



# SARS Operations and eFiling

**SAIT Webinar**  
**9 November 2023**

*YOUR KEY TO THE TAX COMMUNITY*

## **Anchors:**

- **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.
- **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.

# Guest

- **Sidney Fletcher** - Senior Manager: Trust and Deceased Estate Tax Compliance (Tax Consulting South Africa)

Sidney is a versatile and results-driven qualified Senior Tax Practitioner. He has more than 20 years of experience working for SARS and was responsible for Taxpayer Education for a big part of that period.

He is a dedicated professional with extensive knowledge and his affinity for Individual Taxes makes him an excellent tax planner and skilled at tax optimisation.

Committed to the best care for clients through transparent communication. Skilled in negotiation with a strong ability to problem solve to assist clients with tax problems.

## Agenda:

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

- ❖ General SARS Ops updates
  - ✓ Important filing, payment and/or reporting dates;
  - ✓ Current challenges in the SARS operational space;
  - ✓ New procedures, systems and SARS implementations;
  - ✓ New matters affecting the tax practice management;
  - ✓ Relevant legislative interpretation and new legislation and/or regulations
- ❖ Expert Corner; and
- ❖ Question and Answer Session





# Important filing, payment and/or reporting dates

# Important filing, payment and/or reporting dates

Value-Added Tax	24/11/2023	Manual <b>VAT201</b> submissions and payments
Value-Added Tax	30/11/2023	Electronic <b>VAT201</b> submissions and payments
Employment Taxes	07/12/2023	<b>EMP201</b> submissions and payments
All Taxes	15/12/2023 – 15/01/2024	Tax Dispute <i>Dies Non</i>
Value-Added Tax	22/12/2023	Manual <b>VAT201</b> submissions and payments
Value-Added Tax	29/12/2023	Electronic <b>VAT201</b> submissions and payments
Employment Taxes	05/01/2024	<b>EMP201</b> submissions and payments
Income Tax	24/01/2023	Submission due date for <b>2023 income tax returns</b> for individuals and trusts that are provisional taxpayers
Value-Added Tax	25/01/2024	Manual <b>VAT201</b> submissions and payments
Value-Added Tax	31/01/2024	Electronic <b>VAT201</b> submissions and payments



# Challenges in the SARS Operational space

# SARS' SMSes to Company Tax Representatives

- *“Dear Tax Representative of (Taxpayer Name) you failed to submit your company income tax returns with reference no:XXXXXXXXXX. Failure to submit the returns is a criminal offence in terms of section 234, (2)(d) of TAA. to avoid more administration penalties being levied against you, kindly submit all the outstanding returns wthin 10 days of this SMS, Should you fail to submit the returns, we will initiate the criminal process and send you a NOTICE OF INTENTION TO SUMMONS. Please ignore if you have since complied. SARS”*

As per the 2023 Public Notice 3540, issued on 14 June 2023, the requirements for the submission of a CIT return are:

- (i) Derived gross income of more than R1 000;**
- (ii) Held assets with a cost of more than R1 000 or had liabilities of more than R1 000, at any time;**
- (iii) Derived any capital gain or capital loss of more than R1 000 from the disposal of an asset to which the Eighth Schedule of the Income Tax Act applies; or**
- (iv) Had taxable income, taxable turnover, an assessed loss or an assessed capital loss.**



# CIPC Deregistration vs SARS Deregistration

## Circumstances

- A company or close corporation may be deregistered upon request from the company or close corporation or any other third-party, provided that the company or close corporation:
  - a) has ceased to carry on business; and
  - b) has no assets or, because of the inadequacy of its assets, there is no reasonable probability of the company being liquidated.

## Supporting documents required

- Statement confirming that-
  - i. The company or close corporation is not carrying on business or is dormant; and
  - ii. has no assets, or because of the inadequacy of its assets, that there is no reasonable probability of the company being liquidated (if third party, the statement must be supplemented with sufficient documentary proof confirming the statement);
- Tax clearance certificate or any other written confirmation from SARS that no tax liability is outstanding (an affidavit if not registered for tax);
- If the company or close corporation submits the request, the letter must be signed by each active director, or otherwise by the person who is requesting the deregistration;
- Tax number (if available); and
- Certified ID copy of any of the persons signing the letter wherein deregistration is required.

# CIPC Deregistration vs SARS Deregistration

## Circumstances

- A company may deregister the various tax type registered with SARS separately. This means that the status of the tax reference number in which the application is for will change to 'Deregistered' after the finalisation of the deregistration process by SARS and it will be indicated from which date.
- Once the tax type is deregistered, the taxpayer is automatically released from the tax obligations attached to the tax type. Prior to the deregistration, however, SARS may audit the tax number to ensure that all returns and debts were accurately declared and paid.

