

EXTERNAL GUIDE

HOW TO COMPLETE AND SUBMIT THE INCOME TAX SUPPLEMENTARY DECLARATION (IT14SD)

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1 PURPOSE

- This guide in its design, development, implementation and review phases is guided and underpinned by the SARS values, code of conduct and the applicable legislation. Should any aspect of this guide be in conflict with the applicable legislation the legislation will take precedence.

2 INTRODUCTION

- If a company is selected for verification, SARS will issue a letter to the company - Verification of Income Tax Return.
- This letter will specify that the company has the option to either submit a revised Company Income Tax Return (ITR14) or a Company Income Tax Supplementary Declaration (IT14SD).
- The IT14SD is a supplementary declaration in which a company must reconcile Income Tax, Value-Added Tax (VAT), Pay-As-You-Earn (PAYE) and Customs declarations after the initial submission of the Income Tax Return for Companies (IT14/ITR14) for the applicable financial year end as specified in the verification letter.
- In the 2018 Budget Speech, the Minister of Finance announced a VAT rate increase from 14% to 15% effective 1 April 2018.
- This guide is designed to assist with the completion and submission of the IT14SD return.
- For further information on the IT14SD call the SARS Contact Centre on 0800 00 SARS (7277), visit your nearest SARS branch or visit the SARS website www.sars.gov.za

3 HOW WILL THE IT14SD BE ISSUED?

- The IT14SD will be issued by SARS to the relevant company through the following channels:
 - If the company is a registered eFiler, the IT14SD will be available on the company's eFiling profile.
 - If the company is not a registered eFiler, the "Verification of Income Tax Return" letter, accompanied by the Notice of Assessment (ITA34), will be sent via email (if SARS has a valid company contact email address) or posted where there is no valid email address.
 - The letter will specify that the company must request the IT14SD electronically via eFiling or visit the nearest SARS branch.
 - SARS will no longer issue blank copies of the IT14SD return. An example of the IT14SD is available on the SARS website: www.sars.gov.za, designed to assist with the information required to complete the IT14SD. Please note that the published IT14SD example must not be submitted to SARS.

NOTE: The IT14SD cannot be obtained via the Contact Centre, since there is no posting or email option for request of the IT14SD.

4 HOW MUST THE IT14SD BE SUBMITTED?

- The IT14SD must be submitted by the due date specified in the “Verification of Income Tax Return” letter. The IT14SD can be submitted through the following channels:
 - If the Representative Taxpayer / Public Officer is a registered eFiler, the IT14SD can be completed and submitted electronically on eFiling;
 - If the Representative Taxpayer / Public Officer is not a registered eFiler, he/she can visit the nearest SARS branch for submission. Representative taxpayers that are not registered eFilers, and have access to this guide online but prefer to submit the IT14SD at the nearest SARS branch may use the various fields as specified in this guide and the IT14SD example available on SARS website in preparation for submission.
 - Alternatively, the Representative Taxpayer / Public Officer can register as an eFiler, but **MUST** first submit a revised company Income Tax Return (ITR14) via the “Request for Correction” button. Thereafter, if SARS requires further verification, an IT14SD will automatically be available on the company’s eFiling profile.
- As part of the Go-Green initiative to decrease the use of paper, Agents at SARS branches will no longer print a copy of the IT14SD return for the taxpayer during submission. A copy of IT14SD will only be printed when the signature pad is not working and a manual signature of the taxpayer is required.

NOTE: The SARS agent will only capture the relevant data specified in the guide to complete on the IT14SD. The agent will not assist in the completion of any of the containers or in the interpretation of the financial statements. SARS recommends that you consult a tax practitioner of your own choice should you require assistance with interpretation of the financial statements or if you are unable to complete the IT14SD using the guide and the example of the IT14SD on the SARS website.

5 DOCUMENTATION REQUIRED TO COMPLETE YOUR IT14SD

- Please note that although the documents listed below are used to complete the IT14SD, it must **NOT** be submitted as relevant material when submitting the IT14SD to SARS.
- In order to complete the IT14SD, you must have the following previously submitted returns and declarations for the relevant financial year end:
 - Income Tax Return for Companies (IT14/ITR14).
 - Value-Added Tax Declarations (VAT201’s).
 - Monthly Employer Declaration (EMP201’s).
- Where the IT14SD is to be submitted manually at a SARS branch, ensure that the various totals from the VAT201’s submitted for the relevant tax periods relating to the particular financial year are added together:
 - Total amount of output VAT as declared under field 13.
 - Total zero rated supplies as declared per field 2 and 2A.

- Total exempt and non-supplies as declared per field 3.
- Total VAT input claimed per the submitted VAT201's (field 19).
- Total goods exported as claimed per the VAT201's (field 2A).
- Total goods imported as per the VAT 201's (field 15A).

5.1 Monthly Employer Declaration (EMP201)

- Where the IT14SD is to be submitted at a SARS branch, ensure that the total amount for PAYE calculated from all the EMP201s submitted for the Financial Year End are added together.

5.2 Customs Declarations Form (SAD 500) and/or Voucher of Correction (SAD504s or SAD554s)

- Where the IT14SD is to be submitted manually at a SARS branch ensure that the various totals from the SAD500s and/or SAD504s or SAD554s submitted for the financial year end are added together:
 - Total customs value or total after correction of imported goods
 - Total customs value or total after correction of exported goods.

Note: The SARS Branch agent will not calculate the totals required to be completed on the IT14SD.

- The following additional financial records for the relevant financial year end may also assist when completing the IT14SD:
 - Annual Financial Statements together with required Schedules
 - General Ledger
 - Trial Balance.

6 MULTIPLE SUBMISSIONS OF IT14SD AND ITR14 DURING SARS VERIFICATION

- For the relevant financial year specified in the verification letter:
 - The company will be given an option to submit either the revised ITR14 or the IT14SD. However, if the company has selected to submit the revised ITR14 and SARS is not satisfied with the revised ITR14 declaration, a subsequent verification letter stipulating that submission of the IT14SD is mandatory will be issued.
- The company has one opportunity to submit a revised ITR14. Once the revised ITR14 declaration has been submitted, a subsequent revised ITR14 cannot be submitted. The company will not be allowed to submit a revised ITR14 after submitting the IT14SD.
- Multiple versions of the IT14SD can be submitted at a SARS branch provided that the company received a verification letter requesting the company to submit an IT14SD. Once the verification is finalised, further submissions of the IT14SD will be disallowed.

- If there is a verification letter published on the company's eFiling Income Tax Work page requesting submission of the IT14SD, it can be submitted via eFiling. Once the IT14SD is submitted in response to a verification letter, the IT14SD submission will be de-activated until such time that SARS issues a subsequent verification letter requesting the IT14SD.

NOTE: The data from the first submitted IT14SD will not be pre-populated on the IT14SD for a subsequent submission for the relevant financial year end.

- The company may be required to submit additional relevant material for the relevant financial year during a verification process, but this does not absolve the company from the requirement to submit either a revised ITR14 or IT14SD.
- Please note that an initial or subsequent revised IT14SD cannot be submitted for the relevant year of assessment if any of the following conditions exist:
 - An audit case has been finalized; or
 - A revised declaration or agreed estimate was performed by a SARS user; or
 - The requested IT14SD or relevant material has been submitted by the taxpayer since a compliance audit case was created; or
 - An active investigation / Assurance audit case exists

7 PROGRESS OF VERIFICATION

- For information regarding the progress of a SARS verification, the channels specified below are available:
 - For registered eFilers, view the progress of the IT14SD processing by clicking on the "Query SARS status" button and the refund status by clicking on the "Dashboard" button on the Income Tax Work page
 - Call the SARS Contact Centre on 0800 00 SARS (7277); or
 - Visit the nearest SARS branch.

8 COMPLETING THE IT14SD RETURN

- All the fields in the Reconciliation Schedules are compulsory and must be completed.
- An error message will be displayed on eFiling as well as in the SARS branch when the agent is electronically capturing the IT14SD if the captured information is incomplete or incorrect.
- Only Rand values must be declared. Fields that are not relevant must be completed with a R0.

9 COMPANY CLASSIFICATION

- The details in the IT14SD will be explained for the two Company Income Tax Return types, that is the IT14 in the old format and the new ITR14 and various company types which became effective with the new ITR14.

- If the old IT14 format was submitted, the IT14SD for the old IT14 return must be submitted.
- To determine if the company submitted an old IT14 return, the following can be an indication:
 - The Income Tax Return displays IT14 in the right top corner on the first page; and
 - The Particulars of the Public Officer, Postal Address, Registered address, Physical Address and Bank Account Details appear on the first two pages of your company income tax return.
- **ITR14** - If the ITR14 is displayed on the right top corner on the first page, then the ITR14 portion of the IT14SD together with the company classification will be applicable, that is one of the following:
 - **ITR14 – DORMANT**
A Dormant company is classified as a company that was not actively trading for the full financial year end (i.e. if the company partially traded during financial year end, the company will not be regarded as a dormant company). On the “*Information to create this Income Tax Return*” page of the ITR14, section “Dormant”, the field “Is the company dormant?” is “Yes”
 - **ITR14 – SHARE BLOCK COMPANY**
A Share Block Company is a company which is defined in s. 1 of the Share Blocks Control Act, 1980 (Act 59 of 1980). On the “*Information to create this Income Tax Return*” page of the ITR14, section “Company Type”, the field “Is the company a body corporate / share block company as defined in s10(1)(e)?” is “Yes”.
 - **ITR14 - BODY CORPORATE**
A Body Corporate is an entity such as a company or institution that is defined in Section 1 of the Sectional Titles Act, 1986 (Act 95 of 1986). On the “*Information to create this Income Tax Return*” page of the ITR14, section “Company Type”, the field “Is the company a body corporate / share block company as defined in s10(1)(e)?” is “Yes”.
 - **ITR14 – MICRO BUSINESS**
A Micro Business is classified as a company with a gross income (sales / turnover plus other income) not exceeding R1 million and total assets (current and non-current) not exceeding R5 million, and that is not classified as a Body Corporate / Share Block Company. On the “*Information to create this Income Tax Return*” page of the ITR14, section “Company Type”, the field “Specify the gross income (sales / turnover plus other income) in respect of the financial year end?” does not exceed R1 million and the field “Specify the total assets (current and non-current) of the company in respect of the financial year end?” does not exceed R5 million.
 - **ITR14 – SMALL BUSINESS**
A Small Business is classified as a company with a gross income (sales / turnover plus other income) not exceeding R14 million and total assets (current and non-current) not exceeding R10 million, that is not classified as a Body Corporate / Share Block Company or Micro Business.
 - The classification of the total assets that must not be in excess of R10 million does not define a Small Business Corporation (s.12E); this only serves as a classification to create this Income Tax Return for a small business.
Also note that a Small Business is not the same as a Small Business Corporation as defined in Section 12E.
 - **ITR14 – MEDIUM TO LARGE BUSINESS**
A Medium to Large Business: If a company is not classified as a body corporate / share block company, micro business or small business, it will be classified as

a medium to large business (i.e. gross income (sales / turnover plus other income) exceeding R14 million and / or total assets exceeding R10 million).

