

**FEEDBACK SUMMARY
19 NOVEMBER 2020**

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 STAKEHOLDER MEETING - GAUTENG NORTH
12 NOVEMBER 2020**

This was the fourth and final SARS stakeholder meeting in respect of the SARS Gauteng North region. We are grateful to SARS for the opportunity to engage, despite the many challenges in the 2020 year.

A number of issues were discussed, some of the more prevalent matters being highlighted below.

1. **Registration process**

Queries were raised regarding the registration process for different taxpayers and/or tax types, given the new platforms for registration in response to the COVID19 related lockdown and some confusion around these.

Trust registrations

Regarding Trust registrations, this may be done via an online appointment. Importantly, assuming a tax practitioner is performing the function on behalf of the Trust, you must indicate that you are a tax practitioner and only then will the option for registration of trusts and estates be available. SARS advised that for a first time registration, one of the trustees, formally nominated by the other trustees to represent the Trust on SARS matters, must be in attendance at the meeting, together with the tax practitioner.

Relevant documentation must be uploaded at least 48 hours prior, but not all practitioners adhere to this. To facilitate this, we recommend that you check documentation requirements and make sure you have these on hand **prior to** making the appointment.

For ease of reference, refer to the SARS list of [documentation required for online appointments](#). There is an upload link and other information on this [page](#). Ensure that where identity documents are required, certified copies are uploaded.

Delays in uploading documentation results in delays in terms of the appointment time allocated. Members have raised concerns regarding the fact that the agent is reviewing the documentation during the virtual appointment as opposed to before the meeting time. According to SARS, even when this was done in the branch, the same process of review would have applied - i.e. review in the presence of the tax practitioner and trustee. However, it was agreed that this was due to the tax practitioner bringing the documents to the appointment as opposed to sending this in advance. SARS agreed to consider an alternative in this regard.

VAT registrations

VAT registrations are to be completed on eFiling, in normal circumstances. Regarding standard VAT registration applications, apparently the SARS agent will engage with the taxpayer or practitioner to address any queries in the process, arising after the request on eFiling.

However, where there are delays in the registration or in instances where it is not possible to perform the registration on eFiling - due to not having an income tax number - for example, non-resident companies or local partnerships that are not recognised for tax purposes - there seems to be no defined process for this. Furthermore, there is no option available on the virtual appointment booking form to accommodate this.

We will engage with SARS to consider adding options for this on the virtual appointment system and will request communication of an alternative process in this regard. For now, it will be best to make a branch appointment by calling the SARS Contact Centre. To avoid waiting on the line for an extended period, we recommend the use of the call back option.

We understand that there are also instances where there are delays in the SARS system sending a case reference number to facilitate the uploading of documents in relation to a (standard) online VAT registration. SARS noted that this is often when there are multiple party IDs on the SARS system and there needs to be a merger of profiles. This issue will need to be addressed at a SARS branch.

SARS acknowledged that there is a backlog with respect to VAT registrations and this region in particular has implemented measures to check the status of this on a daily basis with a view to

improving the turnaround time, especially where all relevant documentation has been provided timeously.

2. Delays in manual assessments

There appears to be significant delays in the processing of assessments where there are manual interventions. SARS noted that the standard turnaround time in this regard is 21 business days. If SARS does not comply with this, we urge members to lodge a complaint on the SARS system and if no response is received, to log this on the SAICA Member Portal, under the SARS Operational category, with the relevant case reference number. The matter can then be escalated for intervention.

3. 'Virtual' appointments

Members have logged multiple queries regarding appointments not being honoured timeously, whether telephonic or video. In some cases, there are connectivity issues with respect to the video meetings resulting in the meetings being delayed or rescheduled due to the time limit for each appointment.

Regarding connectivity issues, SARS is working on resolving this with the relevant service provider.

With respect to this region in particular, it was noted that the maximum appointment time is 45 minutes. Sometimes the co-ordinator will adjust the time of appointment where necessary, but will send an email to the tax practitioner beforehand, indicating the new time. SARS will look at how to create intra-hour appointments to allow everyone the 45 minute appointment time.

