



COMPREHENSIVE GUIDE TO THE INCOME TAX RETURN FOR TRUSTS

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1 SUMMARY

- a) The purpose of this document is to provide guidance for the completion of the Income tax return for Trusts (ITR12T).
- b) A Trust is formed when the founder (also referred to as a donor or settlor) places cash or other assets under the administration and control of a trustee(s) to or for the benefit of a beneficiary(ies) or for a specified purpose.
- c) Under the South African law, there are three types of Trusts:
 - i) **Ownership Trust** – A founder or settlor transfers ownership of assets or property to the trustees to be held in the Trust for the benefit of a defined or a determinable beneficiary(ies) of the Trust. This type of Trust is commonly referred to as a discretionary Trust. This Trust can either be formed by agreement during someone's lifetime (*inter vivos*) or by means of a Last Will and Testament (*mortis causa*).
 - ii) **Bewind Trust** – A founder or settlor transfers ownership of assets or property to beneficiaries of the Trust. The assets remain the property of the beneficiaries, but it is administered by the trustees (i.e., trustees are given control over the property). This type of Trust is commonly referred to as a vesting Trust. Similar to the ownership Trust, this type of Trust can also either be formed by agreement during someone's lifetime (*inter vivos*) or by means of a Last Will and Testament (*mortis causa*).
 - iii) **Curatorship Trust** – The trustees administer the assets of the Trust for the benefit of a beneficiary that lacks the capacity to do so, for example, a curator placed in charge of a person with a disability.
- d) In terms of section 6(1) of the Trust Property Control Act, no person may act as trustee without proper authorisation from the Master of the High Court where applicable. The Master of the High Court issues a *Letters of Authority* (LoA) authorising the trustees to act as trustees. The trustees may only act as such once the Master has issued the LoA and any trustee action(s) prior to the LoA having been duly issued, will be *ultra vires* (beyond/without authority).
- e) Trusts may be described according to:
 - i) **Their method of formation** (*inter vivos* or *mortis causa* Trusts).
 - A) An *inter vivos* Trust is created during the lifetime of an individual.
 - B) A *mortis causa* Trust is created upon the death of an individual under that individual's Last Will and Testament.
 - ii) **The rights they confer on the beneficiaries** (vesting and discretionary Trusts).
 - A) Under a vesting Trust the income or capital gain or assets of the Trust are vested in the beneficiaries and the beneficiaries are said to have vested rights to the income or assets of the Trust. The beneficiaries are the true owners of the Trust capital and income, whilst the trustees are only empowered to administer the Trust fund.
 - B) Under a discretionary Trust, the trustees usually have the discretion as to whether and how much of the income or capital of the Trust to distribute to the beneficiaries. In these circumstances, the beneficiaries merely have contingent/discretionary rights (hope or *spes*) to the income or capital of the Trust (note: it is also not uncommon to find hybrid rights within a Trust – this means that one Trust instrument may include vested and discretionary rights).
- f) **The purpose of the Trust** (e.g., estate planning, trading Trust (business Trust), asset-protection Trust, charitable Trust, or special Trust).

2 2024 FILING SEASON ENHANCEMENTS

- a) With the 2024 legislative changes the new fields for completion purposes have resulted in an enhanced income tax return for Trusts (ITR12T) –
 - i) **Section 12BA of the Income Tax Act 58 of 1962 – Enhanced deduction in respect of certain machinery, plant, implements, utensils and articles used in the production of renewable energy.**

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- A) To enhance the attractiveness of the tax incentive to encourage greater private investment in renewable energy by temporarily enhancing the current renewable energy tax incentive available in section 12B of the Income Tax Act.
- B) **Assets eligible for the enhanced renewable energy tax incentive would include:**
 - I) Currently eligible renewable energy sources under section 12B of the Act include, Wind power, PV solar energy, concentrated solar energy, Hydropower to produce electricity, Biomass comprising organic wastes, landfill gas or plant material. However, there will be no electricity generation limits for the duration of this temporary incentive as is with the current provision of section 12B. The enhanced renewable energy tax incentive will in addition apply to supporting structures as per section 12B of the Act in which the above-listed assets are mounted on or are affixed to.
- C) **Time period for the enhanced renewable energy tax incentive**
 - I) The tax incentive should be available for a period of 2 years and apply to qualifying new and unused assets brought into use for the first time on or after 1 March 2023 and before 1 March 2025.
- D) **Rate of depreciation for the enhanced renewable energy tax incentive**
 - I) Businesses would be allowed an upfront tax deduction of 125 per cent of the cost incurred with reference to eligible assets.
- E) **Eligibility for the temporary incentive**
 - I) The taxpayer must be the owner of the asset referred to and such asset must be used in the production of income. The lessor in the operating leasing arrangement will retain the right to claim the deduction in terms of section 12BA.
- F) **Limitation of enhanced renewable energy tax incentive in respect of assets granted an allowance in terms of section 12B of the Act**
 - I) To ensure that there is no duplication of tax incentives in respect of the enhanced renewable energy tax incentive, the legislation aims to clarify that taxpayers can deduct expenses incurred either in respect of section 12B or 12BA, but not both – in respect of assets brought into use during the two-year period. However, it should be noted that if the asset was brought into use prior the set date, the taxpayer would qualify for both provisions on section 12B (based on the progressive deduction) and section 12BA for the new asset.
- G) **Interaction between enhanced renewable energy tax incentive in section 12BA of the Act and government grants**
 - I) If a business purchases qualifying assets with a combination of their own funds and funding in respect of a government grant, the 12BA allowance will only be available in respect of the portion of expenditure incurred using the taxpayer's own funds. This would mean that the deduction would be apportioned and not apply in respect of/against amount received as a government grant.
- H) **Recoupment of enhanced renewable energy tax incentive**
 - I) Where a taxpayer disposes of an asset on or before 1 March 2026 in respect of which an enhanced renewable energy tax incentive is granted, the amounts (a maximum of 125 per cent of the cost of the asset) deducted under section 12BA of the Act will be fully recouped in terms of section 8(4)(a) read together with new provision section 8(4)(nA) of the Act.
 - I) **ITR12T form changes** include new and amendments to the following containers, to include the required changes:
 - I) Local Business and Trading Income including crypto assets(s) (excluding Rental Income from the letting of Fixed Property and Farming Income).
 - II) Income from Local Farming Operations (IT48).
 - III) Income from Local Partnership Farming Operations (IT48V).
- ii) **Section 13quat of the income Tax Act 58 of 1962 – Urban Development Zone (UDZ)**
 - A) The tax incentive extension of the sunset date for a period of two years from 31 March 2023 to 31 March 2025.
- iii) **Section 7C of the Income Tax Act 58 of 1962 - Loan – advances or credit granted to Trusts by a connected person**
 - A) The exclusion for the acquisition of a primary residence be clarified by also including funding of improvements to the primary residence and by applying the limitations in paragraph 46 relating to the land on which the primary residence is situated.

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- B) Section 5 states that, subsections 2 and 3 do not apply in respect of any amount owing by the Trust or company during the year of assessment in respect of a loan, advance or credit referred to in subsection (1) if:
 - (d) that Trust or company used that loan, advance or credit wholly or partly for the purposes of funding the acquisition or improvement of an asset and—
 - (i) the natural person referred to in subsection (1)(a) or (b) or the spouse of that person used that asset as a primary residence as contemplated in paragraph (b) of the definition of “primary residence” in paragraph 44 of the Eighth Schedule, where that primary residence and the land on which it is situated (including unconsolidated adjacent land) do not exceed two hectares are together used mainly for domestic or private purposes, throughout the period during that year of assessment during which that Trust or company held that asset; and
 - (ii) the amount owed relates to the part of that loan, advance or credit that funded the acquisition or improvement of that asset.”
- C) **ITR12T form changes** include a new question in the details of loan(s) granted to the Trust container.
- iv) **Section 25B of Income Tax Act 58 of 1962 – Taxation of non-resident beneficiaries of Trusts**
 - A) Amendments made to section 25B of the Act to align it with the provisions of paragraph 80 of the Eighth Schedule to the Act by limiting the flow through principle only to resident beneficiaries, which then means that “ALL” amounts vested (and subsequently distributed) to the non-resident beneficiary would be deemed to accrue to the Trust and be taxed in the hands of the Trust.
 - B) ITR12T form changes include new and amendments to Local and Foreign income containers.
 - C) This amendment will come into effect with the 2025 year of assessment changes.
- v) **Section 246 of Tax Administration Act No. 28 of 2011 – Public Officer**
 - A) A new question has been added to the form wizard to confirm that the person appointed as a trustee has not been disqualified.
- vi) **Section 18A of Income Tax Act 58 of 1962 – Donations**
 - A) The donations questions have been updated to allow the taxpayer to enter up to 20 number of approved organisations, that the Trust donates to.
 - B) New fields have been included:
 - l) Name of Entity/Organisation.
- vii) **Section 12H of the Income Tax Act 58 of 1962 – Learnership agreements**
 - A) Amend the Learnership Allowance field under the Local Business and Trading Income including crypto asset(s) (excluding Rental Income from the letting of Fixed Property and Farming Income) container, specifically the special allowances not claimed in the income statement sub container from Learnership Allowance: Agreements in effect/completed in current year (Agreements entered into on or after 1 October 2016) to Learnership Allowance: Agreements in effect/completed in current year (Agreements entered into on or after 1 October 2016 but before 1 April 2024).
 - B) Also introduce a new field on the Tax Allowances/Limitations container, asking the taxpayer to confirm that the registered learnership agreement was entered into before 1 April 2024.

- b) Additional amendments to the Income Tax Return for Trust (ITR12) have been updated in the relevant sections of the guide below.

3 PASSIVE TRUSTS: WHY TRUSTS CANNOT BE “DORMANT”

- a) Trustees remain accountable for all tax matters of a Trust regardless of the economic activity of the Trust and remain responsible until the Trust terminates. Trustees are reminded that their fiduciary duties and responsibilities remain in place for the duration of the life cycle of the Trust. In addition, the Trust Property Control Act (57 of 1988) (TPCA) places a responsibility on trustees to act with due care and diligence for the period that they act as a trustee of a Trust.

- b) In this regard SARS created a simplified Tax Return to deal with Trusts that do not have any economic activity. These Trusts are labelled as “Passive Trusts”.

3.1 Creature of Contract

- a) An *inter vivos* Trust is created during the Founder’s lifetime in terms of an agreement to benefit a third party. The Founder (also known as the Settlor or Donor) enters into an agreement with the trustees in terms of which the beneficiaries may be benefited. The initial *corpus* (body) of the Trust is a donation that the Settlor makes, usually a nominal amount of R100 or R1000, which the trustees accept in the official capacity and undertake to manage it as part of the Trust property for the benefit of the beneficiaries and not for their own benefit.
- b) A Trust can also be created in terms of the Final Will and Testament of a deceased person in which case the Trust will be known as a Will or Testamentary Trust. In this case the deceased person will nominate trustees in the Final Will to hold assets in the Trust for the benefit of the beneficiaries and the Trust Deed will be the Final Will and Testament itself. The trustees will have the same fiduciary duties and responsibilities as if the Will Trust was an *inter vivos* Trust.
- c) The Trust Property Control Act (57 of 1988) (“TPCA”) is the governing legislation that deals with Trusts in South Africa and the trustees’ fiduciary duties and responsibilities can be found in the TPCA, which are augmented by appropriate Court Cases dealing with Trusts and in terms of the South African Common Law. It is important to note that trustees have a continuous duty to comply with their relevant obligations.
- d) All trustees must act jointly and apply their minds when administering a Trust and they cannot abdicate their fiduciary duties and responsibilities. Trustees remain accountable for the affairs of the Trust during the lifespan of the Trust.

3.2 Dormant versus Passive Trust

- a) The concept of a dormant Trust is a common misconception in South African Trust administration. Despite widespread belief, Trusts cannot simply be placed in a state of dormancy like companies. The notion of a dormant Trust is legally and practically incorrect. The fact that a Trust does not engage in any economic activity does not render it to be dormant.
- b) As mentioned above, trustees are under continuous obligation to comply with their fiduciary duties and responsibilities, even if there is no economic activity in the Trust.
- c) Trusts/trustees must comply with:
- All relevant fiscal legislation; such the Income Tax Act and Tax Administration Act. All resident Trusts are obliged to file annual income tax returns (ITR12T) irrespective of their economic activity.
 - The TPCA.
 - The Common Law fiduciary duties and responsibilities.
 - The terms and conditions of the Trust Deed, such as to meet on an annual basis and to prepare annual financial statements. (This is especially relevant where the Trust holds “lifestyle assets”, exotic motor vehicles, property used by the Settlor, trustees and/or beneficiaries as their primary residence).
- d) Based on the above requirements, a Trust with no economic activity should thus be classified as being “Passive” as opposed to “Dormant”. The Trust tax return has been amended to provide for a shortened tax return for Passive Trusts. A Wizard question will appear when the Trust tax return is opened.

4 WHO MUST COMPLETE AND SUBMIT THE ITR12T

- a) A Trust is a “person” for tax purposes and is therefore a taxpayer in its own right. The ITR12T must be completed and submitted by the trustees of the Trust, or the tax practitioner appointed by the trustee(s).
- b) The following special Trust types are recognised for tax purposes:

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- i) **Special Trust – Type A** – means a special Trust referred to in paragraph (a) of the definition of “special Trust” in section 1 of the Income Tax Act. This Trust is created solely for the benefit of one or more persons who is a relative of the founder and that has a disability as defined in section 6B (1) and such disability incapacitates the person(s) from earning sufficient income for their maintenance, or from managing their own financial affairs.
 - A) To be classified as a Special Trust – Type A, approval must be obtained from SARS.
 - B) A Trust will cease to be a Type A Trust from the beginning of the year of assessment during which all the beneficiaries with a disability (for whose sole benefit the Trust was created) become deceased.
- ii) **Special Trust - Type B** – means a special Trust referred to in paragraph (b) of the definition of “special Trust” in section 1 of the Income Tax Act. This Trust is created in terms of the Last Will and Testament of a deceased person solely for the benefit of beneficiaries who are the deceased person’s relatives, who are alive at the time of death of the deceased, and the youngest is under the age of 18 at the end of the year of assessment (also note the definition of the term “relative” that includes relatives in the third degree of consanguinity in relation to the beneficiary).
- iii) **Collective Investment Schemes** - A scheme, in whatever form, including an open-ended investment company where members of the public are invited to invest money or other assets in a portfolio, and in terms of which two or more investors contribute money and hold a participatory interest in a portfolio of the scheme through shares, units or any other form of participatory interest. The investors share the risks and the benefits of the investment in proportion to their participatory interest in a portfolio of a scheme or on any other basis determined in the deed.
- c) The Income Tax Act distinguishes between the following types of collective investment schemes:
 - i) A portfolio of a collective investment scheme in securities;
 - ii) A portfolio of a collective investment scheme in property;
 - iii) A portfolio of a collective investment scheme in participation bonds;
 - iv) A portfolio of a declared collective investment scheme; and
 - v) A portfolio of a hedge fund collective investment scheme.

The following should be noted when registering collective investment schemes for tax purposes:

- **A portfolio of a collective investment scheme in securities must be registered with SARS as a Trust for Income Tax purposes.**
- **A portfolio of a Collective Investment Scheme in property that qualifies as a REIT must be registered with SARS as a company for Income Tax purposes.**

4.1 How to obtain and submit a return

4.1.1 eFiling

- a) The quickest, easiest, and most convenient way to obtain an ITR12T return is to register as an eFiler on www.sars.gov.za, request the return and then customise it by completing the questions on the first page of the return.
- b) Any Trust that has more than 10 beneficiaries at any time during the year of assessment (YOA) is required to register and submit the ITR12T via eFiling. Trusts with less than 10 beneficiaries may register and submit returns via SARS Online Query System (SOQS) and at a SARS Office.

4.1.2 SARS Office

- a) Trusts that are not registered for eFiling and have less than 10 beneficiaries may register via the SARS Online Query System (SOQS) or may visit any of the SARS branches by walk-in appointment only or by voice calls or video calls interaction with a SARS official, refer to GEN-BO-09-G01 - Book an Appointment at a SARS - External Guide to submit the return.

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- b) All the necessary information required to complete the ITR12T return must be collected, calculated, and consolidated **prior** to visiting a SARS branch.
 - i) The SARS official at the branch will not assist with the interpretation of the financial statements or other information and will only capture the information prepared by taxpayer/tax representative.
 - ii) An example of the Trust income tax return is available on the SARS website to assist with the information required to complete the return.
 - iii) SARS recommends that taxpayer/tax representative consult a registered tax practitioner of your choice should you require assistance in this regard.
- c) If the Trust return, financial information, or other relevant material has not been prepared for capturing, the SARS official will not be able to finalise the return.
- d) As part of the SARS Go-Green initiative to decrease the use of paper, SARS officials at the branch will not print a copy of the ITR12T return that has been submitted.

Note 1: SARS no longer accepts copies of the ITR12T return sent *via* post or *via* the SARS drop box.

4.1.3 Request for correction (RFC)

- a) The Trust representative/tax practitioner may submit a corrected version of the ITR12T return *via* the following channels:
 - i) eFiling if the Trust is registered for eFiling.
 - ii) The SARS branch walk-in by appointment only, voice calls, or video/virtual calls for interaction with a SARS official.
- b) If a correction is done on eFiling, the ITR12T return will be pre-populated with the most recent information submitted to SARS. Taxpayer/Tax Representative must correct the applicable fields on the return. A new version number will automatically be allocated to the amended return.
- c) If a correction is requested for a return previously submitted in an older format (e.g., original return submitted in February 2023 and correction requested in March 2024):
 - i) eFiling will display a message indicating that the return will be converted to the new ITR12T format for completion.
 - ii) This new version return will only be pre-populated with minimal data that could be transferred from the old format return.
 - iii) In this instance, the original ITR12T must be printed *via* eFiling, and the applicable information should be re-captured onto the new version of the return.
- d) Once a corrected ITR12T has been submitted, no action can be taken on the previous version, as it will be replaced by the new version.

NOTE: A request for correction will not be allowed if the following conditions exist for the year of assessment:

- **An audit case has been finalised;**
- **A revised declaration or agreed estimate was performed by a SARS user;**
- **The relevant material have been submitted by the taxpayer since a compliance audit case was created; or**
- **An active Investigation/Assurance audit case exists.**

4.2 Schedules required to finalise a return

- a) The following schedules (available on www.sars.gov.za) must be completed and attached to the ITR12T as relevant material (see below mandatory document that should be supplied).

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- b) Ensure all mandatory supporting documents are provided and in a manner that can be easily accessed by SARS. All relevant documents are indicated in a drop-down menu in the return.
- i) If a Trust is a Collective Investment Scheme (CIS) the following documents are mandatory:
 - A) Annual Financial Statements/Annual Administration Accounts.
 - B) Copy of Trust Instrument.
 - ii) If a Trust is a Non-Resident Trust/Foreign Trust, the following documents are mandatory:
 - A) Annual Financial Statements/Annual Administration Accounts.
 - B) Minutes and Resolutions of the trustees.
 - l) All minutes, excluding those dealing with internal trustee governance arrangements and/or administrative matters, must be submitted.
 - C) Copy of Trust Instrument.
 - D) Beneficial Ownership Document per entity listed.
 - E) Details of the trustees.
 - F) Details of the Protector.
 - iii) Other Trust types (*Inter Vivos* Trust, Testamentary Trust, Special (a) Trust (*inter vivos* or Testamentary), Special (b) Trust (Testamentary):
 - A) Annual Financial Statements/Annual Administration Accounts.
 - B) Minutes and Resolutions of the trustees.
 - l) All minutes, excluding those dealing with internal trustee governance arrangements and/or administrative matters, must be submitted.
 - C) Copy of Trust Instrument i.e., Deed or Last Will and Testament.
 - D) Beneficial Ownership Document per entity listed.
 - E) Letters of Authority (LoA).
 - iv) If the percentage of participation rights is declared as at least 10% in any controlled foreign company (did the Trust(s), together with any connected person in relation to the Trust(s), hold at least 10% of the participation rights in any controlled foreign company) the following additional document will be required:
 - A) Controlled Foreign Company (IT10).
 - v) If the Trust is classified as a mining entity (was the Trust engaged in mining operations as defined in s1 of the income Tax Act), the following documents will be required:
 - A) Mining Schedules A & B.
- c) The Trust is required to keep all the relevant material (i.e., supporting documents/schedules) for a period of five (5) years from the date of submission of the return. SARS may, within the 5-year period, request these documents/schedules to verify the information that was declared/attached on the ITR12T return.
- d) If the return will be submitted at a SARS branch, the taxpayer/tax representative should make an appointment *via* eBooking Service.
- e) If the return is submitted at a SARS branch, the *pro forma* of the Trust income tax return (available on the SARS website) must be completed and presented to the SARS official for capturing. In other words, the taxpayer must wait until the SARS official has captured the Trust return.
- f) Beneficial Ownership Supporting Documents:
- i) Certain information must be submitted to SARS *via* e-Filing i.e., a copy of the Trust instrument, Letters of Authority, *etc.* These documents may include, but are not limited to, the following:
 - A) An organogram, illustrative, or schematic diagram depicting effective control of the Trust. Where the Beneficial Ownership is in the form of other legal arrangements or legal entities, the effective management should be provided in a separate attachment.
 - B) An Excel spreadsheet containing the above information; or
 - C) Such other document(s), that will provide detail on Beneficial Ownership in relation to the Trust.
 - ii) Note that for the current year of assessment, at least one document that provides Beneficial Ownership information must be submitted with the return.

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- A) The return will only allow the taxpayer to capture a maximum of 20 Beneficial Owners (per category).
- B) In the event that there are more than 20 Beneficial Owners, the taxpayer must upload a supporting document that reflects the additional Beneficial Owner(s).

4.3 When must the completed ITR12T be submitted

- a) The due date for submission of income tax returns for Trusts is published annually in the Government Gazette. Every year SARS embarks on an extensive publicity campaign to inform taxpayers of the deadline for the year.

4.4 Payment Due Date

- a) The payment due date will reflect as the 1st day of the following month after an assessment was raised and the interest free period/grace period will reflect as the end of the month of the payment due date.

4.5 Provisional Taxpayer

- a) Provisional taxpayers are required to make provisional tax payments within six months after the commencement of a year of assessment and then again by the end of the year of assessment. Currently, no provision is made for instances where a taxpayer has a short year of assessment, whether by reason of liquidation or ceasing to be a tax resident. Paragraph 21 of the Fourth Schedule has been amended to insert subsection (1A) to state that Provisional taxpayers are not required to make provisional tax payments for a period of less than six months of that year of assessment.

4.6 Notice of Assessment (ITA34T)

- a) ITA34T explanatory notes are added to explain the payment due date and will be displayed when relevant.
- b) The ITA34T will display both the payment due date and the interest free period/grace period to align with the provisions of section 89(2) of the IT Act.
- c) **Note:** The ITA34T is updated to include the following fields on all local and foreign income stream containers:
 - i) Gross receipts and accruals (excluding local or foreign amount(s) vested from other Trust(s)).
 - ii) Aggregate local or foreign income from other Trust(s).
 - iii) Total Gross receipts and accruals (including local or foreign amount(s) vested from other Trust(s)).
 - iv) Credit agreements and debtors allowance (Lay bye) (s24) line item.

4.7 Estimated Assessments

- a) Once the filing period for Trusts ends, SARS may raise original estimated assessments on Income Tax Returns for Trusts (ITR12T) that were not filed by the taxpayer.
- b) After the estimated assessment has been raised by SARS, the taxpayer will be allowed to request an original (new) return to be submitted to SARS. The same estimated return will be issued on eFiling or via a SARS office, with a new version number for the return to be completed. The taxpayer will be able to request a correction after the original return has been submitted. If SARS is still not satisfied with the outcome of the revised declaration, the taxpayer will be informed in writing. Thereafter, the taxpayer will have the option to a dispute process.

4.8 Rejected tax calculation due to invalid Tax Directive

- a) If the taxpayer/tax representative request a tax calculation for a Trust return with a lump sum amount on an IRP5 certificate, SARS will perform a verification audit and one of the following messages may be displayed instead of the Tax Calculation, if the verification is unsuccessful:

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- i) **IRP5 Tax Directive No. invalid**
 - A) *Please note that this tax return was not processed, the Directive No. XXXXXXXXXXXXXXXX captured on the IRP5 differs from the directive number issued by SARS. Please contact the Fund Administrator/Employer to rectify the error and resubmit the return.*
- ii) **IRP5 Lump sum accrual date invalid**
 - A) *Please note that this tax return was not processed because the accrual date on the IRP5 certificate does not match the one issued by SARS, on Directive No. XXXXXXXXXXXXXXXX. You can access a copy of the Tax Directive on eFiling or MobiApp. Urgently contact the Fund Administrator/Employer to correct the error and submit the corrected tax return.*
- iii) **IRP5 Lump sum source code Invalid**
 - A) *Please note that this tax return was not processed because the Lump Sum source code on the IRP5 certificate does not match the one issued by SARS, on Directive No. XXXXXXXXXXXXXXXX. You can access a copy of the Tax Directive on eFiling or MobiApp. Urgently contact the Fund Administrator/Employer to correct the error and submit the corrected tax return.*
- iv) **IRP5 Lump Sum amount invalid**
 - A) *Please note that this tax return was not processed because the Lump Sum amount on the IRP5 certificate does not match the one issued by SARS on Directive No. XXXXXXXXXXXXXXXX. Urgently contact the Fund Administrator/Employer to correct the error and submit the corrected tax return.*
- v) **IRP5 Lump sum amount missing**
 - A) *Please note that this tax return was not processed because SARS issued a Tax Directive No. XXXXXXXXXXXXXXXX, but there is no Lump Sum amount declared on the return. You can access a copy of the Tax Directive on eFiling or MobiApp. Urgently contact the Fund Administrator/Employer to correct the error and submit the corrected tax return.*
- vi) **Directive number invalid for Taxpayer**
 - A) *Please note that this tax return was not processed because SARS does not have a Tax Directive issued to the taxpayer. Tax Directive No. xxxxxxxxxxxxxxxx on your IRP5 is invalid. You can access a copy of the Tax Directive on eFiling or MobiApp. Urgently contact the Fund Administrator/Employer to correct the error and submit the corrected tax return.*
- b) Once the Fund Administrator or Employer has corrected the error either on the IRP5/IT3(a) certificate to correspond with the information on the tax directive or the directive has been corrected to correspond with the information on the IRP5/IT3(a) certificate with SARS, Taxpayer/Tax Representative will be able to proceed to submit the Trust return. Ensure that you refresh the IRP5/IT3(a) data before completing the return.
- c) Voluntary Disclosure Programme (VDP) relief is available in respect of all taxes administered by SARS (but excluding duties and levies charged in terms of the Customs and Excise Act, 1964). The Guide for Voluntary Disclosure explains the legislative requirements applicable to the SARS Tax VDP, the application process, the outcomes thereof and further demonstrate how a taxpayer or representative can apply via eFiling.

