

INTEREST AND DIVIDENDS

Interest Exemptions - no changes from last year

Interest from a South African source earned by any natural person is exempt, per annum, up to an amount of:

	2020	2019	2018	2017	2016	2015
Person younger than 65	R23 800	R23 800	R23 800	R23 800	R23 800	R23 800
Person 65 and older	R34 500	R34 500	R34 500	R34 500	R34 500	R34 500

Please note: *For the 2012 tax year* - Foreign interest and foreign dividends are only exempt up to R3 700 out of the total exemption.

From 1 March 2015 (2016 tax year), a final withholding tax at a rate of **15%** will be charged on interest from a South African source payable to non-residents.

Interest earned by non-residents who are physically absent from South Africa for at least 181 days during the 12 month period before the interest accrues and the debt from which the interest arises is not effectively connected to a fixed place of business in South Africa, is exempt from income tax.

Dividends Tax - no changes from last year

Dividends received by individuals from South African companies are generally exempt from income tax, but dividends tax at a rate of 20% is withheld by the entities paying the dividends to the individuals.

Foreign Dividends - no changes from last year

Most foreign dividends received by individuals from foreign companies (shareholding of less than 10% in the foreign company) are taxable at a maximum effective rate of 20% via the normal tax system (not dividends tax). No deductions are allowed for expenditure incurred to produce foreign dividends.