Walk-ins are allowed only for exceptional circumstances, generally not for tax practitioners, but rather for that sector of society that does not have access to booking virtual appointments. Importantly, requests for branch appointments are not considered favourably where there are already online platforms available to deal with the relevant matter and the request is merely due to a preference for the branch appointment, by the tax practitioner. We encourage members to make use of online platforms as far as possible.

4. Virtual ADR Meetings

SAICA raised concerns that the current platform (teleconferencing) which SARS is using for ADR meetings is not appropriate for the type of engagement that needs to take place to facilitate the ADR process. It was proposed that SARS should consider meeting via Teams or Zoom whereby documents may be shared real-time between parties.

SARS acknowledged the issue and advised that it is working on implementing the proposals made. We understand that in some regions, this has already been implemented for some ADR meetings.

5. Tax clearance certificates for the FIA

SAICA has received a few complaints regarding delays in processing of FIA applications within this region. SARS noted that it is receiving an unprecedented number of applications, mainly due to duplications of applications in the space of online traders in respect of crypto-currencies. This

seems to be a national issue as can be seen by the feedback from SARS WC region (see below). SARS is working on a solution for this activity.

SARS also noted with concern that some taxpayers are using the same bank statements as the proof of source of funds for multiple applications and there seems to be a reluctance by some to provide source of funds documentation.

The SARS website provides details of documents required for applications and it is important that the correct documents are sent to prove the source of funds, which should reduce the delays.

6. Inability to file tax returns due to errors with directives

SARS has noted issues with the filing of tax returns due to errors related to tax directives and confirmed that most of these have been resolved. However, there still appear to be some issues with respect to this which have been escalated to SARS and are being addressed.

From a high level perspective, what is concerning is that the current error message that pops up when accessing the affected return, does not adequately explain the issue. SARS agreed that going forward, there may be a need to change the system to provide the directive number and explain the reason for the issue impacting the ability to file the related return, in order to assist the taxpayer or practitioner to resolve the issue.

7. Technical eFiling issues

Members have raised concerns regarding SARS' plans with respect to the continued use of Adobe Flash, given that support for this will be discontinued as of 31 December 2020.

Following SAICAs requests for a status update in terms of the stage of completion of this project, SARS issued this [communication](#).

SARS STAKEHOLDER MEETING - WESTERN CAPE 10 NOVEMBER 2020

Given that this was the first WC stakeholder meeting of 2020, other meetings having been postponed as a result of the COVID19 challenges, SARS used the opportunity to explain the new structure from a SARS national and regional perspective.

The SARS representatives in the region re-emphasised the fact that SARS is decentralising its escalation process which we believe will translate into more efficient, timeous resolution of SARS operational queries. We have already seen some improvement in the escalation process within some regional engagements.

Specific issues discussed are noted below. Some are very similar to those discussed with the SARS Gauteng North stakeholder engagement team, but have been included for completeness, for the benefit of members in this region.

1. SARS Contact Centre delays and dropped calls

Members noted that there were still significant delays in the time taken by the SARS Contact Centre to answer calls and sometimes after waiting an extended time, the call is dropped.

Further to this, sometimes the contact centre agent may indicate an inability to access systems to provide an update on the status of a particular matter and there is an inability to transfer calls, when required.

Concerns were raised as to whether the new remote working model had resulted in the service provided being deficient as compared to when staff were working full time at a SARS office. SARS confirmed that all staff working remotely have been fully equipped with all the tools to provide the service that would have been provided if in-office.

SARS acknowledged and apologised for delays and noted that where these are experienced, it could be as a result of two factors:

- Firstly, SARS did not have the benefit of seasonal temporary workers in the Contact Centre for the 2020 Filing Season, which is something that SARS had made use of in the past;
- Secondly, there have been network issues which SARS is addressing with its service provider.

Load-shedding and other power outages have also impacted accessibility and SARS are looking at ways in which this can be circumvented.

