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Dear Lijuan

SARS TAX PRACTITIONER READINESS PROGRAMME

INTRODUCTION

SARS introduced the concept of a Tax Practitioner Readiness Programme (“TPRP”) during discussions with the recognised controlling body (RCB) contingent on proposed changes to regulations governing tax practitioners and RCBs as envisaged in Sections 240 and 240A of the Tax Administration Act, 2011 (“TA Act”).

The TPRP became effective on 1 July 2022, and the digital content of the TPRP has been hosted by the RCBs that have the necessary systems *until such time that SARS is able to host and manage the TPRP on their (SARS’) own system.*

During the application of the programme by the various RCBs, many challenges came to the forefront. Several RCBs provided individual feedback to SARS on some of the unique challenges experienced. We appreciate that SARS has taken some of these concerns into consideration and has made certain amendments. For example, separating the criteria guidelines between RCBs and tax practitioners, considering wording of assessment questions in respect of the new draft and reducing the cooling off period from six months to three months. We commend SARS for its efforts to collaborate in this regard.

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However, there are other concerns yet to be addressed. The purpose of this submission is to address these concerns and issues raised by the RCB contingent as a whole and make proposals as to how to address these remaining challenges.

MATTERS RAISED AND RECOMMENDATIONS

The issues addressed in this submission are as follows:

1. Hosting of the programme on the RCB platforms
2. Level of the assessments and pass rate
3. Number of questions to be increased to 60 to facilitate ease of results calculation
4. Relevance of the cool-down period and number of attempts
5. Comments and recommendations on the proposed TPRP assessment questions.

In summary, our recommendations detailed below include:

- SARS should host the programme with a cut-off date agreed on for SARS to take over the responsibility in this regard. Proposed cut off is 31 December 2025.
- SARS should develop a competency framework for the TPRP and adjust the pass mark based on the outcome of this process.
- Further consideration should be given defining the purpose of the 3 months cool-down period.
- For the newly proposed assessments we have provided comments and recommendations in Annexure 1. The recommendations mainly concentrate on questions that should be rephrased in a less ambiguous manner or where the topics are not adequately covered in the supporting guidance provided by SARS.

1. **Hosting of the SARS TPRP on the RCB platforms**

Information:

SARS requested RCBs to host the SARS TPRP for an interim period until SARS upgraded its learning platform to accommodate this. This is now the third year that the RCBs are hosting the TPRP and there has been no indication from SARS as to when the responsibility for hosting and assessing the results of the SARS TPRP will revert back to SARS.

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Recommendation:

It is proposed that SARS prioritise upgrading its system or develop a platform specifically for tax practitioner training and propose a deadline of implementation. We believe a cut-off of **31 December 2025** is reasonable.

2. Level of the assessments and pass rate

Information:

The SARS TPRP should be based on an appropriate competency framework that links to an educational framework such as Umalusi. This would also assist in identifying the level of the assessments. This is critically important as SARS approved the minimum entry level for tax practitioner applicants on NQF level 4 from 1 June 2022. This is the equivalent of a National Senior Certificate or level 4 vocational certificate. The learning outcomes for a Matric Qualification (NQF 4)¹ can be defined as:

- Understanding basic languages
- Understanding basic Mathematical skills
- Knowing how to read
- Knowing how to write

Similarly, the generic NQF 4 exit level outcomes of SAQA² where the fundamental component (combines with a vocational component), though determined and specially stated in curriculum outcomes, includes:

- Language
- Mathematics
- Mathematical literacy
- Life skills and computer literacy.

¹ <https://www.matric.co.za/nqf-levels-explained/>

² <https://regqs.saqa.org.za/viewQualification.php?id=50441>

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The concern is that without an appropriate competency framework there is no clarity on how SARS ensures that assessment questions are at the correct NQF level and that aspiring tax practitioners are subjected to an assessment criteria that is aligned to the stated NQF level outcomes .

Ultimately, a fair pass rate for an educational assessment depends on several factors, including the purpose of the assessment, the level of difficulty of the assessment, and the level of proficiency expected of the test takers.

Whilst most RCBs initially agreed that the 90% pass rate for the TPRP assessment may have been too high, the revised material and questions have mitigated this concern to an extent. Ultimately, the determination of what constitutes a fair pass rate on an assessment is not possible without the competency framework mentioned above. In South Africa, Umalusi with a 40% pass rate or universities with 50% pass rate may be used as benchmarks. However, we don't believe that such a low pass mark is appropriate for tax professionals. SARS would need to determine what would be appropriate based on the competency framework under which this SARS TPRP has been developed.

Recommendation:

We recommend that SARS should develop a comprehensive competency framework for the SARS TPRP with the help of educational experts. This framework can then be used to ensure that the assessment is set at the correct level and the pass rate is adequately set. The competency scope currently set for the assessment cannot be used for this purpose.

RCBs would be glad to engage further on this aspect using the expertise of in-house learning and development staff where relevant.

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3. The number of assessment questions

Information:

The proposed assessments include 59 questions for each assessment.

