

Public Benefit Organisations (PBO) with Section 18A Status



In a recent newsletter, ([see here](#)), we set out what taxpayers must look for when checking the receipts they receive from organisations which are authorised by SARS to issue tax deductible receipts to their donors.

Unless these receipts/certificates contain all the required information, the tax deduction will not be available to the donor.

We also mentioned that additional returns by the organisation itself will also be required.

Section 18A organisations will now be required to complete returns in the form of IT3(d) forms which contain the donor names and details and also the amount of donations received.

Similar to employee tax certificates and six monthly returns and reconciliations filed with SARS, these PBO reconciliations will be required at end May and end November each year for the six months ended February and August respectively.

The first period will cover a full tax year from 1 March 2023 to 29 February 2024. That means that the first return will be due by 31 May 2024 in respect of the year ended 29 February 2024.

SARS has the power to disallow tax deductions in the hands of the donors should the Section 18A organisation not comply fully with their obligations. It is clearly important for the organisation to comply fully with its SARS obligations.

This new requirement will require additional administration for Section 18A organisations and has been instituted to enable SARS to curb the perceived abuse of Section 18A deductions being fraudulently claimed by donors.

The accountants/auditors of the Section 18A organisations will also be able to check that the Section 18A certificates issued can be reconciled with the organisation's accounting records and financial statements.

These six monthly returns will be filed electronically with SARS via e-filing up to 20 records and via file transfer for larger numbers.

The information to be reflected on each form IT3(d) return includes the following for each donor.

- Full name and trading name of donor (and type e.g. company or natural person).
- Address of the donor.
- ID number or passport number and country.
- Income tax reference number.
- Cellphone number.
- Email address.
- Nature (e.g. cash or in kind).
- Rand value.
- Date of payment (or receipt of goods).

Please contact us should you require further information.

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