

Individual Tax Module

Release Notes

July 2019



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1. Introduction

The latest release of the Individual Tax Module (ITM) contains the new and amended fields and rules as introduced by the SARS ITR12 form changes.

This version of ITM requires the latest version of TaxWare to be installed (Version 2.2.5.17 Set file 2.632 released February 2019).

2. New Compliance Changes

The following compliance changes have been made to ITM. Please note that fields that have been removed or renamed have not been included in this document.

2.1. Investment Income Section

2.1.1. Communal Estate Exclusion Feature

A new selection button has been inserted to be ticked if Investment Income should be excluded from the communal estate.

2.1.2. Local Interest

Local interest has been split between:

- a) **Local Interest (excluding SARS Interest)** with source code **4201**;

Where pre-populated by the system, the field will be editable, allowing users to only increase the value.

- b) and the new field **SARS Interest received during this year of assessment** with source code **4237**.

The field is not pre-populated and not mandatory.

Go To: [Home](#) > [Investment Income](#)

Investment Income
Excl. Exempt dividends and any amount received/accrued as a beneficiary of a trust(s), or deemed to have accrued in terms of s7

Select yes if any of the amounts declared should be excluded from the communal estate (if married in community of property). ☐ Yes ☐ No ☒ Blank

— Local Investment Income - Rands only, no cents —

Local Interest (excluding SARS Interest)	<input type="text"/>	...	4201
SARS interest received during this year of assessment	<input type="text"/>	...	4237

2.2. Foreign Income section

2.2.1. Communal Estate Exclusion Feature

A new selection button has been inserted to be ticked if Foreign Income should be excluded from the communal estate.

Go To: [Home](#) > [Foreign Income](#)

Foreign Income
Excl. investment income and CGT and amount received/accrued as a beneficiary of a trust(s), or deemed to have accrued in terms of s7 - Rands only, unless cents specified

Select yes if the Foreign Rental (Profit/Loss) declared below should be excluded from the communal estate (if married in community of property). ☐ Yes ☐ No ☒ Blank

2.3. Capital Gain/ Loss section

2.3.1. Communal Estate Exclusion Feature

A new selection button has been inserted to be ticked if Capital Gain/ Loss should be excluded from the communal estate.

Go To: [Home](#) > [Capital Gains or Losses](#)

Capital Gains or Losses

Excluding amounts received / accrued as a beneficiary of a trust/s, or deemed to have accrued in terms of s7

— Capital Losses - Brought Forward —

Capital losses brought forward from prior years ...

▶ Capital Gains/Losses - Current Year —

— Capital Gains/Losses Totals —

Total Capital Gains/Losses - Local

Total Capital Gains/Losses - Foreign

Total Capital Gains/Losses

Select yes if any of the amounts declared should be excluded from the communal estate (if married in community of property) ☐ Yes ☐ No ☒ Blank

2.3.2. Exclusion/Roll-over (excluding annual exclusion)

A new field has been added 'Exclusion/Roll-over (excluding annual exclusion)', and Local Capital Gains / Losses and Foreign Capital Gains / Losses will now have a drop down list to capture the Main Asset Source Code.

Go To: [Home](#) > [Capital Gains or Losses](#) > [Capital Gain or Loss Local](#)

Determination of Local Gain / Loss

Rands only, no cents

Annual exclusion and inclusion rate and carry forward losses will be calculated by ITM

Description

Select the applicable Main Asset Type Source Code

Do you confirm that this transaction relates to a primary residence?

If yes, indicate whether the primary residence is held jointly?

Is the primary residence held in a partnership?

If yes, state the percentage held

Confirm that the full amounts relating to proceeds and base costs are declared.

Does any exemption/rollover other than primary residence exemption apply to this transaction?

Proceeds

Base Cost

Primary residence and other exclusion (Excl annual exclusion)

Exclusion/Roll-over (Excl annual exclusion)

Capital Gain

Capital Loss

Source Code	Description
6502	GAIN: Immovable assets (e.g. land, buildings, mining and mineral rights)
6503	LOSS: Immovable assets (e.g. land, buildings, mining and mineral rights)
6504	GAIN: Primary residence (e.g. house, townhouse, flat, boathouse, caravan)
6505	LOSS: Primary residence (e.g. house, townhouse, flat, boathouse, caravan)
6506	GAIN: Financial instruments – Listed, including assets of which prices are quoted on a stock exchange
6507	LOSS: Financial instruments – Listed, including assets of which prices are quoted on a stock exchange
6508	GAIN: Financial instruments – Unlisted (e.g. shares, debentures, promissory notes)
6509	LOSS: Financial instruments – Unlisted (e.g. shares, debentures, promissory notes)
6510	GAIN: Intangible assets (e.g. goodwill, trademarks, copyrights, franchises)
6511	LOSS: Intangible assets (e.g. goodwill, trademarks, copyrights, franchises)
6514	GAIN: Plant and machinery
6515	LOSS: Plant and machinery
6516	GAIN: Other movable property used mainly for trade purposes (e.g. art, jewellery, motor vehicles)
6517	LOSS: Other movable property used mainly for trade purposes (e.g. art, jewellery, motor vehicles)
6518	GAIN: Other movable property not used mainly for trade purposes (other than primary residence)
6519	LOSS: Other movable property not used mainly for trade purposes (other than primary residence)

2.4. Local Rental Income section

2.4.1. Communal Estate Exclusion Feature

A new selection button has been inserted to be ticked if Rental Income should be excluded from the communal estate.