4.9 Incorrect return type request for Trusts

- a) A new rejection message for eFiling will be displayed when a taxpayer requests an "Income Tax return for Trusts (ITR12T)" whilst being registered as an Exempt Institution (EI) or *vice versa*. If the taxpayer requests an incorrect return, the taxpayer will be guided to the relevant functionality to change the return type for Trusts to EI. The messages will be displayed as follows:
 - i) For Trust Registered as EI – "Please note that the return type being requested is incorrect. Taxpayer/Tax Representative are requesting an ITR12T return, however the Trust is registered as an "Exempt Institution". Please request an ITR12EI return".

- ii) For a Trust requesting an EI return but Registered as a Trust - "Please note that the return type being requested is incorrect. Taxpayer/Tax Representative are requesting an ITR12EI return, however the entity is registered as a "Trust". Please request an ITR12T return.

5 GETTING STARTED

- a) The registered particulars of a Trust (including trustee particulars, address/contact details and bank account details) must be verified and updated prior to requesting an ITR12T on eFiling.
- b) To verify and update registered details, the taxpayers can:
 - i) Click on **Maintain SARS Registered Details** on eFiling; or
 - ii) Visit a SARS branch by walk in appointment only, voice calls, or video/virtual calls for interaction with a SARS official.
- c) For bank account and trustee updates, the required relevant material may be submitted *via* the following online channels:
 - i) eFiling.
 - ii) Send us an online query *via* SARS Online Query System (SOQS).
- d) For more information on how to update registered information, refer to the external guide **How to Complete the Registration Amendments and Verification form (RAV01)**, available on the SARS website.

Note that your IRP5 data is pre-populated on your ITR12T return for years from 2016 onwards. To amend the pre-populated information on your return, please consult your employer or representative.

6 INFORMATION TO CREATE THE INCOME TAX RETURN FOR A TRUST (TAX FORM WIZARD)

- a) The purpose of the tax form wizard section of the ITR12T is to customise the contents of the ITR12T return to the circumstances of the Trust:
 - i) The following warning message will be displayed. Click on the **OK** button to proceed:

'Please note that you cannot alter nor delete data provided by your Employer/Service provider. If the information on this form is incorrect, please contact your employer or service provider to have the information corrected and re-submitted to SARS. Note: To expedite the refund processing, please ensure that all banking details are correct. If you need any more information, simply visit www.sars.gov.za.'

- b) **Note:** Some of the fields will appear and be hidden based on the year of assessment you complete.

6.1 The Tax Form Wizard

- a) The following tabs will be displayed on the ITR12T return:
 - i) Trust Return Information;
 - ii) Passive Trust;
 - iii) Local Amounts Received and/or Accrued;
 - iv) Foreign Amounts received and/or Accrued;
 - v) Capital Gain/Loss;
 - vi) Amounts non-taxable;
 - vii) Donations;
 - viii) Deductions for SARS interest repaid (s7F);
 - ix) Venture Capital Companies;
 - x) Tax Credits;
 - xi) Partnership Information;
 - xii) Beneficiaries; and
 - xiii) Beneficial Ownership.

6.2 Trust Information

- a) **'Have the banking, contact and trustee details of the Trust been verified and confirmed as correct?' (Select 'Y' or 'N')**
- i) This question is intended to determine if the registered information of the Trust is up to date.
 - ii) On eFiling:
 - A) If you answer 'N' to this question, a pop-up message will be displayed indicating that the "return cannot be filed until banking, contact and trustee details of the Trust have been verified and confirmed as correct. Click "OK", and then save the return.
 - B) Select "Maintain Legal Entity Details" to amend the banking, contact and trustee details. For more information on how to update registered information, refer to the external guide "How to Complete the Registration Amendments and Verification form (RAV01)".
 - C) Once the details have been updated, continue with the completion of the return.
- b) **'Does the Trust confirm that the person appointed as a trustee has not been disqualified i.t.o. s6 of the Trust Property Control Act?' (Select 'Y' or 'N')**
- i) If 'Y', the relevant form wizard questions will be displayed for completion.
 - ii) If 'N', the following message will be displayed "Please note that where the trustee has been disqualified in terms of s6 of the Trust Property Control Act, you are required to update the details of the trustee using the "Registration, Amendment and Verification (RAV01) form on eFiling."
- c) **'Is the Trust a Collective Investment Scheme?' (Select 'Y' or 'N')**
- i) If 'Y', the "Trust Participants" container will not be displayed.
 - ii) If 'N', the following question will be displayed.
 - A) **"Is the Trust an Employee Share Incentive Scheme?"**
 - i) If 'Y', the "Trust Participants" container will be displayed.
- d) **'Is the declaration made by a tax practitioner?' (Select 'Y' or 'N').**
- i) If 'Y' is selected, the Tax Practitioner section of the return must be completed.
 - A) If the answer to the question "Is the declaration made by a tax practitioner?" is changed from **'Yes'** to **'No'**, a pop-up message will be displayed. Note the warning message displayed: "Changing the answer to this question may result in data you have previously completed or data for which SARS has information on not being reflected on your return. This could result in an incorrect statement. Do you wish to continue?"
- e) **'Does any declaration in this return relate to an application made under the SARS Voluntary Disclosure Programme?' (Select 'Y' or 'N')**
- i) If the Trust voluntarily applied to SARS to disclose defaults or non-compliance, select 'Y', and complete the Voluntary Disclosure Programme section of the return.
 - ii) If the answer to the question for SARS Voluntary Disclosure Programme is changed from **'Yes'** to **'No'**, a pop-up message will be displayed. Note the warning message displayed.
 - A) "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?"
 - B) **If "Yes/No" is selected- you will be redirected to the form wizard to continue amending the question or leave it as is.**
- f) **'Did the Trust enter into any reportable arrangement in terms of s34-39 of the Tax Administration Act?' (Select 'Y' or 'N')**
- i) Select 'Y' if the Trust applied to SARS for an arrangement or agreement for a reduction of a tax liability, including interest and any other amounts related to the financial expenses incurred as a result of non-compliance or debt outstanding and SARS issued a reportable arrangement reference number.
 - A) **Specify the number of reportable arrangements** entered with SARS. The number captured must be between 1 and maximum of 100.
 - B) The Reportable Arrangement section of the return must be completed.

6.3 Passive Trust Information

- a) **Passive Trust** - A Simplified Return for Passive Trusts has been introduced to allow the taxpayer to complete a less cumbersome return, where limited Trust activities were initiated during the year of assessment. Key questions from the form wizard will determine the “type” of return (please note that the term “dormant Trust” is not used with reference to Trusts that do not have any economic activities during the YOA)).
- ‘Is the Trust Passive?’** (Select ‘Y’ or ‘N’).
 - Did the Trust become passive during the year of assessment?** (Select ‘Y’ or ‘N’).

6.4 Local Amounts Received and/or Accrued

- a) **‘Was any local amount(s) distributed to the Trust/vested in the Trust as a beneficiary of another Trust or deemed to have accrued in terms of s7 during this year of assessment?’** (Select ‘Y’ or ‘N’)
- If ‘Y’, the following question will be displayed **‘From how many other Trusts were amount(s) received or accrued?’**
 - Capture the number of the Trusts applicable. The “local amount” container will be added to the return to allow for the population thereof.
- b) **‘Was any local amount(s) received by and/or accrued to the Trust during the year of assessment? (excluding income vested from other Trust(s))’.** (Select ‘Y’ or ‘N’)
- If ‘Y’ is selected, indicate the type of local amount(s) received or accrued to the Trust:
 - ‘Remuneration’**
 - If ‘Y’ complete the “Local Remuneration” section.
 - ‘Annuities’**
 - If ‘Y’ complete the “Local Annuities” section.
 - Lump Sum Benefits Received or Accrued**
 - If ‘Y’ indicate ‘How many lump sum benefits were received or accrued?’
 - This field is applicable from 2022 year of assessment onwards.
 - ‘Interest (excluding SARS interest)’**
 - If ‘Y’ complete the “Local Interest” section.
 - SARS Interest**
 - This field is applicable from the 2019 year of assessment onwards.
 - If ‘Y’ complete the “SARS Interest” section.
 - ‘Dividends deemed to be income i.t.o s8E and s8EA’**
 - This field is applicable from the 2017 year of assessment onwards.
 - If ‘Y’ complete the “Dividends deemed to be income i.t.o. s8E and s8EA” section of the return.
 - ‘Distributions from Real Estate Investment Trusts (REIT)’**
 - If ‘Y’ complete the “Distribution from Real Estate Investment Trust (REIT)” section.
 - This field is applicable from 2015 onwards.
 - ‘Local Rental Income from the letting of Fixed Property’**
 - If ‘Y’ complete the “Local Rental Income from the letting of Fixed Property” section.
 - ‘Business, trade (including crypto asset(s)) or professional income (excluding Rental Income from the letting of Fixed Property and Farming)’**
 - If ‘Y’ complete the “Business, trade or professional income (excluding Rental income from the letting of Fixed Property and Farming)” section.
 - ‘Farming Income’**
 - If ‘Y’ complete the “Income from Local Farming Operations (IT48)) section.
 - Did the Trust participate in any local farming partnership operations?** (Select ‘Y’ or ‘N’)
 - If ‘Y’ to the above question indicate **‘How many farming partnership operations did the Trust participate in?’** Enter a value between 1 and 20.
 - Note that this field will be pre-populated if the Trust previously had farming income.
 - ‘Other local income (excluding income listed above)’**
 - If ‘Y’ complete the “Other Local Income” section.

6.5 Foreign Amount(s) received and/or Accrued

- a) **'Was any foreign amount(s) distributed to the Trust/vested in the Trust as a beneficiary of another Trust or deemed to have accrued in terms of s7 during this year of assessment?'** (Select 'Y' or 'N').
 - i) If "Y" is selected, the following questions must be answered:
 - A) **'From how many other Trusts were amount(s) received or accrued?'** The "foreign amount" container will be added to the return to allow for the population thereof.
- b) **'Was any foreign amount(s) received by and/or accrued to the Trust during the year of assessment? (excluding income vested from other Trust(s))'** (Select 'Y' or 'N')?
 - i) If 'Y' indicate the type of foreign amount(s) received or accrued to the Trust:
 - A) **'Interest'**.
 - l) If 'Y' complete the "Foreign Interest Income" section.
 - B) **'Dividends'**.
 - l) If 'Y' complete the "Foreign Dividend Income" section.
 - C) **'Farming'**.
 - l) If 'Y' complete the "Foreign Farming Income" section.
 - D) **'Imputed Net Income from Controlled Foreign Companies'**.
 - l) If 'Y' complete the "Imputed Net Income from Controlled Foreign Companies" section.
 - E) **'Other foreign income (excl. income listed above)'**.
 - l) If 'Y' complete the "Other Foreign Income" section.

Note that if the answer to the question changed from 'Y' to 'N', a warning message will be displayed. "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?"

If "Yes/No" is selected - you will be redirected to the form wizard to continue amending the question or leave it as is.

Please note the message and click on the 'Yes' button to proceed.

6.6 Capital Gain/Loss

- a) This section is mandatory and applicable from the 2016 year of assessment onwards.
- b) **'Did the Trust dispose of any local assets attracting capital gain or loss (including crypto asset(s))?' (Select 'Y' or 'N')**
 - i) If 'Y' indicate the amount of disposals in the 'number of disposals' field.
- c) **'Did the Trust dispose of any foreign assets attracting capital gain or loss (including crypto asset(s))?' (Select 'Y' or 'N')**
 - i) If "Y", indicate the amount of disposals in the 'number of disposals' field.
 - ii) the "capital gain vested in this Trust due to disposal of an asset(s) by another local Trust" section must be completed.
 - A) This field will be prepopulated by the Aggregate Local Capital Gain from another Trust(s) field.
- d) **'Did the Trust receive capital gains from other local Trusts?' (Select 'Y' or 'N')**
 - i) If 'Y', the 'Capital gain vested in this Trust due to disposal of an asset(s) by another local Trust' section must be completed.
- e) **'Did the Trust receive capital gains from other foreign Trusts?' (Select 'Y' or 'N')**
 - i) If 'Y' the 'Capital gain vested in this Trust due to disposal of an asset(s) by another foreign Trust' section must be completed.

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- f) **'Has any debt been reduced for no consideration which has the effect of reducing the assessed capital loss of the Trust under paragraph 12A(4) of the Eighth Schedule?'** (Select 'Y' or 'N')
- i) If 'Y' indicate:
- A) Was the reduction i.r.o. a local asset? (Select 'Y' or 'N')
- l) If 'Y', complete the 'Reduction of Local Assessed Capital Loss due to Debt Reduction' section.
- B) Was the reduction i.r.o. a foreign asset? (Select 'Y' or 'N')
- l) If 'Y', complete the 'Reduction of Foreign Assessed Capital Loss due to Debt Reduction' section.

6.7 Amounts Non-Taxable

- a) **'Did the Trust receive any amounts considered non-taxable?'** (Select 'Y' or 'N')
- i) Select 'Y' if the Trust received income that should be exempt/non-taxable and complete the "Amounts considered non-taxable" section.

6.8 Donations

- a) Section 18A is amended so that additional information will be required as the Commissioner may prescribe by public notice.
- b) **'Does the Trust want to claim donations made to approved organisations in terms of s18A that did not vest in any Trust beneficiary?'** (Select 'Y' or 'N')
- i) If 'Y' indicates **"How many approved organisations did the Trust donate to?"** (The maximum number allowed on the return is 99).

6.9 Deduction for SARS interest repaid i.t.o. s7F that did not vest in any Trust beneficiary

- a) **'Does the Trust want to claim a deduction of SARS interest repaid i.t.o s7F that was previously taxed i.t.o. s7E and that did not vest in any Trust beneficiaries?'** (Select 'Y' or 'N').
- i) If 'Y' indicates 'Deduction of Interest repaid to SARS (in terms of s7F) that was previously taxed in terms of s7E' section.

6.10 Recoupment of Venture Capital Company shares sold

- a) **'Were any SARS approved Venture Capital Company shares sold, for which a tax deduction was allowed to the Trust?'** (Select 'Y' or 'N')
- i) If 'Y' complete the "Recoupment i.r.o. Venture Capital shares sold 12J" section.

6.11 Tax Credits

- a) **'Will the Trust be claiming any PAYE credits reflected on an IRP5 tax certificate (excluding PAYE on Lump Sum benefit(s))?'** (Select 'Y' or 'N')
- i) If 'Y', specify the number of IRP5 tax certificates.
- ii) Complete the "PAYE credits available" section of the return.
- b) Prior to the 2017 year of assessment, the Trust may qualify to claim a tax credit in terms of section 6quin in respect of foreign tax withheld by a foreign country on income from a South African source.
- c) However, should the resident Trust receive a refund of the foreign tax withheld, or be discharged from a liability to pay such foreign tax, the amount refunded or discharged is treated as an amount of normal tax payable by the resident to the extent that a rebate was previously allowed by SARS. The following field is only applicable to the years prior to 2017 and will not appear on your ITR12T return from the 2017 year of assessment onwards.
- d) **'Will the Trust be claiming a deduction on South African (SA) sourced trading income i.t.o. s6quat(1C)?'** (Select 'Y' or 'N')
- i) If 'Y' complete the section "Deduction i.t.o. s6quat(1C) for foreign taxes paid or proved to be a foreign government of any country on any SA sourced trade income that did not vest in any Trust beneficiary".

- e) **‘Were any foreign tax credits refunded/discharged during the year of assessment for which a rebate/deduction was allowed during a previous year of assessment?’** (Select ‘Y’ or ‘N’)
- i) If ‘Y’, complete the ‘Foreign Tax Credits Refunded/Discharged by the government of a Foreign Country in respect of a rebate allowed by SARS in a previous year – s6quin’ section.

6.12 Partnership Information

- a) **‘Is the Trust a partner in a partnership?’** (Select ‘Y’ or ‘N’)
- i) If ‘Y’ indicate how many partnerships in the number of partnerships field. A numeric value between 1 and 99 can be entered in this field.

6.13 Participants in Trust Transactions or Trust Participants

- a) The purpose of the questions in this section of the return is to provide details of transactions that may be taxable in the hands of the person (company, Trust, or natural person) who transacted with the Trust during the particular year of assessment.
- i) Note that this section will not be required for Trusts that are ‘Collective Investment Schemes’ or ‘Employee Share Incentive Schemes’.
- b) The following definitions are guidelines in respect of declaring contribution, distribution, or donations in the context of Trusts:
- i) A contribution (donation, settlement or other disposition) to a Trust is normally made by the donor/founder/settlor of the Trust (may be thought of as akin to a capital contribution to a company by a shareholder). A contribution can take the form of a donation, but not all donations are contributions. Where a donation is made by the founder/settlor/donor of the Trust it should be treated as a contribution. In the context of a trading Trust an amount contributed to the Trust in exchange for the right to future benefits from the Trust must also be treated as a contribution.
- ii) A distribution by a Trust refers to amounts vested in the Trust beneficiaries. It is important to understand that *vesting* (of a benefit in a beneficiary) is an indispensable prerequisite for the *distribution* to occur.
- iii) A donation to a Trust refers to amounts paid to the Trust by any person in a manner that is gratuitous/with disinterested benevolence (i.e., not in exchange for a right to future benefits).
- c) **‘Specify the number of persons or beneficiaries who during this year of assessment participated in any one or more of the following:’** (capture the number of persons or beneficiaries).
- i) **Is taxable on income/capital gains distributed to/vested in beneficiaries or taxable i.t.o. of s7 or paragraph 68 – 72 of the Eighth schedule:**
- A) Section 7 deals with the rules/conditions when income is *deemed* to have accrued or to have been received.
- B) Paragraph 68 – 72 of the Eighth Schedule deals with *attribution* of capital gains where a person has made a donation, settlement, or other disposition.
- ii) **Received a distribution/vesting of non-taxable income from this Trust.**
- iii) **Received a distribution/vesting of capital or assets from this Trust.**
- iv) **Had a loan agreement with the Trust.**
- v) **Made/Received donation(s)/contribution(s) to/from this Trust.**
- vi) **Received distributions from other Trusts or foundations.**
- vii) **Received a return of contribution(s) made to this Trust.**
- viii) **Had granted the right of use of asset(s) retained in this Trust.**
- d) **Note:** The return (ITR12T), in the distribution schedules, can accommodate 50 distributions. Taxpayers should thus complete the top 49 highest value vestings (distributions), and the remainder should be aggregated (in the 50th container) to balance to the total figure.

7 COMPLETION OF THE TRUST RETURN

- a) The following fields are pre-populated on the return and cannot be edited:
- i) **‘Taxpayer Ref No’ – Taxpayer Reference Number;**
- ii) **‘Year of Assessment’;**
- iii) **‘Registered Name’;**
- iv) **‘Trust Reg No’ - Trust Registration Number;**

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- v) **'Date registered at Master's Office'; and**
- vi) **'Master's office of Trust registration'.**

- b) Indicate the **'Residency for income tax purposes'**, e.g. South Africa = ZAF.

- c) Select the **'Standard Industry Code (SIC)'** applicable to the main activity of the Trust.

- d) Indicate the **'Main Income Source Code'**
 - i) To access the list of source codes, please refer to the "Find a Source Code" tool which is available on the SARS website www.sars.gov.za

- e) **'Trust Type':**
 - i) From 2008 year of assessment and onwards this field will be pre-populated. For years prior to 2008, the user may select the appropriate 'Trust Type'.

 - ii) Note the Trust type definitions below:
 - A) **'Inter Vivos'** – a Trust set up during the lifetime of a person.
 - B) **'Testamentary'** – a Trust set up in terms of the Last Will and Testament of a deceased person (also known as a Trust *mortis causa* or Will Trust).
 - C) **'Non-Resident'** – Means any person who is not a "resident".
 - D) **'Special Type para(a)'** – a Trust created solely for the benefit of one or more persons who are relatives of the founder and have a 'disability' as defined in section 6B(1) and such disability incapacitates such person from earning sufficient income for their maintenance, or from managing their own financial affairs. In order to be classified as a Special Trust – Type A, approval must be obtained from SARS.
 - E) **'Special Type para(b)'** – a Trust created in terms of the Last Will and Testament of a deceased person and is solely for the benefit of beneficiaries who are his/her relatives, who are alive at the time of death, and of which the youngest is under the age of 18 at the end of the year of assessment.
 - F) **Personal Service Provider** - For the definition of a 'Personal Service Provider', refer to paragraph 1 of the Fourth Schedule to the Income Tax Act, No.58 of 1962.
 - G) **'Collective Investment Scheme'** – is a scheme, in whatever form, including an open-ended investment company where members of the public are invited to invest money or other assets in a portfolio and in terms of which two or more investors contribute money and hold a participatory interest in a portfolio of the scheme through shares, units or any other form of participatory interest. The investors share the risk and the benefit of investment in proportion to their participatory interest in a portfolio of a scheme or on any other basis determined in the deed.

- f) Indicate the **'Income Rights'** of the Trust:
 - i) **'Vesting'** – Under a vesting Trust the beneficiaries have a vested right to the income (revenue) of the Trust (*Bewind* Trust).
 - ii) **'Discretionary'** – Under a discretionary Trust the trustees have the discretion as to whether and how much of the income of the Trust to distribute to the beneficiaries. In these circumstances the beneficiaries merely have a contingent right to the income of the Trust.
 - iii) Note that either one or both of the options must be selected.

- g) Indicate the **'Capital Rights'** of the Trust:
 - i) **'Vesting'** – Under a vesting Trust the beneficiaries have a vested right to the capital of the Trust.
 - ii) **'Discretionary'** – Under a discretionary Trust the trustees have the discretion as to whether and how much of the capital of the Trust to distribute to the beneficiaries.
 - iii) Note that either one or both of the options must be selected.

7.1 Tax Practitioner Details

- a) This section of the return must only be completed if you selected 'Y' to the question **'Is the declaration made by a registered tax practitioner?'** on the form wizard.

- b) If a tax practitioner completes and submits a return on behalf of the Trust, provide the following details:

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- i) **'Tax Practitioner Registration Number'** – This field is mandatory. The first 2 characters must be 'PR' followed by 7 alphanumeric characters.
- ii) **'Tax Practitioner Telephone Number'** – This field is mandatory.
- iii) **'Email Address'**– This field is mandatory.
 - A) If the tax practitioner does not have an email address, indicate this by selecting the field 'Mark here with an 'X' if you declare that you do not have an email address.'
- iv) **'Confirm Email Address'**– This field is mandatory if the tax practitioner has an email address and if the tax practitioner does not have an email address at least the contact details must be completed for SARS to be able to contact you.

7.2 Personal Service Provider

- a) **'Is the Trust a Personal Service Provider as defined in the Fourth Schedule to the Income Tax Act?'** (Select 'Y' or 'N').

7.3 Voluntary Disclosure Programme (VDP)

- a) The purpose of the VDP is to allow taxpayers an opportunity to regularise their tax affairs with SARS.
 - i) Taxpayers must voluntarily apply to SARS to disclose their defaults or non-compliance.
 - ii) A VDP application number will be allocated by SARS.
 - iii) Once the VDP application has been evaluated by the VDP Unit and where voluntary disclosure relief is granted, a written agreement will be concluded between the taxpayer and SARS in order to affect the necessary assessments.
 - iv) Should you require more information, please refer to the Comprehensive Guide concerning VDP which is available on the SARS website www.sars.gov.za.
- b) If you have applied for voluntary disclosure:
 - i) Please insert the VDP application number in the field provided on your return.
 - ii) Note that the VDP application number completed must be for an approved VDP agreement between SARS and the Trust.
- c) When completing your return, remember to include all income and expenditure applicable for the tax year as per the VDP agreement concluded with SARS.

Note: A VDP submission may not result in a credit/refund due by SARS.
If the assessment results in a credit/refund, the return will be rejected. Please contact the VDP unit for further assistance.

7.4 Reportable Arrangement

- a) This section of the return will be repeated according to the number of reportable arrangements specified on the 'Reportable Arrangements' section of the Form Wizard.
- b) An arrangement is reportable if it is an arrangement that:
 - i) Results in a tax benefit and meets any of the other requirements in accordance with the Tax Administration Act.
 - ii) Is deemed reportable by the Commissioner.
- c) On receipt of the prescribed information, the SARS official responsible for receiving Reportable Arrangements will issue a reportable arrangement reference number.
 - i) Specify the reportable arrangements number in the **'reportable arrangement number'** field.
- d) Is the Trust party to any arrangements which has the following features: (Select 'Y' or 'N')
 - i) **'Round trip financing (s80D)?'**
 - ii) **'Elements that have the effect of offsetting or cancelling each other?'**
 - iii) **'Presence of an accommodating or tax-indifferent party (s80E)?'**

8 PASSIVE TRUST INFORMATION

- a) **'Is there a loan from a connected person to the Trust?'** (Select 'Y' or 'N')
 - i) If 'Y', the 'Details of Person/Beneficiary' section will be displayed for completion.

- b) **'Is the Trust an asset holding Trust?'** (Select 'Y' or 'N')
- i) If 'Y' is selected indicate **'How was the passive Trust financed?'** in the field provided and the 'Details of Person/Beneficiary' will be displayed for completion.

