

Step-by-Step SARS IT3(d) Submission and Section 18A Guide for NPOs

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1. Compliance Foundation: Understanding IT3(d) Requirements

a) Legal Obligations and Deadlines

Maintaining Section 18A status as a Public Benefit Organisation (PBO) in South Africa requires strict adherence to the South African Revenue Service (SARS) regulatory framework. Approved Section 18A entities are legally obligated to digitally submit third-party data regarding all tax-deductible donation receipts issued. This digital reporting framework enables SARS to cross-verify and match the tax deductions claimed by individual or corporate donors directly against the official records of the issuing non-profit organization.

Reporting obligations are divided into two mandatory submission cycles every tax year, alongside a strict statutory requirement to file for periods where zero receipts were generated. A major compliance anchor for all Section 18A organizations is the bi-annual deadline on **31 October 2026**, which covers all donation receipts issued between 1 March 2026 and 31 August 2026.

Submission Type	Reporting Period Covered	Statutory Due Date	Nil Return Obligation
Bi-Annual Submission	1 March – 31 August	31 October	Mandatory: A return is legally required even if 0 receipts were issued.
Annual Submission	Full Tax Year: 1 March – Last day of February	31 May	Mandatory: A return is legally required even if 0 receipts were issued.

WARNING: COMPLIANCE RISK Failure to adhere to statutory IT3(d) reporting obligations, missing deadline cutoffs, or failing to file required declarations can result in administrative penalties or the total revocation of an organization's tax-exempt status and Section 18A receipt-issuing privileges.

b) Mandatory Data Fields Checklist

When capturing IT3(d) third-party data and issuing compliant Section 18A receipts, specific mandatory data fields must be collected and recorded. Omission of any mandatory field will result in donor tax deduction rejections or portal processing errors.

- **Donor & Entity Identification:**
 - **ID / Passport / Tax Reference Number:** Mandatory identification prefix for natural persons.
 - **Company / Trust Registration Number:** Required identification if the donor is a corporate entity or trust.

- **Trading Name:** The official trading name of the donor, if different from their registered legal name.
- **Contact Information:** Valid contact email address and phone number.
- **Donor Type:** Categorization of the donor (e.g., natural person, company, trust).
- **Receipt & Financial Details:**
 - **Donation Amount & Nature:** The exact monetary value of a cash donation, or a detailed description of the nature of an in-kind donation.
 - **Key Transaction Dates:** The exact date the donation was received and the date the receipt was issued.
 - **Unique Receipt Number:** A unique, sequential identification number assigned to the specific tax receipt.
 - **PBO Reference Number:** The organization's official SARS-issued PBO reference number.
 - **Section 18A Legal Declaration:** A mandatory explicit statement confirming that the receipt is issued under Section 18A of the Income Tax Act and that funds will be used exclusively for approved Public Benefit Activities.
 - **No Quid Pro Quo Statement:** Explicit written confirmation stating that no goods, services, or reciprocal benefits (such as gala dinner tickets or school fees) were provided to the donor in exchange for the contribution.

With these legal data requirements and foundational compliance mandates established, administrative staff must ensure the digital portal is correctly configured to support data capture.

2. Phase 1: Portal Preparation & Tax Type Activation

a) Activating the IT3 Tax Type

Before any donation receipts can be captured or declared, the SARS eFiling administrative profile must be configured. If the **IT3** third-party tax type is inactive in the profile settings, the required portal sub-menus for IT3(d) submissions will remain completely hidden from the user interface.

Follow this exact sequence to activate the required tax type on eFiling:

1. Log into your organization's official SARS eFiling profile using authorized administrator credentials.
2. Navigate to **Organization Profile** (or Profile Administration) on the top/left navigation panel.
3. Select **Tax Types** from the sub-menu options.
4. Locate the **IT3** tax type row, select the activation checkbox, and click **Register / Activate**.

5. Save and confirm profile settings to enable third-party data administrative features.

CRITICAL REQUIREMENT: If the **IT3** tax type is not explicitly activated in profile settings prior to commencing work, the required "Third Party Data" sub-menus will not display on the eFiling left-hand navigation panel.

Once the profile settings are configured and activated, you can navigate directly to the third-party data portal to select your submission channel and begin capturing donor receipts.