Recommendation:

The SARS TPRP assessments should be updated to include 60 questions per assessment attempt, rather than the proposed 59, to facilitate easier calculation of the pass mark.

4. Relevance of cool-down period and number of attempts on assessment

Information:

Under the current requirement, applicants have three attempts to pass the assessments in order to determine if they are competent. Should an applicant fail all 3 attempts, SARS imposes a mandatory three (3) month 'cool-down' period.

Through discussions among the various RCBs, the purpose of imposing the 3-month cool-down period is not clear. No formal courses or webinars are being presented by SARS that an applicant can attend to assist them in improving their knowledge and skills to be found competent. Therefore, it is not clear how an examinee will improve after 3 months, since they have no idea what they were lacking to begin with and have no access to SARS educational resources to address these learning shortcomings.

This reinforces the need for a specific competency framework to align interventions to improve specific competencies that SARS evaluates in the assessment.

Recommendation:

SARS to develop a competency framework with specific interventions where a candidate does not achieve the relevant pass mark after 3 attempts. It is further recommended that SARS disclose to candidates which core areas of the assessment they failed so that they can plan where they require further development and learning

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interventions. Candidates can then assess these interventions and once completed, the candidate should be allowed to attempt the assessment again.

5. **Comments on the proposed SARS TPRP assessment questions**

We reviewed the proposed assessment questions submitted by SARS for the new SARS TPRP. We would like to commend SARS on taking into consideration previous feedback regarding ambiguity of questions and giving us the opportunity to comment on the current version before implementation.

Our review focused on the following aspects:

- The clarity and accuracy of the questions in the assessment papers, ensuring each is formulated without ambiguity.
- An evaluation of whether the learning material provides adequate context to answer the questions effectively, and identification of areas requiring further explanation or instruction.

Please refer to Annexure 1 for our detailed comments and recommendations, which are listed in the columns adjacent to the respective questions. The questions proposed by SARS, along with our comments, are highlighted in yellow.

In summary, our comments address the following key issues identified:

- Necessary revisions to the learning material to enhance context and clarity.
- Questions that require rephrasing to improve comprehension.
- Instances of ambiguous phrasing, where questions need to be reworded for clearer interpretation.

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Conclusion

We thank you for the opportunity for the RCB Forum to raise the above-mentioned concerns and to consider proposals to address these. We trust that our commentary will be considered favourably as we work together to ensure the integrity of the tax profession is maintained and enhanced.

