

19 April 2021

To: The South African Revenue Service
 Lehae La SARS, 299 Bronkhorst Street
 PRETORIA
 0181

Via email: SARS melnel@sars.gov.za

Dear Melanie,

COMMENTS ON THE UPDATED DRAFT PAYE BRS DOCUMENT

The South African Revenue Service (SARS) has issued a call for comment on the updated Draft Pay-As-You-Earn Business Requirement Specifications (the draft BRS). We understand that the draft BRS document specifies the requirements for the generation of an import tax file for the yearly, as well as the interim submission. Furthermore, that the requirements as defined in this version of the draft BRS will become effective from September 2021 until replaced by an updated version.

We understand the revision history of the document to be as follows:

Date	Version	Description
February 2021	19.6	Document Update
2 March 2021	19.6.1	Document updated with feedback from internal review.
11 March 2021	19.6.2	Document updated with feedback from external review

After consultation with several practitioners, we are of the view that there have not been any significant practical matters that raise serious concerns. However, we note a few comments on the practical implications of the draft BRS as brought about by the various updates.

We list these (and illustrations where applicable) in tabular format below.

PAGE	CODE	COMMENT
12	2027	<ul style="list-style-type: none"> • This code indicates the email address of the contact person for reconciliation related queries. • We agree with MN's comment provided on the draft document. We refer you to the following excerpt: <p style="margin-left: 40px;">The recipient name may be a maximum of 64 characters long and consist of:</p> <ul style="list-style-type: none"> • Uppercase and lowercase letters in English (A-Z, a-z) • Digits from 0 to 9 • Special characters such as ! # \$ % & ' * + - / = ? ^ _ ` { <p style="margin-left: 40px;">A special character cannot appear as the first or last character in an email address or appear consecutively two or more times. The most commonly used special characters are the period (.), underscore(_), hyphen (-) and plus sign (+).</p> <ul style="list-style-type: none"> • Alternative special characters such as " () , ; < > @ [\] <p style="margin-left: 40px;">These alternative special characters may be used with certain restrictions but are generally avoided since they may be prohibited by a sending or receiving server.</p> <p style="margin-left: 40px;">Because an organization or mailbox provider may restrict the use of special characters even though they are technically valid, it is best to minimize the use of special characters in recipient names.</p>

PAGE	CODE	COMMENT
19	3026	<ul style="list-style-type: none"> This code indicates that the CSV file contains an ETI value. We would appreciate clarification on whether code 3026 should appear on the CSV. Additionally, we note the following two updates: <ul style="list-style-type: none"> If the employer does not qualify for ETI, then this field must not be included in the import file; If the employee does not qualify for ETI in any of the months during the reconciliation period, then the value must be N (No) In the event that an individual qualifies for ETI, but the ETI is zero (0) for the year of assessment, then the we understand that the value indicated under code 3026 must be N (No), irrespective of the fact that the statement is then not technically correct.
23	3125	<ul style="list-style-type: none"> This code refers to the employee's e-mail address. The same comment as above in respect of code 2027 applies to code 3125.

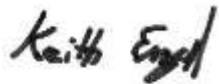
PAGE	CODE	COMMENT
37	3230	<ul style="list-style-type: none"> This code refers to the number of the directive issued by SARS relating to a specific income. Under the notes it is stated that: "A maximum of 5 directives can be included in one IRP5/IT3(a) certificate". However, currently it appears that e@syFile will only have space to populate 3 directives? We have included an illustration of this below: <p>Directive Numbers:</p> <p>Directive Number 1: <input type="text"/></p> <p>Directive Number 2: <input type="text"/></p> <p>Directive Number 3: <input type="text"/></p> <p>Employment Tax Incentive</p> <p>ETI <input type="checkbox"/></p> <p>Employee SIC7 Code <input type="text"/></p>
37	3231	<ul style="list-style-type: none"> This code refers to the date the directive was issued by SARS. e@syfile does not have a field for this date
37	3232	<ul style="list-style-type: none"> This code refers to the specific income source code indicated on the directive issued. e@syfile does not have a field for this date
37	3233	<ul style="list-style-type: none"> This code refers to the value of the lump sum or taxable benefit as per the directive issued. e@syfile does not have a field for this date

PAGE	CODE	COMMENT
72	3713	<ul style="list-style-type: none"> This code refers to other allowances (PAYE). The additional example provided under code 3173 (in blue) appears to be an actual reimbursement. However, if our understanding is correct, we recommend that it be stated clearly in the example that the employee provides proof of expenditure to the employer.
86 and 87	4582 and 4583	<ul style="list-style-type: none"> Codes 4582 and 4583 still refer to section 11(k) of the Income Tax Act, No. 58 of 1962 (the Act) as opposed to section 11F of the Act.

Conclusion

Following on from the list of comments above, we would appreciate SARS' consideration regarding the aspects listed therein.

Yours faithfully,



Keith Engel
CEO