



SARS Operations and eFiling

**SAIT Webinar
13 April 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

- **Nico Theron** Chartered Tax Advisor (SA) (BCom law (*Cum laude*); BCom Honours Taxation; MCom Taxation (SA and International Tax)).

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
 - ✓ Relevant legislative interpretation and new legislation and/or regulation
- ❖ Expert Corner; and
- ❖ Question and Answer Session

Important filing, payment and/or reporting dates

Important filing, payment and/or reporting dates

Employment Taxes	01/04/2023	Start of the annual employer EMP501 reconciliation submissions
Other	01/04/2023	Start of the annual third-party submissions period
Employment Taxes	07/04/2023	EMP201 submissions and payments
Value-Added Tax	25/04/2023	Manual VAT201 submissions and payments
Value-Added Tax	28/04/2023	Electronic VAT201 submissions and payments
Employment Taxes	05/05/2023	EMP201 submissions and payments

Current challenges in the SARS operational space

Current challenges in the SARS operational space

Year (Jan to Mar period)	Number of escalations	Main categories (Top 3)
2021	72	<ul style="list-style-type: none">• Delays in the finalisation of Foreign Investment Allowance (FIA) TCS'.• SARS' failure to honour scheduled virtual appointments.• Delay in the payment of VAT refunds..
2022	135	<ul style="list-style-type: none">• Delays in the finalisation of registered representative requests.• SARS' failure to finalise disputes within the prescribed turnaround times.• Constant reversal of income tax refunds.
2023	464	<ul style="list-style-type: none">• Delay in the finalisation of VAT verifications.• Delay in the payment of VAT and Income tax refunds.• SARS' failure to finalise disputes within the prescribed turnaround times.



Relevant legislative interpretation and new legislation and/or regulation

Relevant legislative interpretation and new legislation and/or regulation

The term “official rate of interest” is defined in section 1(1) of the Income Tax Act 58 of 1962 (the Act)

A taxable benefit (fringe benefit) arises if an employee incurs a debt in favour of the employer, any other person by arrangement with the employer, or an associated institution in relation to the employer, if no interest is payable or if the interest payable is less than the “official rate of interest”. The difference between the amount which would have been payable if the debt had incurred interest at the official rate, and the interest actually paid by the employee, is taxed as a fringe benefit

Table	Description
<u>Table 1</u>	Interest rates on outstanding taxes and interest rates payable on certain refunds of tax updated on 27 January 2023
<u>Table 2</u>	Interest rates payable on credit amounts updated on 27 January 2023
<u>Table 3</u>	Rates at which interest-free or low interest loans are subject to income tax updated on 3 April 2023 * The South African Reserve Bank changed the “repo rate” on 30 March 2023, effective 1 April 2023

Relevant legislative interpretation and new legislation and/or regulation

Person mentioned in paragraph	Information concerning	Form
2.14 - A person referred to in section 18A(1)(a) to (c) of the Income Tax Act, 1962, that issued a receipt in terms of section 18A(2) of the Act	Any amount donated to an entity listed in paragraph 2.14 and the person who made the donation.	IT3(d); or Data compiled in accordance with SARS' Business Requirement Specification: IT3 Data Submission
2.15 - A "trust" as defined in section 1 of the Income Tax Act, 1962, that is a "resident" as defined in that section	Any amount vested in a beneficiary including income (nett of expenditure), capital gains and capital amounts distributed	IT3(t); or Data compiled in accordance with SARS' Business Requirement Specification: IT3 Data Submission

Relevant legislative interpretation and new legislation and/or regulation

Person mentioned in paragraph	Information concerning	Form
2.16 - A person who issues a solar installation certificate of compliance.	The installation of new and unused solar photovoltaic panels at a residence solely or mainly used for domestic purposes	[To be determined after consultation with industry bodies and other stakeholders. Information will include the following details: Income tax reference number (or identity number if no income tax reference number is available) of the person on behalf of whom the installation was done, physical address of installation, cost of the solar photovoltaic panels and the date on which they were first brought into use.]

New procedures, systems and SARS implementations

New procedures, systems and SARS implementations

- Enhancement to the VAT264

The VAT264 form is used for the declaration of the supply of second-hand goods. A vendor deducting notional input tax on moveable second-hand goods must ensure that all the information required in terms of section 20(8) of the Value-Added Tax Act, No. 89 of 1991 (VAT Act), is furnished by the owner supplying the goods, and such must be attached to the VAT264 declaration.

