

TAX ADMINISTRATION ACT

[Updated to 5 January 2023]

Act 28 of 2011 (GoN 591, G. 35491 [Proc. 51, G. 35687]),
Act 21 of 2012 (GoN 1107, G. 36036, c.i.o 20 December 2012, unless otherwise indicated),
Act 26 of 2013 (GoN 1032, G. 37185, c.i.o 1 January 2014),
Act 39 of 2013 (GoN 14, G. 37236, c.i.o 16 January 2014 unless otherwise indicated),
Act 44 of 2014 (GoN 22, G. 38406, c.i.o 20 January 2015 unless otherwise indicated),
Act 23 of 2015 (GoN 20, G. 39586 c.i.o 8 January 2016 unless otherwise indicated),
Act 16 of 2016 (GoN 41, G. 40563, c.i.o 19 January 2017 unless otherwise indicated),
Act 13 of 2017 (GoN 1450, G. 41341, c.i.o 18 December 2017),
Act 22 of 2018 (G. 42169, c.i.o 17 January 2019 unless otherwise indicated),
Act 33 of 2019 (GoN 23, G. 42952, c.i.o 15 January 2020),
Act 24 of 2020 (GoN 22, G. 44080, c.i.o 20 January 2021),
Act 21 of 2021 (GoN 771, G. 45788, c.i.o 19 January 2022),
Act 16 of 2022 (GoN 1542, G. 47872, c.i.o. 5 January 2023, unless otherwise indicated).

[Commencement: 1 October 2012, except for ss 187(2), (3)(a) to (e) and (4), 188(2) and (3) and 189(2) and (5) of the Act; and any provision of Sch 1 to the Act that amends or repeals a provision of a tax Act relating to interest under that tax Act, to the extent of that amendment or repeal]

It is hereby notified that the President has assented to the following Act, which is hereby published for general information.

GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

(English text signed by the President)

(Assented to 2 July 2012)

ACT

To provide for the effective and efficient collection of tax; to provide for the alignment of the administration provisions of tax Acts and the consolidation of the provisions into one piece of legislation to the extent practically possible; to determine the powers and duties of the South African Revenue Service and officials; to provide for the delegation of powers by the Commissioner; to provide for the authority to act in legal proceedings; to determine the powers and duties of the

Minister of Finance; to provide for the establishment of the office of the Tax Ombud; to determine the powers and duties of the Tax Ombud; to provide for registration requirements; to provide for the submission of returns and the duty to keep records; to provide for reportable arrangements; to provide for the request for information; to provide for the carrying out of an audit or investigation by the South African Revenue Service; to provide for inquiries; to provide for powers of the South African Revenue Service to carry out searches and seizures; to provide for the confidentiality of information; to provide for the South African Revenue Service to issue advance rulings; to make provision in respect of tax assessments; to provide for dispute resolution; to make provision for the payment of tax; to provide for the recovery of tax; to provide for the South African Revenue Service to recover interest on outstanding tax debts; to provide for the refund of excess payments; to provide for the write-off and compromise of tax debts; to provide for the imposition and remittance of administrative non-compliance penalties; to provide for the imposition of understatement penalties; to provide for a voluntary disclosure programme; to provide for criminal offences and sanctions; to provide for the reporting of unprofessional conduct by tax practitioners; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows.

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[Arrangement of Sections as by s 87 of Act 39 of 2013 wef 1 October 2012, s 26 of Act 33 of 2019 wef 15 January 2020.]