9 RELATED INFORMATION

- a) From the 2015 year of assessment onwards, the following questions in this section are mandatory.
- b) **'Is the Trust incorporated, established, or formed in the Republic or is the place of effective management in the Republic?'** (Select 'Y' or 'N')
- i) If 'N', answer the question **'Did the Trust cease to be a resident during this year of assessment?'** (Select 'Y' or 'N').
- A) If 'Y' is selected state the **'Date on which the Trust ceased to be a resident (CCYYMMDD)'**.
- c) **'Did the Trust, together with any connected person in relation to the Trust, hold at least 10% of the participation rights in any controlled foreign company (CFC)?'** (Select 'Y' or 'N')
- i) If 'Y', complete the field **'Please confirm that the applicable Schedule (IT10) has been completed and will be attached as a supporting document to this return'**. (Select 'Y' or 'N')
- A) Note that the IT10 which is available on the SARS website (www.sars.gov.za) is **mandatory** and must be submitted together with the ITR12T return.
- ii) If 'N' is selected, the ITR12T form will not be submitted, and an error message will be displayed.
- A) **'Specify the number of CFC's?'** in the field provided.
- d) **'Was the Trust engaged in mining or mining operations as defined in s1 of the Income Tax Act?'** (Select 'Y' or 'N')
- i) If 'Y' is selected, **'Please confirm that the Mining Schedule (Schedule A and B) has been completed and will be attached as a supporting document to this return (refer to guide)?'**
- A) The mining schedule (GEN-001) which is available on the SARS website (www.sars.gov.za) is mandatory and must be submitted together with the ITR12T return.
- B) If 'N' – The ITR12T form will not be submitted, and a warning message will be displayed to indicate that it is mandatory to complete and attach the required supporting documents.
- e) **'Did the Trust comply with all the qualifying provisions of a Special Trust as defined in s1 of the Income Tax Act during the year of assessment?'** (Select 'Y' or 'N')
- i) This question will be displayed if the Trust is defined as a 'Special Trust par(a)' or 'Special Trust par(b)'.
- ii) If 'N' is selected and the Trust type is 'Special Trust par. (a)' then the question 'Was the Trust created by means of a Trust Deed or Last Will and Testament?' will become mandatory.
- iii) If 'N' is selected and the Trust type is 'Special Trust par. (b)' a warning message will be displayed, and the Trust type will be updated.
- iv) If 'Y' is selected, the question will be locked.
- f) **'Were any changes made during the year of assessment to the composition of the trustees?'** (Select 'Y' or 'N')
- i) This would be in a case where trustees were added or removed, i.e., resignation, by Court Order, by the Master of the High Court, death *etc.*
- g) **'Were any changes made during the year of assessment to the composition of the beneficiaries?'** (Select 'Y' or 'N').
- h) **'Were any changes made during the year of assessment to the Trust deed?'** (Select 'Y' or 'N')
- i) If 'Y', the following question is mandatory to complete **'If 'Yes', where beneficiaries have a vested right to the Trust's asset(s), has the change in the Trust deed affected any of the beneficiaries' vested interest in the Trust's asset(s)?'** (Select 'Y' or 'N')
- i) **'Did any amounts distributed by the Trust or retained in the Trust arise by reason of a donation, settlement, or other disposition to this Trust?'** (Select 'Y' or 'N')

- j) **Is this Trust a beneficiary of another Trust or are other Trust(s) beneficiaries of this Trust?** (Select 'Y' or 'N')

10 STATEMENT OF ASSETS AND LIABILITIES

- a) From the 2016 year of assessment onwards, the Statement of Assets and Liabilities is mandatory. Use the financial statements to complete the applicable line items in this statement. If an asset or liability is not applicable to the Trust, insert a zero (0) in that field. For foreign assets and liabilities, only the aggregate amounts must be completed.

10.1 Assets

- a) **Local Assets (at cost) –**
- i) A cost value (historic cost) for the local assets owned by the Trust must be declared in this section of the return. Complete the following fields as per the amounts on the financial statements:
 - A) **'Fixed property and all improvements to property':**
 - I) Complete the value of the property and the value of all improvement costs i.e., any extension, addition, or improvements other than repairs to the property in order to increase or improve the industrial capacity of the property.
 - B) **'Shares in private companies or member's interest in Close Corporations':**
 - I) Complete the value of any interest that the Trust holds in private companies or member's interest in Close Corporations.
 - C) **'Loan: Interest Bearing'.**
 - D) **'Loan: Interest Free'.**
 - E) **'Financial instruments listed (shares, unit Trusts, etc.) excl. crypto asset(s)'**.
 - F) **'Financial instruments (crypto asset(s))'**.
 - G) **'Net capital of business, trade, profession or farming'.**
 - H) **'Equipment, Machinery, Implements'.**
 - I) **'Motor vehicle, Caravans, Boats'.**
 - J) **'Debtors'.**
 - K) **'Stock'.**
 - I) Complete the value of the stock and produce on hand as per the financial statements. This will be the closing stock held by the Trust at the end of the financial year end.
 - L) **'Livestock – elected value(s)'**
 - I) Complete the value of the livestock the Trust owns based on the elected values.
 - II) The Trust may select to value the livestock using standard values as per paragraph 5 or 6 of the First Schedule to the Act.
 - III) If paragraph 6 is selected the values must not differ by more than 20% (higher or lower) from the standard values fixed by regulation in the Government Gazette.
 - M) **'Cash on hand, in bank and other similar institutions'.**
 - N) **'Personal effects (jewellery, paintings, furniture, etc.)'**
 - O) **'Other assets'**
 - I) Complete this field if there are other assets not listed above.
 - P) **'Please provide descriptions relating to other assets listed above'**
 - I) This field is mandatory if 'Other assets' above is completed.
 - ii) **'Total Local Assets'**
 - A) This is the sum of all Local Assets. This field will be automatically calculated.

10.2 Foreign Assets

- a) The foreign currency value must be converted to South African Rands using the spot rate as at the end of the year of assessment in which the asset was acquired.

10.3 Total Assets (Local and Foreign)

- a) This field is automatically calculated as follows: 'Total Local Assets' + 'Total Foreign Assets'.

10.4 Liabilities

- a) **Local Liabilities**
- b) Complete the following local liabilities as per the amounts on the financial statements:
 - i) **'Mortgage Bonds'.**
 - ii) **'Loan: Interest Bearing'.**
 - iii) **'Loan: Interest Free'.**
 - iv) **'Creditors'.**
 - v) **'Bank Overdraft'.**
 - vi) **'Other liabilities'.**
 - vii) **'Please provide descriptions relating to other liabilities not listed above'**
 - A) This field is mandatory if the field 'Other liabilities' has been completed.
 - viii) **'Total Local Liabilities'**
 - A) This is the sum of all Local Liabilities. This field will be automatically calculated on the return for eFiling.

10.5 Foreign Liabilities

- a) The foreign currency value must be converted using the spot rate as at the end of the year of assessment.

10.6 Total Liabilities (Local and Foreign)

- a) This field is automatically calculated as follows: 'Total Local Liabilities' + 'Total Foreign Liabilities'.

10.7 Trust Capital

- a) Insert the **'Retained Earnings'** amount as per the financial statements. You can enter a negative sign (-) to indicate a debit balance.

11 LOCAL AMOUNT(S) DISTRIBUTED TO THE TRUST/VESTED IN THE TRUST AS A BENEFICIARY OF ANOTHER TRUST(S) OR DEEMED TO HAVE ACCRUED IN TERMS OF S7

- a) If 'Yes' is selected on the wizard question that states, **"Was any local amount distributed to the Trust/vested in the Trust as a beneficiary of another Trust or deemed to have accrued in terms of s7 during this year of assessment?"**, the subsequent question "From how many other Trusts were amount(s) received or accrued?" will be displayed for completion. A new container will be displayed and the following fields should be completed.
 - i) The number of containers would be created based on the amount entered into the field for "From how many other Trusts were amount(s) received or accrued?"

11.1 Trust Details from other Trust(s)

- b) Trust Name.
- c) Trust Registration Number (as per Letters of Authority).
- d) Trust Tax Reference Number.
 - i) **Note:** The fields pertain to details of other Trust(s), where income was vested from.

11.2 Details of Local Amount(s) received or vested from other Trust(s)

- a) **Note:** Not all these fields are mandatory but at least one should be completed:
 - i) **'Local Remuneration'.**
 - ii) **'Local Annuities'.**
 - iii) **'Local Interest'.**
 - iv) **'SARS Interest'.**

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- v) **'Distributions from Real Estate Investment Trust(s) (REIT)/Taxable Local Dividends'.**
- vi) **'Local Capital Gain'.**
- vii) **'Local Capital Loss'.**
- viii) **'Local Rental Income from the letting of fixed property(ies)'.**
- ix) **'Dividends deemed to be income in terms of s8E and s8EA'.**
- x) **'Local Business and Trading Income including crypto asset(s) (excluding Rental Income from letting of fixed property(ies) and income from Farming Operations)'.**
- xi) **'Income from Local Farming Operations (IT48)'.**
- xii) **'Other Local Income'.**

- b) **Note:** These amounts are income vested from other Trust(s), excluding income amounts from the Trust completing the return. The amounts stipulated will be aggregated in the Aggregate Local Amounts Received or Vested from other Trust(s) fields below.

11.3 Aggregate Local Amount(s) received or vested from other Trust(s)

- a) The "Aggregate Local Amount(s) Received or Vested from Other Trust(s)" container is a prepopulated container. All similar fields specified under the Details of the Local Amount(s) Received or Vested from Other Trust(s) containers are aggregated and transferred to the various associated income stream containers, that is added to the Gross Receipt and Accruals fields, used to calculate the Aggregate Local Amount(s) Received or Vested in the Trust.

- i) **Aggregate Local Remuneration from other Trust(s).**
- ii) **Aggregate Local Annuities from other Trust(s).**
- iii) **Aggregate Local Interest from other Trust(s).**
- iv) **Aggregate SARS Interest from other Trust(s)**
- v) **Aggregate Distributions from Real Estate Investment Trust(s) (REIT)/Taxable Local Dividends from other Trust(s).**
- vi) **Aggregate Local Capital Gain from other Trust(s).**
- vii) **Aggregate Local Capital Loss from other Trust(s).**
 - A) **This container will not be transferred to the Local Capital Gain/Loss container.**
 - B) **Note: The taxpayer should include the Capital Gain/Loss from other Trust(s) in the ITR12T.**
- viii) **Aggregate Local Rental Income from the letting of fixed property(ies) from other Trust(s).**
- ix) **Aggregate Dividends deemed to be income in terms of s8E and s8EA from other Trust(s).**
- x) **Aggregate Local Business and Trading Income including crypto asset(s) (excluding Rental Income from letting of fixed property(ies) and income from Farming Operations) from other Trust(s).**
- xi) **Aggregate Income from Local Farming Operations (IT48) from other Trust(s).**
- xii) **Aggregate Other Local Income from other Trust(s).**

12 LOCAL REMUNERATION

- a) This section would display if you selected 'Y' to the question **"Indicate the type of local income received/accrued to the Trust: Remuneration"** on the form wizard.
- b) Use the financial statements to determine the amount of taxable remuneration income that would be available for distribution. For example, the following remuneration may have been received by or accrued to the Trust:
- i) **Annual Bonus;**
 - ii) **Commission;**
 - iii) **Pension; or**
 - iv) **Salary.**
- c) Complete the following mandatory fields (from the 2015 year of assessment onwards):
- i) **'Gross receipts and accruals (excluding local remuneration vested from other Trust(s))'**
 - ii) **'Add: Aggregate local remuneration from other Trust(s).'**
 - iii) **'Total Gross receipts and accruals (including local remuneration vested from other Trust(s)).'**
 - iv) **'Less: Allowable expenses attributable to local remuneration (excluding donations).'**

- v) **'Taxable amount available for distribution/Assessed loss retained in Trust'.**
 - vi) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7 (excluding amounts vested in foreign beneficiaries)'.**
 - A) Section 7 deals with the rules/conditions when income is deemed to have accrued or to have been received.
 - B) The amount cannot be greater than the taxable amount available for distribution. An assessed loss cannot be distributed to/vested in beneficiaries.
 - C) For the 2024 year of assessment and prior this field will be displayed as **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7'.**
 - vii) **'Taxable in Trust (vested in foreign beneficiaries)'**
 - A) This field is applicable from the 2025 year of assessment onwards.
 - viii) **'Taxable in Trust (not vested in beneficiaries)' – This field will be automatically calculated on the return as follows:**
 - A) Taxable amount available for distribution/assessed loss retained in the Trust.
 - B) Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7.
 - C) Less: Taxable in Trust (vested in foreign beneficiaries) – applicable from the 2025 year of assessment.
 - D) For the 2024 year of assessment and prior, this field will be displayed as **'Taxable in Trust'.**
 - ix) **'Source Code' – The source code must be within the following:**
 - A) 3601 – Income: Taxable;
 - B) 3602 – Income: Non-taxable;
 - C) 3603 – Pension – Taxable;
 - D) 3604 – Pension – Non-Taxable;
 - E) 3605 – Annual Payment – Taxable;
 - F) 3606 – Commission;
 - G) 3616 – Independent Contractors;
 - H) 3617 – Labour brokers;
 - I) 3620 – Director Fees RSA Resident;
 - J) 3621 – Director Remuneration Non-Resident;
 - K) 3667 – Foreign Labour brokers;
 - L) 3670 – Directors Fees RSA Resident for Foreign Service Income;
 - M) 3719 – Paragraph (dd) of the Provisio to s10(1)(k)(i) Local dividend;
 - N) 3720 – Paragraph (ii) of the Provisio to s10(1)(k)(i) Local dividend; and
 - O) 3721 – Paragraph (jj) of the Provisio to s10(1)(k)(i) Local dividend.
- d) Please note that Local Remuneration cannot create an assessed loss.

13 LOCAL ANNUITIES

- a) This section will display if 'Y' was selected to the question **"Indicate the type of local income received/accrued to the Trust: Annuities"** on the form wizard.
- b) Use the financial statements to complete the following mandatory fields (from the 2015 year of assessment onwards):
 - i) **'Gross receipts and accruals'** (excluding local annuities vested from other Trust(s)).
 - ii) **'Add: Aggregate local annuity from other Trust(s).'**
 - iii) **'Total Gross receipts and accruals (including local annuities vested from other Trust(s))'.**
 - iv) **'Less: Allowable expenses attributable to the local annuities (excluding donations)'.**
 - v) **'Taxable amount available for distribution/Assessed loss retained in Trust'** This field is automatically calculated on the return for both eFiling and branch submissions from the 2016 year of assessment onwards as follows:
 - A) **Gross receipts and accruals.**
 - B) **Less: Expenses (excluding donations).**
 - vi) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7 (excluding amounts vested in foreign beneficiaries)'**
 - A) Section 7 deals with the rules/conditions when income is deemed to have accrued or to have been received. The amount cannot be greater than gross receipts and accruals.
 - B) For the 2024 year of assessment and prior this field will be displayed as **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7'.**
 - vii) **'Taxable in Trust (vested in foreign beneficiaries)'.**

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- A) This field is applicable from the 2025 year of assessment onwards.
- viii) **'Taxable in Trust (not vested in beneficiaries)'** – This field will be automatically calculated on the return as follows:
 - A) Gross receipts and accruals.
 - B) Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7.
 - C) 'Less: Taxable in Trust (vested in foreign beneficiaries)' – applicable from the 2025 year of assessment.
 - D) For the 2024 year of assessment and prior, this field will be displayed as **'Taxable in Trust'**.
- ix) **Source Code:** Complete 3610 or 3611 as source code.
 - A) 3610 – Annuity from Retirement Fund.
 - B) 3611 – Purchased Annuities Taxable.
- c) Please note that Local Annuities cannot create an assessed loss.

14 LUMP SUM BENEFITS RECEIVED OR ACCRUED

- a) Lump sums received by Trusts will be subject to a validation process like the current PIT process, any discrepancies (based on specific business rules) will be communicated to the taxpayer before submission of the return, and the taxpayer will be prevented from filing a return if these discrepancies are not resolved.
- b) All pre-populated data will be locked, and the taxpayer will have to approach the fund administrator to rectify the issue from the PAYE side.
- c) The taxpayer will be able to add lump sum details by amending the wizard and manually completing the required detail. However, a taxpayer will not be allowed to delete pre-populated data.
- d) Complete the following if a taxpayer selected Yes in the wizard question "Lump Sum Benefits Received or Accrued" and entered the "Number of lump sum benefits or accrued" in the wizard sub-question.
 - i) **'Gross Lump Sum (as per IRP5/IT3(a))'**
 - A) Use the IRP5/IT3(a) to complete the following fields which are mandatory from the 2022 year of assessment onwards and this fields can be repeated at the maximum of 20 times.
 - ii) **'Source Code'**
 - A) Code 3915.
 - iii) **'Tax Directive Number (as per IRP5/IT3(a) certificate)'**.
 - iv) **'IRP5/IT3(a) Certificate Number'**.
 - v) **'PAYE on Lump sum benefit'**
 - A) Source code 4115.
- e) **Note:** The IRP5/IT3(a) tax certificate will be pre-populated in this section where the Fund submitted the record to SARS, if not, it must be captured manually onto the return based on the IRP5/IT3(a) tax certificate.
- f) **Note:** The refreshing functionality on lump sum submission information that is used to compare the information with the actual Tax Directive will be refreshed upon the taxpayer refreshing the return.

15 LOCAL INTEREST (EXCLUDING SARS INTEREST)

- a) This section would display if you selected 'Y' to the question *"Indicate the type of local income received/accrued to the Trust: Interest"* on the tax form wizard of the return.
- b) Use the financial statements to complete the following mandatory fields (from the 2015 year of assessment onwards):
 - i) **'Gross receipts and accruals (excluding local interest vested from other Trust(s))'**.
 - ii) **'Add: Aggregate local interest from other Trust(s).'**
 - iii) **'Total Gross receipts and accruals (including local interest vested from other Trust(s)).'**
 - iv) **'Less: Allowable expenses attributable to local interest (excluding donations).'**
 - v) **'Taxable amount available for distribution/assessed loss retained in the Trust'** This field will be automatically calculated as follows:

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- A) Gross receipts and accruals.
 - B) Less: Expenses (excluding donations).
 - vi) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7 (excluding amounts vested in foreign beneficiaries)'**.
 - A) Section 7 deals with the rules/conditions when income is deemed to have accrued or to have been received. The amount cannot be greater than the taxable amount available for distribution. An assessed loss cannot be distributed to/vested in beneficiaries.
 - B) For the 2024 year of assessment and prior this field will be displayed as **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7'**.
 - vii) **'Taxable in Trust (vested in foreign beneficiaries)'**
 - A) This field is applicable from the 2025 year of assessment onwards.
 - viii) **'Taxable in Trust (not vested in beneficiaries)'** – This field will be automatically calculated as follows:
 - A) Taxable amount available for distribution/assessed loss retained in the Trust.
 - B) Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7.
 - C) Less: Taxable in Trust (vested in foreign beneficiaries) – applicable from the 2025 year of assessment.
 - D) For 2024 year of assessment and prior, this field will be displayed as **'Taxable in Trust'**.
 - ix) **'Source Code'**
 - A) The field will be pre-populated with code 4201.
- c) Please note that Local Interest cannot create an assessed loss.

16 SARS INTEREST

- a) This section would display if you selected 'Y' to the question **"Indicate the type of local income received/accrued to the Trust: SARS Interest"** on the form wizard.
- b) Complete the following mandatory fields (from the 2019 year of assessment onwards):
 - i) **'Gross receipts and accruals (excluding local interest vested from other Trust(s))'**.
 - i) **'Add: Aggregate local SARS interest from other Trust(s).'**
 - ii) **'Total Gross receipts and accruals (including local SARS interest vested from other Trust(s)).'**
 - iii) **'Less: Allowable expenses attributable to SARS interest (excluding donations)'**.
 - iv) **'Taxable amount available for distribution/assessed loss retained in Trust'** This field will be automatically calculated as follows:
 - A) Gross receipts and accruals.
 - B) Less: Allowable administration Expenses (excluding donations).
 - v) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7 (excluding amounts vested in foreign beneficiaries)'**
 - A) Section 7 deals with the rules/conditions when income is deemed to have accrued or to have been received. The amount cannot be greater than the taxable amount available for distribution. An assessed loss cannot be distributed to/vested in beneficiaries.
 - B) For the 2024 year of assessment and prior this field will be displayed as **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7'**.
 - vi) **'Taxable in Trust (vested in foreign beneficiaries)'**
 - A) This field is applicable from the 2025 year of assessment onwards.
 - vii) **'Taxable in Trust (not vested in beneficiaries)'** – This field will be automatically calculated as follows:
 - A) Taxable amount available for distribution/assessed loss retained in Trust.
 - B) Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7.
 - C) Less: Taxable in Trust (vested in foreign beneficiaries) – applicable from the 2025 year of assessment.
 - D) For the 2024 year of assessment and prior, this field will be displayed as **'Taxable in Trust'**.
 - viii) **'Source Code'**
 - A) The field will be pre-populated with code 4237.

17 DISTRIBUTIONS FROM REAL ESTATE INVESTMENT TRUSTS (REIT)

- a) This section would display if 'Y' was selected for the question: **"Indicate the type of local income received/accrued to the Trust: Distribution received from a real estate investment Trust (REIT)"** on the form wizard.
- b) Use the financial statements to complete the following fields:
- i) **'Gross receipts and accruals (excluding local distributions from Real Estate Investment Trust (REIT) vested from other Trust(s)).'**
 - ii) **'Add: Aggregate local distributions from Real Estate Investment Trusts (REIT) from other Trust(s).'**
 - iii) **'Total Gross receipts and accruals (including local distributions from Real Estate Investment Trusts (REIT) vested from other Trust(s)).'**
 - iv) **'Less: Allowable expenses attributable to REIT distributions received (excluding donations).'**
 - v) **'Taxable amount available for distribution/assessed loss retained in Trust'** This field will be automatically calculated as follows:
 - A) Gross Receipts and Accruals.
 - B) Less: Expenses (excluding donations).
 - vi) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7 (excluding amounts vested in foreign beneficiaries).'**
 - A) Section 7 deals with the rules/conditions when income is deemed to have accrued or to have been received. The amount cannot be greater than the taxable amount available for distribution. An assessed loss cannot be distributed to/vested in beneficiaries.
 - B) For the 2024 year of assessment and prior this field will be displayed as **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7'**.
 - vii) **'Taxable in Trust (vested in foreign beneficiaries)'**
 - A) This field is applicable from the 2025 year of assessment onwards.
 - viii) **'Taxable in Trust (not vested in beneficiaries) – This field will be automatically calculated as follows:**
 - A) Taxable amount available for distribution/assessed loss retained in the Trust.
 - B) Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7.
 - C) Less: Taxable in Trust (vested in foreign beneficiaries) – applicable from the 2025 year of assessment.
 - D) For the 2024 year of assessment and prior, this field will be displayed as **'Taxable in Trust'**.
 - ix) **'Source Code'**
 - E) The field will be pre-populated with code 4238.

18 DIVIDENDS DEEMED TO BE INCOME I.T.O. S8E AND S8EA

- a) Sections 8E and 8EA of the Income Tax Act were amended to include any right or interest where the value of that right or interest is directly or indirectly determined with reference to a share, or an amount derived from a share i.e., equity instruments treated as hybrid instruments. The effect of the amendment is that dividends received by persons i.r.o. those equity instruments must be deemed to be income.
- b) Complete the following if applicable to the Trust:
- i) **'Gross receipts and accruals' (excluding local dividends deemed to be income i.t.o. s8E and s8EA vested from other Trust(s)).**
 - ii) **'Add: Aggregate local dividends deemed to be income i.t.o. s8E and s8EA from other Trust(s).'**
 - iii) **'Total Gross receipts and accruals (including local dividends deemed to be income i.t.o. s8E and s8EA vested from other Trust(s)).'**
 - iv) **'Less: Allowable expenses attributable to dividends deemed to be income (excl. donations).'**
 - v) **'Taxable amount available for distribution/assessed loss retained in the Trust'**.
 - A) This field will be auto calculated.
 - B) Negative currency amounts are allowed.
 - vi) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7 (excluding amounts vested in foreign beneficiaries)'**

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- A) The amount in this field cannot exceed the value of the “Taxable amount available for distribution/assessed loss retained in Trust”.
- B) This field will be greyed-out/locked (cannot edit this field) if the “Taxable amount available for distribution/assessed loss retained in the Trust” results in a negative value.
- C) Section 7 deals with the rules/conditions when income is deemed to have accrued or to have been received. This amount must be limited to the taxable amount available for distribution. An assessed loss cannot be distributed to/vested in a beneficiary.
- D) For the 2024 year of assessment and prior this field will be displayed as **‘Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7’**.
- vii) **‘Taxable in Trust (vested in foreign beneficiaries)’**
 - A) This field is applicable from the 2025 year of assessment onwards.
- viii) **‘Taxable in Trust (not vested in beneficiaries)’**
 - A) This amount is auto calculated as follows:
 - I) ‘Taxable amount available for distribution/assessed loss retained in the Trust’.
 - II) Less: ‘Amount distributed to/vested in beneficiaries or taxable i.t.o. s7’.
 - III) Less: Taxable in Trust (vested in foreign beneficiaries) – applicable from the 2025 year of assessment.
 - B) For the 2024 year of assessment and prior, this field will be displayed as **‘Taxable in Trust’**.
 - C) This field will default to zero and will be greyed-out/locked (as explained above) if the “Taxable amount available for distribution/assessed loss retained in the Trust” is less than or equal to zero.
- ix) **‘Source Code’**
 - A) Code 4292 will be pre-populated in this field.

19 LOCAL CAPITAL GAIN/LOSS

- a) Capital Gains Tax (CGT) provisions became effective from 1 October 2001. The Eighth Schedule of the Income Tax Act determines a taxable capital gain or assessed capital loss and section 26A of the Income Tax Act provides that a taxable capital gain is included in taxable income.
- b) A CGT event is triggered by the disposal (or deemed disposal) of an asset. Only the gain or loss attributable from 1 October 2001 to date of disposal will be subject to the CGT.
 - i) An asset is defined as widely as possible and includes any property of any nature and any interest therein.
 - ii) A disposal covers any event, act, forbearance, or operation of law, which results in a creation, variation, transfer, or extinction of an asset. It also includes:
 - A) The sale, donation, expropriation, conversion, grant, cession, exchange or any other alienation or transfer of ownership of an asset;
 - B) The forfeiture, termination, redemption, cancellation, surrender, discharge, relinquishment, release, waiver, renunciation, expiry, or abandonment of an asset;
 - C) The scrapping, loss, or destruction of an asset;
 - D) The vesting of an interest in an asset of a Trust in a beneficiary;
 - E) The distribution of an asset by a company to a holder of shares;
 - F) The granting, renewal, extension, or exercise of an option; or
 - G) The decrease in value of a person's interest in a company, Trust or partnership of value shifting arrangement.
- c) Once an asset is disposed of, the amount that is received by (or which accrues to) the seller of the asset constitutes the **proceeds**/income from the disposal.
- d) The **base cost** of the asset is generally the expenses that were actually incurred in obtaining the asset, together with the following:
 - i) Expenses directly related to the asset's improvement.
 - ii) Expenses and direct costs in respect of its acquisition and disposal of the asset.
 - iii) Certain holding costs.
 - iv) Note: The base cost does not include any amounts otherwise allowed as a deduction for income tax purposes.
- e) The **annual exclusion** will be applied programmatically by SARS, and you are therefore not required to complete this ‘exclusion’ on the return.