Kind regards,



Somaya Khaki: Chairperson

RCB Forum

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No.	Assessment paper 1		RCB Comments	Assessment paper 2		RCB Comments	Assessment paper 3		RCB Comments
	Question	Answer (True/False)		Question	Answer (True/False)		Question	Answer (True/False)	
1	You have been approached by a family member whose tax matters are in disarray. You provide this tax advice for free. Therefore you are required to register as a tax practitioner.	F	No Comments	You have been approached by a family member whose tax matters are in disarray. You provide this tax advice for free. You do not register as a tax practitioner as you are not required to do so.	T	Question is not clear, it should state "You do not need to have to"	Your employer's tax matters are in disarray. You provide this tax advice for as part of your normal duties for the employer. Therefore you are required to register as a tax practitioner.	F	The "for" must be removed.
2	If you are employed by a tax practitioner firm, it is imperative that you register as tax practitioner within 21 business days of employment.	F	No Comments	If you are employed and your primary role is to ensure that the institution's tax responsibilities are met, it is imperative that you register within 21 business days of employment.	F	Unclear to "Register for What/ As what"	If you are employed by a tax practitioner firm, it is not required that you register as tax practitioner within 21 business days of employment.	T	No Comments
3	To understand who a registered tax practitioner is, the definitions contained in the preamble to the Income Tax Act and Section 240(1) must be referred to. Both definitions must be satisfied.	F	The question is unnecessarily ambiguous	To understand who a registered tax practitioner is, the definitions contained in the preamble to the Income Tax Act must be referred to.	F	No Comments	To understand who a registered tax practitioner is, the definitions contained in Section 240(1) must be referred to.	T	No Comments
4	In terms of section 240(3), if you have been convicted of a serious tax offence during the preceding 5 years, however you have remedied your tax compliance, you can register as a tax practitioner.	F	No Comments	In terms of section 240(3), if during the preceding 5 years you have been removed from a related profession by a controlling body for serious misconduct, and you have joined a new controlling body, you can register as a tax practitioner.	F	No Comments	In terms of section 240(3), SARS can deregister you as a tax practitioner if during the past 12 months, SARS has observed non-compliance on the part of your clients and they have been non-compliant for an aggregate period of at least 6 months.	F	Suggested to re-phrase for more clarity: In terms of section 240(3), SARS has the authority to deregister you as a tax practitioner if, within the past 12 months, your clients have demonstrated non-compliance for a total period of at least 6 months.
5	If SARS intends deregistering you as a tax practitioner because of outstanding tax debt, you can provide SARS with proof of a deferred tax arrangement indicating that you are meeting tax obligations.	T	The question is unclear as it does not refer to the "periods" section 240(3) (d) refers to a period	If SARS intends deregistering you as a tax practitioner because of outstanding tax returns, you can request for an extension to submit the returns and provide SARS with proof of the extension.	F	1. Would this "i", remedy the non-compliance, within the period specified in a notice by SARS. * not be applicable. In this instance? 2. The SARS materials do not explain the de-registration process	If SARS intends deregistering you as a tax practitioner because of outstanding tax debt, you can provide proof that you have lodged a dispute to the debt and SARS has also approved your request for suspension of the tax debt.	T	This is not technically correct. A taxpayer is considered compliant in the case where a request has been made and SARS has not yet approved or declined. Refer to S256(3)(b)(i), read with S164(6). Consider rewording but keep it simple
6	In terms of section 240A, the controlling body that you choose to register with as a tax practitioner will require you to fulfil certain training requirements. Your adherence to this programme will have no effect on your registration as a tax practitioner as this is a matter between you and the RCB. SARS is only interested in your tax compliance.	F	The question is not clear, when it states "Your adherence to this programme" the question should rather refer to "these requirements" so that connection with the previous sentence is clear. This requirement is not clearly explained in the SARS materials	In terms of section 240A, the controlling body that you choose to register with as a tax practitioner will require you to meet certain minimum qualifications and experience. This is a matter between you and the RCB as it determines your registration with the RCB. SARS is only interested in your tax compliance.	F	No Comments	In terms of Section 240A(2), the controlling body that you register with as tax practitioner, will need to maintain certain standards for its tax practitioner members.	T	No Comments
7	In terms of section 241, SARS may lodge a complaint with the RCB you belong to, if you submit a NIL return on instruction from your client despite the client receiving taxable income.	T	No Comments	In terms of section 241, SARS may lodge a complaint with the RCB you belong to, if you attempted to negative influence a SARS official in the performance of their duties.	T	No Comments	In terms of section 241, SARS may lodge a complaint with the RCB you belong to, if you are negligent in the performance of the duties for the clients you serve with the result that they do not meet their tax obligations.	T	No Comments
8	Section 234 is an important section of the Tax Administration Act that must be considered by any person wanting to render tax services for a fee.	F	This question is ambiguous, does it mean that the section is NOT important for tax practitioners? It is open to interpretation	A person intending to practice as a tax practitioner will be in default with Section 234 of the Tax Administration Act if they fail to register with an RCB and SARS.	T	"Can an intention be an offence?" the question needs to be specific about periods, it should perhaps refer to a person who has started providing tax compliance or tax advisory services and fails to register within 21 days of first providing the tax service.	Any person rendering tax services for a fee and who fails to register as a tax practitioner can be held liable in terms of section 234 of the Tax Administration Act.	T	No Comments
9	A tax practitioner could find themselves in contravention of Section 237 of the Tax Administration Act if they file tax returns without the consent or authority of their client.	T	No Comments	If a tax practitioner uses a client's eFiling profile without their consent could result in Section 237 of the Tax Administration Act being applied to the tax practitioner.	T	Grammar needs to be fixed. The question does not make sense. It is not a matter of "Could" will it or will it not.	It is important for a tax practitioner to have a Power of Attorney signed by their client and indicating the responsibilities authorised by the client. If not, the tax practitioner could find themselves to be in default of Section 237 of the Tax Administration Act.	T	No Comments