2. Virtual appointment system

Members have logged multiple queries regarding appointments not being honoured timeously, whether telephonic or video. In some cases, there are connectivity issues with respect to the video meetings resulting in the meetings being delayed or rescheduled due to the time limit for each appointment.

Regarding connectivity issues, these are the same issues impacting the Contact Centre which SARS is working on resolving.

Regarding the timeframe for appointments, SARS noted that in some instances, due to the volume of appointments made within a particular timeframe and the fact that the system doesn't allow 'intra-hour' appointments, there may be some time delays in calls being made to the person who booked the appointment - for example, if an appointment was setup for 9am, the SARS agent may call between 9am - 10am.

SAICA raised concerns regarding this given that tax practitioners and taxpayers would set aside the scheduled time for the SARS call or video meeting. Should SARS anticipate delays, it was proposed that this be communicated timeously to affected tax practitioners or taxpayers to manage expectations in this regard.

From a member perspective, it is imperative that all documentation required for the appointment must be uploaded at least 48 hours before the scheduled appointment to allow SARS sufficient time to validate the information and allocate the appointment to the relevant consultant.

To facilitate this, we recommend that you check documentation requirements and make sure you have these on hand **prior to** making the appointment.

For ease of reference, refer to the SARS list of [documentation required for online appointments](#). There is an upload link and other information on this [page](#). Ensure that where identity documents are required, certified copies are uploaded.

We will endeavor to survey members to determine the extent of the challenges with the appointment system as according to SARS, many are taking place without any glitches. We are also working on a list of services not currently available on the appointment booking form, which tax practitioners would find useful, if added.

3. Delays in VAT registrations

Members noted ongoing delays in VAT registrations, further exacerbated by the inability to make a virtual appointment to address issues in the registration process.

It is important to note, that as set out in the SARS Taxpayer Service Charter, there is a 21 business day turnaround time for finalisation of VAT registrations if all documents required have been submitted with the application.

Delays in the provision of the correct documentation delays the registration process. The documentary requirements are set out on the SARS website and must be adhered to, to the extent possible with any differences in information provided, explained.

From a SARS perspective, SARS also acknowledged a backlog in processing of registrations and requested that where there are urgent registrations pending, these must be escalated via RCBs using the escalation platforms available - for example, SAICA members may log such issues on the SAICA Member Portal under the SARS Operational category. Importantly, the branch where the taxpayer is registered (for income tax) as well as the case reference number for follow up with SARS must be included when logging the query.

Where VAT registrations are rejected without adequate reasons provided, SARS WC indicated that this must immediately be escalated to the relevant SARS branch manager for investigation.

SARS eFiling acknowledged that this is a challenge and is addressing this internally. Feedback will be provided as soon as we have more information in this regard.

4. Delays in processing TCCs in respect of FIA applications

Members have complained about delays in the issuing tax clearance certificates (TCCs) in respect of foreign investment allowance (FIA) applications, in this region.

SARS advised that the turnaround time for this is 21 business days, as long as all documentation is provided with the application, and regardless of the quantum of the allowance.

SARS confirmed that there are delays in this process, which in some instances is attributed to incomplete documentation provided in the applications and some taxpayers' reluctance to disclose the source of funds. There is also an increase in the number of applications, including duplications, from online traders in respect of crypto-currencies.

SARS understands the need for a quicker turnaround time especially in light of volatile exchange rates. To this end, SARS is considering increasing resources within this function, to reduce the backlog and improve turnaround times.

5. Issuing of residency certificates

Currently, due to the need for an original document, residency certificates are being sent via the SA postal service, rather than via e-mail. An alternative is to collect the certificate from a SARS branch. SARS agreed that this is not ideal and will be investigating other suitable options for the distribution of such certificates.

6. Suspension of payment applications

The turn-around time for the finalisation of applications for suspension of payment continues to be a challenge, resulting in collection steps being taken in some instances, as well as impacting the tax compliance status of taxpayers.

SARS acknowledged that this needs to be addressed as a matter of urgency and noted that it has put certain processes in place to improve the turnaround time with the aim being 21 business days from date of application.