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- i) The annual exclusion of a natural person and a special Trust type a) (referred to in section 1(1) paragraph (a) of the definition of “special Trust”) is R30 000 for the 2016 year of assessment and R40 000 from the 2017 year till to date of assessment.
 - ii) During the assessment process all capital gains and/or losses are added together and thereafter the sum of such capital gains and losses is reduced by the annual exclusion, limited to the amount of the gain/loss.
 - iii) Where a natural person dies during the year of assessment, the annual exclusion is increased to R300 000.
 - iv) The exclusion applies to gains as well as losses.
 - v) The unutilised portion of the annual exclusion cannot be carried forward to a following year of assessment.
- f) The **inclusion rate** was 66.6% for the 2016 year of assessment and 80% from the 2017 year of assessment to date.
- i) Where a net capital gain for the current year of assessment has been determined, such amount is multiplied by the inclusion rate to determine the taxable capital gain.
 - ii) The result is included in the taxable income for that year of assessment.
 - iii) Note: this calculation is done programmatically during the assessment process.
- g) A capital loss can only be offset against a capital gain, and not against normal taxable income. A capital loss can't be vested/distributed to a beneficiary.
- h) The capital gain/loss must be determined by calculating the difference between the “Proceeds” and “Base Cost” (after considering Exclusions/Adjustments and Rollover base cost).
- i) For more detailed information please refer to the ‘**Comprehensive Guide to Capital Gains Tax**’ which is available on the SARS website.
- i) In the event the Taxpayer selects a “No” to the questions “Did the Trust receive capital gains from other local/foreign Trust on the wizard, however enters an amount(s) within the local or foreign amount(s) Received or Vested from Other Trust(s) for Capital Gains under the Details of Local/Foreign amount(s) Received or Vested from Other Trust(s) containers in the Income Distribution Schedule, an automatic change on wizard will be done, changing the question from a “No” to a “Yes” and bringing about the associated income container for Local or Foreign Capital Gains/Loss, in aid of determining the “Taxable in Trust” amount and associated source code.
 - A) If the “No” was automatically changed to a “Yes” on the wizard and the associated income container was displayed for completion, however the taxpayer realized that an error was made and deletes the amount specified from the Local/Foreign amount(s) Received or Vested from Other Trust(s) for Local/Foreign Capital Gains under the Details of Local/Foreign amount(s) Received or Vested from Other Trust(s) container in the Income Distribution Schedule, the form will undo the “Yes”, change it back to a “No” on the wizard and delete the associated income container.
 - ii) In the event the Taxpayer selects a “No” to the questions “Did the Trust dispose of any local/foreign assets attracting capital gain or loss (including crypto asset(s))?” on the wizard, however enters an amount(s) within the Local or Foreign amount(s) Received or Vested from Other Trust(s) for Capital Loss under the Details of Local/Foreign amount(s) Received or Vested from Other Trust(s) containers in the Income Distribution Schedule, an automatic change on wizard will be done, changing the question from a “No” to a “Yes” and bringing about the associated income container for Local or Foreign Capital Gain/Loss, in aid of determining the “Taxable in Trust” amount and associated source code.
 - A) If the “No” was automatically changed to a “Yes” on the wizard and the associated income container was displayed for completion, however the taxpayer realized that an error was made and deletes the amount specified from the Local/Foreign amount(s) Received or Vested from Other Trust(s) for Local/Foreign Capital Loss under the Details of Local/Foreign amount(s) Received or Vested from Other Trust(s) container in the Income Distribution Schedule, the form will undo the “Yes”, change it back to a “No” on the wizard and delete the associated income container.
- j) The CGT section would display if you selected ‘Y’ to the question “**Did the Trust dispose of any local assets attracting capital gain or loss (including crypto asset(s))?**” on the form wizard.
- i) This section will be repeated according to the number of disposals indicated on the return.

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- k) Complete the following fields:
- i) **'Proceeds'.**
 - ii) **'Base Cost'.**
 - iii) **'Exclusion/Rollover'.**
 - iv) **'Capital Gain/Loss' – this amount will be auto-calculated as follows:**
 - A) Proceeds.
 - B) Less: Base Cost.
 - C) Less: Exclusion/Rollover.
 - v) **'Add: Clogged loss included in amounts listed above to be carried forward (para. 39 of the Eighth Schedule)'.**
 - vi) **'Less: Prior year clogged loss brought forward and deductible from the capital gain listed above derived from same connected person (para. 39 of the Eighth Schedule)'.**
 - vii) **'Capital Gain available for distribution/Capital Loss retained in the Trust'– this amount is calculated as follows:**
 - A) Capital Gain/Loss.
 - B) Plus: Clogged losses included in amounts listed above to be carried forward (para 39 of the Eighth Schedule).
 - C) Less: Prior years' clogged loss brought forward and deductible from the capital gains listed above derived from same connected person (para 39 of the Eighth Schedule).
 - viii) **'Less: Aggregate amount of capital loss vested in this Trust due to a disposal of an asset(s) by other local Trust(s)'**
 - A) This field is applicable from the 2024 year of assessment onwards.
 - ix) **'Capital Gain available for distribution/Capital loss retained in Trust'- this amount is calculated as follows:**
 - A) Capital Gain/Loss.
 - B) Add Clogged losses included in amounts listed above to be carried forward (par. 39 of the Eighth Schedule).
 - C) Less Prior years' clogged loss brought forward and deductible from the capital gains listed above derived from same connected person (par. 39 of the Eighth Schedule).
 - D) Less: **Aggregate amount of capital loss vested in this Trust due to a disposal of an asset(s) by other local Trust(s) - applicable from the 2024 year of assessment.**
 - x) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. para 68 –72 of the Eighth schedule' – Complete the amounts that relate to the following paragraphs:**
 - A) Attribution of capital gain to spouse – paragraph 68:
 - 1) Any donation, settlement, other similar disposition must be disregarded when determining a person's aggregate capital gain. This amount must be considered when determining the aggregate capital gain or loss of the person's spouse.
 - B) Attribution of capital gain to parent of minor child – paragraph 69:
 - 1) Any donation, settlement or other disposition by a parent or any other person for the benefit of a child's must be disregarded when determining the child's aggregated capital gain and must be considered when determining aggregate capital gain or loss of that parent.
 - C) Attribution of capital gain subject to conditional vesting – paragraph 70:
 - 1) If a person donated, settlement, or any disposition subject to a stipulation or condition such that the distribution will not vest in the beneficiaries of such distribution. Capital gain must be disregarded when determining the aggregate capital gain of a beneficiary and will be considered when determining the aggregate capital gain or loss of the person retaining the donation, settlement, or other disposition.
 - D) Attribution of capital gain subject to revocable vesting – paragraph 71:
 - 1) Where a resident beneficiary has a right to any donation settlement or disposition subject to a revocation, capital gain must be disregarded when determining the aggregate capital gain of that beneficiary. Capital gain will be considered when determining the aggregate capital gain or loss of the person retaining the power of revocation.
 - E) Attribution of capital vesting in non-resident – paragraph 72:
 - 1) If a South African resident made a donation settlement or disposition to any person (excluding a non-resident public benefit organization) and that capital gain has during the year vested in or is treated as having vested in any person who is not a resident (excluding a Controlled Foreign Company in relation to that resident), capital gain must be disregarded when determining the aggregate capital gain or losses of

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the person in whom it vest and taken into account when determining capital gain or loss of that resident.

- xi) **'Taxable in Trust (vested in foreign beneficiaries)'**.
- xii) **'Taxable in Trust (not vested in beneficiaries)'**.
- xiii) **'Source Code'**.
 - A) Source code 4250 will pre-populate for a capital gain and source code 4251 will prepopulate for a capital loss.
- xiv) **'Main Asset Type Source Code'**

l) **Note:** The annual exclusion and inclusion rate and carry forward losses will be calculated by SARS.

20 CAPITAL GAIN VESTED IN THIS TRUST DUE TO DISPOSAL OF AN ASSET(S) FROM OTHER LOCAL TRUST(S)

- a) **'Aggregate amount of capital gains vested in this Trust due to a disposal of an asset(s) by other local Trusts'**.
 - i) From the 2023 year of assessment, this field will be prepopulated with the Aggregate Local Capital Gain from other Trust(s) field (completed in this return). Should an Aggregate Local Capital Loss be vested (due to a vested right) the aggregate amount of all capital losses should be included in the Aggregate container.
- b) **'Source Code'**
 - i) Source code 4250 will populate next to the field.

21 REDUCTION OF LOCAL ASSESSED CAPITAL LOSS DUE TO DEBT REDUCTION

- a) This section would display if you selected 'Y' to the question: **"Was the reduction i.r.o. a local asset?"** on the form wizard.
- b) Complete the **'Amount of debt reduction'** as per the financial statement.

22 LOCAL RENTAL INCOME FROM THE LETTING OF FIXED PROPERTY

- a) This section will display if 'Y' was selected for type of local income **"Local Rental Income from the letting of Fixed Property"** on the form wizard.
- b) Complete the following fields as per the income statement:
 - i) **'Rental Income (excluding local Rental Income vested from other Trusts)'**.
 - ii) **'Add: Aggregate local rental income from other Trust(s).'**
 - iii) **'Total Rental Income (including local rental Income vested from other Trust(s)).'**
 - iv) **'Expenditure (excluding donations)'**:
 - A) **'Accounting fees'**.
 - B) **'Agency fees'**.
 - C) **'Bad Debts'**.
 - D) **'Depreciation'**.
 - E) **'Electricity/Rates and Taxes'**.
 - F) **'Insurance'**.
 - G) **'Interest/Finance Charges'**.
 - H) **'Levies Paid'**.
 - I) **'Repairs/Maintenance'**.
 - J) **'Other Expenses (excluding expenses listed above)'**.
 - K) **'Please provide descriptions relating to other expenses listed above'**.
 - L) **'Total expenses:** This total is auto-calculated on the return.
 - M) **'Accounting Profit/Loss' – This field is auto-calculated as follows:**
 - I) **Rental income.**
 - II) **Less: Total expenses.**
 - III) **'Add: Expenses incurred i.r.o. right of use of the Trust assets by beneficiaries/other persons'**.
 - IV) **'Add: Amounts claimed for accounting purposes'**.

- V) **'Less: Tax deductions and special allowances i.t.o. the Income Tax Act'.**
- v) **'Profit/loss'** – this field is auto-calculated as follows:
 - A) Add: Expenses incurred i.r.o. right of use of Trust assets by beneficiaries/other persons.
 - B) Add: Amounts claimed for accounting purposes.
 - C) Less: Tax deductions and special allowances i.t.o. the Income Tax Act.
- vi) **'Is the Trust a partnership?' (Select 'Yes' or 'No').**
- vii) **'Less: Profit/Loss attributable to the partner(s)'** – only applicable if the Trust is involved in a partnership.
- viii) **'Taxable amount available for distribution/Assessed loss retained in Trust'** – this field is auto-calculated as follows:
 - A) Profit/Loss.
 - B) Less: Profit/Loss attributable to partner(s).
- ix) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7 (excluding amounts vested in foreign beneficiaries)'**:
 - A) For the 2024 year of assessment and prior this field will be displayed as **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7'.**
- x) **'Taxable in Trust (vested in foreign beneficiaries)'**:
 - B) This field is applicable from the 2025 year of assessment onwards.
- xi) **'Taxable in Trust (not vested in beneficiaries)'** – this field is auto-calculated as follows:
 - A) Taxable amount available for distribution/Assessed loss retained in the Trust.
 - B) Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7.
 - C) Less: Taxable in Trust (vested in foreign beneficiaries) – applicable from the 2025 year of assessment.
 - D) For the 2024 year of assessment and prior, this field will be displayed as **'Taxable in Trust'.**
- xii) **'Source Code'**
 - A) Source code 4210 will prepopulate for a profit and source code 4211 will prepopulate for a loss.

23 LOCAL BUSINESS AND TRADING INCOME INCLUDING CRYPTO ASSET(S) (EXCLUDING RENTAL INCOME FROM THE LETTING OF FIXED PROPERTY AND FARMING INCOME)

- a) This section will display if 'Y' was selected for the question **"Indicate the type of local income received/accrued to the Trust: Business, trade (including crypto asset(s)) or professional income (excluding Rental Income from the letting of Fixed Property and farming)"** on the form wizard.
- b) Complete the following **'Income'** fields as per the financial statements:
 - i) **'Turnover/Sales'.**
 - ii) **'Cost of Sales'.**
 - iii) **'Gross Profit/Loss'** – This field is auto-calculated as follows:
 - A) Turnover/Sales.
 - B) Less: Cost of Sales.
 - iv) **'Add: Income other than turnover'.**
 - v) **'Add: Aggregate local business and trading income (excluding Rental Income from letting of fixed property(ies) and income from Farming Operations) from other Trust(s).'**
 - vi) **'Control Total.'**
 - A) From the 2023 year of assessment, this field is displayed as **'Control Total'.** For year of assessment prior to 2023 the field will be displayed as **'Total Income (including Local Business and Trading Income (excluding Rental Income from letting of fixed property(ies) and income from Farming Operations) from other Trust(s))'.**
- c) For the requirements of expenditure and losses deductible for the purpose of determining the taxable income from carrying on trade by the Trust, refer to section 11 of the Income Tax Act. Complete the following **'Expenditure (excl. donations)'** fields as per the financial statements:
 - i) **'Accounting/Consulting/Trustee fees'.**
 - ii) **'Bad/Doubtful debts'.**
 - iii) **'Capital allowances/Depreciation'.**
 - iv) **'Electricity/Rates and Taxes'.**
 - v) **'Entertainment'.**
 - vi) **'Insurance (Business related)'.**
 - vii) **'Interest/Finance charges'.**

- viii) **'Lease payments'**.
- ix) **'Legal cost'**.
- x) **'Rental'**.
- xi) **'Repairs/Maintenance'**.
- xii) **'Royalties and licence fees'**.
- xiii) **'Salaries and wages'**.
- xiv) **'Travel Costs'**.
- xv) **'Other expenditure (excluding items listed above)'**.
A) 'Please provide descriptions relating to the other expenditure listed above'.
- xvi) **'Total expenses (excl. Donations)'**.
A) This field is auto-calculated.
- xvii) **'Accounting Profit/Loss'** – this field is calculated as follows:
B) Gross Profit/Loss.
C) Add: Income other than turnover.
D) Less: Total expenses.

23.1 Debit Adjustments (decrease net profit/increase net loss)

23.1.1 Non-Taxable amounts credited to the Income Statement

- a) Please select/de-select the non-taxable amounts credited to the Income Statement.
 - i) Only the fields that are valid according to the year of assessment will be displayed for selection.
- b) Insert the amount next to the applicable field:
 - ii) **'Accounting interest received/receivable'**.
 - iii) **'Accounting profit on disposal of fixed and/or other assets'**.
 - iv) **'Amounts previously taxed as received in advance'**.
 - v) **'Receipts and/or accruals of a capital nature'**.
 - vi) **'Exempt income received or accrued in respect of government grants (s12P)'**
A) This field is applicable from the 2024 year of assessment onwards.
 - vii) **'Reversal of provisions'**.
 - viii) **'Other (excluding items listed above)'**:
A) **'Please provide descriptions relating to other listed above.'**
- c) **'Control Total'** – This field will be automatically calculated.

23.1.2 Special Allowances Not Claimed in the Income Statement

- a) Please select/de-select the non-taxable amounts credited to the Income Statement.
 - i) Only the fields that are valid according to the year of assessment will be displayed for selection.
- b) Below is a list of allowances available on the pop-up screen. Insert the amount next to the applicable field:
 - i) **'Restraint of trade (s11(cA))'**.
 - ii) **'Wear and tear allowance (s11(e))'**.
A) For more information refer to Interpretation Note: No. 47 on the SARS website.
 - iii) **'Doubtful Debt Allowance (s11(j))'**.
A) From the 2020 year of assessment this field will be replaced by 'Doubtful debt Allowance – IFRS applied s11(j)(i))' and 'Doubtful debt Allowance - IFRS not applied s11(j)(ii))'.

l) Note that all the above mentioned "Doubtful Debt Allowance" fields will be displayed during the 2020 YOA. Only one of the three fields can be completed:
 - iv) **'Doubtful debt allowances (s11(j))'**.
A) This field will not be displayed from the 2021 year of assessment onwards.
 - v) **'Doubtful debt allowance – IFRS applied (s11(j)(i))'**.
A) Applicable from the 2020 year of assessment onwards.
B) If the amount entered in this field is greater than zero, then the container "Information with regards to Doubtful Debt Allowance Claimed - IFRS Applied (s11(j)(i))", within the "Tax Allowances/Limitations" container will be displayed in the form.
 - vi) **'Doubtful debt allowance – IFRS not applied (s11(j)(ii))'**.

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- A) Applicable from the 2020 year of assessment onwards.
- B) If the amount entered in this field is greater than zero, then the container "Information with regards to Doubtful Debt Allowance Claimed - IFRS not applied (s11(j)(ii))", within the "Tax Allowances/Limitations" container will be displayed in the form.
- C) **Note that you can only enter a value in either the "Doubtful Debt allowance – IFRS applied (s11(j)(i))" or "Doubtful Debt allowance – IFRS not applied (s11(j)(ii))" but not on both fields.**
- vii) **'Airport and port assets deductions (s12F)'.**
- viii) **'Amortisation of lump sum contributed to retirement/benefit funds (s11(l))'.**
- ix) **'Depreciable asset allowance (s11(o))'.**
 - A) Under s11(o), a taxpayer can elect to claim a loss in respect of the alienation, loss, or destruction of a qualifying depreciable asset, where certain requirements are met.
 - B) For more information refer to Interpretation Note: No. 60 on the SARS website.
- x) **'Expenditure before commencing trade (s11A)'.**
 - A) Pre-trade expenditure and losses are accumulated until trade commences.
 - B) If trading does not commence, no pre-trade expenses will be deductible.
 - C) Note: s11A is not limited to s11(a) expenses but all expenses under s11 (excluding s11(x)), (s11B - this will only be available when period before 11B is repealed).
 - D) For more information refer to Interpretation Note: No. 33 on the SARS website.
- xi) **'Research and development deduction (s11B)'**
- xii) **'Research And Development Deduction (s11D)'.**
 - A) Section 11D refers to deductions in respect of scientific or technological research and development that was undertaken. This deduction is applicable to years of assessment prior to 2016 and written approval for the research & development must be obtained from the Department of Science & Technology in order to claim the deduction.
 - B) Where there was a delay in obtaining the written approval from the Department of Science and Technology at the time of submission of the return, the Trust has an option to submit an objection for that year of assessment using the ADR1 form, even if that year of assessment has prescribed.
- xiii) **'Machinery, plant, implements, utensils, and articles deduction (s12B)'.**
- xiv) **'Enhanced machinery, plant, implements, utensils and articles used in the production of renewable energy deduction – (s12BA)'.**
 - A) This field is only applicable to the 2024 and 2025 year of assessment.
- xv) **'Manufacturers or hotelkeepers, aircraft, ship, storage and packing of agricultural products deduction (s12C)'.**
- xvi) **'Pipelines, transmission, and rail deduction (s12D)'.**
- xvii) **'Rolling stock deduction (s12DA)'.**
- xviii) **'Learnership agreements registered/in effect (s12H) – excluding learners with a disability – agreements entered into on or before 1 October 2016'.**
 - A) For more information refer to Interpretation Note: No. 20 on the SARS website.
- xix) **'Registered learnership agreements completed in current year (s12H) – excluding learners with a disability – agreements entered into on or before 1 October 2016'.**
 - A) For more information refer to Interpretation Note: No. 20 on the SARS website.
- xx) **'Learnership agreements registered/in effect (s12H) for learners with a disability – agreements entered into before 1 October 2016'.**
- xxi) **'Registered learnership agreements completed in the current year (S12H) for learners with a disability – agreements entered into before 1 October 2016'.**
- xxii) **'Learnership Allowance: Agreements in effect/completed in current year (Agreements entered into on or after 1 October 2016 but before 1 April 2024: (s12H))'.**
 - A) This updated field will display from the 2024 year of assessment onward.
- xxiii) **'Deduction in respect of Venture Capital Company shares (s12J)'.**
 - A) This field is only available up to the 2014 year of assessment. From the 2015 year of assessment onwards, a separate container is available for declaration of an investment in venture capital company shares.
- xxiv) **'Certified Emission Reductions Exemption (s12K- this will only be available when period before 12K is repealed)'.**
- xxv) **'Allowance for energy efficiency savings (s12L)'.**
- xxvi) **'Exemption in respect of films (s12O)'.**
- xxvii) **'Deduction for building(s) used in a manufacturing process (s13)'.**
 - A) Depending on the date of commencement of the erection of the building or improvements to the building, the building has to be wholly or mainly used by the taxpayer or the lessee

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during the year of assessment for the purpose of conducting in the building any process of manufacture, research and development or any process which in the opinion of the Commissioner is of a similar nature in the course of the taxpayer's or lessee's trade, but specifically excluding mining or farming. It is a question of fact, which must be determined on its merits on a case-by-case basis whether a building or an improvement to a building meets these requirements.

- B) For more information refer to the 'Guide to Building' on the SARS website.
- xxviii) **'Hotel building deduction (s13bis)'.**
 - A) S13bis provides for an allowance on the erection of hotel buildings or improvements to such buildings. The allowance is calculated on the cost of erecting the buildings and improvements (other than repairs) which meet certain criteria.
 - B) For more information refer to the 'Guide to Building' on the SARS website.
- xxix) **'Residential buildings deduction (s13ter)'.**
 - A) A residential building annual allowance and a residential building initial allowance were available to a taxpayer who erected residential units under a housing project under s13ter. This section applied to units that were erected on or after 1 April 1982 and before 21 October 2008.
 - B) For more information refer to the 'Guide to Building' on the SARS website.
- xxx) **'Urban Development Zones (UDZ) (s13quat) – erection of a new building this year'.**
 - A) The tax incentive extension of the sunset date for a period of two years from 31 March 2023 to 31 March 2025.
 - B) S13quat provides for an allowance on the cost of the erection, extension, addition, or improvement of any commercial or residential building or part of that building within an urban development zone, which is owned by the taxpayer and is used solely for purposes of that taxpayer's trade.
- xxxi) **'Urban Development Zones (UDZ) (s13quat) – improvements this year'.**
 - A) For more information refer to the 'Guide to Building' on the SARS website.
- xxxii) **'Commercial buildings deduction (s13quin)'.**
 - A) S13quin provides for an allowance on any new and unused buildings or improvements that are used by the taxpayer wholly or mainly in the production of income in the course of a trade, other than the provision of residential accommodation. The allowance is not apportioned if the building is brought into use for part of the year of assessment.
- xxxiii) **'Residential units deduction (s13sex)'.**
- xxxiv) **'Low-cost residential unit deduction (s13sept)'.**
 - A) An allowance under s13sept was introduced to offer relief to employers wishing to transfer ownership of low-cost residential housing to their employees by making use of interest-free loan financing. The section came into operation on 21 October 2008 and applies to a unit disposed of on or after that date and is subject to s36.
- xxxv) **'Prepaid expenditure not limited by s23H'.**
 - A) Section 23H limits the deduction of an expense where none of the goods/service, or only part thereof, goods/service rendered in the year of assessment.
- xxxvi) **'Credit agreement and debtors allowance (hire purchase) (s24)'.**
- xxxvii) **'Credit agreement and debtors allowance (Lay-by) (s24)'.**
- xxxviii) **'Allowance for future expenditure (s24C)'.**
 - A) S24C applies when income is received in advance while the expenditure under the contract will only be incurred in a subsequent year of assessment.
 - B) For more information refer to 'Guide to Building Allowances' on the SARS website.
- xxxix) **'Film allowance (s24F)'.**
 - A) S24F has been repealed with effect from 12 December 2013.
 - B) The section provided for deduction in respect of the cost of production and purchase of films. It applies to films where the principal photography commenced before 1/1/2012 and the expenditure was incurred on or before 31/12/2012.
- xl) **'Interest incurred' (s24J)'.**
- xli) **'Cash contributions to a closure Rehabilitation Trust Fund or company (s37A)'.**
 - A) This field is applicable from 2018 year of assessment onwards.
 - B) Complete the field if the Trust qualifies for a deduction of contributions to a Rehabilitation Trust Fund or company in respect of s37A.
- xlaii) **'Environmental asset deduction (s37B)'.**
- xlaiii) **'Environmental asset deduction: treatment and recycling (s37B)'.**
 - A) This field is applicable from the 2016 year of assessment onwards.

- B) Complete this field if the Trust qualifies for a deduction of treatment and recycling in respect of s37B.
- xliv) **'Environmental asset deduction: waste disposal assets (s37B)'**.
 - A) This field is applicable from the 2016 year of assessment onwards.
 - B) Complete this field if the Trust qualifies for a deduction of waste disposal assets in respect of s37B.
- xlv) **'Environmental conservation and maintenance deduction (s37C)'**.
- xlvi) **'Other (excluding items listed above)'**: If the allowance is not on the list, complete the amount under the "Other (excluding items listed above)" field.
 - A) **Please provide descriptions relating to other listed above**: Provide descriptions relating to the amount declared on the "Other (excluding items listed above)" field.
- xlvii) **'Control Total'** – this field will be auto-calculated.