Assessment paper 1				Assessment paper 2				Assessment paper 3			
No.	Question	Answer (True/False)	RCB Comments	Question	Answer (True/False)	RCB Comments	Question	Answer (True/False)	RCB Comments		
1	For SARS to recognise a controlling body as a recognised controlling body (RCB) one of the requirements it must meet, is that it must be an approved body in terms of section 30B of the Income Tax Act.	T	No Comments	For SARS to recognise a controlling body as a recognised controlling body (RCB) one of the requirements it must meet, is that it must have 1000 members or have a reasonable prospect of reaching 1000 members by the end of the first year of recognition.	T	No Comments	For SARS to recognise a controlling body as a recognised controlling body (RCB) one of the requirements it must meet, is that it must be a body for persons who provide accounting advice.	F	No Comments		
2	RCBs decides the requirements for the registration of their tax practitioners members.	F	Reword: RCBs decide the requirements...	SARS works with all RCBs to set the requirements that all tax practitioners across all RCBs must meet.	T	No Comments	RCBs are required to regularly check the tax compliance of their tax practitioner members.	T	No Comments		
3	RCBs must incorporate the following principles into their codes of conduct: years of experience, honesty, and financial clearance.	F	Fix the spelling of this question to: RCBs must incorporate the following principles into their codes of conduct: years of experience, honesty, and financial clearance.	RCBs must incorporate the following principles into their codes of conduct: Honesty and integrity, professional competence, disciplinary codes & confidentiality and fees.	Y	Answer should be 'T', not 'Y' SARS to fix spelling of 'incorporate'	RCBs must incorporate the following principles into their codes of conduct: honesty and integrity; professional competence; disciplinary codes; confidentiality and fees, and knowledge of managing IT systems.	F	Fix the spelling of this question to: RCBs must incorporate the following principles into their codes of conduct: years of experience, honesty, and financial clearance.		
4	Tax practitioners are required to be compliant in regard to their own tax affairs.	T	No Comments	If a tax practitioner becomes aware that a taxpayer is making materially false and misleading statements the tax practitioner should cease to represent the taxpayer if they refuse to remedy their tax behaviour.	T	No Comments	Tax practitioners are not required to advise their clients of their rights and obligations under the Tax Act. This is because the tax practitioner will be fulfilling those responsibilities.	F	No Comments		
5	The qualifications and experience requirements for tax practitioner registration include: NQF levels and tax working experience. This is part of the admission requirements.	T	No Comments	To register as a tax practitioner, the individual must be tax compliant.	T	No Comments	A criminal free certificate is required prior to the RCB registering a member as a tax practitioner.	T	This statement is not clear enough - should be in line with the requirements of the section 240(3)(b) and (c) of the TAA – For example: A person applying to become a tax practitioner should not have been convicted for theft during the preceding 5 years. This is to be validated by the provision of a criminal clearance certificate.		
6	A tax practitioner must be able to demonstrate that they completed a minimum of 10 CPE hours a year.	F	No Comments	A tax practitioner must be able to demonstrate that they completed a minimum of 18 CPE hours a year. The tax practitioner must customise the 18 hours to meet their own learning needs.	F	Please correct the typo: 'demonstrate'	In meeting the CPE hours, a tax practitioner must ensure that at least 10 tax hours are included.	T	Is this true or is it false?		
7	To register as a tax practitioner, a person must first be registered with an RCB, thereafter they can register with SARS as a tax practitioner.	T	No Comments	To register as a tax practitioner, an individual can amend their registered particulars on the RAV01 form indicating that they are a tax practitioner. A list of clients can also be indicated to SARS.	F	No Comments	An individual who works under the direct supervision of a tax practitioner and who provides tax advice, must also register as a tax practitioner with SARS.	F	No Comments		

ANNEXURE 1

RCB COMMENTS ON ASSESSMENT QUESTIONS AND ANSWERS

MODULE 3

No.	Assessment paper 1			Assessment paper 2			Assessment paper 3		
	Question	Answer (True/False)	RCB Comments	Question	Answer (True/False)	RCB Comments	Question	Answer (True/False)	RCB Comments
1	As a Tax Practitioner, you will automatically obtain your PR number on eFiling, as there is no registration process or configuration process.	F	No Comments	Tax practitioner registration configuration enables tax practitioners to confirm their tax practitioner status at SARS.	T	No Comments	A tax practitioner may register a new tax practitioner portfolio on eFiling by clicking: 'My Profile' >>> 'Portfolio Management' >>>> 'Add Portfolio.	T	No Comments
2	Tax Practitioner registration process via eFiling is a three step process. The first step involves logging onto eFiling using your log in details, and update your registered particulars indicating that you are a tax practitioner. This is done on the RAV01.	F	No Comments	The first step in the tax practitioner registration process on eFiling is to register with a Recognised Controlling Body (RCB) as a tax practitioner. The RCB will submit your details to SARS via eFiling platform.	T	No Comments	An individual can select multiple Recognised Controlling Bodies (RCBs) on eFiling for their registration as a tax practitioner.	F	No Comments

**ANNEXURE 1
RCB COMMENTS ON ASSESSMENT QUESTIONS AND ANSWERS**

MODULE 4

Assessment paper 1			Assessment paper 2			Assessment paper 3			
No.	Question	Answer (True/False)	RCB Comments	Question	Answer (True/False)	RCB Comments	Question	Answer (True/False)	RCB Comments
1	Shared access is a function available on eFiling, which ensures that an individual has full control/knowledge of their tax affairs, regardless of whether a tax practitioner completes and/or submits tax returns on their behalf.	T	No Comments	For a Power of Attorney to be valid, it must be presented within the period specified in the Power of Attorney (which could be anything between one month and 12 months), must contain the required information, and must be duly signed by the person transferring their authority to someone else to act on their behalf.	F	This statement is only partially incorrect - I suggest rephrasing it to be clearly incorrect, referring to the period from one month to 36 months, for example: For a Power of Attorney to be valid, it must be presented within the period specified in the Power of Attorney (which could be anything between one month and 36 months), must contain the required information, and must be duly signed by the person transferring their authority to someone else to act on their behalf.	eFiling does not allow tax practitioners to request for payment arrangements on behalf of their clients.	F	No Comments
2	View only Shared Access on eFiling means that the client is only able to view the transactions done by the tax practitioner and edit such transactions to the satisfaction of the client.	F	Correct the spelling of 'satisfaction'	View only Shared Access on eFiling means that the client is only able to view the transactions done by the tax practitioner.	T	No Comments	Full Shared Access on eFiling means that the client, as well as the tax practitioner, has full and equal access to all the information relating to the associated tax types.	T	No Comments

