



# SARS Operations, Reporting and eFiling

SAIT Webinar  
25 August 2022

*YOUR KEY TO THE TAX COMMUNITY*

## Agenda:

**This session will contain a brief overview of SARS Operations, reporting and eFiling including the following aspects:**

- Important filing, payment and/or reporting dates
- Current challenges in the SARS operational space
- New procedures, systems and SARS implementations
- Relevant legislative interpretation and new legislation and/or regulation
- New matters affecting the tax practice management
- HOT TOPIC.

## **Anchors:**

- **Cecile Bothe** – (Consultant at SAIT)

Cecile Bothe is Consulting to SAIT (ex SARS) with 44 years of experience at SARS. Specialises in Income Tax, Provisional tax, Deceased and insolvent estates, Donations Tax and Estate duty.

- **Yolisa Dyasi** – (Tax Technical Consultant at SAIT)

Yolisa is the Tax Technical Consultant at SAIT. She is responsible for management of the SAIT Tax Technical Helpline, SARS escalations and SARS operational submissions.

## Guest

- **Gert van Heerden**– (Senior Manager: Legal Services & Systemic Investigations – Office of the Tax Ombud)
- Gert van Heerden was appointed as Senior Manager: Legal Services at the Office of the Tax Ombud in May 2015. At the OTO, he spearheaded several investigations into systemic issues which resulted in improvements in the services rendered to taxpayers, as well as development and publication of the Compilation of Taxpayers' Rights, Entitlements and Obligations.
- He has over 15 years' post-admission experience in the legal field specialising in taxation. His key areas of interest are tax dispute resolution, debt recoveries and administrative law.
- After completing his articles and being admitted as an attorney in 2008, van Heerden joined SARS as a legal advisor in the Legal Delivery and Support Department for the Gauteng Central Region.
- In 2010, he was appointed as the dedicated legal specialist for the High Complex Debt Team based at Megawatt Park in Sunninghill, Johannesburg. In May 2012, van Heerden was appointed as Manager of the Legal Delivery and Support Department in Gauteng Central. In 2014, he joined the legal department of Afrocentric Health (Pty) Ltd, where he was Senior Manager until he joined the Office of the Tax Ombud.





# Important filing, payment and/or reporting dates

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Tax Type	Date	Notification
Value-Added Tax	25/08/2022	Manual <b>VAT201</b> submissions and payments
Value-Added Tax	31/08/2022	Electronic <b>VAT201</b> submissions and payments
Income Tax	31/08/2022	<b>1st provisional (2023)</b> submissions and payments for individuals, trusts and companies with a February year-end
Turnover Tax	31/08/2022	<b>1st (2023)</b> payments for micro businesses registered for turnover tax
Employment Taxes	07/09/2022	<b>EMP201</b> submissions and payments
Value-Added Tax	23/09/2022	Manual <b>VAT201</b> submissions and payments
Value-Added Tax	30/09/2022	Electronic <b>VAT201</b> submissions and payments
Income Tax	30/09/2022	<b>3rd provisional (2022)</b> payments for individuals, trusts and companies with a February year-end period



# Current challenges in the SARS operational space

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- **New! 2022 Tax returns fail to recognise the date taxpayers cease SA tax residency**
- For Filing Season 2022, the date on which a taxpayer ceased to be a resident should be pre-populated on the ITR12.
- SAIT has received various examples wherein previously reported cessation of tax residence is not reflected on the ITR12. These examples, having omitted the personal details, have been included in the submission to SARS.
- There appears to be significant interest from members in the area of the cessation of tax residence, over and above the current challenges with previously reported cessation of tax residence not featuring in the taxpayer's ITR12.
- SAIT is in the process of updating its advisory on this subject. We shall include the updated advisory in one of the forthcoming issues.



# Current challenges in the SARS operational space

- **New! Auto-assessments: SARS system erroneously rejects edited returns**
- A taxpayer can disagree with an estimated assessment issued to them. However, the taxpayer must edit the tax the return, effectively submitting a Request For Correction (RFC).
- Ordinarily, SARS will issue a revised assessment (i.e. a reduced or additional assessment). Notwithstanding, from cases reported by our members, the SARS system has been sending out erroneous rejections with these reasons:
  - The submitted information matches the issued original estimated assessment; or
  - The RFC was received after the expiry of the 40 business days.

# Current challenges in the SARS operational space

- **New! Auto-assessments: SARS system erroneously rejects edited returns**
- Following on from the submission, SARS implemented the following system fixes over the weekend of 30 – 31 July 2022:
  - Edited returns submitted by taxpayers from an auto-assessment (estimated assessment) that were incorrectly rejected.
  - Expenses in edited returns submitted by taxpayers from an auto-assessment (estimated assessment) that were incorrectly ignored.
- The following fixes will be implemented over the weekend of 6 – 7 August 2022 as a follow-on from the system fixes implemented above:
  - The re-processing of affected returns.
  - SARS will issue a letter to the affected taxpayers.
- In cases where the taxpayer has objected and the case has not yet been completed, SARS will cancel the dispute and request for reason, and process the edited return submitted by the taxpayer.

