

EXTERNAL REFERENCE GUIDE

SECURITIES TRANSFER TAX

EXTERNAL GUIDE - SECURITIES TRANSFER TAX
GEN-PAYM-11-G01
Revision: 3
EFFECTIVE DATE: 2013.11.30

DISCLAIMER

The information contained in this guide is intended as guidance only and is not considered to be a legal reference, nor is it a binding ruling. The information does not take the place of legislation and readers who are in doubt regarding any aspect of the information displayed in the guide should refer to the relevant legislation, or seek a formal opinion from a suitably qualified individual.

For more information about the contents of this publication you may:

- Visit the SARS website at www.sars.gov.za
- Visit your nearest SARS branch
- Contact your own tax advisor/tax practitioner
- If calling from within South Africa, contact the SARS Contact Centre on 0800 00 SARS (7277)
- If calling from outside South Africa, contact the SARS Contact Centre on +27 11 602 2093 (only between 8am and 4pm South African time).

1 PURPOSE

- This guide applies to the electronic submission of Securities Transfer Tax (STT) declarations and the payment thereof via eFiling.

2 SCOPE

- As of 1 July 2008 STT is payable at a rate of 0.25% (or any other rate determined by the Minister) of the taxable amount of that security as determined in terms of the Securities Transfer Act No 25 of 2007.
- The only means of declaration and payment of STT is electronically via SARS eFiling.
- All requests for refunds must be submitted electronically to the following email address:
 - Mail to:stt@sars.gov.za**
- Failure to pay the full amount of the tax within the prescribed period will result in a penalty of 10% of the amount of tax not paid within that period. The penalty may be remitted or reduced by SARS after consideration of the specific circumstances of each case.
- Failure or negligence to submit the declaration within the prescribed period or the submission of a false statement is an offence rendering the person liable, on conviction, of a fine or to imprisonment for a period not exceeding 12 months.
- Interest cannot be remitted, but the Commissioner may (having regard to the circumstances of the case), remit the penalty or a portion thereof.
- To request the remittance of a penalty or portion thereof, the "Request for refund" process must be followed.
- Refunds will only be paid after the request for a refund has been considered and approved by the Objections Committee.

3 REFERENCES

3.1 LEGISLATION

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Securities Transfer Tax Act No. 25 of 2007 Securities Transfer Tax Administration Act No. 26 of 2007 Income Tax Act No. 58 of 1962: Sections 42, 44, 45, 46 and 47 Tax Administration Act No. 28 of 2011 (effective 1 October 2012)
Other Legislation:	Securities Services Act No. 36 of 2004: Section 34 Collective Investment Schemes Control Act No. 45 of 2002: Part IV
International Instruments:	None

4 DEFINITIONS AND ACRONYMS

Commissioner	Commissioner for SARS
Company	Any corporation, or company incorporated, established or formed by or under any law
e-STT System	Electronic Securities Transfer Tax system
FAQ	Frequently Asked Question
Listed Security	Any security that is listed on an exchange
Member	Any person who is an "authorised user" as defined in section 1 of the Securities Services Act No. 36 of 2004, providing such security services as

	the rules of the exchange permit including services in respect of the buying and selling of a listed security
Minister	Minister of Finance
Participant	A person that holds in custody and administers a listed security or an interest in a listed security and that has been accepted in terms of section 34 of the Securities Services Act No. 36 of 2004, by a central securities depository as a participant in that central securities depository
Person	includes: (a) any sphere of the Government of the Republic; (b) any body of persons (incorporated or unincorporated); (c) the estate of any deceased or insolvent person; (d) any trust fund; and (e) any portfolio comprised in any collective investment scheme in securities contemplated in Part IV of the Collective Investment Schemes Control Act No. 45 of 2002
SARS	South African Revenue Service
Security	means: (a) any share or depository receipt in a company; (b) any member's interest in a close corporation; or (c) any right or entitlement to receive any distribution from a company or close corporation, excluding the debt portion in respect of a share linked to a debenture
STT	Securities Transfer Tax
Transfer	Includes the transfer, sale, assignment or cession, or disposal in any other manner, of a security or the cancellation or redemption of that security, but does not include: (a) any event that does not result in a change in beneficial ownership; (b) any issue of a security; or (c) a cancellation or redemption of a security if the company which issued the security is being wound up, liquidated or deregistered or its corporate existence is being finally terminated
Unlisted Security	Any security other than a listed security

5 BACKGROUND

- Registration for eFiling is required before transactions for eSTT can be processed.
- Refunds will only be made after the request for a refund has been considered and approved by the Objections Committee.

