

TAX ALERT – SARS CLARIFICATION ON THE MORE STRINGENT VAT REGISTRATION PROCEDURES IMPLEMENTED RECENTLY
23 MAY 2023

As previously communicated, due to an alarmingly high rate of suspicious VAT registrations initiated recently, SARS has had to implement more stringent registration procedures, effective from 11 May 2023.

The specific processes are detailed in this [SARS communication](#) issued on 15 May 2023.

Subsequent to the 15 May communication, SARS issued the below on 18 May to further clarify the process:

"The design of the VAT registration system in response to the current attacks on the VAT system is premised on various risk indicators identified through VAT registration applications received. This may entail referring the registration application for a review, to evaluate and validate supporting documents. If the evaluation does not mitigate the risks, the review process will be supplemented by an in-person engagement (appointment) at a SARS branch with the representative taxpayer as defined in the Tax Administration Act.

A tax practitioner is not allowed to represent an entity that wants to register with SARS for the first time at the legal entity and tax type level. Tax practitioners with a Power of Attorney can only perform additional tax type registration applications once the first time legal entity and tax type registration has been processed.

While SARS prefers in-person engagements to be with the representative taxpayer, tax practitioners with a Power of Attorney are allowed to represent their clients after the initial legal entity and tax type application is complete. During the appointment, the tax practitioner must be in a position to answer all questions relating to the vendors enterprise and operations, failing which the application will be rejected. The existing practice has not been changed by the VAT registration procedures announced last week.”

Following engagement with SARS, we have been advised that the online appointment booking system will be enhanced to include a specific VAT registration branch booking option. However, as at 22 May, this had not yet been implemented. Members will be updated when the new functionality is live.