- After you have established the company type, refer to the **Annexure** applicable to the company type for completion of the IT14SD return:
 - Old IT14 Return – Annexure A.
 - Body Corporate /Share Block Company /Micro Business/ Dormant Company – Annexure B.
 - Small Business – Annexure C.
 - Medium to Large Business – Annexure D.

- The IT14SD is divided into the following schedules:
 - PAYE Reconciliation Schedule.
 - Income Tax Reconciliation Schedule.
 - VAT Reconciliation Schedule.
 - Customs Reconciliation Schedule.
 - Reconciling Items.

9.1 ANNEXURE A – OLD IT14 RETURN

- If the company received a “Verification of Income Tax Return” letter requesting the company to complete and submit an IT14SD and the Company Income Tax Return for the relevant financial year end was submitted in the **old IT14** format, a new IT14SD for the **old IT14 return** must be submitted. The IT14SD will be customised according to the information on the Company Income Tax Return.

- To determine if the company submitted and **old IT14 return**, verify the following:
 - The income tax return displays **IT14** in the right top corner on the first page; AND
 - The Particulars of the Public Officer, Postal Address, Registered address, Physical Address and Bank Account Details appear on the first two pages of your company income tax return.

- If the company did not submit an old IT14 return, please refer to **Section 8: Company Classification** to determine the annexure of this guide that is relevant to the company.

9.1.1 REGISTERED INFORMATION

- The following read only fields will be pre-populated on the IT14SD return:
 - Income Tax Ref No: Income tax reference number of the company
 - Case No.: represents the case number assigned by SARS to the verification as stipulated in the “Verification of Income Tax Return” letter
 - Year of Assessment: represents the relevant financial year end for which the verification is requested as indicated in the “Verification of Income Tax Return” letter

Registered Information					
Income Tax Ref. No.	<input type="text"/>	Case No.	<input type="text"/>	Year of Assessment	<input type="text"/>

9.1.2 PAYE RECONCILIATION SCHEDULE

- The amounts entered in this section should be equal to the total salaries and wages and employment expenses as declared under the “Income Statement” on the IT14 and EMP201’s submitted to SARS pertaining to the relevant financial year end.
- The reconciliation must include all PAYE declarations connected to the company.
 - For example: If the company has branches that are registered separately for Employees’ Tax, the total declarations for all the branches must reconcile with the salaries and wages and employment expenses declared on the IT14.

PAYE Reconciliation Schedule		PRCSD01
Directors’ / Members’ remuneration as per IT14	R	
Medical, pension and provident fund contributions as per IT14	R	
Salaries and wages (excl. medical, pension, provident fund contributions) as per IT14	R	
Other employment cost as per IT14	R	
Total employment cost	R	
Total PAYE paid as per EMP201s	R	
Total employment cost on which PAYE liability was calculated	R	
Reconciling differences <small>(Provide details in the Reconciling Items section if applicable)</small>	R	

- **Field 1: Director’s / Member’s remunerations as per IT14**
 - Capture the amount declared under code **4569** on the IT14.
- **Field 2: Medical, pension and provident fund contributions as per IT14**
 - Capture the amount declared under code **4581** on the IT14.
- **Field 3: Salaries and wages (excl. medical, pension, provident fund contributions) as per IT14**
 - Capture the amount declared under code **4529** on the IT14.
- **Field 4: Other employment cost per IT14**
 - Add all other amounts related to employment cost on which PAYE liability was calculated included in the “Income Statement: Expense Items” on the IT14 excluding the specific amounts mentioned in **Field 1, 2 and 3** above.
- **Field 5: Total employment cost**
 - Calculate this field as the total (sum) of the amounts completed for **Field 1 to Field 4**.
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch.
- **Field 6: Total PAYE paid as per EMP201s**
 - Capture the total amount of Pay-As-You-Earn (PAYE) paid as per the EMP201’s for the 12 months of the company financial year.

- Where a subsequent EMP501 was submitted for an additional amount paid/payable this must be added to the total amount of the EMP201's
 - Where an amount was refunded/refundable due to an over payment on the EMP501 this amount should be deducted from the total amount of the EMP201's.
- **Field 7: Total employment cost on which PAYE liability was calculated**
 - Calculate this field by consolidating the records on the payroll.
- **Field 8: Reconciling differences (Provide details in the Reconciling Items section if applicable).**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the following two fields:
 - **Field 5:** Total employment cost
 - **Field 7:** Total employment cost on which PAYE liability was calculated
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at the SARS branch.
 - Where the value exceeds the greater of 1% of taxable profit/loss or R1 000, reason(s) for reconciling differences and the related amount(s) must be completed in the **Reconciling items: PAYE Reason(s)** schedule (refer to Reconciling Items section in the Annexure).

9.1.3 INCOME TAX RECONCILIATION SCHEDULE

- This schedule should reflect the amounts declared under the "Tax Computation" section and the accounting profit or accounting loss declared under the "Income Statement Information" sections of the IT14.

Income Tax Reconciliation Schedule				ITRCN01 ■		
<i>Note: Indicate Profit / Loss with an 'X' in the applicable box</i>						
Net	Profit	<input type="checkbox"/>	Loss	<input type="checkbox"/>	R	
Calculated	Profit	<input type="checkbox"/>	Loss	<input type="checkbox"/>	R	
Difference: Net and Calculated Profit/Loss					R	
Debit Adjim.	Non-taxable amounts credited to the Income Statement				R	
	Special allowances not claimed in the Income Statement				R	
Credit Adjim.	Non-deductible amounts debited to the Income Statement				R	
	Allowances / Deductions granted in previous years of assessment and now reversed				R	
	Amounts not credited to the Income Statement				R	
	Recoupment of allowances previously granted				R	
Total: Tax Adjustments					R	
Reconciling differences <small>(Provide details in the Reconciling items section if applicable)</small>					R	

- **Field 1: Net Profit or Loss**
 - Insert "X" in the applicable box to indicate whether the amount reflects a profit or a loss.

- Capture the “Net Profit – Subtotal” or “Net Loss – Subtotal” amount declared under the “Income Statement Information: Net Profit/Loss” section on the IT14.
- **Field 2: Calculated Profit or Loss**
 - Insert “X” in the applicable box to indicate whether the amount reflects a profit or a loss
 - Capture the “Calculated Profit excluding net income from CFC” or “Calculated Loss” amount declared under the “Tax Computation: Amounts to be included in the determination of taxable income” (excluding assessed loss brought forward and capital gains / losses)” section on the IT14.
- **Field 3: Difference: Net and Calculated Profit/Loss**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the amount for “Net Profit/Loss and Calculated Profit/Loss”.
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch.
 - For a company that is preparing the necessary information for capture at a SARS branch:
 - If Net Profit and Calculated Profit - subtract the amounts to calculate the difference
 - If Net Loss and Calculated Loss - subtract the amounts to calculate the difference
 - If Net Profit and Calculated Loss – add the amounts to calculate the difference
 - If Net Loss and Calculated Profit – add the amounts to calculate the difference
- If there is a Net Profit and a Calculated Loss - add the amounts to calculate the difference:

<u>Example: Manual calculation</u>	
Net Profit	R4 000
(Add) Calculated Loss	<u>R5 800</u>
Difference	<u>R9 800</u>

- **Field 4: Debit Adjustment: Non-Taxable amounts credited to the Income Statement**
 - Capture the “Control Total” amount of “Non-taxable amounts credited to Income Statement” declared under the “Tax Computation: Debit Adjustments” section on the IT14.
- **Field 5: Debit Adjustment: Special allowances not claimed in the Income Statement**
 - Capture the “Control Total” amount of “Special allowances not claimed in the Income Statement” declared under the “Tax Computation: Debit Adjustments” section on the IT14.
- **Field 6: Credit Adjustment: Non-deductible amounts debited to the Income Statement**

- Capture the “Control Total” amount of “Non-deductible amounts debited to the Income Statement” declared under the “Tax Computation: Credit Adjustments” section on the IT14.
- **Field 7: Credit Adjustment: Allowances/deductions granted in previous years of assessment and now reversed**
 - Capture the “Control Total” amount of “Allowances / Deductions granted in previous financial year end and now reversed” declare under the “Tax Computation: Credit Adjustments” section on the IT14.
- **Field 8: Credit Adjustment: Amounts not credited to the Income Statement**
 - Capture the “Control Total” amount of “Amounts not credited to the Income Statement” declared under the “Tax Computation: Credit Adjustments” section on the IT14.
- **Field 9: Credit Adjustment: Recoupment of allowances previously graded**
 - Capture the “Control Total” amount of “Recoupment of allowances previously graded” declared under the “Tax Computation: Credit Adjustments” section on the IT14.
- **Field 10: Total: Tax Adjustments**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between all the Debit Adjustment (sum of **Field 4 and 5**) and Credit Adjustment (sum of **Field 6, 7, 8 and 9**) amounts
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch
- **Field 11: Reconciling differences (Provide details in the Reconciling Items section if applicable).**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the following two fields:
 - **Field 3:** Difference: Net and Calculated Profit/Loss;
 - **Field 10:** Total: Tax Adjustments.
 - This field will be calculated automatically where the IT14SD is submitted online.
 - Where the value exceeds the greater of 1% of taxable profit/loss or R1 000, reason(s) for reconciling differences and the related amount(s) must be completed in the **Reconciling items: Income Tax Reason(s)** schedule (refer to Reconciling Items section in this Annexure).

