

**FEEDBACK SUMMARY  
3 AUGUST 2023**

**GENERAL**

SAICA attends various discussions and meetings on behalf of members with National Treasury (“NT”), South African Revenue Service (“SARS”), the Office of the Tax Ombud (the OTO) and other stakeholders (internal and external). These meetings represent an opportunity for stakeholders to obtain further information on any tax matter from the public and discussions and views expressed do not represent policy or decisions. Furthermore, these discussions do not represent an undertaking by SARS, NT, or other stakeholders, but merely statements of their understanding or how they perceive or anticipate a particular matter to be addressed.

The below Feedback Summary should be seen in the above context as merely attempts to inform SAICA members of the discussions and of any proposals that were made during such discussions.

**RCB FORUM INTRODUCTORY MEETING WITH THE NEW TAX OMBUD  
1 AUGUST 2023**

The Recognised Controlling Body (RCB) Forum was invited to engage with the new Tax Ombud, where the Tax Ombud shared her thoughts regarding potential plans for the future and to encourage the sharing of ideas on how RCBs can collaborate with the Office of the Tax Ombud (the OTO) for the benefit of South African taxpayers.

Some of the topics discussed included an update on the proposals regarding the structural independence of the OTO, how the OTO can encourage more public and transparent engagement with relevant stakeholders and a review of the scope of the OTO.

Quarter 1 statistics of complaints were shared, and it is notable that there is still a large number of complaints being rejected – i.e., approximately 60% – mostly due to matters that have been escalated prematurely. That is, the taxpayer or tax practitioner has not exhausted SARS escalation channels before lodging the complaint with the OTO.

Concerns were raised that there may be barriers to exhausting the SARS escalation process, including the ongoing challenges with the SARS Contact Centre and lengthy delays to secure branch online appointments to follow up on or resolve issues.

Various proposals were made by the RCBs, and it was agreed that a formal submission will be made to address concerns raised by all parties. Should members have any suggestions or if you would like to share your experience with the OTO, please feel free to email the [SAICA](#) tax team.

**SARS/RCB EASTERN CAPE STAKEHOLDER ENGAGEMENT  
31 JULY 2023**

Below is a summary of some of the SAICA agenda items raised with SARS as well as SARS feedback on such issues. The matters raised are determined through engagements with members via the various committee structures and discussion groups, as well as queries logged by members on the SAICA Member Portal and those raised in the tax seminars held during the year.

1. Extension of time to request reasons

Rule 6(3) of the Dispute Rules allows one to request an extension of time to lodge a request for reasons. Currently, there is no functionality on eFiling to facilitate this. SAICA requested that SARS define and publicly communicate the correct process to be followed in this regard. In addition, it was noted that it would be more efficient if eFiling functionality could be implemented to allow for such requests electronically.

The KZN team will communication with the Systems Development team to address the systemic issue and will provide feedback regarding the process to be followed to request the extension. In the interim, members should send the request to the standard SARS email address.

2. Request for reasons not available on eFiling

The request for reasons is unavailable on eFiling and therefore it is not possible to use this functionality. In the circumstances, the SARS KZN team was asked to advise of the alternative process for the region as well as whether any progress has been made in resolving this system error.

No update has been received from SARS head office – the issue remains unresolved. Members affected may contact branch managers directly for assistance.

3. Request for suspension of payment

The suspension of payment request is not linked to the Tax Compliance Status (TCS) system, resulting in taxpayers appearing non-compliant which is incorrect in terms of the legislation. The system is yet to be updated to address this.

There is an option to 'challenge status' function on the TCS system, but the response time is not always efficient. This negatively affects taxpayers, especially those who rely on a compliant status to secure work. The SARS KZN regional team was requested to advise as to the most efficient process to deal with this where the 'challenge status' process takes too long.

Where the affected taxpayer is registered in KZN, the tax practitioner may engage the relevant branch manager for assistance in expediting the update of the compliance status. Details are in the below table.

Branch Name	E-mail Address	Name
Durban	<a href="mailto:Snkuna1@sars.gov.za">Snkuna1@sars.gov.za</a>	Sanele Nkuna
Newcastle	<a href="mailto:skhuzwayo@sars.gov.za">skhuzwayo@sars.gov.za</a>	S'bonelo Khuzwayo
Pietermaritzburg	<a href="mailto:lmnyandu@sars.gov.za">lmnyandu@sars.gov.za</a>	Lungi Mnyandu
Pinetown	<a href="mailto:Mmkhize1@sars.gov.za">Mmkhize1@sars.gov.za</a>	Musa Mkhize
Port Shepstone	<a href="mailto:wmadyibi@sars.gov.za">wmadyibi@sars.gov.za</a>	Wandisa Madyibi
Richards Bay	<a href="mailto:Zbuthelezi3@sars.gov.za">Zbuthelezi3@sars.gov.za</a>	Zama Buthelezi
Umhlanga Ridge	<a href="mailto:vganpath@sars.gov.za">vganpath@sars.gov.za</a>	Vikash Ganpath

#### 4. Cessation of South African tax residence

As part of the evidence for proving cessation of residency, taxpayers are required to provide a certificate of tax residency in their new country of residence. This is not possible in certain countries where there is no tax system – e.g., the Cayman Islands – or where the country does not usually issue such documentation. Where a taxpayer finds themselves in this situation, there is no guidance as to acceptable, alternative documentation.

SARS was asked to advise as to what alternative documentation would be acceptable in the circumstances as it appears that the current process does not consider the different tax systems in other countries and what is practically possible in terms of these different systems.

