

FEEDBACK SUMMARY 24 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.

SARS/RCB NORTH-WEST (NW) STAKEHOLDER ENGAGEMENT 21 AUGUST 2023

Below is a summary of some of the SAICA agenda items raised with the SARS North-West region 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 for the region.

1. Delays in finalising VAT registrations

Since SARS enhanced the VAT registration process earlier this year, this has resulted in delays in processing VAT registrations – especially in respect of voluntary registrations. On contacting the Call Centre, tax practitioners are sometimes advised that there is ‘no turnaround time’ for VAT registrations. However, there is a turnaround time of 21 working days from the date that all documentation has been provided. If SARS requires further documentation, this is supposed to be requested within that time frame.

The SARS NW region has noted that the function has been decentralised and there may be some delays. Should members in this region encounter delays with the process, they may contact: lbrits@sars.gov.za. Note that only cases that have exceeded the turnaround time qualify for escalation.

2. Delays in finalising Trust registrations

Delays are also noted with respect to Trust Income Tax. Even though the tax practitioner submit all the documents and is authorised to act on behalf of the taxpayer, on following

up with the Call Centre, the agent advises the tax practitioner that only the 'head trustee' may follow up.

Clarity was requested in terms of the full process as well as an explanation of 'head' or 'main' trustee – which are terms used by some SARS staff, but it is not clear where in the law this is derived from. SARS was asked to advise as to why an authorised tax practitioner is prevented from acting on behalf of the taxpayer (client) in the circumstances.

SARS acknowledged the delays and is working on inventory in this regard and will be in a better position to provide feedback in November 2023. There is no need for a 'head' or 'main' trustee, but a trustee needs to be appointed first before SARS will assist the tax practitioner.

3. Delays in updating registered representatives

Despite submitting the request on SARS' Online Query System and uploading relevant documentation, the SARS system does not update with the registered representatives. This creates a compliance issue as one cannot register the tax types and file required returns until the registered representative is updated.

Should members in this region encounter challenges with the process, they may contact: lbrits@sars.gov.za. Note that only cases that have exceeded the turnaround time qualify for escalation.

Specific cases may also be escalated by members logging queries via SAICA's Member Portal.

4. Error message is displayed when trying to make an appointment on eFiling for individuals

Members have experienced significant time lags to get an appointment with SARS and there are sometimes error messages that appear when trying to book an appointment. SAICA asked if SARS could advise as to why there is such a backlog with a waiting time of 4 – 8 weeks and what is being done to address this.

SARS NW noted that appointment slots are not available due to high demand. The system has been updated to show only available dates – i.e. the error message will no longer appear. The error was caused by the fact that the system allowed appointments only in the next two months, whereas in some cases, appointments were not available in that period.

To alleviate the backlog, the SARS NW region have made appointments available on Saturdays as well as until 6pm on weekdays. There is a high demand for appointments at the moment, but SARS is investigating the cause for this and will work on solutions. Some practitioners are making appointments for issues that can be resolved via other platforms. Members must familiarise themselves with the various SARS service channels and use

the appointment system only where other channels are not available or found to be ineffective.

5. Delays with respect to registering deceased estates

It was noted that there are significant delays experienced in registering and/or assessing deceased estates.

The SARS NW region has noted that the function has been decentralised and acknowledged that there are delays. Should members in this region encounter issues with the process, they may contact: lbrits@sars.gov.za. Note that only cases that have exceeded the turnaround time qualify for escalation.

6. Delays in finalisation of audits/verifications

SARS takes an inordinate amount of time to finalise audits/verifications, with some matters still pending since 2022. This creates difficulty for the 2023 year as SARS' views in respect of the 2022 year may impact the 2023 tax return.

We understand that there are delays on a national basis and SARS NW was asked to explain what this region is doing to address the delays and/or backlog.

The SARS NW team noted that the function has been decentralised and acknowledged that there may be some delays. Should members in this region encounter delays with the process, they may contact: Mmothoa1@sars.gov.za.

Note that only cases that have exceeded the turnaround time as per the SARS service charter will qualify for escalation. The relevant extract from the service charter is shown below.