9.1.4 VAT RECONCILIATION SCHEDULE

- This section is divided into two parts:
 - Output VAT declared for tax periods falling within the financial year end
 - Input VAT claimed for tax periods falling within the financial year end.
- This schedule should reflect the amounts declared in the “Income Statement Information” section of the IT14 and the VAT declared as per the VAT201’s previously submitted to SARS.
- If the Company submits the VAT201s for bimonthly tax periods or tax periods of six months, exclude all the supply for the next or previous financial year.

- Specify the total number of VAT registration number(s) for the company
 - The field "Specify the total number of VAT registration numbers" must at least be 1 or more (maximum of 999) if either one of the following conditions are met:
 - **Total input VAT as per VAT201 tax periods (field 19)** exceeds R0
 - **Total output VAT as per VAT201 tax periods (field 13)** exceeds R0
 - Complete a zero for this field if the company is not registered for VAT.
- **VAT Registration Number(s):** Based on the numeric value entered in the field “Specify the total number of VAT registration number(s) for the company”, the VAT registration number fields will repeat on the IT14SD.
 - Each VAT registration number field (numeric field of 10 blocks) is mandatory for completion.

9.2.2 CUSTOMS RECONCILIATION SCHEDULE

- This section is divided into two parts:
 - Imported Goods: Declare the total value of imported goods for the financial year end
 - Exported Goods: Declare the total value of exported goods for the financial year end.
- This schedule should reflect the amounts included in terms of goods imported and exported in the “Income Statement Information” section of the IT14 and the amounts of goods imported and exported declared as per the SAD500s or/and SAD554s or SAD504s and VAT201s’ previously submitted to SARS.

Customs Reconciliation Schedule										CRSIF01										
Imported Goods: Provide details in the Reconciling Items section if applicable										Exported Goods: Provide details in the Reconciling Items section if applicable										
Total value of imported goods as per Customs declarations	R									Total value of exported goods as per Customs declarations	R									
Total imported goods included in Cost of Sales as per IT14	R									Total exported goods included in Sales as per IT14	R									
Total goods imported as per VAT201s	R									Total goods exported as per VAT201s	R									

- Complete the following fields under **Imported Goods:**
 - **Field 1: Total Value of imported goods as per Customs declarations:**
 - Calculate the total value of imported goods according to the final Bill of Entry Declarations (SAD500’s or CD001’s) for the relevant financial year end. Calculate the total value of imported goods according to the SAD500s or/and SAD504s for the relevant financial year end
 - Calculate the total of import amount as per (field 42 customs value) of all the SAD500s
 - If the custom value declared on the previously submitted SAD500 changed, add the “Total after Correction” amounts of all the SAD504s.
 - **Field 2: Total Imported goods included in Cost of Sales as per IT14**
 - Complete the portion of the Total Imported goods declared that was included in the “Cost of Sales” (source code 4502) on the IT14.
 - **Field 3: Total goods imported by you as per VAT201s:**
 - Calculate the total goods imported as per the VAT 201s (field 15A) for the same periods incorporated into the relevant financial year end.
- Complete the following fields under **Exported Goods:**

- **Field 1: Total Value of Exported goods as per Customs declaration**
 - Calculate the total value of exported goods according to the final SAD500s and/or SAD554s for the relevant financial year end
 - Calculate the total of export amount as per (field 42 customs value) of all the SAD500s
 - If the customs value declared on the previously submitted SAD500s changed, add the “Total after Correction” amounts of all the SAD554s.

- **Field 2: Total Exported goods included in Sales as per IT14**
 - Complete the portion of the Total Exported goods declared that was included in the “Sales (Turnover)” (source code 4501) on the IT14.

- **Field 3: Total goods exported by you as per VAT201’s**
 - Calculate the total goods exported by you as claimed per the VAT201s (field 2A) for the same periods incorporated into the relevant financial year end.

9.2.3 RECONCILING DIFFERENCES

- If the “Reconciling difference” field in the **PAYE Reconciliation schedule** exceeds the greater of 1% of taxable profit/loss or R1 000, the **PAYE Reason(s)** container will appear in the Reconciling items section as indicated below and must be completed.

PAYE Reason(s)	Amount

- If the “Reconciling difference” field in the **Income Tax Reconciliation schedule** exceeds the greater of 1% of taxable profit/loss or R1 000, the **Income Tax Reason(s)** container will appear in the Reconciling items section as indicated below and must be completed.

Income Tax Reason(s)	Amount

- If the “Reconciling difference” field in the **Output VAT declared for tax periods falling within the financial year end Reconciliation schedule** exceeds the greater of 1% of taxable profit/loss or R1 000, the **Output VAT Reason(s)** container will appear in the Reconciling items section as indicated below and must be completed.

Output VAT Reason(s)	Amount

- If the “Reconciling difference” field in the **Input VAT claimed for tax periods falling within the year of assessment** exceeds the greater of 1% of taxable profit/loss or R1 000, the **Input VAT Reason(s)** container will appear in the Reconciling items section as indicated below and must be completed.

Input VAT Reason(s)	Amount

- If the positive difference (subtract lesser amount from greater amount) between any of the 3 fields in the **Customs Imported Goods Reconciliation schedule** exceeds the greater of 1% of taxable profit/loss or R1 000, the **Customs: Imported Goods Reason(s)** container will appear in the Reconciling items section as indicated below and must be completed.

Customs: Imported Goods Reason(s)	Amount

CTIPG01

Example:

Field 1: "Total value of imported goods as per Customs declarations" is R2000; and
Field 2: "Total imported goods included in Cost of Sales as per IT14" is R4000; and
Field 3: "Total goods imported as per VAT201's" is R8000

Then the reconciliation differences are as follows:

Field 2 less Field 1: R2000
Field 3 less Field 2: R4000
Field 3 less Field 1: R6000

- Capture the reasons for each reconciliation difference exceeding the greater of 1% of taxable profit/loss or R1 000 (i.e. (a), (b) and (c)) calculated above respectively under "Reconciling items: Customs: Imported Goods reasons" field.
- If the positive difference (subtract lesser amount from greater amount) between any of the 3 fields in the **Customs Exported Goods reconciliation schedule** exceeds the greater of 1% of taxable profit/loss or R1 000, the **Customs: Exported Goods Reason(s)** container will appear in the Reconciling items section as indicated below and must be completed.

Customs: Exported Goods Reason(s)	Amount

CEXGS01

Example:

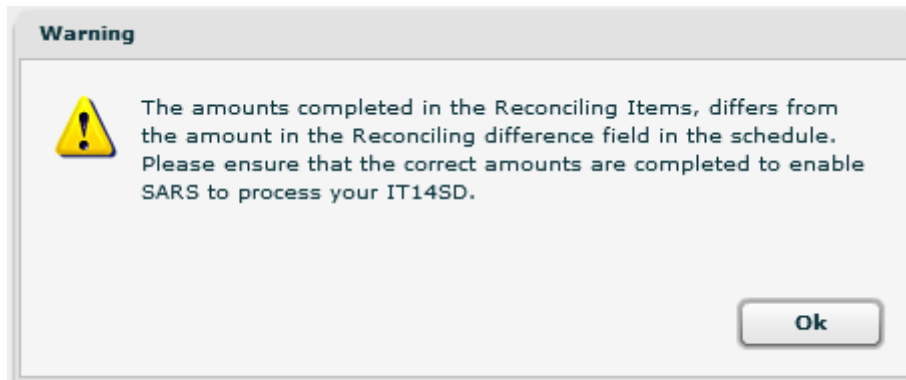
Field 1: "Total value of exported goods as per Customs declarations" is R4000; and
Field 2: "Total exported goods included in Sales as per IT14" is R4000; and
Field 3: "Total goods exported as per VAT201's" is R8000

Then the reconciliation differences are as follows:

Field 2 less Field 1: R0
Field 3 less Field 2: R4000
Field 3 less Field 1: R6000

- Capture the reasons for each reconciliation difference exceeding the greater of 1% of taxable profit/loss or R1 000 (i.e. (b) and (c)) calculated above respectively under "Reconciling items: Customs: Imported Goods reasons" field.
- One row will display initially. At least one row is mandatory for completion. If a Reason is entered, then the Amount field in the relevant row becomes compulsory for completion and vice versa. Use the "+" button to add additional rows and the "-" button to delete existing rows.
- Complete the detailed reasons for reconciling items as stated under each reconciliation schedule and ensure that amounts are completed for each reason.

- The IT14SD will perform an online validation on eFiling and in the SARS branch to ensure that the sum of the “Amount” fields in every row of the respective Reason(s) container is equal to the “Reconciling difference” in the respective Reconciliation schedules listed above. The warning message below will display and the IT14SD form cannot be submitted until the fields balance.



10 ANNEXURE B – DORMANT COMPANY, BODY CORPORATE, SHARE BLOCK COMPANY AND MICRO BUSINESS

10.1.1 REGISTERED INFORMATION

Registered Information		
Income Tax Ref. No.	Case No.	Year of Assessment
<input type="text"/>	<input type="text"/>	<input type="text"/>

- The following read only fields will be pre-populated on the IT14SD return:
 - **Income Tax Ref No:** Income tax reference number of the company
 - **Case No.:** Represents the case number assigned by SARS to the verification as stipulated in the “Verification of Income Tax Return” letter
 - **Year of Assessment:** Represents the relevant financial year end for which the verification is requested as indicated in the “Verification of Income Tax Return” letter.

10.1.2 PAYE RECONCILIATION SCHEDULE

- This section must reflect the total salaries and wages and employment expenses declared under the “Income Statement” on the ITR14 and EMP201’s submitted to SARS pertaining to the relevant financial year end.
- The reconciliation must include all PAYE declarations connected to the entity. For example: If the company has branches that are registered separately for Employees Tax, the total declarations for all the branches must reconcile with the salaries and wages and employment expenses declared on the ITR14.

Where the value exceeds the greater of 1% of taxable profit/loss or R1 000, reason(s) for reconciling differences and the related amount(s) must be completed in the **Reconciling items: PAYE Reason(s)** schedule (refer to Reconciling Items section in the Annexure).

10.1.3 INCOME TAX RECONCILIATION SCHEDULE

- This schedule should reflect the amounts declared under the “Tax Computation” section and the net profit or net loss declared under the “Income Statement Information” sections of the ITR14.