CHAPTER 1 DEFINITIONS

1. Definitions

In this Act, unless the context indicates otherwise, a term which is assigned a meaning in another tax Act has the meaning so assigned, and the following terms have the following meaning—

“additional assessment” is an assessment referred to in section 92;

“administration of a tax Act” has the meaning assigned in section 3(2);

“administrative non-compliance penalty” has the meaning assigned in section 208;

“assessment” means the determination of the amount of a tax liability or refund, by way of self-assessment by the taxpayer or assessment by SARS;

“asset” includes—

- (a) property of whatever nature, whether movable or immovable, corporeal or incorporeal; and
- (b) a right or interest of whatever nature to or in the property;
[\[“asset” ins by s 36\(a\) of Act 21 of 2012 wef 1 October 2012.\]](#)

“biometric information” means biological data used to authenticate the identity of a natural person by means of—

- (a) facial recognition;
- (b) fingerprint recognition;
- (c) voice recognition;
- (d) iris or retina recognition; and
- (e) other, less intrusive biological data, as may be prescribed by the Minister in a regulation issued under section 257;

“business day” means a day which is not a Saturday, Sunday or public holiday, and for purposes of determining the days or a period allowed for complying with the provisions of Chapter 9, excludes the days between 16 December of each year and 15 January of the following year, both days inclusive;

“Commissioner” means the Commissioner for the South African Revenue Service appointed in terms of section 6 of the SARS Act or the Acting Commissioner designated in terms of section 7 of that Act;

“company” has the meaning assigned in section 1 of the Income Tax Act;

“connected person” means a connected person as defined in section 1 of the Income Tax Act;

“customs and excise legislation” means the Customs and Excise Act, 1964 (Act 91 of 1964), the Customs Duty Act, 2014 (Act 30 of 2014), or the Customs Control Act, 2014 (Act 31 of 2014);

[“Customs and Excise Act” subs as “customs and excise legislation” by s 33(a) of Act 23 of 2015 wef 8 January 2016.]

“date of assessment” means—

- (a) in the case of an assessment by SARS, the date of the issue of the notice of assessment; or
- (b) in the case of self-assessment by the taxpayer—
 - (i) if a return is required, the date that the return is submitted; or
 - (ii) if no return is required, the date of the last payment of the tax for the tax period or, if no payment was made in respect of the tax for the tax period, the effective date;

“date of sequestration” means—

- (a) the date of voluntary surrender of an estate, if accepted by a court; or
- (b) the date of provisional sequestration of an estate, if a final order of sequestration is granted by a court;

“Diamond Export Levy Act” means the Diamond Export Levy Act, 2007 (Act 15 of 2007);

“Diamond Export Levy (Administration) Act” means the Diamond Export Levy (Administration) Act, 2007 (Act 14 of 2007);

“document” means anything that contains a written, sound or pictorial record, or other record of information, whether in physical or electronic form;

“effective date” is the date described in section 187(3), (4) and (5) of this Act, or the date from when interest is otherwise calculated under a tax Act;

[“effective date” subs by s 36(b) of Act 21 of 2012 wef 1 October 2012.]

“Estate Duty Act” means the Estate Duty Act, 1955 (Act 45 of 1955);

“fair market value” means the price which could be obtained upon a sale of an asset between a willing buyer and a willing seller dealing at arm’s length in an open market;

“income tax” means normal tax referred to in section 5 of the Income Tax Act;

“Income Tax Act” means the Income Tax Act, 1962 (Act 58 of 1962);

“information” includes information generated, recorded, sent, received, stored or displayed by any means;

“international tax agreement” means—

- (a) an agreement entered into with the government of another country in accordance with a tax Act; or
- (b) any other agreement entered into between the competent authority of the Republic and the competent authority of another country relating to the automatic exchange of information under an agreement referred to in paragraph (a);

[\[“international tax agreement” subs by s 37\(a\) of Act 44 of 2014 wef 1 October 2012.\]](#)

“international tax standard” means—

- (a) the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters;
- (b) the Country-by-Country Reporting Standard for Multinational Enterprises specified by the Minister; or
- (c) any other international standard for the exchange of tax-related information between countries specified by the Minister,

subject to such changes as specified by the Minister in a regulation issued under section 257;

[\[“international tax standard” ins by s 33\(b\) of Act 23 of 2015 wef 8 January 2016.\]](#)