No.	Assessment paper 1			Assessment paper 2			Assessment paper 3		
	Question	Answer (True/False)	RCB Comments	Question	Answer (True/False)	RCB Comments	Question	Answer (True/False)	RCB Comments
1	A tax practitioner cannot be serviced at the branch office regardless of the category of service being requested.	F	No Comments	Tax practitioners can be serviced via multiple channels depending on the categories of the service requests.	T	No Comments	The pcc@sars.gov.za mailbox is dedicated purely for tax practitioners and the main Trustees of Trusts to send their queries to SARS.	F	No Comments
2	Simon, intends to appoint Mary (A registered tax practitioner) to act on his behalf with all matters concerning his tax affairs with SARS. To make such appointment Simon must complete a Special Power of Attorney for Tax Practitioners (TPPOA).	T	No Comments	It is not mandatoty for the Special Power Of Attorney (SPPOA) to be accompanied by a copy of the taxpayer's identity document and a copy of the representative taxpayer's identity document.	F	SARS to correct the spelling of 'mandatory'	Oupa, a taxpayer wishes to appoint Kelly a registered tax practitioner to act on his behalf regarding all tax related matters with SARS. Oupa will have to complete a Special Power of Attorney for Tax Practitioners (ASPOA) to make such appointment.	F	What is the rationale of using the wrong acronym? The incorrect acronym makes this question unnecessarily vague. Is this incorrect acronym the only thing that makes the statement 'False', because it's the same scenario as in assessment 1?

ANNEXURE 1

MODULE 6

RCB COMMENTS ON ASSESSMENT QUESTIONS AND ANSWERS

No.	Assessment paper 1		RCB Comments	Assessment paper 2		RCB Comments	Assessment paper 3		RCB Comments
	Question	Answer (True/False)		Question	Answer (True/False)		Question	Answer (True/False)	
1	As a Tax Practitioner, when registering a new Tax Practitioner Profile, you may do so under an Organisation Profile instead of Tax Practitioner Profile.	F	No Comments	A tax type transfer will be disallowed if the requestor is not a registered tax practitioner or the registered representative for the requesting taxpayer.	T	No Comments	The clients of the tax practitioner must be added under the tax practitioner's profile instead of the organisational profile.	T	This requirement is not clearly explained in the SARS materials.

ANNEXURE 1
RCB COMMENTS ON ASSESSMENT QUESTIONS AND ANSWERS

MODULE 7
PARTS 1 2

No.	Assessment paper 1		RCB Comments	Assessment paper 2		RCB Comments	Assessment paper 3		RCB Comments
	Question	Answer (True/False)		Question	Answer (True/False)		Question	Answer (True/False)	
1	In the event that the employer has more than 50 employees, employers need to make use of e@syfile software that can be downloaded from the SARS website.	T	No Comments	The rights to utilise sars e@syfile software can be purchased from SARS and an annual subscription fee of R3000.00 is payable to retain the rights to utilise the software.	F	No Comments	Edward, an employer with over 100 employees, has approached you as a tax practitioner regarding the use and functions of the SARS e@syfile software. Edward is of the view that SARS e@syfile software can be utilised to submit ITR12 AND ITR14 returns. Edward's views are correct.	F	SARS to fix the spelling of 'employees'; 'regarding' and 'e@syfile' (2nd one)
2	Beki, an employer with over 100 employees, has recently downloaded the SARS e@syfile software. Beki is of the view that the SARS e@syfile software will allow him to import and export	F	No Comments	The SARS e@syfile allows users to import and export payroll files.	T	No Comments	Beki is of the view that the SARS e@syfile software can be used to generate income tax reference numbers of staff members in his company. Beki's view is correct.	T	The fact that you can generate IT numbers on E@syfile is not covered in the SARS materials.

No.	Assessment paper 1		RCB Comments	Assessment paper 2		RCB Comments	Assessment paper 3		RCB Comments
	Question	Answer (True/False)		Question	Answer (True/False)		Question	Answer (True/False)	
1	Only the tax liabilities as the result of assessments raised by SARS must be paid on and before its due date.	F	The concepts of tax liability and tax debt is not explained in the materials.	Tax debt only refers to the capital amount as the result of assessments and self-assessments which have not been paid to SARS after the due date.	F	The concepts of 'tax debt' is not defined in the materials and neither is 'capital amount'.	Tax debt includes assessment amount, interest and penalty amount.	T	The concepts of tax liability and tax debt is not explained in the materials.
2	A taxpayer may request payment arrangement with SARS if they do not want to pay their tax liabilities by due date.	F	No Comments	If a taxpayer has no outstanding returns and no history of non-adhering the previous payment arrangement, SARS will approve the request for payment	F	Should read 'non-adhering to the previous payment arrangement',	A taxpayer may request for payment arrangement with SARS on eFiling.	T	No Comments
3	A taxpayer may request for a tax debt compromise in writing which is accompanied with sufficient evidence.	T	No Comments	SARS may reverse the approval of a debt compromise if the information submitted to SARS by the taxpayer is found to be inaccurate and/or incomplete.	T	No Comments	SARS will approve a tax debt compromise if a taxpayer is unable to pay the tax liabilities by the due date, but able to pay by instalment.	F	No Comments
4	SARS may instruct a taxpayer's employer or bank to pay over the taxpayer's debt to SARS.	T	No Comments	The employer or bank of a taxpayer is not obliged to pay the tax debt on behalf of the taxpayer even if it received an instruction from SARS.	F	No Comments	A third party may be held personal liable if it failed to pay the tax debt over to SARS as instructed.	T	This should read 'A third party may be held personally liable if it...'