Income Tax Reconciliation Schedule				MCTRC0T															
Note: Indicate Profit / Loss with an 'X' in the applicable box																			
Net	Profit	<input type="checkbox"/>	Loss	<input type="checkbox"/>	R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Calculated	Profit	<input type="checkbox"/>	Loss	<input type="checkbox"/>	R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Difference: Net and Calculated Profit/Loss					R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Adjustments: Added back					R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Adjustments: Allowable					R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total: Tax Adjustments					R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Reconciling differences <small>(Provide details in the Reconciling items section if applicable)</small>					R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

- Field 1: Net Profit or Loss**
 - Insert “X” in the applicable box to indicate whether the amount reflects a profit or a loss.
 - Capture the amount declared under the “Income Statement Information: Net Profit / Loss” section on the ITR14.
- Field 2: Calculated Profit or Loss**
 - Insert “X” in the applicable box to indicate whether the amount reflects a profit or a loss.
 - Capture the “Calculated Profit excluding net income from CFC” or “Calculated Loss” amount declared under the “Tax Computation: Amounts to be included in the determination of taxable income” (excluding assessed losses brought forward and capital gains / losses)” section on the ITR14.
- Field 3: Difference: Net and Calculated Profit / Loss**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the amounts entered for **Field 1**: “Net Profit or Loss” and **Field 2**: “Calculated Profit or Loss”. This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a SARS branch.
 - For a company that is preparing the necessary information for capture at a SARS branch:
 - If Net Profit and Calculated Profit - subtract the amounts to calculate the difference;
 - If Net Loss and Calculated Loss - subtract the amounts to calculate the difference;

- If Net Profit and Calculated Loss – add the amounts to calculate the difference;
- If Net Loss and Calculated Profit – add the amounts to calculate the difference.

Example: Manual calculation

If there is a Net Profit and a Calculated Loss - add the amounts to calculate the difference:

Net Profit	R4 000
(Add) <u>Calculated Loss</u>	<u>R5 800</u>
Difference	<u>R9 800</u>

- **Field 4: Adjustments: Added back**
 - Capture the “Control Total” amount declared under the “Tax Computation: Adjustments: Added Back” section on the ITR14.
- **Field 5: Adjustments: Allowable**
 - Capture the “Control Total” declared under the “Tax Computation: Adjustments: Allowable” section on the ITR14.
- **Field 6: Total: Tax Adjustment**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the amounts declared for **Field 4: Added back Adjustments** and **Field 5: Allowable Adjustments**.
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a SARS branch.
- **Field 7: Reconciling differences (Provide details in the Reconciling Items section if applicable).**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the amounts declared for the following fields:
 - **Field 3: Difference: Net and Calculated Profit/Loss;**
 - **Field 6: Total: Tax Adjustments.**
 - This field will be calculated automatically where the IT14SD is submitted online.
 - Where the value exceeds the greater of 1% of taxable profit/loss or R1 000, reason(s) for reconciling differences and the related amount(s) must be completed in the **Reconciling items: Income Tax Reason(s)** schedule (refer to Reconciling Items section in this Annexure).

10.1.4VAT RECONCILIATION SCHEDULE

- This section is divided into two parts:
 - Output VAT declared for tax periods falling within the financial year end
 - Input VAT claimed for tax periods falling within the financial year end.
- This schedule should reflect the amounts declared in the “Income Statement Information” section of the ITR14 and the VAT declared as per the VAT201’s previously submitted to SARS.
- If the Company submits the VAT201s for bimonthly tax periods or tax periods of six months, exclude all the supply for the next or previous financial year.

- Capture the total exempt and non-supplies as declared per field 3 on the submitted VAT201s for the financial year end
- Complete this field with a zero (R0) if the company is not registered for VAT.
- **Field 5: Total VAT supplies as per VAT201 tax periods**
 - Calculate the total (sum) of the amounts entered for **Field 2, 3 and 4**.
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch.
- **Field 6: Total sales (Turnover) as per ITR14**
 - Capture the field “Sales (Turnover)” declared under the “Income Statement: Gross Profit / Loss” section on the ITR14.
- **Field 7: Reconciling differences (Provide details in the Reconciling Items section if applicable)**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the following two fields:
 - **Field 5:** Total VAT supplies as per VAT201 tax periods;
 - **Field 6:** Total Sales (Turnover) as per ITR14.
 - This field will be auto-calculated when IT14SD is submitted online.
 - If the value of this field exceeds the greater of 1% of taxable profit/loss or R1 000, the **Reconciliation Items: Output VAT Reason(s)** container will be displayed in order to explain the reasons for the difference (refer to **Reconciling Items** section in this Annexure).
- Complete the following fields under **Input VAT claimed for tax periods falling within the year of assessment:**
 - **Field 1: Total input VAT as per VAT tax periods (field 19)**
 - Calculate the total VAT input claimed per the submitted VAT201s (field 19) for the same periods incorporated into the relevant financial year end.
 - Complete this field with a zero (R0) if the company is not registered for VAT
 - **Field 2: Total acquisitions as per VAT201 tax periods. This value is calculated by dividing the total input VAT as per VAT201 tax periods by 0.15**
 - Calculate the value for this field by dividing “Total input VAT as per VAT tax periods (field 19)” by 0.15.
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch.

Example:

If the amount declared under field 19 on the VAT201 is R172 600, the calculation will be as follows:

$$\text{Field 19} = \frac{\text{R25 890}}{0.15} = \text{R172 600}$$

- **Field 3: Total Cost of Sales as per ITR14**
 - Capture the field “Less: Cost of Sales” declared under the “Income Statement: Gross Profit / Loss” section on the ITR14.
- **Field 4: Reconciling differences (Provide details in the Reconciling Items section if applicable)**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the following two fields:

- **VAT Registration Number(s):** Based on the numeric value entered in the field “Specify the total number of VAT registration number(s) for the company”, the VAT registration number fields will repeat on the IT14SD.
 - Each VAT registration number field (numeric field of 10 blocks) is mandatory for completion.

10.2.2 CUSTOMS RECONCILIATION SCHEDULE

- This section is divided into two parts:
 - Imported Goods: Declare the total value of imported goods for the financial year end
 - Exported Goods: Declare the total value of exported goods for the financial year end.
- This schedule should reflect the amounts included in terms of goods imported and exported in the “Income Statement Information” section of the IT14 and the amounts of goods imported and exported declared as per the SAD500s or/and SAD554s or SAD504s and VAT201s’ previously submitted to SARS.

Customs Reconciliation Schedule										MCIMR01									
Imported Goods: Provide details in the Reconciling Items section if applicable					Exported Goods: Provide details in the Reconciling Items section if applicable														
Total value of imported goods as per Customs declarations	R									Total value of exported goods as per Customs declarations	R								
Total imported goods included in Cost of Sales as per ITR14	R									Total exported goods included in Sales as per ITR14	R								
Total goods imported as per VAT201s	R									Total goods exported as per VAT201s	R								

- Complete the following fields under **Imported Goods:**
 - **Field 1: Total Value of imported goods as per Customs declarations:**
 - Calculate the total value of imported goods according to the final Bill of Entry Declarations (SAD500’s or CD001’s) for the relevant financial year end. Calculate the total value of imported goods according to the SAD500s or/and SAD504s for the relevant financial year end
 - Calculate the total of import amount as per (field 42 customs value) of all the SAD500s
 - If the custom value declared on the previously submitted SAD500 changed, add the “Total after Correction” amounts of all the SAD504s.
 - **Field 2: Total Imported goods included in Cost of Sales as per IT14**
 - Complete the portion of the Total Imported goods declared that was included in the “Cost of Sales” (source code 4502) on the IT14.
 - **Field 3: Total goods imported by you as per VAT201s:**
 - Calculate the total goods imported as per the VAT 201s (field 15A) for the same periods incorporated into the relevant financial year end.
- Complete the following fields under **Exported Goods:**
 - **Field 1: Total Value of Exported goods as per Customs declaration**
 - Calculate the total value of exported goods according to the final SAD500s and/or SAD554s for the relevant financial year end
 - Calculate the total of export amount as per (field 42 customs value) of all the SAD500s
 - If the customs value declared on the previously submitted SAD500s changed, add the “Total after Correction” amounts of all the SAD554s.

Example:

Field 1: “Total value of imported goods as per Customs declarations” is R2000; and
Field 2: “Total imported goods included in Cost of Sales as per IT14” is R4000; and
Field 3: “Total goods imported as per VAT201’s” is R8000

Then the reconciliation differences are as follows:

Field 2 less Field 1: R2000
Field 3 less Field 2: R4000
Field 3 less Field 1: R6000

- Capture the reasons for each reconciliation difference exceeding the greater of 1% of taxable profit/loss or R1 000 (i.e. (a), (b) and (c)) calculated above respectively under “Reconciling items: Customs: Imported Goods reasons” field.
- If the positive difference (subtract lesser amount from greater amount) between any of the 3 fields in the **Customs Exported Goods reconciliation schedule** exceeds the greater of 1% of taxable profit/loss or R1 000, the **Customs: Exported Goods Reason(s)** container will appear in the Reconciling items section as indicated below and must be completed.

Customs: Exported Goods Reason(s)	Amount	CEXGS01

Example:

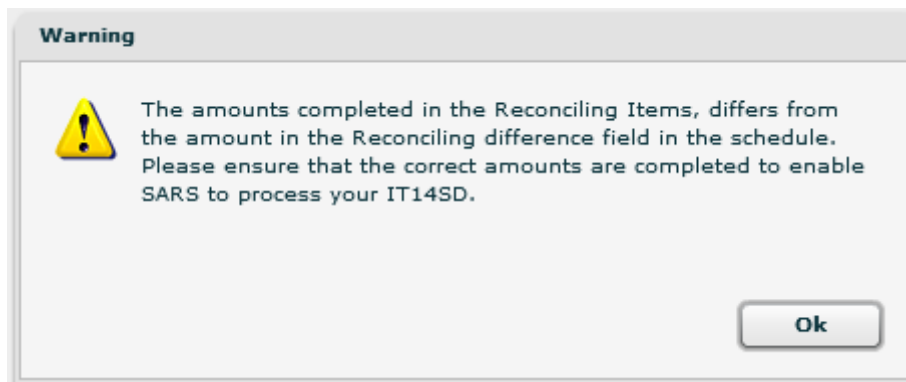
Field 1: “Total value of exported goods as per Customs declarations” is R4000; and
Field 2: “Total exported goods included in Sales as per IT14” is R4000; and
Field 3: “Total goods exported as per VAT201’s” is R8000

Then the reconciliation differences are as follows:

Field 2 less Field 1: R0
Field 3 less Field 2: R4000
Field 3 less Field 1: R6000

- Capture the reasons for each reconciliation difference exceeding the greater of 1% of taxable profit/loss or R1 000 (i.e. (b) and (c)) calculated above respectively under “Reconciling items: Customs: Imported Goods reasons” field.
- One row will display initially. At least one row is mandatory for completion. If a Reason is entered, then the Amount field in the relevant row becomes compulsory for completion and vice versa. Use the “+” button to add additional rows and the “-” button to delete existing rows.
- Complete the detailed reasons for reconciling items as stated under each reconciliation schedule and ensure that amounts are completed for each reason.

