

SARS Modernisation Project

Over the last few weeks, SARS have been hosting a series of presentations at various branches around the country with a more detailed workshop being held in Pretoria on Friday, 31 May.

The purpose of the workshop was to showcase the enhancements to the eFiling system and share important information regarding the 2019 filing season, whilst allowing RCB representatives and tax practitioners the opportunity to provide input as to certain factors that SARS should take into account to ensure a smooth transition to the improved eFiling experience.

Some of the highlights of the workshop are shared below.

2019 Filing Season

- Enhancements to the individual tax return (ITR12) will be effective from filing season commencement on 1 July 2019
- The form and other forms (for example, the initial registration form) will be available in HTML 5 format making for much simpler, more reactive forms – which means no more scrolling and hopefully less untimely automatic logouts due to moving away from the current pdf format
- Whilst filing via eFiling or the MobiApp will commence on 1 July 2019, those requiring assistance to file returns at SARS branches may only use this service from 1 August 2019
- The filing threshold has increased to R500 000, from R350 000 in the prior year, in respect of taxpayers who, in addition to earning R500 000 or less in remuneration from a single employer, meet the following criteria:
 - They have no other form of INCOME (e.g. car allowance, business income, and rental income, taxable interest or income from another job)
 - They don't have any additional allowable tax related deductions to claim (e.g. medical expenses, retirement annuity contributions and travel expenses)
- SARS have noted that in respect of the above category of taxpayer, SARS will issue a 'simulated outcome' (auto-calculation) and the taxpayer will receive an SMS regarding this return. The taxpayer will then need to log in to the MobiApp or the eFiling website and either accept or disagree with the automated return.
- It is unclear as to how this will be triggered and we are awaiting further clarification from SARS. We have also enquired as to what information will be included in the SMS to ensure that if such SMS is sent to a tax practitioner, it will include enough information for the tax practitioner to identify to which client the SMS relates

The ITR12 form

- The new HTML5 form may be downloaded in all official languages
- The standard 'wizard' questions still apply and the 'containers' for different types of information (i.e. deductions, other income etc) will appear on answering 'yes' to the relevant questions in the wizard



- Information will be prepopulated as per the existing system, where SARS is able to validate such information based on third party data submissions
- Given that SARS may not be able to validate information related to a passport holder, the forms for passport holders are generally not prepopulated
- If any mandatory details are missing on the new form, a note in red will appear under the affected field, noting that information is missing (i.e. as opposed to only finding out when trying to save or file return)
- Going forward, taxpayers may change banking details without in-branch verification as the system will attempt to verify the banking details by matching to relevant third party data
- Where taxpayers do not have a local bank account, they may note that the person is using a third party bank account (tick-box) and the taxpayers will have to choose the reason for not having a local bank account from a drop-down list – for example, non-resident without a local bank account

Registration

- SARS will be introducing a simpler process for first-time eFiling registrations
- If the registration is in respect of a non-resident (to be indicated on the form), a passport field will appear, allowing the input of a passport number
- SARS will also be introducing enhanced security measures in the form of one time pins (OTPs). These OTPs will be sent when trying to access certain functionality or make changes to a profile and it therefore becomes even more important to ensure that the mobile number and email address on the taxpayer's profile is up to date to ensure that the OTP is sent to the correct place
- A big win, is that the user name may now be selected by the individual registering on eFiling – i.e. the user name will no longer be allocated by SARS and the taxpayer may use his/her email address as the user name which makes it much easier to recall. The system will actually prompt individuals to use the email address
- Passwords must be a minimum of 8 characters and must be alphanumeric
- If information input doesn't match any other information that SARS may have (for example, from third parties) or if certain fields are incomplete, the interactive form will immediately notify the user of the missing/incorrect information rather than notification at the end when one attempts to move to the next screen
- On registration of the eFiling profile, the SARS eFiling system will try to match contact details entered against third party data. If there is a match, the registration will be processed
- If there is a mismatch of information, the system will initiate other security questions to try to verify the taxpayer by asking information related to returns that third parties have submitted – for example, the RAF policy number, medical information, travel allowance etc.
- Prior to moving to the security questions, the system will alert the user as to what documents will be required to complete the questionnaire. The user will have 24 hours to retrieve the information and complete this step in the process. One will have the ability to save and log in if one does not have information on hand at the time.
- If the security questions are not completed within 24 hours, the user will have to upload specified documentation on eFiling or go to a SARS branch. This must be done within 21 working days and will be subject to a 5MB document upload limit. A temporary work page will be created for uploading of documents. After expiry of the 21 days, the login details created will expire and user will need to start the process again



