



# SARS Operations, Reporting and eFiling

SAIT Webinar  
27 October 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
- Filing Season 2022: Wins and Losses
- 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.



# Important filing, payment and/or reporting dates

# Important filing, payment and/or reporting dates

Tax Type	Date	Notification
Income Tax	24/10/2022	<b>Submission due date</b> for a return that is submitted electronically through the assistance of a SARS official at a <b>SARS office or manually</b>
Income Tax	24/10/2022	<b>Submission due date</b> for a return for non-provisional taxpayers and is submitted by using the <b>SARS eFiling platform</b>
Other	31/10/2022	End of bi-annual third-party submissions
Employment Taxes	31/10/2022	End of employer interim <b>EMP501</b> reconciliation submissions
Value-Added Tax	31/10/2022	Electronic <b>VAT201</b> submissions and payments
Employment Taxes	07/11/2022	<b>EMP201</b> submissions and payments
Value-Added Tax	25/11/2022	Manual <b>VAT201</b> submissions and payments
Value-Added Tax	30/11/2022	Electronic <b>VAT201</b> submissions and payments



# Filing Season 2022: Wins and Losses

# Wins

Brief description	Way forward
<b>(1) Payment of refunds within 72 Hours</b> Once SARS issues the original estimated assessment, SARS will process any refunds within a 72-hour period	Where banking details were up-to-date and there were no outstanding returns, SARS would pay out the refunds within 72 hours.

# Wins

Brief description	Way forward
<p><b>(2) Third Party Data verification</b></p> <p>Taxpayers would be able to log onto eFiling and verify third-party data before the submission of the income tax return. If the data was incorrect, there was a functionality to inform SARS of that fact.</p> <p>Taxpayers were also able to get more information of Tax Directive issued by SARS, including the Employer/Fund name, Directive number and Directive amount.</p>	<ol style="list-style-type: none"><li>1. Ask the institution that provided the data to SARS to correct it by sending updated data to SARS and yourself.</li><li>2. When you receive the updated data, access your tax return on eFiling or MobiApp, update the data on the tax return, and file your tax return via eFiling or the SARS MobiApp.</li></ol>



# Losses

Brief description	Way forward
<p><b>(1) Trusts submission deadline unclear:</b></p> <p>There currently appears to be some uncertainty regarding how the provisional tax status of trusts should be determined. The rules that SARS appears to be applying in practice to determine a trust's provisional tax status seem to differ from the definition of 'provisional taxpayer' as per paragraph 1 of the Fourth Schedule of the Income Tax Act, No. 58 of 1962. The distinction is important in that for Filing Season 2022, provisional and non-provisional trusts have different submission deadlines.</p>	<p>Unless addressed, a trust that is identified as a non-provisional taxpayer in contradiction of prior information, may be subject to penalties and interest due to late submission.</p>

# Losses

Brief description	Way forward
<p><b>(2) 2022 Tax return fails to recognise the date taxpayers cease SA tax residency:</b> For Filing Season 2022, the date on which a taxpayer ceased to be a resident should be pre-populated on the ITR12. As a result, the current ITR12 does not allow the taxpayer to update that field. SAIT has reported several examples to SARS wherein a previously reported cessation of tax residence is not reflected on the ITR12.</p>	<p>Unless addressed, taxpayers will submit an incorrect tax return with the resultant administrative burdens or alternatively not meet the submission deadline.</p>

# Losses

Brief description	Way forward
<p><b>(3) No SARS response on request for extension to submit revised return:</b> During the discussion preceding Filing Season 2022, SARS indicated that a response would be sent to taxpayers requesting an extension beyond the initial 40 days. SAIT has received a number of queries in this regard, with members indicating that they did not receive any response from SARS on the request and that they therefore could not proceed with the submission of the return.</p> <p>Following engagement with the SARS Head Office, SARS indicated that they received over 5 000 requests for extension. All the requests received prior to the expiry of the first 40 business days were automatically approved and those taxpayers could proceed with the submission of the return until 24 October 2022.</p> <p>However, all the requests received after the expiry of the 40 business days are under consideration and a formal outcome will be provided to the affected taxpayers.</p> <p>SAIT has requested confirmation of the turnaround time for these considerations and will provide feedback to members as soon as feedback is received.</p>	<p>SAIT raised the matter informally with SARS and the matter was also discussed certain SARS/RCB Regional meetings. SARS was requested to provide confirmation of the turnaround time for SARS to provide formal response to the request for extension.</p> <p>It appears from submission made during recent SARS/RCB Regional meetings that following on from the above, the affected taxpayers received acknowledgement but no final approval confirming the extension. When these taxpayers submit the edited return, even before the requested extension period (limited to the additional 40 days), the return is indicated as late.</p>

