EXTERNAL GUIDE

HOW TO COMPLETE THE COMPANY INCOME TAX RETURN ITR14 EFILING
## REVISION HISTORY TABLE

<table>
<thead>
<tr>
<th>Date</th>
<th>Version</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-02-2020</td>
<td>8</td>
<td>Updated with Filing Season 2019/20 CIT including HTML</td>
</tr>
<tr>
<td>07-12-2020</td>
<td>9</td>
<td>Updated Filing Season 2019/20 CIT with legislative changes</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

1. **PURPOSE**  
   5

2. **INTRODUCTION**  
   5

3. **COMPANY INCOME TAX RETURN**  
   5

   3.1 **NEW LOOK**  
      5

   3.2 **REQUESTING THE RETURN**  
      6

   3.3 **GETTING STARTED**  
      7

4. **COMPLETION OF THE ITR14 RETURN WIZARD**  
   9

   4.1 **COMPLETING THE “INFORMATION TO CREATE THIS INCOME TAX RETURN” PAGE**  
      9

5. **COMPLETION OF ITR14 RETURN**  
   20

   5.1 **TAX PRACTITIONER DETAILS (IF APPLICABLE)**  
      20

   5.2 **DECLARATION**  
      20

6. **THE LAYOUT OF THE ITR14 RETURN ACCORDING TO THE WIZARD QUESTIONS**  
   21

   6.1 **LEGISLATIVE CHANGES ITR14 RETURN**  
      22

      6.1.1 Section 24O - Additional Validation: Incurral of interest in respect of certain debts deemed to be in the production of income  
      22

      6.1.2 Section 12J(3C) Venture Capital Company  
      23

      6.1.3 Section 12I - Industrial Policy Projects  
      24

      6.1.4 Section 12R - Special Economic Zones (SEZ)  
      25

      6.1.5 Domestic Treasury Management Company Definition Change (Incomplete)  
      25

      6.1.6 Reviewing of the definition of “Affected Transaction” in terms of the "Arms Length" transfer pricing rules.  
      26

      6.1.7 Section 12L - Extension to Energy Efficiency deduction  
      26

      6.1.8 Section 12K - Exemption of Certified Emission Reduction  
      26

      6.1.9 Section 12H – Alignment of the 12H question to current legislation  
      26

      6.1.10 Capital Gains Tax Auto-Calculations  
      27

      6.1.11 Validations between 18A container field (4011) and the line item  
      27

      6.1.12 Ultimate Holding Company Accept Trust Numbers  
      28

      6.1.13 Solidarity Fund Contributions  
      28

7. **SUBMISSION OF THE ITR14 RETURN AND SUPPORTING DOCUMENTS**  
   29

8. **REQUEST FOR CORRECTION**  
   33

9. **VIEW THE ITR14 STATUS**  
   37

   9.1 **RETURN SUBMISSION DASHBOARD STATUS**  
      38

10. **ACCESS THE NOTICE OF ASSESSMENT**  
    39

11. **MAKING A PAYMENT**  
    40

12. **TERMINATION OF ACTIVITIES**  
    44

13. **ACCESS THE LETTERS/NOTIFICATIONS FROM SARS**  
    45
<table>
<thead>
<tr>
<th></th>
<th>REQUESTING THE STATEMENT OF ACCOUNT</th>
<th>46</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>GENERAL</td>
<td>48</td>
</tr>
<tr>
<td>16</td>
<td>CROSS REFERENCES</td>
<td>48</td>
</tr>
<tr>
<td>17</td>
<td>DEFINITIONS AND ACRONYMS</td>
<td>48</td>
</tr>
</tbody>
</table>
1 PURPOSE

- “This script in its design, development, implementation and review phases is guided and underpinned by the SARS strategic objectives, the SARS Intent, and the SARS values, code of conduct and applicable legislation. Should any aspect of this script be in conflict with the applicable legislation the legislation will take precedence.”

- The purpose of this guide is to assist the representative taxpayer/tax practitioner/public officer in the completion, submission and management of the Company Income Tax Return (ITR14) via eFiling. This document must be read in conjunction with the following External Guide - How to complete the Income Tax Return (ITR14) for Companies.

2 INTRODUCTION

- Corporate Income Tax (CIT), also known as business tax, is a tax imposed on businesses incorporated under the laws of the Republic of South Africa. The income received from these business, must be derived from within the Republic or through a branch or permanent establishment within the Republic.

- As part of the modernisation of Corporate Income Tax (CIT), which is aimed at improving efficiency and compliance, SARS has amended the dynamic ITR14 return. These enhancements include minimal legal changes and alignment of the definition of a foreign controlled company with the international OECD standards.

- Note: the following:
  - The old IT14 return is no longer accepted. Where you have previously requested and saved an old IT14, the old IT14 will be available for viewing; however, the new ITR14 will be presented for completion;
  - If the Representative Taxpayer/Public Officer does not submit the ITR14 by the relevant deadline, the company will face an administrative penalty for non-compliance.

3 COMPANY INCOME TAX RETURN

3.1 NEW LOOK

- SARS has redesigned eFiling in an effort to embrace the benefits of emerging technologies and provide an optimized and secure digital environment. The new look is also intended to help promote voluntary compliance, reduce the administrative burden and provide you, our valued client, with a more intuitive and user-friendly experience. The redesigned functionality on eFiling will be implemented using a phased approach.

- The look and feel of the ITR14 have changed and opens in ‘HTML5’.
  - ‘HTML5’ is a version of the ‘hypertext mark-up language’, which is a type of technology used for structuring and presenting content on websites.
  - Some of the advantages of HTML5 is that it is compatible with multiple web browsers (e.g. google chrome, edge, firebox, safari, and opera) and it offers improved access to users irrespective of the screen size, orientation and resolution of their devices.
Note: the HTML5 forms is available only on eFiling and e@syfile™ continues to use the pdf format.

