

7 July 2016

Dear SAICA Members

FINDINGS OF AUDIT REPORT TO SARS ON TAX PRACTITIONER COMPLIANCE

SAICA, as part of its obligations as Recognised Controlling Body (RCB), submitted its report to SARS on our members' compliance with Chapter 18 of the Tax Administration Act 28 of 2011 on 30 June 2016.

A rigorous process was followed to ensure that our members are not only aware of their obligations, but also meet the high standards commensurate with the profession.

The following conclusions can be drawn from the findings on the process, which included an audit of member information submitted:

- SAICA needs to ensure that its members in general, and tax practitioners specifically, are clearly informed and educated on their obligations and the processes involved for compliance. A balance therefore needs to be found between sanction and education to ensure that our members' needs are adequately addressed;
- Members need to take ownership of their compliance obligation and that they make certain they subscribe to relevant SAICA communication channels to ensure communications reach them;
- Many members are either uninformed or apathetic to the CPD compliance requirements for tax and this was found to be the primary member transgression in the report;
- Personal tax compliance by members of RCB's has been raised as a general SARS concern and SAICA will still expect its members to meet their own tax obligations in a professional and ethical manner, displaying the integrity required by the profession;
- Criminal non-compliance for unregistered practitioners and those who have committed serious tax offences are a concern, however only limited instances were identified. The actions of a few bring the whole profession into disrepute and SAICA will be working more closely with SARS to further minimise such instances;
- The current regulatory process, when properly implemented, is costly and time consuming and SAICA will need to engage with its members and SARS to either streamline the current process and still keep it credible, or propose changes that still achieve the goals of regulation.



GOING FORWARD

In the next few months, disciplinary investigations and hearings will be conducted for members who transgressed the various requirements of compliance and will include an analysis as to why members have not complied.

Furthermore SAICA will issue communications and information to members to educate them on the process for the 2016 year of compliance and their obligations in this regard. This process, as set out below, will commence in August 2016 to enable SAICA to compile its report for submission to SARS which is due on 31 March 2017:

- August 2016: SAICA to issue correspondence to its members on their obligations, the process and any documentary proof they need to retain and submit to SAICA;
- August 2016: Members who are tax practitioners to ensure that their personal details on the SAICA membership database is up to date, including that they are categorised as tax practitioner and that they subscribe to the Tax Suite Newsletter on their personal subscriptions page on the SAICA website.
- September 2016: SAICA to issue a reminder to members regarding their tax specific CPD obligations that need to be completed by **2 December 2016**. Please note that no extensions to comply will be granted this year.
- October 2016: SAICA to issue compliance declarations to members to be completed and submitted to SAICA by **2 December 2016**;
- 9 December 2016: Notice of audit to be issued to tax practitioner members selected for audit, including a request for supporting documents. The due date for submitting supporting documents will be **17 February 2017**.
- March 2017: Processing data and compiling report on individual member compliance.
- **31 March 2017**: Final report to SARS

DEREGISTRATION OF NON-COMPLIANT TAX PRACTITIONERS

SAICA is legally permitted to register and regulate tax practitioners who have fulfilled the relevant requirements of compliance. However we are cognisant of the seriousness of any action to deregister members currently registered, and we implore members to collaborate with us to minimise the instances of this occurring.

Members who are tax practitioners with SAICA as RCB and who did not file compliance declarations for 2015 will be deregistered by SARS in due course. In addition, members who are found to be materially non-compliant with their obligations by the SAICA Disciplinary process may also face deregistration as a tax practitioner. This invariably disqualifies them to be a tax practitioner at any RCB for 5 years.



NEW AND RE-REGISTRATION PROCESS

Members who have been deregistered by SAICA, due to failure to respond or by SARS for any other reason not related to a disciplinary process, may apply for re-registration. These members should however note that the application will be duly considered in conjunction with the explanatory facts that the member needs to present mitigating the initial deregistration.

Members who need to register for the **first time**, first need to register with SARS by following the [SARS registration process](#) on eFiling and then with SAICA (see link below). Members who re-register only need to register with SAICA and can follow the application process on the below link:

[SAICA Tax Practitioner Online Registration Form](#)

We request that members assist SAICA in minimising the impact of the compliance process on them and also the risks to the profession for non-compliance.

Yours sincerely

Pieter Faber

SENIOR EXECUTIVE: TAX LEGISLATION AND PRACTITIONERS