATION SUMMARY' screen in the SARS eFILING system. The top navigation bar and 'Taxpayer List' (A. Company Pty Ltd) are the same as in the previous screen. The sidebar menu is also present. The main content area displays the following information: Company Name: A. Company, Registration Number: 1800/123456/00, and Groups Selected: No Groups were selected. At the bottom, there are 'Continue', 'Back', and 'Print Summary' buttons. A green arrow points from the instruction above to the 'Continue' button.

Select **'Business Income Tax'** and **'Dividends Withholding Tax'** and click **'Register'** to finalise registration process.

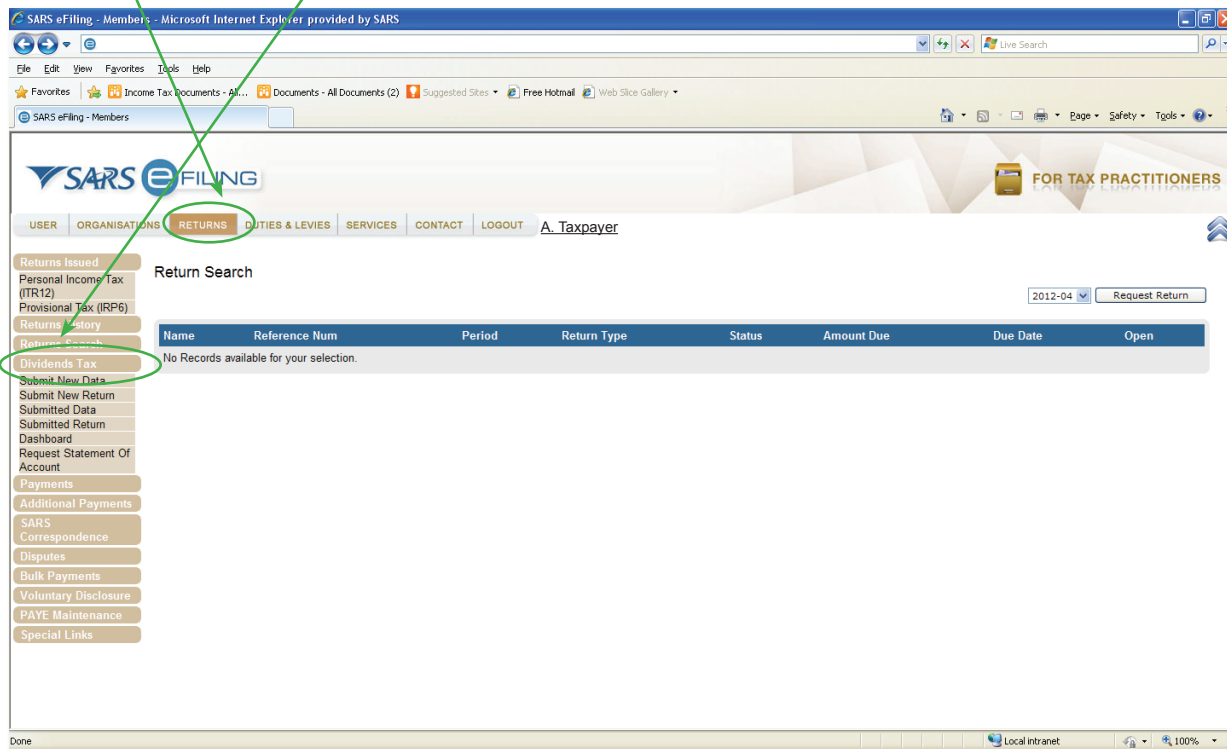
The screenshot shows the SARS eFiling 'FOR ORGANISATIONS' registration page. The page has a navigation bar with links: USER, ORGANISATIONS, RETURNS, CUSTOMS, DUTIES & LEVIES, SERVICES, CONTACT, and LOGOUT. The 'Taxpayer List' shows 'A. Company Pty Ltd'. On the left, there is a sidebar with categories: Organisation, Admin Reports, Rights Groups, and Special Links. The main content area lists four registration options:

- ☒ **Business Income Tax (IT14/IT12EI/IT12TR)**  
Reference Number: 0000000000  
Tax Office: ALBERTON  
Please note that you will automatically be activated to receive SARS notices for this tax type online.
- ☐ **IT Admin Penalty**  
Reference Number:   
Tax Office: ALBERTON  
Please note that you will automatically be activated to receive SARS notices for this tax type online.
- ☒ **Dividends Withholding Tax (DWT)**  
Reference Number: 0000000000  
Tax Office: ALBERTON  
Please note that you will automatically be activated to receive SARS notices for this tax type online.
- ☐ **Excise Agent**  
Reference Number:   
Tax Office: ALBERTON

At the bottom, there are two buttons: **Register** and **Reset**. The 'Register' button is highlighted with a green circle, and green arrows point from the text above to the 'Business Income Tax', 'Dividends Withholding Tax', and 'Register' elements.