Complete all mandatory fields as required, and it remains the responsibility of the taxpayer to ensure the information provided to SARS is accurate at the time of submission.

- Mandatory fields will display with an asterisk (*) and be highlighted in red if not correctly captured.
- A message will display underneath the field, “<field name> is a mandatory field.”

For further assistance about eFiling registration, please refer to the “How to register, manage users and change user password on eFiling” which is available on the SARS website www.sars.gov.za.

### 3.2 REQUESTING THE RETURN

- Navigate to www.sars.gov.za;

- If the company is not registered on eFiling, click on the “REGISTER” icon and follow the quick steps to register.
  - For further assistance about eFiling registration, please refer to the “How to register, manage users and change user password on eFiling” which is available on the SARS website www.sars.gov.za.
  - Note: that you must be activated to submit the ITR14 return in order to submit it via eFiling. To activate the ITR14 return, please refer to the “How to register, manage users and change user password on eFiling” which is available on the SARS website www.sars.gov.za.

- If the Company is registered on eFiling, click on the “LOGIN” icon and once you logged on, click on the “Returns” button displayed on the main menu.

- Click on “Returns Issued” and select “Income Tax (ITR14/IT12TR/IT12EI)” from the side menu options under “Returns Issued.”
  - The “Return Search” screen will be displayed besides the tax period of interest issued:
• Select the appropriate year of assessment from the drop down menu.
• Once the year is selected, click on the “Request Return” button.
• The “Return Search” page will be displayed. Click on the “Open” hyperlink displayed.

3.3 GETTING STARTED

• You will be routed to the “Income Tax Work Page.”

Before you capture the ITR14 return, you are required to validate your demographic details, which include your contact details, physical address, postal address, bank account details and other particulars of your representative taxpayer.
To verify or update any outdated demographic detail of the company, click on the “No – Maintain legal entity details now” button displayed on the “Maintain Legal Entity Details” pop up screen.

Refer to the external guide “How to complete the Registration Amendments and Verification Form (RAV01)” for detailed information on how to confirm and verify the applicable company details. The guide can be accessed on www.sars.gov.za.

To open the ITR14 return, click on the “ITR14” hyperlink.

Note: the following buttons will be displayed on the “Income Tax Work Page”

- “Maintain Legal Entity Details” – This button must be selected where the user wants to verify and or amend the demographic details of the company.
- “Refresh Return” – This button must be selected where the user wants to pre-populate the ITR14 return with the latest IRP5 information available to SARS.
- “Submitted at Branch” – This button must be selected where the user submitted their ITR14 return via the SARS Branch. Note: that when this button is selected, the submitted return will be displayed on the “Returns History” menu option.
- “Request Historic Documents” – This button must be selected when the user wants to request historic notices of their assessment and statements of account.
- “Return Submission Dashboard” – This button must be selected when the user wants to display the return submission dashboard.
- “Incorrect Return type” – This button will allow the user to request a different tax type in line with their registration to SARS.

Note: the following with regards to any return which is applicable to a year of assessment prior to the implementation of the modernised ITR14 return:

- All the demographic information will be pre-populated onto the new ITR14 return
- All other information must be recaptured.
- Should there be any old format IT14 returns on eFiling that are in an “Issued” or “Saved” status, after the implementation of the IT14 you will be presented with the below screen to choose:
“Continue” button to re-issue the return in the new ITR14 format,
“Cancel” button to action and return to the Income Tax Work Page,
“Print” button to print the IT14 return in order to recapture the information into the new ITR14 return.

If for example the “Continue” button is selected, the “Income Tax Work Page” will be displayed and the status will be updated to read as follows, “Return was replaced with latest version.”

Note: that all returns filed or submitted to SARS will be displayed on the “Returns History” option menu.

4 COMPLETION OF THE ITR14 RETURN WIZARD

4.1 COMPLETING THE “INFORMATION TO CREATE THIS INCOME TAX RETURN” PAGE

Once you have clicked on the “ITR14” hyperlink, the “Information to create this income tax return” page will be displayed on the return for your completion.

Ensure that you complete all the questions on this page. Depending on the answer you provided to the each question, subsequent questions may be displayed.

If any of the questions are changed after starting to complete the return, it may result in the following:

Existing sections on the return may be removed. The form will display a warning message to alert you of any potential loss of data captured or

Additional sections may be displayed on the return for completion.

The first question displayed relates to the registration details of the company. If your answer to the question “Have the banking, public officer and contact details of the company been verified and confirmed as correct)” is “No”, the following screen will be displayed:
Click on the “Back” button displayed on the main menu to close the return and then click on the “Maintain Legal Entity Details” button to confirm and verify the company details.

If “Yes” is selected to the question “Have the banking, public officer and contact details of the company been verified and confirmed as correct”, additional questions will be displayed according to the following headings below:

- Registered Details;
- Dormant;
- Company Type;
- Capital Gain / Loss Transaction;
- Voluntary Disclosure Programme;
- Small Business Corporation;
- Special Economic Zones(SEZ);
- Venture Capital Company Investments;
- Deduction(s7F) in respect of SARS interest Repaid;
- Donations;
- Tax Credits;
- Company Information;
- Customs Information.

Select the appropriate answer and complete the questions displayed below each headings as displayed on the return.

Note: that some of the sections will display further fields to be completed depending on the answer selected.

With the enhanced eFiling look the content of the ITR14 is customised based on the following company types that are identified when the taxpayer completes the wizard:

- “Registered details”. When selected, questions relating to taxpayer registered details will be displayed as follows:
Dormant - For the creation of the customised ITR14 return a dormant company is classified as a company that was not actively trading and / or did not receive any income or incur any expenses during the year of assessment (e.g. if the company partially traded during the year of assessment, the company will not be regarded as a dormant company).

