

Dear Stakeholder

**INVITATION TO PARTICIPATE IN A FOCUS GROUP DISCUSSION RELATING TO
TAX LAW OR POLICIES FOR SMMEs**

The South African Revenue Service (SARS) is working towards achieving its vision 2020 - 2024 of building a smart and modern SARS with unquestionable integrity, trusted and admired by all. SARS's strategic intent is to develop a Tax and Customs system based on voluntary compliance. To give effect to our strategic intent, we have committed to nine (9) strategic objectives. *Please refer to our website for a list of the 9 strategic objective.*

SARS has embarked on a path to rebuild its organisational capability and restore institutional integrity. To this date, we have introduced a cluster model of customised engagement based on taxpayer segmentation as well as compliance behavior. SARS has established a new Small, Micro and Medium Enterprises (SMMEs) taxpayers, traders and travellers unit with focus on making it easy for taxpayers, traders and travellers to comply with their tax obligations. The main mandate of the SMME unit is to understand challenges faced by SMMEs and primarily make it easy for SMMEs to comply with their tax obligations through influencing service and legislative changes.

The SMMEs continue to play a crucial role in economic growth and are critical to aid economic recovery post the Covid19 period. The SMME unit is conducting a survey to determine the effectiveness of the current Tax policies and incentives affecting the Small, Micro and Medium Enterprises (SMMEs). To achieve this, we first seek to understand challenges faced by SMMEs in order to facilitate and influence legislation changes informed by your experience of the current Tax policies, tax legislation and tax incentives.

The objective of this project is to assess the effectiveness of the current tax policy, tax legislation and tax incentives in supporting the SMMEs and if they indeed are easing up their tax administrative burden and make it easy for them to comply with their tax obligations. Therefore, the study aims to:

- Understand the challenges faced by our SMMEs with respect to the current Tax Policy and SMME incentives
- Assess the level of awareness on the current Tax incentives available to SMMEs

- Get them to propose how we can improve our Tax systems, simplify, and tailor make taxes for SMME organisations.

SARS is governed by the South African Revenue Service Act No. 34 of 1997 and the Customs and Excise Act No.91 of 1964, which guarantees taxpayer information protection and confidentiality. The findings of these focus groups is strictly for SARS use and not for public consumption, and the identities of the participants will not be revealed to the public.

You have been identified as a critical stakeholder who represents the interest of SMMEs or engages with SMMEs. We would like to engage with you in order to understand the effectiveness of SMMEs including how SARS may improve our service to taxpayers and assist in the ease of compliance.

Discussion questions:

1. Knowledge and understanding of tax policies and tax incentive measures?
Discuss
2. Experiences and perceptions for frequency of usage of tax incentive measures and policies or lack thereof? (People, systems, process and simplicity). **Discuss**
3. Compatibility and usefulness of policies and tax incentive measures to SMME's, and trader's needs. **Discuss**
4. Experience and reasons for use or non-use of tax practitioners and clearing agents? **Discuss**
5. Recommendations on how SARS can improve and tailor policies and incentive measures to meet the needs of SMME's (thus making it easier for them to comply). **Discuss**
6. Recommendations on how SARS can improve engagement and experience to meet the needs of SMME's (ease of doing business with SARS). **Discuss**

Thank you for your participation.

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