- The IT14SD will perform an online validation on eFiling and in the SARS branch to ensure that the sum of the “Amount” fields in every row of the respective Reason(s) container is equal to the “Reconciling difference” in the respective Reconciliation schedules listed above. The warning message below will display and the IT14SD form cannot be submitted until the fields balance.



11 ANNEXURE C – SMALL BUSINESS

- Refer to this annexure if the Income Tax Return displays ITR14 in the right top corner on the first page and the company is classified as a Small Business.
- If the company does not comply with the criteria specified above, please refer to **Section 8: Company Classification** to determine the annexure of this guide that is relevant to the company.

11.1.1 REGISTERED INFORMATION

Registered Information		
Income Tax Ref. No.	Case No.	Year of Assessment
<input type="text"/>	<input type="text"/>	<input type="text"/>

- The following read only fields will be pre-populated on the IT14SD return:
 - **Income Tax Ref No:** Income tax reference number of the company
 - **Case No.:** Represents the case number assigned by SARS to the verification as stipulated in the “Verification of Income Tax Return” letter
 - **Year of Assessment:** Represents the relevant financial year end for which the verification is requested as indicated in the “Verification of Income Tax Return” letter.

11.1.2 PAYE RECONCILIATION SCHEDULE

- This section must reflect the total salaries and wages and employment expenses declared under the “Income Statement” on the ITR14 and EMP201’s submitted to SARS pertaining to the relevant financial year end.
- The reconciliation must include all PAYE declarations connected to the entity. For example: If the company has branches that are registered separately for Employees Tax, the total declarations for all the branches must reconcile with the salaries and wages and employment expenses declared on the ITR14.

PAYE Reconciliation Schedule

PAYBB01

Directors' / Members' remuneration as per ITR14	R																			
Salaries and wages (incl. medical, pension, provident fund contributions) as per ITR14	R																			
Other employment cost as per ITR14	R																			
Total employment cost	R																			
Total PAYE paid as per EMP201s	R																			
Total employment cost on which PAYE liability was calculated	R																			
Reconciling differences (Provide details in the Reconciling Items section if applicable)	R																			

- **Field 1: Directors' / Members' remunerations as per ITR14**
 - Complete the amount declared for "Directors' / Members' remunerations" under the "Income Statement: Expense Items" section on the ITR14.
- **Field 2: Salaries and wages (incl. medical, pension, provident fund contributions) as per ITR14**
 - Complete the amount declared for "Salaries and Wages (incl. Medical, Pension and Provident Fund Contributions)" under the "Income Statement: Expense Items" section on the ITR14.
- **Field 3: Other employment cost per ITR14**
 - Add all other amounts related to employment cost on which PAYE liability was calculated included in the "Income Statement: Expense Items" on the ITR14 excluding the specific amounts mentioned in **Field 1 and 2** above.
- **Field 4: Total employment cost**
 - Calculate this field as the total (sum) of the amounts completed for **Field 1, 2 and 3**.
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a SARS branch.
- **Field 5: Total PAYE paid as per EMP201s**
 - Capture the total amount of Pay-As-You-Earn (PAYE) paid as per the EMP201's for the 12 months of the company financial year.
 - Where a subsequent EMP501 was submitted for an additional amount paid/payable this must be added to the total amount of the EMP201's
 - Where an amount was refunded/refundable due to an over payment on the EMP501 this amount should be deducted from the total amount of the EMP201's.
- **Field 6: Total employment cost on which PAYE liability was calculated**
 - Calculate this field by consolidating the records on the payroll.
- **Field 7: Reconciling differences (Provide details in the Reconciling Items section if applicable).**

- **Field 3: Difference: Net and Calculated Profit/Loss**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the amount for **Field 1:** “Net Profit/Loss and **Field 2:** Calculated Profit/Loss”.
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch.
 - For a company that is preparing the necessary information for capture at a SARS branch:
 - If Net Profit and Calculated Profit - subtract the amounts to calculate the difference;
 - If Net Loss and Calculated Loss - subtract the amounts to calculate the difference;
 - If Net Profit and Calculated Loss – add the amounts to calculate the difference;
 - If Net Loss and Calculated Profit – add the amounts to calculate the difference.

Example: Manual calculation

If there is an Net Profit and a Calculated Loss - add the amounts to calculate the difference:

Net Profit	R4 000
(Add) <u>Calculated Loss</u>	<u>R5 800</u>
Difference	<u>R9 800</u>

- **Field 4: Debit Adjustment: Non-Taxable amounts credited to the Income Statement**
 - Capture the “Control Total” amount of “Non-taxable amounts credited to Income Statement” declared under the “Tax Computation: Debit Adjustments” section on the ITR14.
- **Field 5: Debit Adjustment: Special allowances not claimed in the Income Statement**
 - Capture the “Control Total” amount of “Special allowances not claimed in the Income Statement” declared under the “Tax Computation: Debit Adjustments” section on the ITR14.
- **Field 6: Credit Adjustment: Non-deductible amounts debited to the Income Statement**
 - Capture the “Control Total” amount of “Non-deductible amounts debited to the Income Statement” declared under the “Tax Computation: Credit Adjustments” section on the ITR14.
- **Field 7: Credit Adjustment: Allowances/deductions granted in previous years of assessment and now reversed**
 - Capture the “Control Total” amount of “Allowances / Deductions granted in previous financial year end and now reversed” declare under the “Tax Computation: Credit Adjustments” section on the ITR14.
- **Field 8: Credit Adjustment: Amounts not credited to the Income Statement**
 - Capture the “Control Total” amount of “Amounts not credited to the Income Statement” declared under the “Tax Computation: Credit Adjustments” section on the ITR14.

- **Field 9: Credit Adjustment: Recoupment of allowances previously grated**
 - Capture the “Control Total” amount of “Recoupment of allowances previously grated” declared under the “Tax Computation: Credit Adjustments” section on the ITR14.

- **Field 10: Total: Tax Adjustments**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between all the Debit Adjustment (sum of **Field 4 and 5**) and Credit Adjustment (sum of **Field 6, 7, 8 and 9**) amounts.
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch.

- **Field 11: Reconciling differences (Provide details in the Reconciling Items section if applicable).**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the following two fields:
 - **Field 3:** Difference: Net and Calculated Profit/Loss;
 - **Field 10:** Total: Tax Adjustments.
 - This field will be calculated automatically where the IT14SD is submitted online.
 - Where the value exceeds the greater of 1% of taxable profit/loss or R1 000, reason(s) for reconciling differences and the related amount(s) must be completed in the **Reconciling items: Income Tax Reason(s)** schedule (refer to Reconciling Items section in this Annexure).

11.1.4VAT RECONCILIATION SCHEDULE

- This section is divided into two parts
 - Output VAT declared for tax periods falling within the financial year end.
 - Input VAT claimed for tax periods falling within the financial year end.

- This schedule should reflect the amounts declared in the “Income Statement Information” section of the ITR14 and the VAT declared as per the VAT201’s previously submitted to SARS.

- If the Company submits the VAT201s for bimonthly tax periods or tax periods of six months, exclude all the supply for the next or previous financial year.

Output VAT declared for tax periods falling within the year of assessment		MCVOP01 ■																				
Total output VAT as per VAT201 tax periods (field 13)	R	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table>																				
Total supplies excl. zero rate / exempt as per VAT201 tax periods: This value must be calculated by dividing the Total Output VAT as per VAT201 tax periods applying the applicable rate	R	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table>																				
Total zero rate supplies as per VAT201 tax periods	R	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table>																				
Total exempt and non-supplies as per VAT201 tax periods	R	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table>																				
Total VAT supplies as per VAT201 tax periods	R	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table>																				
Total Sales (Turnover) as per ITR14	R	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table>																				
Reconciling differences <small>(Provide details in the Reconciling Items section if applicable)</small>	R	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table>																				

Input VAT claimed for tax periods falling within the year of assessment

VATDD01

Total input VAT as per VAT201 tax periods (field 19)	R	<input type="text"/>
Total acquisitions as per VAT201 tax periods: This value must be calculated by dividing the Total Input VAT as per VAT201 tax periods applying the applicable rate.	R	<input type="text"/>
Opening stock as per ITR14	R	<input type="text"/>
Add: Purchases as per ITR14	R	<input type="text"/>
Less: Closing stock as per ITR14	R	<input type="text"/>
Total Cost of Sales	R	<input type="text"/>
Reconciling differences (Provide details in the Reconciling Items section if applicable)	R	<input type="text"/>

- Complete the following fields under **Output VAT declared for tax periods falling within the year of assessment:**
 - **Field 1: Total output VAT as per VAT201 tax periods (field 13)**
 - Capture the total amount of output VAT as declared under field 13 of the VAT201's submitted to SARS within the financial year end. Where the VAT periods differ from the financial period, the difference should be reflected under the "Reconciling differences".
 - Complete this field with a R0 if the company is not registered for VAT.
 - **Field 2: Total supplies excl. zero rate / exempt as per VAT201 tax periods: This value is calculated by dividing the Total Output VAT as per VAT201 tax periods by 0.15**
 - Calculate this field by dividing the "Total output VAT as per VAT201 tax periods (field 13)" by 0.15.

Example:

If the amount declared under field 13 on the VAT201 is R8 000 divide by 0.15, the calculation will be as follows:

$$\text{Field 13} = \frac{\text{R } 8\,000}{0.15} = \text{R } 53\,333$$

- This field will be calculated automatically where the IT14SD is submitted online via eFiling.

- **Field 3: Total zero rate supplies as per VAT201 tax periods**
 - Capture the total zero rated supplies as declared per field 2 and 2A on the VAT201s for the financial year end.
 - Complete this field with a zero (R0) if the company is not registered for VAT.
- **Field 4: Total exempt and non-supplies as per VAT201 tax periods**
 - Capture the total exempt and non-supplies as declared per field 3 on the submitted VAT201s for the financial year end.
 - Complete this field with a zero (R0) if the company is not registered for VAT.

