



South African Revenue Service

Dear Tax Practitioner

FURTHER ENHANCEMENTS OF INCOME TAX RETURN FOR COMPANIES (ITR14)

As part of the continued process to improve SARS efficiency and enhance taxpayer compliance, further enhancements will be introduced to the Income Tax Return for Companies (ITR14) on 9 December 2016.

It should be noted that only the new return will be accepted after 9 December 2016 and we suggest that if you have completed a return already that you submit this prior to 9 December 2016 as there is a risk that the data already captured may not pull through to the new return.

Legal enhancements:

- For the year of assessment (YOA) commencing on or after 1 January 2016, foreign tax credits cannot be claimed as a rebate in terms of section 6quin due to the fact that this section has been repealed. However, taxpayers can now claim this type of foreign tax credit as a deduction in terms of section 6quat (1C).
- As from 1 March 2016, all qualifying companies operating within a Special Economic Zones (SEZ) will be taxed at a rate of 15% which is lower than the current corporate tax rate of 28%.

Return enhancements:

- Dormant companies: The “Dormant Company Details” container now makes provision for dormant companies carrying on the activities of a nominee to declare taxable passive income received or accrued. Please note that it is a legal requirement to submit a tax return even if the company is dormant.
- The ITR14 return now has an option to indicate if the financial year end of the company changed during the relevant year of assessment.
- The containers for Local and Foreign Capital Gains and Losses now make provision for a new line item with a new source code for the “claw back” provisions in terms of section 45(5).
- A new field has been added to the “Non-Residency” container to indicate the date on which the company ceased to be a resident if applicable.

Verification of details

Before completing the ITR14 make sure that that the contact, address, banking and public officer details of the company are correct by verifying and updating it (if required) on the Registration, Amendment and Verification Form (RAV01). You can verify and update the RAV01 details by:

- Clicking on the “Maintain SARS Registered details” menu option on your eFiling profile. SARS may request you to visit a branch to verify any changes to your banking details which may have been done via eFiling.
- Visiting a SARS branch. Please consult the Legal Entity Registration and Amendments RAV01 guide on www.sars.gov.za to prepare the mandatory supporting documents (relevant material) required for updating of banking and public officer details at a SARS branch.

Submission on time

The ITR14 return must be completed and submitted to SARS within 12 months after the financial year end of your company.

The dynamic ITR14 is hosted in Adobe Flash Player (version 11 and onwards) and allows you to create a customised return for completion. Mandatory fields are indicated in red, simplifying completion. The ITR14 can be saved on eFiling at any time and completed later.

Submissions and Request for Corrections (RFC) can be done electronically on eFiling or at a SARS branch.

SARS eFiling – secure and convenient

Taxpayers who have not yet registered for eFiling are encouraged to visit www.sarsefiling.co.za to register as this will enable them to obtain, complete and submit the ITR14 online in a secure environment 24 hours a day.

For more information on the ITR14, please visit the Corporate Income Tax webpage on www.sars.gov.za.

Sincerely

THE SOUTH AFRICAN REVENUE SERVICE

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