3. Phase 2: Standard Step-by-Step Data Capture & Submission (Up to 50 Receipts)

a) Understanding Submission Channels & Capturing the IT3-01 Data Form

SARS provides three distinct submission channels for IT3(d) third-party data, determined by an organization's transaction volume:

- **SARS eFiling Manual Capture:** Designed for small volumes (capped at a maximum of **50 receipt certificates per form**).
- **HTTPS Direct Upload:** Designed for medium-to-large volumes (up to **50,000 receipt records**). Many donor management software platforms automatically export data as a pipe-delimited file formatted to SARS specifications, allowing organizations to upload directly via HTTPS and bypass manual portal entry.
- **Connect Direct:** Designed for large institutions submitting massive volumes exceeding 50,000 records.

For standard non-profits utilizing manual eFiling entry for up to 50 receipts per reporting period, execute the following sequence:

1. Log into SARS eFiling.
2. On the main left-hand menu, navigate to **Returns**, then select **Third Party Data**.
3. Click on **Submit New Data**, then select **IT3**.
4. Select the applicable submission period from the dropdown menu (e.g., Bi-Annual) and click **Capture New Data**.
5. Click on the **IT3** hyperlink to open the interactive **IT3-01** data capture form.
6. Select **IT3(d) – S18A Donation Receipts Issued** from the certificate type dropdown list.
7. Fill in the reporting entity details, including the non-profit's physical address and registration numbers.

8. Under the **Donation Record** section, input the individual details for every receipt issued: unique receipt number, nature of donation (cash or in-kind), value, transaction dates, and complete donor identification details.

b) Submitting IT3-01 and Verifying Form Status

Once all donation records (up to the 50-certificate limit per form) have been completely captured, click the **Submit** button located at the top of the IT3-01 form screen.

After submission, you must verify the processing status outcome on your work page:

Form Status Outcome	Meaning & Action Required
Accepted	Data has been successfully validated and received by SARS. You are clear to proceed to the summary declaration.
Partial Upload	The captured data contains formatting errors or missing mandatory fields. You must re-open the form, correct the highlighted errors, and re-submit.

c) The Final Step: Filing the IT3-02 Declaration Return

Capturing individual donation records on the IT3-01 form is only the initial phase of the submission process. A submission remains legally incomplete until the official summary declaration return (**IT3-02**) is requested, verified, and submitted.

1. Navigate back to the main **Third Party Data** menu on eFiling.
2. Use the dashboard dropdown menus to select the tax type **IT3D** and the relevant reporting period.
3. Click **Request Return**. This generates the formal **IT3-02 declaration** document.
4. Open the IT3-02 form and carefully review the auto-populated summary totals against your manual receipt calculations to ensure exact agreement.
5. Click **Submit** to legally finalize the third-party filing.

Now that the standard submission workflow for active reporting periods is established, attention must be given to reporting periods where no donor receipts were issued.

4. Phase 3: Special Workflow — Submitting a Nil Return (Zero Receipts Issued)

a) The Nil Declaration Sequence

If an organization did not issue any Section 18A tax receipts during a bi-annual or annual reporting window, it remains legally obligated to file a return. In this scenario, administrators skip data entry entirely and issue a "Nil Return" by filing only the IT3-02 declaration.

1. Log into SARS eFiling, go to the left-hand menu, click **Returns**, and select **Third Party Data**.
2. **DO NOT** click "Submit New Data" and **DO NOT** attempt to open or complete an IT3-01 form.
3. Go directly to the **Third Party Data** main dashboard dropdown menus. Select tax type **IT3D** and choose the applicable reporting period (e.g., Bi-Annual or Annual).
4. Click **Request Return** to generate the **IT3-02** declaration form.
5. Open the generated IT3-02 form to access the summary section.
6. In the summary fields requiring total certificates and aggregate value, manually enter **0** for the total number of certificates and **R0.00** for the total monetary value.
7. Complete the authorized declaration section at the bottom of the form and click **Submit**. Verify that the status updates on your dashboard to confirm the return was received and accepted.

b) Record-Keeping for Nil Returns

Once submitted, download and retain a copy of the accepted IT3-02 Nil declaration. Store this document alongside your official financial statements as legal proof of tax compliance for the period.

With both active and nil return workflows detailed, administrative procedures for modifying previously submitted data must be addressed.

