

## Annual General Meeting – 2021

### Questions submitted by members prior to the Annual General Meeting (AGM) on 27 May 2021.

**1. My question relates to Anoj Singh and Markus Jooste. Will SAICA ensure that these two former members of SAICA are brought to justice in a court of law?**

The prosecuting authorities are well aware of the allegations made against the two mentioned (former) members and will decide on the actions that will be taken in the criminal courts.

SAICA investigates all allegations of improper conduct made against our members and takes disciplinary action as mandated by its Constitution. SAICA is not a prosecutorial authority and therefore we cannot determine whether or not our (former) members are brought to justice in a court of law.

Mr. Anoj Singh's disciplinary hearing was finalised in 2020 and SAICA subsequently provided the hearing documentation to certain regulators and Commissions to be utilised in the public interest.

In relation to the allegations against Mr. Markus Jooste, SAICA has issued a draft charge sheet in this matter and the disciplinary process is underway.

**2. Is SAICA providing a knowledge base in terms of SA taxation law and developments of the same standard of a few years ago? My experience in the past few years is that has been sub-standard and necessitated joining SAIT where access to information and a monthly publication is currently far superior to SAICA's offering. Is SAICA fulfilling the RCB (Regulation Controlling Body function with SARS practitioners) effectively?**

SAICA is confident that it has developed and expanded the tax knowledge base in terms of taxation law and developments to a much higher level than it was 5 or 10 years ago. We are also confident that we continue to be one of the leading bodies, if not the leader, in the RCB space, though we constantly seek to improve. We benchmark ourselves not only against local RCBs but also international institutes with whom we often collaborate. We take pride in serving the SAICA members and ensuring that the support they receive is world class. In this regard it should be noted that our tax support capacity and quality of member support is also externally reviewed by SARS every year (as part of the RCB annual reports), by IRBA in its annual review and also annually by the Australian Tax Practitioner Board. SAICA is the only Institute in Africa to be approved by the AUS TPB as an entry path to register as Tax and BAS agents. We can report that we have not had any negative findings in this regard.

We have identified that our Members in Business have not been a proper focus and in this regard SAICA has planned interventions that extends across our service offerings and structures, for

example member structure alignment, large employer technical and support visits and learning developments to provide value to our MiB members.

In 2020, the National Tax Committee also resolved to align its composition to subsequently better align to SAICA membership, which is mainly MiB, also acknowledging that even in advocacy MiB have a larger role to play.

We also acknowledge that effective communication with members remains a challenge that we are continually focusing on. We also understand the challenges with the current website, which is a primary communication channel. SAICA is currently in the advanced stages of rebuilding the website which will launch by July 2021. In addition, there are also other digital interventions which will take place over the next four to five years, as explained by the CEO in his 2025 roadmap.

We look forward to further engage members to understand their perspective, especially where they believe our support is insufficient or substandard. We also commit to regularly have our product offering reviewed by peers as well as member structures.

Set out below are our tax activities in the four key areas of Member Business Tools and Support, Member Development, Thought Leadership and Advocacy:

- Our technical support and knowledge base includes issuing guidance for members in the form of tax guides. Our tax guides are some of the most comprehensive in the market and are compiled with the assistance of leading external experts and are reviewed by leading tax professionals who serve on SAICA's tax committees. This includes recent guides such as VAT & PAYE on NEDs, Expatriate Taxes and our COVID tax guides, which do not just regurgitate the law but takes positions on unclear or ambiguous matters to ensure members have proper guidance. Our Tax Engagement Letter guide and template is not only unique in our view, but probably the most comprehensive in the market.
- We keep members up to date with a weekly *Integritax* mailer (weekly circulation of 16 200 members) which not only informs members of the latest developments and challenges but also provides feedback on stakeholder engagements and outcomes of consultations. The latter is quite unique to the SAICA offering. Important information is also relayed to members via social media on Twitter and the Integritax Chat (2020: 4 700 followers and 525 000 reach (2017: 1 300 followers) as well as the SAICA Facebook accounts.
- Our tax operations query assistance, escalations and advocacy is one of the best in market and SAICA has in the last few years been at the forefront of tax operational challenges, from the E-filing update challenges in 2019 which we led, to leading the advocacy for tax services and SARS support structures as urgent matters before and during COVID lockdown, and recently our pre-emption of the challenges on the Adobe Flash support discontinuance which we already started pursuing in October 2020. We were the only RCB with representatives in all 13 SARS regions under the old tax operations structure and a perusal of the National RCB/SARS Tax Operations agenda will inform that all of the matters raised are escalated through SAICA Tax operations

