



South African Revenue Service

Dear Taxpayer

CORPORATE INCOME TAX (CIT): FORM AND SYSTEM CHANGES TO BE INTRODUCED FROM 10 SEPTEMBER 2021

On 10 September 2021, SARS will introduce form and system changes to the Income Tax Return for Companies (ITR14) and the Notice of Assessment for Companies (ITA34C). A limited number of source code descriptions will also be updated.

We continue to work tirelessly to update the systems and processes pertaining to the filing of Income Tax returns for companies. This is part of our commitment to building a smart, modern SARS with unquestionable integrity. We believe these changes will contribute to making it easy to comply and to providing clarity and certainty for taxpayers to meet their tax obligations.

The changes include:

- Updated source code descriptions
 - Changing the description of all crypto-related source codes from Cryptocurrency to Crypto Asset.
- An update on the ITR14 return with all the latest legislative changes and additions of the appropriate validations. The changes made relate to the following sections of the Income Tax Act:
 - Section 10(1)(yA)Section 10(1)(t)
 - Section 12DA
 - Section 12F
 - Section 13*quat*
 - Section 13*sept*
- Additional validations that apply to Real Estate Investment Trusts (REIT) and Exempt Foreign Dividends, in terms of the Income Tax Act, were added.
- The Audit “Letter of Findings” was enhanced to enable the auditors to explain how the Understatement Penalty (USP) was raised.
- Enhancement of the ITA34C to correctly display the “Payment Due Date”, and an explanatory note will be added to the ITA34C.

SARS thanks compliant taxpayers who filed and paid their taxes on time. We value the support from tax practitioners in their critical role to bridge the gap between taxpayers and SARS. As legislation and regulations are amended from time to time, it is of utmost importance that tax practitioners that represent companies, keep abreast of the legal changes, to ensure that companies continue to meet their tax obligations. We also want to encourage companies to make use of SARS eFiling for easy and convenient submission.

Company Income Tax (CIT) is a tax imposed on companies resident in the Republic of South Africa, that is, incorporated under the laws of, or which are effectively managed in the Republic, and which derive income from within or outside the Republic. Non-resident companies which operate through a branch, or which have a permanent establishment within the Republic, are subject to tax on all income from a source within the Republic. Such companies are required to submit an annual return in the prescribed form and are also required to submit provisional tax returns.

CIT filing is currently an area of focus for SARS. As the institution closes in on non-compliance by companies, we wish to remind registered companies and tax practitioners that it is compulsory for companies to file a return on time, and to ensure that it is complete in all respects. Failure to submit the return(s) within the prescribed period will result in estimated assessments being raised, and could result in a summons and/or criminal prosecution, which upon conviction is subject to a fine or to imprisonment for a period of up to two years.

More information

Should you have any queries, please contact your SARS-dedicated stakeholder management representative, your dedicated relationship manager, or visit the SARS website on www.sars.gov.za

Sincerely

THE SOUTH AFRICAN REVENUE SERVICE

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