ANNEXURE 1
RCB COMMENTS ON ASSESSMENT QUESTIONS AND ANSWERS

MODULE 8
PART 2

No.	Assessment paper 1		RCB Comments	Assessment paper 2		RCB Comments	Assessment paper 3		RCB Comments
	Question	Answer (True/False)		Question	Answer (True/False)		Question	Answer (True/False)	
1	A taxpayer may lodge a dispute against Excise duties.	F	No Comments	A taxpayer may lodge a dispute against all taxes administered by tax Act.	T	Not clear as it does not refer to the exclusion of customs an excise Should also say 'by a tax Act'	A Taxpayer may lodge a dispute against the penalty for late submission of VAT returns, but not the interest for late payment of VAT.	F	No Comments
2	A taxpayer may request for reasons for the SARS assessment, to enable the formulation of the grounds of the objection against the assessment.	T	No Comments	Request for reasons for a SARS assessment can be done via e-filing within 30 business days from the date of the SARS assessment.	T	No Comments	If a taxpayer requests for reasons for the SARS assessment at a SARS branch, they will be allowed to submit such request within 60 business days.	F	No Comments
3	A taxpayer can lodge an objection with SARS if they made a mistake on their income tax return even if the return was not audited by SARS.	F	No Comments	A taxpayer can lodge an objection against the SARS revision on their provisional tax liability.	F	No Comments	A taxpayer can lodge an objection against the understatement penalty imposed by SARS.	T	No Comments
4	A taxpayer must lodge an objection against a SARS assessment within 80 business days of the date of SARS assessment/decision.	T	No Comments	A taxpayer may lodge an objection against a SARS assessment 40 months after the date of the assessment.	F	No Comments	A taxpayer may lodge an objection against a SARS assessment 6 months after the date of the assessment if the late submission is condoned by SARS.	T	No Comments
5	A taxpayer is required to pay a tax liability before an objection is finalised.	T	Should this not include ', unless the taxpayer has requested a suspension of payment'?	A taxpayer may request SARS to suspend the payment of the disputed tax liability if there is an ongoing dispute with SARS.	T	No Comments	SARS will suspend the payment of the tax debt if so requested by a taxpayer.	F	Not adequately detailed question
6	SARS will work on an appeal case as long as a taxpayer lodged the appeal against the SARS decision on the objection, within 75 business days of the date of the SARS decision.	F	No Comments	A taxpayer may lodge an appeal against the SARS decision on the objection within 51 business days if SARS is satisfied that reason ground exists for the late submission.	T	Should read 'satisfied that reasonable grounds exist for the late submission'.	A taxpayer may lodge an appeal against the SARS decision on the objection within 30 business days if SARS is satisfied that exceptional grounds exist for the late submission.	F	No Comments
7	The decision for a matter to take the ADR route resides with the taxpayer.	F	No Comments	ADR proceedings are finalised with 90 business days from the date of its commencement, or a longer period agreed with SARS.	T	Should read 'finalised within 90 days...'	A taxpayer must indicate whether they agree to follow the ADR process within 20 business days from the date of the SARS notice for taking ADR route.	F	No Comments
8	Tax appeals relating to tax principles are under the jurisdiction of tax board.	F	Should read 'of the tax board.'	Tax appeals against a SARS assessed amount less than R1 million must be dealt with by the tax board without exception.	F	No Comments	Tax appeals against a SARS assessed amount exceeding R1 million is under the jurisdiction of a tax court.	T	No Comments

**ANNEXURE 1
RCB COMMENTS ON ASSESSMENT QUESTIONS AND ANSWERS**

**MODULE 8
PART 3**

No.	Assessment paper 1		RCB Comments	Assessment paper 2		RCB Comments	Assessment paper 3		RCB Comments
	Question	Answer (True/False)		Question	Answer (True/False)		Question	Answer (True/False)	
1	When a taxpayer is unhappy with SARS services, they may lodge a complaint with SARS.	T	No Comments	A taxpayer must lodge a complaint if they are unhappy with the assessment.	F	SARS to correct spelling of assessment	If my tax return was selected for verification and SARS has not finalised the case 15 days after the submission of the return, I may lodge a complaint with SARS.	F	No Comments
2	I may lodge a complaint on eFiling or at a SARS branch.	T	No Comments	A case number is always required when lodging a complaint.	F	No Comments	No case number is required if I lodge a complaint against the behaviour of a SARS employee.	T	No Comments

