

Ref: #770241

19 August 2021

The Commissioner of SARS
Le Hae La SARS
299 Bronkhorst Street
Pretoria
0181

By email: ooc@sars.gov.za
Cc:

Dear Mr Kieswetter

RCB FORUM SUBMISSION FROM THE COMBINED CEOs OF THE RCB FORUM MEMBERS: SARS SYSTEM ERROR PREVENTING REGISTRATION OF TAX PRACTITIONERS

1. The Recognised Controlling Body (RCB) Forum represents around 90% of the Tax Practitioners in South Africa, by our estimation.
2. During recent engagements, RCB members raised concerns regarding various SARS operational, systemic, and procedural matters. The members decided that these issues should be escalated as requiring urgent attention. A subsequent submission was made on 13 August 2021, attached for ease of reference.
3. There is one matter in particular, that we believe deserves the attention of yourself as Commissioner of SARS given the financial and reputational impact on tax practitioners, due to the length of time it is taking to resolve and the fact that there is currently no interim solution whilst waiting for a fix to be implemented.
4. Specifically: As from the migration of the RAV01 form from Adobe Flash to HTML format (22 June 2021), it is not possible for an individual to complete the process of registering as a tax practitioner due to a SARS 'system error' (we have reports from 6 July 2021 onwards).
5. Chapter 18 of the Tax Administration Act, 2011 (the TAA) requires that before a tax practitioner may legally provide tax services to clients, for a fee, such individual be registered with a recognized controlling body (RCB) or statutory controlling body prior to being registered as a tax practitioner with SARS (provided that certain qualifying requirements are met).



6. In terms of section 234(2)(c) of the TAA, a person who wilfully or negligently fails to register as a tax practitioner in terms of section 240, *'is guilty of an offence and is liable, upon conviction, to a fine or to imprisonment for a period not exceeding two years.'*
7. Assuming the individual is already a member of an RCB, the process for registration as a tax practitioner is as follows:
 - The member must apply to their RCB to be registered as a tax practitioner;
 - The RCB will verify certain information, to confirm that the member is eligible for registration and may require payment of a fee prior to processing the request;
 - Once the verification process is completed and fee paid (where relevant), the RCB will 'register' the member on the Tax Practitioner Maintenance function on the RCBs eFiling profile;
 - The member is then required to select their RCB from the drop-down list available on their RAV01 form on eFiling;
 - An automated letter is sent by the SARS system, to the now registered tax practitioner, confirmation registration and providing the tax practitioner reference number.
8. As from early July 2021, system errors prevent the registration of tax practitioners:
 - Whilst RCBs are able to submit member details via the Tax Practitioner Maintenance option on eFiling, the individuals wishing to register were in the first instance unable to select the relevant RCB on their RAV01 forms and without completing this step, registration could not be completed.
 - Throughout July and early August, RCB members individually escalated various cases to SARS for attention.
 - SARS committed to have the fix implemented on Friday, 6 August 2021.
 - SARS advised the RCB on 10 August 2021 that the system error had been resolved.
 - However, on testing this functionality, it appeared that whilst tax practitioners could then select their RCB, the registration is not effected and the SARS confirmation of registration letter is not being issued and registration is not completed.
 - On escalation of this matter, SARS informed the RCB that the SARS' technical team would be addressing what appears to be a newly identified issue and a fix is expected to be implemented on Friday, 20 August 2021.
9. We are gravely concerned that this issue has thus far taken approximately two months to resolve, during which time impacted individuals are unable to provide tax services for a fee as doing so would be an offence. Such individuals are therefore being prevented from earning a livelihood and unable to assist taxpayers that require their services.
10. Despite the issue being unresolved for this long, SARS has not offered an alternative solution. While the system error may or may not be fixed by 20 August, we believe that the lack of viable alternatives is not acceptable in respect of this or other equally serious system errors that impact tax practitioners and taxpayers.



11. In the short-term we request that SARS treat the resolution of this error as a matter of urgency and until such time that the system error is fixed, provide an alternative channel and workaround to ensure that individuals who meet the registration criteria are registered by SARS.
12. In the long-term, in line with SARS' strategy to make compliance easier and to provide reliable and secure services to all constituencies via its digital platforms, we request that a formalised process be established to escalate current and future matters such as these.

We look forward to working with SARS to address the concerns raised. Please feel free to contact us should you wish to clarify any of the above comments.

Yours sincerely

Somaya Khaki

SAICA Projector Director: Tax

Chairperson of the RCB Forum

(on behalf of the combined CEOs of RCB Forum Members)