- **Field 5: Total VAT supplies as per VAT201 tax periods**
 - Calculate the total (sum) of the amounts entered for Field 2, 3 and 4.
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch.
 - **Field 6: Total sales (Turnover) as per ITR14**
 - Capture the field “Sales (Turnover)” declared under the “Income Statement: Gross Profit / Loss” section on the ITR14.
 - **Field 7: Reconciling differences (Provide details in the Reconciling Items section if applicable)**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the following two fields:
 - **Field 5:** Total VAT supplies as per VAT201 tax periods;
 - **Field 6:** Total Sales (Turnover) as per ITR14.
 - This field will be auto-calculated when IT14SD is submitted online.
 - If the value of this field exceeds the greater of 1% of taxable profit/loss or R1 000, the **Reconciliation Items: Output VAT Reason(s)** container will be displayed in order to explain the reasons for the difference (refer to **Reconciling Items** section in this Annexure).
- Complete the following fields under **Input VAT claimed for tax periods falling within the year of assessment**:
 - **Field 1: Total input VAT as per VAT tax periods (field 19)**
 - Calculate the total VAT input claimed per the submitted VAT201s (field 19) for the same periods incorporated into the relevant financial year end.
 - Complete this field with a zero (R0) if the company is not registered for VAT.
 - **Field 2: Total acquisitions as per VAT201 tax periods. This value is calculated by dividing the total input VAT as per VAT201 tax periods by 0.15**
 - Calculate the value for this field by dividing “Total input VAT as per VAT tax periods (field 19)” by 0.15.

Example:

If the amount declared under field 19 on the VAT201 is R172 600, the calculation will be as follows:

$$\text{Field 19} = \frac{\text{R25 890}}{0.15} = \text{R172 600}$$

- This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch.

- **Field 3: Opening stock as per ITR14**
 - Capture the “Less: Opening stock” amount declared under the “Gross Profit / Loss” section in the “Income Statement” as per the ITR14.
- **Field 4: Add: Purchases as per ITR14**
 - Capture the “Less: Purchases” amount declared under the “Gross Profit / Loss” section in the “Income Statement” as per the ITR14.
- **Field 5: Less: Closing stock as per ITR14**

- Capture the “Plus: Closing stock” amount declared under the “Gross Profit / Loss” section in the “Income Statement” as per the ITR14.
- **Field 6: Total Cost of Sales**
 - Calculate this field as follows: Field 3 add Field 4 less Field 5
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch.
- **Field 7: Reconciling differences (Provide details in the Reconciling Items section if applicable)**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the following two fields:
 - **Field 2:** Total acquisitions as per VAT201 tax periods: This value is calculated by dividing Total Input VAT as per VAT201 tax periods by 0.15
 - **Field 6:** Total Cost of Sales
 - This field will be calculated automatically where the IT14SD is submitted online.
- Where the value exceeds the greater of 1% of taxable profit/loss or R1 000, reason(s) for reconciling differences and the related amount(s) must be completed in the **Reconciling items: Input VAT Reason(s)** schedule (refer to **Reconciling Items** section in the Annexure).

11.2 DECLARATION

The screenshot shows a form titled "Declaration" with the reference number "DECIF01". It contains three main sections:

- Declaration Text:** "I declare that:
 - The information furnished in this declaration is true and correct in every respect; and
 - I have the necessary receipts and records to support all my declarations on this form which I will retain for inspection purposes.
- Signature Lines:** Two lines of "XXXXXXXXXXXXXXXXXXXX" characters. Below them, it says "Please ensure you sign over the 2 lines of 'X's above".
- Date Field:** A field labeled "Date (CCYYMMDD)" with a grid of boxes for entering the date. Below it, contact information is provided: "For enquiries go to www.sars.gov.za or call 0800 00 SARS (7277)".

- If the company is a registered eFiler, the electronic signature (i.e. the Company's log in) associated with an eFiler is deemed to be the signature of the declarant.
- If the company is not a registered eFiler, the declaration must be signed on the electronic signature pad by the representative taxpayer when submitting at the nearest SARS branch.
- The IT14SD is a legal declaration to SARS and by signing you agree that the reconciled information is accurate.
- You are obliged to ensure that a full and accurate disclosure is made of all relevant information as required in the IT14SD. Misrepresentation, neglect or omission to submit a declaration or supplying false information may result in prosecution.

11.2.1 VAT REGISTRATION NUMBERS

- A requirement on the enhanced IT14SD is that the company must complete all VAT registration numbers.

Specify the total number of VAT registration number(s) for the company:

- Specify the total number of VAT registration number(s) for the company
 - The field "Specify the total number of VAT registration numbers" must at least be 1 or more (maximum of 999) if either one of the following conditions are met:
 - **Total input VAT as per VAT201 tax periods (field 19)** exceeds R0
 - **Total output VAT as per VAT201 tax periods (field 13)** exceeds R0
 - Complete a zero for this field if the company is not registered for VAT.

- **VAT Registration Number(s):** Based on the numeric value entered in the field “Specify the total number of VAT registration number(s) for the company”, the VAT registration number fields will repeat on the IT14SD.
 - Each VAT registration number field (numeric field of 10 blocks) is mandatory for completion.

11.2.2CUSTOMS RECONCILIATION SCHEDULE

- This section is divided into two parts:
 - Imported Goods: Declare the total value of imported goods for the financial year end
 - Exported Goods: Declare the total value of exported goods for the financial year end.

- This schedule should reflect the amounts included in terms of goods imported and exported in the “Income Statement Information” section of the IT14 and the amounts of goods imported and exported declared as per the SAD500s or/and SAD554s or SAD504s and VAT201s’ previously submitted to SARS.

Customs Reconciliation Schedule

Imported Goods: Provide details in the Reconciling Items section if applicable

Exported Goods: Provide details in the Reconciling Items section if applicable

Total value of imported goods as per Customs declarations R

Total imported goods included in Cost of Sales as per ITR14 R

Total goods imported as per VAT201s R

Total value of exported goods as per Customs declarations R

Total exported goods included in Sales as per ITR14 R

Total goods exported as per VAT201s R

- Complete the following fields under **Imported Goods:**
 - **Field 1: Total Value of imported goods as per Customs declarations:**
 - Calculate the total value of imported goods according to the final Bill of Entry Declarations (SAD500’s or CD001’s) for the relevant financial year end. Calculate the total value of imported goods according to the SAD500s or/and SAD504s for the relevant financial year end
 - Calculate the total of import amount as per (field 42 customs value) of all the SAD500s
 - If the custom value declared on the previously submitted SAD500 changed, add the “Total after Correction” amounts of all the SAD504s.

 - **Field 2: Total Imported goods included in Cost of Sales as per IT14**
 - Complete the portion of the Total Imported goods declared that was included in the “Cost of Sales” (source code 4502) on the IT14.

 - **Field 3: Total goods imported by you as per VAT201s:**

- Calculate the total goods imported as per the VAT 201s (field 15A) for the same periods incorporated into the relevant financial year end.
- Complete the following fields under **Exported Goods**:
 - **Field 1: Total Value of Exported goods as per Customs declaration**
 - Calculate the total value of exported goods according to the final SAD500s and/or SAD554s for the relevant financial year end
 - Calculate the total of export amount as per (field 42 customs value) of all the SAD500s
 - If the customs value declared on the previously submitted SAD500s changed, add the “Total after Correction” amounts of all the SAD554s.
 - **Field 2: Total Exported goods included in Sales as per IT14**
 - Complete the portion of the Total Exported goods declared that was included in the “Sales (Turnover)” (source code 4501) on the IT14.
 - **Field 3 :Total goods exported by you as per VAT201’s**
 - Calculate the total goods exported by you as claimed per the VAT201s (field 2A) for the same periods incorporated into the relevant financial year end.

11.2.3 RECONCILING DIFFERENCES

- If the “Reconciling difference” field in the **PAYE Reconciliation schedule** exceeds the greater of 1% of taxable profit/loss or R1 000, the **PAYE Reason(s)** container will appear in the Reconciling items section as indicated below and must be completed.

PAYE Reason(s)	Amount	PAYER01

- If the “Reconciling difference” field in the **Income Tax Reconciliation schedule** exceeds the greater of 1% of taxable profit/loss or R1 000, the **Income Tax Reason(s)** container will appear in the Reconciling items section as indicated below and must be completed.

Income Tax Reason(s)	Amount	INCTX01

- If the “Reconciling difference” field in the **Output VAT declared for tax periods falling within the financial year end Reconciliation schedule** exceeds the greater of 1% of taxable profit/loss or R1 000, the **Output VAT Reason(s)** container will appear in the Reconciling items section as indicated below and must be completed.

Output VAT Reason(s)	Amount	OPTVT01

- If the “Reconciling difference” field in the **Input VAT claimed for tax periods falling within the year of assessment** exceeds the greater of 1% of taxable profit/loss or R1 000, the **Input VAT Reason(s)** container will appear in the Reconciling items section as indicated below and must be completed.

Input VAT Reason(s)	Amount	INPVT01

- If the positive difference (subtract lesser amount from greater amount) between any of the 3 fields in the **Customs Imported Goods Reconciliation schedule** exceeds the greater of 1% of taxable profit/loss or R1 000, the **Customs: Imported Goods Reason(s)** container will appear in the Reconciling items section as indicated below and must be completed.

Customs: Imported Goods Reason(s)	Amount

Example:

Field 1: "Total value of imported goods as per Customs declarations" is R2000; and
Field 2: "Total imported goods included in Cost of Sales as per IT14" is R4000; and
Field 3: "Total goods imported as per VAT201's" is R8000

Then the reconciliation differences are as follows:

Field 2 less Field 1: R2000
Field 3 less Field 2: R4000
Field 3 less Field 1: R6000

- Capture the reasons for each reconciliation difference exceeding the greater of 1% of taxable profit/loss or R1 000 (i.e. (a), (b) and (c)) calculated above respectively under "Reconciling items: Customs: Imported Goods reasons" field.
- If the positive difference (subtract lesser amount from greater amount) between any of the 3 fields in the **Customs Exported Goods reconciliation schedule** exceeds the greater of 1% of taxable profit/loss or R1 000, the **Customs: Exported Goods Reason(s)** container will appear in the Reconciling items section as indicated below and must be completed.