- In terms Government Gazette 41704, Notice 600 in 2018 was updated to indicate that dormant companies do not need to file a return, must only file the return if the specified following rules applies:
  - Derived gross income of more than R1000;
  - Held assets with a cost above R1000 at any time during the (year of assessment) YOA;
  - Had liabilities above R1000 at any time during the YOA;
  - Derived Capital Gain or loss more than R1000;
  - Had taxable income;
  - Had an assessed loss.

- The dormant questions screen will be displayed as follows:
If the “Yes” tick boxes were selected the following message will be displayed:

- Companies that are not dormant are classified as follows:
  - **Share Block Company** – as defined in s1 of the Share Blocks Control Act, 1980 (Act 59 of 1980).
  - **A Body Corporate** – as defined in s1 of the Sectional Titles Act, 1986 (Act 95 of 1986).
• **Micro Business** – a company with a qualifying turnover (as defined in Paragraph 1 of the Sixth Schedule to the Income tax Act) not exceeding R1 million and the total assets (current and non-current) do not exceed R5 million, and that is not otherwise classified as a Body Corporate/Share Block Company for purposes of the ITR14 return.

• **Small Business** – a company not otherwise classified as a Body Corporate/Share Block Company or Micro Business with a gross income (sales/turnover plus other income) for the relevant year of assessment (YOA) not exceeding:
  - R14 million and the total assets (current and non-current) of the company for the YOA not exceeding R10 million (for all YOA prior to 2013/04/30);
  - R20 million and the total assets (current and non-current) of the company for the YOA not exceeding R10 million (for all YOA after 2013/04/30 onwards).
If a taxpayer declared gross income greater than R14 million, the taxpayer is automatically classified as a Medium to Large Business, and will have to complete all the data on the ITR14 return for Medium to Large Business Companies.

Note: When a taxpayer wants to perform a Request for Correction after CIT Filing Season 2015 go-live date, the definition of a Small Business changed as follows: Gross Income R20 million and the total assets (current and non-current).

This implies that any taxpayer that declared gross income greater than R14 million and less than or equal to R20 million will be reclassified as a Small Business and will be presented with a different ITR14 from that of a Medium to Large Business.

**Medium to Large Business** – If a company is not classified as a body corporate/share block company, micro business or small business, it will be classified as a medium to large business.

The capital Gains /Loss Transactions screen will be displayed as follows:
Company / Close Corporation Information

This page allows the company to customise their ITR14 return

- Did the company have any transactions or events which resulted in a locally sourced capital gain or loss (including cryptocurrency)?
  - Y ☐ N ☐
- Did the company have any transactions or events which resulted in a foreign sourced capital gain or loss (including cryptocurrency)?
  - Y ☐ N ☐

- The Voluntary Disclosure Programme screen will be displayed as follows:

Company / Close Corporation Information

This page allows the company to customise their ITR14 return

- Does any declaration in this return relate to an application made under the SARS Voluntary Disclosure Programme?
  - Y ☐ N ☐

- Small Business Corporation will be displayed as follows:
Specific Economic Zones will be displayed as follows:

Venture Capital Company Investments screen will be displayed as follows:
This section is introduced into the return from the 2020 year of assessment onwards.

- Does the company want to claim a deduction i.t.o. s7F i.r.o. SARS interest repaid that was previously taxed i.t.o. s7E?
  - "Yes" or "No" must be selected.
  - If "Yes" is selected, the "Deduction (i.t.o. s7F) of Interest Repaid to SARS that was Previously Taxed in terms of s7E" section will be displayed for completion.

- Deduction (s7F) in respect of SARS Interest repaid screen will be displayed as follows:

- The Donation screen will be displayed as follows:
The Tax Credits screen will be displayed as follows:

Company / Close Corporation Information

This page allows the company to customise their ITR14 return

Company Information will be displayed as follows:
The Customs Information will be displayed as follows:

- The Buttons:
  - “Prev” - will assist in going back to the previous question.
  - “Next” – will assist in moving to the next question.

- Note: When some or all the fields are not completed, the wizard heading will remain red and once all the fields are completed, the wizard heading will change to green.

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

- For the ease and speedy process of filing your ITR14 return, we have structured this guide such that the entire filing process relating to the management of your ITR14 return via eFiling is...
described. However to unpack the ITR14 return form for the purposes of completion, we recommend that you access the ‘Comprehensive guide to the ITR14 return for companies’ which is available on the SARS website www.sars.gov.za.

5 COMPLETION OF ITR14 RETURN

- The following minimal demographic details will be pre-populated:
  - Registered name;
  - Trading Name;
  - Company/CC registration number; and
  - Financial Year End (CCYYMMDD).

5.1 TAX PRACTITIONER DETAILS (IF APPLICABLE)

- Complete Tax Practitioner details.

5.2 DECLARATION

- Complete the Declaration.
• The container headings will be listed according to the selection made on the wizard questions.

• Note:
  ○ When completing the return the heading of the containers will change to blue if completed correctly and if not, the heading container will remain red.
  ○ The ITR14 can be saved at any point in time and completed at a later stage. Not all the mandatory fields need be completed before saving the return. The saved ITR14 can be opened and edited or completed at any time before submission.

6 THE LAYOUT OF THE ITR14 RETURN ACCORDING TO THE WIZARD QUESTIONS

• For legislative changes on the ITR14 return, refer to the External Guide - IT-GEN-04-G01 - Comprehensive guide to the ITR14 return that is available on the SARS website www.sars.gov.za.

