

COVID-19: IMPORTANT TAX RELATED MATTERS

Possible tax interventions to mitigate the economic effects of the COVID-19 pandemic in the South African context

SAICA made a [submission](#) to SARS on 17 March 2020, requesting the Commissioner of SARS to consider various aspects regarding tax compliance due to COVID-19. The Tax Administration Act, 2011 provides for the potential remission of penalties and interest and condonation of late objections and appeals where non-compliance with timelines is as a result of 'exceptional circumstances'. SAICA thus requested the Commissioner to make a public statement to allay taxpayer concerns that this is an "exceptional circumstance" and "natural" disaster (as announced by the President) for the purposes of section 187(7) and section 218 of the TAA and what SARS will be expecting of taxpayers to prove causality. To date, we have received no feedback in this regard.

No extensions or other concessions provided by SARS, other than those announced by the President

SARS issued [this letter](#) to tax practitioners on 25 March 2020. SAICA again engaged with SARS regarding some aspects of this letter as it appears that despite services provided by accountants and/or tax practitioners not being included in the regulations issued regarding essential services during the lockdown, the expectation is that those responsible for fulfilling tax compliance obligations either for their clients, employers or themselves are still required to meet these obligations within the deadlines prescribed in the relevant legislation. Various processes have been put in place by SARS for electronic platforms to be accessible in this regard.

Very importantly, given that there are no extensions, taxpayers (including representatives thereof) and tax practitioners must ensure that they have all the documents they need to be compliant before lockdown.

An sms communication was sent to all members regarding the above.

SARS did advise that where one needs to upload a manual document and does not have access to a printer/scanner, it would be suitable to take a picture of the document/s and upload the image as an attachment.

Taxpayers and tax practitioners to keep adequate records should they be unable to meet deadlines and require remission of penalties/interest

Given the impact on taxpayers in relation to the COVID-19 lockdown, taxpayers and tax practitioners must ensure that they maintain detailed records of the efforts made to manage cash flows and meet tax compliance obligations, in order to make necessary representations to SARS when requesting relief, in the absence of specific concessions in this regard.

SARS has advised that they will deal with these on a case-by-case basis.

Tax practitioner appointments

The letter to tax practitioners, noted above also refers to tax practitioners being able to make and attend appointments at SARS branches for matters that they are unable to resolve using the other platforms. We have raised concerns regarding the travel that this will entail, given that the services of our members are not essential services.

SARS advised that on making appointments, tax practitioners will be issued with a letter confirming the SARS appointment. The tax practitioner will need to keep this and the relevant identity document at hand as proof when travelling and if stopped this will be proof for the travel required. The same is true for taxpayers who need to visit a SARS Branch.

We have raised concerns regarding the fact that whilst SARS may be recognized as an essential service, the fact that taxpayers and tax practitioners may need to travel to SARS must be communicated to all relevant authorities to avoid any confusion regarding this. SARS believes that this will not be a problem as long as the proof of appointment is presented if required.

A notice regarding a critical enhancement to the appointment system is provided via a link at the end of this document. Please note that this new system is not yet operational, but tax practitioners should be able to access the enhanced system within the next 48 hours.

Further submissions

In addition to the efforts noted above SAICA has, with other RCBs and members of the business community, provided input to a detailed submission to SARS and National Treasury dealing with the possible tax interventions to mitigate the economic effects of the COVID-19 pandemic on taxpayers. These interventions include those that can be implemented immediately as well as those that will require legislative intervention. Extension of deadlines for filing of tax returns, payment of taxes and timelines for compliance with certain requests from SARS have been included in the submission. Various other corporate tax, indirect taxes, personal income tax and payroll tax interventions were also contained in this submission.

SAICA will keep you informed of any new proposals announced by SARS and National Treasury in this regard.

Please refer to the last page for important SARS correspondence, some of which has been referred to above.

Important correspondence as at 26 March 2020:

Tax practitioner specific correspondence

- [Letter to tax practitioners regarding SARS services during lockdown](#)
- [Appointment request procedure](#)

Customs related correspondence:

- [SARS communication on section 77 related to COVID-19 lockdown](#)
- [Impact of Coronavirus on trade](#)
- [Position of neighbouring countries cross-border movement in response to the COVID-19](#)

Updated guides related to new electronic platform for registration of taxpayers as referred to in the letter to tax practitioners:

- [How to register for eFiling and manage your user profile](#)
- [Guide to the SARS mobiApp](#)