- With respect to SARS' obligations, SARS will have 2 business days from document upload to finalise the registration
- If there is still a problem following the uploading of documents, the system will alert the individual of the requirement for what SARS refers to as an 'eyeball verification' and a branch visit may be required

Existing users

- For existing users, when one logs in to eFiling for the first time following the enhancements noted above, the user will need to enter his/her email address and mobile number again and this will be used as the 'security details' – i.e. for the use of the OTP. An OTP will be sent immediately and the user will need to enter this to verify these security details. SAICA requested that there is a pop-up indicating that this update is to security details only and that the user must check their other information (for example on the RAV01 or tax form) to ensure that the contact details in that 'container' on that form are the same
- Registrations of different tax types will carry on as per the current process. If someone tries to register a new profile, the system will note that user is already registered and will have a 'retrieve user' pop-up
- If one has forgotten his/her username, certain security questions will be asked to match that user – i.e. based on what information is on the profile. For example, the ID number or passport number may be requested as well as other information specific to that taxpayer including specifics regarding benefits the taxpayer may receive or retirement or medical aid fund information. Once the security questions have been successfully answered, an OTP will be sent and after entering this OTP, the user name will be revealed
- Due to changes in the password security requirements, first time log on of existing registrations will require a new password if the existing password does not meet the new minimum requirements. It will also be possible for existing users to change their user name, for example, to the email address of that user

Future enhancements

Further enhancements to the eFiling system will be rolled out during the course of the 2019 year and include enhancements proposed by SAICA to improve the user experience of tax practitioners. Some of these are noted below:

- A landing page/dashboard will be created for individual users and will be part of a roll-out later in the year. If any amounts are outstanding or returns are outstanding, this will be shown on the landing page and quick links will be available to access the specific portal – for example to pay the outstanding amount, one will be able to click on the relevant link on the landing page to access the payment portal
- The individual's tax compliance status will reflect on the dashboard
- In respect of tax practitioners and in line with what SAICA has specifically requested from SARS, we look forward to the introduction of a dashboard for tax practitioners. Such dashboard will effectively be the default landing page of the tax practitioner and will reflect information regarding various clients – i.e. notices, letters, assessments etc – without the tax practitioner having to access each organisation profile separately to find such information



Browser compatibility

- In terms of browser compatibility, SARS have taken this into account in respect of the system improvements and SARS have advised that the new system will work well on various browsers

Tax practitioners or users with multiple profiles

Where users have multiple profiles linked to their personal details – for example, an individual profile for personal taxes and a profile on the employer's eFiling profile or a business profile of the user, the system will force such users to link all profiles and create one primary login to access all profiles.

- Practically, when such an individual logs in for the first time after implementation of the above-mentioned enhancement, the system will identify the multiple 'profiles' that are linked to that South African ID number
- Multiple profiles will automatically be linked and the user will have to choose the primary login details. An OTP will be sent prior to updating the login details – in order to validate the amendment to the profile
- Following the creation of the primary login, on logging in using these credentials, all linked profiles will appear on the landing page of that user
- Users will have the option of either linking a profile or removing that profile. However, until a profile is linked, that user will be unable to access the profile as the standalone profile will no longer be available. If the profile is removed, it will disappear from the user's until it is 'claimed' by the same or a different user
- Individuals with multiple profiles will be able to create different portfolios for different types of taxpayers, for ease of use
- Individuals may also choose a default portfolio to automatically 'land' in that portfolio on login. If one does not select a default, one will see all portfolios on logging in

Double security layer

- Users may elect to have a double layer (two factor) authentication on eFiling. If this option is selected, a user will login with his/her username and password and will then be sent an OTP. Once the OTP has been entered on to the logon page and verified, the user will be able to access the profile

It must be noted that the changes will be rolled out over a period of time with the 2019 filing season changes specifically highlighted above.

SARS have confirmed that they will be embarking on an intensive education campaign to ensure that all eFiling users are well aware of the changes that will be implemented and SARS have further advised that they will be inviting certain users to test the enhancements prior to the commencement of filing season. Communication will be shared once information has been made available by SARS.

We commend SARS on its efforts to engage with RCBs and tax practitioners to identify necessary enhancements and on the improvements to its systems which will ultimately



enhance the experience of users of the eFiling system and make for a more effective and efficient eFiling experience for SARS, taxpayers and tax practitioners.