

**HOW TO COMPLETE THE SUPPLEMENTARY DECLARATION
(IT14SD) FORM FOR COMPANIES AND CLOSE CORPORATIONS**



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INTRODUCTION

This guide is designed to help in the accurate completion of the Supplementary Declaration (IT14SD) for Companies and Close Corporations.

The Supplementary Declaration (IT14SD) form is a structured Adobe form that is intended to reconcile Value-Added Tax (VAT), Pay-As-You-Earn (PAYE) and Customs declarations. SARS will issue the IT14SD to a Company or Close Corporation if the Return of Income: Companies and Close Corporations (IT14) return, that has been submitted by the Company/Close Corporation, has been identified for verification.

HOW WILL THE IT14SD BE ISSUED TO THE TAXPAYER

SARS will issue a verification letter, accompanied by an IT14SD form, to a Company/Close Corporation that has been identified for verification. The IT14SD will be issued through one of the following channels:

- Electronically via eFiling (if the Company/Close Corporation is registered as an eFiler)
- Post.

A Company/Close Corporation can request a copy of the IT14SD to be re-issued if there is an existing verification or audit case that is active and has not been finalised. The IT14SD can be requested through the following channels:

- SARS Contact Centre on 0800 00 SARS (7277)
- SARS branches.

GETTING STARTED

The following documentation will be required for the completion of the IT14SD form:

- Return of Income: Companies and Close Corporations (IT14)
- Value-Added Tax Vendor Declarations (VAT201s)
 - Ensure that the following totals are added up from the VAT201s submitted for the relevant tax periods, relating to the particular year of assessment:
 - Total amount of output VAT as declared under Field 13
 - Total zero rated supplies as declared per Fields 2 and 2A
 - Total exempt and non-supplies as declared per Field 3
 - Total VAT input claimed per (Field 19)
 - Total goods exported by you as claimed per the (Field 2A)
 - Total goods imported by you as per the (Field 15A).
- Employer Reconciliation Declaration (EMP201s and/or EMP501)
- Ensure that the total amount for PAYE, calculated from all the EMP201s submitted for the year of assessment, are added up
- Customs Declaration (SAD500) form and/or Voucher of Correction (SAD504s or SAD554s)
 - Ensure that the following totals are added from the SAD500s and/or SAD504s or SAD554s submitted for the year of assessment
 - Total customs value or total after correction of imported goods
 - Total customs value or total after correction of exported goods.

The above apply where the IT14SD form is submitted at a SARS branch.

Please Note: SARS agents at SARS branches will give guidance on which fields to complete but will not assist in calculating the totals.

The following additional financial records for the relevant year of assessment, as specified in the verification or audit letter, may also be used to assist in the completing the IT14SD form:

- Trial balance
- Signed financial statements
- General ledger.

These documents must not be attached as supporting documents when submitting the IT14SD to SARS.

METHODS BY WHICH THE IT14SD CAN BE SUBMITTED

The IT14SD can be submitted through the following channels:

- Electronically via eFiling (if the Company/Close Corporation is registered as an eFiler)
- SARS branch
- Post.

The IT14SD must be submitted by the due date specified in the letter from SARS requesting the completion of the IT14SD form.

COMPLETING THE IT14SD FORM

The IT14SD will be pre-populated with the following information:

- Income Tax reference number
- Year of assessment
- Case number.

When completing the IT14SD manually, use a black or blue pen to complete the form and keep your writing within the spaces provided. Do **NOT** strike through the squares that are not applicable.

If a mistake is made on the IT14SD, please request that SARS re-issue the declaration. Do not use correcting fluid and do not fold the form as it will delay the processing of the declaration.

All the fields in the Reconciliation Schedules are mandatory and must be completed.

If the Company or Close Corporation is not registered for VAT or PAYE, or does not have any import/export transactions, fill in "0" (zero) and do not leave the fields blank.

If an incomplete IT14SD is submitted an error message will be displayed on eFiling. If the declaration was submitted manually, a rejection letter will be sent via post.

The IT14SD comprises the following:

- PAYE Reconciliation Schedule
- Income Tax Reconciliation Schedule
- VAT Reconciliation Schedule
- Customs Reconciliation Schedule
- Reconciling Items.

Example: If there is an Accounting Profit and a Calculated Loss - Add the amounts to calculate the difference:

	Accounting Profit	R4 000
(Add)	Calculated Profit	R5 800
	Difference	R9 800

• **Field 4: Debit Adj.: Non-Taxable amounts credited to the Income Statement**

Debit Adj.	Non-Taxable amounts credited to the Income Statement	R	<table style="display: inline-table; border-collapse: collapse;"> <tr> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">5</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">8</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">8</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">9</td> </tr> </table>											5	8	8	9
										5	8	8	9				

- Capture the "Control Total" amount of "Non-taxable amounts credited to Income Statement" completed declared under the "Tax Computation: Debit Adjustments" section on the IT14.