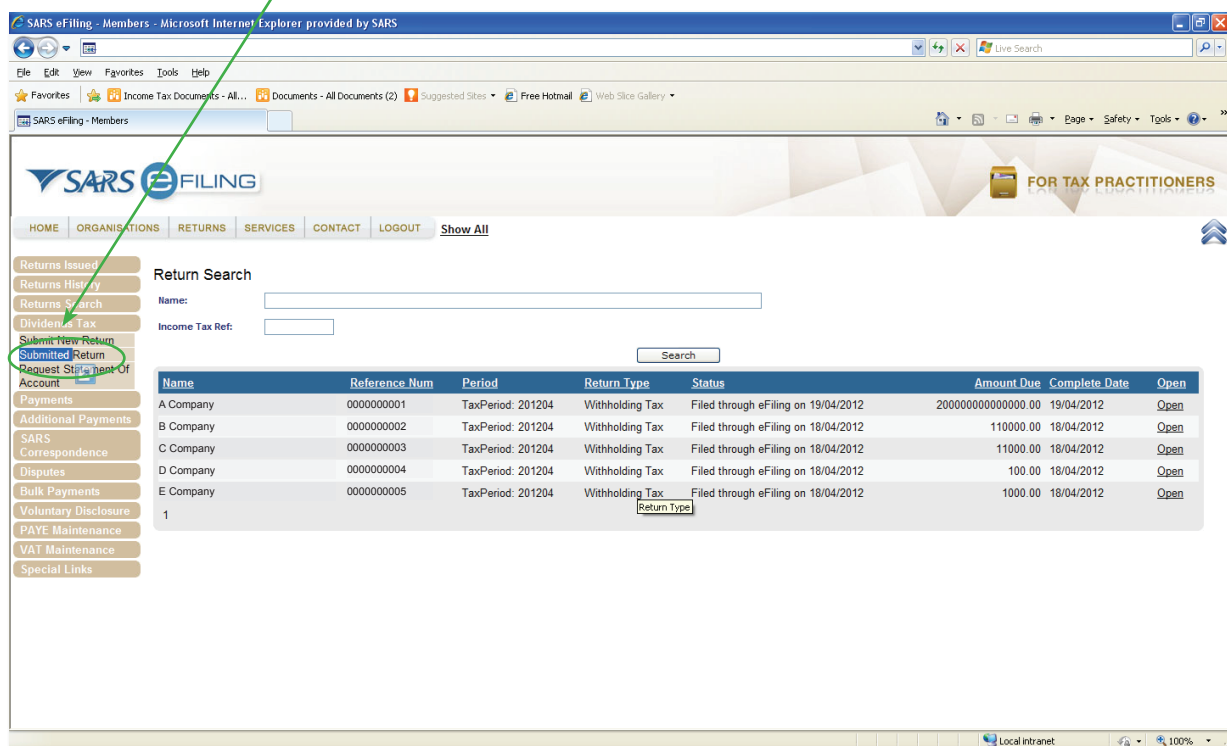
### 3. HOW TO REQUEST A RETURN

Click **'Returns'**, then **'Dividends Tax'**



Click **'Submit New Return'** and **'Request Return'** to request the return. Select the tax period from the dropdown list next to **'Request Return'** button.

Click **'Submitted Return'** to make corrections to the return that has already been submitted.





Click **'Open'** on the return subject to revision.

The screenshot shows the SARS eFiling Members interface in a Microsoft Internet Explorer browser. The page title is "SARS eFiling - Members - Microsoft Internet Explorer provided by SARS". The browser's address bar shows "Live Search". The page has a navigation menu with links: HOME, ORGANISATIONS, RETURNS, SERVICES, CONTACT, LOGOUT, and Show All. On the left, there is a sidebar with various links including Returns Issued, Returns History, Returns Search, Dividends Tax, Submit New Return, Submitted Return, Request Statement Of Account, Payments, Additional Payments, SARS Correspondence, Disputes, Bulk Payments, Voluntary Disclosure, PAYE Maintenance, VAT Maintenance, and Special Links. The main content area is titled "DIVIDENDS TAX WORK PAGE". It features a table with the following data:

Field	Value
Taxpayer Name	A Company Pty Ltd
Tax Period	2012/04
Tax Reference	0000000000
Return Type	DWT Returns

Below the table, there is a section for "eFiling Status" which shows "Filed". There are also links for "Request For Correction", "Request Statement of Account", "Make Payment", and "Back To Search".

