

**Invest on the JSE Tax Free!\***

**Tax Free Savings and  
Investment Account**

– provided by SBG Securities Proprietary Limited



## Introduction

SBG Securities Proprietary Limited (SBG Sec)\*\* has launched a Tax Free Savings and Investment Account (TFSA) giving you the opportunity to **invest** in selected JSE listed instruments **tax-free!**

*The benefits of a TFSA account are:*

- **No Securities Transfer Tax (STT).**
- **No Capital Gains Tax (CGT)** when you sell these products.
- **No Dividend Withholding Tax (DWT)** on dividends earned.
- **No tax on interest** earned.

*Key features of the TFSA account are:*

- There is a **R30 000** annual contribution limit and a **R500 000** lifetime contribution limit.
- Selected Exchange Traded Funds (**ETFs**) are suitable.
- Profits made in the TFSA account do not contribute to existing tax annual limits (interest and capital gains), and may be re-invested in the TFSA without utilising the contribution limit, provided they are not withdrawn.
- There are penalties for exceeding the R30 000 annual contribution limit.

**It is your responsibility to ensure that your contributions do not exceed the limit imposed by regulations. Exceeding these limits will result in punitive taxation taken by SARS.**



## Trade costs for a TFSA through SBG Sec?

When you open a TFSA you will benefit from SBG Sec's reduced brokerage rate of just 0.25% (excluding statutory charges\*). The table below gives you an indication of the costs associated with some of the more common monthly investment amounts:

Investment Amount	Statutory Fees	Brokerage	Total Transaction Cost
R250.00	R4.49	R0.63	R5.11
R500.00	R4.58	R1.25	R5.83
R1 000.00	R4.75	R2.50	R7.25
R2 500.00	R5.28	R6.25	R11.53
R5 000.00	R6.15	R12.50	R18.65
R30 000.00	R14.96	R75.00	R89.96

\*Statutory charges include STRATE, Investor Protection Levy (IPL) and VAT.

## How do you open an account?

SBG Sec offers clients the option of opening a TFSA through either their Standard Online Share Trading (OST) platform or alternatively through The Standard Bank of South Africa Limited's (Standard Bank) Internet Banking portal (SBSA IBP). Both options allow you to trade all listed instruments that have been TFSA approved.

### Option 1 – TFSA through OST

#### To register

To open a TFSA through OST, the OST account must be in the name of an individual (not a company, trust or partnership) and relevant FICA documents must be up to date.

If you already have an OST account, follow these easy steps:

- Login to your OST account.
- Go to **'My Account'** on the Home Page.
- Click on **'Product Registration'**.
- Click on **'TFSA registration'**.
- Complete the form and select **'Open Account'**.

*If you do not have an OST account, please go to [www.securities.co.za](http://www.securities.co.za) to find out more.*

#### Account fees

There is no additional charge to open the account on OST. This is already included in the monthly administration fee of your OST account.

## How it works

Investing in a TFSA through the OST platform has numerous benefits. These are primarily because you have access to the full suite of features that OST offers.

Some of the major features of OST are:

1. Direct market access to trade selected instruments. This means that you can buy and/or sell shares real-time, whenever the markets are open with full control of price and quantity.
2. Live pricing and real-time portfolio updates.
3. Access to full price history of all listed instruments, company information and ratios, charting tools, and our comprehensive educational resources.

You may deposit up to R30 000 into the TFSA per tax year, either as a once off payment, or in smaller incremental amounts of your choice. Once your cash has been deposited into your TFSA there is **no minimum** investment amount into any of the available TFSA instruments. Your cash can be divided among these TFSA instruments as you wish with the remaining balance earning interest at the JSET rate.

## Reinvestment and dividends

All proceeds of the TFSA investment after your initial contribution are **tax-free**, and can be re-invested without counting towards your annual and/or lifetime contribution limits.

## Option 2 – TFSA through SBSA IBP

### To register

To open a TFSA through SBSA IBP you must be an individual (not a company, trust or partnership), in addition to having a Standard Bank Internet Banking account.

Follow these easy steps:

- Login to your Internet Banking.
- Click on the **'TFSA'** tab.
- Click on **'Register'**.
- Complete the online registration form.
- Click on **'Continue'**.

## Account fees

There is R10 monthly fee (inclusive of VAT).

## How it works

You select the listed securities you would like to invest in, with a minimum of R250 per instrument. SBG Sec will buy the required quantity and, based on the price it pays for the instrument on the day of purchase, SBG will allocate the instruments to your TFSA. Please note that all buy instructions will only be actioned by SBG Sec on the 25th of every month. Buy instructions may be submitted at **any time!** – Kindly ensure its no later than 23h00 the day before the 25th business day.

Your nominated bank account will then be debited with the amount required to purchase the investments. If the 25th day falls on a weekend or a public holiday, the purchase will be made on the following business day.

You can view your account online through the SBSA IBP. The market value of your investments will be shown as per the closing prices of the previous business day.

Should you decide to sell your investments, you may create a sell instruction, by clicking the sell button when viewing your portfolio online. SBG Sec will try to sell the investments on the nominated sale date. Sale instructions are executed every Friday, or if that Friday falls on a public holiday, the preceding business day (i.e. Thursday). The cash proceeds of the sale will be paid into your TFSA 5 (five) business days after the date of sale. Thereafter this cash can then be paid into your nominated bank account, or used to invest in a different instrument(s).

## Reinvestment and dividends

All cash accumulated from distributions of your investments (dividends and interest) is held in your TFSA with the JSE. This money will automatically be used to top up your next purchase, helping to grow your investment further.

**This reinvestment may assist with the growth of your investment and does not form part of your annual contribution limit!**

For example, if you own 10 shares of an ETF investment and it pays a dividend of R2.00 per share, you will receive R20 worth of dividends. In your next purchase order, SBG Sec will add this R20 to the funds available for purchase over and above the cash contribution made by yourself.

*\* Terms and conditions apply.*

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*For more information on SBG Securities please go to <http://www.securities.co.za>.*

*To find out more about a TFSA account kindly contact 0860 121 161 or email [securities@standardbank.co.za](mailto:securities@standardbank.co.za)*

*The Standard Bank of South Africa Limited (Reg. No. 1962/000738/06).  
Authorised financial services provider and registered credit provider.*



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