

CHANGE OF CORPORATE TAXPAYER YEAR END 2 MARCH 2022

We have been receiving complaints from members that the process to change a taxpayer year-end with SARS is usually very lengthy and insufficient guidance is available in this regard. In some instances, after sending a letter to SARS, although the financial year end is changed, the provisional tax dates do not automatically update.

There appears to be a misconception by some that changing a corporate taxpayer's year end with the CIPC will automatically result in a change in year end for tax purposes. This is not the case. It is only registration that is generally automated.

In terms of the Income Tax Act, 1962 – refer to the definition of financial year in section 1(1) – a company needs approval from SARS to end its financial year on a day other than the last day of February. In addition to this approval by SARS, the company must also specifically request SARS to change the provisional tax dates. If this was not done, SARS will not be able to process the IRP6 forms for the correct periods as it will not have issued one.

We understand that the following process is to be followed:

1. Change the year end to the desired year end on the RAV01 and submit to SARS.
2. When the request for the COR25 is received from SARS, submit the completed COR25 to the pcc@sars.gov.za mailbox or via the SARS Online Query System (you may still need to email pcc to generate a case reference number).
3. Alternatively, make a virtual appointment with SARS and upload the COR25 using the case reference number issued in the confirmation of appointment email.
4. Wait for SARS to confirm the change of year end via email – this should happen automatically.
5. Finally, check that the RAV01 is displaying the correct year end.

In terms of our understanding, this should automatically update the provisional tax dates.

If you have or do follow the above process and the changes are not effected within 21 working days, please log a call on SAICA's Member Portal under the SARS Operational category. Ensure that you include in the detail, the SARS branch where the taxpayer is registered and the case reference number for your engagement with SARS.

SARS has noted that taxpayers can apply to change their Financial Year-End on the Corporate Income Tax (ITR14) return. Read [here](#) for more information.