“jeopardy assessment” is an assessment referred to in section 94;

“judge” means a judge of the High Court of South Africa, whether in chambers or otherwise;

“magistrate” means a judicial officer as defined in section 1 of the Magistrates’ Courts Act, 1944 (Act 32 of 1944), whether in chambers or otherwise;

“Mineral and Petroleum Resources Royalty (Administration) Act” means the Mineral and Petroleum Resources Royalty (Administration) Act, 2008 (Act 29 of 2008);

“Minister” means the Minister of Finance;

“official publication” means a binding general ruling, interpretation note, practice note or public notice issued by a senior SARS official or the Commissioner;

“original assessment” is an assessment referred to in section 91;

“outstanding tax debt” means a tax debt not paid by the day referred to in section 162;

[“outstanding tax debt” ins by s 30(a) of Act 39 of 2013 wef 1 October 2012.]

“practice generally prevailing” has the meaning assigned in section 5;

“premises” includes a building, aircraft, vehicle, vessel or place;

“prescribed rate” has the meaning assigned in section 189(3);

“presiding officer” is the person referred to in section 50(1);

“Promotion of Access to Information Act” means the Promotion of Access to Information Act, 2000 (Act 2 of 2000);

“public notice” means a notice published in the *Government Gazette*;

“public officer” is an officer referred to in section 246(1), (2) and (3);

“reduced assessment” is an assessment referred to in section 93;

“registered tax practitioner” means a person registered under section 240;

[“registered tax practitioner” ins by s 36(c) of Act 21 of 2012 wef 1 October 2012.]

“relevant material” means any information, document or thing that in the opinion of SARS is foreseeably relevant for the administration of a tax Act as referred to in section 3;

[“relevant material” subs by s 30(b) of Act 39 of 2013 wef 1 October 2012, s 37(b) of Act 44 of 2014 wef 1 October 2012.]

“reportable arrangement” has the meaning assigned in section 35;

“representative taxpayer” has the meaning assigned in section 153(1);

“responsible third party” has the meaning assigned under section 158;

“return” means a form, declaration, document or other manner of submitting information to SARS that incorporates a self-assessment, is a basis on which an assessment is to be made by SARS or incorporates relevant material required under section 25, 26 or 27 or a provision under a tax Act requiring the submission of a return;

[“return” subs by s 30(c) of Act 39 of 2013 wef 1 October 2012, s 37(c) of Act 44 of 2014 wef 1 October 2012.]

“SARS” means the South African Revenue Service established under the SARS Act;

“SARS Act” means the South African Revenue Service Act, 1997 (Act 34 of 1997);

“SARS confidential information” has the meaning assigned under section 68(1);

“SARS official” means—

- (a) the Commissioner;
- (b) an employee of SARS; or
- (c) a person contracted or engaged by SARS, other than an external legal representative, for purposes of the administration of a tax Act and who carries out the provisions of a tax Act under the control, direction or supervision of the Commissioner;

[“SARS official” subs by s 47 of Act 16 of 2016 wef 19 January 2017.]

“Securities Transfer Tax Act” means the Securities Transfer Tax Act, 2007 (Act 25 of 2007);

“Securities Transfer Tax Administration Act” means the Securities Transfer Tax Administration Act, 2007 (Act 26 of 2007);

“self-assessment” means a determination of the amount of tax payable under a tax Act by a taxpayer and—

- (a) submitting a return which incorporates the determination of the tax; or
- (b) if no return is required, making a payment of the tax;

“senior SARS official” is a SARS official referred to in section 6(3);

“serious tax offence” means a tax offence for which a person may be liable on conviction to imprisonment for a period exceeding two years without the option of a fine or to a fine exceeding the equivalent amount of a fine under the Adjustment of Fines Act, 1991 (Act 101 of 1991);

“shareholder” means a person who holds a beneficial interest in a company as defined in the Income Tax Act;

[“shareholder” subs by s 36(e) of Act 21 of 2012 wef 1 October 2012.]