Click **'Request For Correction'** and **'DWT Returns'** under Status **'Filed through eFiling'**  
The previously submitted information will be pre-populated and the return updated.

The screenshot shows the SARS eFiling Members interface in a Microsoft Internet Explorer browser, displaying the "Dividends Tax Return" form. The page title is "SARS eFiling - Members - Microsoft Internet Explorer provided by SARS". The browser's address bar shows "Live Search". The page has a navigation menu with links: HOME, ORGANISATIONS, RETURNS, SERVICES, CONTACT, LOGOUT, and Show All. On the left, there is a sidebar with various links including Returns Issued, Returns History, Returns Search, Dividends Tax, Submit New Return, Submitted Return, Request Statement Of Account, Payments, Additional Payments, SARS Correspondence, Disputes, Bulk Payments, Voluntary Disclosure, PAYE Maintenance, VAT Maintenance, and Special Links. The main content area is titled "Dividends Tax Return" and contains a form with the following sections:

- General Return Details:** Includes fields for Taxpayer Name (A COMPANY PTY LTD), Tax Period (2012/04), Tax Reference (0000000000), and Return Type (DWT Returns).
- Submitting Entity Details:** Includes fields for Company Name (A COMPANY PTY LTD) and Tax Reference (0000000000).
- Contact Person Details:** Includes fields for Name (A COMPANY PTY LTD), Position (A COMPANY PTY LTD), and Email Address (A COMPANY PTY LTD).
- Voluntary Disclosure Programme:** Includes a checkbox for "I am a participant in the Voluntary Disclosure Programme" and a field for "SARS application no.".
- Tax Practitioner Details:** Includes fields for Name (A COMPANY PTY LTD), Position (A COMPANY PTY LTD), and Email Address (A COMPANY PTY LTD).

The form is pre-populated with the information from the previous screenshot. At the bottom of the form, there is a barcode and a "Done" button.

## 4. HOW TO COMPLETE A RETURN

Taxpayer personal details will be pre-populated. Capture the contact person details, postal address and Tax Practitioner's detail if applicable. Select 'N' under Voluntary Disclosure Programme.

The screenshot shows the SARS eFiling interface for a Dividends Tax Return (DTR02). The top navigation bar includes 'USER', 'ORGANISATIONS', 'RETURNS', 'CUSTOMS', 'DUTIES & LEVIES', 'SERVICES', 'CONTACT', and 'LOGOUT'. The 'Taxpayer List' shows 'A. Company Pty Ltd'. The left sidebar contains various menu items like 'Returns Issued', 'Returns History', 'Levies and Duties', etc. The main form area displays the 'Dividends Tax Return' with the following details:

- General Return Details:** Taxpayer ID: 201201, Return completion date: 20120411, Due date: 20120229.
- Submitting Entity Details:** Registered name: ACOMPANY PTY LTD, Trading name: ACOMPANY PTY LTD.
- Contact Person Details:** Surname: TEST, First name: TEST, ID no: 0124224000, Postal address: TEST.
- Voluntary Disclosure Programme:** A checkbox labeled 'In this declaration made in respect of a VDP agreement with SARS?' is checked, and the 'VDP application no' field is empty.
- Tax Practitioner Details (if applicable):** Tax practitioner registration no: , Tax no: , Postal Code: 0001.

This screenshot is identical to the one above, showing the SARS eFiling interface for a Dividends Tax Return (DTR02). The form is pre-populated with test data, including the taxpayer ID 201201, return completion date 20120411, and due date 20120229. The contact person details are TEST, and the voluntary disclosure programme checkbox is checked.





### 5.3 TAX PAYABLE SECTION

This section reflects the detail breakdown of the information captured in the previous sections to calculate the tax payable for the return.

- Total tax payable for this return – This field is locked and calculated based on the fields in the following sections.

#### Tax Payable on Cash Dividend

This section must be completed if cash dividends distributed to beneficial owner was captured in the output section.