• **Field 5: Debit Adj.: Special allowances not claimed in the Income Statement**

Debit Adj.	Special allowances not claimed in the Income Statement	R	<table style="display: inline-table; border-collapse: collapse;"> <tr> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">7</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">0</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">0</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">0</td> </tr> </table>											7	0	0	0
										7	0	0	0				

- 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 Adj: Non-deductible amounts debited to the Income Statement**

Credit Adj.	Non-Deductible amounts debited to the Income Statement	R	<table style="display: inline-table; border-collapse: collapse;"> <tr> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">5</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">8</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">9</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">9</td> </tr> </table>											5	8	9	9
										5	8	9	9				

- 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 Adj: Allowances/deductions granted in previous years of assessment and now reversed**

Credit Adj.	Allowances / Deductions granted in previous years of assessment and now reversed	R	<table style="display: inline-table; border-collapse: collapse;"> <tr> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">8</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">5</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">9</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">8</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">5</td> </tr> </table>											8	5	9	8	5
										8	5	9	8	5				

- Capture the "Control Total" amount from "Allowances/deductions granted in previous year of assessment and now reversed" declare under the "Tax Computation: Credit Adjustments" section on the IT14.

• **Field 8: Credit Adj: Amounts not credited to the Income Statement**

Credit Adj.	Amounts not credited to the Income Statement	R	<table style="display: inline-table; border-collapse: collapse;"> <tr> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px;"></td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">2</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">5</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">8</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">9</td> <td style="border: 1px solid gray; width: 20px; height: 20px; text-align: center;">5</td> </tr> </table>											2	5	8	9	5
										2	5	8	9	5				

- Capture the "Control Total" amount from "Amounts not credited to the Income Statement" declared under the "Tax Computation: Credit Adjustments" section on the IT14.

- **Field 9: Credit Adjm: Recoupment of allowances previously granted**

Credit Adjm.	Recoupment of allowances previously granted	R												2	5	8
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- Capture the "Control Total" amount from "Recoupment of allowances previously granted" declared under the "Tax Computation: Credit Adjustments" section on the IT14.

- **Field 10: Total: Tax Adjustment**

Total: Tax Adjustments	R																-	1	0	5	1	4	8
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- Calculate this field as the positive difference between all the "Debit Adjustment" (Field 4 and 5) and "Credit Adjustment" (Field 6, 7, 8 and 9) amounts
- This field will be calculated automatically where the IT14SD is submitted electronically on eFiling.

- **Field 11: Reconciling differences (Please provide details in the Reconciling Items section if applicable).**

Reconciling differences <small>(Provide details in the Reconciling Items section if applicable)</small>	R																												1	1	4	9	4	8
------------------------------------------------------------------------------------------------------------	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---	---	---	---

- Calculate this field as the positive difference between "Difference: Accounting and Calculated Profit/Loss" and "Total: Tax Adjustments" where applicable
- This field will be calculated automatically where the IT14SD is submitted electronically on eFiling
- Where the value exceeds R100, reasons for reconciling differences must be completed
- Declare the total amount the Company/Close Corporation deems to be a reconciling difference.

VAT RECONCILIATION SCHEDULE

This section comprises the following:

- Output VAT declared for tax periods falling within the year of assessment
- Input VAT claimed for tax periods falling within the year of assessment.

This schedule should reflect the amounts declared for VAT in the "Income Statement Information" section of the IT14 and the VAT declared as per the VAT201s previously submitted to SARS.

If the Company/Close Corporation submits the VAT201s in uneven/even months or over a six month period, exclude all the supply for the next or previous financial year.

Complete the following fields under Output VAT declared:

- **Field 1: Total output VAT as per VAT201 tax periods (Field 13)**

Total output VAT as per VAT201 tax periods (field 13)	R																																			8	0	0	0
-------------------------------------------------------	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---	---

- Capture the total amount of output VAT as declared under Field 13 of the VAT201s submitted to SARS within the year of assessment. Where the VAT periods differ from the financial period, the difference should be reflected under the "Reconciling differences".

- 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 0.14**

Total Sales (Turnover) excl. Zero rate / Exempt as per VAT201's: This value must be calculated as the Total Output VAT as per VAT201's divided by 0.14
Zero rate as per VAT201's

R

														5	7	1	4	3
--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---	---	---

- o Calculate this field by dividing the "Total output VAT as per VAT201 tax periods (Field 13)" by 0.14.

Example: If the amount declared under Field 13 on the VAT201 is R24 000, the calculation will be as follows:

$$\frac{\text{Field 19}}{0.14} = \frac{\text{R24 000}}{0.14} = \text{R171 429}$$

- o This field will be calculated automatically where the IT14SD is submitted electronically on eFiling.

- Field 3: Total zero rate supplies as per VAT201 tax periods**

Total zero rate supplies as per VAT201 tax periods

R

																	2	5	0	0
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- o Capture the total zero rated supplies as declared per Fields 2 and 2A on the VAT201s for the year of assessment.

- Field 4: Total exempt and non-supplies as per VAT201 tax periods**

Total exempt and non-supplies as per VAT201 tax periods

R

																	5	8	7	0
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- o Capture the total exempt and non-supplies as declared per Field 3 on the submitted VAT201s for the year of assessment.