5. VERIFICATION

If you are subject to a verification, we will conclude 7 out of every 10 verification of self-assessment returns or declarations within 21 business days from the date of receipt of complete and correct supporting documents, unless you submit multiple years to which our commitment is 90 business days, whilst regularly communicating the progress.

SARS/RCB GAUTENG NORTH (GN) STAKEHOLDER ENGAGEMENT 23 AUGUST 2023

Below is a summary of some of the SAICA agenda items raised with the SARS Gauteng North region, 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.

1. Challenges with virtual appointments

There is a long waiting period for appointments, with tax practitioners sometimes having to wait up to 8 weeks for an appointment. In addition to this, there are many appointments being rescheduled.

Whilst tax practitioners are very happy with the service received from staff responsible for honouring 'Pavilion branch' appointments, the waiting period and rescheduling is very problematic and needs to be addressed. SARS was requested to advise as to interventions that will be put in place to address what seems to be a capacity issue within the region.

SARS Gauteng North has offered to accommodate appointments after hours, especially where these are rescheduled. However, tax practitioners are not keen to attend after-hours' appointments. The region does also assist with finding available appointments at other branches to reduce the waiting times and encourages tax practitioners to use the other platforms that are available.

From a SARS head office perspective, there were enhancements to the eBooking process, as noted below:

- One can now book a branch walk-in appointment via the eBooking system, where previously this type of appointment could only be booked through the SARS Contact Centre;
- Only available timeslots will be displayed from now on and there will no longer be any 'timeslot not available' messages
- Booked slots will automatically be cancelled if supporting documents are not uploaded within 24 hours, thereby freeing up timeslots for others who need an appointment.

2. Appointment of registered representatives

There is a concern that SARS GN has changed its standard operating procedures, in respect of the appointment of registered representatives for companies in that SARS is only allowing individuals who are appointed as directors with CIPC to be appointed as registered representatives at SARS.

This creates a huge challenge for some taxpayers, especially those companies which only have foreign directors as the directors are not registered for tax in South Africa. Tax

practitioners are being advised that these individuals must register for income tax in South Africa to be appointed as the registered representative of a company. It was noted that it has always been business practice to appoint financial managers or some other officer of the company as the registered representative.

SAICA noted that the Tax Administration Act does not prescribe that only directors are allowed to be appointed as registered representatives and SARS was therefore asked to clarify its position.

SARS head office and the GN region agreed with SAICA's view and has addressed the issue internally. Should other members experience this, please log the query on SAICA's Member Portal for escalation to SARS – ensure that you select the SARS Operational subject.

3. **Delays in processing de-registrations of corporate taxpayers**

There are still delays in SARS processing de-registrations, creating significant challenges for tax practitioners. The taxpayers remain on the tax practitioner's profile, but the taxpayers do not exist anymore, therefore there is no one willing to pay relevant fees to follow up several times with SARS.

It is suggested that the deregistration process be automated to facilitate a faster, more efficient SARS de-registration soon after the CIPC de-registration, preferably with a link between SARS and CIPC – similar to the registration process.

SARS noted that where requests are received to deregister companies, this must first be submitted to CIPC. SARS will not consider de-registrations until the company is deregistered with CIPC. Specific cases may be escalated within the SARS GN region.

4. **New Trust ITR12T form**

On submission of the new Trust tax returns, SARS requests the minutes of meetings, the Trust deed, the letter of authority and financial statements. It is not clear if SARS wants all the meeting minutes or only specific minutes, for example, for meetings held to discuss Trust distributions. Clarity on this point was requested.

SARS was also asked to clarify its position in terms of documentary requirements for dormant Trusts.

SARS noted that there is detailed guidance in respect of the supporting documents required.

With respect to minutes of meetings specifically, SARS noted that it would discuss the matter internally, but would be amenable to accept only those minutes that may relate to any decisions taken that could impact the relevant Trust's tax position.

5. **Requests for remission of administrative penalties**

There are delays in SARS responding to requests for remission of administrative penalties. SARS was asked to advise as to the turnaround time for this process as there seems to be delays specifically in this region.

SARS GN noted that the standard turnaround time is 21 working days. If SARS does not respond within this timeframe, the case must be escalated via SAICA's Member Portal.