

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.

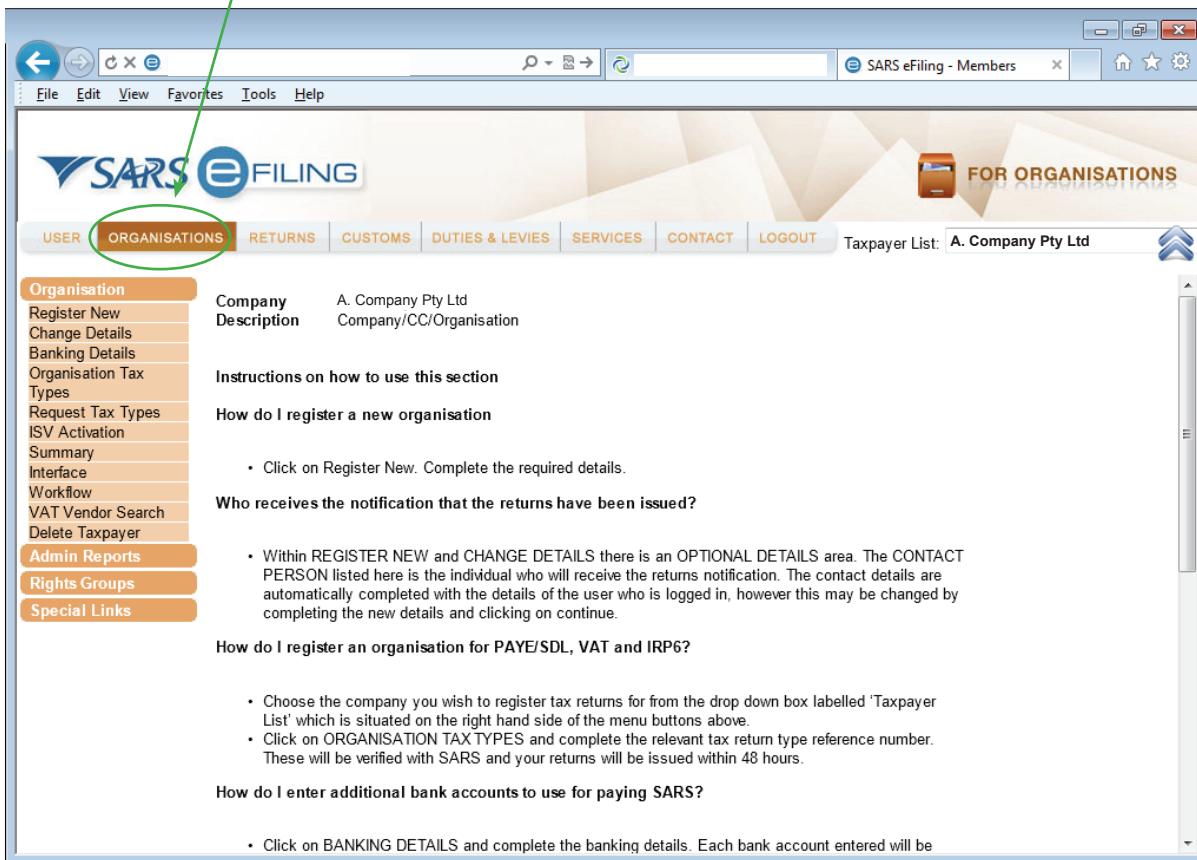
The Dividends Tax operates from the principle that the liability for Dividends Tax is triggered by the payment of the dividend and it falls on the recipient (i.e. beneficial owner) to pay the tax to SARS. However, Dividends Tax is administered on the basis of withholding the applicable percentage of 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.

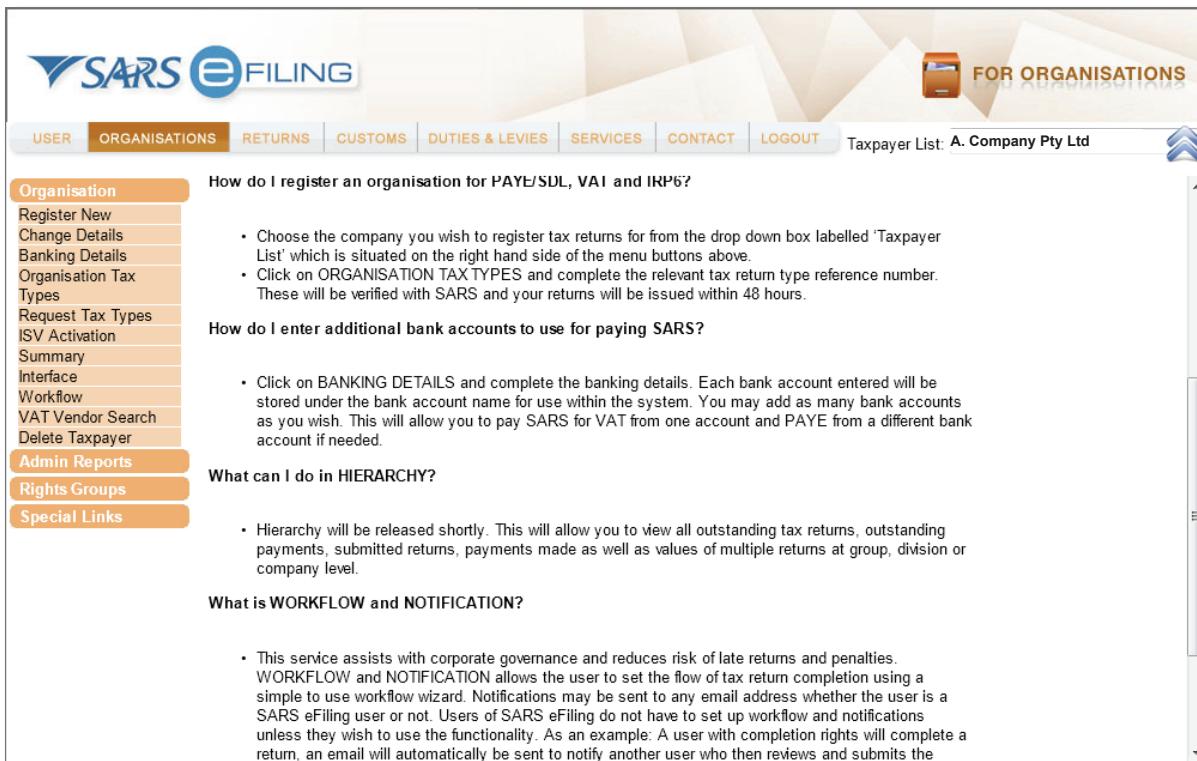
A prescribed Dividends Tax return must be submitted to SARS by each entity that manages dividends, accounting for the payment/withholding of dividends to beneficial owners and/or the pass through of dividends to regulated intermediaries for further distribution. The return summarises the management (receipt/ 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'