- New service provider for VAT Refund Administration (VRA)

The qualifying purchaser must submit a claim for the VAT refund at the time of departure from South Africa or at the time the goods are exported by the qualifying purchaser from South Africa. The VAT refund only applies to the acquisition of goods by the qualifying purchaser and not on the acquisition of services.

Expert Corner

Tax Dispute Resolution Getting SARS to see your side

Tax Dispute Resolution

- Request for Reasons
- Notice of Objection
- Notice of Appeal
- Request for section 93 revision

Tax Dispute Resolution

Request for Reasons

- Aggrieved by an assessment issued by SARS;
- Grounds provided on the assessment do not sufficiently enable the taxpayer to understand the basis of the assessment; and
- Formulate an objection

Tax Dispute Resolution

Notice of Objection

- A taxpayer who is aggrieved by an assessment issued by SARS, must be submitted within 80 business days from the date of the decision.
- Where exceptional circumstances exist a senior SARS official may extend the period to up to three (3) years after the issuance of the assessment.
- If more than 3 years have lapsed the assessments will be deemed as final.

New Dispute Resolution Rules

What Changed *

Description	Old Rules	New Rules
Objection Time	30 Days	80 Days

How does the new Rule apply:

If assessment or decision was issued / made before 10 March 2023:

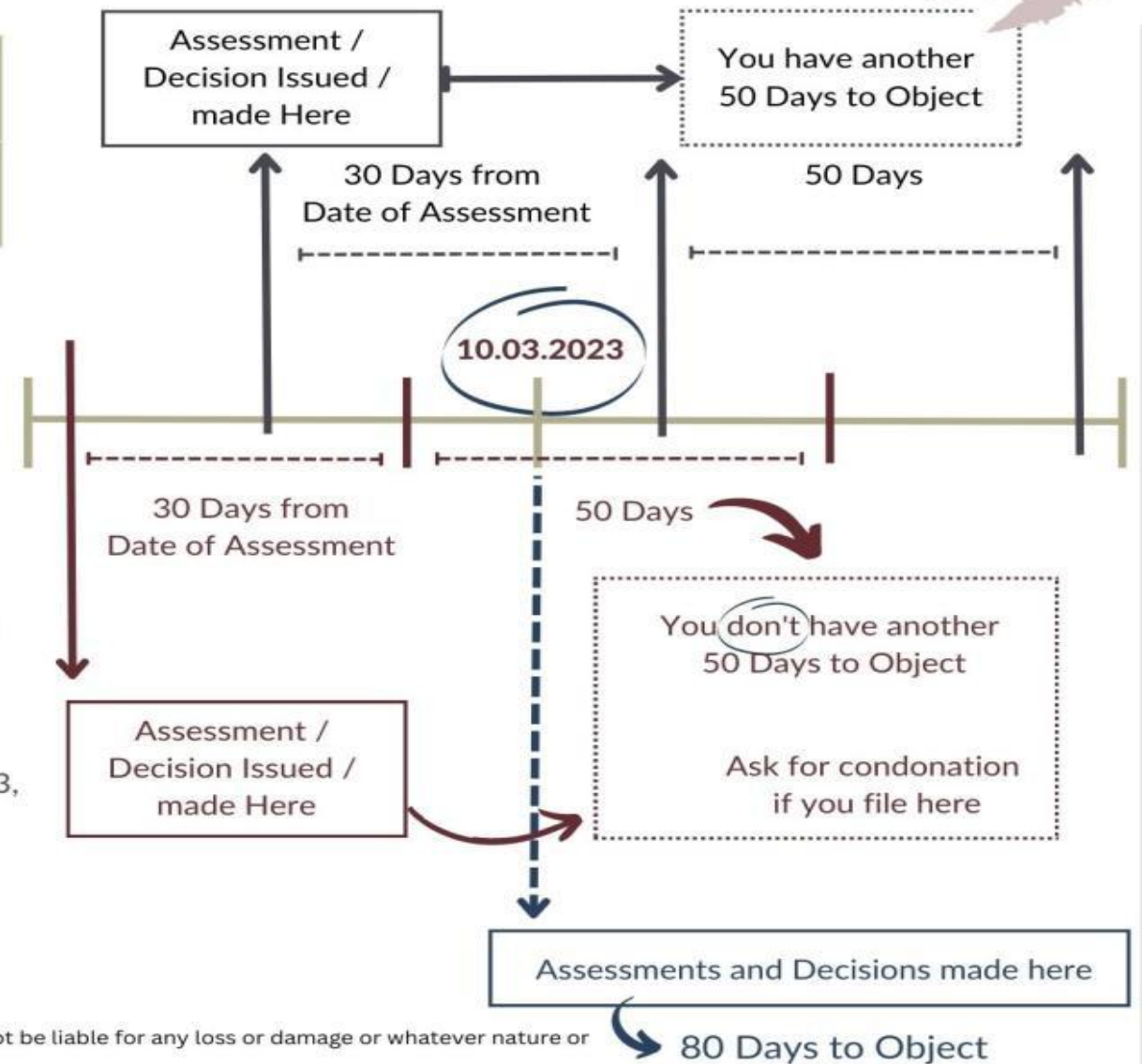
→ And 30 days from that date expired **before** 10 March 2023, you are bound to 30 days under the old rules and must request condonation (Rule 68 (1) and (3) of the new rules)