## Supporting documents required

- **Companies:**
  - The taxpayer must apply at CIPC for deregistration before SARS can proceed with deregistration. CIPC requires you to be Tax Compliant before they consider your application.
- **Value-Added Tax:**
  - A written request for deregistration can be requested via an appointment.
  - Fully completed VAT123e or VAT123T in the case of a separate registered enterprise/branch/division (date business ceased trading is mandatory).
- **Pay-As-You-Earn:**
  - A written request for deregistration can be requested via an appointment or sent via email to [pcc@sars.gov.za](mailto:pcc@sars.gov.za) or [contactus@sars.gov.za](mailto:contactus@sars.gov.za).
  - To make it easier for employers to request a deregistration without any additional supporting documents/written requests (EMP123/written notification), new system channels have been introduced whereby an employer can request a deregistration for PAYE/SDL/UIF(eFiling- Registration Maintenance).
- Fully completed EMP123 (date business ceased trading is mandatory) /written notification

# New procedures, systems and SARS implementations



# Declaration of Investment Income on the ITR12 Return

- In 2022, SARS implemented some validation rules around third-party data pre-populated on the ITR12 return. As a result, some taxpayers were unable to add or delete investment income from the returns, thus resulting in an inaccurate declaration.
- On 13 October 2023, SARS announced that investment income received for the 2023 year of assessment will be prepopulated on the Individual Income Tax Return (ITR12) with third-party data sent to SARS, however the taxpayer will be able to add or delete the third-party data.
- To declare investment income not prepopulated on the return, click on the 'Add' button and insert the institution name, account number and amount.
- To remove incorrect investment income items on the return, click on the 'Delete' icon displayed next to the applicable institution name. It is important to note that if prepopulated investment income data is deleted, the return may be routed for verification.
- Although the user can edit the information per institution, the total investment income amount field (e.g. source code 4201 for local interest) will be locked on the ITR12 and is the sum of the amounts received per institution.

# PAYE Monthly submission external BRS was published

- As things stand, the revised testing period will therefore be rescheduled to commence on 1 September 2025, followed by implementation on **1 March 2026**.
- It is intended that we remove the BRS V1.0 from the SARS website, but that discussions to further enhance the BRS continue.
- In addition, SARS will soon commence BRS discussions on other third-party data requirements.

# Matters affecting the tax practice management



# Charging of contingency fees by Tax Practitioners

To protect the interests of taxpayers and prevent revenue loss to the fiscus, SARS wishes to clarify that:

The charging of a contingency fee for completing or correcting tax returns is not an acceptable form of remuneration for tax practitioners.

The charging of a contingency fee is acceptable when:

- There is a dispute between the taxpayer and SARS under Chapter 9 of the TAA; and

- The taxpayer brings an application for SARS to review its decisions under section 9 of the TAA.

Charging of contingency fees for submission of tax returns has been forbidden since 2013.

Charging of contingency fees is not allowed for correcting tax returns from 14 September 2023.



# Relevant legislative interpretation and new legislation and/or regulations

# Legislative instruments tabled during the MTBPS

Bills
<a href="#"><u>The Division of Revenue Amendment Bill</u></a>
<a href="#"><u>The Adjustments Appropriation Bill</u></a>
<a href="#"><u>The Rates and Monetary Amounts and Amendment of Revenue Laws Bill</u></a>
<a href="#"><u>The Taxation Laws Amendment Bill</u></a>
<a href="#"><u>The Tax Administration Laws Amendment Bill</u></a>
<a href="#"><u>The Revenue Laws Amendment Bill</u></a>
<a href="#"><u>The Eskom Debt Relief Amendment Bill</u></a>



