

SERVICE HOTLINE

REFERENCE NUMBER: 240/2019

5 November 2019

CORPORATE ACTION PROCESSING – ETF FOREIGN DIVIDENDS

Members are referred to the announcements issued on 25 October 2019, advising Shareholders of the foreign dividends payable under section 64N of the SA Income Tax Act.

ETF Event Details: CD (Cash Dividend)

Last Day to Trade	2019/10/29
Record Date	2019/11/01
Pay Date	2019/11/06

BDA Processing

STX40 will be used to explain how we will be processing the relevant events in BDA. Based on the SENS announcement Gross Rate = 12.42746; this is Gross Rate on which the Foreign Tax is calculated. However in the SENS announcement Local Tax of 5% is calculated on a Gross Rate of 12.08317 (This is the Gross Rate of 12.42746 less the portfolio costs).

BDA when normally processing ETF events; calculates both the Foreign Tax and Local Tax on the same Gross Rate. In order to ensure that BDA can calculate the correct Foreign Tax and Local Tax, and ensure the client receives the correct Net Dividend, we are processing the events as follows:

- Gross Rate: 12.08317 portfolio cost already deducted.
- Foreign Tax as 35.99726%
- Load the Local 5% Tax Rate

Using a client holding of a 100 STX40 shares, the following will be processed:

100	12,08	Gross Reduced to accommodate Tax
	-4,35	Correct Foreign Tax
	-0,60	Correct Local Tax
	7,1294	Correct Net Dividend due to client

Markets/ Service (s):

BDA – Corporate Actions

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