SARS requested that additional examples be provided so that it can investigate and advise as to the most appropriate approach. It was noted that this is a matter of principle and needs to be dealt with as such.

#### 5. Incorrect precedent letter used by SARS for the new eighty (80) days to lodge an objection

Despite the new dispute rules having come into effect from 10 March 2023, the SARS assessments have not been updated to reflect this. The assessments still refer to objections being lodged within thirty (30) days after the date of the assessment. SAICA requested an update as to when this will be fixed.

SARS KZN will refer the matter to the SARS national stakeholder team for feedback.

#### 6. Appointment of public officer/registered representative is not updated on eFiling

The appointment of public officers (registered representatives) only seems to update on SARS back-end system and not on eFiling. SARS consultants then cannot assist tax practitioners as the representative is reflected on the SARS internal system as activated and appointed. It is impossible to activate tax types on eFiling until this is resolved. Therefore, SARS system or process deficiencies is preventing the taxpayer from fulfilling a legal obligation and SAICA noted that this needs to be addressed as a matter of urgency.

SARS advised that the process must be initiated on the SARS Online Query System and required documentation (see [SARS website](#)), must be uploaded. After receiving confirmation from SARS that the representative has been registered, only then can one activate the registered representative on eFiling. There may be an issue where the registered representative doesn't have their own eFiling profile. If this is the case, the individual would need to first register a personal eFiling profile with the same security contact details being used for the representative registration. The system will then match the data and finalise the registration.

Delays may arise if the relevant profiles have not been merged. Where there are multiple entities that are not merged, this cannot be done electronically and may require a branch engagement to resolve. SARS will prepare and share a trouble shooting guide to assist in identifying challenges that may be preventing activation of the registered representative and tax type. This will be communicated to members as soon as possible.

#### 7. Long waiting periods for appointments

When making a virtual appointment with SARS, there is a minimum waiting period of 2 weeks, sometimes up to 5 weeks.

SARS KZN advised that it is aware of the issue and is now allowing for appointments on a Saturday until 1pm. If the tax practitioner has an urgent matter that requires resolution, they may contact the relevant SARS KZN branch manager. Details are below:

Branch Name	E-mail Address	Name
Durban	<a href="mailto:Snkuna1@sars.gov.za">Snkuna1@sars.gov.za</a>	Sanele Nkuna
Newcastle	<a href="mailto:skhuzwayo@sars.gov.za">skhuzwayo@sars.gov.za</a>	S'bonelo Khuzwayo
Pietermaritzburg	<a href="mailto:lmnyandu@sars.gov.za">lmnyandu@sars.gov.za</a>	Lungi Mnyandu
Pinetown	<a href="mailto:Mmkhize1@sars.gov.za">Mmkhize1@sars.gov.za</a>	Musa Mkhize
Port Shepstone	<a href="mailto:wmadyibi@sars.gov.za">wmadyibi@sars.gov.za</a>	Wandisa Madyibi
Richards Bay	<a href="mailto:Zbuthelezi3@sars.gov.za">Zbuthelezi3@sars.gov.za</a>	Zama Buthelezi
Umhlanga Ridge	<a href="mailto:vganpath@sars.gov.za">vganpath@sars.gov.za</a>	Vikash Ganpath

#### 8. Generic VAT verification letters issued on request for additional information



For additional requests for information on VAT verifications, standard verification letters are being issued on eFiling. This requires tax practitioners to escalate further and only then does SARS provide the specific letter outlining the additional information required by SARS. SAICA requested SARS to review second verification letters in respect of VAT to determine how frequently this happens as well as the reason for this.

SARS advised that creating a specific request letter is currently a manual process and this letter should, as a matter of course, be emailed to the relevant recipient. A generic letter is created on eFiling to facilitate the uploading of the documentation, but the specific letter is also made available to the taxpayer or tax practitioner. SAICA noted that this is not always the case, and the specific letter is only available on request, in some cases. SARS agreed to investigate and if members have examples of this, these must be logged on SAICA's Member Portal.

Regarding the automatic generation of specific letters, SARS is working on facilitating this.

#### 9. Challenges transferring tax types between tax practitioners and the public officer

Related to the above, the transfer of tax types between tax practitioners and the taxpayer's public officer seems to be an issue. Tax practitioners are advised that this can only be done if the public officer also holds the income tax profile. Practically, this may not always be the case. The solution provided is to merge tax types, but the problem is that this can only be done via a SARS appointment which then takes a few weeks to obtain which would result in delayed returns being filed, tax compliance status pins not being obtained, etc.

SARS advised that the eFiling profile that is requesting the tax type is not the tax type owner, the tax type owner will need to approve the request on eFiling. SARS will share details on how to facilitate this.

#### 10. Disclosure of a foreign retirement annuity fund in the statement of assets and liabilities

Guidance was sought in respect of whether or not a foreign-born individual living and working, paying tax and submitting tax returns in South Africa is required to disclose their foreign retirement annuity fund in their Statement of Assets and Liabilities in the tax return.

SARS has advised that this needs to be included to ensure full disclosure of all assets and liabilities. It was suggested that SARS update their guidance in this regard.

#### 11. Penalties charged for 'outstanding' tax returns that were not required

It is observed that recently SARS are requesting tax returns from individuals who have passed away to which penalties are then levied. In the circumstances, the relevant individuals were not obligated to file a return in respect of the relevant tax year. This is also happening to individuals who have started submitting returns for the first time after a number of years or the first time ever.

SARS confirmed the issue and advised that there was a fix implemented on 2 July to address a system error. Going forward this issue should not longer persist. If this persists, examples must be provided.