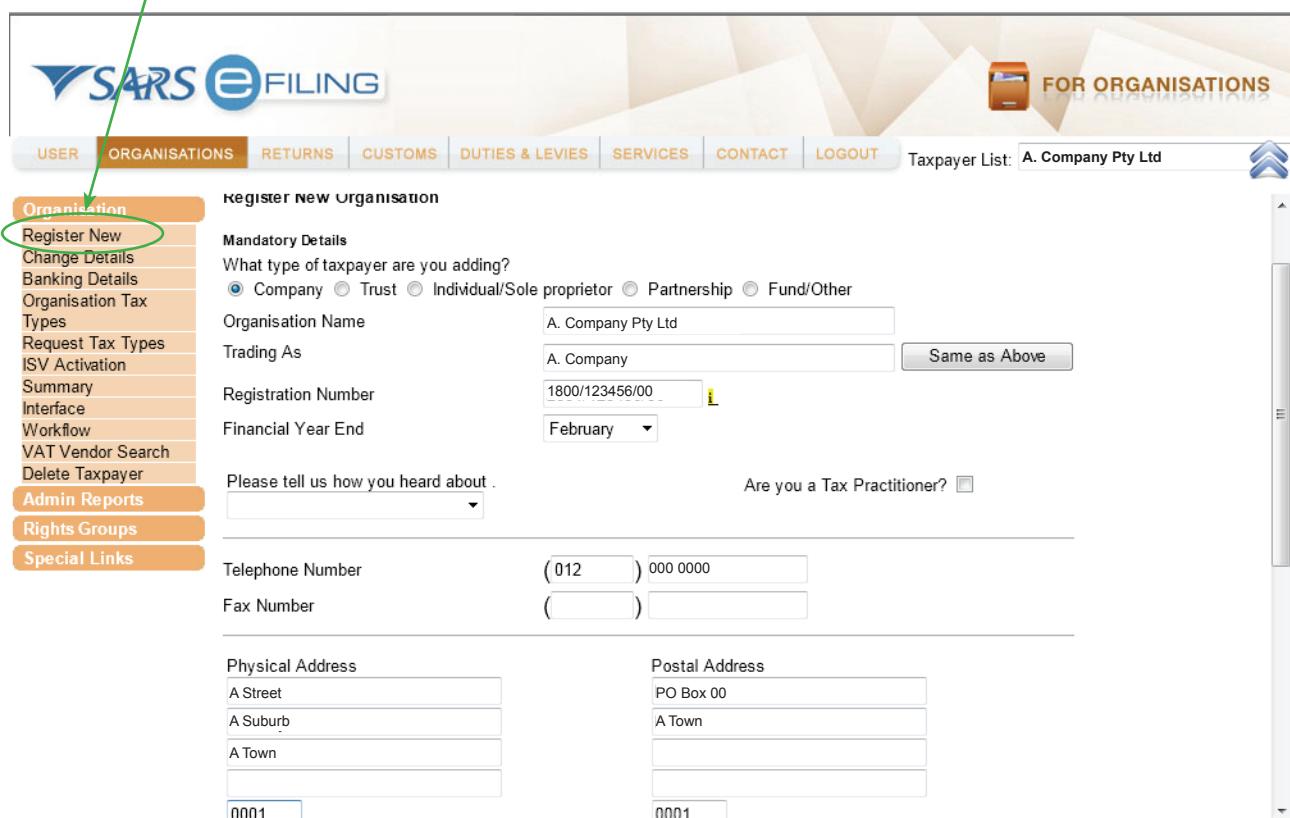


The screenshot shows the SARS eFiling interface. The top navigation bar includes buttons for File, Edit, View, Favorites, Tools, Help, and a search bar. The title bar reads 'SARS eFiling - Members'. The main content area is titled 'FOR ORGANISATIONS'. A green circle highlights the 'ORGANISATIONS' button in the top navigation bar. The left sidebar has a 'Organisation' section with links: 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, and Special Links. The main content area shows a table with 'Company' and 'Description' rows, both set to 'A. Company Pty Ltd'. It also contains sections for 'Instructions on how to use this section', 'How do I register a new organisation' (with a bullet point: 'Click on Register New. Complete the required details.'), 'Who receives the notification that the returns have been issued?' (with a bullet point: '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?' (with a bullet point: '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.'), and 'How do I enter additional bank accounts to use for paying SARS?' (with a bullet point: '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.').



The screenshot shows the SARS eFiling interface. The top navigation bar includes buttons for File, Edit, View, Favorites, Tools, Help, and a search bar. The title bar reads 'SARS eFiling - Members'. The main content area is titled 'FOR ORGANISATIONS'. A green circle highlights the 'ORGANISATIONS' button in the top navigation bar. The left sidebar has a 'Organisation' section with links: 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, and Special Links. The main content area shows a section titled 'How do I register an organisation for PAYE/SDL, VAT and IRP6?' with a bullet point: '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.' It also contains sections for 'How do I enter additional bank accounts to use for paying SARS?' (with a bullet point: '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?' (with a bullet point: '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.'), and 'What is WORKFLOW and NOTIFICATION?' (with a bullet point: '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 return.').

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



Register New Organisation

Mandatory Details

What type of taxpayer are you adding?

