



*South African Revenue Service*

Dear Taxpayer

## **Enhancements to the Income Tax Return for Trusts (ITR12T)**

During September 2018, the South African Revenue Service (SARS) will implement several changes to the Income Tax Return for Trusts (ITR12T) in respect of the year of assessment ending on 28 February 2018.

The changes are being implemented as part of SARS's ongoing efforts to promote efficiency and compliance.

If you saved or submitted your 2018 ITR12T prior to the implementation of the latest changes, none of the new fields will be presented for completion.

The contents of the return are fully customisable, based on answers to certain questions presented to you for completion.

### **Some important changes to the ITR12T**

- The Trust Type will be pre-populated on the ITR12T. If the Trust Type is Special Trust Type A or B, validation questions will be presented for response, and based on the answers provided, the Trust Type may change;
- Certain fields on the Income from Local Farming Operations (IT48) and Income from Local Partnership Farming Operations (IT48V) will be pre-populated, and certain fields will now auto-calculate;
- The Income from Local Farming Operations (IT48) and Income from Local Partnership Farming Operations (IT48V) will now cater for negative currency to be captured;
- The Trustee will be able to select one or both of the options Vested and Discretionary, if this is applicable to the Trust;

- A new question pertaining to Imputed Income from Controlled Foreign Companies has been added to the ITR12T wizard. If this is applicable to the Trust, the ITR12T form will display a new container to be completed; and
- The following **fields have been added** to the IT12T and ITA34T:
  - Reduction in Debts (s19).
  - Cash contributions to a Rehabilitation Trust Fund (s37A).
  - Amounts in respect of certain (tainted) intellectual property (s23l).

### **Supporting documentation and additional information**

The following documents (at a minimum) are needed in order to complete the Income Tax Return for Trusts (ITR12T) on eFiling:

- Financial statements and/or administration accounts
- All certificates and documents relating to income and deductions
- Proof of any tax credits claimed
- Particulars of assets and liabilities
- Details of persons/beneficiaries to whom income, capital and/or assets were distributed/vested.

**Please note** that for ITR12T submitted at a SARS branch, all relevant supporting documents must be provided.

**Remember to keep all supporting documents for five years. SARS may request the documents if verification is required.**

Where applicable, the following schedules which are available on the SARS [www.sars.gov.za](http://www.sars.gov.za), website, must be completed, as you will be required to upload these in respect of your ITR12T submission:

- Where the Trust was engaged in mining or mining operations, as defined in Section 1 of the Income Tax Act: Mining Schedules A and B.

- Where the Trust, together with any connected person in relation to the Trust, holds at least 10% of the participation rights in any controlled foreign company (CFC): IT10 schedule (in respect of each CFC).

To upload the supporting documents via eFiling, click on “Upload supporting documents” once you are ready to submit your return.

### **Maintaining registered particulars of the trust**

- Before completing the ITR12T return, the Trust’s particulars will have to be maintained.
- Make sure that the contact, address, banking and trustee details are correct by updating, where required, on the Registration, Amendments and Verification Form (RAV01). The RAV01 can be verified and updated by:
  - Clicking on “Maintain Registered Particulars” on eFiling. SARS may request you to come into a branch to verify any changes to the banking details which may have been effected via eFiling;
  - Or
  - Visiting a SARS branch. Please consult the RAV01 guide on the SARS website to prepare the mandatory supporting documents (relevant material) required when updating banking and trustee details at a SARS branch.

### **How to submit the ITR12T**

You can submit the ITR12T via the following channels:

- eFiling: Taxpayers who have not yet registered for eFiling are encouraged to do so, as this will enable them to complete and submit the return online in a secure environment.
- SARS branch: If you are representing a trust with ten or fewer beneficiaries, you have the option to have the ITR12T return captured by an agent at the branch. Please print the return and complete all the required fields prior to

visiting the branch. You can download the ITR12T return from the SARS website [www.sars.gov.za](http://www.sars.gov.za). **SARS branches will no longer print the ITR12T.**

**Please note that manually completed and posted ITR12Ts are no longer accepted by SARS.**

For more information, please visit the Trust page on the SARS website [www.sars.gov.za](http://www.sars.gov.za), where you will find guides which will help you to complete and submit your return, or contact the SARS Contact Centre on 0800 00 7277.

**THE SOUTH AFRICAN REVENUE SERVICE**

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