Go To: [Home](#) > [Local Rental Income Summary](#) > [Local Rental Income](#)

Local Rental Income from the letting of fixed property(ies)

Excluding amounts received / accrued as a beneficiary of a trust(s), or deemed to have accrued in terms of s7

— Description —

Unique Identifier

Description

Select yes if any of the amounts declared should be excluded from the communal estate (if married in community of property). ☐ Yes ☐ No ☒ Blank

2.5. Tax Free Investments section

2.5.1. Other

A new field has been added 'Other (For Example: Manufactured dividends)' with source code 4257.

Go To: [Home](#) > [Tax Free Investments](#)

Tax Free Investments (TFI) - Rands only, no cents

Contributions made to a TFI during the year of assessment	<input type="text"/>	...	4219
Amounts withdrawn out of a TFI during the year of assessment	<input type="text"/>	...	4248
Net return on investment - profit/(loss)	<input type="text"/>	...	4239 / (4240)
Interest	<input type="text"/>	...	4241
Dividends	<input type="text"/>	...	4242
Capital gain/(loss)	<input type="text"/>	...	4243 / (4244)
Other (For Example: Manufactured Dividends)	<input type="text"/>	...	4257

2.6. Trust Income section

2.6.1. Local Income

Local interest has been split between:

- c) **Local Interest (excluding SARS Interest)** with source code 4201;
Where pre-populated by the system, the field will be editable, allowing users to only increase the value.
- d) and the new field **SARS Interest received during this year of assessment** with source code 4237.
The field is not pre-populated and not mandatory.

Go To: [Home](#) > [Trust Income Summary](#) > [Trust Income](#)**Trust Income**

Income distributed to you / vested in you as a beneficiary of a trust or deemed to have accrued in terms of s7

— **Trust Description**

Name

Registration Number

Tax Reference Number

▼ **Details of Local Income**

Local Remuneration

Local Annuities

Local Interest

SARS Interest

4201

4237

2.6.2. Foreign Income

Two new fields have been added to Trust Foreign Income:

- a) Imputed Net Income from Controlled Foreign Companies (CFC), and
- b) Foreign Tax Credit on net Income from Controlled Foreign Companies (CFC)

Go To: [Home](#) > [Trust Income Summary](#) > [Trust Income](#)

Tax Reference Number

▶ **Details of Local Income**▼ **Details of Foreign Income**

Foreign Interest

Foreign tax credits on foreign interest

Foreign Dividends

Foreign tax credits on foreign dividends

Foreign Capital Gain/(Loss)

Foreign tax credits i.r.o capital Gain/(Loss)

Foreign Farming

Foreign tax credits on foreign farming income

Other Foreign Income

Foreign tax credits on other foreign income

4218

4113

4216

4112

4252 / (4253)

4114

0192

4119

4220

4110

Imputed Net Income from Controlled Foreign Companies (CFC)

4276

Foreign Tax Credit on Imputed net income from controlled foreign companies

4122

2.7. Deductions

2.7.1. Other Deductions

A new field has been added to other deductions:

Deduction i.t.o. s6quat (1C) for foreign taxes paid or proved to be payable to a foreign government of any country on any SA sourced trade income.

Go To: [Home](#) > [Other Deductions](#)

of s10(1)(o)(ii). (This amount is restricted to s8A/8C gains, excluding dividends)		...	4032
Details of the s8A/8C gains			
Deduction i.t.o. s6quat (1C) for foreign taxes paid or proved to be payable to a foreign government of any country on any SA sourced trade income		...	4053

2.7.2. Qualifying criteria for s10(1)(o)(ii) exemption

A new question has been added to the qualifying criteria:

Go To: [Home](#) > [Other Deductions](#) > [Qualifying criteria](#)

Qualifying criteria for s10(1)(o)(ii) exemption (excluding s8A/8C gains and dividends)

Confirm that the remuneration against which this exemption is claimed was not derived i.r.o. the holding of a public office as contemplated in s9(2)(g), or from services rendered / work / labour performed for the SA government / municipality / constitutional institution / SA public entity as contemplated in s9(2)(h) of the Income Tax Act. ☐ Yes ☐ No ☒ Blank

Were you employed to render services outside SA? ☐ Yes ☐ No ☒ Blank

2.8. Statement of Assets and Liabilities

2.8.1. Cryptocurrency - Assets

A new field has been added **Financial Instruments – Cryptocurrency**, and a change to **Financial Instruments Listed (Shares, unit trusts etc) - excluding Cryptocurrency**.

Go To: [Home](#) > [Assets And Liabilities](#)

	2019	2018
Local Assets (at Cost)		
Fixed Properties and all Improvements to Properties		0
Shares in Private Company or Member's Interest in Close Corporation		0
Loan Accounts		0
Financial Instruments Listed (Shares, Unit Trusts, etc.) - excluding Cryptocurrency		0
Financial Instruments - Cryptocurrency		0
Net Capital of Business, Trade, Profession or Farming		0

3. Prepopulated Data Enhancements

This version of ITM will contain more pre-populated data received from SARS. In addition to the IRP5, the Retirement Fund Contributions and Medical sections that were prepopulated in prior versions of ITM, Interest Income has also been added to load the data that SARS has on record.

4. Other updates

Along with the above compliance changes, additional fixes have been made to ITM based on feedback from prior year returns.

4.1. Email Validation

Email validation rules have been updated to support email addresses with the following format "me@123email.co.za".

4.2. Income Received Warning Message

A warning message for validation of the 3601 income amount (on IRP5) has been added.

Message: "Please note that your PAYE Tax Credits value may not be greater than your 3601 value."

All of the above fixes have been made for all Years of Assessment.



Contact Us

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Other Important Details

Register at <https://success.casewareafrika.com/> for easy access to frequently asked questions, upgrades, downloads and technical documentation.

Email us at info@casewareafrika.co.za regarding:

- Feedback
- Ideas on service or products
- Product information
- Account or license information
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