Company Trust Individual/Sole proprietor Partnership Fund/Other

Organisation Name: A. Company Pty Ltd

Trading As: A. Company

Registration Number: 1800/123456/00

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

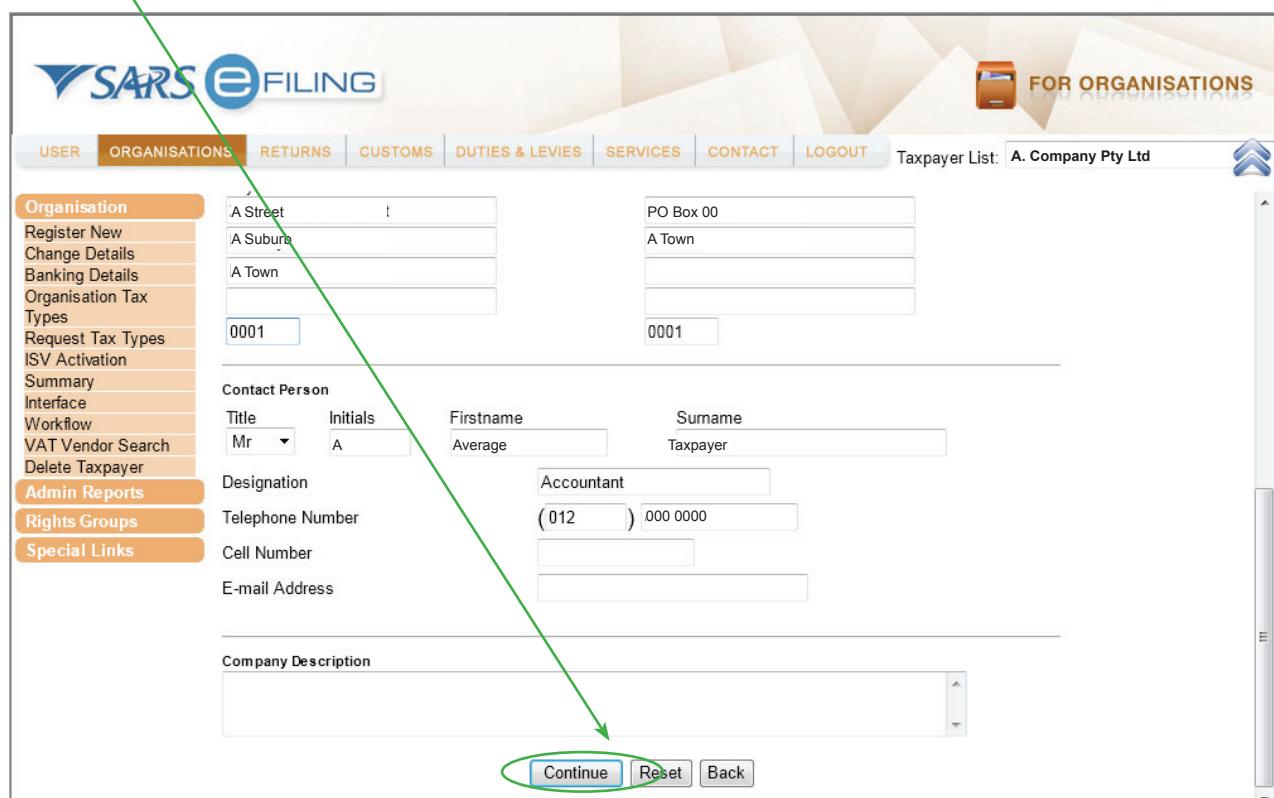
Postal Address

PO Box 00

A Town

0001

Click 'Continue' to proceed



Physical Address

A Street

A Suburb

A Town

Postal Address

PO Box 00

A Town

0001

Contact Person

Title: Mr Initials: A

Firstname: Average

Surname: Taxpayer

Designation: Accountant

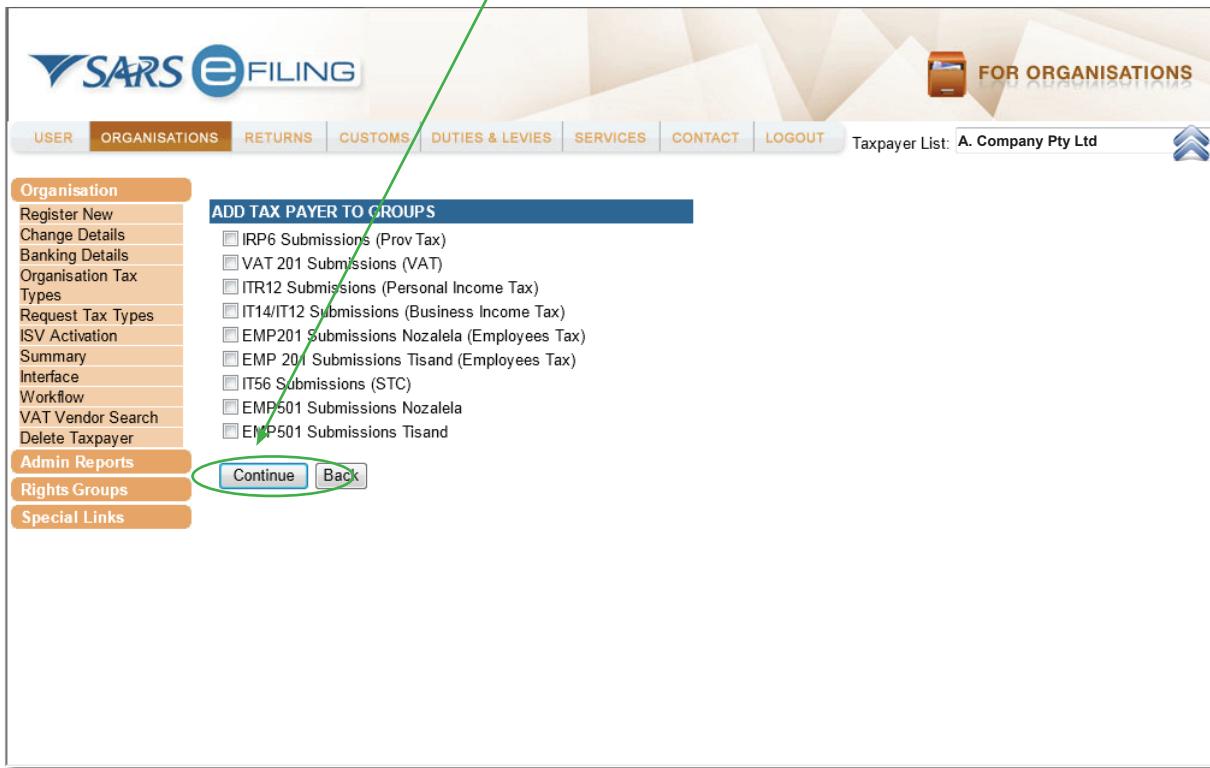
Telephone Number: (012) 000 0000

Cell Number:

E-mail Address:

Company Description:

Select the relevant submission and click '**continue**'.



SARS eFILING

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

ADD TAX PAYER TO GROUPS

- 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
- EMP501 Submissions Tisand

Continue **Back**

Click '**continue**' to proceed to the next step.



SARS eFILING

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

TAX ORGANISATION SUMMARY

Company Name: A. Company
Registration Number: 1800/123456/00
Groups Selected: No Groups were selected

Continue **Back** **Print Summary**

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

The screenshot shows the SARS eFiling interface for 'ORGANISATIONS'. The 'Business Income Tax (IT14/IT12E/IT12TR)' and 'Dividends Withholding Tax (DWT)' checkboxes are selected. The 'Register' button is highlighted with a green oval and an arrow. The 'Tax Office' dropdown is set to 'ALBERTON' for both sections. Reference numbers are provided for each tax type.

Business Income Tax (IT14/IT12E/IT12TR)

Reference Number: 0000000000
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.