23.2 Credit Adjustments (increase net profit/decrease net loss)

23.2.1 Non-Deductible amounts debited to the Income Statement

- a) Please select/de-select the non-taxable amounts credited to the Income Statement.
 - i) Only the fields that are valid according to the year of assessment will be displayed for selection.
- b) Below is a list of items available on the pop-up screen. Insert the amount next to the applicable field:
 - i) **'Accounting interest paid/payable'**.
 - ii) **'Accounting loss on disposal of fixed and/or other assets'**.
 - iii) **'Amortisation of lease premiums and improvements to leasehold premises'**.
 - iv) **'Capital expenditure and/or losses'**.
 - v) **'Depreciation according to financial statements'**.
 - vi) **'Expenses not actually incurred in the production of income (s11(a))'**.
 - vii) **'Financial assistance (s31)'**.
 - viii) **'Interest paid in respect of capitalised leased assets'**.
 - ix) **'Interest, penalties paid in respect of taxes (s23(d))'**.
 - x) **'Lump sum contributions to retirement and/or benefit funds'**.
 - xi) **'Prepaid expenditure not allowed under s23H'**.
 - xii) **'Amounts in respect of certain (tainted) intellectual property (s23I)'**.
 - xiii) **'Provision for doubtful debt not deductible in current year'**.
 - xiv) **'Provision not deductible current year (excluding doubtful debt)'**.
 - xv) **'Transfer pricing adjustments'**.
 - xvi) **'Other (excluding items listed above)'** - If the item is not on the list, complete the amount on the "Other (excluding items listed above)" field.
 - xvii) **'Please provide descriptions relating to other listed above'** - Provide descriptions relating to the amount declared on the field "Other (excluding items listed above)" above.
 - xviii) **'Control Total'** – this field will be auto-calculated.

23.2.2 Allowance/Deductions granted in previous Years of Assessment and now Reversed.

- a) Please select/de-select the non-taxable amounts credited to the Income Statement.
 - i) Only the fields that are valid according to the year of assessment will be displayed for selection.
- b) Below is a list of items available of the pop-up screen. Insert the amount next to the applicable field:
 - i) **'Credit agreement and debtor's allowance (hire purchase) (s24)'**
 - A) From the 2024 year of assessment, this field will be pre-populated with the value that was captured in the previous year and locked. If there was no value captured in the previous year of assessment, then this field will be editable.
 - ii) **'Credit agreements and debtors allowance (Lay-by) (s24)'**
 - A) From the 2024 year of assessment, this field will be prepopulated with the value that was captured in the previous year and locked. If there was no value captured in the previous year of assessment, then this field will be editable.
 - iii) **'Allowance for future expenditure (s24C)'**.

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- c) Note that from the 2021 YOA you can reverse 'Doubtful debt' claimed in the previous years. For the 2021 YOA all three fields will appear.
- i) **'Doubtful debt allowance (s11(j))'**.
 - A) This field will not be displayed from 2021 onwards.
 - ii) **'Doubtful debt allowance IFRS applied (s11(j)(i))'**.
 - A) This field is applicable from the 2021 YOA onwards.
 - B) From the 2024 year of assessment, this field will be prepopulated with the value that was captured in the previous year and locked. If there was no value captured in the previous year of assessment, then this field will be editable.
 - iii) **'Doubtful debt allowance IFRS not applied (s11(j)(ii))'**.
 - A) This field is applicable from the 2021 YOA onwards.
 - B) From the 2024 year of assessment, this field will be prepopulated with the value that was captured in the previous year and locked. If there was no value captured in the previous year of assessment, then this field will be editable.
 - iv) **'Other (excluding items listed above)'** - If the item is not on the list, complete the amount on the "Other (excluding items listed above)" field.
 - A) **'Please provide descriptions relating to other listed above'** - Provide descriptions relating to the amount declared on the field "Other (excluding items listed above)" above.
 - v) **'Control Total'** – this field will be auto-calculated.

23.2.3 Amounts not credited to the Income Statement

- a) Please select/de-select the non-taxable amounts credited to the Income Statement.
- i) Only the fields that are valid according to the year of assessment will be displayed for selection.
- b) Below is a list of items available of the pop-up screen. Insert the amount next to the applicable field:
- i) **'Amounts received in advance'**.
 - ii) **'Amounts accrued but not received'**.
 - iii) **'Closing value of consumable stock and spare parts'**.
 - iv) **'Closing balance of stock values of work in progress (s22(2A))'**.
 - v) **'Interest accrued (s24J)'**.
 - vi) **'Loans/advances granted by an insurer (para. (m) of def. of "gross income")'**.
 - vii) **'Transfer pricing adjustment'**.
 - viii) **'Expenses incurred i.r.o. right of use of Trust assets by beneficiaries/other persons'**.
 - ix) **'Other (excluding items listed above)'** - If the item is not on the list, complete the amount on the "Other (excluding items listed above)" field.
 - A) **'Please provide descriptions relating to other listed above'** - Provide descriptions relating to the amount declared on the field "Other (excluding items listed above)" above.
 - x) **'Control Total'** – this field will be calculated auto-calculated.

23.2.4 Recoupment of Allowance previously Granted

- a) Certain allowances previously allowed in the determination of the taxable income and recovered or recouped during this year of assessment must be reflected.
- b) Please select/de-select the non-taxable amounts credited to the Income Statement.
- i) Only the fields that are valid according to the year of assessment will be displayed for selection.
- c) Below is a list of items available of the pop-up screen. Insert the amount next to the applicable field:
- i) **'Bad debts'**.
 - ii) **'Wear and tear (s8(4))'**.
 - iii) **'Recoupment in terms of s8(4)(nA) for Enhanced Renewable Energy assets as contemplated in s12BA'**
 - A) This field will be applicable from the 2024 to 2026 years of assessment only.
 - B) The 3 years of assessment begins from 01 March 2023 and ends on 28 February 2026.
 - iv) **'Recoupments (excl. wear and tear) (s8(4) and Recoupment in terms of s8(4)(nA) for Enhanced Renewable Energy assets as contemplated in s12BA)'**
 - A) This field will be applicable from the 2024 to 2026 years of assessment, from 01 March 2023 to 28 February 2026.
 - B) the field label remains "Recoupment (excluding wear and tear) (s8(4))" if the year of assessment is prior to 2023 or after 2026.

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- v) **'Lease charges (s8(5))'**.
- vi) **'Reduction in Debt (s19)'**.
- vii) **'Other (excluding items listed above)'** - If the item is not on the list, complete the amount on the "Other (excluding items listed above)" field.
 - A) **'Please provide descriptions relating to other listed above'** - Provide descriptions relating to the amount declared on the field "Other (excluding items listed above)" above.
- viii) **'Control Total'** – this field will be auto-calculated.

23.2.5 Determination of Profit/Loss

- a) **'Profit/Loss'** – This field is auto-calculated on the return as follows:
 - i) Accounting Profit/Loss.
 - ii) Less: Debit Adjustments: Non-taxable amounts credited to the income statement: Control Total.
 - iii) Less: Debit Adjustments: Special Allowances not claimed in the income statement: Control Total.
 - iv) Plus: Credit Adjustments: Non-deductible amounts debited to the income statement: Control Total.
 - v) Plus: Allowances/Deductions granted in previous years of assessment and now reversed: Control Total.
 - vi) Plus: Amounts not credited to the income statement: Control Total.
 - vii) Plus: Recoupment of allowances previously granted: Control Total.
- b) **Is the Trust in a partnership?** – Select 'Y' or 'N'.
 - i) If 'Y' complete the field **'Less: Profit/Loss attributable to partner(s)'**.
- c) **'Taxable amount available for distribution/assessed loss retained in Trust'** – This field is auto-calculated.
- d) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7' (excluding amounts vested in foreign beneficiaries).**
 - i) This amount cannot be greater than the taxable amount available for distribution. An assessed loss cannot be distributed to/vested in beneficiaries.
 - ii) This field is applicable from the 2025 year of assessment onwards.
 - iii) For the 2024 year of assessment and prior, this field will be displayed as **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7'**.
- e) **'Taxable in Trust (vested in foreign beneficiaries)'**
 - i) This field is applicable from the 2025 year of assessment onwards.
- f) **'Taxable in Trust (not vested in beneficiaries)'** – This field will be auto-calculated.
 - i) Taxable amount available for distribution/Assessed loss retained in the Trust.
 - ii) Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7.
 - iii) Less: Taxable in Trust (vested in foreign beneficiaries) – applicable from the 2025 year of assessment.
 - iv) For the 2024 year of assessment and prior, this field will be displayed as 'Taxable in Trust'.
- g) **'Source Code'**
 - i) This field is mandatory.
 - ii) Please refer to the 'Find a Source Code' tool which is available on the SARS website to select a valid source code.
 - iii) Source code 3006 is valid from 1999 – 2006.
 - iv) Source code 3025 is valid from 2007 onwards.
 - v) The following source codes are excluded:
 - A) All codes starting with '01', '26', '30' (except 3006 and 3025) and '35'.
 - B) 4210, 4211, 4280, 4281, 4282, 4283, 4284, 4285, 4286, 4287.
 - vi) Select a Profit Code to indicate credit balance and a Loss code to indicate a debit balance.
 - vii) For Rehabilitation Trusts, the source code 3006 must be used for years of assessment 1999 – 2006 and the source 3025 for years of assessment 2007 and onwards.
- h) **'Were any transactions relating to crypto asset(s) included in the local business and trading information above?'** – Select 'Y' or 'N'.

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- i) If 'Y', complete the '**Gross crypto asset(s) amount included in turnover/sales**' field.
- i) **Did the transactions relating to crypto asset(s) result in a profit?** (Select 'Y' or 'N').
 - i) If 'Y', one of the following two fields will be displayed based on the profit or loss source code selected for completion:
 - A) 'Profit relating to crypto asset(s) trading'.
 - B) 'Loss relating to crypto asset(s) trading'.

24 ENHANCED RENEWABLE ENERGY DEDUCTION – S12BA

- a) This container is mandatory to complete if the value captured in the field "**Enhanced machinery, plant, implements, utensils and articles used in the production of renewable energy deduction - (s12BA)**" in the sub container "**Special Allowances Not Claimed in the Income Statement**" of the main container "**Local Business and Trading Income including crypto asset(s) (Excluding Rental Income from the letting of fixed property and farming income)**" is greater than zero.
- b) Complete the following fields:
 - i) **Does the Trust confirm that the asset(s) acquired was new and unused, and was brought into use for the first time during this year of assessment?** (Select 'Y' or 'N').
 - A) If 'Y', complete the '**Amount in kilowatt**' field for the question '**What is the electricity generation capacity of the installed system?**'
 - ii) Indicate the '**Types of Renewable Energy**':
 - A) Wind Power.
 - B) Photovoltaic solar energy.
 - C) Concentrated solar energy.
 - D) Hydropower to produce electricity.
 - E) Biomass comprising organic wastes, landfill gas or plant material.
 - iii) **Total cost incurred for which this deduction is claimed.**
 - iv) **Does the Trust confirm that the Enhanced energy Incentive (s12BA) (as declared in the "Enhanced machinery, plant, implements, utensils and articles used in the production of renewable energy deductions (s12BA)" field in the Tax Computation) has not been claimed under any other section of the Income Tax Act?** Select 'Y' or 'N'.

25 CALCULATION OF THE QUALIFYING SECTION 12H LEARNERSHIP ALLOWANCE FOR THIS YEAR OF ASSESSMENT IN RESPECT OF AGREEMENTS ENTERED ON OR AFTER 1 OCTOBER 2016

- a) Section 12H has been extended to 1 April 2024.
- b) The learnership incentive is intended to encourage skills development and job creation. The following tax deductions will be considered in respect of the entering and completion of such registered learnership agreements as defined in s12H of the Income Tax Act.
 - i) **Persons without a disability:**
 - A) NQF 1- 6 = R40 000.
 - B) NQF 7 – 10 = R20 000.
 - ii) **Persons with a disability:**
 - A) NQF 1- 6 = R60 000.
 - B) NQF 7- 10 = R50 000.
- c) Complete the number of learners (No. of Learners) and their respective allowance(s) calculated (Allowances calculated) on the following details:
 - i) **"Learnership agreements registered/in effect".**
 - A) Learners without a disability.
 - I) Learnership agreements registered/in effect – Learners with NQF Levels 1 – 6.
 - II) Learnership agreements registered/in effect – Learners with NQF Levels 7 – 10.
 - B) Learners with a disability.
 - I) Learnership agreements registered/in effect – Learners with NQF Levels 1 – 6.
 - II) Learnership agreements registered/in effect – Learners with NQF Levels 7 – 10.

- ii) **"Registered learnership agreements completed in current year":**
 - A) Learners without a disability.
 - I) Learnership agreements completed in the current year – Learners with NQF Levels 1 – 6.
 - II) Learnership agreements completed in the current year – Learners with NQF Levels 7 – 10.
 - B) Learners with a disability.
 - I) Learnership agreements completed in the current year – Learners with NQF Levels 1 – 6.
 - II) Learnership agreements completed in the current year – Learners with NQF Levels 7 – 10.

26 TAX ALLOWANCES/LIMITATIONS

- a) This container will only display if the question "Indicate the type of local income received/accrued to the Trust: Business, trade (including cryptocurrency crypto asset(s)) or professional income (excluding rental income from letting of Fixed Property and farming)" is "Yes".
- b) Complete the following sub questions:
 - i) **Did the Trust enter into an instalment sale agreement as referred to in s12DA to use the rolling stock as an asset to generate income? – Select 'Y' or 'N.'**
 - A) If 'Y' is selected, **"Was the rolling stock brought into use on or before 28 February 2022?"** will be displayed for completion. – Select 'Y' or 'N'.
 - ii) **Was the allowance claimed in term of s12F only in relation to assets used directly in the production of income? – Select 'Y' or 'N.'**
 - A) If 'Y' is selected, **"Was the asset brought into use on or before 28 February 2022?"** will be displayed for completion – Select 'Y' or 'N'.

26.1 Learnership Agreement – s12H

- a) Does the Trust confirm that the registered learnership agreement was entered into before 1 April 2024? – Select 'Y' or 'N'.
- i) From the 2025 year of assessment, if a value is entered into the **'Learnership Allowance: Agreements in effect/completed in current year(Agreements entered into on or after 1 October 2016 but before 1 April 2024: (s12H))'** field, found in the sub-container **'Special Allowances Not Claimed in the Income Statement', 'Debit Adjustments (decrease net profit/increase net loss)', 'Local Business and Trading Income including crypto asset(s) (excluding Rental Income from the letting of Fixed Property and Farming Income'**, this field is mandatory to complete.

26.2 Urban Development Zone – s13quat

- a) **'Is the building for which the Trust is claiming an allowance in an approved demarcated zone?'** – Select 'Y' or 'N'.
- b) **'Did the Trust receive a certificate(s) issued by the municipality confirming that the building(s) for which the Trust is claiming an allowance is in an urban development zone?'** – Select 'Y' or 'N'.
- c) **'Did the Trust erect, extend, add to, or improve the building(s) for which the Trust is claiming an allowance with the sole purpose of disposing thereof directly on completion?'** – Select 'Y' or 'N'.
 - i) **'If No, state the total amount incurred for the erection, extension, addition or improvement of building(s)'.**
- d) **'Did the Trust purchase the building(s) or part thereof from a developer?'** – Select 'Y' or 'N'.
 - i) **'If Yes, state the purchase price of the building(s) or part thereof'.**
 - ii) **'State the amount of the purchase price deemed to be cost incurred by the Trust in terms of s13quat(3B)'.**
- e) **'Did the Trust use the building(s) erected, extended, improved, or added on to in use solely for the trade of the Trust during the year of assessment?'** – Select 'Y' or 'N'.

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- f) **'Did the Trust incur costs for the erection, extension or addition relating to low cost housing (s13quat (3A))?' – Select 'Y' or 'N.'**
- g) **'Is the Trust a developer as envisaged in s13quat?' – Select 'Y' or 'N'.**
 - i) If 'Y':
 - A) **Did the Trust submit the necessary forms as prescribed in s13quat (10A)? – Select 'Y' or 'N'.**
 - B) **Did the Trust submit the necessary forms as prescribed in s13quat (4)? – Select 'Y' or 'N'.**

26.3 Energy Efficiency Savings – s12L

- a) **'Has the Trust obtained a certificate issued by SANEDI in respect of energy efficiency savings for the purposes of claiming a s12L allowance' – Select 'Y' or 'N'.**

26.4 Information with regards to Doubtful Debt Allowance Claimed - IFRS Applied: s11(j)(i)

- a) This section will only be displayed if you entered a value greater than zero in the question "Doubtful Debt Allowance (11(j)(i)) – IFRS applied" on the form wizard.
- b) The following rates will be displayed on the form:
 - i) Provision amount (Rate = 25%).
 - ii) Allowance amount (Rate = 25%).
 - iii) Provision amount (Rate = 40%).
 - iv) Allowance amount (Rate = 40%).
- c) Complete the **"IFRS Accounting Provisions"** for each rate displayed. This will auto-calculate the **"Allowance"** amount field (per rate).
- d) **"Indicate whether a directive was issued by SARS, approving the 85% rate."**
 - i) If you have selected the check box, the 85% rate field will displayed for completion.
 - ii) Complete the **"IFRS Accounting Provisions"** for the 85% rate displayed. This will auto-calculate the **"Allowance"** amount field.

26.5 Information with regards to Doubtful Debt Allowance Claimed – IFRS not applied (s11 (j)(ii))

- a) This section will only be displayed if you entered a value greater than zero in the question "Doubtful Debt Allowance (11(j) (ii)) – IFRS not applied" on the tax return wizard of the form.
- b) The following rates will be displayed on the form:
 - i) Provision amount (Rate = 25%).
 - ii) Allowance amount (Rate = 25%).
 - iii) Provision amount (Rate = 40%).
 - iv) Allowance amount (Rate = 40%).
- c) Complete the **"Overdue Debt"** for each rate displayed. This will auto-calculate the **"Allowance"** amount field (per rate).
- d) **"Indicate whether a directive was issued by SARS, approving the 85% rate."** Select if applicable.
 - i) Complete the field **"Specify the approved weighted average rate"**.
 - ii) The **"Specified"** rate will be displayed.
 - iii) Complete the **"Overdue Debt"** for the specified rate displayed. This will auto-calculate the **"Allowance"** amount field.

27 FARMING OPERATIONS

27.1 Income from Local Farming Operations (IT48)

- a) This section will only display if you selected 'Y' to the question "*Indicate the type of local amounts received/accrued to the Trust: Farming Income*" on the tax form wizard of the return.

27.1.1 Farming Operations

- a) The record retention periods contained in section 29 and 97 of the Tax Administration Act has been adjusted in line with the time-periods set out in paragraph 13 of the first schedule.
- b) The Commissioner may, notwithstanding the provisions of sections 99 and 100 of the Tax Administration Act, raise an assessment for any year of assessment with respect to which a deduction in terms of subparagraph (1) is allowed. Where a deduction in terms of subparagraph (1)(a) or (b) may be claimed in respect of a year of assessment, the period prescribed under section 29(3) of the Tax Administration Act after which records, books of account or documents need not be retained shall be extended to six years or eleven years respectively for such year of assessment. Where a deduction in terms of subparagraph (1)(b) may be claimed in a year of assessment, the period prescribed under section 97(4) of the Tax Administration Act after which a record of assessment may be destroyed shall be extended to eleven years for such year of assessment".
- c) The "Income from Local Farming Operations (IT48)" will be updated to allow the taxpayer to select if a relevant paragraph in the First Schedule to the Income Tax Act applies.
- d) Indicate if any of the following paragraphs of the First Schedule to the Income Tax Act applies to the assessment, please mark the applicable block(s) with an "X".
- i) Par13(1)(a).
 - ii) Par13(1)(b).
 - iii) Par13A.
 - iv) Par15.
 - v) Par17.
 - vi) Par20.

27.1.2 Local farming operations

- a) Complete the following fields:
- i) **'Gross receipts and accruals (Including private usage and excluding Income from Local Farming Operations IT48 vested from other Trust(s))'.**
 - ii) **'Partnership income (Add profit/deduct Loss)'.**
 - iii) **'Add: Aggregate Local Farming Operations (IT48) from other Trust(s)'.**
 - iv) **'Total Gross receipts and accruals (including Income from Local Farming Operations (IT48) vested from other Trust(s))'.**
 - A) This field is applicable from the 2023 year of assessment onwards.
 - v) **'Plus: Livestock on hand at the end of the current year of assessment'.**
 - vi) **'Plus: Produce on hand at the end of the current year of assessment'.**
 - A) The following note is displayed on the form 'Excluding market value of livestock and produce acquired otherwise than by purchase, natural increase or in the ordinary course of farming operations (e.g. donations and inheritance)'.
 - vii) **'Sub-Total (i)'**
 - A) This field will be auto-calculated.
 - viii) **'Livestock on hand at the end of the preceding year of assessment'.**
 - ix) **'Livestock purchased and received in exchange'.**
 - x) **Balance of livestock not allowed in the preceding year of assessment.**
 - xi) **Sub-Total (ii).**
 - A) This field is auto-calculated.
 - xii) **Less: Amount deducted [Sub-Total (ii) limited to Sub-Total (i)].**
 - xiii) **Less: balance carried forward to the following year of assessment (This amount may not create or increase a loss).**
 - xiv) **Less: Allowable Expenses.**
 - xv) **Less: Produce on hand at the end of the preceding year of assessment.**

- xvi) **Less: Special depreciation.**
- xvii) **Net Profit/Loss.**
 - A) This field is auto-calculated.
- xviii) **Less: Amount of improvements.**
- xix) **Add: Expenses incurred i.r.o. right of use of Trust assets by beneficiaries/other persons.**
- xx) **Taxable profit available for distribution/assessed loss retained in Trust.**
- xxi) **Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7 (excluding amounts vested in foreign beneficiaries).**
 - A) This field is applicable from the 2025 year of assessment onwards.
 - B) For the 2024 year of assessment and prior, this field will be displayed as '**Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7**'.
- xxii) **Taxable in Trust (vested in foreign beneficiaries).**
 - A) This field is applicable from the 2025 year of assessment onwards.
- xxiii) **Taxable in Trust (not vested in beneficiaries).**
 - A) Taxable Profit available for distribution/Assessed loss retained in the Trust.
 - B) Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7.
 - C) Less: Taxable in Trust (vested in foreign beneficiaries) – applicable from the 2025 year of assessment.
 - D) For the 2024 year of assessment and prior, this field will be displayed as 'Taxable in Trust'.
- xxiv) **Source Code**
 - A) Ensure that the source code falls in the following ranges:
 - I) 0102 – 0143 or 0198-0199.
- xxv) **Equalisation rate selection**
 - A) Select either '3 year' or 'None'.

27.1.3 Special Depreciation Information

- a) This container will only be displayed if the answer to the wizard question "**Indicate the type of local income received/accrued to the Trust: Farming Income**" is "**Yes**".
 - i) These containers will not be repeated and will only be displayed once.
- b) Complete the following fields:
 - i) **'Balance b/f Previous Year' (Current Year column)**.
 - ii) **'Balance b/f Current Year' (Subsequent Year column)**.
 - iii) **'Purchases Current Year'**.
 - iv) **'Deductions in respect of Purchases Current Year' (Current Year column)**.
 - A) This field will be auto calculated and locked.
 - B) Calculation: 'Purchases current year' x 50%.
 - v) **'Deductions in respect of Purchases Current Year' (Subsequent Year column)**.
 - A) This field will be auto calculated and locked.
 - B) Calculation: 'Purchases current year' x 30%.
 - vi) **'Deductions in respect of Purchases Current Year' (Year Following Subsequent Year column)**.
 - A) This field will be auto calculated and locked.
 - B) Calculation: 'Purchases current year' x 20%.
 - vii) **'Deductions Added Back in respect of Assets Sold' (Subsequent Year column)**.
 - viii) **'Deductions Added Back in respect of Assets Sold' (Year Following Subsequent Year column)**.
 - ix) **'Amount Allowable Current Year'**.
 - A) This field will be auto calculated and locked.

27.1.4 Information on Capital Improvements

- a) Complete the following fields:
 - i) **'Balance b/f from Previous Year'**.
 - ii) **'Less: Recoupments'**.
 - A) The value in this field cannot be greater than the 'Balance b/f from Previous Year'
 - B) This field will be locked if there is no balance brought forward from Previous Year.
 - iii) **'Plus: Purchases/Costs Current Year'**.
 - A) For the 2023 year of assessment and prior this field will not be populated and editable.
 - iv) **'Plus Total b/f from Partnership IT48V's'**.

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- A) For the 2023 year of assessment and prior this field will be populated and editable.
- v) **'Total Improvements'**.
 - A) This field will be auto calculated and locked.
- vi) **'Less: Allowable Deductions Current Year'**.
 - A) Note: The amount cannot exceed 'Total Improvements'.
- vii) **'Balance c/f to Subsequent Year'**.
 - A) This field will be auto calculated and locked.
 - B) This amount will be populated on the IT48.

27.2 Details of Farming Expenses (IT48)

- a) This section of the return will only display if the amount for the **'Less: Allowable Expenses'** field under **'Local Farming Operations'** is greater than zero.

27.2.1 Expenses

- a) Complete the applicable fields for **'Expenses'**:
 - i) **'Accounting fees'**.
 - ii) **'Administration costs and bank charges'**.
 - iii) **'Bad debts'**.
 - iv) **'Costs of residential buildings for employees (s13ter)'**.
 - v) **'Electricity, rates and taxes'**.
 - vi) **'Enhanced machinery, plant, implements, utensils, and articles used in the production of renewable energy deduction – (s12BA)'**.
 - A) This field is applicable to the 2024 and 2025 year of assessment only.
 - B) If an amount greater than zero is completed, display the **'Enhanced Renewable Energy Deduction – s12BA'** container for completion.
 - vii) **'Entertainment expenses'**.
 - viii) **'Expenses for cleaning land'**.
 - ix) **'Fuel, oil and related expenses'**.
 - x) **'Insurance and licences'**.
 - xi) **'Interest and finance charges'**.
 - xii) **'Lease payments (s11(f))'**.
 - xiii) **'Legal expenses'**.
 - xiv) **'Livestock feeds'**.
 - xv) **'Packing materials'**.
 - xvi) **'Protective clothing'**.
 - xvii) **'Rations and other staff costs (excl. housing, salary and wages)'**.
 - xviii) **'Rent (incl. hiring of farm land, equipment, etc.)'**.
 - xix) **'Repairs and maintenance'**.
 - xx) **'Salaries and wages'**.
 - xxi) **'Security expenses'**.
 - xxii) **'Seeds and fertilizers'**.
 - xxiii) **'Telephone, fax and internet expenses'**.
 - xxiv) **'Travelling and accommodation – Local'**.
 - xxv) **'Travelling and accommodation – Foreign'**.
 - xxvi) **'Veterinary expenses (incl. medicines)'**.
 - xxvii) **'Wear and tear allowance (s11(e)) – excl. special depreciation in terms of s12B and s12BA)'**.
 - A) This field is applicable for the 2024 year of assessment onwards.
 - B) For the 2023 year of assessment and prior the field will be displayed as **'Wear and tear allowance (s11(e)) – excl. special depreciation in terms of s12B)'**.
 - xxviii) **'Other'**.
 - A) 'Please provide a description relating to other expenses indicated above'.
 - xxix) **'Total expenses'**.
 - A) This field will be auto calculated.

