

Submission File

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South African Revenue Service
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Dear Sir/Madam

PROPOSALS FOR DIGITISATION

1. In a meeting held at SARS, Trescon Building on 25 September 2019, SAICA was requested to engage with its members and make proposals as to additional services which tax practitioners would like to have digitised.
2. We set out in Annexure A, proposals based on engagement with our tax practitioner members via our various regional and national committee structures.
3. We would like to commend SARS for seeking to collaborate with a view to constantly improving its service offering. Based on the progress with the eFiling modernisation thus far, we are pleased to see that proposals made by SAICA and other recognised controlling bodies' are already in place or are part of future modernisation plans. We are therefore confident that our current proposals will be given due attention.
4. Should you wish to clarify any of the proposals, please do not hesitate to contact us.

Yours sincerely

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PROJECT DIRECTOR: TAX

Colin Wolfsohn
**CHAIRMAN: SAICA'S NATIONAL TAX
OPERATIONS COMMITTEE**



ANNEXURE A

Proposed tax practitioner services to be digitised

1. Donations tax

The donations tax form (IT144) is currently not available for submission on e-filing. Payment of Donations tax is also problematic as it can only be done via eFiling, without being linked to an automated payment requisition. Taxpayers are not able to pay via the bank or EFT as a separate “bank acc” has still not been created by SARS for donations tax.

- Whilst there was always a need for the IT144 to be available on eFiling, given the introduction of section 7C, it has become even more crucial for this functionality to be made available as soon as possible. This would result in a more efficient process both for SARS and taxpayers/tax practitioners who currently have to rely on a manual process that has resulted in significant delays.
- It would also be useful for the functionality to allow for uploading of supporting documents.
- The payment options available for income tax, as an example, should also be available for donations tax thus making it easier to settle amounts due timeously.
- The above would also simplify the process for application for tax clearance certificates required for foreign investment allowances, where spousal donations have taken place and the IT44 must be submitted as proof of source of income.

2. Registration/deregistration of taxpayers and tax types and retrieving related information

- There are still some types of registrations which requires a branch visit. The experience on visiting a branch is that the branch merely scans the documents, issues a case number and sends the documents to head office. It would seem that it would be more efficient if this is done via eFiling. Some examples include:
 - VAT registrations
 - Deceased estates (executor required to go to the branch)
 - Trusts
 - Foreigners working in South Africa
- With respect to the registration of Trusts, this presents a particular problem for tax practitioners since the public officer (main trustee) must be present at a branch visit when this registration takes place). Automatic trust registrations (similar to those of companies) for income tax when the Master issues a letter of authority (even if there is a delay of a few weeks) would be very helpful and free up SARS capacity at branches. This would also enhance trust tax compliance since many trusts need to be registered before



submissions may be made. The Master has rigorous processes for vetting trust registrations, so integration between SARS and the Masters' Office would be viable from a validity point of view.

- In some instances, despite having fulfilled the requirements for registering for one tax type, when attempting to register on or more other tax types, one is sometimes required to go to a branch to facilitate this. This should be done via eFiling with a portal for uploading documentation where necessary.
- It is currently a challenge to obtain tax numbers for individuals, unless one knows exactly what the employer who registered them input in the system. Without this information, many individuals have to visit a branch to get their tax number which can be quite a challenge if the distance from work/home to the nearest SARS office is quite far and it causes a strain on the SARS branch offices. SARS could perhaps consider the use of South African ID numbers as a means of alleviating this challenge.
- Currently, if a taxpayer wishes to deregister for tax, one would need to follow a manual process for this - that is, by submitting a letter via email or visiting a SARS branch. We propose that SARS introduce an option for deregistration on eFiling with an option to upload documentation should this be required - for example, proof of deregistration with CIPC for a corporate taxpayer or 'proof of non-residence' for an individual who has ceased tax residency.
- Furthermore, for changing of year ends of corporates, this is currently a manual process and should, in our view, be digitised to provide a full service to the taxpayer.
- Registration of individual taxpayers on e-filing which can currently only be done with an organisation profile by an employer. For any other individuals, for example, someone who is self-employed, this individual will need to go to a SARS branch to register as a taxpayer for the first time.
- Having this online registration functionality available to all individual taxpayers, will likely assist SARS, especially in January, where many individuals flock to branch offices to get a tax number. Not all individual taxpayers are necessarily employees (especially trust beneficiaries).