• All mandatory fields on the ITR14 will be indicated in red.
6.1 LEGISLATIVE CHANGES ITR14 RETURN

- For legislative changes on the ITR14 return, refer to the External Guide - IT-GEN-04-G01 - Comprehensive guide to the ITR14 return that is available on the SARS website www.sars.gov.za.

- This fields will be applied to Small, Medium and Large Business Companies and to view those changes, select “Tax Computation” on the ITR14 return and click “Debit Adjustment”:
  - There is a drop down list to select and to deselect allowances:

6.1.1 Section 24O - Additional Validation: Incurral of interest in respect of certain debts deemed to be in the production of income

- Clarifying the exclusion from claiming interest deduction for debt finance acquisitions for start-up companies.
This amendment aims to provide clarity that the definition of “acquisition transaction” envisages a situation where the controlling shares being acquired by a company that is not part of the same group of companies as the company in which the shares are being acquired are shares in a company that, is on that date of that acquisition, either an operating company or a controlling company in relation to an operating company.

- Clarifying the special interest deduction rule for share acquisitions funded by debt to allow for deductions after an unbundling transaction.

- Another amendment in section 24O provides certainty that where an unbundling transaction results in a company, that previously held an indirect controlling interest, holding a direct controlling share interest in an operating company, it may continue to qualify for the special interest deduction.

- Effective date: 1 January 2019, applies for YOA ending on or after that date.

- The screen will be displayed as follows under Tax Computation:

  Incurred of interest in respect of certain debts deemed to be in the production of income (s24O)

  Please confirm that the amount has not been claimed anywhere else in this return.

  Has the company entered into an acquisition transaction during the year of assessment? Y N
  Did the company acquire an equity share in another company from a person that does not form part of the same group of companies as an operating company? Y N
  Did the company and the operating company form part of the same group of companies at the end of the day of that transaction as defined in section 41? Y N
  Was that other company an operating company on the date of acquisition of that equity share? Y N
  Does at least 80 per cent of the aggregate amount received by or accrued to the operating company during the year of assessment constitute income in the hands of the operating company? Y N
  Is the income received by or accrued to derived from a business carried on continuously by the operating company? Y N
  Was the company a controlling company in relation to the operating company at the end of the day of that transaction? Y N
  Does the equity share acquired constitute a qualifying interest in the operating company? Y N
  Did the company acquire an equity share in another company and that other company is a controlling group company in relation to an operating company? Y N

6.1.2 Section 12J(3C) Venture Capital Company

- In an effort to balance the benefit and perceived effectiveness of the Venture Capital Companies (VCC) tax incentive regime whilst still protecting the bottom-line impact of high tax expenditure (as a measure of revenue forgone) on the fiscus, the tax deduction in respect of investment in VCC shares will be limited to R5 million per annum per VCC shareholder for companies.

- Effective date: 21 July 2019 and applies in respect of expenditure incurred by the taxpayer on or after that date.
6.1.3 Section 12I - Industrial Policy Projects

- In terms of section 12I, a company may claim an additional investment allowance equal to the following percentages:
  - 55% of cost of any new and unused manufacturing asset use in an Industrial policy project with preferred status, or
  - 100% of the cost of any new and unused manufacturing asset used in an Industrial policy project with preferred status that is located within a special economic zone (SEZ).
  - 35% of cost of any new and unused manufacturing asset used in an Industrial policy project other than an industrial policy project with preferred status (i.e. qualifying status); or
  - 75% of cost of any new and unused manufacturing asset used in an Industrial policy project other than an industrial project with preferred status that is located within a special economic zone.

- Effective date: 2020 year of assessment onwards.
6.1.4 Section 12R - Special Economic Zones (SEZ)

- Addition of paragraph (e) to the definition of qualifying company and additional questions were added to implement the 2019 Taxation Laws Amendment Bill (TLAB) amendments to validate the following:

6.1.5 Domestic Treasury Management Company Definition Change (Incomplete)

- Amendment to the definition of Domestic Treasury Management Company (DTMC)

- This amendment proposed the re-instatement of the requirement for the DTMC to be incorporated or deemed to be incorporated (please note that this requirement was repealed in 2018):
  - By or under any law in force in the Republic and is not subject to exchange control restrictions by virtue of being registered with the financial surveillance department of the South African Reserve Bank; or
  - By or under any law of any country other than the Republic and is not subject to exchange control restrictions by virtue of being registered before 1 January 2019 with the financial surveillance department of the South African Reserve Bank.
  - Effective date: New companies that are registered with the South African Reserve Bank for the first time on or after 1 January 2019.
6.1.6 Reviewing of the definition of "Affected Transaction" in terms of the "Arms Length" transfer pricing rules.

- The amendment of section 31 has an insertion of the following definition after the definition of affected transaction:

  "Associated enterprise" means an associated enterprise as contemplated in Article 9 of the Model Tax Convention on Income and on Capital of the Organisation for Economic Co-operation and Development".

### Transfer Pricing Supporting Information

<table>
<thead>
<tr>
<th>Question</th>
<th>Y</th>
<th>N</th>
<th>O</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did the company have transfer pricing documentation that supports the pricing policy applied to each transaction between the company and the foreign connected person / associated enterprise during the year of assessment as being at arms length? *</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Did the company conduct any outbound transaction, operation, scheme, agreement for no consideration with a connected person / associated enterprise that is a tax resident outside South Africa? *</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Did the company conduct any transaction or agreement or understanding, a tax resident outside South Africa, on or after 1998, transfer, alienate or dispose of any South African developed or previously South African resident? *</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Was there any change between the company and non-resident connected person / associated enterprise since the previous reporting period with respect to the transfer pricing methodologies/transaction, operation, scheme, agreement or understanding classifications? *</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Did the company transact with a connected person / associated enterprise that is a tax resident in a jurisdiction that has a corporate tax rate that is less than 18% or is a tax haven? *</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Did the company make a year-end adjustment to achieve a guaranteed profit margin? *</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6.1.7 Section 12L - Extension to Energy Efficiency deduction

- The Energy-Efficiency savings tax incentive in section 12L has a sun set clause of 30 December 2019. It was proposed in the 2019 budget speech that the tax incentive in section 12L be extended to 31 December 2022.