# Losses

Brief description	Way forward
<p><b>(4) Auto-assessment: Apparent differences in processes in the SARS system for taxpayers that need to request an extension:</b> From queries sent by members and discussions held during SARS/RCB Regional meetings, it appears that the button to request an extension beyond the initial 40 business days, was either unavailable in the 21 business days after 29 August 2022, or was only available under certain circumstances (e.g. for the submission of the 2022 income tax return after the where taxpayer clicked the button to Request For Correction).</p>	<p>Unless addressed, taxpayers will be unable to correct their tax return with the resultant administrative burdens.</p>



# New procedures, systems and SARS implementations

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## Multiple Trusts registered from one will.

- Add a suffix “A” for the duplicate MOHC Trust Registration Number, followed by an increasing numerical value starting with “01”.
  - For example – Trust number (MT14695/2017 by MOHC) allocated to different Trusts
  - Allocate the numbers as follows for entity registration purposes:
    - 1<sup>st</sup> Trust – MT146952017A01
    - 2<sup>nd</sup> Trust – MT146952017A02
- Do not merge the two trusts for income purposes, they are two separate tax entities irrespective of the “Trustee Details”
- Capture the Trust name as reflected on the Letter of Authority and ensure that the correct trust type is captured
- Note: A Trust can have more than one beneficiary in a Trust. However, a Trust is one legal entity and only one trust must be registered irrespective of the number of beneficiaries.

# New procedures, systems and SARS implementations

## Change in process when taxpayers do not respond to a request for verification

- With the commencement of the Filing Season 2022, SARS made enhancements to the income tax verification process, including amendments to the verification letter.
- The statement reads: *“If you fail to submit the supporting documents on or before the due date an adjusted assessment will be completed and you will not be able to object or appeal this assessment”*.

# New procedures, systems and SARS implementations

## Change in process when taxpayers do not respond to a request for verification

- In terms of the old process, the taxpayer had to object if they disagreed with the additional assessment. In terms of the new process, SARS again issued a letter to request the supporting documents on 24/09/2022. The taxpayer can submit the supporting documents irrespective of the fact that SARS issued an additional estimate assessment.
- The documents can be submitted without the submission of an objection. SARS must review the supporting documents and decide if the additional estimated assessment will be revised. If SARS revise the assessment the process ends. If SARS does not revise the assessment, the taxpayer can object against the assessment.
- If the debt is due while SARS is reviewing the supporting documents, the TAA does not provide request for suspension of payment.



# New procedures, systems and SARS implementations

## **Personal Income Tax (PIT): SARS to begin with auto registration from October 2022**

- From October 2022, SARS commences auto registration for individuals that are not registered for tax, but where SARS received 3<sup>rd</sup> party data that indicates economic activity. The registration will be for PIT purposes only.
- SARS will notify the individual of their registration by sending an SMS and a letter, welcoming them as a registered taxpayer and informing them of how to access SARS' services and what their rights and obligations are.

# New procedures, systems and SARS implementations

## Updated e@syFile version released

On 3 October 2022, SARS announced that an updated e@syFile version was released. The updated e@syFile version 7.2.9 includes the following enhancements:

- Adjustment to the full resubmission request process where it was previously interrupted;
- New EMP501 form to allow the capturing of the reason for the over/understatement of a declaration;
- Adjustment to the manual capture validation to align with the import and pre-submission validation; and
- Adjustment to correct the message type displayed for Employment Taxes Validation(ETV) letters.

Employers are advised to download the latest e@syFile version before submitting the 2022/2023 interim EMP501 reconciliation due on 31 October 2022.

# Relevant legislative interpretation and new legislation and/or regulation

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## Binding Private Ruling 382 - Rebate in respect of foreign taxes

- On 5 October 2022, SARS published [Binding Private Ruling 382](#) (BPR382) that addresses the tax consequences of a capital gain arising from the disposal of shares in a resident company, which shares derive their value principally from immovable property situated in a foreign jurisdiction.
- **Binding Private Ruling 381 - Beneficial ownership in respect of back-to-back share transfers**
- On 4 October 2022, SARS published [Binding Private Ruling 381](#) (BPR381), which outlines the determination of the securities transfer tax consequences of the transfer of listed shares from a client to the applicant and by the applicant to an authorised user or vice versa..