No.	Assessment paper 1			Assessment paper 2			Assessment paper 3		
	Question	Answer (True/False)	RCB Comments	Question	Answer (True/False)	RCB Comments	Question	Answer (True/False)	RCB Comments
1	If a legal entity has more than one Registered Representative, then one must be nominated as the official "representative person" and be registered with SARS.	T	No Comments	If a legal entity has more than one Registered Representative, there is no need for anyone of them to be nominated as the official "representative person" and be registered with SARS.	F	No Comments	A Registered Representative is a person who is appointed with full rights to act on behalf of another legal entity.	T	No Comments
2	A legal entity intending to register Tom as its Registered Representative (RR), can do so on eFiling or the SARS Online Query System (SOQS).	T	No Comments	A legal entity intending to register Tom as its Registered Representative (RR), can only do so on eFiling.	F	No Comments	Registration or updating of a Registered Representative can be done on eFiling or the SARS Online Query System (SOQS)	T	No Comments
3	Tom, a representative taxpayer of XYZ (PTY) LTD ceased to be a representative taxpayer of XYZ (PTY) LTD. Tom is not obliged to notify SARS accordingly within 21 business days of ceasing to be a representative taxpayer.	F	No Comments	Tom, a representative taxpayer of XYZ (PTY) LTD ceased to be a representative taxpayer of XYZ (PTY) LTD. Tom is obliged to notify SARS accordingly within 21 business days of ceasing to be a representative taxpayer.	T	No Comments	Every person who becomes or ceases to be a representative taxpayer (except a public officer of a company), must notify SARS accordingly in such form as the Commissioner may prescribe, within 21 business days after becoming or ceasing to be a representative taxpayer.	T	No Comments
4	Every company carrying on business or having an office in the Republic must at all times be represented by an individual residing in the Republic.	T	No Comments	It is not mandatory for every company carrying on business or having an office in the Republic to be represented by an individual residing in the Republic.	F	No Comments	If SARS is of the opinion that a person is no longer suitable to represent the company as a public officer SARS may withdraw its approval.	T	No Comments
5	A tax practitioner may be registered as a registered representative of their clients.	F	This requirement should be clearly stated in the SARS materials. A tax practitioner is not precluded from taking on this role but it is SARS preference that he/she doesn't. We share this view but the study material needs to make it clear what SARS position is.	A tax practitioner may not be registered as a registered representative of their clients.	T	This requirement should be clearly stated in the SARS materials. A tax practitioner is not precluded from taking on this role but it is SARS preference that he/she doesn't. We share this view but the study material needs to make it clear what SARS position is.	Edward, a registered tax practitioner is of the view that he may be a registered representative of his clients since he handles their tax affairs. Edward's views are correct.	F	This requirement should be clearly stated in the SARS materials. A tax practitioner is not precluded from taking on this role but it is SARS preference that he/she doesn't. We share this view but the study material needs to make it clear what SARS position is.