“Skills Development Levies Act” means the Skills Development Levies Act, 1999 (Act 9 of 1999);

“tax”, for purposes of administration under this Act, includes a tax, duty, levy, royalty, fee, contribution, penalty, interest and any other moneys imposed under a tax Act;

“taxable event” means an occurrence which affects or may affect the liability of a person to tax;

“tax Act” means this Act or an Act, or portion of an Act, referred to in section 4 of the SARS Act, excluding customs and excise legislation;

[“tax Act” subs by s 37(d) of Act 44 of 2014 wef 1 October 2012, s 33(c) of Act 23 of 2015 wef 8 January 2016.]

“tax board” means a tax board established under section 108;

“tax court” means a court established under section 116;

“tax debt” means an amount referred to in section 169(1);

[“tax debt” subs by s 30(d) of Act 39 of 2013 wef 1 October 2012.]

“tax offence” means an offence in terms of a tax Act or any other offence involving—

- (a) fraud on SARS or on a SARS official relating to the administration of a tax Act; or
 - (b) theft of moneys due or paid to SARS for the benefit of the National Revenue Fund;
- [“tax offence” subs by s 37(e) of Act 44 of 2014 wef 1 October 2012.]

“Tax Ombud” is the person appointed by the Minister under section 14;

“tax period” means, in relation to—

- (a) income tax, a year of assessment as defined in section 1 of the Income Tax Act;
- (b) provisional tax or employees’ tax, skills development levies as determined in section 3 of the Skills Development Levies Act, and contributions as determined in section 6 of the

Unemployment Insurance Contributions Act, the period in respect of which the amount of tax payable must be determined under the relevant tax Act;

- (c) value-added tax, a tax period determined under section 27 of the Value-Added Tax Act or the period or date of the taxable event in respect of which the amount of tax payable must be determined under that Act;
- (d) royalty payable on the transfer of mineral and petroleum resources, a year of assessment as defined in section 1 of the Mineral and Petroleum Resources Royalty (Administration) Act;
- (e) the levy on diamond exports as determined under section 2 of the Diamond Export Levy Act, the assessment period referred to in section 1 of the Diamond Export Levy (Administration) Act;
- (f) securities transfer tax, the period referred to in section 3 of the Securities Transfer Tax Administration Act;
- (g) any other tax, the period or date of the taxable event in respect of which the amount of tax payable must be determined under a tax Act; or
- (h) a jeopardy assessment, the period determined under this Act;

“taxpayer” has the meaning assigned under section 151;

“taxpayer information” has the meaning assigned under section 67(1)(b);

“taxpayer reference number” is the number referred to in section 24;

“thing” includes a corporeal or incorporeal thing;

“this Act” includes the regulations and a public notice issued under this Act;

“Transfer Duty Act” means the Transfer Duty Act, 1949 (Act 40 of 1949);

“understatement penalty” means a penalty imposed by SARS in accordance with Part A of Chapter 16;

“Unemployment Insurance Contributions Act” means the Unemployment Insurance Contributions Act, 2002 (Act 4 of 2002);

“Value-Added Tax Act” means the Value-Added Tax Act, 1991 (Act 89 of 1991);

“withholding agent” has the meaning assigned under section 156.

CHAPTER 2

GENERAL ADMINISTRATION PROVISIONS

Part A

In general

2. Purpose of Act

The purpose of this Act is to ensure the effective and efficient collection of tax by—

- (a) aligning the administration of the tax Acts to the extent practically possible;
- (b) prescribing the rights and obligations of taxpayers and other persons to whom this Act applies;
- (c) prescribing the powers and duties of persons engaged in the administration of a tax Act; and
- (d) generally giving effect to the objects and purposes of tax administration.