structures. We will continue to support members in escalations and tax operations challenges under the new 9-region SARS model.

- Regarding learning and development, in 2014, SAICA only offered 5 tax learning events of which all were paid for. In 2020, SAICA offered 22 tax events, with 12 500 attendees and an average rating of 4,51 out of 5. Our 2018 Annual Tax Update had more than 4 200 attendees, making it one of the largest multi-day tax events in South Africa. In 2019, we launched the monthly TechTalk, which was the only product of its kind in the market and though now copied, is still the leading monthly discussion forum with leading experts. Monthly attendance has exceeded 650 individuals. We are also proud of our Tax Induction course which we launched in 2018 for SAICA Tax Practitioners and we believe this to be the most comprehensive course in the country where we seek to equip new tax practitioners with sufficient foundational knowledge of their new work environment.
- Regarding SAICA being a thought leader, we are confident that our migration of the Integritax Journal in 2017 from an aggregating newsletter to a full digital publication within Accountancy SA (ASA) magazine and with 100% original content, has been very successful. ASA has an audited monthly circulation of more than 60 000. The new publication also contains a monthly UK tax law article to fulfil our UK members' needs. We are confident that the Integritax Journal not only competes, but exceeds, the technical content of other RCB publications. The May 2021 edition carried 9 peer reviewed technical articles.  
<http://magazine.accountancysa.org.za/publication/?i=705827&ver=html5&p=76>.
- We also pride ourselves on being a public voice of the members on matters of public interest. Our media activities during 2020 was valued at over R20m (333 media exposures and approximately 207 million circulation) in positive media, which enabled us to also showcase our members as well as leading experts. More than R7,2m was generated just over the Budget 2020 period with our media comparison report (sourced from an external media monitoring company) indicating that this was nearly 10x the nearest other RCB.
- Furthermore, our annual tax conference has since 2017 migrated from just a normal CPD event to an event that focuses on real thought leadership and has included a complement of international speakers and topics with researched positions of discussion. Over the years, the following speakers appeared at our tax conference:
  - Prof Michael D'Ascenso - *Previous ATO Commissioner, Sydney, Australia*
  - Advocate Nina Olsen - *National Taxpayer Advocate, United States of America*
  - Ms Belema Obuoforibo - *Director, IBFD Knowledge Centre*
  - Prof Judith Freeman - *Oxford University, Oxford, United Kingdom*
  - Prof James Alm - *Tulane University, New Orleans, United States of America*
  - Prof John Whiting - *Previous Director of OTS and Non-Executive Director of HMRC, London, United Kingdom*
  - Prof Jennie Granger - *Previous Commissioner and Director General at HMRC and Second Commissioner (ATO)*

