EXTERNAL GUIDE

HOW TO DECLARE YOUR FOREIGN TAX INFORMATION (FTI) FOR THE AUTOMATIC EXCHANGE OF INFORMATION (AEOI)
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1 PURPOSE

- The purpose of this guide is to assist South Africa’s Reportable financial institutions in complying with FATCA by declaring their institution’s Foreign Tax Information (FTI) via eFiling or by submitting nil returns to SARS. The guide is structured as follows:
  - How to activate FTI on eFiling;
  - How to declare FTI via eFiling; and
  - How to submit nil returns to SARS

2 INTRODUCTION

- In 2014 an inter-governmental agreement (IGA) between South Africa and the United States of America was approved by parliament with regards to the USA’s Foreign Account Tax Compliance Act (FATCA). Under the terms of the agreement listed, South Africa’s Foreign Financial Institutions (FFIs) are to report to SARS on certain required information under FATCA and the OECD Common Reporting Standard, effective from the 1st of July 2014.

- South Africa’s Foreign Financial Institutions who should report include South African banks and custodians, brokers, asset managers, private equity funds, certain investment vehicles, long-term insurers and other participants in the financial system. South Africa’s Foreign Financial Institutions which are exempt are beneficial owners or deemed compliant FFIs and the accounts which are excluded from the definition of Financial Accounts which are described in Annexure II of the IGA.

- SARS will then exchange the information with the US Treasury through a process of Automatic Exchange of Information (AEOI) under the legal framework provided by the double taxation agreement that exists between South Africa and the US. Automatic exchange of information (also called routine exchange) involves the systematic and periodic transmission of “bulk” taxpayer information by the source country to the residence country concerning various categories of income (e.g. dividends, interest, royalties, salaries, pensions, etc). This information is obtained on a routine basis in the source country – generally through reporting of the payments by the payer (financial institution, employer etc).

- The first FATCA reporting period is from 1 July 2014 to 28 February 2015 and thereafter annually for every tax year ending February. Financial Institutions are
required to do their first submission to SARS by 30 June 2015. These financial institutions are required to upload data on SARS systems and then declare the data making use of eFiling. This guide is to assist financial institutions in their activation and declaration of FTI to SARS.

- Any queries relating to FATCA, must be sent to the following email address: SARS_EOI@sars.gov.za (the subject line of the email, must be addressed as FATCA)

3 DATA SUBMISSION

- In order to submit the data via the secure web options, an organisation must be enrolled and activated for 3rd Party data submission on eFiling.

- Once enrolled, proceed as follows:
  - Click on Services
  - Click on Enrol 3rd Party Data
  - Select Secure File Submission
The user will be redirected to the secure site where data may be uploaded.

Refer to the following guides for more on this:
- GEN-ENR-01-G01 - Third Party Data Enrolment and Activation on eFiling - External Guide
- GEN-ENR-01-G02 - Guide for Submission of Third Party Data Using the HTTPS Channel - External Guide

Any technical related queries should be send to the following email address: Bus_Sys_CDSupport@sars.gov.za

4 ACTIVATING FTI AND ACCESS RIGHTS

eFiling requires you to activate your tax types so that appropriate forms will be created for submission purposes. Activating FTI involves creating a platform on your profile to declare FTI. This is available for tax practitioners and organisations.

To activate FTI, proceed as follows:
- Click on Organisations
- Click on Organisation
- Click on Organisation Tax Type
• Select **Foreign Tax Investment**
• Fill in the organisation’s **Reference Number** and the **Tax Office** the organisation was registered at
• Once done, click on **Register**

Another option that may be used to activate your FTI is via manage groups tab. To do this proceed as follows:

• Click on **Organisations**
• Click on **Rights Groups**
- Click on the Open hyperlink
- Click on Foreign Tax Information

5 FTI DECLARATION SUBMISSION

- Submission of FTI data can either be done via Connect Direct (C:D) or secure Web (HTTP). You are required to login to eFiling and request a declaration form after the submission of FTI data to SARS

Note: In order to submit a declaration, data for that tax year must first be submitted to SARS
- Login
- Click on Returns

As part of the left menu, the **Automatic Exchange of Information** (AEOI) tab will be visible

This menu will be visible once you have been granted access to FTI declaration
• The tab **Automatic Exchange of Information** (AEOI) will display three options
  ◦ Submit New Declaration
  ◦ Submitted Declaration and
  ◦ Dashboard

5.1 **Submit New Declaration**

• This tab should be used when submitting FTI declarations on eFiling. It consists of various functions which should be used for the ease of information of the financial institution and SARS. This section will demonstrate how you can declare your FTI

• To declare your FTI proceed as follows:
  ◦ Select **Submit New Declaration**
Note: FTI declarations must be submitted as follows:

- 1 July 2014 to 28 February 2015, must be submitted by 30 June 2015
- Thereafter annually for every year commencing 1 March and ending February the next year, must be submitted by 31 May of that year.