6.1.8 Section 12K - Exemption of Certified Emission Reduction

- An exemption for Certified Emission reduction is deleted, after the introduction of the Carbon tax, certified emission reduction credits may be used to reduce carbon tax liabilities. To avoid a double deduction where the same emission reduction leads to both income tax exemption and a carbon tax liability, the tax exemption in section 12K will be repealed from 1 June 2019.

  - Effective date: The tax exemption in section 12K will be repealed from 1 June 2019.

6.1.9 Section 12H – Alignment of the 12H question to current legislation

- Legislation in respect of s12H (relating to learnership agreements) was updated as from the 2010 year of assessment where the requirement to submit the IT180 information to the Commissioner was removed. The ITR14 was never updated to align with this requirement to submit the IT180 supporting document, and the relevant question in the ITR14 was never updated in line with the change in legislation.
6.1.10 Capital Gains Tax Auto-Calculations

- The form is currently allowing the taxpayer to manually compute the proceeds, base costs and capital gain/loss on the ITR14 without verifying the mathematical accuracy of the variance between the proceeds and the base cost. The manual computing enables the taxpayer to either understate the capital gain or overstate their capital losses and/or declare a loss where a profit was realised or vice versa.

- Furthermore, the return does not make provision for the separate disclosure of “Roll over base cost” and “Exclusions/Adjustments (excluding annual exclusion rate)”.

6.1.11 Validations between 18A container field (4011) and the line item

- Section 18A and Other donations, the form currently: If there are more than 10 donations specified in the wizard question “How many PBO organisations did the company donate to” and the total amount of donations declared separately per PBO exceeds 4011, display an error message.

- The amount claimed under source code “4011” must be equal to the amount claimed in the Income Statement under “Section 18A donations”.

Did the company make any contributions to the benefit of the employees to any pension, provident or medical fund in excess of 20% of the approved remuneration (s11(j))?
Was the doubtful debt allowance as referred to in s11(j) based on a fixed percentage of all debtors as at year end in respect of the current year of assessment?

Did the company complete IT14’s for learnership agreements in respect of s12H

Did the company obtain a certificate issued by SANED in respect of energy efficiency savings for the purposes of claiming a s12L deduction?
6.1.12 Ultimate Holding Company Accept Trust Numbers

- Ultimate Holding Company registration number under the Company Structure section -
  - Companies are unable to complete Ultimate Holding Company registration number under the Company Structure section of the return where the Ultimate Holding Entity of this structure is a Trust.
  - The fields in the “Company Structure” container will an enable Trust to be Ultimate Holding Entity.

6.1.13 Solidarity Fund Contributions

- A new field and source code will be added to the ITR14 return to cater for Solidarity Fund donations.
  - The output of the limitation and the balances calculation will be displayed on the ITA34C.
  - Note: that the changes made is only valid for the tax years 2020 and 2021.
7 SUBMISSION OF THE ITR14 RETURN AND SUPPORTING DOCUMENTS

- Once all the questions have been answered on the “Information to create this income tax return” page, the relevant sections will be generated and displayed for completion.

- For Small Businesses and Medium to Large Businesses, the submission of the signed off Annual Financial Statements (AFS) is compulsory on first time submission of the ITR14. The AFS must as a minimum contain the following:
  - Income Statement;
  - Balance Sheet; and
  - Notes to the AFS.

- The submission of financial statements is optional if the company is classified as:
  - Dormant;
  - Body Corporate / Share Block;
  - Micro business;

- The AFS must be signed by the Company Representative or Public Officer. If the AFS of the Company is in draft format at the time of submission of the return, the onus will be on the signatory of the draft AFS (i.e. Company Representative/Public Officer) whether to submit the return or wait until the AFS are finalised.

  - Please Note: If SARS does not identify any risk when the return is submitted, with the draft AFS attached, the company can submit a correction and attach the final AFS without having to lodge an objection. If SARS identifies any risk when the return is submitted, with the draft AFS attached, the company has one opportunity to submit a correction with the final AFS attached. It is only where SARS identifies any risk on the final return (correction) and the subsequent IT14SD that the company must follow the formal objection process should the company disagree with the final assessment.

  - Please Note: that although financial statements are not mandatory for Dormant Companies, Micro businesses, Share block companies or Body Corporates, the option to upload the relevant materials will be made available on the “Income Tax Work Page”.

- The following schedules are available on the SARS website www.sars.gov.za (where applicable the schedules must be completed and submitted with the ITR14 as relevant supporting documents):
  - A farming schedule (IT48) for companies that conducts farming activities.
A company that conducted short term insurance activities must complete the **ICS01 Short term insurance schedule**.

A company that conducted mining activities must complete the **GEN-001 Mining schedule**.

A company that elects to be a Headquarter Company must complete the **RCH01 Schedule for companies electing to be a Headquarter Company**.

A Controlled Foreign Company should complete the **IT10A/B Controlled Foreign Company CFC return**:

- “IT10A – Controlled Foreign Company (CFC) – prior 2012” is applicable for years of assessment commencing prior to 1 April 2012.
- “IT10B – Controlled Foreign Company (CFC) – 2012 onwards” is applicable for years of assessment commencing on or after 1 April 2012.
- For Controlled Foreign Companies, the submission of the Controlled Foreign Company (CFC) return IT10A (prior 2012) or IT10B (2012 onwards) is compulsory.
- A new format of the IT10B return has been introduced.

