Trust Filing Season set to open

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Filing season for Trusts is scheduled to open on 19 September 2026. Per the *Government Gazette*, the closing date for Trusts to file is 22 January 2027 for both provisional and non-provisional trust taxpayers. Trustees and registered representatives should file the Income Tax Return for Trusts (ITR12T) in this period.

All registered resident Trusts and qualifying non-resident trusts that are required to submit returns in terms of the annual public notice must submit an ITR12T.

Registration with SARS is a prerequisite for filing. Any Trust must be registered for Income Tax within 21 business days of registering with the Master of the High Court. There are Trusts that are not registered. Trustees are encouraged to ensure that all qualifying Trusts are appropriately registered and meet their filing obligations. SARS is making it easy and simple to register by providing an easy digital solution for Trusts to register for income tax via the SARS Online Query System which is accessible on the SARS website.

Registration can also be done at a SARS branch after making an eBooking appointment via the SARS website. A list of documents required for registering a trust for income tax may be found on the SARS website. SARS is currently identifying trusts that should be registered and ensuring that qualifying trusts are brought into the tax net.

This filing season coincides with the introduction of SARS's administrative non-compliance penalty framework in respect of Trust-filing obligations. Trust taxpayers may be pleased to know that the ITR12T Trust income tax return has been enhanced to make it easier to comply with trust obligations and avoid administrative penalties for late or non-submission. These enhancements include:

- Income, vested amounts and certain expense information has been pre-populated with IT3(t) data to reduce duplication and improve accuracy.
- Beneficiary schedules on the ITR12T are also pre-populated using IT3(t) third-party data.
- Beneficial ownership founder questions will be enhanced to cater for cases where the founder is a legal entity that no longer exists, in addition to deceased natural persons
- Tax practitioner contact details is now a mandatory field which will facilitate effective communication.

When a Trust has effectively ceased to operate and has been terminated in accordance with the Trust instrument and applicable law, Trustees should take the necessary steps to deregister the Trust with both the Master of the High Court (Master) and SARS after ensuring that the trust's tax affairs are up to date.

At this point, it must be noted that deregistration with the Master does not automatically mean deregistration with SARS. After termination with the Master, the Trust must deregister with SARS by submitting a deregistration request, together with the required supporting documents, via email at contactus@sars.gov.za or through a SARS branch by booking an appointment.

Submission of Nil Returns and Assessed-Loss Positions: A Focus Area for SARS

This filing season, SARS will prioritise identifying, analysing, and resolving disparities detected in the submission of nil returns and assessed-loss positions. This focus aims to improve compliance and reporting accuracy by all Trusts. There appears to be a misconception amongst Trust taxpayers that passive Trusts are not actively used in the production of income, and thus nil returns are filed for such trusts. The existence of passive assets does not relieve a Trust from the obligation to disclose its assets, liabilities, and all relevant financial information.

Taxpayers are reminded that all assets, including “dormant” or passive assets, must be disclosed. In addition, all income and expenditure relating to such assets — for example, a holiday home or immovable property and the upkeep of such property — must be accurately declared.

Trusts reporting nil returns or assessed-loss positions should base these positions on the complete disclosure of the trust’s assets, income, expenditure, and liabilities. Nil returns or assessed-loss positions must be fully supported by the Trust’s records and underlying circumstances.

Trustees Remain Liable for a Trust’s Tax Affairs

SARS emphasises that the responsibility for obtaining, maintaining, and updating accurate Trust information rests exclusively with the Trustees. The Trust Property Control Act No. 57 of 1988 (TPCA) mandates Trustees to act with care, diligence, and skill in managing Trust affairs. In addition, the “joint action rule” requires co-Trustees to act collectively in the administration of a Trust. Although trustees may delegate certain functions, they retain ultimate responsibility and accountability. The TPCA limits the effectiveness of provisions that seek to exempt Trustees from liability in circumstances prescribed by law.

Trustees may appoint a tax practitioner to help administer the Trust and the fulfil its obligations. However, the Trustees remain legally liable and responsible for the Trust’s tax compliance in the eyes of the law. Under certain circumstances provided for in the Tax Administration Act, Trustees may be held personally liable for a Trust’s tax obligations. Trustees should therefore ensure that the Trust remains fully compliant with its tax obligations.

What Is Required to File an Income Tax Return for a Trust

Trustees can submit their returns electronically through SARS eFiling (sarsefiling.co.za) or manually at a SARS service centre by appointment only. Taxpayers must register for eFiling to file the ITR12T. A simplified tax return is available on eFiling for passive Trusts. The ITR12T has been improved with a beneficial-ownership declaration page to record all beneficial owners and those who may ultimately benefit from the Trust or its assets.

A Trust with ten or fewer beneficiaries may have the ITR12T captured at a SARS branch provided that a prior branch appointment e-booking has been made on the SARS website, and that the return has been printed with required fields completed ahead of the appointment. The ITR12T can be downloaded from eFiling.

Documents Required to File an ITR12T Trust Tax Return

Trustees should have these documents available when completing an ITR12T or when requested by SARS:

- The Trust deed or will
- Sheet of income and expenditure
- Proof of any tax credits
- Annual financial statements/annual administration accounts
- Beneficial-ownership document per entity listed
- Minutes and resolution of the appointment of Trustees
- Letters of Authority

Trustees should remember to report any changes to the registered details of a Trust to SARS within 21 business days of the change. This requirement is not limited to one specific type of change. It includes, for example, changes to Trustees, the representative taxpayer, contact details, physical or postal addresses, and any other registered particulars relevant to the Trust. Failure to notify SARS of changes to registered particulars may constitute a criminal offence under section 234 of the Tax Administration Act.

Filing of the IT3(t) Third-Party Data Return for Trusts

Trust taxpayers must note that the IT3(t) third-party data return is due for submission on 30 September 2026, for the 2026 year of assessment. The IT3(t) third-party data return must be submitted by the representative taxpayers of Trusts. The purpose of the IT3(t) return is for the representative taxpayers of a Trust to provide details of amounts vested in beneficiaries for a specific year of assessment. The IT3(t) return is used to populate beneficiaries' tax returns with the amounts vested to those beneficiaries by the Trust.

For further information, contact SARS at SARSMedia@sars.gov.za.

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