27.2.2 Adjustments – Add Back

- a) Complete the following fields:
 - i) **'Disallowable foreign expenses'**.
 - ii) **'Donations'**.

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- iii) **'Finance charges'.**
- iv) **'Legal expenses'.**
- v) **'Private/personal expenses'.**
- vi) **'Recoupment (excl. capital improvements and recoupment in terms of s8(4)(nA) for Enhanced Renewable Energy assets as contemplated in s12BA)'.**
 - A) This field is applicable for the 2024 to 2026 years of assessments.
 - B) The 3 years of assessment begins on 01 March 2023 and ends on 28 February 2026.
 - C) For years prior to the 2024 year of assessment and after the 2026 year of assessment, the field will be displayed as 'Recoupment (excl. capital improvements)'.
- vii) **'Recoupment in terms of s8(4)(nA) for Enhanced Renewable Energy Assets as contemplated in s12BA)'.**
 - A) This field is applicable to the 2024 to 2026 year of assessments only.
 - B) The 3 years of assessment begins on 01 March 2023 and ends on 28 February 2026.
- viii) **'Unproductive interest'.**
- ix) **'Other'.**
 - A) 'Please provide a description relating to other indicated above'.
- x) **'Total Adjustments – Add back'.**
 - A) This field will be auto calculated and locked.
- xi) **'Total Allowable Expenses'.**
 - A) This field will be auto calculated and locked.
 - B) Calculation: 'Total Expenses' – 'Total Adjustments: Add Back'.

27.2.3 Enhanced Renewable Energy Deduction - s12BA

- a) This container is mandatory to complete if the value captured in the field **"Enhanced machinery, plant, implements, utensils and articles used in the production of renewable energy deduction - (s12BA)"** in the sub container **"Special Allowances Not Claimed in the Income Statement"** of the main container **"Local Business and Trading Income including crypto asset(s) (Excluding Rental Income from the letting of fixed property and farming income)"** is greater than zero.
- b) Complete the following fields:
 - i) **'Does the Trust confirm that the asset(s) acquired was new and unused, and was brought into use for the first time during this year of assessment?' (Select 'Y' or 'N').**
 - A) If 'Y', complete the **'Amount in kilowatt'** field for the question **'What is the electricity generation capacity of the installed system?'.**
 - ii) Indicate the **'Types of Renewable Energy':**
 - A) Wind Power.
 - B) Photovoltaic solar energy.
 - C) Concentrated solar energy.
 - D) Hydropower to produce electricity.
 - E) Biomass comprising organic wastes, landfill gas or plant material.
 - iii) **'Total cost incurred for which this deduction is claimed'.**
 - iv) **'Does the Trust confirm that the Enhanced energy Incentive (s12BA) (as declared in the 'Enhanced machinery, plant, implements, utensils and articles used in the production of renewable energy deductions (s12BA)' field in the Tax Computation) has not been claimed under any other section of the Income Tax Act?' Select 'Y' or 'N'.**

27.2.4 Capital Improvements incurred during the year of assessment (Paragraph 12(1) of the First Schedule)

- a) This section of the return will only display for the 2016 year of assessment onwards and if the amount for the **'Purchases/costs current year'** field (under the *'Information on Capital Improvements'* section) is greater than zero.
- b) Complete the applicable fields for the capital improvements incurred during the year of assessment.
 - i) **'Dipping tanks.'**
 - ii) **'Dams, irrigation schemes, boreholes, and pump plants.'**
 - iii) **'Fences.'**
 - iv) **'Erection of or additions or improvements to farm buildings (other than 'buildings used for domestic purposes).'**

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- v) **'Planting of trees, scrubs, or perennial plants for the production of grapes or other fruit, nuts, tea, coffee, hops, sugar, vegetable oils or fibres and the establishment of an area for such purposes.'**
 - vi) **'Building of roads and bridges used in farming operations.'**
 - vii) **'Carrying of electric power from the main transmission lines to the farm apparatus or under an agreement concluded with the Electricity Supply Commission as stipulated.'**
 - viii) **'Wages paid to employees employed in construction of capital works as set out above.'**
- c) Total purchases/Costs – Current year.
- i) **'Total'** – this field will be auto-calculated.

27.3 Income from Local Partnership Farming Operations (IT48V)

- a) This section will display if 'Y' was selected for the question: *"Indicate the type of local income received/accrued to the Trust: Farming income"* on page one of the return.
- b) This section will be repeated based on the value entered for the question *"How many farming partnership operations did the Trust participate in?"* on page one.

27.3.1 Partnership Farming Operations

- a) Insert the **'Partnership Name'** of the farming partnership operation.
- b) Complete the information in the applicable fields:
 - i) **'Gross Receipts and Accruals (including private usage).'**
 - ii) **'Partnership Income (Add profit/Deduct Loss).'**
 - iii) **'Plus: Livestock on hand at the end of the current year of assessment'**.
 - iv) **'Plus: Produce on hand at the end of the current year of assessment'**.
 - v) **'Sub-Total (i)'** – This field will be auto-calculated.
 - vi) **Note:** Exclude the market value of 'Livestock' and 'Produce' acquired otherwise than by purchase, natural increase or in the ordinary course of farming operations (e.g. donations and inheritance).
- c) Insert the applicable amounts for:
 - i) **'Livestock on hand at the ends of the preceding year of assessment'**.
 - ii) **'Livestock purchase and received in exchanged'**.
 - iii) **'Balance of livestock not allowed in the preceding year of assessment'**.
 - iv) **'Sub-Total (ii)'** will be auto-calculated and locked.
 - v) **'Less: Amount deducted' [Sub-Total(ii) limited To Sub-Total (i)].**
 - A) The amount of this field cannot be greater than the amount in the field for 'Sub-Total (ii)'.
 - B) This field will be auto-calculated and locked.
 - vi) **'Less: Balance carried forward to the following year of assessment'** (This amount may not create or increase a loss).
 - A) This field will be auto-calculated and locked.
 - vii) **'Less: Allowable Expenses'**.
 - A) From the 2016 YOA onwards if there are allowable expenses, then the 'Details of Farming Expenses' section must be completed.
 - viii) **'Less: Produce on hand at the end of the year in the preceding year of assessment'**.
 - A) From 2024 year of assessment this field will be pre-populated and locked.
 - ix) **'Less: Special Depreciation'**.
 - x) **'Net Profit/Loss Partnership'**.
 - A) This field will be populated and locked.
 - xi) **'Your share % of Taxable Income/Loss from partnership farming operations (Carry this amount forward to your personal IT48)'**.
 - A) This field will be applicable from 2023 year of assessment and prior.
 - B) From 2024 year of assessment onwards, the field will be displayed as *'Your share % of Taxable Income/Loss from partnership farming operations (This amount will be forwarded to your personal IT48)'*.

27.3.2 Special Depreciation Information

- a) Complete the following:
 - i) **'Balance b/f Previous Year'** (Current Year column).
 - ii) **'Balance b/f Previous Year'** (Subsequent Year column).
 - iii) **'Purchases Current Year'**.
 - iv) **'Deductions in respect of Purchases Current Year'** (Current Year column).
 - A) This field will be auto calculated and locked.
 - B) Calculation: 'Purchases current year' x 50%.
 - v) **'Deductions in respect of Purchases Current Year'** (Subsequent Year column).
 - A) This field will be auto calculated and locked.
 - B) Calculation: 'Purchases current year' x 30%.
 - vi) **'Deductions in respect of Purchases Current Year'** (Year Following Subsequent Year column).
 - A) This field will be auto calculated and locked.
 - B) Calculation: 'Purchases current year' x 20%.
 - vii) **'Deductions Added Back in respect of Assets Sold'** (Subsequent Year column).
 - viii) **'Deductions Added Back in respect of Assets Sold'** (Year Following Subsequent Year column).
 - ix) **'Amount Allowable Current Year'**.
 - A) This field will be auto calculated and locked.

27.3.3 Information on Capital Improvements

- a) Complete the following:
 - i) **'Purchases/Costs Current Year'**.
- b) The following note is displayed on the form 'Reflect Trust % share of this amount on the IT48'.

27.3.4 Partner's Information for Share Distribution (Farming)

- a) Complete the applicable fields for each partner:
 - i) **'Surname/Trading Name'**.
 - ii) **'Income Tax Ref No'**.
 - iii) **'Initials (if applicable)'**.
 - iv) **'Share %'**.
 - v) **'Profit/Loss'**.
 - A) This field will be populated and locked.
 - vi) Amount for **'Improvements'**.
 - A) This field will be populated and locked.
- b) The following note is displayed on the form **'If more than 5 partners, indicate 4 partners with the highest share percentage. In the last partner field indicate 'other' in trading name with remaining share percentage'**.

27.4 Details of Farming Expense (IT48V)

- a) This section will only display if the amount for the 'Less: Allowable Expenses' field under **'Income from Local Partnership Farming Operations (IT48V)'** is greater than zero.
- b) Complete the applicable fields for the farming expenses incurred during the year of assessment.
 - i) **'Accounting fees'**.
 - ii) **'Administration costs and bank charges'**.
 - iii) **'Bad debts'**.
 - iv) **'Costs of residential buildings for employees (s13ter)'**.
 - v) **'Electricity, rates and taxes'**.
 - vi) **'Entertainment expenses'**.
 - vii) **'Expenses for cleaning land'**.
 - viii) **'Fuel, oil and related expenses'**.
 - ix) **'Insurance and licences'**.
 - x) **'Interest and finance charges'**.
 - xi) **'Lease payments (s11(f))'**.

- xii) **'Legal expenses'.**
- xiii) **'Livestock feeds'.**
- xiv) **'Packing materials'.**
- xv) **'Protective clothing'.**
- xvi) **'Rations and other staff costs (excl. housing, salary and wages)'.**
- xvii) **'Rent (incl. hiring of farm land, equipment, etc.)'.**
- xviii) **'Repairs and maintenance'.**
- xix) **'Salaries and wages'.**
- xx) **'Security expenses'.**
- xxi) **'Seeds and fertilizers'.**
- xxii) **'Telephone, fax and internet expenses'.**
- xxiii) **'Travelling and accommodation – Local'.**
- xxiv) **'Travelling and accommodation – Foreign'.**
- xxv) **'Veterinary expenses (incl. medicines)'.**
- xxvi) **'Enhanced machinery, plant, implements, utensils, and articles used in the production of renewable energy deduction – (s12BA)'.**
 - A) This field is applicable to the 2024 and 2025 years of assessment only.
 - B) If an amount greater than zero is completed, display the **'Enhanced Renewable Energy Deduction – s12BA'** container for completion.
- xxvii) **'Wear and tear allowance (s11(e)) – excl. special depreciation in terms of s12BA'.**
 - A) This field is applicable to the 2024 year of assessment onwards.
 - B) For the 2023 year of assessment and prior, this field will be displayed as **'Wear and tear allowance (s11(e)) – excl. special depreciation in terms of s12B'**.
- xxviii) **'Other'.**
 - A) 'Please provide a description relating to other expenses indicated above'.
- xxix) **'Total expenses'.**
 - A) This field will be auto-calculated.

27.4.1 Adjustments – Add backs

- i) **'Disallowable foreign expenses'.**
- ii) **'Donations'.**
- iii) **'Finance charges'.**
- iv) **'Legal expenses'.**
- v) **'Private/personal expenses'.**
- vi) **'Recoupment (excl. capital improvements and recoupment in terms of s8(4)(nA) for Enhanced Renewable Energy assets as contemplated in s12BA)'.**
 - A) This field is applicable to the 2024 to 2026 years of assessments.
 - B) The 3 years of assessment begins from 01 March 2023 and ends on 28 February 2026.
 - C) For years prior to the 2024 year of assessment and after the 2026 year of assessment, the field will be displayed as 'Recoupment (excl. capital improvements)'.
- vii) **'Recoupment in terms of s8(4)(nA) for Enhanced Renewable Energy Assets as contemplated in s12BA)'.**
 - A) This field is applicable from the 2024 to 2026 years of assessments only.
 - B) The 3 years of assessment begins from 01 March 2023 and ends on 28 February 2026.
- viii) **'Unproductive interest'.**
- ix) **'Other'.**
 - A) 'Please provide a description relating to other indicated above'.
- x) **'Total Adjustments – Add back'.**
 - A) This field will be auto calculated and locked.
- xi) **'Total Allowable Expenses'.**
 - A) This field will be auto calculated and locked.

27.4.2 Enhanced Renewable Energy Deduction - s12BA

- a) This container is mandatory to complete if the value captured in the field **"Enhanced machinery, plant, implements, utensils and articles used in the production of renewable energy deduction - (s12BA)"** in the sub container **"Special Allowances Not Claimed in the Income Statement"** of the main container **"Local Business and Trading Income including crypto asset(s) (Excluding Rental Income from the letting of fixed property and farming income)"** is greater than zero.

- b) Complete the following fields:
- 'Does the Trust confirm that the asset(s) acquired was new and unused, and was brought into use for the first time during this year of assessment?'** (Select 'Y' or 'N').
A) If 'Y', complete the **'Amount in kilowatt'** field for the question **'What is the electricity generation capacity of the installed system?'**.
 - Indicate the **'Types of Renewable Energy'**:
A) Wind Power.
B) Photovoltaic solar energy.
C) Concentrated solar energy.
D) Hydropower to produce electricity.
E) Biomass comprising organic wastes, landfill gas or plant material
 - 'Total cost incurred for which this deduction is claimed'**.
 - 'Does the Trust confirm that the Enhanced energy Incentive (s12BA) (as declared in the "Enhanced machinery, plant, implements, utensils and articles used in the production of renewable energy deductions (s12BA)" field in the Tax Computation) has not been claimed under any other section of the Income Tax Act?'** Select 'Y' or 'N'.

27.4.3 Capital Improvements incurred during the year of assessment (Paragraph 12(1) of the First Schedule)

- a) This section of the return will only display for the 2016 year of assessment onwards and if the amount for the **'Purchases/costs current year'** field (under the *'Information on Capital Improvements'* section) is greater than zero.
- b) Complete the applicable fields for the capital improvements incurred during the year of assessment.
- 'Dipping tanks.'**
 - 'Dams, irrigation schemes, boreholes, and pumping plants.'**
 - 'Fences.'**
 - 'Erection of or additions or improvements to farm buildings (other than "buildings used for domestic purposes").'**
 - 'Planting of trees, scrubs, or perennial plants for the production of grapes or other fruit, nuts, tea, coffee, hops, sugar, vegetable oils or fibres and the establishment of an area for such purposes.'**
 - 'Building of roads and bridges used in farming operations.'**
 - 'Carrying of electric power from the main transmission lines to the farm apparatus or under an agreement concluded with the electricity supply commission as stipulated.'**
 - 'Wages paid to employees employed in construction of capital works as set out above.'**
- c) **Total Purchases/Costs – Current Year.**
- 'Total'** – this field will be auto-calculated.

28 Other Local Income

- a) This section would display if you selected 'Y' to the question *"Indicate the type of local income received/accrued to the Trust: Other local income"* on page one of the return.
- b) 'Other Local Income' declared in this section excludes local income from Remuneration, Annuities, Interest, Dividends i.t.o. s8E and s8EA (from 2017 YOA onwards), REIT, Rental from the letting of Fixed Property, Capital Gains/Losses, Farming and Business/Trade/Professional.
- c) Complete the applicable fields below:
- 'Gross receipts and accruals'** (excluding other local income vested from other Trust(s)) - complete the total amount of the receipts and accruals relating to other local income as per the financial statements.
 - 'Add: Aggregate other local income from other Trust(s).'**
 - 'Total Gross receipts and accruals (including other local income vested from other Trust(s)).'**
 - 'Less: Allowable Expenses attributable to other income (excluding donations).'**

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- v) **'Add: Expenses incurred i.r.o. right of use of Trust assets by beneficiaries/other persons'.**
- vi) **'Sub-total according to Income Statement'** – this field will be automatically calculated.
- vii) **'Add: Non-taxable items and amounts claimed for accounting purposes'.**
- viii) **'Less: Tax deductions and special allowances i.t.o. the Income Tax Act'.**
- ix) **'Taxable amount available for distribution/Assessed loss retained in Trust'** - this field will be automatically calculated as follows:
 - A) **'Sub-total according to income statement'.**
 - B) **'Add: Non-taxable items and amounts claimed for accounting purposes'.**
 - C) **'Less: Tax deductions and special allowances i.t.o. the Income Tax Act'.**
- x) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7 (excluding amounts vested in foreign beneficiaries)'.**
 - A) Section 7 deals with the rules/conditions when income is deemed to have accrued or to have been received. This amount must be limited to the taxable amount available for distribution. An assessed loss cannot be distributed to/vested in a beneficiary.
 - B) This field is applicable from the 2025 year of assessment onwards.
 - C) For the 2024 year of assessment and prior, the field will be displayed as **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7'.**
- xi) **'Taxable in Trust (vested in foreign beneficiaries)'**
 - A) This field is applicable from 2025 year of assessment onwards.
- xii) **'Taxable in Trust (not vested in beneficiaries)'** – this field will be automatically calculated as follows:
 - B) **'Taxable Profit available for distribution/Assessed loss retained in the Trust.'**
 - C) **Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7.**
 - D) **Less: Taxable in Trust (vested in foreign beneficiaries) – applicable from the 2025 year of assessment.**
 - E) For the 2024 year of assessment and prior, this field will be displayed as **'Taxable in Trust'.**
- xiii) **'Source Code'** – Complete a valid source code within the following range:
 - A) 4212- Royalties.
 - B) 4213- Royalties Loss.
 - C) 4214- Other Receipts and Accruals – Profit.

29 FOREIGN AMOUNT(S) DISTRIBUTED TO THE TRUST/VESTED IN THE TRUST AS A BENEFICIARY OF ANOTHER TRUST(S) OR DEEMED TO HAVE ACCRUED IN TERMS OF S7

- a) If "Yes" is selected on the additional question to the wizard questions that states, "Was any foreign amount distributed to the Trust/vested in the Trust as a beneficiary of another Trust or deemed to have accrued in terms of s7 during this year of assessment?" A new container will be displayed, and the following container need to be completed:

29.1 Details of other Trust(s)

- a) **Trust Name.**
- b) **Trust Registration Number (as per Letters of Authority).**
- c) **Trust Tax Reference Number.**
 - i) **Note:** The fields pertain to details of other Trust(s), where income/capital gain was vested from.

29.2 Details of Foreign Amount(s) Received or Vested from other Trust(s)

- a) **Note:** Not all these fields are mandatory but at least one should be completed.
 - i) **'Foreign Interest.'**
 - ii) **'Foreign Tax Credits on Foreign Interest.'**
 - A) This field is applicable from the 2024 year of assessment onwards.
 - iii) **'Foreign Dividends.'**
 - iv) **'Foreign Tax Credits on Foreign Dividends.'**
 - A) This field is applicable from the 2024 year of assessment onwards.
 - v) **'Foreign Capital Gain.'**
 - vi) **'Foreign Capital Loss.'**
 - vii) **'Foreign Farming income.'**

- viii) **'Foreign Tax Credits on Foreign Farming Income'.**
A) This field is applicable from the 2024 year of assessment onwards.
 - ix) **'Imputed Net Income from Controlled Foreign Companies (CFC)'.**
 - x) **'Foreign Tax Credits on Imputed Net Income from Controlled Foreign Companies (CFC)'.**
A) This field is applicable from the 2024 year of assessment onwards.
 - xi) **'Other Foreign Income'**
 - xii) **'Foreign Tax Credits on Foreign Other Income'**
A) This field is applicable from the 2024 year of assessment onwards.
- b) **'Note:** These amounts are income vested from other Trust(s), excluding income amounts from the Trust completing the return. The amounts stipulated will be aggregated in the Aggregate Foreign Amounts Received or Vested from other Trust(s) fields below.'

29.3 Aggregate Foreign Amount(s) Received or Vested from other Trust(s)

- a) The Aggregate Foreign Amount(s) Received or Vested from Other Trust(s) container is a prepopulated container. All similar fields specified under the Details of the Foreign Amount(s) Received or Vested from Other Trust(s) containers are aggregated and transferred to the various associated income stream containers, which is added to the Gross Receipt and Accruals fields, used in aid of calculating the Aggregate Foreign Amount(s) Received or Vested in Trust amounts.
- i) **'Aggregate Foreign Interest from other Trust(s)'.**
 - ii) **'Aggregate Foreign Tax Credits on Foreign Interest from other Trust(s)'.**
A) **Note:** Foreign Tax Credits will be excluded from received or vested from other Trust(s).
B) The taxpayer will declare all foreign tax credits received or vested from other Trust(s) with their own foreign tax credits and will declare as per normal process.
 - iii) **'Aggregate Foreign Dividends from other Trust(s)'.**
 - iv) **'Aggregate Foreign Tax Credits on Foreign Dividends from other Trust(s)'.**
A) This field is applicable from the 2024 year of assessment onwards.
 - v) **'Aggregate Foreign Capital Gain from other Trust(s)'.**
 - vi) **'Aggregate foreign Capital Loss from other Trust(s)'.**
 - vii) **'Aggregate Foreign Farming Income from other Trust(s)'.**
 - viii) **'Aggregate Foreign Tax Credits on Foreign Farming Income from other Trust(s)'.**
A) This field is applicable from the 2024 year of assessment onwards.
 - ix) **'Aggregate Imputed Net Income from Controlled Foreign Companies (CFC) from other Trust(s)'.**
 - x) **'Aggregate Foreign Tax Credits on Imputed Net Income from Controlled Foreign Companies (CFC) from other Trust(s)'.**
A) This field is applicable from the 2024 year of assessment onwards.
 - xi) **'Aggregate Other Foreign Income from other Trust(s)'.**
 - xii) **'Aggregate Foreign Tax Credits on Foreign Other Income from other Trust(s)'.**
A) This field is applicable from the 2024 year of assessment onwards.
- b) **Note:** Should the Trust (taxpayer) wish to claim any foreign tax credit, this should be claimed together with other tax credits. In future years a container for Foreign Tax Credits from other Trusts will be provided.

29.4 Foreign Interest Income

- a) This section would display if you selected 'Y' to the question *"Indicate the type of foreign amounts received/accrued to the Trust: Interest"* on the form wizard.
- b) Complete the applicable fields below:
- i) **'Gross receipts and accruals'** (excluding foreign interest income vested from other Trust(s)) – Complete the total amount of the receipts and accruals relating to foreign interest as per financial statements.
 - ii) **'Add: Aggregate foreign interest income from other Trust(s)'.**
 - iii) **Total Gross receipts and accruals (including foreign interest income vested from other Trust(s)).'**
 - iv) **'Less: Allowable Expenses attributable to foreign income (excluding donations)'.**

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- v) **'Taxable amount available for distribution/Assessed loss retained in Trust'** – this field will be automatically calculated as follows:
 - A) Gross receipts and accruals.
 - B) **Less:** Expenses (excluding donations).
- vi) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7 (excluding amounts vested in foreign beneficiaries)'**.
 - A) Section 7 deals with the rules/conditions when income is deemed to have accrued or to have been received. This amount must be limited to the taxable amount available for distribution. An assessed loss cannot be distributed to/vested in a beneficiary.
 - B) This field is applicable from the 2025 year of assessment onwards.
 - C) For the 2024 year of assessment and prior, the field will be displayed as **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7'**.
- vii) **'Taxable in Trust (vested in foreign beneficiaries)'**
 - A) This field is applicable from the 2025 year of assessment onwards.
- viii) **'Taxable in Trust (not vested in foreign beneficiaries)'** – this field will be automatically calculated as follows:
 - A) Taxable amount available for distribution/assessed loss.
 - B) **Less:** Amount distributed to/vested in beneficiaries or taxable i.t.o. s7.
 - C) **Less:** Taxable in Trust (vested in foreign beneficiaries) – applicable from the 2025 year of assessment.
 - D) For the 2024 year of assessment and prior, this field will be displayed as 'Taxable in Trust'.
 - E) **'Source Code'** – code 4218 will pre-populate in this field (foreign interest cannot create an assessed loss).
- ix) **'Foreign Tax Credits on Gross receipts and accruals (excluding foreign tax credit on foreign interest income vested from other Trust(s))'**.
 - A) This field is applicable from the 2024 year of assessment onwards.
- x) **'Add: Aggregate Foreign tax credits on foreign interest income from other Trust(s)'**.
 - A) This field is applicable from the 2024 year of assessment onwards.
- xi) **'Less: Foreign tax credits on foreign interest distributed/vested in beneficiaries (excluding foreign tax credits on foreign interest income distributed to foreign beneficiaries)'**.
 - A) If any withholding tax was paid in another country i.r.o. the foreign interest received, this amount will appear on the certificate received from the institution administering the investment. Declare the gross amount of withholding tax relating to the foreign interest distributed/vested in beneficiaries.
 - B) This field is applicable from the 2025 year of assessment onwards.
 - C) For 2024 year of assessment and prior, this field will be displayed as **'Less: Foreign tax credits on foreign interest distributed/vested in beneficiaries'**.
- xii) **'Foreign tax credits on foreign interest retained in the Trust (including foreign tax credits on foreign interest income distributed to foreign beneficiaries)'**.
 - A) If any withholding tax was paid in another country i.r.o. the foreign interest received, this amount will appear on the certificate received from the institution administering the investment. Declare the gross amount of withholding tax relating to the foreign interest taxable in the Trust next to source code **4113**.
 - B) This field is applicable from the 2025 year of assessment onwards.
 - C) For the 2024 year of assessment and prior, this field will be displayed as **'Foreign tax credits on foreign interest retained in the Trust'**.
- xiii) **'Was any of the foreign interest income declared in the gross receipts and accruals above received from a foreign Trust?' – Select 'Y' or 'N'.**
 - A) If 'Y', complete the **'Amount of foreign interest income from a foreign Trust'** field.

