



SARS Operations, Reporting and eFiling

SAIT Webinar
28 April 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
- Relevant legislative interpretation and new legislation and/or regulation
- New procedures, systems and SARS implementations
- 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.

Guests:

- **Anton Krynauw (Krycom)** – (Independent consultant)

Anton Krynauw has been involved with eFiling and e@syFile since April 2002. Krycom was established in 2012, to focus on assisting, accountants, corporate clients as well as individuals, with their eFiling and e@syFile technical queries. Anton and Krycom are honoured to say that we have been assisting SALT members with queries for almost 7 years now.

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Important filing, payment and/or reporting dates

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Value-Added Tax	29/04/2022	Electronic VAT201 submissions and payments
Employment Taxes	06/05/2022	EMP201 submissions and payments
Value-Added Tax	25/05/2022	Manual VAT201 submissions and payments
Value-Added Tax	31/05/2022	Electronic VAT201 submissions and payments
Employment Taxes	31/05/2022	End of employer annual EMP501 reconciliation submissions
Other	31/05/2022	Close of the third-party annual submissions period

Current challenges in the SARS operational space

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- New! Registration of multiple testamentary trusts in terms of the same will.
 - Allocates the same registration number to the different testamentary trusts.
 - SARS validates rules prevent the duplicate income tax registration of the same trust.
 - Submission to the SARS Stakeholder Engagement Team
- New! Income tax return for trusts (ITR12T) not submitting
 - Not simulating a calculation, saving or submitting to SARS
 - System fix implement on 10 April 2022

Current challenges in the SARS operational space

- Update: Capturing retirement annuity contributions in the ITR12 wizard
 - **The 2021 ITR12 has been submitted but the retirement annuity contributions have not been taken into account.** - *submit a Request for Correction (RFC) of the 2021 income tax return. The retirement annuity third-party data will pre-populate*
 - **The 2021 income return has not been submitted and the retirement annuity information does not correctly populate.** - *send the taxpayer details (eFiling username, tax reference number, period and screen-prints of the error), to the SAIT Helpline to allow SARS IT developers to perform a manually fix on the ITR12.*
- Update: Delays with SARS contact centre
 - In response to these difficulties, SAIT has made a submission to the SARS Stakeholder Engagement team requesting the investigation and resolution of these challenges.



Relevant legislative interpretation and new legislation and/or regulation

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- New! Interpretation note 28 (Issue 3) finalised

Deductions: Home office expenses incurred by persons in employment or persons holding an office:

- SALT Submission to SARS in 2021
- Interest deduction
- CGT impact on Primary residence

Relevant legislative interpretation and new legislation and/or regulation

- New! Revised draft 2022 Rates and Monetary Amounts and Amendment of Revenue Laws Bill.
 - *“To provide some relief to households, no increases will be made to the general fuel levy on petrol and diesel for 2022/23. This will provide tax relief of R3.5 billion to South Africans,” he said. “There will also be no increase in the Road Accident Fund levy”.*
 - Temporary reduction in the general fuel levy and consequential amendments to the levy on biodiesel, which will temporarily decrease of R1.10 per litre over the two-month period between 6 April 2022 and 31 May 2022.
 - The revenue that will be foregone as a result of the above reduction, will be recouped through a sale of strategic crude oil reserves.
 - Diesel refund impact

New procedures, systems and SARS implementations

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- Declaration of cessation of residency on eFiling
 - (RAV01 form)
- New features on EMP501 on e@syFile

New procedures, systems and SARS implementations

- PAYE EMP501 late submission penalty
 - 1% per month up to 10 months (10%)
- Request for remission – eFiling enhancement
 - 23 April 2022 - taxpayers may dispute their PAYE administrative and late payment penalties on the existing dispute process on eFiling.
 - SARS will, therefore, no longer accept manually filed PAYE disputes and remission requests as from 23 April 2022.

New matters affecting the tax practice management

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- Update: SARS National Ops meeting held on 26 April 2022
 - eFiling fraud cases
 - Delinking of non-compliant taxpayer on eFiling profiles
 - Technical issue in the ITR12 return (Retirement Annuity)
 - Third-Party Data for partnerships
 - Consistency checks on VAT



HOT TOPIC

Employer Filing Season 2022

- Submission deadlines
- EMP501 recon submission where employer is 'in suspense'
- Issuance of tax certificates after death/retirement

Submission deadlines

- The 2022 Annual Reconciliation Season will commence on 1 April 2022 and end on 31 May 2022.
- All employers are required to submit their annual reconciliation declarations covering the full tax year from 1 March 2021 to 28 February 2022.
- The EMP501 must reflect accurate and up-to-date payroll information about your employees, employees' tax (PAYE) payments made and tax certificates (IRP5/IT3(a)s) generated.

EMP501 recon submission where employer is 'in suspense'

- SAIT has received several queries from members regarding the administrative penalties levied for outstanding 2022/02 EMP501 reconciliations prior to the final due date of 31 May 2022. From the cases investigated, it was determined that during the year of assessment, the status of the employer accounts was, for various reasons, changed to 'suspend'.
- The penalties were levied in terms of paragraph 14(3)(b) of the Fourth Schedule to the Income Tax Act, No. 58 of 1962 (the Act), which specifically requires an employer who ceases to be an employer to render the final EMP501 reconciliation and IRP5/IT3(a) certificates within 14 days after the date on which the employer ceased to be an employer.
- Where SARS has levied these penalties against an employer in 'suspense', a request for remission of penalties (RFR) can only be submitted after the outstanding reconciliation and certificates have been submitted to SARS.

Issuance of tax certificates after death/retirement

- SARS has updated the [Guide for Completion and Submission of Employees' Tax Certificates](#) to clarify the provisions of paragraph 13(2) and 14(5) of the Fourth Schedule to the Income Tax Act, No. 58 of 1962 (the Act).
- In instances where an employee has passed away, resigned or retired, the employer must issue the IRP5/IT3(a) employees' tax certificate within 14 days after the event (e.g. date of death) to the executor acting as a representative taxpayer of the deceased employee or to the employee (in the case of resignation or retirement). Employers (including retirement funds and insurers) must issue the tax certificate when required to do so, irrespective of the fact that the employer has not yet rendered or submitted the EMP501 reconciliation to SARS.

Issuance of tax certificates after death/retirement

- Several challenges experienced when dealing with the retirement funds was brought to SARS' attention (approx. 2 years ago)
- Although no formal response has been received, there is positive feedback received from members regarding the improvements experienced.



Thank you