

PRACTICE NOTE OF STRATE PROPRIETARY LIMITED

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**PRACTICE NOTE - PROCESSING OF SECURITIES TRANSFER TAX FOR
UNLISTED UNCERTIFICATED SECURITIES - EQUITIES**

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Practice Note - Processing of Securities Transfer Tax for Unlisted Uncertificated Securities - Equities¹

Securities Transfer Tax Act, 25 of 2007 and Securities Transfer Tax Administration Act, 26 of 2007

This practice note seeks to provide guidance in respect of the processing of Securities Transfer Tax “STT” for unlisted Uncertificated Securities - Equities.

Process to be adopted for processing STT for unlisted Uncertificated Securities - Equities

1. A Client of a Participant that trades in unlisted Uncertificated Securities - Equities must ensure that the STT information is populated in the relevant instruction.
2. A Participant who reports this transaction to the CSD for matching and settlement, must utilise the relevant STT information as provided by the Client to withhold the applicable tax for payment to SARS, the issuer or its agent.
3. Clients may request Participants to include the payment processing of STT for unlisted Uncertificated Securities - Equities into their current STT process for listed Uncertificated Securities - Equities.

NOTE:²

In light of the importance of the matters above, Strate’s Legal and Regulatory Division has issued this Practice Note to assist in dealing with highly complex issues. Please note that this Practice Note is issued for your information, with the aim of assisting you in interpreting the legal and regulatory requirements, but do not form part of the CSD Rules and Directives. It must therefore be noted that, notwithstanding the Practice Note, readers should still exercise their own judgments regarding the information and interpretation.

¹ Practice Note amended with effect from 3 November 2015

² Note inserted with effect from 3 November 2015