# Current challenges in the SARS operational space

- **New! SARS not meeting turn around times**

SAIT has escalated various cases to the SARS regional contact persons, where SARS has not kept to the agreed turnaround times. The delays primarily relate to the following:

- Verifications and refunds (Income tax and VAT);
- Disputes (objections and appeals);
- Updating of registered representative details;
- Tax Compliance Status: Foreign investment allowance;
- Deceased estate compliance letters;
- Bank detail verifications and stoppers;
- Payment arrangements; and
- Financial year-end changes.

Members are reminded that they can escalate SARS service delays to the SAIT [TaxHelpline](#) on the basis that the member has followed the correct procedure.



# New procedures, systems and SARS implementations



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- **More online SARS services**

- The option SARS has made more digital channels available on the SARS website. A new feature was added for the benefit of individual taxpayers via the SARS online query system (SOQS).
- With an OTP verification, individuals can now request an income tax notice of assessment (ITA34) for a year of assessment or a statement of account (ITSA) for either a 6-month period or a specific date range outside of the eFiling process. Click [here](#) to view and access the new feature. Members can also access the updated [Guide to the SARS Online Query System](#) for more guidance.
- Members are advised to familiarise themselves with the full range of [online services](#) available through SOQS. Taxpayers and practitioners should use the online services instead of scheduling an appointment or phoning the SARS contact centres.

# New procedures, systems and SARS implementations

- **SARS security updates affecting the RAV01**
- SARS intends to roll out additional security features due to an increase in incidents of cyber fraud cases reported to SARS. Currently, the one-time pin (OTP) is used as a security feature for sensitive transactions such as login retrieval and resetting of passwords. SARS intends to extend the OTP (to email or sms) to apply to certain key updates done on the RAV01 form, for example, Security Contact Details (individuals) and Bank Details (any authorised user as per RAV rules).
- SARS also intends to change its systems in due course to ensure that a username is only allowed for a single active login session. This is due to the fact that in some tax practices, the same user log in details are used by multiple persons. This tax practitioner behaviour contributes to significant risks. In future, tax practitioners will have to actively manage their usernames and passwords. Click [here](#) to read more in the issue.

# Relevant legislative interpretation and new legislation and/or regulation

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- Retirement reform: Draft legislation for the “two-pot” system.
- Reviewing and clarifying various issues regarding transfers, compulsory annuitization and retirement in respect of interests in certain retirement funds.
- Reviewing the timing of accrual and incurral of variable remuneration.
- Apportionment of the interest exemption and annual CGT exclusion when an individual ceases to be tax resident.
- Extension of the Research and Development tax incentive sunset date.
- Imposition of understatement penalties on ETI reimbursements improperly claimed.
- Some proposals regarding the abuse of the tax compliance system.





# New matters affecting the tax practice management

# Matters affecting the tax practice management

- **SARS to establish a Dispute Resolution Working Group**
- A particularly exciting development is that SARS is facilitating the establishment of a Dispute Resolution Working Group.
- The main focus of the Work Group appears to be to enhance communication between SARS and the industry on disputes management, related SARS initiatives, challenges that are being experienced, enhancement of current processes, and a review of the SARS Disputes Framework.
- The engagement with the SARS Work Group will primarily be driven through the SAIT Tax Administration and Dispute Management Work Group.

# Matters affecting the tax practice management

- **SARS considers closing the Tax Practitioner Call Centre**
- As part of a larger strategy of continually improving service delivery and engagement, SARS is investigating the viability of the Tax Practitioner Contact Centre. As part of this investigation, SARS is considering the addition of various applications / services to its online platforms.
- SARS has requested that SAIT and other recognised controlling bodies (RCBs) reach out to their members to get their views. We have prepared an anonymous survey to assist.





# HOT TOPIC





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# #TaxpayersRightsMatter

## PRACTICAL ASPECTS ON TAX ESCALATIONS / COMPLAINTS§

Gert van Heerden  
Office of the Tax Ombud



# 1. Defined Legal Timeframes

- Timeframes set out in legislation and has legal implications if not complied with.
- Clearly set out; unambiguous; and create certainty.

Examples:

- SARS must finalise an objection within 60 days after it is lodged.
- A taxpayer cannot submit an objection more than three years after the assessment was lodged.