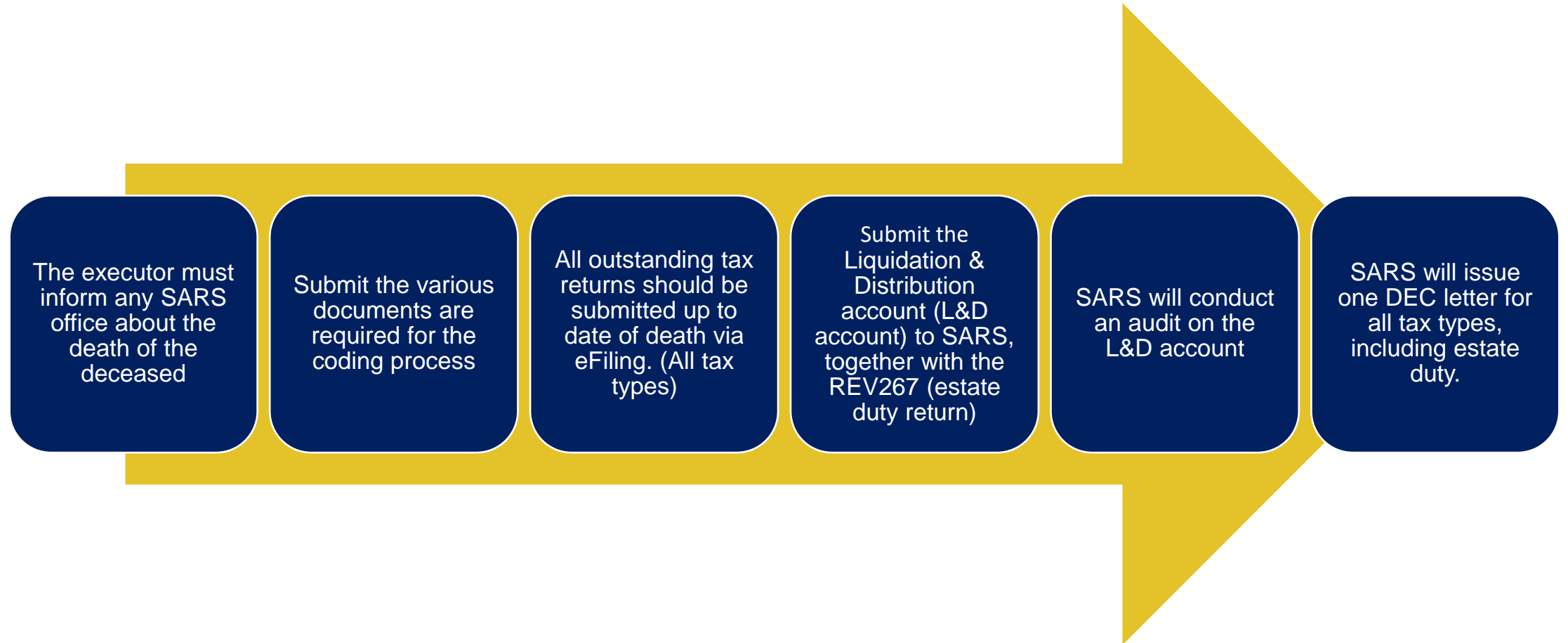
# Expert Corner

## Deceased Estates: Tips and Tricks to handling the tax affairs of an estate

# Topic Overview

- Deceased Estate Process flow
- Reporting a deceased estate
- eFiling profile of the Deceased Person and Tax Type Activation
- Change of Banking details
- How to register the deceased estate for the second tax reference number
- Deceased Estate Compliance Letters
- Masters offices vs region of registration for deceased estates
- Approval for share valuation for a deceased estate

# Deceased Estate Process flow





# Reporting a deceased estate



## Report New Estate Case

Query Type:

Report New Estate Case

Category:

Deceased

### Taxpayer (Estate) Details:

Name:

Type:

Individual

Tax Type:

Income Tax

Tax No: \*

ID Type:

South African ID Number

ID No: \*

### Requestor Details:

Title: \*

Ms

Initials: \*

Name: \*

Surname: \*

Capacity:

Delegated Representative

PR No:

