

NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 343

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Mr R A Lees (DA-KZN) to ask the Minister of Finance:

With reference to the presentation made by the National Treasury and SA Revenue Service officials to the Select Committee on Finance on 1 September 2010, (a) what are the (i) reasons and (ii) details of the increase in the value of dividends which flowed from South Africa to Ireland from R3,33 million in the 2007-08 financial year to R462,66 million in the 2008-09 financial year, (b) what was the value of dividends that were remitted by each entity in the 2008-09 financial year and (c) in respect of the entities which remitted dividends of R462,66 million to Ireland in the 2008-09 financial year what was the amount of (i) income tax and (ii) secondary tax on companies paid by each entity in the (aa) 2007-08 and (bb) 2008-09 financial years?

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REPLY:

- (a) As the Honourable Member is aware, dividends are payments companies make to their shareholders from their profits or capital. Shareholders can be South African or non-South African. Dividends flowing from South Africa to any other country therefore depend on the dividend policy and payments made by companies operating in South Africa, as well as the residency of their shareholders. The National Treasury does not keep such information, which in any case changes from year to year, and in many instances as with listed companies, from day to day. Whilst the SARS and SARB collect some information in this respect, such information may be confidential to specific companies, or may only be suitable for analytical purposes. The information provided by the National Treasury consists merely of estimates.

- (b) Not applicable, as the National Treasury does not have such data, as noted above.

- (c) There is no income tax levied on dividends. In respect of Secondary Tax on Companies (“STC”), the currently available data on STC does not indicate the STC levied per country of the dividend destination. However, an STC rate of 12.5 percent and 10 percent would have been levied on the dividend amounts. The 10 percent rate applied with effect from 1 October 2007 and the rate of 12.5 percent for prior periods.