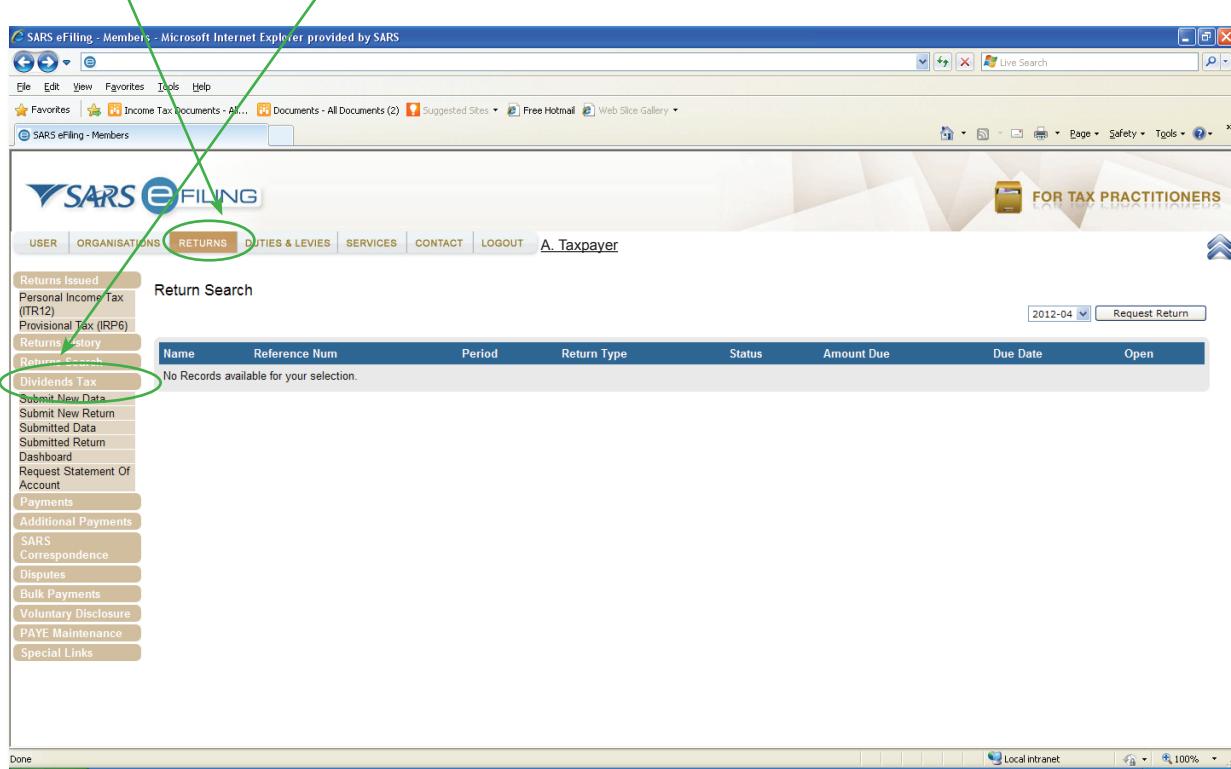
Excise Agent

Reference Number: [empty]
Tax Office: ALBERTON

Buttons: Register (highlighted with a green oval and arrow), Reset

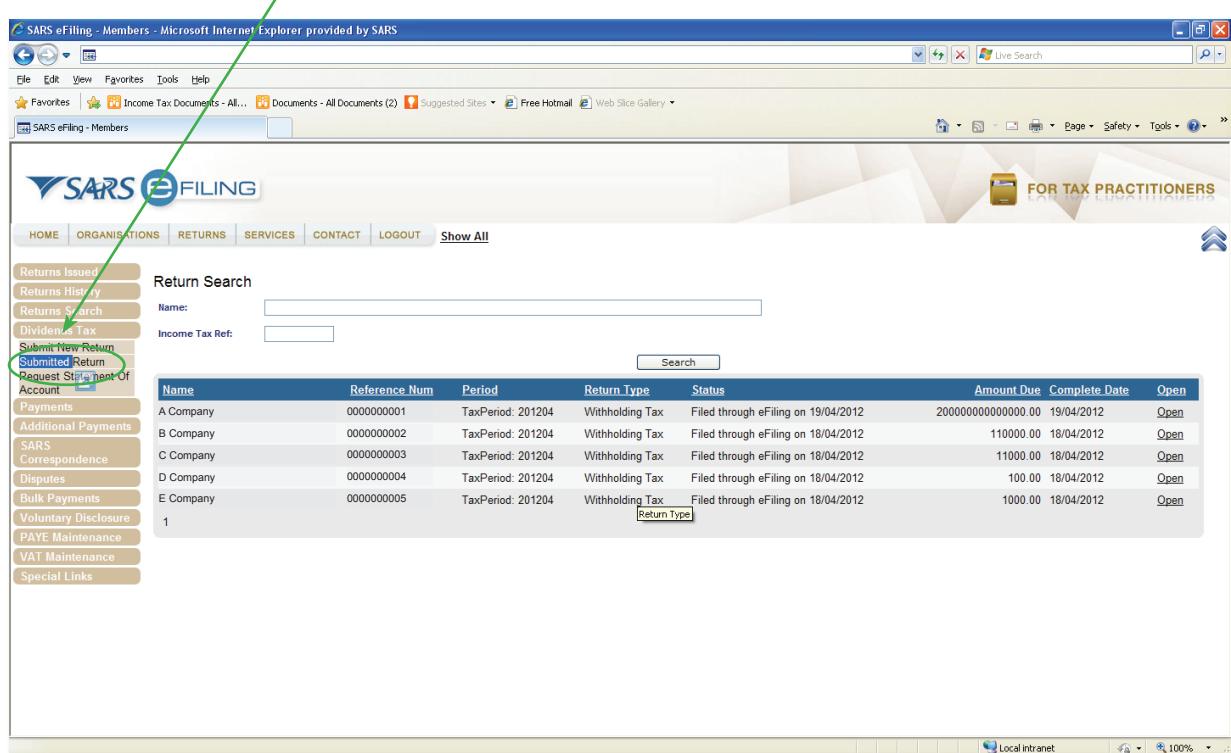
3. HOW TO REQUEST A RETURN

Click 'Returns', then 'Dividends Tax'