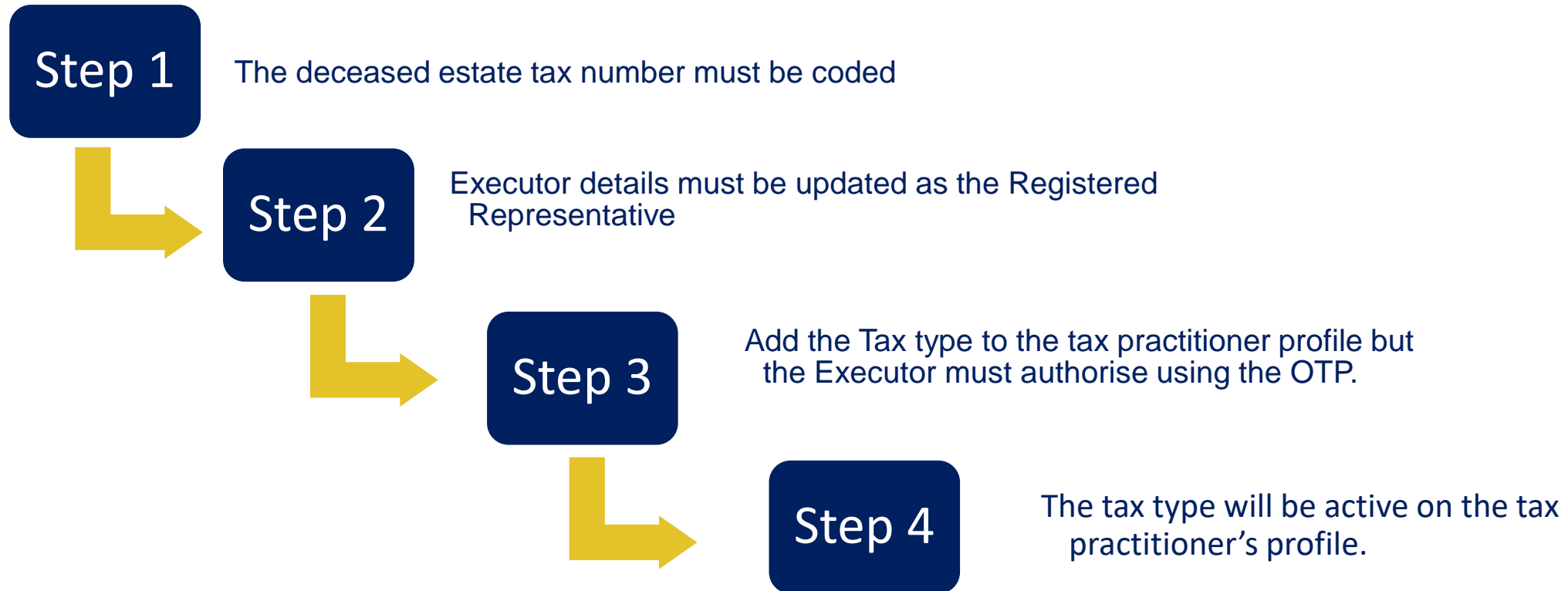
PR-

EMail: \*

Mobile: \*

Telephone:

# eFiling profile of the Deceased Person and Tax Type Activation



# Change of Banking details

Change of banking details for a deceased taxpayer can only be made once classified as a “deceased estate” by SARS. Executors are advised to wait for a letter from SARS confirming the status change before trying to change the banking details.

- ✓ The bank account details must be provided of the executor
- ✓ Individual appointed as an executor:
  - A letter of authority/executorship signed and stamped by the Master of the High Court.
  - Company appointed as an executor:
- ✓ Original letter on the executor’s letterhead (showing the executor’s business physical address) which specifies the name and identity/passport number of the individual nominee
- ✓ Certified copy of a letter of authority/executorships/appointment signed and stamped by the Master of the High Court
- ✓ Copy of proof of the executor’s business physical address.



# How to register the deceased estate for the second tax reference number

To register the deceased estate for the second tax reference number:

- ❖ Menu under **“My Tax Products”**
- ❖ Open Income Tax container and select Normal as sub category and **“Post Death Income”** as Classification.
- ❖ Confirm that the **“Date of Liability”** is set as for example, 2022 or the tax year in which the Taxpayer received the post date of death income.
- ❖ Once the second registration is processed and the entity has an existing **“To-Date of Death”** Estate record, the second registration will automatically be set with a status of **“Deceased Estate”**.
- ❖ The notification of the registration is then sent to the registered representative and not the Tax Practitioner.

# Deceased Estate Compliance Letters

- The executor can Request the Deceased Estate Compliance letter (DEC) via the email addresses:
  - [contactus@sars.gov.za](mailto:contactus@sars.gov.za)
  - [pcc@sars.gov.za](mailto:pcc@sars.gov.za)
  - [estateduty@sars.gov.za](mailto:estateduty@sars.gov.za)
- This letter must not be requested when reporting the case. As this is the last step in the process that takes place when the case is finalised.
- The DEC letter must be requested when the assessments are finalised and the account has a nil balance.
- SARS will issue one DEC letter, for all Taxes, including estate duty. This letter is send to the Executor that needs to submit it to the Master.

# Masters offices vs region of registration for deceased estates

Region	Masters Office
Eastern Cape	Master of the High Court Bisho Master of the High Court Grahamstown Master of the High Court Mthatha Master of the High Court Port Elizabeth (Gqeberha)
Free State and Northern Cape	Master of the High Court Bloemfontein Master of the High Court Kimberley
Gauteng North	Master of the High Court Pretoria
Gauteng South	Master of the High Court Johannesburg
KwaZulu-Natal	Master of the High Court Durban Master of the High Court Pietermaritzburg
Limpopo	Master of the High Court Polokwane Master of the High Court Thohoyando
Mpumalanga	Master of the High Court Nelspruit
North West	Master of the High Court Mmabatho
Western Cape	Master of the High Court Cape Town



# Approval for share valuation for a deceased estate

- SARS Commission must approve the valuation of shares held by the deceased person in unlisted companies – close corporations or shareblock companies at the time of death. The valuation packs together with the valuation pack checklist must be sent to [estatesharevaluations@sars.gov.za](mailto:estatesharevaluations@sars.gov.za).
- The requirements for each type of valuation pack can be accessed on the [SARS Estate Duty webpage](#).

# Questions

How to get a Tax number from SARS for the deceased when an executor has not been appointed yet with SARS?

We can not do Power of attorney or load taxpayer on efilings when we do not have a tax number or correct tax number. SARS call centre also refuses to assist us in giving the tax number.

- W Boshoff





# Thank you