- Note: that if the participation rights percentage in any controlled foreign company is at least 10% the tax representative or tax practitioner is required to submit the applicable supporting schedule upon submission of the return.

- The group structure organogram is compulsory for submission where the company is classified as a small or medium to large company and has confirmed subsidiary details on the return.

- Click on “Add Supporting documents” to continue to upload the supporting documents required.

**INCOME TAX WORK PAGE**

- A hyperlink will be created on the Income Tax Work page to allow for the submission of the documents.
- Click on the hyperlink below “SUPPORTING DOCUMENTS” column, and choose the file that you want to upload:
Note: All supporting documents and applicable schedules to the AFS must be retained for a period of 5 years after the date of the assessment.

Click on the "Browse" button. This will allow you to browse for the documents saved on the computer, external storage devices and networks to be uploaded.
• Click on “Classification” button and select the documents type you are uploading;

• Ensure that you choose the correct classification options available:
  
  △ Annual Financial Statements (AFS).
  △ Supporting schedules which could consist of:
    
    △ A farming schedule (IT48).
    △ IT10A (prior to 2012) or IT10B (2012 onwards) Controlled Foreign Company CFC).
    △ ICS01 Short term insurance schedule.
    △ GEN-001 Mining Schedule.
    △ RCH01 Schedule for companies electing to be a Headquarter Company.

• If no classification is made regarding the type of documents you are uploading, an error message will be displayed and no documents will be uploaded, as indicated in the below screen.

• Click on the “Upload” button when the relevant document(s) are found.

• The message “File successfully uploaded” will be displayed and the uploaded document(s) will be listed.
Click “Submit to SARS” to submit the supporting documents and select “OK” on the confirmation message displayed.

The status on the Income Tax Work Page will change to “Supporting Documents Ready to be Submitted to SARS; Awaiting Return Success or Submitted” once the documents have been successfully uploaded and sent to SARS.

Note: that a total of 50MB of documents comprised of 5MB per file can be uploaded and submitted to SARS via eFiling.

8 REQUEST FOR CORRECTION

A Request for Correction (RFC) can be performed on a previously submitted ITR14 for the relevant year of assessment.

A RFC will not be allowed by SARS under the following conditions:

- An audit case has been finalized; OR
- A standalone RD or agreed estimate was performed by a SARS user; OR
- The requested relevant material has been submitted by taxpayer since the Compliance audit case was created; OR
- An active Limited / Full scope audit case exists

If the company is dissatisfied with the assessment, a notice of objection must be lodged.

The return will be pre-populated with the most recent ITR14 information submitted and a new version number will be allocated when Request for Correction (RFC) is requested.

If the return was submitted in the old IT14 format, you will be presented with a new ITR14 pre-populated with minimum information. You will be required to re-capture the information in the new ITR14 format.
Upon the subsequent submission of the ITR14, the submission of the AFS is optional.

Once a RFC has been submitted, no action can be taken on the previous version, as it will be replaced by the new version.

Select the relevant filed return that is found on the “Returns History” menu option.

Click on the “Request Correction” button on the Income Tax Work Page.

Note: that a new version number will be created and the status will change to “Saved.”

Click on the “ITR14” hyperlink to open and edit the return. Note: that the return will be displayed with pre-populated information previously submitted.

To change the submitted answers, select the relevant question under “Company / Close Corporation Information.”
• Depending on the changes made, more containers may be displayed. Select “Yes/No” to the questions and continue to the “Company / Close Corporation Information” page.

• Edit all the relevant information, where required. Continue to the following page if there are no changes to be made on the demographic information.

• If there are changes to the questions, a warning message will be displayed. Take Note: of the message and click “Yes” to continue.

  Warning

  Changing the answer to this question may result in data you have previously completed or data for which SARS has information not being reflected on your return.
  This could result in an incorrect statement.
  Do you wish to continue?

  YES  NO

• Click on the relevant field to change the previously submitted financial information.

• After completing the return, you can save the return before submitting by clicking on the “Save Return” button displayed at the top left hand corner of the return.

• The following message will be displayed:

  DETAILS
  Tax Reference Number: Period: 2019

  RESULT
  Your return has been successfully submitted.
  *Please note that you may follow up on the SARS assessment process of your return on the Income Tax Work Page.

  Continue
• Click “Continue” to save the return. Note: that the status of the return will be displayed as “Saved”.

INCOME TAX WORK PAGE

- Click on the “ITR14” hyperlink with a “Saved” status to open and submit the return.

- After verifying that all the information on the ITR14 has been completed accurately and correctly, file/submit the return by clicking on the “File Return” button displayed at the top left hand corner of the return.

- The following screen will be displayed:

- Click on the “Continue” button to finalise your submission.

- Note: the message in red if you submitted the return without making any changes to the previously submitted information.
Click on the “Open Return” button to go back to the return.

Follow the above-mentioned steps to capture and submit the return.

The status of the amended ITR14 will change to “Filed through eFiling” once it has been submitted to SARS.

9 VIEW THE ITR14 STATUS

Click on the “Query SARS Status” button on the “Income Tax Work Page” to view the progress of the submitted ITR14.

The following return status may be displayed where the ITR14 has been revised:
- An internal revision was initiated by SARS on your Company Income Tax Return (ITR14).
- The internal revision of your Company Income Tax Return (ITR14) by SARS has been pended.
- The internal revision of your Company Income Tax Return (ITR14) by SARS has been cancelled.
- The internal revision of your Company Income Tax Return (ITR14) by SARS has been finalised.

9.1 RETURN SUBMISSION DASHBOARD STATUS

- The return submission dashboard status enables you to view the progress of the submitted Company Income Tax return.