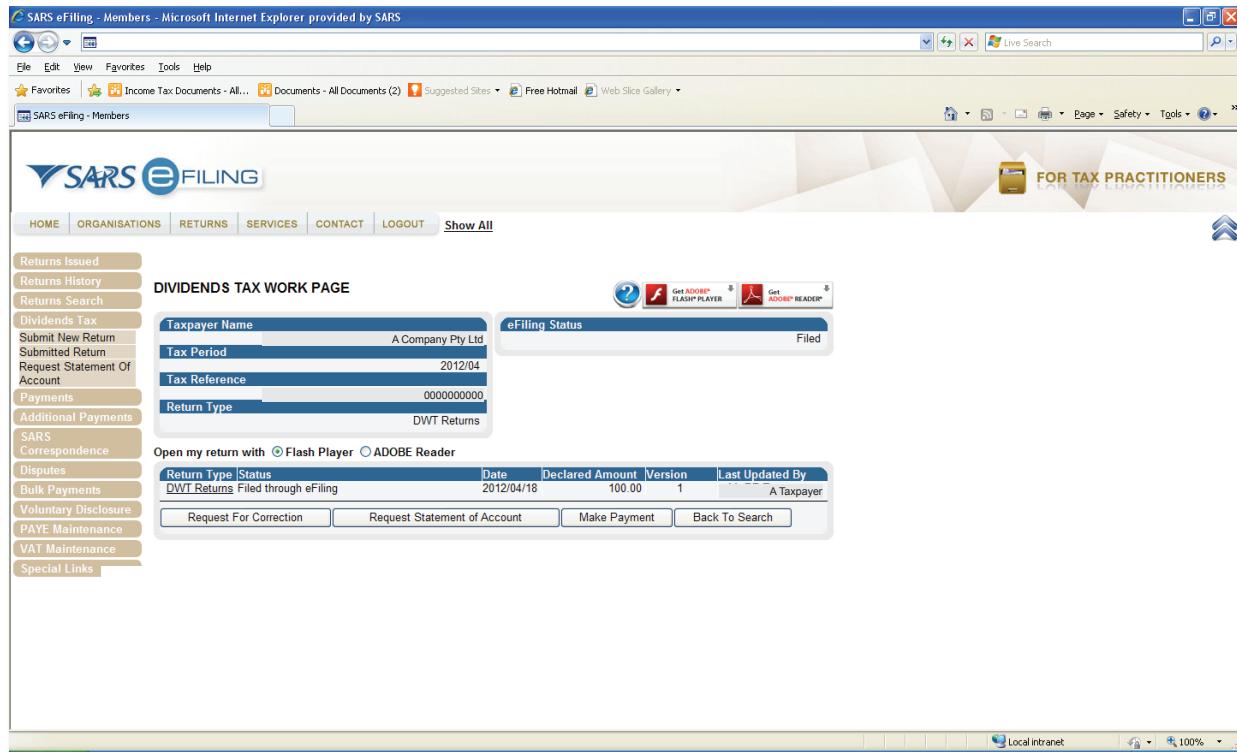


Click 'Submit New Return' and 'Request Return' to request the return. Select the tax period from the dropdown list next to 'Request Return' button.

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



Click 'Open' on the return subject to revision.



Dividends Tax Work Page

Taxpayer Name: A Company Pty Ltd

Tax Period: 2012/04

Tax Reference: 000000000

Return Type: DWT Returns

eFiling Status: Filed

Request For Correction

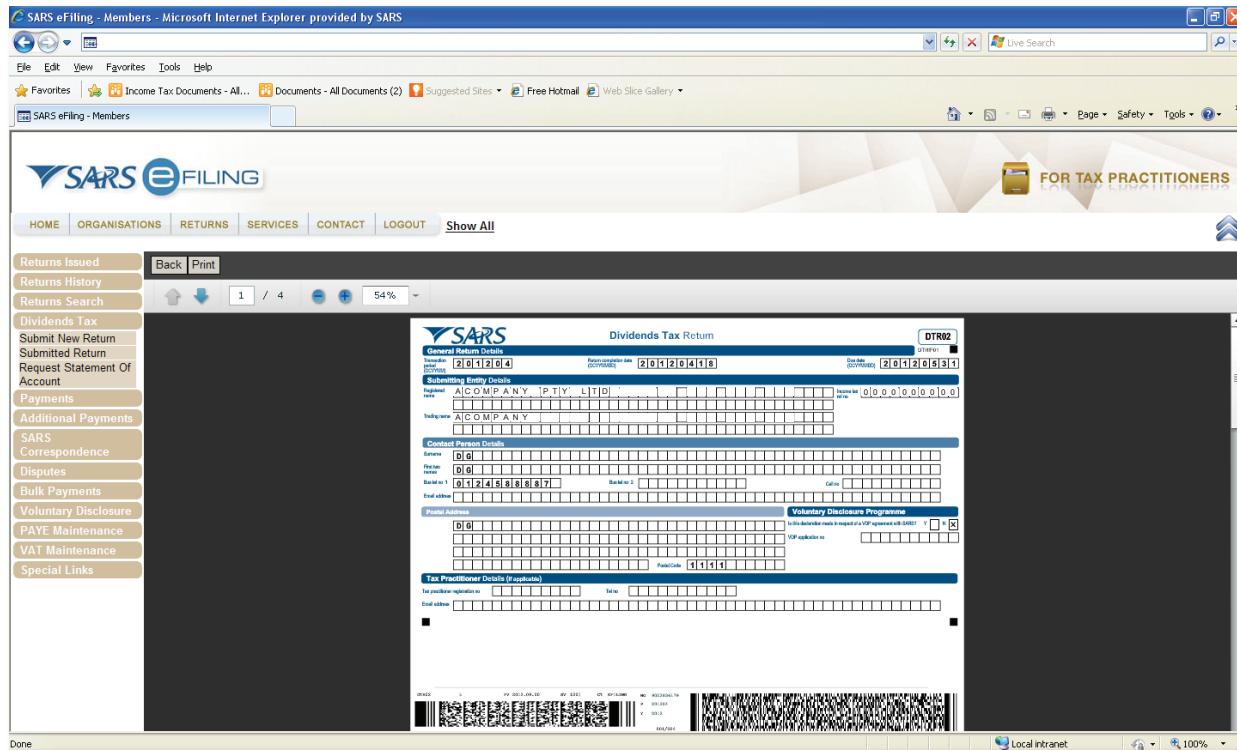
Request Statement of Account

Make Payment

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.