- Field 5: Total VAT supplies as per VAT201 tax periods**

Total VAT supplies as per VAT201 tax periods

R

																	6	5	5	1	3
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- o Calculate the total of Fields 2, 3 and 4.
- o This field will be calculated automatically where the IT14SD is submitted electronically on eFiling.

- Field 6: Reconciling differences (Please provide detail on next page)**

Reconciling differences (Please provide detail on next page)

R

																	6	5	5	1	3
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---	---	---

- o This field constitutes the difference between "Total VAT supplies as per VAT201 periods" and "Total sales (turnover) as per IT14"
- o This field will be calculated automatically where the IT14SD is submitted electronically on eFiling
- o Where the value exceeds R100, reasons for reconciling differences must be completed
- o Reconciling differences would be vatable amounts not included in sales (turnover).

- Field 7: Total sales (Turnover) as per IT14**

Total Sales (Turnover) as per IT14

R

																					0
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- o Declare the amount under code 4501 per submitted IT14 for the year of assessment.

Complete the following fields under Imported Goods:

• **Field 1: Total Value of imported goods as per Customs declarations:**

Total Value of Imported goods as per Customs declarations R

- Calculate the total value of imported goods according to the final Customs Declarations (SAD500s) form or/and Voucher of Correction (SAD504s) for the relevant year of assessment.
 - 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**

Total Imported goods included in Cost of Sales as per IT14 R

- Complete the portion of the Total Imported goods declared in the "Cost of Sales" as per the IT14

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

Total goods imported by you as per VAT201's R

- Calculate the total goods imported by the Company/Close Corporation as per the VAT 201s (Field 15A) for the same periods incorporated into the relevant year of assessment
- Capture reconciling item reasons if Fields 1, 2 and 3 of the imported goods differ in amounts.

Example: If the value of imported goods is R2000 and imported goods including Cost of Sales is R4000, the reconciling difference will be R2000. Capture the reasons for the difference under "Reconciling items reasons" field.

	Field 1	R2000
(less)	Field 2 -	<u>R4000</u>
	=	R2000

- Capture the reconciling reason and amount between Fields 1 and 2, Fields 1 and 3 and Fields 2 and 3.

Complete the following fields under Exported Goods:

• **Field 1: Total Value of Exported goods as per Customs declaration**

Total Value of Exported goods as per Customs declarations R

- Calculate the total value of exported goods according to the final Customs declarations (SAD500s) and/or or/and Voucher of Correction (SAD554s) for the relevant year of assessment.
 - Calculate the total of export amount as per (Field 42 customs value) of all the SAD500s
 - If the previously custom 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**

Total Exported goods included in Sales as per IT14 R

Complete the portion of the Total Exported goods declared in the "Sales" as per the IT14

• **Field 3 Total goods exported by you as per VAT201s**

Total goods exported by you as per VAT201's R

- Calculate the total goods exported by you as claimed per the VAT201 (Field 2A) for the same periods incorporated into the relevant year of assessment.
- Capture reconciling item reasons if the Fields 1, 2 and 3 of the exported goods differ in amounts.

Example: If the total value of exported goods as per customs declaration is R1200 and total exported goods included in Sales as per IT14 is R400, the reconciling difference will be R2800. Capture the reasons for the difference under "Reconciling items reasons" field.

$$\begin{aligned} &\text{Field 1 } R1200 \\ &(\text{less}) \text{ Field 2 } \underline{R4000} \\ &= R2800 \end{aligned}$$

- Capture the reconciling reason and amount between Fields 1 and 2, Fields 1 and 3 and Fields 2 and 3.

RECONCILING ITEMS

Complete the detailed reasons for reconciling items, as stated under each reconciliation schedule, and ensure that amounts are completed for each reason.

If the form is submitted electronically on eFiling use the "+" or "-" box next to the "Amount field" to add more reason fields or remove fields added but not required.

Reconciling Items: Please provide the reconciliation reason(s) and amount(s) below

PAYE Reason(s)	Amount	PRCIF01
<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"/>

If more fields for reconciling reason (s) are required for manual filing, please visit a SARS branch for assistance.

DECLARATION

- The IT14SD is a legal declaration to SARS and by signing it the representative of the Company/Close Corporation agrees that the reconciled information is accurate
- The representative of the Company/Close Corporation is 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 form or supplying false information may result to prosecution
- Read the declaration on the front page of the form and sign accordingly after completing the form
- Please note that if the representative did not sign the form it will be returned and be regarded as not submitted
- If the Company/Close Corporation is registered as an eFiler and submits the IT14SD electronically, the password received during registration as an eFiler, will serve as a digital signature.

The IT14SD contains a unique barcode for purposes of capturing and storing the form via a scanning process. For this reason, only the original IT14SD that was issued by SARS can be completed and returned to SARS. No copies or self-printed forms will be accepted.

For more information go to the SARS website www.sars.gov.za, visit any SARS branch or contact the SARS Contact Centre on 0800 00 SARS (7277) for assistance.