



South African Revenue Service

Dear Sir/Madam

### **INTRODUCING A MODERNISED INCOME TAX RETURN FOR TRUSTS (ITR12T)**

SARS will soon be introducing a new modernised Income Tax Return for Trusts. The new ITR12T will be an interactive return that will allow you to navigate from different menu items.

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

When launched, the new ITR12T return will replace the current IT12TR.

The main features of the enhanced return are:

- Trust details will be pre-populated
- Expanded financial and legal reporting requirements
- Full details of all parties contributing funds, assets, etc. into the trust will need to be provided as well as details of the actual transactions made
- Full details of any party benefitting in any way from the trust as well as details of the benefits received or enjoyed will need to be provided for every beneficiary
- Assessment results will be available sooner than before.

### **What this means for you**

- Once the new form is implemented, SARS will no longer accept the current IT12TR return.
- SARS would like to encourage you to complete and submit any current IT12TRs that you are currently preparing before the new trust return (ITR12T) becomes effective so that you don't lose any of the work you have already done on the return. You will receive a warning message that you should print out the current IT12TR before completing the new ITR12T return. You can then recapture this information on the new return once it comes into effect.
- Details of all parties benefitting from the trust in any way will be required. These details include identification and demographic information of the beneficiaries.
- Details of all parties and the actual transactions must be obtained so that it can be captured on the new return once it comes into effect.

It is important to note that for Trusts with more than ten beneficiaries eFiling will be the only channel for submitting your ITR12T from the date that the new ITR12T return is launched. The required supporting documents (relevant material) must be uploaded on eFiling by selecting the Supporting Documents option.

SARS branches will no longer print trust returns. Smaller trusts with ten or less beneficiaries are urged to use eFiling, however, if not registered for eFiling they may submit at a branch. In such instances these trusts must review the form and guide on the SARS website [www.sars.gov.za](http://www.sars.gov.za). The information must be presented at a SARS branch where an agent will capture the return.

**Please note that manually completed and posted ITR12Ts will not be accepted from the date that the new ITR12T becomes effective.**

### **Enhancements to the ITR12T**

Enhancements to the Income Tax Return for Trusts (ITR12T) include changes in terms of legislation and new fields for completion. You will be able to create a fully customised return by completing the “Information to create income tax return” page on the interactive return.

The answers you give on the “Information to create income tax return” page will allow for a distinction to be made between bigger and smaller trusts.

The trust must provide the details of the following transactions that took place during the year of assessment:

- Capital or revenue distributed or vested in beneficiaries
- Distributions or vesting of non-taxable income
- Distribution or vesting of capital or assets
- Loan(s) granted and received
- Donation(s) or contribution(s) made or received
- Distributions received from other trusts or foundations
- Refund(s) received on contribution(s) made to this trust
- The right of use of asset(s) granted.

Trusts with 50 or less distinct persons to whom the above mentioned transactions applied during the year of assessment, must provide the details of each transaction for every person.

Trusts with more than 50 distinct persons to whom the above mentioned transactions applied during the year of assessment, must provide details of transactions at a consolidated level and the details of each transaction for every person (limited to 50) with the highest transactions in excess of R500 000.

**Please note: Information will be mandatory in so far as it relates to distributions to beneficiaries. The other above-mentioned information will only be mandatory from the 2015 tax year.**

Where a trust has more than ten beneficiaries to whom any of the above mentioned transactions were applicable during the year of assessment, the trust must register for eFiling and submit the ITR12T via eFiling.

### **Supporting documents (relevant material) and additional information**

To complete the Income Tax Return for Trusts (ITR12T) easily, have the following documents which are applicable to the trust on hand if you are eFiling or with you if you are filing at a SARS branch:

- Financial statements and/or administration deductions
- All certificates and documents relating to income and deductions
- Proof in relation to any tax credits claimed
- Particulars of assets and liabilities.

**Remember to keep all your supporting documents (relevant material) for five years, SARS may request the documents if verification is required.**

Please complete the following schedules, where applicable, as you will be required to upload these in respect of your ITR12T submission. You will be able to upload the required supporting documents via eFiling by clicking on the "Upload supporting documents" link at the time of filing:

- If the trust was engaged in mining or mining operations as defined in section 1 of the Income Tax Act, complete Schedules A and B available on the SARS website [www.sars.gov.za](http://www.sars.gov.za)
- If 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), complete the IT10 schedule available on the SARS website.

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

- Before completing the ITR12T you will need to maintain the trusts' legal entity particulars
- Make sure that the contact, address, banking and trustee details of the trust are correct by verifying and updating where required on the Registration, Amendments and Verification Form (RAV01). You can verify and update the RAV01 details 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 done via eFiling
  - 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.

### **Submission deadline for the current IT12TR**

The submission deadline is 30 January 2015 for the 2014 tax return.

Please note that **submissions of the current IT12TR made after the new ITR12T form is introduced, will not be accepted.** From the effective date of the new ITR12T if you:

- Currently submit your IT12TR via eFiling, you will be presented with the new ITR12T for completion on your eFiling profile
- Manually complete and post your IT12TR return, it will be rejected and a letter will be sent informing you of the new return and submission requirements.

### **Handling of saved returns after the submission date for the current IT12TR**

Please note that SARS will handle returns completed on the current IT12TR return after the date on which the new ITR12T becomes effective, as follows:

- **Manual Submissions** - All submissions **received** via a SARS branch or via the post **before** the 3<sup>rd</sup> of October 2014 will be processed by SARS, but all returns received after this date will not be accepted. A rejection letter will be issued by SARS and the new ITR12T will have to be completed and submitted.
- **eFiling submissions** – If you have saved your return on eFiling but have not submitted it by the 3<sup>rd</sup> of October 2014, you will be able to view and print your old return, where after you will be presented with the new ITR12T for completion and submission.

- **Bulk submissions** – All bulk submissions prepared in the old format will not be accepted after the 3rd of October 2014.

### **How to request and submit the ITR12T**

The ITR12T can only be submitted 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: A Trust with ten or less beneficiaries has the option to have the ITR12T return captured by an agent on behalf of the trust representative / tax practitioner, who would have prepared all the required fields prior to visiting the branch. Please note that the ITR12T return must be downloaded from the SARS website and completed prior to visiting the branch as there will be no printing of the ITR12T at a SARS branch.

For more information please visit the Trust page on the SARS website [www.sars.gov.za](http://www.sars.gov.za) or contact the SARS Contact Centre on 0800 00 SARS (7277).

Sincerely

**THE SOUTH AFRICAN REVENUE SERVICE**

**September 2014**