- Cash dividend distributed to beneficial owner – This field is locked and will be auto-populated with the amount specified in the “Distributed to beneficial owner” field in the output section.
- STC credit utilised – Capture the total amount of STC credit utilised for all cash dividend payments made to beneficial owners.
- Micro business exemption – Capture the total amount of Micro business exemption for all cash dividend payments made to beneficial owners.
- Cash dividend subject to tax – This field is locked and will be calculated based on the values captured for the fields above.
- Tax payable before rebate – This field is locked and will be calculated as the sum of the following fields:
  - Tax payable at full rate – Capture the amount of tax payable for portion of the dividend that must be taxed at full rate.
  - Tax payable at reduced rate – Capture the total amount of tax payable for dividend payments made to beneficial owners that must be taxed at a reduced rate.
- Less: Rebate for foreign taxes paid – Capture the total amount of rebates applicable to dividend payments made to beneficial owners.
- Tax payable on cash dividends – This field is locked and will be calculated based on the values captured for the fields above.

### Tax Payable on Dividend *In specie*

This section must be completed if an amount was captured for the “Dividend *In specie*” field in the input section.

Tax Payable on Dividend ' <i>In specie</i> '	
Dividend ' <i>In specie</i> ' declared	R <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/>
STC credit utilised	R <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/>
Micro Business exemption	R <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/>
Tax payable for dividend ' <i>In specie</i> '	R <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/>

- Dividend *In specie* declared – This field is locked and will be auto-populated with the amount specified in the “Dividend *In specie*” field in the input section.
- STC credit utilised – Capture the total amount of STC credit utilised for all dividend *in specie* payments made to beneficial owners.
- Micro business exemption – Capture the total amount of Micro business exemption for all dividend *in specie* payments made to beneficial owners.
- Tax payable for dividend *In specie* - This field is locked and will be calculated based on the values captured for the fields above.



## 5.3 ADJUSTMENTS

This section will be locked and uneditable for the manual capturing of the Dividends Tax return.

Adjustments (Refunds and Corrections on Tax Payable for Previous Return Periods)															
Total amount of credit adjustments	R														
Amount of refunds on past return periods	R														
Amount of corrections on past return periods	R														
Total amount of debit adjustments	R														

## 5.4 PAYMENT ADVICE

All fields under this sub-heading will be auto populated based on calculated fields in the previous sections.

## 5.5 PAYMENTS DETAILS

The PRN and Beneficiary ID will be pre-populated. Please ensure that you have both numbers to effect payment at the bank.

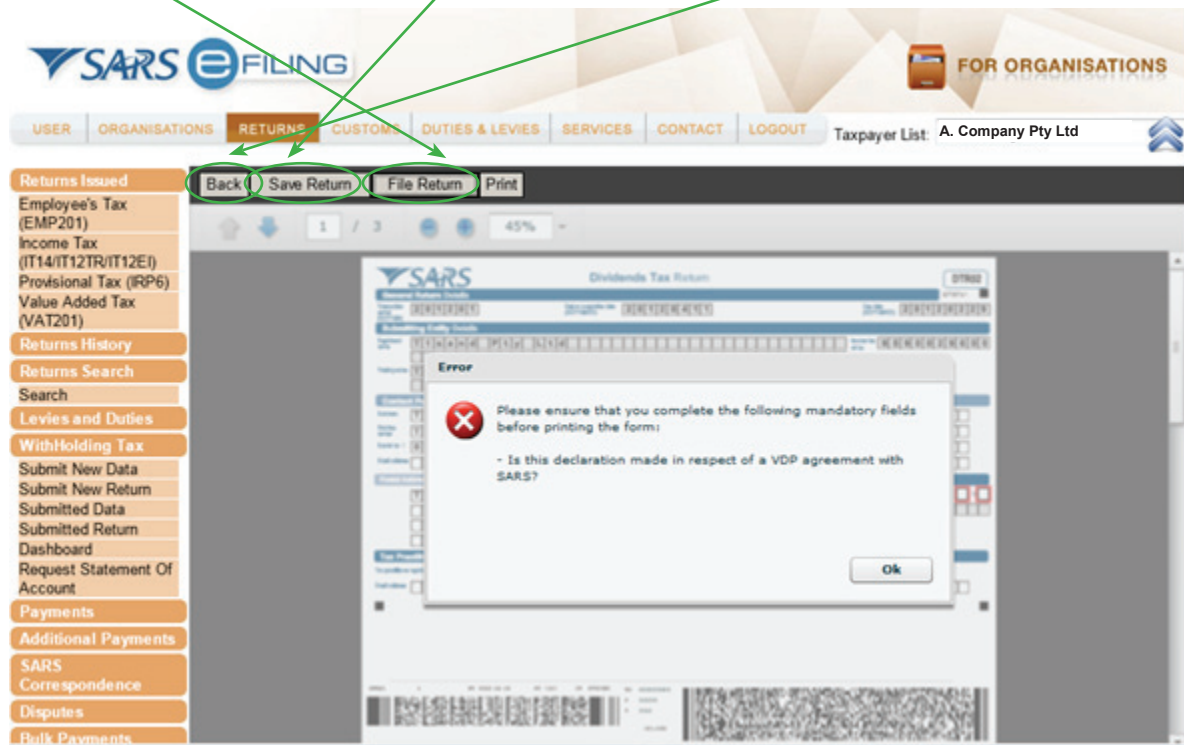
Payment Detail														
Payment reference number (PRN)														
Beneficiary ID / Account no.	S	A	R	S	-	W	H	T						