If assessment or decision was issued / made before 10 March 2023:

→ And 30 days from that date expire **after** 10 March 2023 you will have another 50 days to object without having to request condonation (Rule 67 of the new Rules)

If assessment or decision was issued / made on or after 10 March 2023, you have 80 days to object.

* Several other changes are not detailed in this document



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Tax Dispute Resolution

Notice of Appeal

- A taxpayer who does not agree with the outcome of the notice of objection (disallowance or partial allowance) must be submitted within 30 business days from the date of the decision.
- Where exceptional circumstances exist a senior SARS official may extend the period appeal to up to 75 business days
- If more than 75 business days have lapsed from the date of the decision on the objection, the assessment will be deemed final

Tax Dispute Resolution

Pros and Cons



**ALTERNATIVE DISPUTE
RESOLUTION**



**LITIGATION IN THE TAX
COURT**

Other Public Notices

Notice Numbers	Description	Implementation Date
CG 48187 Notice 3136	Notice of address of service specified by the Commissioner in terms of section 11(5) with regard to any notice or process by which legal proceedings are instituted. Notice 3136	10 March 2023
CG 48187 Notice 3135	Notice of addresses at which a document, notice or request is to be delivered or made for purposes of rule 2(1)(c)(ii) and rule 3(1) read together with rule 2(c)(iii) of the rules promulgated in terms of section 103 Notice 3135	10 March 2023

Rule 56 Applications

56. Application for default judgment in the event of non-compliance with rules

(1) If a party has failed to comply with a period or obligation prescribed under these rules or an order by the tax court under this Part, the other party may—

(a) deliver a notice to the defaulting party informing the party of the intention to apply to the tax court for a final order under section 129(2) of the Act in the event that the defaulting party fails to remedy the default within 15 days of delivery of the notice; and

(b) if the defaulting party fails to remedy the default within the prescribed period, apply, on notice to the defaulting party, to the tax court for a final order under section 129(2).

(2) The tax court may, on hearing the application—

(a) in the absence of good cause shown by the defaulting party for the default in issue make an order under section 129(2); or

(b) make an order compelling the defaulting party to comply with the relevant requirement within such time as the court considers appropriate and, if the defaulting party fails to abide by the court's order by the due date, make an order under section 129(2) without further notice to the defaulting party

Suspension of Payments

- Timing issue with the revoking of a Suspension of Payment
- Re-application of a SOP between objection and appeal stage

Tax Dispute Resolution

Request for section 93 revision

- SARS is satisfied that there is a readily apparent undisputed error made by –
 - SARS; or
 - The taxpayer in the return.
- A senior SARS official is satisfied that an assessment was based on –
 - The failure to submit a return or submission of an incorrect return by a third party under section 26 or by an employer under a tax Act;
 - A processing error by SARS; or
 - A return fraudulently submitted by a person not authorised by the taxpayer.

Tax Dispute Resolution

Request for section 93 revision

- A reduced assessment may be issued despite no objection being submitted or an appeal being noted.
- Unlike the objection and appeal, the request for section 93 revision is not time bound (prescription does not apply) and may be requested whenever the requirements are satisfied.
- The request for section 93 revision is normally a request for a service letter to be submitted to SARS via email to contactus@sars.gov.za or pcc@sars.gov.za.



Questions



Thank you