



## SERVICE HOTLINE

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Johannesburg  
Stock Exchange

Tel: +27 11 520 7000  
Fax: +27 11 520 8584

[www.jse.co.za](http://www.jse.co.za)

## UPDATE TO BDA DESIGNATION CODE FOR SARS REPORTING 2017

In recent discussions held with various members it was brought to our attention that the designation code of 'TX' used on local tax transactions in BDA did not provide sufficient breakdown for client reporting purposes as the same designation code is used for tax on both local 'DV' and foreign 'FD' dividends.

With effect from 1 March 2016 the Local Tax designation code 'TX' will only be used on transactions applied for tax applied on local dividends. A New Designation code 'LX' has been created to be used when posting tax transactions for tax which has been applied to dividends where the Source of funds is foreign and where a local tax is applied.

In the case of a foreign dividend taxed at source, we have also created a new designation code 'FZ' so that the value for these dividends is reflected separately within the DIVTAX report.

The use of the designation code 'TX' for the local tax applied on REIT distributions has also resulted in difficulty with identifying and segregated the local tax applied on REIT distributions for reporting purposes. Therefore a new designation code 'RX' will be created for the purpose of local tax applied on REIT distributions.

All the reporting for the period ending February 2017 will therefore incorporate the new tax designation codes as described out in the below table:

### Markets/ Service (s):

BDA – Corporate Actions

### Environment(s):

Production

### Additional Information:

For further information please  
contact Customer Support:  
011 520 777 or E-mail  
[Customersupport@jse.co.za](mailto:Customersupport@jse.co.za)

CHANGES TO DESIGNATION CODES		
CURRENT	NEW	LOGIC
DV - Local Dividends	No change required	The program references the designation code 'DV' for local dividends.
TX - Local Tax paid to SARS in SA	No change required	The program references the designation code 'TX' for local tax applied on local dividends
FD - Foreign dividends	No change required	The program references the designation code FD for foreign dividends.
TX - Local Tax (also applied on foreign dividends)	LX - Local tax only applied on foreign dividends	The program will reference the new tax designation code LX when local tax is applied on foreign dividends.
FX- Foreign tax applied on foreign dividends when taxed abroad	No change required	The program references the designation code FX for foreign tax applied on foreign dividends.
No designation code at present	FZ - Foreign dividend taxed at source	The program references the designation code FZ for the foreign cash dividends taxed at source where the tax rate has not been provided.
TX - Local Tax (also applied on REIT distributions)	RX - Local tax only applied on REIT distributions	The program will reference the new tax designation code RX for local tax applied on REIT distributions