- Dr Brian Keegan – *Director of Advocacy: Chartered Accountants Ireland*
- SAICA has also in collaboration with the Global Accounting Alliances Tax Directors Group hosted various international events for all the various institutes' members, including SAICA, namely 2016 in Australia, 2018 in Hong Kong and also an event planned for 2021.
- One of our core functions that contributes to developing the new tax knowledge base is our tax technical and policy advocacy function which develops future tax knowledge by creating and collaborating to create solutions for today and tomorrow's challenges. This function is critical to the profession and specifically noted in the SAICA by-laws. This function is conducted and supported by our National Tax Committee, currently chaired by Mr David Warneke from BDO, and it has had representation from some of the most revered tax minds in South Africa. It is supported by a significantly expanded sub-committee structure of 12 sub-committees addressing both the 4 regions but also 8 speciality areas namely Transfer Pricing, PAYE, VAT, Carbon Tax, Tax Technology, Exchange Control, National Tax Operations and Tax Administration. We also cannot perform this function without collaborating with our stakeholders and we take much satisfaction from collaborative efforts and relationships with stakeholders, including SARS. Our advocacy efforts are the most comprehensive of any RCB in South Africa and SAICA was on many occasions the only RCB representing public interest on specific forums such as in Parliament. Over and above the 102 formal stakeholder engagements in 2020, 63 written submissions were made, of which 45 were made to SARS. We take great pride in the strength of our Tax Department and our Tax Committees who are some of the most functional and productive work groups in SAICA. Our Budget 2021 research and submissions on Tax expenditure was not only well received by both the Standing Committee on Finance but also the Standing Committee on Appropriations and has resulted in an invitation for further consultation on the matter.
- In support of our advocacy functions, we strongly believe in providing researched positions for views to properly inform complex and important discussions. We are not aware of any other RCBs conducting regular research for such a purpose. These include:
  - Delayed VAT refunds: 2016  
This was one of the most comprehensive research projects done on the topic, with just under 3 000 respondents. This research was shared and used by both Parliament and the Tax Ombud in addressing the matter and confirming our concerns.
  - Cost of Tax Administration: 2017 to present  
This research was initiated by SAICA in collaboration with 3 universities to provide better guidance on the actual cost on different taxpayers of tax administration, which is in addition to the 1% of collections that SARS expenses. SARS has also taken the project on board with the universities, which will be completed in 2022.
  - Tax Simplicity: 2017 to present  
Research was conducted through various focus groups and with the assistance of an independent professional facilitator to understand what the key areas of tax complexity were and how it differently impacts tax practitioners, small business and taxpayers in

general. This research has also been used by the Ministerial Paying Taxes Workgroup which reports into the Presidency and which SAICA is an advisor to. SAICA will also lead the sub-workgroup on identifying interventions in this regard.

- Section 12H: 2019  
This research covered whether degree professional employers would change their employment levels of trainees, should they not receive this tax allowance.
- Tax expenditure Budget 2020 & 2021: 8 Expenditure items for 41 departments over 12 years were analysed to identify anomalies and also enable Parliament to unpack why certain departments spent excessively on these costs, for example one department spent R5bn in consultancy fees (and still did not meet 30% of its targets and received a qualified audit) in certain years and certain departments like the military were excessively spending on civilian vehicles.
- Impact of deregistration on Tax Practitioners and Clients: 2020  
Following the implementation of deregistration of TPs for personal tax compliance, research was conducted why this occurred and how this impacted the practitioners, staff and clients. Certain anomalies were identified, which were then shared with SARS to address.
- 99-year leases: 2021  
This research focuses on whether there is fiscal discrimination between actual ownership and quasi ownership.

Given the above detail, we remain confident that we are fulfilling the RCB role effectively as it relates to tax knowledge and law development and support. To assist in understanding quality or scoping concerns, we will gladly engage any member to ensure that where we are perceived to be falling below required standards, we implement the necessary interventions.

**3. Is it fair to charge the fees SAICA does to maintain membership when most members are not in practice and work in other industries gaining very little, if any, advantage from the professional development on offer, when this is also more targeted and freely available within the industries members operate in? I personally have not used any SAICA webinars or offerings for at least two years. Also, the booking process is usually not functioning, which makes it difficult so all around it is not a good offering.**

The value of SAICA membership is so much broader than the multitude of seminars that members have access to. Notwithstanding the challenges in respect of a minority of members who transgressed the SAICA Code of Professional Conduct, the CA(SA) remains one of the most trusted and admired designations globally, which SAICA continues to endeavor to enhance. As one of the most valuable designations in the market, the CA(SA) still unequivocally remains valuable in the market as independently verified by two surveys: a global survey among business decision makers done by Edelman Intelligence, which indicated brand trust was at 84%, up from 75% in 2018, and a

local survey done by AskAfrika, which found that brand admiration for the designation among business decision makers was 68% in 2020, up from 66% in 2018.