29.5 Foreign Dividend Income

- a) This section would display if you selected 'Y' to the question **"Indicate the type of foreign income received/accrued to the Trust: Dividends"** on the form wizard.
- b) **Note:** The exemption i.t.o. s10B(3) will be applied programmatically by SARS.
- c) Complete the applicable fields below:
 - i) **'Gross foreign dividends subject to SA normal tax (excluding foreign dividend income vested from other Trust(s))'**.

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- ii) **'Add: Aggregate foreign dividend income from other Trust(s).'**
- iii) **'Total Gross receipts and accruals (including foreign dividend income vested from other Trust(s)).'**
- iv) **'Less: Allowable administration expenses attributable to foreign dividend income (excluding donations).'**
 - A) Only applicable to the 2012 year of assessment and prior years. Expenses in respect of foreign dividends are disallowed from the 2013 year of assessment onwards in terms of the Income Tax Act.
 - B) Complete the total amount of the expenses incurred relating to foreign interest as per the financial statements.
- v) **'Taxable amount available for distribution/assessed loss retained in the Trust'.**
- vi) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7 (excluding amounts vested in foreign beneficiaries).'**
 - A) Section 7 deals with the rules/conditions when income is deemed to have accrued or to have been received. This amount must be limited to the Taxable amount available for distribution. An assessed loss cannot be distributed to/vested in beneficiaries.
 - B) This field is applicable from the 2025 year of assessment onwards.
 - C) For the 2024 year of assessment and prior, the field will be displayed as **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7'.**
- vii) **'Taxable in Trust (vested in foreign beneficiaries)'**
 - A) This field is applicable from the 2025 year of assessment onwards.
- viii) **'Taxable in Trust (not vested in foreign beneficiaries).'**
 - A) This field will be automatically calculated as follows:
 - I) Taxable amount available for distribution/assessed loss retained in the Trust.
 - II) **Less:** Amount distributed to/vested in beneficiaries or taxable i.t.o. s7.
 - III) **Less:** Taxable in Trust (vested in foreign beneficiaries) – applicable from the 2025 year of assessment.
 - B) For the 2024 year of assessment and prior, this field will be displayed as 'Taxable in Trust'.
 - C) **Note:** If the 'Taxable amount available for distribution/assessed loss retained in Trust' is less than zero, this field will default to zero.
 - D) **'Source Code'**
 - I) Code 4216 is applicable from the 2013 year of assessment.
 - II) Code 4217 is applicable from the 1999-2012 year of assessment only.
- ix) **'Foreign Tax credits on Gross receipts and accruals (excluding foreign tax credit on foreign dividend income vested from other Trust(s)).'**
 - A) This field is applicable from the 2024 year of assessment onwards.
- x) **'Add: Aggregate Foreign tax credits on foreign dividend income from other Trust(s).'**
 - A) This field is applicable from the 2024 year of assessment onwards.
- xi) **'Less: Foreign tax credits on foreign dividend income distributed/vested in beneficiaries (excluding foreign tax credits on foreign dividend income distributed to foreign beneficiaries).'**
 - A) This field is applicable from the 2025 year of assessment onwards.
 - B) For the 2024 year of assessment and prior, this field will be displayed as **'Less: Foreign tax credits on foreign interest distributed/vested in beneficiaries'.**
- xii) **'Foreign tax credits on foreign dividends retained in the Trust (including foreign tax credits on foreign dividends distributed to foreign beneficiaries).'**
 - A) If any withholding tax was paid i.r.o. the foreign dividend received, this amount will appear on the certificate received from the institution administering the investment. Declare the gross amount of withholding tax relating to the foreign dividends.
 - B) The exemption in terms of section 10B(3) i.r.o. foreign dividends subject to SA normal tax will be applied programmatically by SARS.
 - C) This field is applicable from the 2025 year of assessment onwards.
 - D) For the 2024 year of assessment and prior, this field will be displayed as **'Foreign tax credits on foreign dividends retained in the Trust'.**
 - E) This field will be auto calculated.
- xiii) **'Was any of the foreign dividend income declared in the gross foreign dividends above received from a foreign Trust?' – select 'Y' or 'N'.**
 - A) If 'Y', complete the **'Amount of foreign dividend income from a foreign Trust'** field.

29.6 Foreign Capital Gains/Losses

- a) This section would display if you selected 'Y' to the question **"Did the Trust dispose of any foreign assets attracting capital gain or loss (including crypto asset(s))?"** on the tax form wizard of the return.
- i) This section will be repeated according to the number of disposals indicated on the form wizard.
- b) **Note:** The annual exclusion and inclusion rate and carry forward losses will be calculated by SARS.
- c) Complete the following fields:
- i) **'Proceeds'.**
 - ii) **'Base Cost'.**
 - iii) **'Exclusion/Rollover'.**
 - iv) **'Capital Gain/Loss'** – this amount will be auto-calculated as follows:
 - A) Proceeds.
 - B) Less: Base Cost.
 - C) Less: Exclusion/Rollover.
 - v) **'Add: Clogged loss included in amounts listed above to be carried forward (para 39 of the Eighth Schedule)'.**
 - vi) **'Less: Prior year clogged loss brought forward and deductible from the capital gain listed above derived from same connected person (para 39 of the Eighth Schedule)'**
 - vii) **'Less: Aggregate amount of capital loss vested in this Trust due to a disposal of an asset(s) by other foreign Trust(s)'**
 - A) This field is applicable from the 2024 year of assessment onwards.
 - viii) **'Capital Gain available for distribution/Capital Loss retained in Trust'**– this amount is calculated as follows:
 - A) Capital Gain/Loss.
 - B) Plus: Clogged losses included in amounts listed above to be carried forward (para. 39 of the Eighth Schedule).
 - C) Less: Prior years' clogged loss brought forward and deductible from the capital gains listed above derived from same connected person (para 39 of the Eighth Schedule).
 - D) Less: Aggregate amount of capital loss vested in this Trust due to a disposal of an asset(s) by other foreign Trust(s) – applicable from 2024 year of assessment onwards.
 - ix) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. para 68 –72 of the Eighth schedule'** – Complete the amounts that relate to the following paragraphs:
 - A) Attribution of capital gain to spouse – paragraph 68:
 - i) Any donation, settlement, other similar disposition must be disregarded when determining a person's aggregate capital gain. This amount must be considered when determining the aggregate capital gain or loss of the person's spouse.
 - B) Attribution of capital gain to parent of minor child – paragraph 69:
 - i) Any donation, settlement or other disposition by a parent or any other person for the benefit of a child's must be disregarded when determining the child's aggregated capital gain and must be considered when determining aggregate capital gain or loss of that parent.
 - C) Attribution of capital gain subject to conditional vesting – paragraph 70:
 - i) If a person donated, settlement, or any disposition subject to a stipulation or condition such that the distribution will not vest in the beneficiaries of such distribution. Capital gain must be disregarded when determining the aggregate capital gain of a beneficiary and will be considered when determining the aggregate capital gain or loss of the person retaining the donation, settlement, or other disposition.
 - D) Attribution of capital gain subject to revocable vesting – paragraph 71:
 - i) Where a resident beneficiary has a right to any donation settlement or disposition subject to a revocation, capital gain must be disregarded when determining the aggregate capital gain of that beneficiary. Capital gain will be considered when determining the aggregate capital gain or loss of the person retaining the power of revocation.
 - E) Attribution of capital vesting in non-resident – paragraph 72:
 - i) If a South African resident made a donation settlement or disposition to any person (excluding a non-resident public benefit organization) and that capital gain has during the year vested in or is treated as having vested in any person who is not a resident (excluding a Controlled Foreign Company in relation to that resident), capital

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gain must be disregarded when determining the aggregate capital gain or losses of the person in whom it vest and taken into account when determining capital gain or loss of that resident.

- x) **'Taxable in the Trust (vested in foreign beneficiaries)'.**
- xi) **'Taxable in the Trust (not vested in beneficiaries)'.**
- xii) **'Source Code':**
 - A) Source code 4252 will prepopulate for a capital gain and source code 4253 will prepopulate for a capital loss.
- xiii) **'Main Asset Type Source Code'.**
- xiv) **'Foreign Tax Credit i.r.o. capital gain distributed/vested in beneficiaries'.**
- xv) **'Foreign Tax Credit i.r.o. capital gain/loss retained in Trust (rand value only) (including foreign tax credits i.r.o. capital gain/loss distributed to foreign beneficiaries (4114))'.**
 - A) This field is applicable from the 2025 year of assessment onwards.
 - B) For the 2024 year of assessment and prior, this field will be displayed as **'Foreign Tax Credit i.r.o. capital gain/loss retained in Trust'.**
 - C) **Note: Foreign Tax Credits on Foreign Capital Gain/Loss under Foreign Amount(s) distributed to the Trust/vested in the Trust as a beneficiary of another Trust(s) or deemed to have accrued in terms of s7 should be included here in the Foreign tax credits i.r.o. capital gain/loss retained in Trust (rand value only) – Source Code 4114 field.**

30 CAPITAL GAIN VESTED IN THIS TRUST DUE TO DISPOSAL OF AN ASSET(S) FROM OTHER FOREIGN TRUST(S)

- a) Complete the **'Aggregate amount of capital gains vested in this Trust due to a disposal of an asset(s) from other foreign Trusts'**.
 - i) From the 2023 year of assessment, this field will be prepopulated with the Aggregate Foreign Capital Gain from other Trust(s) field (completed in this return). Should an Aggregate Foreign Capital Loss be vested (due to a vested right) the aggregate amount of all capital losses should be included in the Aggregate container. In future years this process will be automated.
 - A) For the 2023 year of assessment and prior, this field will be displayed as **'Amount of capital gains vested in this Trust due to the disposal of an asset(s) by a foreign Trust'**.
- b) **'Source Code'**
 - i) Source code 4252 will populate next to the field.

31 REDUCTION OF FOREIGN ASSESSED CAPITAL LOSS DUE TO DEBT REDUCTION

- a) This section would display if you selected 'Y' to the question **"Was the reduction i.r.o. a foreign asset?"** on the form wizard.
- b) Complete the **'Amount of debt reduction'** next to source code 4255.

31.1 Foreign Farming Income

- a) This section would display if you selected 'Y' to the question **"Indicate the type of foreign income received/accrued to the Trust: Farming"** on the tax form wizard of the return.
- b) All income derived directly from any foreign farming operations will be regarded as foreign farming income. Income from foreign farming activities will also include, for example, grazing fees derived by a person who carries on farming in a foreign country.
- c) Complete the following applicable fields:
 - i) **'Farming profit/loss (excl. allowable admin, expenses and donations) (excl. foreign farming income vested from other Trust(s))'.**
 - A) This field is applicable from the 2025 year of assessment onwards.
 - B) For the 2024 year of assessment and prior, this field will be displayed as **'Farming profit/loss (excl. allowable admin, expenses and donations)'.**

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- ii) **'Add: Aggregate foreign farming income from other Trust(s)'.**
- iii) **Total Gross receipts and accruals (including foreign farming income vested from other Trust(s)).'**
 - A) Only applicable to the 2016 year of assessment and prior years.
 - B) Complete the total amount of the receipts and accruals relating to foreign farming income as per the financial statements.
 - C) This field will not be displayed from the 2024 year of assessment onwards.
- iv) **'Add: Expenses incurred i.r.o. right of use of the Trust assets by beneficiaries/other persons'.**
- v) **'Deduct: Allowable administration expenses (excluding donations)':**
 - A) Only applicable from the 2017 year of assessment onwards.
- vi) **'Taxable amount available for distribution/assessed loss retained in the Trust':**
 - A) This field will be calculated automatically on the return.
- vii) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7 (excluding amounts vested in foreign beneficiaries)':**
 - A) Section 7 deals with the rules/conditions when income is deemed to have accrued or to have been received. This amount must be limited to the Taxable amount available for distribution. An assessed loss cannot be distributed to/vested in beneficiaries.
 - B) This field is applicable from the 2025 year of assessment onwards.
 - C) For the 2024 year of assessment and prior, the field will be displayed as **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7'.**
- viii) **'Taxable in Trust (vested in foreign beneficiaries)'.**
 - A) **This field is applicable to the 2025 year of assessment onwards.**
- ix) **'Taxable in Trust (not vested in foreign beneficiaries)':**
 - A) This field will be calculated automatically on the return as follows:
 - I) Taxable amount available for distribution/assessed loss.
 - II) Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7.
 - III) Less: Taxable in Trust (vested in foreign beneficiaries)
 - Although the amount will reduce the amount retained in the Trust, upon assessment the amount will be added to the amount retained/taxable in the Trust according to section 25B, as amounts distributed to foreign beneficiaries will be subject to tax in the hand of the Trust. Section 25B will be effective from 2025.
 - B) For the 2024 year of assessment and prior, this field will be displayed as 'Taxable in Trust'.
 - C) **'Source Code':**
 - I) Code 0192 is for a foreign farming profit and code 0193 is for a foreign farming loss.
- x) **'Foreign Tax credits on Gross receipts and accruals (excluding foreign tax credits on foreign farming income vested from other Trust(s))'.**
 - A) This field is applicable from the 2024 year of assessment onwards.
- xi) **'Add: Aggregate Foreign tax credits on foreign farming income from other Trust(s)'.**
 - A) This field is applicable from the 2024 year of assessment onwards.
- xii) **'Less: Foreign tax credits on foreign Farming income distributed/vested in beneficiaries (excluding foreign tax credits on foreign farming income distributed/vested from other Trust(s))'.**
 - A) This field is applicable from the 2025 year of assessment onwards.
 - B) For the 2024 year of assessment and prior, this field will be displayed as **'Less: Foreign tax credits on foreign Farming distributed/vested in beneficiaries'.**
- xiii) **'Foreign tax credits on foreign Farming income retained in Trust (including foreign tax credits on foreign farming distributed to foreign beneficiaries)'.**
 - A) Complete the amount next to source code 4119.
 - B) This field is applicable from the 2025 year of assessment onwards.
 - C) For the 2024 year of assessment and prior, this field will be displayed as **'Foreign tax credits on foreign Farming income retained in Trust'.**

31.2 Imputed Net Income from Controlled Foreign Companies

- a) This section would display if you selected 'Y' to the question **"Imputed net income from controlled foreign companies"** on the form wizard.
- b) Any income earned by a controlled foreign company (CFC) may effectively be taxed in a resident's

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hands in terms of the provision of section 9D. If such resident has a participation interest (shareholding or votes) in the CFC.

c) Complete the following applicable fields:

- i) **'Total Imputed Net Income.'**
 - A) Complete the total imputed net income from controlled foreign companies as per the financial statements.
- ii) **'Add: Aggregate Imputed Net Income from controlled foreign companies from other Trust(s).'**
- iii) **'Total Imputed Net Income (including imputed net income from controlled foreign companies vested from other Trust(s)).'**
- iv) **'Less: Amount distributed/vested in beneficiaries or taxable i.t.o. s7 (excluding amounts vested I foreign beneficiaries).'**
 - A) This field is applicable from the 2025 year of assessment onwards.
 - B) For the 2024 year of assessment and prior, the field will be displayed as **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7'.**
- v) **'Taxable in Trust (vested in foreign beneficiaries).'**
 - A) This field is applicable from the 2025 year of assessment onwards.
- vi) **'Taxable in Trust (not vested in foreign beneficiaries)':**
 - A) This field will be auto calculated.
 - B) This is applicable to the following source code 4276.
 - C) It is derived as follows:
 - I) 'Total Imputed Net Income'.
 - II) 'Less: Amount distributed/vested in beneficiaries'.
 - III) 'Less: Taxable in Trust (vested in foreign beneficiaries)' – applicable from the 2025 year of assessment.
 - D) For the 2024 year of assessment and prior, this field will be displayed as **'Taxable in Trust'.**
- vii) **'Foreign tax credits on Gross receipts and accruals (excluding foreign tax credits on Imputed Net income from Controlled Foreign Companies vested from other Trust(s)).'**
 - A) This field is applicable from the 2024 year of assessment onwards.
- viii) **'Add: Aggregate Foreign tax credits on Imputed Net income from Controlled Foreign Companies from other Trust(s).'**
 - A) This field is applicable from the 2024 year of assessment onwards.
- ix) **'Less: Foreign Tax credits on Imputed Net Income from Controlled Foreign Companies distributed/vested in beneficiaries (excluding foreign tax credits on Imputed Net income from Controlled Foreign Companies distributed/vested from other Trust(s)).'**
 - A) This field is applicable from the 2024 year of assessment onwards.
 - B) For the 2023 year of assessment and prior, this field will be displayed as **'Less: Foreign Tax credits on Imputed Net Income from Controlled Foreign Companies distributed/vested in beneficiaries'.**
- x) **'Foreign Tax credits on Imputed Net Income from Controlled Foreign Companies retained in Trust (including foreign tax credits on foreign Imputed Net Income from Controlled Foreign Companies distributed to foreign beneficiaries).'**
 - A) This field is applicable from the 2025 year of assessment onwards.
 - B) For 2024 year of assessment and prior, this field will be displayed as **'Foreign Tax credits on Imputed Net Income from Controlled Foreign Companies retained in Trust'.**
 - C) This is applicable to the following source code 4122.

31.3 Other Foreign Income (excluding Dividends, Interest, Capital Gains and Farming)

- a) This section would display if you selected 'Y' to the question **"Indicate the type of foreign income received/accrued to the Trust: Other foreign income"** on page one of the return.
- b) Complete the following applicable fields:
 - i) **'Gross receipts and accruals (excluding other foreign income vested from other Trust(s))'**
 - ii) **'Add: Aggregate other foreign income from other Trust(s).'**
 - iii) **'Total Gross receipts and accruals (including other foreign income vested from other Trust(s)).'**

- iv) **'Less: Allowable expenses attributable to other foreign income (excluding donations)'.**
- v) **'Add: Expenses incurred i.r.o. right of use of Trust assets by beneficiaries/other persons'**
- vi) **'Sub-total according to Income Statement'.**
 - A) This field will be auto-calculated.
- vii) **'Add: Non-taxable items and amounts claimed for accounting purposes'.**
- viii) **'Less: Tax deductions and special allowances i.t.o. the Income Tax Act'.**
- ix) **'Taxable amount available for distribution/Assessed loss retained in the Trust':**
 - A) This field will be auto-calculated.
- x) **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7 (excluding amounts vested in foreign beneficiaries)':**
 - A) Section 7 deals with the rules/conditions when income is deemed to have accrued or to have been received. This amount is limited to the taxable amount available for distribution. An assessed loss cannot be distributed to/vested in a beneficiary.
 - B) This field is applicable from the 2025 year of assessment onwards.
 - C) For the 2024 year of assessment and prior, the field will be displayed as **'Less: Amount distributed to/vested in beneficiaries or taxable i.t.o. s7'.**
- xi) **'Taxable in Trust (vested in foreign beneficiaries)'.**
 - A) This field is applicable from the 2025 year of assessment onwards.
- xii) **'Taxable in Trust (not vested in foreign beneficiaries)' – This field will be automatically calculated on the return as follows:**
 - A) Taxable amount available for distribution/assessed loss retained in the Trust.
 - B) **Less:** Amount distributed to/vested in beneficiaries or taxable i.t.o. s7.
 - C) **'Less: Taxable in Trust (vested in foreign beneficiaries)' – applicable from the 2025 year of assessment.**
 - D) For the 2024 year of assessment and prior, this field will be displayed as **'Taxable in Trust'.**
 - E) **'Source Code':**
 - I) Code 4220 is for other foreign profit and code 4221 is for other foreign losses.
- xiii) **'Foreign Tax credits on gross receipts and accruals (excluding foreign tax credits on other foreign income vested from other Trust(s))'.**
 - A) This field is applicable from the 2024 year of assessment onwards.
- xiv) **'Add: Aggregate Foreign tax credits on other foreign income from other Trust(s)'.**
 - A) This field is applicable from the 2024 year of assessment onwards.
- xv) **'Less: Foreign tax credits on other foreign income distributed/vested in beneficiaries (excluding foreign tax credits on other foreign income distributed/vested from other Trust(s))'.**
 - A) This field is applicable from the 2025 year of assessment onwards.
 - B) For the 2024 year of assessment and prior, this field will be displayed as **'Less: Foreign tax credits on foreign Farming distributed/vested in beneficiaries'.**
- xvi) **'Foreign tax credits on other foreign income retained in Trust (including foreign tax credits on other foreign income distributed to foreign beneficiaries)'**
 - A) This field is applicable from the 2025 year of assessment onwards.
 - B) For the 2024 year of assessment and prior, this field will be displayed as **'Foreign tax credits on foreign Farming income retained in Trust'.**
 - C) Complete the amount next to source code 4110.
- xvii) **'Was any of the other foreign income declared in the gross receipts and accruals above received from a foreign Trust?' – Select 'Y' or 'N'.**
 - A) If 'Y', complete the **'Amount of foreign income received from a foreign Trust'** field.

32 AMOUNTS CONSIDERED NON-TAXABLE

- a) This section of the return would display if you selected 'Y' to the question *"Did the Trust receive any amounts considered non-taxable?"* on page one of the return.
- b) Complete the applicable fields as per the financial statements.
 - i) **'Local Dividends'.**
 - ii) **'Exempt foreign dividends (excl. s10B(3) exemption)'.**
 - iii) **'Other Non-Taxable Income (excluding items listed above)'.**
 - A) **'Please provide descriptions relating to other non-taxable income listed above'**
 - iv) **'Total non-taxable income'.**
 - v) **'Amount available for distribution/loss'.**

33 NON-DEDUCTIBLE EXPENSES (NOT DISCLOSED ELSEWHERE IN THIS RETURN)

- a) This section will only display if you selected “No” to all the following income questions on the tax form wizard of the return:
- i) *‘Local Amounts received and/or accrued’.*
 - ii) *‘Foreign Amounts received and/or accrued’.*
 - iii) *‘Capital Gain/Loss’.*
 - iv) *‘Amounts considered non-taxable containers’.*
- b) Complete the non-deductible expenses fields below:
- i) **‘Local Expenses’.**
 - ii) **‘Foreign Expenses’.**

34 DONATIONS

34.1 Donations allowable i.t.o. Section 18A to approved organisations

- a) Section 18A is amended that additional information will be required as the Commissioner may prescribe by public notice.
- b) The donation amount will only qualify as a deduction if the receipt issued to approved public benefit organisations in terms of section 18A of the Income Tax Act.
- c) From the 2016 year of assessment if the Trust made donations to more than twenty Public Benefit Organisations (PBO’s), then the details of the top twenty PBO’s (i.e., to whom donations with the highest monetary value was made) must be completed on the return.
- d) Complete the following fields:
- e) Donations (excl. any other donation).
- i) **‘Total donations made from funds that did not vest in any Trust beneficiary (4011)’**
 - ii) Complete the following fields for each organisation:
 - A) Details of the organisation to whom donations were made.
 - B) Details of the top 20 organisations (highest monetary value) to whom donations were made.
 - 1) For the 2023 and prior years of assessments, details of the top 10 organisations to whom donations were made must be completed.
- f) **Donations Details**
- i) Complete the following fields:
 - A) **‘PBO number’** – this is the reference numbers on the receipt received from the organisation.
 - B) **‘Name of Entity/Organisation’**
 - 1) This field is applicable from the 2024 year of assessment onwards.
 - C) **‘Amount donated to this organisation’.**

35 COLLECTIVE INVESTMENT SCHEME: DONATIONS ALLOWABLE IN TERMS OF S18A TO APPROVED ORGANISATIONS

- a) This section would display if you selected ‘Y’ to the question *“Is this Trust a Collective Investment Scheme?”* on the tax form wizard of the return.
- b) Complete the following fields:
- i) **‘Total donations made from funds that did not vest in any beneficiary (4011)’.**
 - ii) **‘Average value of aggregate of all participatory interests held by investors in the portfolio.’**

36 RECOUPMENT I.R.O. VENTURE CAPITAL COMPANY SHARES SOLD: S12J

- a) To assist small and medium-sized businesses and junior mining exploration companies in terms of equity finance, government implemented a tax incentive for investors in such enterprises through a Venture Capital Company (VCC) regime.
 - i) Section 12J came into effect on 1 July 2009.
 - ii) Investors can claim income tax deductions in respect of the expenditure incurred in exchange for the issue of VCC shares.
 - iii) On request from SARS, the investor must verify a claim for a deduction by providing a VCC Certificate that has been issued by an approved VCC, stating the amount of the investment and the year of assessment in which the investment was made.
- b) If the Trust invested in 20 or more VCCs, then only the details of the 20 investments with the highest monetary value must be completed on the return.
- c) **Note:** Investments in Venture Capital Company after 30 June 2021 in exchange for the issue of shares will no longer be allowed as a deduction.
- d) This section will display if 'Y' is selected for the question **"Were any SARS approved Venture Capital Company shares sold for which tax deduction to the Trust was allowed"** on the tax form wizard of the return.
- e) Except in the case of VCC shares held by a taxpayer for a period longer than five years (effective January 2015), the deduction is recouped (recovered) if the taxpayer disposes of the VCC shares to the extent of the initial VCC investment (under the general recoupment rules of section 8(4) of the Act)).
- f) Complete the following:
 - i) **'Amount recouped i.r.o. Venture Capital Companies shares sold, for which a tax deduction was allowed to the Trust (4245)'.**

37 DEDUCTION I.T.O. S6QUAT(1C)

- a) This section will display if yes was selected for the question **"Will the Trust be claiming a deduction on SA sourced trading income i.t.o. s6quat(1C)?"** on the wizard of the form.
- b) Complete the fields on the return:
 - i) **'Deduction i.t.o. s6quat(1C) for foreign taxes paid or proved to be payable to a foreign government of any country on any SA sourced trade income that did not vest in any Trust beneficiary.**
 - A) Source code 4053.
 - ii) **'Did the Trust have a right of recovery other than a right of recovery i.t.o. a mutual agreement procedure, or any entitlement to carry back losses arising during any previous year of assessment?' – Select 'Y' or 'N.'**
 - iii) **'Was this foreign tax amount refunded to the Trust during this year of assessment?' – Select 'Y' or 'N.'**
 - iv) **'Taxable income from SA sourced trade income (including local remuneration) taxed outside SA (before considering any allowable deductions i.t.o. s18A and s6quat(1C), as these deductions will be calculated by SARS)'.**
- c) **Note:** This income must have been declared elsewhere in this return.