3. Updating details

- Currently, whilst certain updates may be done via eFiling, a branch visit is still required for the submission of documents - for example, with respect to changes in banking details, change of physical and postal address, Public Officer, Directors, representatives, company conversions. In some instances, some of these changes may only be done via a branch.



- These updates should all be made possible via the RAV01 form on eFiling. For any change made online, a portal should be opened for the upload of relevant supporting documents, therefore eliminating a need for the branch visit. If SARS still encounters a mismatch then the tax practitioner, public office Trustee etc. should be directed to go into a SARS branch office to update/verify the changed details, with the option of the tax practitioner acting on behalf of the taxpayer/representative provided the correct Power of Attorney is in place.
- Specifically with respect to changing / verifying bank details, the branch staff merely scan and send the documents. They do not verify or check anything. The system verifies bank details with the banks in any event.

4. Tax directives

- The function to apply for Tax Directives should be available to Tax Practitioners via eFiling. Initially tax practitioners could apply via a tax practitioner designated eFiling profile. This can now only be processed if your eFiling profile is designated an "Organisation".
- Application for Fixed Percentage directives should also be digitised. This is currently a manual system where the application form and related supporting docs must be hand-delivered at a SARS branch office for processing. If an application form could be submitted via eFiling, once again, a portal could be opened to facilitate the submission of the relevant supporting documents and result in more efficient processing of these applications.

5. Improved communication tools

- Tax Practitioners ability to have a one view screen for all clients listed. Ideally, when one logs onto one's profile, the landing page should reflect the clients' profiles and the individual tax practitioner profile (allow for two separate profile views whilst using the same log in details). Based on the presentation by SARS in May this year, this is to be part of the modernisation. However, we would appreciate some indication as to when this change may be expected. This will alleviate a lot of the issues currently experienced with respect to non- or inadequate communication of requests for documentation or additional assessments raised.
- E-filing notice of review /audit investigations - where applicable, the notice should also be issued to the Tax Practitioner (not only to the taxpayer). Sometimes letters are posted by SARS to the taxpayer and the tax practitioner is not aware of this.
- The taxpayer name and reference number should appear on email or 'sms' communication in order to easily identify the taxpayer client.



6. Other enhancements

- Due to the significant delays in processing applications for exempt institutions as well as processing the tax returns of these types of entities, it is becoming more important for this to be digitised as this should make the process more efficient.
- Dispute resolution for trusts and other taxes should be made available via eFiling as currently, one has to use manual ADR1 and ADR2 forms for submission of objections and appeals.
- Deceased estates - one currently needs to go into a branch to get the taxpayer coded as 'dead'. This functionality should be available online.
- Withholding tax on interest - there is no functionality on e-filing to request the profile from the previous user, so if the previous owner has a deactivated e-filing profile and does not untick his access to the withholding tax on interest profile, there seems to be no way to obtain the profile
- Forms TT02 and TT03 - the forms for microbusinesses are currently not available on eFiling. The form must be downloaded from the SARS website, be completed manually and delivered to SARS. Thereafter, the assessment is not posted, not emailed and not available on eFiling, which entails another visit to SARS. We understand that there is a way to add the taxpayer to the tax practitioner's eFiling profile, in order to view the statement of account. However, digitising this function would encourage compliance and make for a more efficient assessment system.
- Information regarding dividends tax should be readily available on eFiling, similar to all other taxes
- With respect to the VDP process, it would be useful if SARS could create a 'tracking of application' tool with progress updates and functionality to make online submissions of additional documentations when SARS requests these to make a determination in the VDP process.
- Lastly, it would also be useful to have the Reportable Arrangements process digitised for ease of submission of relevant documentation in this regard.