### Global designation and member value

SAICA has a global footprint with more than 9 000 members in foreign countries and with member support and services available in the USA, UK and Australia. We also have multiple CA(SA) training offices outside South Africa. As a founding member of both IFAC and the Pan African Forum of Accountants, SAICA has always played a role in international matters regarding the profession. This is a reflection of the standard of our members but also of the Institute by its international peers and standard setters. Few, if any other professional institutes in South Africa, can lay claim to such brand presence and value.

This further includes:

- CA(SA) is a global qualification with mutual recognition with 14 foreign peer Institutes whereby members can be recognised by foreign Institutes under these agreements and receive benefits.
- SAICA is a founding member of the Global Accounting Alliance and Chartered Accountants Worldwide and by agreement members are entitled to global benefits from the member institutes.
- SAICA is a recognised professional body with the Australian Tax Practitioner Board, the only Institute in Africa, offering members an entry path to register as Tax Agents in Australia. Other member value services

### The following additional member value offerings are available to SAICA members:

- Member support and guidance
- Access to SAICA member technical guides for Accounting, Assurance, Corporate Legislation, Ethics, Tax, SMP and Public Sector
- Access to regulator and standard setter query escalation/support for accounting matters, assurance matters (IRBA), tax matters (National Treasury, SARS, UIF, COIDA), Corporate law matters (CIPC, JSE and DTI), Estates (Masters Office).
- Access to technical query support for assurance, corporate reporting, integrated reporting, UIF, COIDA, CIPC matters, master's office matters, ethics and SAICA Code of Professional Conduct, Corporate Governance. The tax technical query service was suspended in 2017 due to the risk of a conflict of interest should SARS lodge a complaint to SAICA in respect of the member about the tax guidance provided to the member. We are continually reviewing alternative forms of support.
- Access to technical electronic newsletters such as Integritax Weekly, Standards and Legislation, Ethics and Governance and the SMP newsletter.
- Member seminars and events
- Members have free access to the following (which is also verifiable CPD):
- Monthly TechTalk Tax
- Monthly TechTalk Assurance and Corporate Reporting
- Monthly TechTalk Public Sector
- Annual Tax Update

- Monthly Knowledge cafes
- Regional member networking events
- Tax Practitioner Induction (For SAICA Tax Practitioners only)
- 2020 included a complimentary Leadership in a time of crisis webinar series focused on challenges that presented itself during the outbreak of COVID-19.
- Other ad hoc technical and non-technical seminars (the majority of which were offered to members for free)

Other events are done mainly on a cost recovery basis in the following areas:

- Corporate Reporting
- Integrated Reporting
- Assurance
- SMP
- Tax, including our annual International Tax Conference
- Public sector
- Corporate legislation
- Ethics and governance
- UIF
- Estates and insolvencies
- Business rescue
- Non-technical skills and leadership

Publications and resources

- Monthly Accountancy SA digital magazine
- Monthly Integritax Journal (includes monthly CPD article for UK members as well)
- Reduced subscription to monthly DOTnews CA
- Access to E-IFRS
- Free access to University of Pretoria's law library for statutes including tax legislation

Advocacy

Advocacy in the public interest with government, leaders, regulators and standard setters is a core function of SAICA. SAICA Standards is primarily responsible for technical advocacy. This function is done in collaboration with members through 38 technical committees and work groups who made more than 100 formal submissions in the last year. The importance of this function is highlighted by the fact that it is specifically included in the SAICA By-laws and 4 of the National Technical Advisory Committees now report directly to the SAICA Board, which includes the National Tax Committee.

By collaborating with our members, SAICA ensures that not only can we provide much better and more impactful advocacy, but that member views and concerns are primarily also considered to effect change required in legislation and standards issued. We believe that SAICA participation on

request from regulators and standards setters confirms our belief that SAICA and its members' views are recognised as thought leaders.

