

**Briefing Note: Draft public notice updating the returns of information to be submitted by third parties**

This draft public notice is to be issued in terms of section 26 of the Tax Administration Act, 2011, which enables the Commissioner to by public notice require certain third parties to submit returns as provided in the notice.

This draft notice replaces, with effect from its date of publication, Notice 260 issued in *Government Gazette* No. 36346 dated 5 April 2013 and Notice 420 issued in *Government Gazette* No. 36565 dated 14 June 2013.

Comments on the draft public notice must be submitted before or on **13 November 2015** to Adele Collins at [acollins@sars.gov.za](mailto:acollins@sars.gov.za).

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**SOUTH AFRICAN REVENUE SERVICE**

**No.**

**NOVEMBER 2015**

**RETURNS OF INFORMATION TO BE SUBMITTED BY THIRD PARTIES IN TERMS OF SECTION 26 OF THE TAX ADMINISTRATION ACT, 2011 (ACT NO. 28 OF 2011)**

In terms of section 26 of the Tax Administration Act, 2011, I, Thomas Swabihi Moyane, hereby require that the persons specified in the attached Schedule must submit returns for 2015 and following years by the dates specified in the Schedule.

This public notice replaces, with effect from its date of publication, Notice 260 issued in *Government Gazette* No. 36346 dated 5 April 2013 and Notice 420 issued in *Government Gazette* No. 36565 dated 14 June 2013, issued under section 26 of the Tax Administration Act, 2011.

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**COMMISSIONER: SOUTH AFRICAN REVENUE SERVICE**

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## Schedule

### 1. General

In this notice, any term or expression to which a meaning has been assigned in a “tax Act” as defined in section 1 of the Tax Administration Act, 2011, has the meaning so assigned, unless the context indicates otherwise and the following terms or expressions have the following meanings:

“**interest**” includes any amount treated as interest under section 24J of the Income Tax Act;

“**record**” means the recorded information in respect of a person that the third party must submit”;

“**records**” means the recorded information in respect of all persons that the third party must submit; and

“**SARS electronic filing service**” means a SARS electronic filing service as defined in paragraph 1 of the Rules on Electronic Communication published in *Government Gazette* No. 37940 on 25 August 2014.

### 2. Persons required to submit third party returns

The following persons are required to submit a return as specified in paragraph 3:

- 2.1 Banks regulated by the Registrar of Banks in terms of the Banks Act, 1990, or the Mutual Banks Act, 1993;
- 2.2 Co-operative Banks regulated by the Co-operative Banks Development Agency in terms of the Co-operative Banks Act, 2007;
- 2.3 The South African Postbank Limited (Postbank) regulated in terms of the South African Postbank Limited Act, 2010;
- 2.4 Financial institutions regulated by the executive officer, deputy executive officer or board, as defined in the Financial Services Board Act, 1990, whether in terms of that Act or any other Act;
- 2.5 Companies listed on the JSE, and connected persons in relation to the companies, that issue bonds, debentures or similar financial instruments;
- 2.6 State-owned companies, as defined in section 1 of the Companies Act, 2008, that issue bonds, debentures or similar financial instruments;
- 2.7 Organs of state, as defined in section 239 of the Constitution of the Republic of South Africa, 1996, that issue bonds or similar financial instruments;
- 2.8 Any person (including a co-operative as defined in section 1 of the Income Tax Act who purchases any livestock, produce, timber, ore, mineral or precious stones from a primary producer other than on a retail basis;

- 2.9 Any medical scheme registered under section 24(1) of the Medical Schemes Act, 1998;
- 2.10 Any person, who for their own account carries on the business as an estate agent as defined in the Estate Agency Affairs Act, 1976, and who pays to, or receives on behalf of, a third party, any amount in respect of an investment, interest or the rental of property;
- 2.11 Any person, who for their own account practices as an attorney as defined in section 1 of the Attorneys Act, 1979, and who pays to or receives on behalf of a third party any amount in respect of an investment, interest or the rental of property;
- 2.12 A person liable to pay withholding tax on interest in terms of Part IVB of Chapter II of the Income Tax Act; and
- 2.13 A person referred to in paragraph 2 of the Regulations issued in terms of section 12T(8) of the Income Tax Act, and who issued a financial instrument or policy in respect of a tax free investment.

