



**CLARIFICATION DOCUMENT FOR:**

# **AEOI - FATCA**

Applicable to the published BRS:

“SARS\_External\_BRS\_2014\_Automatic\_Exchange\_of\_Information\_v\_1\_0\_1” with  
the date of 11 June 2014

<b>Version:</b>	1.0.0
<b>Date:</b>	24 November 2015

**Document Classification: External**

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# 1. DOCUMENT MANAGEMENT

## 1.1. Revision History

Revision History			
Date	Version	Description	Author/s
24 November 2015	V1.0.0	Public Version	SARS

## 1.2. Table of Content

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## 2. CLARIFICATION NOTES

The clarification notes contained in this document are applicable to the BRS with the title and version “SARS\_External\_BRS\_2014\_Automatic\_Exchange\_of\_Information\_v\_1\_0\_1” dated 11 June 2014.

The purpose of this document is to clarify the application of certain data fields and to effect minor changes required.

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## 2.1. Aggregate amount of payments made to a NPFI

With reference to Article 4(1)(b) of the FATCA IGA;

### ARTICLE 4

#### APPLICATION OF FATCA TO SOUTH AFRICAN FINANCIAL INSTITUTIONS

1. **Treatment of Reporting South African Financial Institutions.** Each Reporting South African Financial Institution shall be treated as complying with, and not subject to withholding under, section 1471 of the U.S. Internal Revenue Code if South Africa complies with its obligations under Articles 2 and 3 of this Agreement with respect to such Reporting South African Financial Institution, and the Reporting South African Financial Institution:

- a) identifies U.S. Reportable Accounts and reports annually to the South African Competent Authority the information required to be reported in subparagraph 2(a) of Article 2 of this Agreement in the time and manner described in Article 3 of this Agreement;
- b) for each of 2015 and 2016, reports annually to the South African Competent Authority the name of each Nonparticipating Financial Institution to which it has made payments and the aggregate amount of such payments;

Section 5.3.2 of the SARS publication “Guide on the U.S. Foreign Account Tax Compliance Act (FATCA)” with the date 05 June 2015;

A Reporting Institution that maintains an account that is held by an NPFI will be treated as having paid an amount to the NPFI if an amount has been paid or credited to the NPFI. The Reporting Institution will need to report the aggregate amount of such applicable payments during the year, irrespective of whether the payee only became an NPFI part way through the year.

And Fields 130 to 133 of the External BRS:

No	Field Name	Description	Required		Data Type	Length Type	Length (Min:Max)	Data Validations	Logic Validations
			Type	Condition Rule					
130.	Payment Amount: Dividends	The total payment made to the account holder as it relates to Payment Type Dividends. Payment Amount to be in ZAR currency.	C	a) If Period End Date (Field 26) = 2016/02/29 or greater, then field has to contain a value.	N	VAR	a) 0:18 - No condition met a) 4:18 – Condition met	a) If 1.00 or greater, no leading zero's allowed. If <1.00, there must be 1 zero before the decimal b) Must be greater than or equal to 0.00 and smaller than or equal to 99999999999999.99 c) Must always have 2 values after the point to denote cent	
131.	Payment Amount: Interest	The total payment made to the account holder as it relates to Payment Type Interest. Payment Amount to be in ZAR currency.	C	a) If Period End Date (Field 26) = 2016/02/29 or greater, then field has to contain a value.	N	VAR	a) 0:18 - No condition met b) 4:18 – Condition met	a) If 1.00 or greater, no leading zero's allowed. If <1.00, there must be 1 zero before the decimal b) Must be greater than or equal to 0.00 and smaller than or equal to 99999999999999.99 c) Must always have 2 values after the point to denote cent	

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No	Field Name	Description	Required		Data Type	Length Type	Length (Min:Max)	Data Validations	Logic Validations
			Type	Condition Rule					
132.	Payment Amount: Gross Proceeds / Redemption	The total payment made to the account holder as it relates to Payment Type Gross Proceeds / Redemption Payment Amount to be in ZAR currency.	C	a) If Period End Date (Field 26) = 2016/02/29 or greater, then field has to contain a value.	N	VAR	a) 0:18 - No condition met b) 4:18 – Condition met	a) If 1.00 or greater, no leading zero's allowed. If <1.00, there must be 1 zero before the decimal b) Must be greater than or equal to 0.00 and smaller than or equal to 99999999999999.99 c) Must always have 2 values after the point to denote cent	
133.	Payment Amount: Other	The total payment made to the account holder as it relates to Payment Type Other. Payment Amount to be in ZAR currency including aggregate payments made to an NPFI.	C	a) If Period End Date (Field 26) = 2016/02/29 or greater, then field has to contain a value.	N	VAR	a) 0:18 - No condition met b) 4:18 – Condition met	a) If 1.00 or greater, no leading zero's allowed. If <1.00, there must be 1 zero before the decimal b) Must be greater than or equal to 0.00 and smaller than or equal to 99999999999999.99 c) Must always have 2 values after the point to denote cent	

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**The following clarification is made:**

Reference to a NPFi is made in Field 133: “including aggregate payments made to a NPFi.”.

The amount paid or credited to a NPFi may be divided by type of payment i.e. dividend, interest, gross proceeds / redemption or other (Fields 130 – 133), or the entire amount may be reported under Field 133 (aggregated).

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### 2.3. Clarification of the definition of the financial Fields 130 – 133

The following financial field definitions are clarified as follows:

(1) Field 130 – Payment Amount Dividends:

This is the Gross Dividend Declared at source, before taxes and other deductions are applied. This means that no netting off of expenses is required. This also applies to the local and foreign components.