Dividends Tax Return

General Return Details

Submitting Entity Details

Contact Person Details

Postal Address

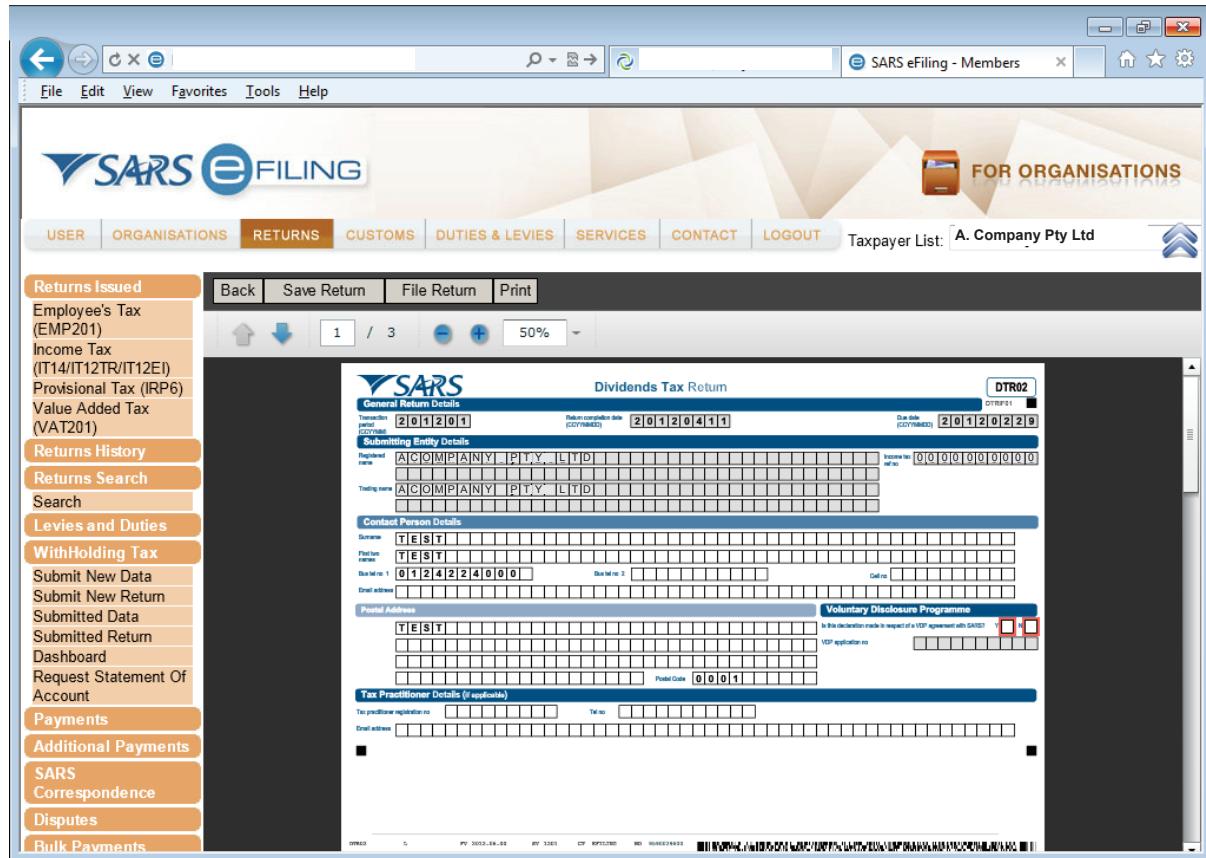
Voluntary Disclosure Programme

Tax Practitioner Details (Applicable)

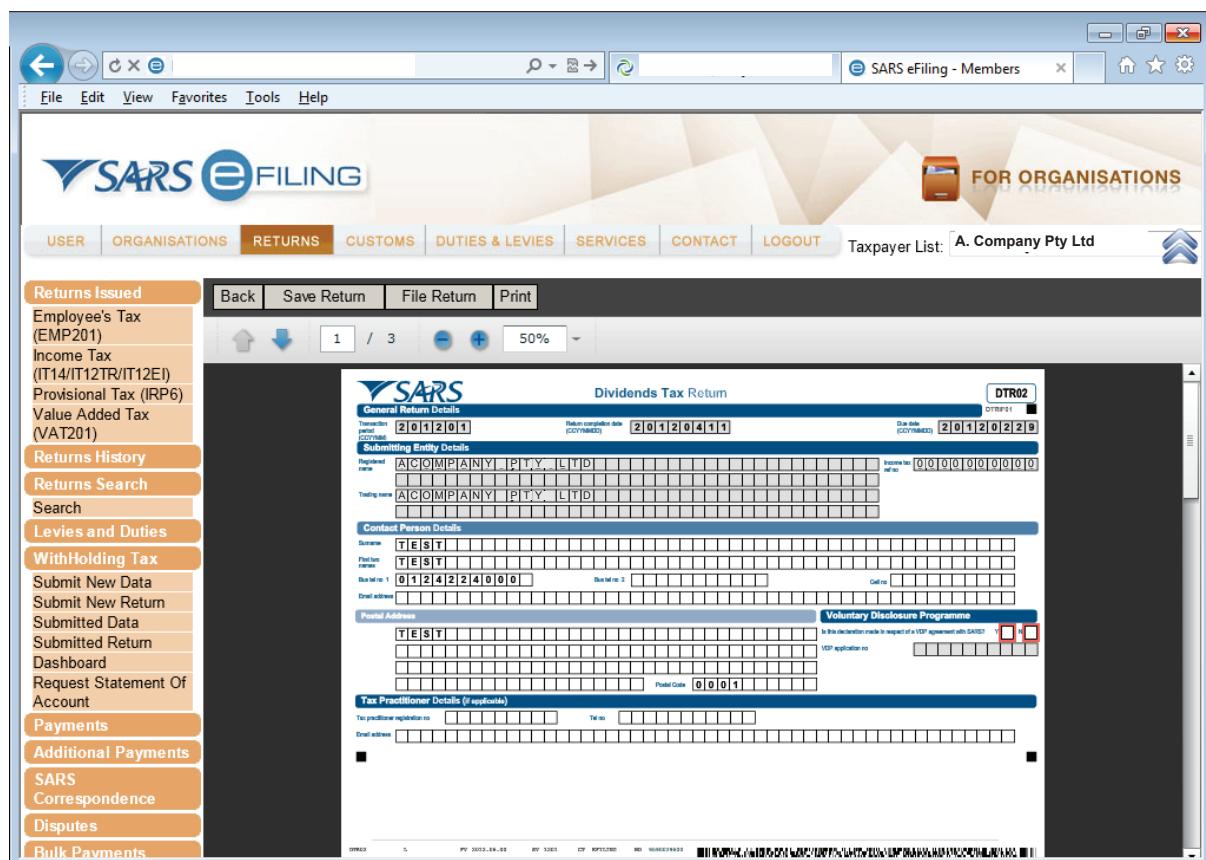
Request For Correction

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. The main form is titled 'Dividends Tax Return' and includes fields for 'General Return Details' (Return period code: 201201, Return completion date: 20120411, Due date: 20120229), 'Submitting Entity Details' (Regd name: A/COMPANY PTY LTD, Trading name: A/COMPANY PTY LTD), 'Contact Person Details' (Name: T[B]S[T], Function: T[B]S[T], Bus line 1: 0124224080, Bus line 2: , Cell no: , Email address:), 'Postal Address' (T[B]S[T], Postal Code: 00001), and 'Voluntary Disclosure Programme' (checkboxes for 'Is this declaration made in respect of a VDP agreement with SARS?' and 'VDP application no.' are checked). The left sidebar lists various tax-related options like Employee's Tax, Returns History, and Payments.



The screenshot shows the SARS eFiling interface for a Dividends Tax Return, identical to the one above but with a different taxpayer list (A. Company Pty Ltd) and a different timestamp (PV 2012-04-22). The form fields and layout are the same, including the checked checkboxes in the Voluntary Disclosure Programme section.

5. FINANCIAL INFORMATION

5.1 INPUT SECTION

The taxpayer's financial information will be reflected from page 2 of the Dividends Tax Return.