**3. Returns required to be submitted**

Every person mentioned in Column 1 must submit a third party return that relates to the information specified in Column 2, in the form specified in Column 3 of the following Table—

<b>Column 1: Person mentioned in paragraph</b>	<b>Column 2: Information concerning</b>	<b>Column 3: Form</b>
2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7 2.10, 2.11 and 2.12	<p>Amounts paid, due and payable, or received in respect of, or by way of any investment, rental of immovable property, interest or royalty; and</p> <p>transactions that are recorded in an account maintained for another person (i.e. transactional accounts like bank accounts); and</p> <p>any tax withheld.</p>	<p>IT3(b); or</p> <p>Data compiled in accordance with SARS's Business Requirement Specification: IT3 Data Submission</p>

<b>Column 1: Person mentioned in paragraph</b>	<b>Column 2: Information concerning</b>	<b>Column 3: Form</b>
2.1, 2.2, 2.3, 2.4, 2.5, 2.6 and 2.7	Amounts paid in respect of the purchase and disposal of financial instruments.	IT3(c); or Data compiled in accordance with SARS' Business Requirement Specification: IT3 Data Submission
2.4	The purchase of, and contributions made in respect of any retirement annuity policy or income protection policy.	IT3(f); or Data compiled in accordance with SARS' Business Requirement Specification: Insurance Payments
2.4	The payment of an amount that occurs upon the death of a person in terms of an insurance policy.	IT3(f); or Data compiled in accordance with SARS' Business Requirement Specification: Insurance Payments
2.8	Monies paid in respect of a purchase, sale, or shipment of livestock, produce, timber, ore, mineral, precious stones, or by way of a bonus.	IT3(e); or Data compiled in accordance with SARS's Business Requirement Specification: IT3 Data Submission
2.9	Contributions made by persons in respect of a medical scheme, and all expenses paid for a person by a medical scheme.	IT3(f); or Data compiled in accordance with SARS' Business Requirement Specification: Medical Scheme Contributions

<b>Column 1: Person mentioned in paragraph</b>	<b>Column 2: Information concerning</b>	<b>Column 3: Form</b>
2.13	<p>(a) Amounts received by or accrued to a natural person in respect of a tax free investment; and</p> <p>(b) Contributions to and withdrawals and transfers from a tax free investment</p>	<p>IT3(s); or</p> <p>Data compiled in accordance with SARS' Business Requirement Specification: IT3 Data Submission</p>

#### **4. Due date for submitting a third party return**

Subject to paragraph 5, the returns mentioned in the above Table, containing all prescribed information in respect of the period from—

- 4.1. 1 March to 31 August, must be submitted by 31 October; and
- 4.2. 1 March to the end of February, must be submitted by 31 May.

#### **5. Due date for submitting first return for persons listed in paragraph 2.12 and 2.13**

Persons who must submit a return for the first time as a result of being listed in paragraphs 2.12 and 2.13, are not required to submit a return for the period from 1 March 2015 to 31 August 2015.

#### **6. Manner of submitting a third party return**

6.1 Where a third party return comprises:

- 20 or fewer records the data must be submitted electronically using the SARS electronic filing service – eFiling;
- 21 to 50 000 records the data must be submitted electronically by using the SARS electronic filing service – hypertext transfer protocol secure (https) bulk data filing; and
- more than 50 000 records the data must be submitted electronically using the SARS electronic filing service – Connect Direct (C:D) bulk data filing.

6.2 Declarations in respect of third party returns must be submitted electronically using the SARS electronic filing service – eFiling.

## **7. Alternative arrangements with SARS**

SARS may agree that a person, who is required to submit a return in accordance with this Schedule, may submit a return in respect of a different period, upon an alternative date and in an alternative manner, as the case may be.

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