



SERVICE HOTLINE

REFERENCE NUMBER: 80/2016

28 April 2016

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BDA CAPITAL GAINS TAX – UPDATED DISCLAIMER

Members are referred to hotline number 72/2016 issued on Monday, 18 April 2016 and are advised that the disclaimer has been updated as per the following page:

Markets/ Service (s):

BDA – PCGTAX REPORT

Environment(s):

Production

Additional Information:

If you have any queries about this announcement, please contact the Client Services Centre on +27 11 520 7777 or e-mail Customersupport@jse.co.za

Disclaimer

This statement has been prepared with a view to assist you in completing your tax return for the Tax year from 1 March 2015 to 29 February 2016, especially in the context of capital gains tax ("CGT") that was introduced in South Africa with effect from 1 October 2001 ("the effective date"). The statement primarily reflects the equities held with us by you as from the BDA year, 2 March 2015 to 26 February 2016 as well as any movements in between these dates, as reflected in our records.

One should bear in mind that the proceeds on disposal or deemed disposal of assets during the period concerned and any movements indicated in the statement will not automatically result in proceeds being of a capital nature. This will depend on your specific circumstances as a taxpayer. It will, for instance, be the case in respect of shares disposed of prior to 1 October 2007, had you been the owner of the shares for a continuous period of five years and exercised the election contained in section 9B of the Income Tax Act, 1962 ("the Act"). In respect of shares disposed of on or after 1 October 2007, the proceeds would generally be capital in nature in terms of section 9C of the Act, had you been the owner of the shares for a continuous period of at least three years.

Although care was taken in preparing the statement based on records at our disposal, it is possible that the facts set out therein may not be an entirely correct reflection of your position during the period concerned as -

- Events may have taken place subsequent to the relevant dates, for instance, capitalisation issues, mergers, unbundling and/or changes made at your request; and
- Corporate activity or circumstances particular to yourself.

The JSE Limited ("the JSE"), ourselves, any member of the JSE or any officer, agent, employee or director of the foregoing shall not be held liable or responsible for any damage, loss, cost or expense incurred by you or any third party in relying on the information concerned as set out herein or using such information. In this context, you are urged to compare the statement with your own records.

For CGT purposes, you are required to establish a so-called base cost of your asset holding –

- As at the effective date; and
- acquired since the effective date with reference to actual costs of acquisition and ancillary expenses.

Primarily, this would relate to determining the value of your portfolio based on specific identification, first-in-first-out or the weighted average method of determining the value of the assets on the effective date. To the extent that the weighted average method of determining the value of assets has been chosen, this method should be used for your entire equity portfolio. It is thus of the utmost importance that you should consult your financial or tax advisor before making the election as it may have significant effect on your tax position during the period concerned as well as in the future.