- Select the appropriate year
- Click on Request Return
- The declaration form will be displayed and will be populated with the information submitted to SARS by the entity

Click on the hyperlink FTI Returns
- Verify and Edit the form
- Notice at the top left of the form, the following selection buttons

**Back** – Will take you back to the search screen
- **File Return** – Will submit the declaration to SARS
- **Save as PDF** – Will allow the user to save the declaration to your PC in PDF format
- **Print** – Will allow you to print the declaration

- Click on **File Return**

- This will take you to the **Foreign Tax Information Work Page**
- When you click on the hyperlink **FTI returns** it will lead you back to the form.

- To save a copy of the form on your computer click on **Save as PDF** and the following screen will be displayed.

Note that the saved copy will inform you whether you saved a filed copy or not and further state the date and time which the copy was saved.

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**Foreign Tax Information Work Page**

<table>
<thead>
<tr>
<th>Taxpayer Name</th>
<th>e-Filing Status</th>
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<tbody>
<tr>
<td></td>
<td>Your declaration has been received and has been processed</td>
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<table>
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<tr>
<th>Return Type</th>
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<th>Date</th>
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GEN-ENR-01-G04

REVISION: 1
- On the **Foreign Tax Information Work page**, you will notice at the bottom of the page the following buttons

![Revised Declaration Query SARS Status Dashboard Back to Search](image)

- **Revised Declaration** should be used when you want to revise your FTI declaration.

- When you click on the tab the following screen will be displayed

![Screen showing FT102 form](image)

- The FT102 form will be displayed, this acts as a data refresh command where the FT102 form will be un-editable

- When you have selected **Query SARS Status** a message will pop up displaying the status of your submitted FTI. An example of a message is given below

![SARS Status Message](image)
• When you select dashboard the summary **Dashboard** will appear, which is displayed and explained in 5.3

• When you select back to search the listed **Submitted Declarations** screen will be displayed which is discussed in 5.2

### 5.2 Submitted Declaration

• If you click on **Submitted Declaration** displayed at the left of the menu screen. The **Submitted Declarations** screen will be displayed

![Submitted Declarations Screen](image)

• Click on **Open** hyperlink

• This will lead you to the **Foreign Tax Information Work Page**

![Foreign Tax Information Work Page](image)
5.3 Dashboard

- You can either access the dashboard directly without going through the Foreign Tax Information work page or by clicking on the left menu screen below Automatic Exchange of Information tab

- When you click on the Dashboard, the following screen will be displayed:

6. Submitting NIL Returns to SARS

- Submitting nil returns (when you are a reportable financial institution) is to declare that your organisation does not have foreign (US) account holders. This process can be done via eFiling by using the method above. This section will demonstrate how to submit a nil returns to SARS using the NIL return sample file

- Download the sample NIL file from the SARS website www.sars.gov.za.

- Insert the required information on the NIL file as highlighted below. The data fields are as explained in the external BRS available on the SARS website. Do not remove the pipes (|).

- Once the full NIL file has been generated, use the submission and declaration process as indicated in sections 3 and 5. The figure below shows the complete sample NIL file.
7 CROSS REFERENCES

<table>
<thead>
<tr>
<th>DOCUMENT #</th>
<th>DOCUMENT TITLE</th>
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<td>GEN-ENR-01-G02</td>
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<td>GEN-ENR-01-G01</td>
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8 DEFINITIONS AND ACRONYMS

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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>FATCA</td>
<td>Foreign Account Tax Compliance Act</td>
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<tr>
<td>FFI</td>
<td>South African Foreign Financial Institutions</td>
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<td>SARS</td>
<td>South African Revenue Services</td>
</tr>
<tr>
<td>AEOI</td>
<td>Automatic Exchange of Information</td>
</tr>
<tr>
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