- Click on the “Return Submission Dashboard” button displayed on the “Income Tax Work Page.”

- The status of the ITR14 will be displayed.

  Please Note: More than one description may be listed, depending on the status of the ITR14.

  - SARS is awaiting your relevant material in order to finalise the process: This status is displayed if the ITR14 has been assessed and referred for audit verification. The status will have red indicator. This status may be displayed in an instance where:

    o A letter requesting submission of relevant material/Supplementary Declaration (IT14SD)/revised declaration was issued already.

    o The ITR14 is assessed and referred for verification.
A letter requesting submission of relevant material/IT14SD/revised declaration would have been issued, but no response was received.

A final demand letter was sent.

A revised ITR14 has been submitted, but there is no accurate match between the information submitted and information South African Revenue Service (SARS) has.

Two instruction letters were issued requesting the submission of the relevant material/IT14SD/revised declaration, but no response was received.

Two instruction letters were issued requesting submission of the relevant material/IT14SD/revised declaration and the information was also requested telephonically, but no response was received.

- Verification in progress: This status is displayed if the ITR14 is referred for audit verification. The status will have an amber indicator. This status will be displayed in an instance where:
  - The relevant material and/or the IT14SD have been received and are being evaluated.
  - SARS is awaiting the supporting documentation in order to finalise the process: This status is displayed if the ITR14 is referred for audit verification. This status will have a red indicator.

- Audit in progress: this status is displayed if the ITR14 referred for audit. The status will have an amber indicator. This status will be displayed in an instance where:
  - Verification of the ITR14 is completed but selected for audit. A written correspondence will be sent.
  - The audit is still underway. An auditor from SARS will contact the tax representative to discuss the outcome of the audit.

- ITR14 verification completed and assessment finalised: this status is displayed if the assessment is accepted and no adjustments have been made in respect of the ITR14. This status will have a green indicator.

- Ensure the requested information or revised declaration is submitted by the due date as indicated on the letter.

- In some case, verification could take up to 12 months depending on the volume of the audit cases.

10 **ACCESS THE NOTICE OF ASSESSMENT**

- After the ITR14 has successfully been submitted, the Notice of Assessment (ITA34C) will be issued with details of the assessment.

- You will be redirected to the *Income Tax Work Page* after submitting the ITR14, where a pop-up screen will appear stating the ITA34C has been issued.

- To access the ITA34C, click on the “Open” button displayed on the pop-up screen.
Alternatively you can view your ITA34C on the “Income Tax Work Page” by proceeding as follows:

- Below the “Notice of assessment” column, click on the “ITA34C” hyperlink

<table>
<thead>
<tr>
<th>NOTICE OF ASSESSMENT</th>
<th>DESCRIPTION</th>
<th>DATE</th>
<th>VERSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITA34C</td>
<td>ORIGINAL ASSESSMENT</td>
<td>2020/02/14</td>
<td>1</td>
</tr>
</tbody>
</table>

You can also access the ITA34C by clicking on “Request Historic Documents” on the Income Tax Work page.

Request Historic Issued Assessment Notices and Statement of Account

- Click on “I want to request a historic Notice of Assessment” and select the relevant year of assessment from the dropdown list.

- After the ITA34C has been issued, choose one of the following options:
  - Accept the assessment and make the necessary payment
  - If you are dissatisfied with the results of the assessment you can submit a revised declaration by following the RFC process
  - If a RFC is not allowed by SARS based on the criteria specified in “Request for a Correction” above, an objection must be submitted. The existing dispute resolution process must be followed when objecting to the assessment. For further assistance with the dispute process, refer to “How to submit a Dispute via eFiling” available on the SARS website www.sars.gov.za

11 MAKING A PAYMENT

- A payment can be made, where the results of the assessment are accepted.

  - Select “Make Payment” on the Assessment Notice screen to proceed to make a payment.

  - The “Payment Summary” screen will be displayed:
• A message will be displayed if your banking details have not been provided.

  No banking information found.

  You do not have any banking information setup for this tax payer. In order to process any payments, you will need to capture your banking information.

  Click "Setup banking information" and the following screen will be displayed, which you must complete as per request:

  Banking Information

  Payments can be made from a banking account of your choice, by:

  - Credit Push - Payment transactions that are initiated on the eFiling site and presented to the Banking product as bill presentation - payment request. Only once the user has logged into the banking product and authorised the payment request is this transaction regarded as an effective payment. Credit Push transactions are assumed to be irrevocable.

  - Authorised Debit Pull - This option is used for verification purposes only. You will not be able to initiate a payment from eFiling using this method.

    Account Name
    This is a description of your bank account
    Credit Push
    Account Number

    Save  Back

• Click “Save”.
To make a payment, select the amount you want to pay, and the option you want to use to make the payment.

- Click on the **Pay Now** button.
Select the correct “Account Name” and “Payment Request Date”.

The Bank Details will be populated and the “Amount Due” will be displayed below “Payment Summary.” Click on the “Pay Now” button.

Click on the “Confirm” button.

A pop up message will be displayed:
You will pay SARS: R464.11
From account:
On: 2020/02/14

Please be aware that once a payment is submitted this instruction cannot be reversed.

- Click on the “OK” button to continue.

---

Click on the “Print Confirmation” button to print the proof of payment for your own records.

- Kindly Note: that this is only a payment instruction and the payment must be released from the respective internet banking account.

12 TERMINATION OF ACTIVITIES

- If an entity wishes to terminate its activities proceed as follows:
  - Click on the “Returns” button displayed on the main menu;
  - Click on “Returns Issued” displayed on the left menu;
  - Select “Income Tax (ITR14/IT12TR/IT12EI)” from the side menu options under “Returns Issued.”
  - Note: the “Return Search” screen will be displayed.