Dividends Declared

This section must be completed by a company reporting on the dividends that they declared.

Dividends Declared												
Cash dividend	R	_____	_____	_____	_____	_____	_____	_____	_____	,	_____	_____
Dividend <i>In specie</i>	R	_____	_____	_____	_____	_____	_____	_____	_____	,	_____	_____
Total declared for this return	R	_____	_____	_____	_____	_____	_____	_____	_____	,	_____	_____

- Cash Dividend – Capture the amount of cash dividends declared in Rand and cent.
- Dividend *In specie* – Capture the amount of Dividend *In specie* declared in Rand and cent.
- Total declared for this return – This field is locked and calculated as a sum of the previous values captured.

Dividends Received

This section must be completed by a company reporting on dividends that they received as beneficial owner or a regulated intermediary that received dividends for distribution.

Dividends Received												
Cash dividend	R	_____	_____	_____	_____	_____	_____	_____	_____	,	_____	_____
Dividend <i>In specie</i>	R	_____	_____	_____	_____	_____	_____	_____	_____	,	_____	_____
Total received for this return	R	_____	_____	_____	_____	_____	_____	_____	_____	,	_____	_____

- Cash Dividend – Capture the amount of cash dividends received in Rand and cent.
- Dividend *In specie* – Capture the amount of Dividend *In specie* received in Rand and cent.
- Total received for this return – This field is locked and calculated as a sum of the previous values captured.

5.2 OUTPUT SECTION

Cash Dividend Distributed

This section must be completed by a company or a regulated intermediary reporting on cash dividends that they distributed.

Cash Dividends Distributed	
Distributed to regulated intermediary	R <input type="text"/> , <input type="text"/>
Distributed to beneficial owner	R <input type="text"/> , <input type="text"/>
Portion subject to tax at full rate	R <input type="text"/> , <input type="text"/>
Portion subject to tax at reduced rate	R <input type="text"/> , <input type="text"/>
Portion exempt from tax	R <input type="text"/> , <input type="text"/>
Total cash dividends distributed for this return	R <input type="text"/> , <input type="text"/>

- Distributed to regulated intermediary – Capture the amount of cash dividends passed to regulated intermediaries.
- Distributed to beneficial owner – This field is locked and calculated as a sum of the following three fields.
 - Portion subject to tax at full rate – Determine and capture the portion of the dividend to be paid to beneficial owners that will be taxed at full rate.
 - Portion subject to tax at reduced rate – Determine and capture the portion of the dividend to be paid to beneficial owners that will be taxed at a reduced rate.
 - Portion exempt from tax – Determine and capture the portion of the dividend to be paid to beneficial owners that is exempt from tax.
- Total cash dividend distributed for this return – This field is locked and calculated as a sum of the previous fields.

Dividends *In Specie* Distributed

This section must be completed by a company or a regulated intermediary reporting on Divdends *In Specie* that they distributed.

Dividends '<i>In specie</i>' Distributed	
Distributed to regulated intermediary	R <input type="text"/> , <input type="text"/>
Distributed to a beneficial owner	R <input type="text"/> , <input type="text"/>
Total dividend '<i>In specie</i>' distributed for this return	R <input type="text"/> , <input type="text"/>

- Distributed to regulated intermediary – Capture the amount of dividends *In specie* passed to regulated intermediaries.
- Distributed to beneficial owner – Capture the amount of dividends *In specie* paid to beneficial owners.
- Total dividends *In specie* distributed for this return – This field is locked and calculated as a sum of the previous fields.




FOR ORGANISATIONS

User
ORGANISATIONS
RETURNS
CUSTOMS
DUTIES & LEVIES
SERVICES
CONTACT
LOGOUT

Taxpayer List:
A. Company Pty Ltd

Back
Save Return
File Return
Print

Up
Down
2 / 3
Zoom
75%

Portion subject to tax at full rate	R	6 0 0 0 0 0	0 0
Portion subject to tax at reduced rate	R	7 0 0 0 0 0	0 0
Portion exempt from tax	R	8 0 0 0 0 0	0 0
Total cash dividends distributed for this return	R	2 6 0 0 0 0	0 0

Dividend 'In specie' declared	R	2 0 0 0 0 0
STC credit utilised	R	1 7 0 0 0 0
Micro Business exemption	R	1 8 0 0 0 0
Tax payable for dividend 'In specie'	R	1 9 0 0 0 0

Dividends 'In specie' Distributed	R	9 0 0 0 0 0	0 0
Distributed to regulated intermediary	R	1 0 0 0 0 0	0 0
Distributed to beneficial owner	R	1 9 0 0 0 0	0 0
Total dividend 'In specie' distributed for this return	R	1 9 0 0 0 0	0 0

Adjustments (Refunds and Corrections on Tax Payable for Previous Return Period)	R	0 0 0 0 0 0
Total amount of credit adjustments	R	0 0 0 0 0 0
Amount of refunds on past return periods	R	0 0 0 0 0 0
Amount of corrections on past return periods	R	0 0 0 0 0 0
Total amount of debit adjustments	R	0 0 0 0 0 0

Print



Printed on: 2013-04-16 BY 1201 CP 071201 NO 5000029400 P 201291 R 30153 063/003



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.

Tax Payable Section (Tax Withheld for this Return, Due to SARS) TPAIF01

- 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.

Tax Payable on Cash Dividend	
Cash dividend distributed to beneficial owner	R <input type="text"/> , <input type="text"/>
STC credit utilised	R <input type="text"/> , <input type="text"/>
Micro Business exemption	R <input type="text"/> , <input type="text"/>
Cash dividend subject to tax	R <input type="text"/> , <input type="text"/>
Tax payable before rebate	R <input type="text"/> , <input type="text"/>
Tax payable at full rate	R <input type="text"/> , <input type="text"/>
Tax payable at reduced rate	R <input type="text"/> , <input type="text"/>
Less: Rebate for foreign taxes paid	R <input type="text"/> , <input type="text"/>
Tax payable on cash dividends	R <input type="text"/> , <input type="text"/>

- 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 ‘*In specie*’

Dividend ‘ <i>In specie</i> ’ declared	R	<input type="text"/> , <input type="text"/> <input type="text"/>
STC credit utilised	R	<input type="text"/> , <input type="text"/> <input type="text"/>
Micro Business exemption	R	<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"/>

- 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 <input type="text"/> , <input type="text"/>
Amount of refunds on past return periods	R <input type="text"/> , <input type="text"/>
Amount of corrections on past return periods	R <input type="text"/> , <input type="text"/>
Total amount of debit adjustments	R <input type="text"/> , <input type="text"/>

5.4 PAYMENT ADVICE

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

The screenshot shows the SARS eFiling interface. The top navigation bar includes links for USER, ORGANISATIONS, RETURNS (highlighted in orange), CUSTOMS, DUTIES & LEVIES, SERVICES, CONTACT, and LOGOUT. The Taxpayer List is set to 'A. Company Pty Ltd'. The main content area is titled 'Returns Issued' and shows a 'Declaration' section with a declaration form and a signature box. To the right is a 'Payment Advice' section with several input fields for amounts and a 'Payment Detail' section with a payment reference number (PRN) field and a beneficiary ID field. The PRN field contains 'SARS-WHT'.

