



Tax-Free Saving Accounts

Every South African, (including children) can save R30,000 per annum, up to a maximum of R500,000 per individual per lifetime tax-free.

Tax Benefits

All gains (income and capital) within the investment are tax-free:

- **No Capital Gains Tax (CGT)**
- **No Dividend Withholding Tax (DWT)**
- **No tax on interest earned**
- **No Securities Transfer Tax (STT)**

Estate Planning Benefits

Your investment can be paid* to your beneficiaries immediately and there are no executor fees.

*Although your beneficiaries will not have to wait for the estate to be wound up, the value of the investment will still be included in the estate for the calculation of estate duty.

Although the quantum is relatively small to start with, the compounding effect of this savings mechanism is profound. The contributions are more substantial if one evaluates them as a family unit. For example, a family of four can save up to R120,000 a year in tax-free savings.

This product can be used for goal-based savings, retirement or unforeseen circumstances. These accounts make excellent savings vehicles for education and we would advise parents to open an account in the name of a child as soon as possible after birth.

What will the underlying investment be?

Equities have proven to generate the best long-term returns and hence these will generally make up the bulk of the investment. You will gain exposure via a portfolio of actively selected unit trusts. These will be monitored on an ongoing basis and we will switch and rebalance the portfolio when appropriate.

Fees

We will charge clients a fee of 0.50% (excl. VAT) annually which will encapsulate all of the administration work and fund-picking.

What we need from you:

1. Updated FICA
 - Copy of South African ID
 - Proof of residential address (less than 3 months old)
 - Proof of bank account (less than 3 months old)
2. Updated Mercato mandate
3. Details of your nominated beneficiaries
 - Full names
 - ID number
 - Relationship
 - Contact details
 - Benefit %
4. Tell us how much you would like to contribute with the following minimums:
 - Lump sum amount - minimum of R20 000 if there is no debit order
 - Monthly debit order - minimum R500 per month

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The below illustration shows how tax-free savings and compounding can be used to invest in your family.

