C L A R I F I C A T I O N   D O C U M E N T   F O R :

IT3(b) and IT3(s)

Applicable to the published BRS:

"SARS_External BRS_2014_IT3s_v2.0.3-27" with the date of 4 June 2015

Version:	2.0.0
Date:	3 Mar 2017

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1. DOCUMENT MANAGEMENT

1.1. Revision History

Revision History			
Date	**Version**	**Description**	**Author/s**
14 Dec 2016	V1.0.0	Public Version	SARS
2 Mar 2017	V2.0.0	Public Version – amendments to V1.0.0 is provided in pink colour.	SARS

1.2. Table of Content

2. INTERPRETATION NOTES

The interpretation notes contained in this document are applicable to the BRS with the title and version "SARS_External BRS_2014_IT3s_v2.0.3-27" with the date of 4 June 2015.

This document is a summary of the minor changes due to law or system integration.

2.1. New transfer in, transfer out and withdrawal source codes added for Tax Free Investments – IT3(s)

The following new source codes are available for use with Tax Free Investment IT3(s) data submissions:

4247 – Tax free investment account – transfer out

4246 – Tax free investment account – transfer in

4248 – Tax free investment account – withdrawal

This means that the "7.15 Appendix N – IT3(s) ITS Source Codes Table" of the BRS changes;

From;

7.15 Appendix N - IT3(s) ITS Source Codes Table

This table provides income source codes that are used for the purpose of IT3(s) extracts.

Code	Transaction Type
4239	Tax free investment account – net return on investment profit
4240	Tax free investment account – net return on investment loss
4219	Tax free investment account – contribution
4241	Tax free investment account – interest
4242	Tax free investment account – dividends
4243	Tax free investment account – capital gain
4244	Tax free investment account – capital loss

To:

7.15 Appendix N - IT3(s) ITS Source Codes Table

This table provides income source codes that are used for the purpose of IT3(s) extracts.

Code	Transaction Type
4239	Tax free investment account – net return on investment profit
4240	Tax free investment account – net return on investment loss
4219	Tax free investment account – contribution
4247	Tax free investment account – transfer out
4246	Tax free investment account – transfer in
4248	Tax free investment account – withdrawal
4241	Tax free investment account – interest
4242	Tax free investment account – dividends
4243	Tax free investment account – capital gain
4244	Tax free investment account – capital loss

Also view the rule application around these source codes in Section 2.2 below.

2.2. Transfer date postponed to 2018-03-01 for Tax Free Investments and amended source code rules - IT3(s)

Per National Treasury communication – 28 February 2017 it is required to change the date that Tax Free Investment transfers are allowed from "2016-03-01" to "2018-03-01".

This means that the BRS Field 98 (Transaction Type), changes;

From;

| 98. | Transaction Type | Transaction Type: e.g. Contribution, Transfer In, Transfer Out etc. | M | | N | FIX | 2:2 | • Must be value from Transaction Type Appendix 7.16 | • Codes = 02 or 03 (Transfer In or Out) would only be allowed when Transaction Date (Field 97) >= 2016-03-01. |

To:

| 98. | Transaction Type | Transaction Type: e.g. Contribution, Transfer In, Transfer Out etc. | M | | N | FIX | 2:2 | • Must be value from Transaction Type Appendix 7.16 | • Codes = 02 or 03 (Transfer In or Out) would only be allowed when Transaction Date (Field 97) >= 2018-03-01. |

Furthermore the date change is incorporated in the condition rules of Field 99 (Assigned Source Code), must change from "2016-03-01" to "2018-03-01".

This means that the BRS Field 99 (Assigned Source Code) changes;

From;

| 99. | Assigned Source Code | Assigned Source Code | C | • If Transaction Type (Field 98) has an associated Source Code (Appendix 7.15) then this field is mandatory;
• Else field is NULL. | N | FIX | • 0:0 – condition not met
• 4:4 – condition met | • If value populated, then it has to be 4219 as referenced in Source Codes Table Type Appendix 7.15. | |

To:

| 99. | Assigned Source Code | Assigned Source Code | C | • IF Transaction Type (Field 98) = 01 THEN has to be = 4219.
• IF Transaction Type (Field 98) = 02 AND Transaction Date (Field 97) >= 2018-03-01 THEN has to be = 4246 OR allow NULL value.
• IF Transaction Type (Field 98) = 03 AND Transaction Date (Field 97) >= 2018-03-01 THEN has to be = 4247 OR allow NULL value.
• IF Transaction Type (Field 98) = 04 THEN field has to be = 4248 OR allow NULL value. | N | FIX | • 0:0 – field contains no value
• 4:4 – field contains a value | • Must be value from Source Codes Table Type Appendix 7.15. | |

2.3. IT3(b) new source codes 4214 'Other Income', and 4292 "Dividends deemed to be income in terms of s8E and s8EA"

Two new source codes are to be added for use in IT3(b) data submissions:

- "Other Income" 4214

- "Dividends deemed to be income in terms of s8E and s8EA" 4292

This means that the BRS "7.2 Appendix B – IT3(b) Source Codes Table" changes;

From;

7.2 Appendix B - IT3(b) Source Codes Table

This table provides income source codes that are used for the purpose of IT3(b) extracts.

Income Source Code	Description
4201	Local interest (including amounts received / accrued in respect of Sharia compliant finance arrangements under section 24JA)
4202	Dividends/Dividends from a unit trust company/Other dividends – excluding dividends from a foreign source **Note:** This Income source code may only be used for local dividends that were declared prior to 1 April 2012
4210	Rental income
4212	Royalties profit income
4216	Dividends from a foreign source subject to SA normal tax
4218	Interest from a foreign source
4238	Taxable local dividends
4112	Tax paid on foreign Dividends
4113	Tax paid on foreign Interests

To:

7.2 Appendix B - IT3(b) Source Codes Table

This table provides income source codes that are used for the purpose of IT3(b) extracts.

Income Source Code	Description
4201	Local interest (including amounts received / accrued in respect of Sharia compliant finance arrangements under section 24JA)
4202	Dividends/Dividends from a unit trust company/Other dividends – excluding dividends from a foreign source **Note:** This Income source code may only be used for local dividends that were declared prior to 1 April 2012
4210	Rental income
4212	Royalties profit income
4214	Other Income
4216	Dividends from a foreign source subject to SA normal tax
4218	Interest from a foreign source
4238	Taxable local dividends
4292	Dividends deemed to be income in terms of s8E and s8EA
4112	Tax paid on foreign Dividends
4113	Tax paid on foreign Interests

2.4. Amend the Logic Validation of the IT3(s) Field 95 (I3S Unique Number) to reference to Field 71 (Unique Number)

It is required to amend the Logic Validation of the IT3(s) Field 95 (I3S Unique Number) to now reference to Field 71 (Unique Number). The Field 95 (I3S Unique Number) field length also has to increase from 36 to 100.

This means that Field 95 "I3S Unique Number" changes

From;

95.	I3S Unique Number	IT3(s) unique account holder number	M		FT	VAR	1:36		• Must be equal to an I3S Unique Number where Record Type = AHFD

To:

95.	I3S Unique Number	IT3(s) unique account holder number	M		FT	VAR	1:36100		• Must be equal to an I3S value of Unique Number (Field 71) - where Record Type = AHFD