

**FEEDBACK SUMMARY
5 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 EASTERN CAPE RCB STAKEHOLDER ENGAGEMENT
29 JULY 2021**

Tax practitioner compliance in the region

SARS shared details regarding personal tax non-compliance of tax practitioners in the region. This includes personal income tax as well as valued added tax (VAT) and employees’ tax (PAYE) for which tax practitioners are registered in their name.

There are just under 1 200 registered tax practitioners based in the Eastern Cape (EC) region.

In respect of personal tax compliance, there is debt owing of approximately R30 million, 65% of which relates to income tax. There are 281 returns outstanding across tax types, 57% of which is in respect of VAT.

From a tax practitioner client perspective, there is R2.5 billion outstanding tax debt, 42% of which relates to income tax and 52% in relation to VAT, with 69 235 tax returns outstanding across tax types.

In terms of section 240(3(d), SARS may deregister non-compliant taxpayers, following a process of first engaging with the tax practitioner in an attempt to address the non-compliance. This process includes sending written notification to tax practitioners advising of their non-compliance and allowing 21 days within which to remedy the non-compliance or prove that they are compliant. Failure to respond is likely to result in deregistration as a tax practitioner, by SARS. Read more [here](#).

We encourage members to check their compliance status and remedy any non-compliance to avoid deregistration. Engage with SARS if assistance is required or more time needed to address any non-compliance.

Delayed VAT refunds

At a national level, we have received multiple complaints of refund payments being delayed and this seems to be more prevalent with respect to VAT refunds.

Within the region, the SARS team strives to ensure that refunds are paid within the 21 day turnaround time, provided all information required from the taxpayer has been provided timeously. Delays are noted where there are outstanding returns and/or bank details have not been verified. The account maintenance team reviews the outstanding refunds on a daily basis and endeavours to contact taxpayers where there is outstanding information impacting payment of the refund.

If delays in refunds are experienced, ensure that outstanding returns are submitted and check if bank details require verification, in order to expedite payment of the refund. Members may contact SARS via the channels available and if you do not receive a response within 21 days, you may escalate via the SAICA Member Portal, under the SARS Operational category.

Tax type transfer process

Concerns regarding delays in this process as well as delays in validating the registered representative were discussed. SARS requested that where there are specific issues requiring resolution, these must be escalated via the normal SARS channels first, before escalating to SAICA.

Difficulties submitting disputes via eFiling

It was noted that there are some instances where, due to a system error, one is unable to submit disputes on eFiling and/or request remission penalties.

SARS requested that where members within this region experience this or other eFiling errors, these may be escalated to engagementEC@sars.gov.za.