

27 November 2025

**To: The South African Revenue
Service**

Lehae La SARS,
299 Bronkhorst Street
PRETORIA
0181

Via email: policycomments@sars.gov.za

**RE: DRAFT INTERPRETATION NOTE – REDUCED ASSESSMENTS: MEANING OF
“READILY APPARENT UNDISPUTED ERROR”**

We attach comments from the SAIT Tax Technical team in relation to the abovementioned subject matter.

1. Background

1.1 As a general observation, we would like to commend SARS on this revised Interpretation Note (**revised draft IN**) that is much improved since that last issue in 2021. We also welcome SARS' decision to no longer maintain that an omission does not constitute an error.

2. Commentary

1.2 However, the revised draft IN does not clearly state what the taxpayer's remedies are should SARS reject the taxpayer's request for a reduced assessment. We believe that the revised draft IN should indicate that the taxpayer may lodge objection against the original assessment under section 104 of the Tax Administration Act, No 28 of 2011 (TAA). Should the 80-day period under Rule 7 for lodging objections be caused by SARS failing to respond timeously to the taxpayer's request, the revised draft IN should indicate whether SARS would regard such delay as comprising exceptional circumstances under section 104(4) of the TAA.

1.3 We have also listed below additional commentary for consideration prior to the finalisation of the revised draft IN:

1.3.1 We propose that the following sentence be replaced with our suggested wording below:

For example, there are no limitations on SARS' ability to make a reduced assessment even if the assessment in which the error occurs has not reached finality. (see 4.2.1)

Suggested wording:

SARS, once so satisfied, may thus issue a reduced assessment if the original assessment has not become final.

1.3.2 We propose that the word 'under' be removed from this sentence:
The second requirement for the application of [under] section 93(1)(d) is that there must be a readily apparent undisputed error, either in an assessment by SARS or in a return by the taxpayer. (see 4.2.3)

- 1.3.3 We further propose the following amendments to the commentary contained under 4.2 of the revised draft IN
The use of 'thereof' seems to be misplaced in this sentence. We believe that this should rather read 'therefore'. However, perhaps the wording 'for it' would be preferable.

We therefore, propose the following wording:
Accordingly, the request under section 93(1)(d) was rejected and the taxpayer notified of SARS decision and the reasons [thereof] for it.

- 1.3.4 We refer to the following commentary pertaining to the heading entitled "(c) Error":
We believe that the word 'only' is misplaced within this context and sentence, we therefore propose that the word be deleted accordingly and that the sentence be structured as follows:

Section 93(1)(d) has a limited application in that it [only] applies only to "errors" in an assessment by SARS or an error in a return by a taxpayer.

We propose that the wording herein be amended as proposed below:
An "error" may [comprise of] be one of [either a] "commission" or [an] "omission" for purposes of section 93(1)(d).

- 1.3.5 We refer to the content of Example 8 and wish to make the following commentary and proposals:
The wording of the Result is confusing. We suggested that the following sentence be inserted at the end of the Facts:

After reviewing the facts, SARS was satisfied that the taxpayer had made a readily apparent undisputed error.

Therefore, we propose that the Result should be reworded as follows:

The assessment made by SARS for the 2020 tax period is an original assessment. Under section 99(1)(a) an assessment may not be made more than three years after the date of an original assessment. The three-year period elapsed at midnight on 29 March 2024. Although the reduced assessment will be issued more than three years after the date of the original assessment, its issue by SARS is authorised under section 99(2)(d)(iii) because SARS became aware of the error before the expiry of the period stipulated in section 99(1).

- 1.3.6 As regards the commentary pertaining to *burden of proof under section 102(1)*, We propose deleting this sentence, as it currently does not enhance the clarity or flow of the text. This applied to the facts and law applicable to the facts in each case.

We value the opportunity to participate in the legislative process and would welcome further engagement where appropriate. Our further comments are contained below. Please do not hesitate to contact us should you need further information.

Yours sincerely
SAIT Tax Technical

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