5.1 SUBMIT DECLARATION AND PAYMENT

- **Registration for eSTT**
 - Registration for eSTT is required before transactions can be processed.
 - Register for eSTT as follows:
 - Log on to the eFiling website, www.sarsefiling.co.za, and select "Services";
 - On the left hand side, select "Other Services";
 - Select "Manage Profiles" to set up eSTT;
 - Select "Create New Profile" and enter company name, then "Save";
 - Return to "Other Services" and select "Setup";
 - Select "eSTT and eStamps" and click register;
 - "eSTT and eStamps" will now appear under "Other Services".
- **Completing the declaration**
 - Select "eSTT and eStamps" under "Other Services".

- On the left hand side, select “New” and select whether the declaration is in respect of listed or unlisted securities.
- Complete the details as prompted on the screen, which will generate the eSTT return.
- The return can now be populated.
- Additional information regarding completion of the return:
 - *Total value of transfers affected by Member.*
 - This is the total consideration for all listed securities purchased through or from a Member in terms of section 3 - enter the “Total” amount from the BDA month end “PSTATS” report.
 - *Less: Total value of exempt transfers affected by the Member.*
 - This is the total consideration of all exemptions claimed by a Member in terms of section 8(1) – to enter an exemption you need to click on “Capture exemptions”, a screen with the 17 exemptions in terms of Section 8 (1) (a) to (r) appears.
 - You then click on each applicable exemption you wish to claim and enter the amount of such exemption in the “Amount” block. Once you have completed populating all applicable exemptions you click on “OK” and you are returned to the screen containing the return.
 - This will now have the total of the exemptions claimed reflected on it as well as a sub total in the *Total taxable transfers affected by Member* block, which is the net amount of the total transfers less exemptions.
 - *Total taxable transfers under section 5(3).*
 - This is the total consideration of all other transfers of listed securities effected by a member on behalf of his clients, on which the member charged STT, that are not purchases in terms of section 3 (e.g. transfer of listed securities from a client to a trust). If this is applicable, you will need to enter the total consideration of such transfers in the block provided, (to calculate this amount, you total “all manual STT charges to clients” from the “STT account” number 0011890 in BDA divide it by 0.25 and multiply it by 100).
 - The “*Total taxable amount*” and “*Tax on Total taxable amount*” will be reflected on the return.
- Agree the “*Tax on Total taxable amount*” with the total reflected on the “*STT Account number 0011890*” in BDA.
- Click on “declaration” and complete. After completion, click on “Save” and then “Submit”.

● **Payment**

- After submitting the declaration, a screen will appear reflecting the STT amount payable.
- Payment can be made by credit push.
- Remit *Tax on Total taxable amount* to SARS. This process is linked in SARS e-Filing.
- The only accepted method of payment is electronically via e-Filing.

● **eSTT Receipt**

- After successful payment of the STT due, a receipt will be generated, which can be printed.
- A status field will be shown on the eSTT receipt. If the transaction was paid per debit (debit pull) order, the status of the receipt will be “Preliminary” until 21 days from successful confirmation.
- After 21 days, if the debit order was not reversed, the status on the receipt will show as “Successful” and can be presented to SARS for a refund.

● **eSTT Reference number**

- A unique 10 character reference number will be generated for each eSTT transaction.
- The format will be “ST-” plus 7 alphanumeric characters, e.g. ST-Z5390OP.

● **Interest and Penalties**

- Interest and penalties will be imposed as follows:

- For listed securities: should payment be made after the 14th of the month following that to which the return refers; or
- For unlisted securities: should payment be made after two months from the end of the month in which the security was transferred.
- The amount of interest and penalties payable will be added to the amount of eSTT as per the electronic declaration.
- Interest cannot be remitted, but the Commissioner may (having regard to the circumstances of the case), remit the penalty or a portion thereof. To request the remittance of a penalty or portion thereof, the “Request for refund” process below, must be followed.

5.2 REQUEST REFUND

- You must request a eSTT refund by completing Part A of the REV1600 form and submitting it to a SARS Branch or by emailing it to the following email address: **mailto:stt@sars.gov.za**
- The following documents must be submitted together with the signed REV1600:
 - Proof of payment – eSTT receipt printed from the eFiling website;
 - A signed motivation or objection letter from you requesting the refund from SARS;
 - Certified copy of identity document; and
 - Cancelled cheque OR original bank statement (which confirms the account holder’s name, the account number and the branch code).
- If the request for refund is declined, you will be informed accordingly.
- If the request for refund is authorised and processed, a manual cheque will be paid into your bank account (details of which was supplied on the REV1600).

6 QUALITY RECORDS

Number	Title
REV1600	Claim for STT refund

7 DOCUMENT MANAGEMENT

Designation	Name / Division
Business Owner:	Group Executive: Centralise Processing Operations
Policy Owner:	Executive: Enterprise Business Enablement
Author:	S Matimba
Detail of change from previous revision:	Q code updated from FIN-CH-11-G1 to GEN-PAYM-11-G1 and updated legislation with TAA (effective 1 October 2012) Rev 3 – debit pull information deleted
Template number and revision	POL-TM-07 - Rev 3