



SARS Operations, Reporting and eFiling

SAIT Webinar
29 September 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.



Important filing, payment and/or reporting dates

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Tax Type	Date	Notification
Value-Added Tax	30/09/2022	Electronic VAT201 submissions and payments
Income Tax	30/09/2022	3rd provisional (2022) payments for individuals, trusts and companies with a February year-end period
Employment Taxes	07/10/2022	EMP201 submissions and payments
Income Tax	24/10/2022	Submission due date for a return that is submitted electronically through the assistance of a SARS official at a SARS office or manually
Income Tax	24/10/2022	Submission due date for a return for non-provisional taxpayers and is submitted by using the SARS eFiling platform
Value-Added Tax	25/10/2022	Manual VAT201 submissions and payments
Other	31/10/2022	End of bi-annual third-party submissions
Employment Taxes	31/10/2022	End of employer interim EMP501 reconciliation submissions
Value-Added Tax	31/10/2022	Electronic VAT201 submissions and payments

Current challenges in the SARS operational space

Current challenges in the SARS operational space

- **SARS response on request for extension to submit revised return**
- SARS indicated that they received over 5 000 requests for extension
- Requests received prior to the expiry of the first 40 business days were automatically approved
- Requests received after the expiry of the 40 business days are under consideration and a formal outcome will be provided to the affected taxpayers.

Current challenges in the SARS operational space

- **Glitch in the SARS system for taxpayers that need to request extension**
- Taxpayers should be able to request an extension in the 21 business days after 29 August 2022
- Several tax practitioners have reported that the option is no longer available on efiling.
- These taxpayer have now been left in limbo without the ability to submit the return or lodge a dispute against the auto-assessment.

Current challenges in the SARS operational space

- **SARS issues final demands despite granting an extension for the submission of the 2022 income tax return**
- The issuance of a final demand for the payment of a tax debt resulting from an auto-assessment. This is despite the fact that SARS granted an extension for submitting the income tax return.
- SAIT's understanding that the payment date for a tax debt emanating from the 2022 year of assessment would be January 2023.
- To mitigate the risk of further collection steps by SARS, these cases have been urgently escalated on a case-by-case basis to the relevant SARS regions.

Current challenges in the SARS operational space

SARS erroneously issues non-compliance penalties for 2022 PIT returns

- On 7 September 2022, SARS confirmed that penalties were erroneously issued for the non-submission of 2022 personal income tax returns. SARS is in the process of reversing these penalties and taxpayers will be informed in writing once the reversal has been processed.

Current challenges in the SARS operational space

- **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
- *“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”.*
- SAIT has made a formal submission requesting SARS to consider the amendment of the verification letter.

New procedures, systems and SARS implementations

New procedures, systems and SARS implementations


IT14SD officially discontinued - How taxpayers should treat outstanding IT14SDs issued but not submitted

- If the IT14SD has already been submitted, the verification will be dealt with using the IT14SD. If a letter is received for the submission of relevant documents, or additional relevant documents, those documents also need to be submitted.
- If the IT14SD has not been submitted yet, a letter will be issued requesting the submission of specific relevant documents, and the requirement to submit the IT14SD will fall away.

New procedures, systems and SARS implementations

- Alternative Dispute Resolution forms converted to online platform

Old Adobe Format

		SOUTH AFRICAN REVENUE SERVICE		ADR 1	
Notice of Objection					
The completed form together with the supporting documentation must be returned to the SARS office where the taxpayer is registered for the applicable tax.					
Full name(s) of taxpayer or Trading name					
Tax reference number		SARS office where taxpayer is registered for applicable tax			
Contact details (For purpose of further correspondence regarding the objection (rule 4(c) & 26 in terms of section 107A Income Tax Act rules))					
Full name(s)		Postal address			
Tel number			Code		
Fax number		Physical address			
E-mail			Code		
Assessment detail (Mark applicable tax type with an X)					
Type of Tax:	Income Tax/STC <input type="checkbox"/>	VAT <input type="checkbox"/>	PAYE/SDL/UIF <input type="checkbox"/>	Estate Duty <input type="checkbox"/>	Donations Tax <input type="checkbox"/>
If 'Other', please specify <input type="text"/>					
Nature of the amount in dispute:	Income <input type="checkbox"/>	Deduction <input type="checkbox"/>	Additional tax <input type="checkbox"/>	Interest <input type="checkbox"/>	Penalty <input type="checkbox"/>
Year of Assessment/Tax Period			Date of assessment/notice		
C C Y Y M M D D			C C Y Y M M D D		
Amount of tax in dispute in terms of the assessment/notice R <input type="text"/>					
Grounds of objection					
<ul style="list-style-type: none">• In the event of a discrepancy/dispute you are required to mark the nature of dispute with an X in the appropriate box(es) to enable SARS to consider the objection.• Please note that you may select more than one box.• Provide detailed grounds upon which the objection is made on a separate page(s) together, with any supporting documentation attached thereto.					
Processing-related objections			Factual and interpretative disputes		
<input type="checkbox"/> There is a miscalculation on the assessment in that an amount(s) was taken into account/not taken into account to determine the liability for tax.			<input type="checkbox"/> Additional tax in the amount of R <input type="text"/> imposed must be remitted to an amount of R <input type="text"/>		