(2) Field 131 – Payment Amount Interest:

The same interest rules, similar to IT3(b) are valid, interest paid or accrued whichever comes first. This means that no netting off of expenses or interest is required. This also applies to the local and foreign components.

(3) Field 132 – Payment Amount Gross Proceeds / Redemption:

Use the same calculation rules as per IT3(c) for disposal of investment or instrument. This Gross is the cash value or equivalent cash value received for the disposal of an asset or instrument. Not to be confused with profit or loss (i.e. profit or loss calculations applied using weighted average base cost etc). Local and Foreign as per IT3(c).

(4) Field 133 – Payment Amount Other:

This includes Rental, Royalties, and all the non-interest income types from IT3. Local and Foreign (as per IT3(b)).

## 2.4. Reporting of sponsored entities

The IRS has not yet made available GIIN numbers for sponsored entities. From a FATCA reporting perspective, this necessitates some scenarios where one SARS Tax Reference Number (TRN) could have multiple GIIN numbers mapped to it (e.g. each Fund within a Collective Investment Scheme (CIS) cannot yet obtain its own sponsored GIIN number from the IRS).

The following method of reporting must be followed:

Consolidate all (e.g. CIS funds) into one file under the management company:

SE	Management company acts as a sponsoring entity for its underlying e.g. CIS funds	Tax Reference Number: 1234567890
RFI		Sponsoring Entity GIIN number: GYYYYY.00000.SP.XXX

The management company acts in its own capacity as a FI, and submit a separate file:

SE	Management company acts in its own capacity as a FI	Tax Reference Number: 1234567890
RFI		Entity GIIN number: GZZZZZ.00000.ME.XXX

The SARS FTI02 declaration will populate the SE and RFI information of the last file submitted (all files with the same TRN, but different GIIN numbers). Further, it will consolidated (sum) the number of account holders, controlling persons, accounts reported on, as well as total account financial values for all the files submitted for the specific TRN. Thus only one FTI02 declaration will be created.

Despite the single declaration, the SARS back-end-system will create multiple .xml files, per GIIN numbers received. Each file-per-GIIN number will contain the unique SE and RFI information as you submitted originally in your files. This will be sent to the US.

## 2.5. “VAT” to be replaced with “AEOI” in Appendix F and G

With reference to Appendix F and G:

### 7.6 APPENDIX F - FILE RESPONSE CODES

007	Request for VAT summary level supporting data.
008	Request for VAT line item level supporting data.
009	VAT evaluation process in progress.
010	VAT evaluation process complete, no further information is required.

### 7.7 APPENDIX G - RESPONSE REASON CODES

Code	Response Reason	Description
001	Mandatory field left blank	Mandatory field does not contain a value.
002	Incorrect field length	Field length does not comply with the specification.
003	Incorrect field format	Field format does not comply with the specification.
004	Invalid field value	Field can only have a defined set of values. The value supplied in the field does not appear in the defined set of values.
005	Invalid Logic	Field value does not meet a logic rule i.e. A + B must be equal to this field or Field does not pass Mod 10 test.
006	SARS System Rejection	Field failed because it does not meet a data or business rule requirement within a SARS system i.e. Tax Reference number does not exist.
500	Duplicate Record already existing	Record already existing in SARS systems.
999	VAT line item level data required	VAT line item level data required for this item.

#### **The following change is required:**

With reference to the description “VAT” contained in Appendix F and G, it should be replaced with “AEOI”.

## 2.6. Use of 'XX – Other' from Appendix B removed

The following BRS Fields 60, 68, 102, 110, 119, 161, 169 and 178 are being used to build the IRS .xml files. The IRS schema does not allow for the option of 'XX – Other' as per Appendix B of the BRS.

## 7.2 APPENDIX B – COUNTRY CODES

The Country Codes are aligned with the ISO3166 standard.

Code	Description	Code	Description	Code	Description
AF	AFGHANISTAN	GH	GHANA	OM	OMAN
AX	ÅLAND ISLANDS	GI	GIBRALTAR	PK	PAKISTAN
AL	ALBANIA	GR	GREECE	PW	PALAU
DZ	ALGERIA	GL	GREENLAND	PS	PALESTINE, STATE OF
AS	AMERICAN SAMOA	GD	GRENADA	PA	PANAMA
AD	ANDORRA	GP	GUADELOUPE	PG	PAPUA NEW GUINEA
AO	ANGOLA	GU	GUAM	PY	PARAGUAY
AI	ANGUILLA	GT	GUATEMALA	PE	PERU
AQ	ANTARCTICA	GG	GUERNSEY	PH	PHILIPPINES

Code	Description	Code	Description	Code	Description
GF	FRENCH GUIANA	NI	NICARAGUA	VG	VIRGIN ISLANDS, BRITISH
PF	FRENCH POLYNESIA	NE	NIGER	VI	VIRGIN ISLANDS, U.S.
TF	FRENCH SOUTHERN TERRITORIES	NG	NIGERIA	WF	WALLIS AND FUTUNA
GA	GABON	NU	NIUE	EH	WESTERN SAHARA
GM	GAMBIA	NF	NORFOLK ISLAND	YE	YEMEN
GE	GEORGIA	MP	NORTHERN MARIANA ISLANDS	ZM	ZAMBIA
DE	GERMANY	NO	NORWAY	ZW	ZIMBABWE
				XX	OTHER

### The following change is required:

Use of 'XX – Other' from Appendix B will be removed for the May 2016 submission onwards.