To address the member concern directly from a narrow perspective of products and services, SAICA offers over 100 seminars each year, the content of which cover both technical (accounting, assurance and tax) and non-technical (digital, leadership, relational, strategic and similar) topics. A majority of this content is available at no cost to the member, and is webcast so that the content is available on demand to all members worldwide.

We recommend the member gets in touch with the Regional Executive in his or her area to discuss any specific matters or subject the member feels SAICA is not adequately addressing. SAICA is happy to engage with members regarding their concerns, including those concerns pertaining to the professional development offering.

**4. Is SAICA's website on par with other organisations in the industry? I find the functionality pretty useless.**

SAICA is in the advanced stages of rebuilding the SAICA website, which aims to improve the user-friendliness of the site. The new website is scheduled to launch by July 2021.

**5. Further to the invitation to provide feedback on courses/material/opportunities granted by SAICA to develop professionally, I have seen a dramatic deterioration in lectures and events offered, but yet fees are increasing annually. Courses used to be of a high standard and offered regularly: trust tax, valuations, offshore taxation, etc. None of this is offered any longer.**

**To motivate and encourage us to keep paying, please return to such offerings and restore confidence in SAICA's ability assist us in maintaining CP and remain globally competent.**

SAICA continually aims to provide the best value to its members for the fees they pay, including ensuring a strong brand and a profession that is engaged with matters that are relevant and important to society so that we can demonstrate the positive impact of the profession on society. SAICA also is aware of the difficult financial environment that some of our members face and in this regard SAICA has not increased its membership fees since 2018 and the tax practitioner compliance fee has remained the same for 3 years and was also reduced by more than 50% in 2021. To enhance the member value proposition, SAICA has also since 2016 provided members with a minimum of 40 hours complimentary CPD events and seminars, which was in reality in excess of 120 hours annually (in line with the hours needed to comply with the old CPD policy). We are not aware of any other institute that provides this comprehensive benefit.

SAICA has a broad range of members with a broad range of interests and specialisations. In this regard we acknowledge we cannot meet each and every member's CPD needs or requirements and therefore have to plan coverage cycles and also identify where there are specific needs that require urgent intervention. It has however been identified that we need to balance our offering to provide a larger value proposition to our members in business and we will plan towards such



interventions to ensure specialism, industry, geographic and experience level coverage for our nearly 50 000 members.

In 2020 more than 300 events were hosted by SAICA with 276 Learning and Development events, attended by 81 000 individuals and achieved an average satisfaction rating of 4,42/5. We therefore do not believe that our offerings are either lacking in scope or quality. The 2021 calendar covers a similar amount of events and members are welcome to peruse it here [SAICA Event Catalogue 2021 .pdf](#)

As to Tax matters specifically, topics covered in the last 4 years – excluding the tax events hosted by the International Region, TechTalk Tax monthly series, Standards Regional Roadshows and the annual tax conference – include:

**2017**

- Annual Tax Update
- Legal obligations, accounting and taxation of trusts
- VAT specific topics
- PAYE specific topics
- Efiling
- Administration of Estates
- Compliance seminar

**2018**

- Annual Tax Update
- Expatriate taxes (hosted in SA & UK)
- Tax disputes
- Cross border transactions
- Third party reporting
- Tax exempt entities taxation
- Brexit and SA taxes (hosted in UK)
- Tax Practitioner Induction

**2019**

- Annual tax update
- Expatriates Taxes update (SA, UK, UAE)
- Legal principles of the Tax engagement letter
- Tax Practitioner Induction
- SARS Easyfile payroll
- Understanding the Tax Administration Act
- Deferred tax and preparing for the tax audit
- IT14 and IT14SD

**2020**

- Annual Tax Update

- Expatriates tax update
- Tax strategy and risk management
- Do your own tax return
- Understanding the Imposition and remission of Interest and penalties
- Managing risk on the ETI abuse schemes
- Understanding the COVID 19 tax relief

We are however happy to engage members, especially our members in business, where they are of the view that we are not covering specific areas or where they believe there are events that they attended that are lacking in content or quality.

Kindly also see the response to question 2, which covers more detail on the tax offerings which are aimed to support members in remaining globally competent.