- Select the future return (current year +1) on the drop down year of selection.

- The following pop up message will be displayed:
Click on the “OK” button to proceed.

13 ACCESS THE LETTERS/NOTIFICATIONS FROM SARS

SARS will communicate through letters published directly on eFiling.

Click “Search Correspondence” below “SARS Correspondence.”

- Select all or complete one of the following:
  - Tax Type;
  - Tax Year;
  - Letter type;
  - Notice Types;
  - Message Types.
  - Complete the Income Tax reference number and year. Select the appropriate dates to search.
• Click on the “Search” button and the list of letters issued will be displayed to view.

14 REQUESTING THE STATEMENT OF ACCOUNT

• The Request for a Statement of Account function is always available on eFiling.

• Click on the “Request Historic Documents” button displayed on the Income Tax Work page. Select “I want to request a Statement of Account” and click on the “Next” button.

Request Historic Issued Assessment Notices and Statement of Account

• Select the period, for which you would like to receive your Statement of Account and click on “Request”.
  - 6 months to date;
  - Defined date range (“From” Date and “To” Date).
- A hyperlink will be displayed if the statement of account is successfully generated.

- Click on the hyperlink to view the statement.

- The following message will be displayed if the statement is not immediately available: “The document you have requested will be available on your eFiling profile within 24 hours. If for any reason you do not receive it within this period, please try again”.

- Click on “Back” to return to the Income Tax Work Page.
15 GENERAL

- For further information visits the SARS website on www.sars.gov.za, call the SARS Contact Centre on 0800 00 SARS (7277), or visit your nearest SARS branch.

16 CROSS REFERENCES

<table>
<thead>
<tr>
<th>DOCUMENT #</th>
<th>DOCUMENT TITLE</th>
<th>APPLICABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT-GEN-04-G01</td>
<td>Comprehensive guide to the ITR14 return for companies – External</td>
<td>All</td>
</tr>
<tr>
<td>GEN-ELEC-18-G01</td>
<td>How to register, manage users and change user password on eFiling - External</td>
<td>All</td>
</tr>
<tr>
<td>GEN-PEN-05-G02</td>
<td>How to submit a Dispute via eFiling - External</td>
<td>All</td>
</tr>
</tbody>
</table>

17 DEFINITIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>AFS</th>
<th>Annual Financial Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFC</td>
<td>Controlled Foreign Company</td>
</tr>
<tr>
<td>CIT</td>
<td>Corporate Income Tax</td>
</tr>
<tr>
<td>Dormant</td>
<td>A dormant company is defined as a company that was not actively trading for</td>
</tr>
<tr>
<td></td>
<td>the full year of assessment (i.e. if the company partially traded during the</td>
</tr>
<tr>
<td></td>
<td>year of assessment, the company will not be regarded as a dormant company).</td>
</tr>
<tr>
<td>ICS01</td>
<td>Short term insurance schedule</td>
</tr>
<tr>
<td>IT10A</td>
<td>Controlled Foreign Company prior 2012</td>
</tr>
<tr>
<td>IT10B</td>
<td>Controlled Foreign Company 2012 onwards</td>
</tr>
<tr>
<td>IT14SD</td>
<td>The IT14SD is a supplementary declaration only requested by SARS in the</td>
</tr>
<tr>
<td></td>
<td>instance where an ITR14 has been identified for verification by the Risk</td>
</tr>
<tr>
<td></td>
<td>Engine. The IT14SD requires a company to reconcile Income Tax, Value Added</td>
</tr>
<tr>
<td></td>
<td>Tax (VAT), Employees’ Tax (PAYE) and Customs declarations after the initial</td>
</tr>
<tr>
<td></td>
<td>submission of the Income Tax Return for Companies (ITR14) for the applicable</td>
</tr>
<tr>
<td></td>
<td>year of assessment specified in the verification letter.</td>
</tr>
<tr>
<td>IT48</td>
<td>Farming Schedule</td>
</tr>
<tr>
<td>ITA34C</td>
<td>Notice of Assessment</td>
</tr>
<tr>
<td>ITR14</td>
<td>Income Tax Return for Companies (Return of Income: Companies)</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PBO</td>
<td>Public Business Organisation</td>
</tr>
<tr>
<td>RCH01</td>
<td>Schedule for companies electing to be a Headquarter Company</td>
</tr>
<tr>
<td>RD</td>
<td>SARS internal revision performed by SARS auditor or assessment maintenance</td>
</tr>
<tr>
<td></td>
<td>user on an ITR14.</td>
</tr>
<tr>
<td>RFC</td>
<td>Request for Correction: Taxpayer submits revised ITR14 declaration</td>
</tr>
<tr>
<td>SARS</td>
<td>South African Revenue Service</td>
</tr>
<tr>
<td>TLAB</td>
<td>Taxation Laws Amendment Bill</td>
</tr>
<tr>
<td>VCC</td>
<td>Venture Capital Companies</td>
</tr>
<tr>
<td>YOA</td>
<td>Year of Assessment</td>
</tr>
</tbody>
</table>
DISCLAIMER
The information contained in this guide is intended as guidance only and is not considered to be a legal reference, nor is it a binding ruling. The information does not take the place of legislation and readers who are in doubt regarding any aspect of the information displayed in the guide should refer to the relevant legislation, or seek a formal opinion from a suitably qualified individual.

For more information about the contents of this publication you may:
- Visit the SARS website at www.sars.gov.za
- Visit your nearest SARS branch
- Contact your own tax advisor/tax practitioner
- If calling from within South Africa, contact the SARS Contact Centre on 0800 00 SARS (7277)
- If calling from outside South Africa, contact the SARS Contact Centre on +27 11 602 2093 (only between 8am and 4pm South African time).