38 DEDUCTION OF INTEREST REPAID TO SARS (IN TERMS OF S7F) THAT WAS PREVIOUSLY TAXED IN TERMS OF S7E

- a) Complete the field:
 - i) **'Amount of SARS interest repaid (in terms of s7F) that was previously taxed in terms of S7E that did not vest in any beneficiary of the Trust'**
 - ii) Source Code 4052.

39 PAYE CREDITS AVAILABLE (EXCLUDING PAYE ON LUMP SUM BENEFITS AND PROVISIONAL TAX)

- a) This section would display if you selected 'Y' to the question **"Will the Trust be claiming any PAYE credits reflected on an IRP5 tax certificate?"** on the form wizard of the return.
- b) The Trust must complete this section for every employee's tax certificate (IRP5/IT3(a)) issued to the Trust for services rendered or for annuities received by the Trust.
- c) The IRP5/IT3(a) certificate data submitted to SARS *via* the EMP501 Employer Reconciliation process will be used to pre-populate the information on the income tax return.
 - i) The information pre-populated on the return will be locked and cannot be edited.
 - ii) Check the information to ensure that it is correct.
 - iii) SARS cannot alter or delete any of the pre-populated IRP5/IT3(a) data provided by third parties. If the information is incorrect, this must be rectified by the third party *via* the Employer Reconciliation process.
- d) Completed the following fields on the return:
 - i) **'IRP5 certificate number'.**
 - ii) **'PAYE Credit.'**
 - A) **Source Code 4102.**

40 FOREIGN TAX CREDITS – SOUTH AFRICAN SOURCED INCOME (ALREADY INCLUDED ELSEWHERE IN THIS RETURN) – S6QUIN

- a) This section is applicable to the 2016 and prior years of assessment and will display if you selected 'Y' to the question **"Will the Trust be claiming any foreign tax credits in terms of s6quin?"** on the form wizard.
- b) S6quin provides for a tax credit to be claimed in respect of tax withheld or imposed by a foreign country.
- c) To qualify for this rebate, the Trust must submit the return of Foreign Tax Withheld to SARS and retain the proof.
 - i) The return of Foreign Tax Withheld (FTW01) and the relevant material in respect of foreign tax withheld must be sent to SARS within 60 days from the date the tax was withheld or paid. The return must be emailed to 6quin@sars.gov.za.
 - ii) The Return of Foreign Tax Withheld (FTW01) can be downloaded from the SARS website.
 - iii) The amount of income must be from a source within the Republic and received by or accrued to a resident for services rendered.
 - iv) The tax credit may be in respect of an amount of tax levied by any sphere of the government of any country -
 - A) Other than the Republic.
 - B) With which the Republic has concluded a Double Tax Agreement (DTA).
 - C) Where a DTA is not concluded between the Republic and the other country a tax credit may also be in respect of the amount of tax imposed in terms of the laws of that country.
- d) Complete the following on the return:
 - i) **'Taxable income from services rendered in South Africa taxed outside the RSA'**
 - A) Note: This amount must have been declared as taxable income elsewhere in this return as this section is only used by SARS to calculate the allowable foreign tax credit applicable to this amount.
 - ii) **'Was the declaration of foreign tax withheld (FTW01) submitted to the Commissioner within 60 days?' – Select 'Y' or 'N.'**
 - iii) **'Please confirm that the amount was not claimed as a deduction in terms of s 6quat(1C)?' – Select 'Y' or 'N.'**
 - iv) **'Foreign tax credits (7456)'**
 - A) The amount must be converted to the rand value on last day of the year of assessment by applying the average exchange rate for the year of assessment.

- e) For more information on *s6quin* refer to SARS website www.sars.gov.za.

40.1 Foreign Tax Credits – Refunded/Discharged

- a) This section will display from the 2017 year of assessment onwards.
- b) The allowable foreign tax credit was changed from a tax credit to a rebate to comply with the Income Tax Act.
- c) A *s6quat* deduction reduces the taxable income of a South African resident. This in turn reduces the normal tax liability of the taxpayer. Where a South African resident claimed a deduction for foreign tax paid/payable in terms of section 6*quat* and in a subsequent year of assessment the foreign tax was refunded or the taxpayer was discharged from the applicable tax liability, then the amount that was discharged (limited to the amount that was originally claimed) will be deemed to be an amount of normal tax payable by that taxpayer in the subsequent year of assessment.
- d) Complete the fields on the return:
- 'Specify the portion of the amount refunded/discharged that was previously allowed as a rebate'.**
 - 'Specify the portion of the amount refunded/discharged that was previously allowed in terms of s6quat(1C)' – source code 4249.**

41 PARTNERSHIP

- a) This section would display if you selected 'Y' to the question **"Is the Trust a partner in a partnership?"** on the form wizard, and it will be repeated according to the number of partnerships indicated.
- b) Complete the following fields for each Partnership:
- 'Partnership Name'.**
 - 'Specify the Trust's profit/loss sharing % during the year of assessment'.**
 - 'Did the profit/loss sharing percentage change during the year?' – Select 'Y' or 'N.'**
 - 'Indicate if the Trust derived a profit/loss from this partnership during the year of assessment'– Select 'Y' or 'N'.**
 - 'Indicate if this information is in respect of a local or a foreign partnership'.**

42 DETAILS OF CONSOLIDATED TRANSACTIONS FOR TRUSTS

- a) This section will display as a separate schedule of the return:
- The value in the field **"Specify the number of distinct persons or beneficiaries to whom any of the following transactions were applicable during the year of assessment"** is greater than 50; and
 - 'Y' was selected for any of the listed transactions.
- b) Complete the applicable fields on the return.

42.1 Details of Taxable amounts distributed to/vested in beneficiaries or taxable i.t.o. s7 or paras. 68 – 72 of the Eighth Schedule

- a) **Note:** Any capital or income (Taxable/Non-taxable) distributed as an annuity must be declared in this section under source code 3611.
- b) **'Amount subject to tax.'**
- c) **'Source Code'** – the source code entered must be within the following range:
- All profit trade source codes (ending with an even digit).
 - 3006 – only valid for years of assessment from 1999 – 2006.
 - 3025 – only valid for years of assessment from 2007 onwards.
 - Local remuneration and annuities: 3601-3606, 3610, 3611, 3616, 3617, 3667.
 - Investment, capital gains, rental, royalties, and other income: 4201, 4210, 4212, 4214, 4216, 4218, 4220, 4238 (only from 2015 years of assessment onwards), 4250, 4252.
- d) **'Foreign Tax Credits'**

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- i) Should the Trust (taxpayer) wish to claim any foreign tax credit, this should be claimed together with other tax credits. In future years a container for Foreign Tax Credits from other Trusts will be provided.
- e) **'Total persons taxable'**
 - i) Insert the total number of persons where a distribution/vesting in beneficiaries occurred or a person was taxable i.t.o. s7 or paragraphs 68 – 72 of the Eighth Schedule.

42.2 Details of Non-Taxable Income Distributed

- a) **'Local Dividends'** – this field is mandatory if an amount greater than zero was declared for **"Local Dividends"** in the **"Amounts considered non-taxable"** section.
- b) **Exempt foreign dividends (excl. s10B(3) exemptions)** – this field is mandatory if an amount greater than zero was declared for **"Exempt foreign dividends (excl. s10B(3) exemption)"** in the **"Amounts considered non-taxable"** section.
- c) **'Other Non-Taxable income'** – this field is mandatory if an amount greater than zero was declared for **"Other Non-Taxable income"** in the **"Amounts considered non-taxable"** section.
- d) Indicate the **'No of persons to whom non-taxable income is distributed'** for:
 - i) **'Local Dividends.'**
 - ii) **'Exempt foreign dividends (excl. s10B(3) exemption).'**
 - iii) **'Other Non-Taxable income.'**

42.3 Details of Capital Distribution(s)

- a) **'No of persons to who received capital distribution(s) from this Trust during the year of assessment.'**
- b) **Add 'Total value of capital distributed by the Trust during the year of assessment.'**

42.4 Details of loan(s) granted to the Trust

- a) **'How many outstanding loans is the Trust liable for?'**
- b) **Add 'Total value of outstanding loans the Trust is liable for.'**
- c) **'Was any waiver or compromise exercised in respect of these loans?'** – Select 'Y' or 'N.'
 - i) This field is not applicable from the 2017 year of assessment onwards.
- d) **Was security provided for all of these loans?** – Select 'Y' or 'N.'
 - i) This field is not applicable from the 2017 year of assessment onwards.

42.5 Details of loan(s) granted by the Trust

- a) **'How many outstanding loans have been granted by the Trust?'**
- b) **Add 'Total value of outstanding loans granted by the Trust.'**
- c) **'Was any waiver or compromise exercised in respect of these loans?'** – Select 'Y' or 'N.'
 - i) This field is not applicable from the 2017 year of assessment onwards.
- d) **'Was security provided for all of these loans?'** – Select 'Y' or 'N.'
 - i) This field is not applicable from the 2017 year of assessment onwards.

42.6 Details of Donation(s) made by the Trust

- a) **'How many persons received donation(s) from this Trust during the year of assessment?'**
- b) **Add 'total value donated by the Trust during the year of assessment.'**

42.7 Details of Contribution(s) made by the Trust

- a) **'How many persons received contribution(s) from this Trust during the year of assessment?'**
- b) **Add 'Total value contributed by the Trust during the year of assessment':**

42.8 Details of Donation(s) made to the Trust

- a) **'How many persons made donation(s) to this Trust during the year of assessment?'**
- b) **Add 'Total value donated to the Trust during the year of assessment.'**

42.9 Details of Contribution(s) made to the Trust

- a) 'How many persons made contribution(s) to this Trust during the year of assessment?'
- b) Add 'Total value contributed to the Trust during the year of assessment.'

42.10 Details of Distribution(s) made to the Trust

- a) 'How many Trusts/foundations made distribution(s) to this Trust during the year of assessment?'
- b) Add 'Total value distributed to the Trust during the year of assessment.'

42.11 Details of Contribution(s) returned by the Trust

- a) 'How many persons received a return of contribution(s) made to this Trust during the year of assessment?'
- b) Add 'Total value of contributions returned by the Trust during the year of assessment.'

42.12 Details of Expenses incurred i.r.o. use of Trust assets

- a) 'How many persons enjoyed the right of use of assets retained in this Trust?'
- b) Add 'Total expenses incurred by this Trust in respect of right of use of Trust assets during the year of assessment.'

43 DETAILS OF PERSON(S)/BENEFICIARY/IES TO WHOM INCOME, CAPITAL OR ASSETS WERE DISTRIBUTED OR VESTED, WITH THE HIGHEST MONETARY VALUE

- a) This section will display on the form wizard.
 - i) The value in the field "Specify the number of distinct persons or beneficiaries to whom any of the following transactions were applicable during the year of assessment" is greater than 50, and
 - ii) 'Y' was selected for any of the listed transactions.

43.1 Information of Person/Beneficiary

- a) Select 'Y' or 'N' for the following options to specify the nature of the person/beneficiary:
 - i) 'A connected person in relation to this Trust?'
 - ii) 'A beneficiary of this Trust?'
 - iii) 'A founder of this Trust?'
 - iv) 'A natural person?'
 - v) 'A donor of this Trust?'
 - vi) 'A non-resident?'

43.2 Details - Individual

- a) This section will display if the type of person/beneficiary added to the return is an "Individual". Complete the following:
 - i) 'Taxpayer Ref No' – If the person/beneficiary does not have a tax reference number, complete zero's ('0000000000') in this field.
 - ii) 'Surname'.
 - iii) 'First name'.
 - iv) 'Other name'.
 - v) 'Initials'.
 - vi) 'Date of birth'.
 - vii) 'Identity number'.
 - viii) 'Passport number'.
 - ix) 'Passport Country' – This field is mandatory if a passport number has been entered.
 - x) 'Passport Issue Date'.

43.3 Details – Company/Trust

- a) This section will display if the type of person/beneficiary added to the return is a **“Company/Trust”**. Complete the following:
- i) **‘Taxpayer Ref No’** – If the person/beneficiary does not have a tax reference number, complete zero’s (‘0000000000’) in this field.
 - ii) **‘Company/Trust Reg No’**.
 - iii) **‘Registered Name’**.

43.4 Details of transactions applicable to this Person/Beneficiary

- a) Mark Transactions applicable to this person/beneficiary during the year of assessment with an “X”. This person/beneficiary:
- i) **‘Was taxable on amounts distributed to/vested in beneficiaries or taxable i.t.o s7 or par.68-72 of the Eight Schedule’**.
 - ii) **‘Received/accrued non-taxable amounts from this Trust’**.
 - iii) **‘Received/accrued a capital or asset distribution from this Trust’**.
 - iv) **‘Held loan(s) granted to this Trust’**.
 - v) **‘Held loan(s) from this Trust’**.
 - vi) **‘Made donation(s) to this Trust’**.
 - vii) **‘Made contribution(s) to this Trust’**.
 - viii) **‘Received donation(s) from this Trust’**.
 - ix) **‘Received contribution(s) from this Trust’**.
 - x) **‘Made distribution(s) to this Trust (only applicable if the related party is a Trust or foundation)’**.
 - xi) **‘Received refund(s) of contribution(s) to this Trust’**.
 - xii) **‘Enjoyed the right of use of asset(s) retained in this Trust’**.
- b) Complete the information for each of the transactions selected above.

44 DETAILS OF TAXABLE AMOUNTS DISTRIBUTED TO/VESTED IN BENEFICIARIES OR TAXABLE I.T.O. S7 OR PARAS. 68 – 72 OF THE EIGHTH SCHEDULE

- a) **Note:** Any Capital or Income (Taxable or Non-taxable) distributed as a deemed annuity must be declared in this section of the return under the source code 3611.
- i) **‘Amount subject to tax.’**
 - ii) **‘Source Code’** – the source code entered must be within the following range:
 - A) All profit trade source codes (ending with an even digit).
 - B) 3006 – only valid for years of assessment from 1999 – 2006.
 - C) 3025 – only valid for years of assessment from 2007 onwards.
 - D) Local remuneration and annuities: 3601-3606, 3610, 3611, 3616, 3617, 3667.
 - E) Investment, capital gains, rental, royalties, and other income: 4201, 4210, 4212, 4214, 4216, 4218, 4220, 4238 (only from 2015 years of assessment onwards), 4250, 4252.
 - iii) **‘Foreign Tax Credits.’**
 - iv) **Total persons taxable** – Insert the total number of persons where a distribution/vesting in beneficiaries occurred or a person was taxable i.t.o. s7 or paragraphs 68 – 72 of the Eighth Schedule.

44.1 Details of Non-Taxable Income Distributed

- a) **‘Local Dividends.’**
- b) **‘Exempt foreign dividends (excl. s10B (3) exemptions)’**.
- c) **‘Other Non-Taxable income.’**

44.2 Details of Capital Distribution(s)

- a) **‘Total value of capital distributed to this person during the year of assessment.’**

44.3 Details of Expenses incurred i.r.o. use of Trust Assets

- a) 'Total expenses incurred by this Trust in respect of right of use of Trust assets by this person during the year of assessment.'

44.4 Details of loan(s) granted by the Trust

- a) 'Interest rate.'
 b) 'Loan amount.'
 c) 'Inception date (CCYYMMDD)':
 i) The date must not be greater than the maturity date.
 d) 'Maturity date (CCYYMMDD).'
 e) 'Repayment periods':
 f) 'Was security provided?' – Select 'Y' or 'N.'
 i) This field is not applicable from the 2017 year of assessment onwards.
 g) 'Any waiver or compromise exercised?' – Select 'Y' or 'N.'
 i) This field is not applicable from the 2017 year of assessment onwards.

44.5 Details of loan(s) granted to the Trust

- a) 'Interest rate.'
 b) 'Loan amount.'
 c) 'Inception date (CCYYMMDD)':
 i) The date must not be greater than the maturity date.
 d) 'Maturity date (CCYYMMDD).'
 e) 'Repayment periods.'
 f) 'Was security provided?' – Select 'Y' or 'N.'
 i) This field is not applicable from the 2017 year of assessment.
 g) 'Any waiver or compromise exercised?' – Select 'Y' or 'N.'
 i) This field is not applicable from the 2017 year of assessment.
 h) 'Is this loan subject to donations tax i.t.o. s7C' – Select 'Y' or 'N'.
 i) Applicable from the 2017 year of assessment.
 ii) Section 7C is intended to focus on interest free loans or loans bearing interest below market rates that are made directly or indirectly by a natural person, or a company; or any person that is a connected person in relation to the person or company. The difference between the amount incurred by the Trust as interest and the amount that would have been incurred by that Trust at the official interest rate will be treated as having been donated by the connected person to the Trust on the last day of a year of assessment of that person and will therefore be subject to donations tax in terms of s54 of the Income Tax Act. If the deemed interest is below R100 000 for the year of assessment it will be exempt from donations tax, if the deemed interest was made by a donor that is a natural person (Section 56(2)(b)). And a further condition for the exemption is that the donor did not utilise the exempt portion elsewhere.
 i) 'Was this loan or a portion of this loan used for the acquisition of primary residence?'

44.6 Details of Donation(s) made to the Trust

- a) 'Total value donated by this person to the Trust during the year of assessment.'

44.7 Details of Contribution(s) made to the Trust

- a) 'Total value contributed by this person to the Trust during the year of assessment.'

44.8 Details of Donation(s) received from the Trust

- a) 'Total value donated by the Trust to this person during the year of assessment.'

44.9 Details of Contribution(s) received from the Trust

- a) 'Total value contributed by the Trust to this person during the year of assessment.'

44.10 Details of Distribution(s) made to the Trust

- a) 'Total value distributed by this person to the Trust during the year of assessment.'

44.11 Details of Contribution(s) refunded by the Trust

- a) 'Total value of contribution(s) refunded by the Trust to this person during the year of assessment.'

45 BENEFICIAL OWNERSHIP AND TRANSPARENCY (BOT)

- a) An additional container for "Beneficial Ownership" is included on the Trust Return (ITR12T), SARS' aim is to record all beneficial owners of Trusts who would gain financially from the proceeds of the Trust to comply with the Financial Action Task (FATF) requirements.
- b) The Trust Property Control Act (57 of 1988) provides that all beneficiaries who can be identified by name must be reported as Beneficial Owners (BO). Therefore, those beneficiaries who can be identified by name will have to report in terms of the BO reporting requirements. The moment a Trust benefit is vested (distributed) in a particular beneficiary (they are identified by name), their details must be reported for BO purposes.
- c) In this regard, certain information must be submitted to SARS *via* e-Filing i.e., a copy of the Trust instrument, Letters of Authority, *etc.* These documents may include, but are not necessarily limited to, the following:
- i) An organogram, illustrative, or schematic diagram depicting effective control of the Trust. Where the Beneficial Ownership is in the form of other legal arrangements or legal entities, this should be provided in a separate attachment.
 - ii) Compile an Excel Spreadsheet with the beneficiaries' details (as per BO requirements) and then submit/upload the Spreadsheet as a separate document; or
 - iii) such other document(s), which will elaborate on Beneficial Ownership in relation to the Trust.
- d) With regards to the capture of Beneficial Ownership information, it is mandatory for the current year's return that at least one document be submitted that relates to beneficial ownership information.
- i) A maximum of 20 beneficial owners per category can be captured on the "Beneficial Ownership Declaration" from 2023 onwards.
 - A) For the remainder, a schedule should be attached that provides detail (as required) of the remainder of the beneficial owners.
 - B) Note that this schedule is mandatory even if the beneficial owners are less than 20 and where the beneficial owner is a legal entity or other legal arrangement, the schedule should provide sufficient detail to identify the natural person ("warm body") behind the entity.
- e) To complete unnamed beneficiaries, select the "**Other**" option and provide the following information.
- i) The description as per the Trust instrument of the unnamed beneficiaries
 - ii) A short description of what is meant with or detail of this category of beneficial owners
- f) All fields on the Beneficial Ownership Details container will be pre-populated with the previous years' return information.

45.1 Trust Types

- a) The Trust types can be selected or pre-populated in the return:
- i) *Inter-vivos* Trust.
 - ii) Testamentary Trust (*mortis causa*, Will Trust).
 - iii) Foreign Trust (Non-Resident Trust)
 - iv) Special Trust Type A – *Inter-vivos*.
 - v) Special Trust Type A – Testamentary (*mortis causa*, Will Trust).

- vi) Special Trust Type B – Testamentary (*mortis causa*, Will Trust).

45.2 Beneficial Owner Detail

- a) Specify the number of distinct Beneficial Owners.

45.3 Entity Type

- a) Complete Entity Type (within each of the sections the following fields will be available to capture or select in terms of Entity Type (Drop-down with the following list):
 - i) **Individual.**
 - ii) **Company (CIPC registered).**
 - iii) **Trust.**
 - iv) **Other.**

45.4 Particulars – Individual

- a) Complete the beneficial owner category selected:
 - i) **Founder** (Mandatory for completion).
 - ii) **Trustees** (Mandatory for completion).
 - iii) **Beneficiaries** (Mandatory for completion).
 - iv) **Donor** (Optional).
 - v) **Protector** (Optional).
 - A) This field will only be displayed in the particulars of an individual and of a company/Trust/other, if the Trust is a non-Resident Trust (Foreign Trust).
- b) **Capture and complete the following fields:**
 - i) **'Initials'.**
 - ii) **'Surname'.**
 - i) **'Date of Birth'** (CCYY/MM/DD).
 - iii) **'ID No'.** - The ID number will be subject to the standard ID validations.
 - iv) **'Is the individual registered for tax in South Africa?'** (Select 'Y' or 'N').
 - v) **'Tax Reference No'.** (Mandatory if yes was selected on the question are you registered for tax in South Africa).
 - vi) **'Passport No'.**
 - vii) **'Passport Country'.**
 - viii) **'Passport Issue Date'.**
 - ix) **'Place of Birth'.**
 - x) **'Email'.**
 - xi) **'Cell No'.**
 - xii) **'Physical Address':**
 - A) Unit No.
 - B) Complex (if applicable)
 - C) Street No.
 - D) Street/Farm Name.
 - E) Suburb/District.
 - F) City/Town.
 - G) Country Code (e.g., South Africa – ZA).
 - H) Tax Jurisdiction.
 - I) Postal Code.

45.5 Particulars – Company (CIPC Registered)/Trust/Other

- a) Complete the beneficial owner category selected:
 - i) **Founder** (Mandatory for completion).
 - ii) **Trustees** (Mandatory for completion).
 - iii) **Beneficiaries** (Mandatory for completion).
 - iv) **Donor** (Optional).
 - v) **Protector** (Optional).

- b) Capture and complete the following fields:
- i) **'Registered Name'**.
 - ii) **'Trading Name'**.
 - iii) **'Company/CC/Trust Reg No'.**:
 - A) Its mandatory for Company field to be validated against the CIPC registration number.
 - B) Its mandatory for all Trust Types except for Foreign Trust (Non-Resident).
 - C) Optional for Other.
 - iv) **'Tax Reference No'**. (mandatory if yes was selected on the question are you registered for tax in South Africa)
 - v) **'Physical Address'**:
 - A) Unit No.
 - B) Complex (if applicable).
 - C) Street No.
 - D) Street/Farm Name.
 - E) Suburb/District.
 - F) City/Town.
 - G) Country Code (e.g., South Africa – ZA).
 - H) Tax Jurisdiction.
 - I) Postal Code.
 - vi) The taxpayer can click on the “Add” or “Save” button for an additional container that will be made available where the taxpayer captures the details of the “warm body” associated with the entity.

45.6 Trust/Legal Entity Representative

- a) This container will only become available for any selection other than “Individual” and it will be associated with the entity type container.
- i) The taxpayer will be able to capture at least 1 individual associated to the entity, taxpayer may add additional individuals:
 - A) **'Initials'**.
 - B) **'Surname'**.
 - C) **'ID No'**. - The ID number will be subject to the standard ID validations.
 - D) **'Date of Birth'** (CCYY/MM/DD).
 - E) **'Is the individual registered for tax in South Africa?'** (Select 'Y' or 'N').
 - F) **'Tax Reference No'**. (Mandatory if yes was selected on the question are you registered for tax in South Africa).
 - G) If Foreign Passport is selected the following fields are mandatory:
 - I) **'Passport No'**.
 - II) **'Passport Issue Date'**.
 - III) **'Passport Country'**.
 - H) **'Cell No'**.
 - I) **'Email'**.
 - J) **'Physical Address'**:
 - I) Unit No.
 - II) Complex (if applicable).
 - III) Street No.
 - IV) Street/Farm Name.
 - V) Suburb/District.
 - VI) City/Town.
 - K) **'Country Code'** (e.g., South Africa – ZA).
 - L) **'Tax Jurisdiction'**.
 - M) **'Postal Code'**.
 - N) **'Place of Birth'**.
 - O) Mark here with an “X” if you declare that the information supplied is correct.
 - ii) The container will allow the taxpayer to “Add” multiple line items.

46 DECLARATION

- a) The “Declaration” section of the Income Tax Return for a Trust (ITR12T) will be presented to the taxpayer upon the submission of the return as pop-up message. This applies to original and revised declarations.
- b) The representative taxpayer is obliged to ensure that complete and accurate disclosure is made of all relevant information required on the Income Tax Return for Trusts. Misrepresentation, neglect, or omission to furnish such information or furnishing false information may result in penalties and/or additional tax assessments (together with interest) and/or prosecution.
- c) After completion of the return, read the declaration on the front page of the return.
 - i) I declare that: - I am the duly appointed Representative of the Trust.
 - ii) The information furnished in this return is to the best of my knowledge both true and correct.
 - iii) I have disclosed the gross amounts of all income received and/or accrued to this Trust during the period covered by this return.
 - iv) I have the necessary financial records and supporting schedules to support all declarations on this return which I will retain for audit purposes.

47 DEFINITIONS AND ACRONYMS

- a) The definitions, acronyms and abbreviations can be accessed *via* the following link: [Glossary A-M webpage](#)

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;
- Make a booking to visit the 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); or
- If calling from outside South Africa, contact the SARS Contact Centre on +27 11 602 2093 (only between 8am and 4pm).