ANNEXURE 1
RCB COMMENTS ON ASSESSMENT QUESTIONS AND ANSWERS

MODULE 8
PART 5

No.	Assessment paper 1			Assessment paper 2			Assessment paper 3		
	Question	Answer (True/False)	RCB Comments	Question	Answer (True/False)	RCB Comments	Question	Answer (True/False)	RCB Comments
1	A tax practitioner must report the death of a deceased person on behalf of its executor to SARS on eFiling.	F	Clear	A tax practitioner must report the death of a deceased person on behalf of its executor to SARS through pcc@sars.gov.za.	T	Clear	A tax practitioner must report the death of a deceased person on behalf of its executor to SARS through the SARS online query system.	T	Clear
2	Parties generally involved in the administration of a deceased estate includes The South African Reserve Bank.	F	Clear	The registrar of the deeds is one of the parties involved in the administration of a deceased estate.	T	Clear	During the process of administering a deceased estate, the executor receives a letter of appointment, and an administrator receives a letter of executorship.	F	Clear
3	The remaining assets after the Executor has finalised all the administration in the deceased estate will be relinquished to the state where the beneficiaries are known.	F	Clear	Once the Executor has finalised all the administration in the deceased estate, the remaining assets will be distributed to the beneficiaries.	T	Clear	Should the executor not fulfil the required obligations or do so in a negligent manner by disbursing funds without settling tax liabilities, this may result in the executor being held personally liable.	T	Clear
4	If taxable income was earned after the date of death and a second registration was required, all returns of the deceased estate must be submitted until the deceased estate is finalised.	T	Clear	All the required outstanding returns up to the date of death must be submitted in relation to a deceased person as soon as the executor is appointed.	T	Clear	Tax returns for the deceased estate must be submitted for the period after death until the L&D account is approved.	T	Clear
5	The estate duty is levied at the rate of 20% on the dutiable amount of an estate that does not exceed R50 million.	F	Clear	The estate duty is levied at a rate of 25% on the dutiable amount of an estate that exceeds R30 million.	T	Clear	Estate duty is the duty levied under the Estate Duty Act, 1955 on the dutiable amount of an estate of a deceased person.	T	Clear
6	Before the Commissioner can consider the life partner of the deceased to qualify as a "spouse" under section 1 of the Estate Duty Act, SARS needs to be provided with five affidavits from different parties to confirm the relationship.	F	This fact not specifically included in the SARS materials.	The deceased person's liability for tax and year of assessment come to an end at the date of death and a new taxpayer, namely, the deceased estate comes into existence in respect of any income and liabilities that arise after the date of death.	T	Clear	A deceased estate is a person simply because it includes a collection of rights and obligations of the deceased person administered by an executor.	F	Clear
7	A deceased estate is specifically excluded from the definition of a provisional taxpayer.	T	Clear	A deceased estate is not specifically excluded from the definition of provisional taxpayer.	F	Clear	It is mandatory for the executor of the deceased estate to register such deceased estate as a provisional taxpayer.	F	Clear
8	The residence of a deceased estate in South Africa for income tax purposes follows the residence of the deceased person at the time of death.	T	This fact not specifically included in the SARS materials. Please refer to the other SARS materials where this can be found.	The residence of a deceased estate in South Africa for income tax purposes follows the residence of the executor of the deceased estate.	F	Clear	For estate duty purposes, the concept of residence is narrow and determined by whether the deceased person was ordinarily resident in South Africa.	T	Clear
9	Where the deceased person was married in community of property and income in the form of investment and rental is earned by the deceased estate, 60% of such income must be declared by the deceased estate and the surviving spouse must declare the other 40%.	F	This fact not specifically included in the SARS materials. Please refer to the other SARS materials where this can be found.	Where the deceased person was married in community of property and income (investment and rental income) is earned by the deceased estate, 50% of such income must be declared by the deceased estate and the surviving spouse must declare the other 50%.	T	This fact not specifically included in the SARS materials.	Income derived from the carrying on of a trade (except rental income) only forms part of the estate of the person carrying on the trade.	T	Confirm rental income is excluded
10	The income earned and expenditure incurred after the date of death must be allocated to each relevant year of assessment until the deceased estate is finalised.	T	Clear	Any income earned after approval of the L&D account accrues to the Executor of the deceased estate.	F	Clear	The deceased estate will be allowed to carry over any losses incurred in the deceased estate, until the L&D account becomes distributable.	T	Clear

No.	Assessment paper 1		RCB Comments	Assessment paper 2		RCB Comments	Assessment paper 3		RCB Comments
	Question	Answer (True/False)		Question	Answer (True/False)		Question	Answer (True/False)	
1	Every person who is registered as an employer shall within 21 business days after ceasing to be an employer, notify the Commissioner in writing of the fact of the employer having ceased to be an employer.	F	No Comments	Thabo a registered employer ceased to be an employer after retrenching all his staff members as a result of the negative impact of Covid-19 on his business. Accordingly Thabo is not bound by the provisions of the Act to notify the Commissioner in writing with 14 working days of the fact of having ceased to be an employer.	F	SARS to correct the spelling of 'business' and 'to notify the Commissioner in writing within 14 working days...'	Every person who is registered as an employer shall within 14 business days after ceasing to be an employer, notify the Commissioner in writing of the fact of the employer having ceased to be an employer.	T	No Comments
2	A deregistration of a tax type may not be requested by a representative of a government entity.	F	No Comments	SARS may initiate a deregistration of a tax type.	T	No Comments	A taxpayer may not request for a deregistration of a tax type if they formally emigrated from South Africa.	F	No Comments
3	A vendor may apply in writing for cancellation of a VAT registration where the value of taxable supplies will be less than the compulsory registration threshold of R1 million in any consecutive period of 12 months.	T	No Comments	Where a vendor has ceased all enterprises, the deregistration / cancellation normally takes effect from the first day of the tax period in which the vendor ceased to carry on all enterprises.	F	No Comments	The Commissioner may cancel a VAT registration where the vendor has ceased to carry on the enterprise and will not commence again within the next 12 months.	T	No Comments
4	SARS can finalise a deregistration/cancellation of registration as a VAT vendor even if there are outstanding returns.	F	No Comments	SARS cannot finalise a cancellation of registration as a VAT vendor until all the outstanding liabilities and obligations in terms of the VAT Act have been resolved or settled.	T	No Comments	The application form for deregistration / cancellation of VAT must be submitted to the SARS branch where the vendor is registered.	T	No Comments
5	A taxpayer may never request for a deregistration of Income Tax.	F	No Comments	The following tax types may be deregistered by SARS: VAT, PAYE and Income Tax.	T	No Comments	For an application for deregistration of VAT on a separately registered enterprise, a VAT123T form must be completed.	T	No Comments