

**Withholding Tax on Royalties (WTR)
Declaration**

DECLARATION to be made by the foreign person to or for the benefit of which any royalty is paid (EXEMPTION FROM / REDUCED RATE OF TAX)

Notes on completion of this form:

- This form is **to be completed by the foreign person** to or for the benefit of which the royalty is paid in order for:
 - The **exemptions** from withholding tax on royalties, referred to in section 49D read with section 49E(2) of the Income Tax Act, 1962 (Act No 58 of 1962) (the Act), to apply [complete PARTS A,B and C]; or
 - The **reduced rate** of withholding tax on royalties, referred to in section 49E(3) of the Act as well as the provisions of the Agreement for the Avoidance of Double Taxation and Prevention of Fiscal Evasion (DTA) between the Republic of South Africa and the country of residence of the beneficial owner, to apply [complete PARTS A,B and D].
- In order to qualify for an exemption or a reduced rate referred to above this declaration should be **submitted to the person paying the royalty** to or for the benefit of the foreign person **within the period required by the former** (provided it is before the date of payment of the royalty) - **failure to do so will result in the full rate of withholding tax on royalties being withheld/payable.**
- If this declaration is made as a result of a **change in circumstances of the foreign person**, please ensure that the date from which the change is effective is completed below.

PART A: PARTICULARS OF THE PERSON PAYING THE ROYALTY

(This part is to be pre-populated by the person paying the royalty to or for the benefit of the foreign person)

Full names & surname / registered name: _____

Identity / Passport / Registration number: _____

South African income tax reference number (if any): _____

Physical address: _____

Postal address: _____

Telephone number(s): _____

PART B: PARTICULARS OF THE FOREIGN PERSON

(This part is to be completed by the foreign person to or for the benefit of which the royalty is paid)

Full names & surname / registered name: _____

Nature of person / entity:

Individual

Company

Trust

Government (including any political subdivision, state, province or local authority)

Other (if selected please provide a description / explanation of nature of the entity / person): _____

Identity / Passport / Registration number: _____

South African income tax reference number (if any): _____

Physical address: _____

Postal address: _____

Telephone number(s): _____

Country in which resident for tax purposes: _____

PART C: DECLARATION IN RESPECT OF EXEMPTION FROM TAX
(This part is to be completed by the foreign person to or for the benefit of which the royalty is paid)

Please indicate the reason why the foreign person referred to in PART B above is exempt from the withholding tax on royalties:

- The foreign person is a natural person who was physically present in the Republic for a period exceeding 183 days in aggregate during the twelve-month period preceding the date on which the royalty is paid.
- The property in respect of which the royalty is paid is effectively connected to a permanent establishment of that foreign person in the Republic if that foreign person is registered as a taxpayer in terms of Chapter 3 of the Tax Administration Act, 2011.
- Exempt / not taxable in terms of an Agreement for the Avoidance of Double Taxation and Prevention of Fiscal Evasion in force on the relevant date between the Republic of South Africa and the country of residence of the foreign person.
- Exempt / Not taxable in terms of any other international agreement applicable to the foreign person. If this option is selected please provide an explanation of the reason and description of the said agreement:

- Other. If this option is selected please provide a detailed description / explanation of the reason the foreign person is considered to be exempt:

DECLARATION in terms of section 49E(2)(b) of the Act:

I _____ (full names in print please), the undersigned hereby declare that the foreign person referred to in PART B to or for the benefit of which the royalty is paid is exempt from the withholding tax on royalties in terms of section 49D(a) or (b) of the Act, or otherwise, as indicated above. I also undertake to forthwith inform the person paying the royalty in writing should the circumstances of the foreign person referred to in this declaration change.

The date from which this declaration is effective is _____.

Signature: _____ Date: _____

(Duly authorised to do so)

Capacity of Signatory*: _____

* If not the foreign person to or for the benefit of which the royalty is paid.

PART D: DECLARATION IN RESPECT OF REDUCED RATE OF TAX

(This part is to be completed by the foreign person to or for the benefit of which the royalty is paid)

DECLARATION in terms of section 49E(3) of the Act:

I _____ (*full names in print please*), the undersigned hereby declare that all the relevant requirements in terms of Article _____ of the Agreement for the Avoidance of Double Taxation and Prevention of Fiscal Evasion in force on the relevant date between the Republic of South Africa and the country of residence of the foreign person referred to in PART B above have been met, and that the royalty is therefore subject to a reduced rate of _____%. I also undertake to forthwith inform the person paying the royalty in writing should the circumstances of the foreign person referred to in this declaration change.

The date from which this declaration is effective is _____.

Signature: _____ Date: _____

(Duly authorised to do so)

Capacity of Signatory*: _____

* If not the foreign person to or for the benefit of which the royalty is paid.