## 2. Undefined Timeframes

- SARS and taxpayers alike cannot have an indefinite period to do something.
- Whatever action is required must be done in a reasonable period.
- What can be regarded as a reasonable period is subjective and dependent the facts of each matter.
- Example:
  - SARS is not bound by a specific period to finalise an verification; but
  - In its Service Charter it undertakes to finalise verifications within 21 business days.



# 3. SARS Service Charter

SARS gives undertakings that are not necessarily legally binding or enforceable.

- It does give the taxpayer an indication of when it has a reason to complain.
- Example: SARS undertakes to finalise 80% audits within 90 business days.

SARS included legal timeframes in the Service Charter as well.

- SARS indicates it will for instance finalise 50% of ADR matters within 90 days; but it is legally obliged to comply with the law;
- In the case of dispute resolution, taxpayers should base their actions on the DR Rules and not what is contained in the Service Charter.



## 4. Timeframes specific to Complaint Resolution

SARS's complaints process is simple:

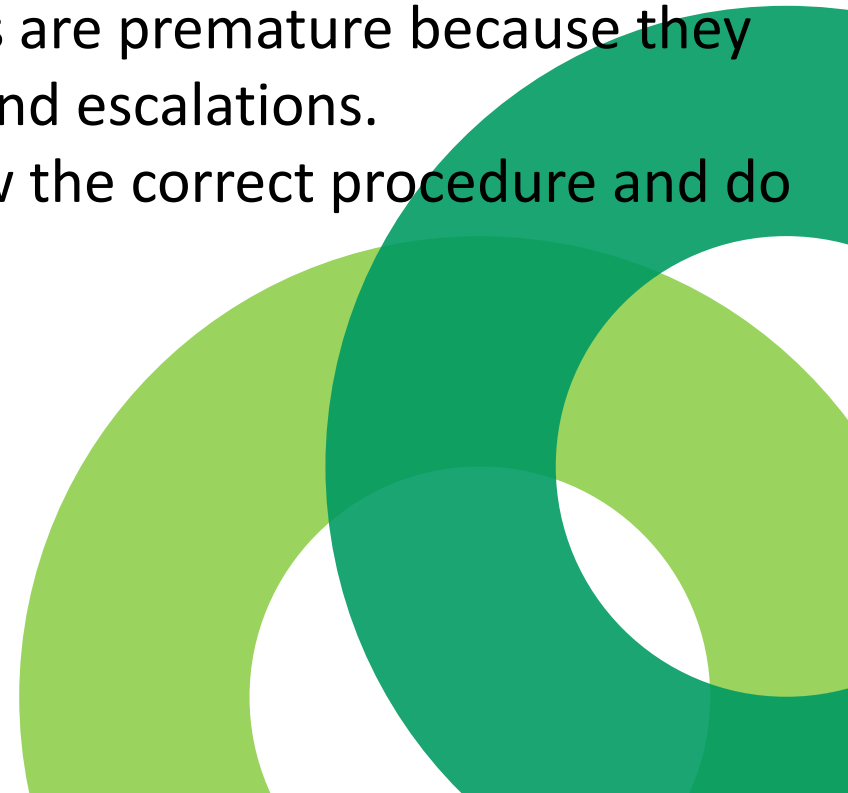
- Escalate the matter to get a case number (no timeframe in the new Service Charter); and
- If not resolved lodge a complaint with its Complaint Management Office (the CMO).

The OTO is legally prohibited from reviewing complaints unless taxpayers have followed the SARS Complaints procedure.



# 5. The reality of complaint timeframes

- By the time taxpayers and practitioners get to the OTO they are already frustrated.
- The OTO is legally obliged to facilitate access to the SARS Complaints Management Office (CMO) if taxpayers did not exhaust the two steps on the previous slide.
- We must then send frustrated taxpayers back to SARS if the complaints are premature.
- Taxpayers often do not understand why we say the complaints are premature because they have been struggling with SARS for months doing follow-ups and escalations.
- This is purely because taxpayers and practitioners do not know the correct procedure and do not hold SARS to their undertakings.



# 6. The fastest way to complain

- Escalate the issue with SARS and get a reference number.
- SARS will give itself **21 days** to attend to that escalation.
- Immediately after the lapse of this **21 day** period lodge a complaint with CMO.
- CMO then has **21 days** to resolve the complaint.
- The practitioner can now access the services of the OTO **42 business days** after SARS failed in finalising the verification.







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# QUESTIONS? THANK YOU.

## Contact details:

**Tel:** 0800 662 837 / 012 431 9105

**Fax:** 012 452 5013

**Email:** [complaints@taxombud.gov.za](mailto:complaints@taxombud.gov.za)

**Web:** [www.taxombud.gov.za](http://www.taxombud.gov.za)

## Physical address:

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Thank you