1. Payment allocation and payment reference numbers (PRN): Always quote the valid payment reference number (PRN) when making payment.

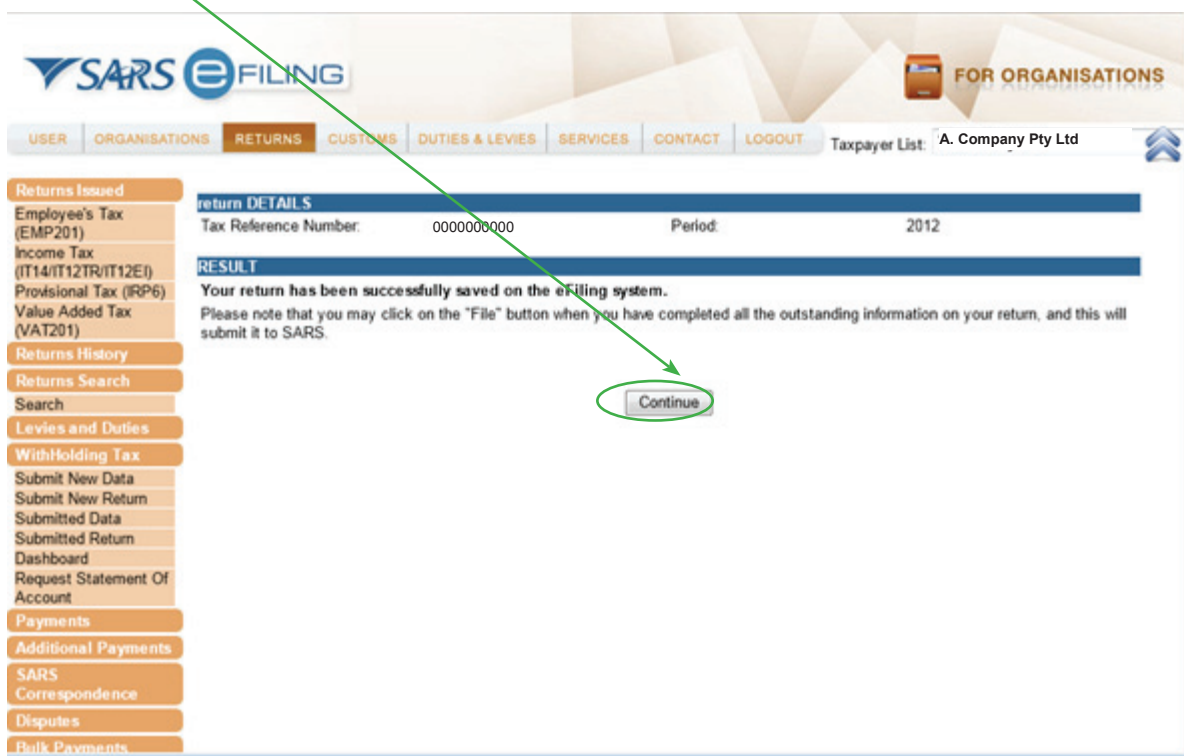
2. Electronic payments are recommended. SARS does not accept cheques exceeding R100 000 per transaction.

## 6. HOW TO SUBMIT A RETURN

Click **'File Return'** to submit, **'Save Return'** for later retrieval and **'Back'** to go to the previous screen.



Click **'Continue'** to complete the process.





For more information go to the SARS website, [www.sars.gov.za](http://www.sars.gov.za), visit a SARS branch or call the SARS Contact Centre on 0800 00 SARS (7277). The operating hours are 08h00 - 17h00 (excluding weekends and public holidays).

A Guide to the Declaration of Dividends Tax via eFiling - April 2012



[www.sars.gov.za](http://www.sars.gov.za)