Customs: Exported Goods Reason(s)	Amount

Example:

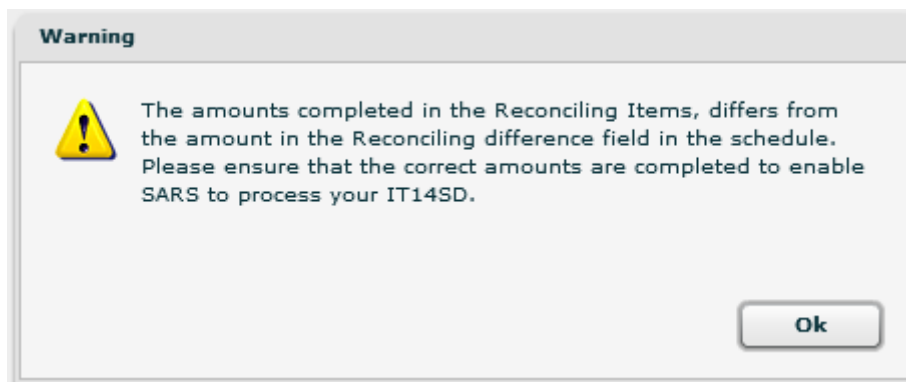
Field 1: "Total value of exported goods as per Customs declarations" is R4000; and
Field 2: "Total exported goods included in Sales as per IT14" is R4000; and
Field 3: "Total goods exported as per VAT201's" is R8000

Then the reconciliation differences are as follows:

Field 2 less Field 1: R0
Field 3 less Field 2: R4000
Field 3 less Field 1: R6000

- Capture the reasons for each reconciliation difference exceeding the greater of 1% of taxable profit/loss or R1 000 (i.e. (b) and (c)) calculated above respectively under "Reconciling items: Customs: Imported Goods reasons" field.

- One row will display initially. At least one row is mandatory for completion. If a Reason is entered, then the Amount field in the relevant row becomes compulsory for completion and vice versa. Use the “+” button to add additional rows and the “-” button to delete existing rows.
- Complete the detailed reasons for reconciling items as stated under each reconciliation schedule and ensure that amounts are completed for each reason.
- The IT14SD will perform an online validation on eFiling and in the SARS branch to ensure that the sum of the “Amount” fields in every row of the respective Reason(s) container is equal to the “Reconciling difference” in the respective Reconciliation schedules listed above. The warning message below will display and the IT14SD form cannot be submitted until the fields balance.



12 ANNEXURE D – MEDIUM TO LARGE BUSINESS

- If the Income Tax Return displays ITR14 in the right top corner on the first page on the first page and the company is classified as a Medium to Large Business below:
- If the company does not comply with the criteria specified above, please refer to **Section 8: Company Classification** to determine the annexure of this guide that is relevant to the company.

12.1.1 REGISTERED INFORMATION

Registered Information		
Income Tax Ref. No.	<input type="text"/>	Case No.
	<input type="text"/>	Year of Assessment
		<input type="text"/>

- The following read only fields will be pre-populated on the IT14SD return:
 - **Income Tax Ref No:** Income tax reference number of the company
 - **Case No.:** Represents the case number assigned by SARS to the verification as stipulated in the “Verification of Income Tax Return” letter
 - **Year of Assessment:** Represents the relevant financial year end for which the verification is requested as indicated in the “Verification of Income Tax Return” letter.

12.1.2 PAYE RECONCILIATION SCHEDULE

- This section must reflect the total salaries and wages and employment expenses declared under the “Income Statement” on the ITR14 and EMP201’s submitted to SARS pertaining to the relevant financial year end.
- The reconciliation must include all PAYE declarations connected to the entity.

- For example: If the company has branches that are registered separately for Employees Tax, the total declarations for all the branches must reconcile with the salaries and wages and employment expenses declared on the ITR14.

PAYE Reconciliation Schedule		MCPRS01
Salaries and wages (incl. Directors' / members' remuneration) as per ITR14	R	<input type="text"/>
Other employment cost as per ITR14	R	<input type="text"/>
Total employment cost	R	<input type="text"/>
Total PAYE paid as per EMP201s	R	<input type="text"/>
Total employment cost on which PAYE liability was calculated	R	<input type="text"/>
Reconciling differences (Provide details in the Reconciling Items section if applicable)	R	<input type="text"/>

- Field 1: Directors' / Members' remunerations as per ITR14**
 - Capture the amount declared under "Directors' / members' remuneration" field on the ITR14
 - Complete the amount declared under "Expense Items: Salaries and wages (incl. medical, pension, provident fund contributions) as per ITR14.
- Field 2: Employee expenses: Pension and provident fund contributions as per ITR14**
 - Capture the "Employee expenses: Pension and Provident fund contributions" amount declared under the "Expense Items" section in the "Income Statement" as per the ITR14.
- Field 3: Employee expenses: Medical scheme contributions as per ITR14**
 - Capture the "Employee expenses: Medical scheme contributions" amount declared under the "Expense Items" section in the "Income Statement" as per the ITR14.
- Field 4: Employee expenses: Salaries and wages (excl. medical, pension, provident fund contributions) as per ITR14**
 - Capture the amount declared under "Employee expenses: Wages and salaries (excluding medical, provident and pension)" amount declared under the "Expense Items" section in the "Income Statement" as per the ITR14.
- Field 5: Employee expenses: Group life insurance as per ITR14**
 - Capture the "Employee expenses: Group life insurance" amount declared under the "Expense Items" section in the "Income Statement" as per the ITR14.
- Field 7: Employee expenses: Membership of a professional body as per ITR14**
 - Capture the "Employee expenses: Membership of a professional body" amount declared under the "Expense Items" section in the "Income Statement" as per the ITR14.
- Field 8: Other employment cost per ITR14**

- Add all other amounts related to employment cost on which PAYE liability was calculated included in the “Income Statement: Expense Items” on the ITR14 excluding the specific amounts mentioned in **Field 1 to 8** above.
- **Field 9: Total employment cost**
 - Calculate this field as the total (sum) of the amounts completed for **Field 1 to Field 8**. This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch.
- **Field 10: Total PAYE paid as per EMP201s**
 - Capture the total amount of Pay-As-You-Earn (PAYE) paid as per the EMP201’s for the 12 months of the company financial year.
 - Where a subsequent EMP501 was submitted for an additional amount paid/payable this must be added to the total amount of the EMP201’s
 - Where an amount was refunded/refundable due to an over payment on the EMP501 this amount should be deducted from the total amount of the EMP201’s.
- **Field 11: Total employment cost on which PAYE liability was calculated**
 - Calculate this field by consolidating the records on the payroll.
- **Field 12: Reconciling differences (Provide details in the Reconciling Items section if applicable).**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the following two fields:
 - **Field 9:** Total employment cost
 - **Field 11:** Total employment cost on which PAYE liability was calculated
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch.
 - Where the value exceeds the greater of 1% of taxable profit/loss or R1 000, reason(s) for reconciling differences and the related amount(s) must be completed in the **Reconciling items: PAYE Reason(s)** schedule (refer to Reconciling Items section in the Annexure).
 - Please note: that as the amounts for Skills Development Levy (SDL), Unemployment Insurance Fund (UIF), and training allowances are included in the ITR14 portion of the reconciliation schedule this could result in a reconciling difference and should be declared in the reconciling items.
 -

12.1.3 INCOME TAX RECONCILIATION SCHEDULE

- This schedule should reflect the amounts declared under the “Tax Computation” section and the net profit or net loss declared under the “Income Statement Information” sections of the ITR14.

- If Net Profit and Calculated Loss – add the amounts to calculate the difference
- If Net Loss and Calculated Profit – add the amounts to calculate the difference

Example: Manual calculation If there is a Net Profit and a Calculated Loss - add the amounts to calculate the difference:

Net Profit	R4 000
(Add) <u>Calculated Loss</u>	<u>R5 800</u>
Difference	<u>R9 800</u>

- **Field 4: Debit Adjustment: Non-Taxable amounts credited to the Income Statement**
 - Capture the “Control Total” amount of “Non-taxable amounts credited to Income Statement” declared under the “Tax Computation: Debit Adjustments” section on the ITR14.
- **Field 5: Debit Adjustment: Special allowances not claimed in the Income Statement**
 - Capture the “Control Total” amount of “Special allowances not claimed in the Income Statement” declared under the “Tax Computation: Debit Adjustments” section on the ITR14.
- **Field 6: Credit Adjustment: Non-deductible amounts debited to the Income Statement**
 - Capture the “Control Total” amount of “Non-deductible amounts debited to the Income Statement” declared under the “Tax Computation: Credit Adjustments” section on the ITR14.
- **Field 7: Credit Adjustment: Allowances/deductions granted in previous years of assessment and now reversed**
 - Capture the “Control Total” amount of “Allowances / Deductions granted in previous financial year end and now reversed” declare under the “Tax Computation: Credit Adjustments” section on the ITR14.
- **Field 8: Credit Adjustment: Amounts not credited to the Income Statement**
 - Capture the “Control Total” amount of “Amounts not credited to the Income Statement” declared under the “Tax Computation: Credit Adjustments” section on the ITR14.
- **Field 9: Credit Adjustment: Recoupment of allowances previously grated**
 - Capture the “Control Total” amount of “Recoupment of allowances previously grated” declared under the “Tax Computation: Credit Adjustments” section on the ITR14.
- **Field 10: Total: Tax Adjustments**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between all the Debit Adjustment (sum of **Field 4 and 5**) and Credit Adjustment (sum of **Field 6, 7, 8 and 9**) amounts.
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch.

- **Field 11: Reconciling differences (Provide details in the Reconciling Items section if applicable).**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the following two fields:
 - **Field 3:** Difference: Net and Calculated Profit/Loss;
 - **Field 10:** Total: Tax Adjustments.
 - This field will be calculated automatically where the IT14SD is submitted online.
 - Where the value exceeds the greater of 1% of taxable profit/loss or R1 000, reason(s) for reconciling differences and the related amount(s) must be completed in the **Reconciling items: Income Tax Reason(s)** schedule (refer to Reconciling Items section in this Annexure).

12.1.4 VAT RECONCILIATION SCHEDULE

- This section is divided into two parts:
 - Output VAT declared for tax periods falling within the financial year end.
 - Input VAT claimed for tax periods falling within the financial year end.
- This schedule should reflect the amounts declared in the “Income Statement Information” section of the ITR14 and the VAT declared as per the VAT201’s previously submitted to SARS.
- If the Company submits the VAT201s for bimonthly tax periods or tax periods of six months, exclude all the supply for the next or previous financial year.

