

**FEEDBACK SUMMARY
26 AUGUST 2021**

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.

**SARS GAUTENG NORTH RCB MEETING
17 AUGUST 2021**

1. Tax directive challenges preventing submission of ITR12 form

During the 2020 filing season, there were a number of instances where an ITR12 individual tax return could not be submitted due to an error related to tax directives – resulting in what seemed to be differences in what was submitted to SARS and prepopulated and the information known to the taxpayer.

There seems to be a recurrence of this issue in some cases, in respect of the 2021 year of assessment. The issue seems to arise due to the date of accrual of the lumpsum being different

to the date of payment, with SARS relying on the directive as opposed to the IRP5 certificate. The note on eFiling advises the taxpayer to contact the Fund Administrator or the Employer.

Based on the advice provided by SARS, the taxpayer can access the Services tab on eFiling to view directives issued for the relevant tax year/s, by selecting 'Requested tax directives'. Similarly, the tax practitioner can select the relevant taxpayer profile and access directives for that taxpayer under Services.

There is a concern that eFiling will request inclusion of the directive in the current year and subsequently prepopulate the IRP5 in the following tax year, which is likely to create issues for two years in a row. We are engaging with SARS to address this.

2. Personal income tax refunds reversed without communication

There have been instances of personal income tax refunds being reversed without prior communication from SARS. In one example, the tax practitioner noted that the refund was reversed and only on contacting SARS, was she advised that the taxpayer was selected for audit/verification and that supporting documentation needed to be submitted.

What is concerning is that the assessment indicated that the taxpayer was not selected for verification and there was no request for supporting documentation on the eFiling profile nor was such request issued in any other way by SARS. It appears that this request may be generated on the SARS system, but not sent to the taxpayer. SARS agreed to investigate and provide feedback.

3. Administrative non-compliance penalties imposed incorrectly on EMP501

There have been complaints that administrative penalty assessments are being issued in respect of non-submission of EMP501s, even though the reconciliation has been submitted timeously and is reflected as such on eFiling.

On investigation, SARS discovered that in respect of the examples submitted, the EMP501 reconciliations were not processed on the SARS system even though appearing as submitted by the tax practitioner/taxpayer. Until SARS completes its investigation in this regard, affected taxpayers and/or tax practitioners are requested to submit a request for remission of penalties as per the process outlined in this [SARS communication](#) which was issued on 14 July 2021.

4. Changes on the RAV form

Some tax practitioners have noted that it is no longer possible for tax practitioner staff members to make changes to the RAV01 form of clients on the tax practitioner's profile even though there were no changes made to the relevant user rights.

The SARS regional team advised that affected tax practitioners must engage SARS eFiling support to address this issue.

5. Changes to the taxpayer year end

Whilst changes to the taxpayer year end may be made via electronic platforms, it is not a seamless process and not always clear if the change is also made to the provisional tax type on

eFiling. There are many instances where despite a change in the year end, the provisional tax returns for the 'old' period are noted as outstanding, impacting the taxpayer's compliance status.

SARS agreed to provide written communication regarding the process to be followed.

6. E@syfile corrections

It was noted that if incorrect codes are used on an E@syfile submission, it is not clear how to go about rectifying this and resubmitting the EMP 501 reconciliation.

The SARS eFiling support consultant noted that to process corrections, one would need to amend the certificate on E@syfile or cancel the certificate and create a new one. This can be done by logging in to E@syfile, selecting the particular employee, viewing the certificate, accessing, editing and resubmitting.

7. SARS SMSs issued without sufficient detail

Tax practitioners are still receiving SMS messages with incomplete tax reference numbers which make it difficult to impossible to identify the taxpayers in respect of which the SMS relates. This has been raised multiple times in the past and continues to be a significant challenge for tax practitioners.

SARS representatives agreed that they will investigate potential solutions in this regard.

8. ITR12 individual tax returns reflecting outdated tax practitioner information

Some members have complained that tax practitioners' details on the ITR12 forms are reflecting very old information detail, instead of the current practitioner numbers of the relevant tax practitioners, despite this detail having been updated on the RAV01 form.

According to SARS, the information that pulls through may be based on what was disclosed on the last return. Examples have been requested to ensure that the issue is properly investigated to determine if there is a systemic error that needs to be addressed. If members experience this, please log your query on SAICA's Member Portal under the SARS Operational category. Ensure that you first engage SARS for assistance and obtain a case reference number before logging the query.

9. Tax practitioner profile – follow up on issues previously raised

The following matters were previously raised with SARS and remain unresolved:

- a. Removal of a taxpayer from a tax practitioner profile without deleting the transaction history
- b. Notification to be sent to the tax practitioner when a profile is transferred. Note: where a profile is transferred incorrectly – for example, only certain access rights are to be granted, but in error, the entire profile is transferred, this results in difficulties for the tax practitioner and the taxpayer. A simple notification to the tax practitioner will allow prompt intervention if 'full' transfer was not intended.

Unfortunately, SARS is still working on addressing the above issues and will provide feedback as soon as this is available.

10. RFR manual process

There are still challenges with respect to submitting the request for remission of penalty via eFiling. As a workaround until the system error is resolved, one may make a virtual appointment with the branch and upload a manual RFR or letter requesting remission of penalties. Alternatively, one may submit the request via the pcc@sars.gov.za (tax practitioners) or contactus@sars.gov.za (taxpayers) mailboxes.

SAICA noted that in some instances, the manual submission is rejected on the basis that the eFiling platform should be used. If members experience this, please log this on the SAICA Member Portal under the SARS Operational category and ensure that you indicate the branch where the taxpayer is register to facilitate escalation to the correct SARS region.

11. Delays in the processing of VAT 201 returns

When a VAT 201 return is submitted on eFiling the following status report is displayed:" Return – Data received in ATP. Taxpayer or tax practitioner must query this with the SARS call centre or the relevant branch. What is concerning is that this return then appears as not being submitted, impacting the tax compliance status of the taxpayer. On enquiry it seems that SARS is intervening in what should be a self assessment process on the basis of performing 'consistency' checks. This matter is being referred to head office at it appears to be a national issue.

12. Trust registration number incorrect or not captured on RAV01 form

In some cases, the trust reference number previously captured by SARS is incorrect, resulting in a mismatch on the RAV01 form. It is not clear if this is due to the format used when registering the trust.

This matter was also escalate to SARS head office and has since been resolved via a fix being implemented, with effect from Monday, 23 August.