



South African Revenue Service

Dear Stakeholder

TRUST FILING SEASON: FORM AND SYSTEM CHANGES TO BE INTRODUCED FROM 23 JUNE 2023

SARS continues to improve its service offerings, systems and processes related to the filing of income tax returns for Trusts (ITR12T). We believe that these changes will provide taxpayers with the clarity and certainty they require to meet their tax obligations, making it easier for them to comply.

The annual notice, issued by the Commissioner, requires of **ALL** Trusts to submit a Trust return. It is thus imperative that all representative taxpayers of Trusts (trustees) ensure compliance in this regard.

With effect from 23 June 2023, SARS will introduce changes to the Income Tax Return for Trusts (ITR12T), eFiling enhancements, i.e., additional questions to the Income Tax Return Wizard to be completed, and mandatory supporting documents that must accompany the return.

The changes being introduced include, amongst others:

- **Updates to the wizard on the Trust return**
 - Additional Questions to determine if any Local or Foreign amount(s) were vested in the Trust as a beneficiary of another Trust or deemed to have accrued in terms of s7 during this year of assessment; and the number of Trusts from where these amounts were received.

- **A Simplified Return for Passive Trusts**
 - To provide for a less cumbersome return, where limited Trust specific activities occurred during the year of assessment. The wizard and guide will provide guidance in this regard. The taxpayer must ensure that the correct "type" of return is selected on the first page of the tax return (Income Tax Return Wizard).

- **Other enhancements to the Trust Return (ITR12T)**
 - A new field for credit agreements and debtors' allowance "Lay Byes" (S24) has been added under both sides of Special Allowances not claimed in the Income Statement and Allowances/Deductions.

- Beneficial Ownership Declaration page to record all beneficial owners and those who may gain financially from the proceeds of the Taxpayer.
 - Based on the wizard question above (relating to distributions received from other Trusts), the required number of containers for these distributions will be opened in the return. This will allow taxpayers to provide the detail of the distributions received from other Trusts into the individual containers (e.g. distributions received from 5 other Trusts, 5 containers will automatically be opened).
- **Supporting documents to be submitted with the ITR12T.**
 - All mandatory supporting documents must be uploaded and submitted with the Trust return. This includes, amongst others, the Trust instrument, Annual Financial Statements and resolutions/minutes of trustee meetings. The requirements will vary according to the Trust type. (Use the drop-down menu to check the required supporting documents).
 - **Enhancements to eFiling**
 - A pop-up notification when the return type is selected. Should the taxpayer select an incorrect tax type based on their registration, this pop-up notification will alert the taxpayer to select the correct return.

Managing Tax Compliance Matters

Trusts are included in the definition of a "person" in terms of the Income Tax Act, 1962 (ITA), and as such, the representative taxpayer (trustee/s) has a responsibility to register all Trusts for income tax purposes.

Note that the representative taxpayer (the trustee/s of a Trust) or the appointed tax practitioner **MUST** file an income tax return for the Trust on an annual basis in terms of the annual notice and during the Trust return filing period.

The filing period for Trusts that are non-provisional taxpayers opens on 7 July and closes on 24 October 2023, and for Trusts that are registered for provisional tax, it opens from 7 July 2023 and closes on 24 January 2024. In addition, the beneficiaries, and donors (where deeming provisions apply) of a Trust must declare their income that was vested in a beneficiary by the Trust during the year of assessment in their income tax returns.

We have made it easier for you.

- The quick and convenient way to obtain and file a Trust Return (ITR12T) is to register as an eFiler on SARS eFiling, request the return, and then customise it by completing the questions on the first page (wizard) of the return.
- To register a new Trust for income tax and submit supporting documents, use our online platforms on the SARS website at sars.gov.za in the SARS Online Trust Registration link.

More information

For further information on the changes introduced, visit the Businesses and Employers page on the SARS website at sars.gov.za.

Sincerely,

THE SOUTH AFRICAN REVENUE SERVICE

June 2023