# Relevant legislative interpretation and new legislation and/or regulation

- **Binding Private Ruling 380 - Transfer of shares in resident company to non-resident holding company**
- On 4 October 2022, SARS published [Binding Private Ruling 380](#) (BPR 380), which outlines the determination of the tax consequences of the transfer of ordinary and preference shares by a South African resident company (the applicant) to a non-resident, indirect subsidiary (Foreign Company) of the applicant.

## **Binding Private Ruling 379 - Qualifying purpose**

- On 3 October 2022, SARS published [Binding Private Ruling 379](#) (BPR 379), which outlines the determination of the tax consequences of a dividend declared by the issuer of a preference share which was issued for a qualifying purpose after the shares in an operating company financed by the preference share funding are disposed of by the shareholder in the operating company.

# New matters affecting the tax practice management

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## Feedback from the SARS national meeting held on 30 September 2022

- On 30 September 2022, SAIT attended the SARS national meeting together with key stakeholders, to discuss SARS' approach towards unquestionable integrity and combating internal fraud and corruption. The following email addresses were introduced to facilitate proactive reporting of fraud and corruption:
  - [anti-corruption@sars.gov.za](mailto:anti-corruption@sars.gov.za)
  - [speakout@sars.gov.za](mailto:speakout@sars.gov.za)

# Matters affecting the tax practice management

## Upcoming SARS national meeting held on 27 October 2022

- Clarity on the Trusts submission deadline
- 2022 Tax return failing to recognise the date taxpayers cease SA tax residency
- Circumstances where no SARS response was received on request for extension to submit revised return





# **HOT TOPIC**

# **ESTATES AND ESTATE DUTY FAQs**

# Reporting death and coding of the deceased record

- **Who must do it?**
  - Executor
- **How must it be reported?**
  - SARS Online Query System
  - Tax Practitioners: [pcc@sars.gov.za](mailto:pcc@sars.gov.za)
  - Taxpayers: [contactus@sars.gov.za](mailto:contactus@sars.gov.za)

# Reporting death and coding of the deceased record

- **Which documents are required by SARS?**
  - Copy of the death notice of the deceased (Form J294) issued by the Master's Office or the death certificate
  - Copy of Acceptance of trust as Executor (Form J190) or copy of the Letter of Executorship (Form J238)
  - Copy of the undertaking and acceptance of the Master's directions (Form J155) or copy of the Letter of Authority (Form J170) (in cases in which the estate is less than R250 000)
  - Copy of the Inventory (Form J243)
  - Copy of the last will and testament
  - Certified copy of the ID of the deceased person and executor
  - The name, physical address, e-mail address and telephone number of the executor or his or her agent
  - Copies of the signed final L&D accounts when they become available (if applicable)
  - The Estate Duty Return (REV267 form)

# Registered representative

- Not the tax practitioner unless appointed as the executor
- Steps to update registered representative details
- Personal contact details of executor – separate process



# Assessment process

- Period assessment
- Deemed CGT event
- IRP5/IT3(a)'s

# Income after death

- New tax reference number
- Can be multiple years of assessment
- Non-provisional
- Income after L&D account open for inspection

# Estate duty

- Share valuations: [estatesharevaluations@sars.gov.za](mailto:estatesharevaluations@sars.gov.za).
- Valuation of usufruct
- A copy of the L&D account and estate duty return submitted to SARS
  - Tax Practitioners: [pcc@sars.gov.za](mailto:pcc@sars.gov.za)
  - Taxpayers: [contactus@sars.gov.za](mailto:contactus@sars.gov.za)
  - [estateduty@sars.gov.za](mailto:estateduty@sars.gov.za)
- Assessment issued by SARS
- How to pay estate duty
  - Estate duty payments can be made only via e-filing
  - No electronic funds transfer (EFT) option available for estate duty
  - Proof of payment should be e-mailed to [estateduty@sars.gov.za](mailto:estateduty@sars.gov.za)

# DEC letter

- As soon as all the tax liabilities have been paid in full, the Deceased Estate Compliance (DEC) letter will be issued
- The DEC letter is issued for all taxes including estate duty
- Once the letter has been issued, it must be submitted to the Master
- The DEC letter must be submitted to the Master before the executor will be granted the discharge letter to indicate that all the requirements were met, and the executor has been released





Thank you