



South African Revenue Service

Dear Tax Practitioner

INTRODUCTION OF AN ENHANCED DYNAMIC INCOME TAX RETURN FOR COMPANIES (ITR14)

As part of the continued process to maintain high levels of SARS efficiency and taxpayer compliance, further enhancements have been introduced to the Income Tax Return for Companies (ITR14) from 18 April 2016.

The dynamic ITR14 will be hosted in Adobe Flash Player (version 11 and onwards) and will allow you to create a customised return for completion. Auto-calculations have been added, thus simplifying the completion of the ITR14. Furthermore, the ITR14 can now be saved on eFiling at any time and completed later. Saved declarations can be opened and amended before being submitted on eFiling.

Verify details

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

- Clicking on the "Maintain legal entity details" button on eFiling. SARS may request you to come into a branch to verify any changes to your banking details which may have been done via eFiling.
- Visiting a SARS branch. Please consult the "How to Complete the Registration Amendments and Verification form (RAV01) – External 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.

Submit the correct version

It is very important to note that if you have completed an ITR14 in the current format and you have not submitted it by 15 April 2016 you will be required to complete the new ITR14 for submission. Submissions and Request for Corrections (RFC) will continue to all be done electronically on eFiling or at a SARS branch, ensuring efficiency and accuracy.

Changes to the ITR14 fields

The following changes to fields that need to be completed should be noted:

- Disclose donations separately in respect of section 18A on the ITR14. For a company that is not a collective investment scheme, the allowable donations will be limited to 10% of taxable income and the remaining balance will be carried forward to the next year of assessment. For collective investment schemes, the allowable section 18A donations will be limited to 0,005 of the average value of the aggregate of all participatory interests held by investors in the portfolio. Donations that are disclosed in the Income Statement will automatically be deducted in the tax computation.
- The details of investments in venture capital companies are required
- Provision has been made for debt reduction in respect of paragraph 12A (4) of the Eighth Schedule.

- Transfer pricing related transactions have been expanded to request the details of the number of tax jurisdictions, countries and value per country.
- Additional questions have been added to the ITR14 to assist SARS with the assessment.
- Where a company claims PAYE credits, the IRP5 numbers related to the company will be pre-populated on the ITR14.
- The tax computation has been extended to include additional fields aligned to changes in legislation.

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 or contact the SARS Contact Centre on 0800 00 7277.

Sincerely

THE SOUTH AFRICAN REVENUE SERVICE

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