

Company Policy Regulatory Reporting Requirements

Regulatory reporting requirements with regard to Common Reporting Standards International tax regulations require the collection and reporting of certain information regarding each accountholder's status.

On the 1st of March 2016 the global version of the US's Foreign Account Tax Compliance Act (FATCA), known as the Common Reporting Standard (CRS), came into effect in SA. FATCA and CRS affects individuals, entities and financial institutions globally.

CRS is the global standard for the automatic exchange of financial account information and it applies to all accounts held by any persons who have tax obligations or tax residencies outside SA – not only those accountholders who are US citizens, which is what FATCA deals with.

CRS aims to combat tax evasion and makes it compulsory to collect certain required information on financial accounts and report this to the South African Revenue Service (SARS).

These requirements apply to clients (individuals and entities):

- who are US citizens, US nationals or US tax residents; or
- who have tax obligations, tax liabilities or tax residencies outside SA; or
- who have US or other foreign details recorded on our systems.

The details that will be reported to SARS include:

- Citizenship
- Physical/Residential addresses
- Place of birth
- Postal address
- Controlling persons and relationship to the company
- Power of attorney
- Phone numbers
- Care-of address

Besides the above, we will also report the following information to SARS:

- Financial accounts, for example bank accounts or stock broking accounts;
- Balances and payments into/out of such accounts;
- Type of income received;
- Nature or classification of the company; and
- Tax residencies and tax identification numbers.

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SARS will exchange the information with other relevant global tax authorities, who in turn will share with SARS information on SA tax residents who hold financial accounts outside SA. This could result in additional investigations by SARS.

If our clients do not have another citizenship or nationality resulting in tax obligations outside SA, FATCA and CRS will have a minimal impact on our client other than the requirements to provide financial institutions with additional information confirming that our client do not have tax obligations, tax liabilities or tax residencies outside SA.

Management

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