VAT Reconciliation Schedule		VATEE01
Output VAT declared for tax periods falling within the year of assessment		
Total output VAT as per VAT201 tax periods (field 13)	R	<input type="text"/>
Total supplies excl. zero rate / exempt as per VAT201 tax periods: This value must be calculated by dividing the Total Output VAT as per VAT201 tax periods applying the applicable rate	R	<input type="text"/>
Total zero rate supplies as per VAT201 tax periods	R	<input type="text"/>
Total exempt and non-supplies as per VAT201 tax periods	R	<input type="text"/>
Total VAT supplies as per VAT201 tax periods	R	<input type="text"/>
Gross Sales (excl. credit notes) – Foreign: Connected as per ITR14	R	<input type="text"/>
Gross Sales (excl. credit notes) – Other than Foreign: Connected as per ITR14	R	<input type="text"/>
Total Gross Sales	R	<input type="text"/>
<u>Reconciling differences</u> (Provide details in the Reconciling Items section if applicable)	R	<input type="text"/>

If the amount declared under field 19 on the VAT201 is R172 600, the calculation will be as follows:

$$\frac{\text{Field 19}}{0.15} = \text{R25 890} \quad = \text{R172 600}$$

- This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch.
- **Field 3: Opening stock as per ITR14**
 - Capture “Less: Opening stock” declared under the “Gross Profit / Loss” section in the “Income Statement” as per the ITR14.
- **Field 4: Add: Credit notes on sales as per ITR14**
 - Capture “Less: Credit notes on sales” declared under the “Gross Profit / Loss” section in the “Income Statement” as per the ITR14.
- **Field 5: Add: Purchases - Foreign: Connected (excl. rebates) as per ITR14**
 - Capture “Less: Purchases – Foreign: Connected (excl. rebates)” declared under the “Gross Profit / Loss” section in the “Income Statement” as per the ITR14.
- **Field 6: Add: Purchases - Other than Foreign: Connected (excl. rebates) as per ITR14**
 - **Capture** “Less: Purchases – Other than foreign connected (excl. rebates)” declared under the “Gross Profit / Loss” section in the “Income Statement” as per the ITR14.
- **Field 7: Less: Rebates as per ITR14**
 - Capture “Add: Rebates” declared under the “Gross Profit / Loss” section in the “Income Statement” as per the ITR14.
- **Field 8: Less: Closing stock (Gross excl. adjustments) as per ITR14**
 - Capture “Add: Closing stock (Gross excl. adjustments)” declared under the “Gross Profit / Loss” section in the “Income Statement” as per the ITR14.
- **Field 9: Less: Inventory adjustments (Previous years stock provision reversed) as per ITR14**
 - Capture “Add: Inventory adjustments (Previous year stock provision reversed)” declared under the “Gross Profit / Loss” section in the “Income Statement” as per the ITR14.
- **Field 10: Add: Inventory adjustments (Current year stock provision (obsolete / slow-moving stock)) as per ITR14**
 - Capture “Less: Inventory adj. (Current year stock provision (obsolete / slow-moving stock))” declared under the “Gross Profit / Loss” section in the “Income Statement” as per the ITR14.
- **Field 11: Total Cost of Sales**
 - This field must be calculated as **Field 3 adds Field 4 add Field 5 add Field 6 less Field 7 less Field 8 less Field 9 add Field 10.**
 - This field will be calculated automatically where the IT14SD is submitted online via eFiling or captured at a branch.
- **Field 12: Reconciling differences (Provide details in the Reconciling Items section if applicable)**
 - Calculate this field as the positive difference (subtract lesser amount from greater amount) between the following two fields:

- **VAT Registration Number(s):** Based on the numeric value entered in the field “Specify the total number of VAT registration number(s) for the company”, the VAT registration number fields will repeat on the IT14SD.
 - Each VAT registration number field (numeric field of 10 blocks) is mandatory for completion.

12.2.2 CUSTOMS RECONCILIATION SCHEDULE

- This section is divided into two parts:
 - Imported Goods: Declare the total value of imported goods for the financial year end
 - Exported Goods: Declare the total value of exported goods for the financial year end.
- This schedule should reflect the amounts included in terms of goods imported and exported in the “Income Statement Information” section of the IT14 and the amounts of goods imported and exported declared as per the SAD500s or/and SAD554s or SAD504s and VAT201s’ previously submitted to SARS.

Customs Reconciliation Schedule										MCIMR01									
Imported Goods: Provide details in the Reconciling Items section if applicable					Exported Goods: Provide details in the Reconciling Items section if applicable														
Total value of imported goods as per Customs declarations	R									Total value of exported goods as per Customs declarations	R								
Total imported goods included in Cost of Sales as per ITR14	R									Total exported goods included in Sales as per ITR14	R								
Total goods imported as per VAT201s	R									Total goods exported as per VAT201s	R								

- Complete the following fields under **Imported Goods:**
 - **Field 1: Total Value of imported goods as per Customs declarations:**
 - Calculate the total value of imported goods according to the final Bill of Entry Declarations (SAD500’s or CD001’s) for the relevant financial year end. Calculate the total value of imported goods according to the SAD500s or/and SAD504s for the relevant financial year end.
 - Calculate the total of import amount as per (field 42 customs value) of all the SAD500s.
 - If the custom value declared on the previously submitted SAD500 changed, add the “Total after Correction” amounts of all the SAD504s.
 - **Field 2: Total Imported goods included in Cost of Sales as per IT14**
 - Complete the portion of the Total Imported goods declared that was included in the “Cost of Sales” (source code 4502) on the IT14.
 - **Field 3: Total goods imported by you as per VAT201s:**
 - Calculate the total goods imported as per the VAT 201s (field 15A) for the same periods incorporated into the relevant financial year end.
- Complete the following fields under **Exported Goods:**
 - **Field 1: Total Value of Exported goods as per Customs declaration**
 - Calculate the total value of exported goods according to the final SAD500s and/or SAD554s for the relevant financial year end
 - Calculate the total of export amount as per (field 42 customs value) of all the SAD500s
 - If the customs value declared on the previously submitted SAD500s changed, add the “Total after Correction” amounts of all the SAD554s.

Example:

Field 1: “Total value of imported goods as per Customs declarations” is R2000; and
Field 2: “Total imported goods included in Cost of Sales as per IT14” is R4000; and
Field 3: “Total goods imported as per VAT201’s” is R8000

Then the reconciliation differences are as follows:
Field 2 less Field 1: R2000
Field 3 less Field 2: R4000
Field 3 less Field 1: R6000

- Capture the reasons for each reconciliation difference exceeding the greater of 1% of taxable profit/loss or R1 000 (i.e. (a), (b) and (c)) calculated above respectively under “Reconciling items: Customs: Imported Goods reasons” field.
- If the positive difference (subtract lesser amount from greater amount) between any of the 3 fields in the **Customs Exported Goods reconciliation schedule** exceeds the greater of 1% of taxable profit/loss or R1 000, the **Customs: Exported Goods Reason(s)** container will appear in the Reconciling items section as indicated below and must be completed.

Customs: Exported Goods Reason(s)	Amount

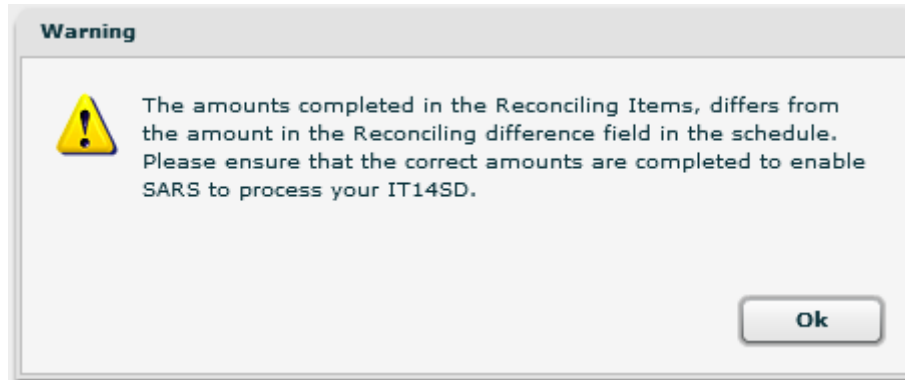
CEXGS01

Example:

Field 1: “Total value of exported goods as per Customs declarations” is R4000; and
Field 2: “Total exported goods included in Sales as per IT14” is R4000; and
Field 3: “Total goods exported as per VAT201’s” is R8000

Then the reconciliation differences are as follows:
Field 2 less Field 1: R0
Field 3 less Field 2: R4000
Field 3 less Field 1: R6000

- Capture the reasons for each reconciliation difference exceeding the greater of 1% of taxable profit/loss or R1 000 (i.e. (b) and (c)) calculated above respectively under “Reconciling items: Customs: Imported Goods reasons” field.
- One row will display initially. At least one row is mandatory for completion. If a Reason is entered, then the Amount field in the relevant row becomes compulsory for completion and vice versa. Use the “+” button to add additional rows and the “-” button to delete existing rows.
- Complete the detailed reasons for reconciling items as stated under each reconciliation schedule and ensure that amounts are completed for each reason.
- The IT14SD will perform an online validation on eFiling and in the SARS branch to ensure that the sum of the “Amount” fields in every row of the respective Reason(s) container is equal to the “Reconciling difference” in the respective Reconciliation schedules listed above. The warning message below will display and the IT14SD form cannot be submitted until the fields balance.



13 CROSS REFERENCES

DOCUMENT TITLE	APPLICABILITY
Comprehensive guide to the ITR14 return for Companies - External Guide	All

14 DEFINITIONS AND ACRONYMS

IT14/ITR14	Income Tax Return for Companies
VAT201	Value-Added Tax Declarations
EMP201	Monthly Employer Declaration
IT14SD	Income Tax Supplementary Declaration
SAD 500	Customs Declarations Form
SAD504s or SAD554s	Voucher of Correction

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
- Visit your nearest SARS branch
- Contact your own registered tax practitioner
- If calling from within South Africa, contact the SARS Contact Centre on 0800 00 7277
- If calling from outside South Africa, contact the SARS Contact Centre on +27 11 602 2093 (only between 8am and 4pm South African time).