New procedures, systems and SARS implementations

- Alternative Dispute Resolution forms converted to online platform

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New online format

The screenshot displays the SARS ADR1 FORM online platform. The browser address bar shows the URL: <https://www.sars.gov.za/wp-content/html5/forms/ADR1/index.html>. The page title is "SARS ADR1 FORM". The SARS logo and "South African Revenue Service" are visible. The form is titled "Notice of Objection" and "ADR1". A dark blue banner contains the following text: "The completed form together with the supporting documents must be sent to the following email addresses: For Tax Practitioners: pcc@sars.gov.za. For Taxpayers: contactus@sars.gov.za or by booking a branch appointment via www.sars.gov.za or SARS MobiApp. The VAT Exceptions: email address specified in the relevant preceding correspondence". The form fields include: "Full name(s) of taxpayer or Trading name", "Taxpayer Reference Number", "SARS office where taxpayer is registered for applicable tax", "Contact Details (for purpose of further correspondence regarding the objection)", "Full name / Registered name", "Postal Address", "ID Number", "Postal Address", "Code", "Tel Number", and "Physical Address". The Windows taskbar at the bottom shows the search bar, task view, and various application icons. The system clock indicates 10:21 on 22 Sep 2022.

New procedures, systems and SARS implementations

Changes were implemented on e@syFile for the 2023 year of assessment

- Source code and validation changes detailed in the SARS PAYE BRS V 21.1;
- Amended directives table on IRP5 manual capture screen to include the tax directive type;
- New field 'Any other reason' and a text field for future date reconciliations;
- Enhancements to the EMP201 and EMP501 request processes relating to the PAYE account status;
- Enhancement to the employer tax validation letter;
- Enhancement to allow more than one instance of a letter type;
- Adjustment to allow a submission where the duplicate submission check previously resulted in an error message; and
- Adjustment to include the submission date of revised EMP201 and EMP501 revised submissions or requests for correction.

New procedures, systems and SARS implementations

Enhancements were implemented on e@syFile for the 2023 year of assessment

- New fields on IRP5/IT3(a) certificates;
- Amended validation rules for certain fields on IRP5/IT3(a) certificates;
- Enhancements to the EMP201 and EMP501 request processes;
- Employment tax validation on EMP501;
- Backdating of PAYE liability date; and
- Enhancements to the employer deregistration process

Relevant legislative interpretation and new legislation and/or regulation

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New binding class ruling on the subject of 'hybrid equity interest or third-party backed share'

- SARS published [Binding Class Ruling 081](#) (BCR 081) that addresses the subject of 'Hybrid equity interest or third-party backed share'. BCR 081 provides for the interpretation and application of section 8E and section 8EA of the Act that outline the tax treatment of dividends derived from certain shares and equity instruments and dividends on third-party backed shares that are deemed to be income

New binding private ruling on the withholding of dividends tax at a reduced rate

- SARS published [Binding Private Ruling \(BPR\) 377](#) that addresses the issue of withholding of dividends tax at a reduced rate. BPR 377 deals with the dividends withholding tax (DWT) consequences resulting from the declaration of a dividend by a company to a trust where certain non-resident beneficiaries of that trust are the beneficial owners of these dividends.



New matters affecting the tax practice management

Matters affecting the tax practice management

- **Update: SARS considers closing the Tax Practitioner Call Centre**

Response	Average %
(a) To follow up on a case where SARS did not keep to the agreed turnaround times and to get a case number to escalate the case.	58%
(b) To inquire on the progress of a case, even where SARS was within the turnaround times.	12%
(c) To get information about a SARS service, procedure, or process.	13%
d) For other reasons.	18%

Matters affecting the tax practice management

SARS/RCB National meeting scheduled for 30 September 2022 to discuss SARS' approach towards *“unquestionable integrity and combating internal Fraud and Corruption”*



HOT TOPIC

OTO Systemic Issue vs SAIT Escalations

OTO Systemic Issues	SAIT Escalation
Delay in payment of refund	<ul style="list-style-type: none">• Verifications and refunds (Income tax and VAT)• Bank detail verifications and stoppers
Nonadherence to dispute resolution time frames and related issues	<ul style="list-style-type: none">• Disputes (objections and appeals)
Inability on the part of SARS to confirm correspondence was sent. (manual correspondence as well as “eFiler view” correspondence)	
Tax Compliance System (TCS)	<ul style="list-style-type: none">• Tax Compliance Status: Foreign investment allowance
Raising assessments prematurely.	
Failure to respond to the request for a deferred payment arrangement within the prescribed turnaround time (21 business days)	<ul style="list-style-type: none">• Payment arrangements

OTO Systemic Issue vs SAIT Escalations

OTO Systemic Issues	SAIT Escalation
Failure to respond to the request for a Compromise within the prescribed turnaround time (90 business days).	
Failure to respond to the request for a Suspension of payment within the prescribed turnaround time (30 business days)	
SARS delays to code the taxpayer's profile as deceased estate and to update the executor's contact details (formal recommendations issued to SARS on 24 February 2022)	<ul style="list-style-type: none">Deceased estate compliance letters
SARS repeat verification cases (approved 19 April 2022, formal recommendations issued to SARS on 20 April 2022).	



Thank you