5. Phase 4: Maintenance — Correcting or Deleting Submitted Data

a) Action Codes Demystified & Manual Correction Workflow

If an error is discovered on a record that SARS has already accepted, an updated submission must be processed. To ensure the SARS system overwrites or removes the correct record without creating duplicate entries, you **must use the exact same unique receipt/certificate number** that appeared on the original submission.

Modifications are governed by specific transaction action codes:

- **Code N (New):** Default flag applied during initial data entry for new receipt records.
- **Code C (Correction):** Applied when adjusting inaccurate information on an existing receipt (e.g., fixing an invalid donor ID number or updating a donation amount).
- **Code D (Deletion):** Applied to remove a record entirely from SARS systems.

To execute corrections or deletions manually via eFiling, follow this sequence:

1. Navigate to **Returns -> Third Party Data -> Submit New Data -> IT3**, and select the previously submitted period.
2. Click the **IT3** hyperlink to open the submitted IT3-01 form, and locate the specific donation record that contains the error.
3. Change the action code dropdown for that specific record from **N** to **C** (for a correction) or **D** (for a deletion).
4. If applying Code **C**, update the incorrect fields with the valid information. If applying Code **D**, leave all original transaction data fields untouched (the system utilizes the certificate number and code "D" to erase the entry).
5. Click **Submit** at the top of the IT3-01 form and verify that the status updates to **Accepted**.

OPERATIONAL NOTE: BULK HTTPS UPLOADS If your organization originally submitted data via an automated HTTPS file upload rather than manual eFiling capture, errors **cannot** be edited directly on the eFiling portal screens. You must export a new software-generated pipe-delimited file containing strictly the corrected or deleted records marked with "C" or "D" action flags, upload that file via HTTPS, and subsequently file a new IT3-02 declaration return.

b) Re-Filing the IT3-02 Declaration Post-Correction

If you discover an error after submitting your IT3(d) data, you must submit an update to SARS. To ensure the system overwrites the correct record, you must use the exact same certificate (receipt) number that was on the original submission.

Here is how to correct or delete a specific record manually via eFiling:

- i. **Navigate to the Original Data:** Log into eFiling, go to **Returns**, and select **Third Party Data**. Click on **Submit New Data**, then **IT3**, and select the period you previously submitted.
- ii. **Open the Submitted IT3-01 Form:** Click on the **IT3** hyperlink to open your previously submitted data form. Locate the specific donation record that contains the error.
- iii. **Change the Action Code:** This tells SARS how to handle the updated record. Every record has an action or transaction code. By default, your first submission used "N" for New.

- **To Correct:** Change the code from **N** to **C** (Correction). Update the incorrect fields (e.g., fixing the donor's ID number or the donation amount).
 - **To Delete:** Change the code from **N** to **D** (Deletion). Do not change any other data; the system just needs the certificate number and the "D" code to remove it.
- iv. **4.Submit the Corrected Data:** Once you have updated the action codes and corrected the necessary fields, click **Submit** on the IT3-01 form. Ensure the status updates to **Accepted**.
- v. **5.Re-file the IT3-02 Declaration:** The correction is not final until this is filed. Because you have altered the underlying data, the total values for the period may have changed. Go back to the Third-Party Data menu, request a new **IT3-02** declaration for the same period, verify the updated summary totals, and click **Submit**.

Summary & Long-Term Governance Checklist

Comprehensive Compliance Checklist

To preserve tax-exempt status and maintain full Section 18A standing with SARS, organization officers and tax administrators should regularly execute the following operational and statutory checklist:

- [] **Document Retention:** Retain all accurate financial records, donor identification details, bank statements, and copies of issued Section 18A receipts for a mandatory minimum period of **5 years**.
- [] **Annual Tax Returns:** Prepare and submit the mandatory **IT12EI return** (Return of Income: Exempt Institutions) annually, attaching complete annual financial statements to prove non-profit funds were deployed exclusively for approved activities.
- [] **Governance Document Updates:** Promptly submit official copies of any formal amendments made to founding documents (Constitution, Trust Deed, or Memorandum of Incorporation) directly to the SARS Tax Exemption Unit.
- [] **Officer Updates:** Keep SARS continuously updated regarding any changes to registered representatives, public officers, or board members.
- [] **Strict Usage of Funds:** Ensure that all donations for which Section 18A receipts are issued are deployed strictly and exclusively for approved Public Benefit Activities, adhering rigorously to the prohibition against providing any quid pro quo benefits to donors.