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.

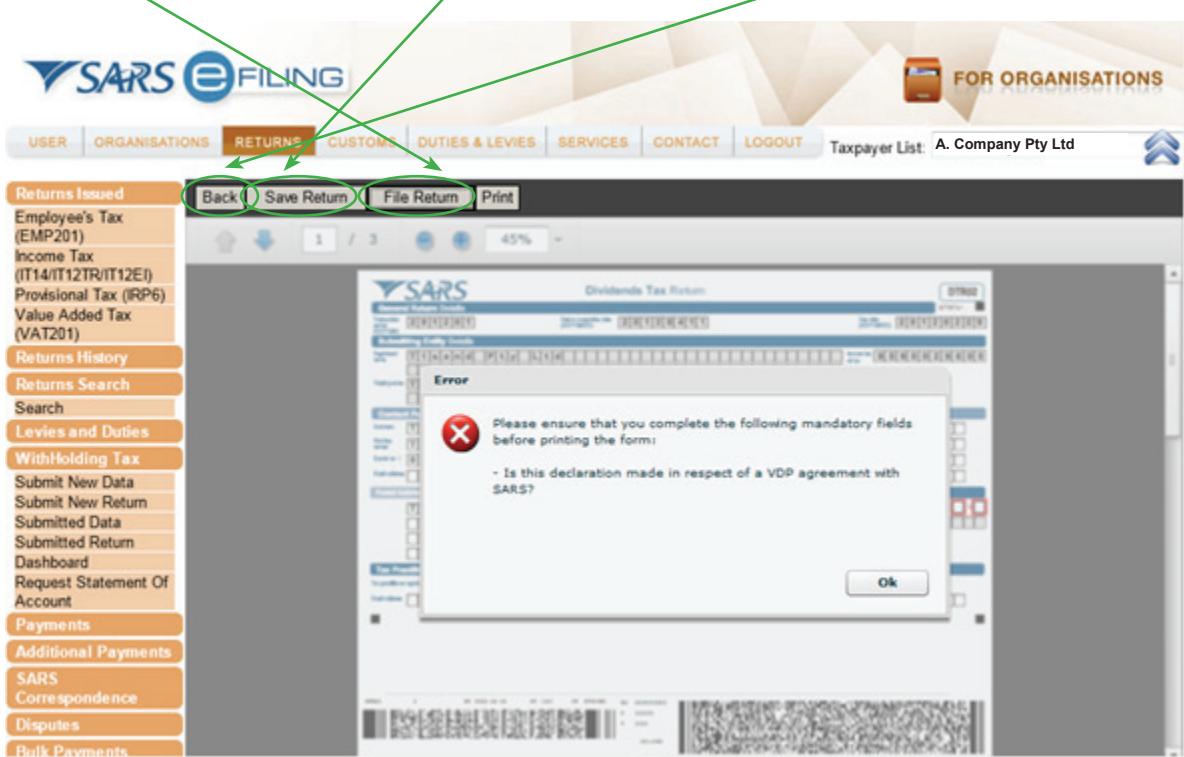
Payment Detail

Payment reference number (PRN)	<input type="text"/>
Beneficiary ID / Account no.	<input type="text"/> S A R S - W H T <input type="text"/>

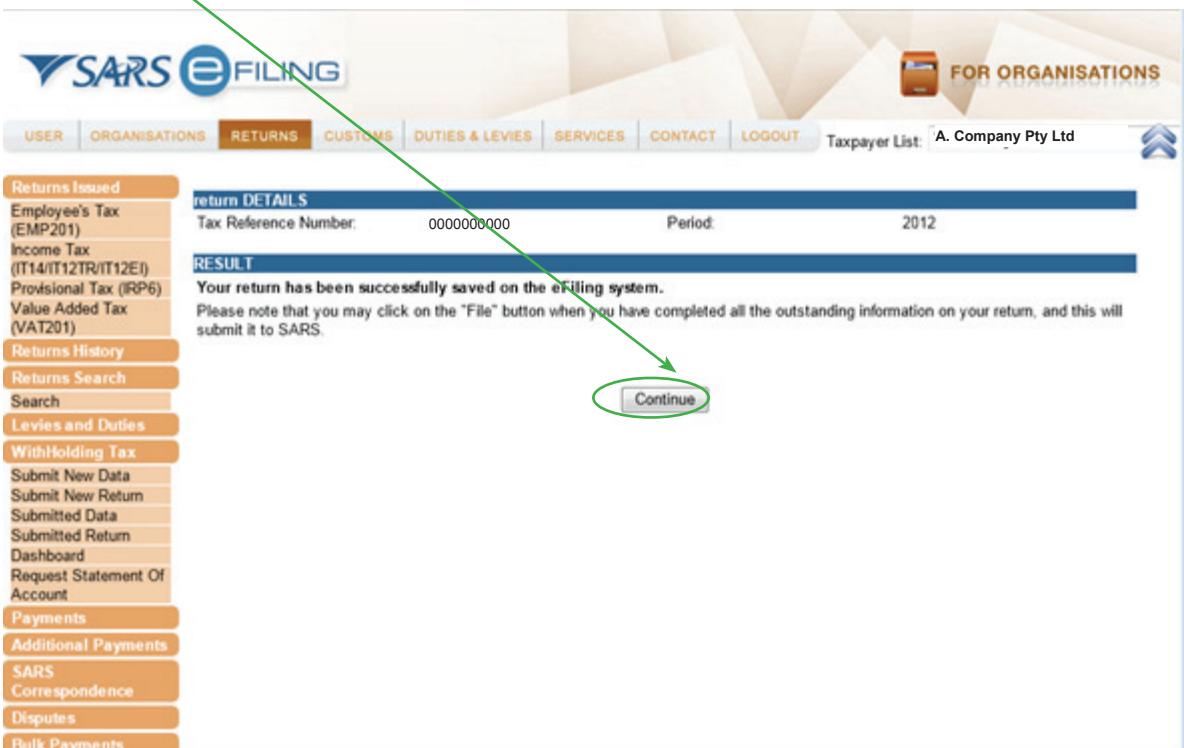
1. Payment allocation and payment reference numbers (PRN): Always quote the valid payment reference number (PRN) when making payment.
2. Electronic payments are recommended. SARS does not accept cheques exceeding R100 000 per transaction.

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, 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