3. Administration of tax Acts

- (1) SARS is responsible for the administration of this Act under the control or direction of the Commissioner.
- (2) Administration of a tax Act means to—
 - (a) obtain full information in relation to—
 - (i) anything that may affect the liability of a person for tax in respect of a previous, current or future tax period;
 - (ii) a taxable event; or
 - (iii) the obligation of a person (whether personally or on behalf of another person) to comply with a tax Act;
 - (b) ascertain whether a person has filed or submitted correct returns, information or documents in compliance with the provisions of a tax Act;
 - (c) establish the identity of a person for purposes of determining liability for tax;

- (d) determine the liability of a person for tax;
 - (e) collect tax debts and refund tax overpaid;
[S 3(2)(e) subs by s 31 of Act 39 of 2013 wef 1 October 2012.]
 - (f) investigate whether a tax offence has been committed, and, if so—
 - (i) to lay criminal charges; and
 - (ii) to provide the assistance that is reasonably required for the investigation and prosecution of the tax offence;
[S 3(2)(f) subs by s 37(a) of Act 21 of 2012 wef 1 October 2012.]
 - (g) enforce SARS' powers and duties under a tax Act to ensure that an obligation imposed by or under a tax Act is complied with;
 - (h) perform any other administrative function necessary to carry out the provisions of a tax Act;
[S 3(2)(h) am by s 34(a) of Act 23 of 2015 wef 8 January 2016.]
 - (i) give effect to the obligation of the Republic to provide assistance under an international tax agreement; and
[S 3(2)(i) am by s 34(a) of Act 23 of 2015 wef 8 January 2016.]
 - (j) give effect to an international tax standard.
[S 3(2)(j) ins by s 34(a) of Act 23 of 2015 wef 8 January 2016.]
- (3) If SARS, in accordance with—
- (a) an international tax agreement—
 - (i) received a request for, is obliged to exchange or wishes to spontaneously exchange information, SARS may disclose or obtain the information for transmission to the competent authority of the other country as if it were relevant material required for purposes of a tax Act and must treat the information obtained as taxpayer information;
 - (ii) received a request for the conservancy or the collection of an amount alleged to be due by a person under the tax laws of the requesting country, SARS may deal with the request under the provisions of section 185; or
 - (iii) received a request for the service of a document which emanates from the requesting country, SARS may effect service of the document as if it were a notice,

document or other communication required under a tax Act to be issued, given, sent or served by SARS; or

- (b) an international tax standard, obtained information of a person, SARS may retain the information as if it were relevant material required for purposes of a tax Act and must treat the information obtained as taxpayer information.

[S 3(3) am by s 37 of Act 21 of 2012 wef 1 October 2012; subs by s 38 of Act 44 of 2014 wef 1 October 2012, s 34(b) of Act 23 of 2015 wef 8 January 2016.]

4. Application of Act

- (1) This Act applies to every person who is liable to comply with a provision of a tax Act (whether personally or on behalf of another person) and binds SARS.
- (2) If this Act is silent with regard to the administration of a tax Act and it is specifically provided for in the relevant tax Act, the provisions of that tax Act apply.
- (3) In the event of any inconsistency between this Act and another tax Act, the other Act prevails.

5. Practice generally prevailing

- (1) A practice generally prevailing is a practice set out in an official publication regarding the application or interpretation of a tax Act.
- (2) Despite any provision to the contrary contained in a tax Act, a practice generally prevailing set out in an official publication, other than a binding general ruling, ceases to be a practice generally prevailing if—
 - (a) the provision of the tax Act that is the subject of the official publication is repealed or amended to an extent material to the practice, from the date the repeal or amendment becomes effective;
 - (b) a court overturns or modifies an interpretation of the tax Act which is the subject of the official publication to an extent material to the practice from the date of judgment, unless—
 - (i) the decision is under appeal;
 - (ii) the decision is fact-specific and the general interpretation upon which the official publication was based is unaffected; or
 - (iii) the reference to the interpretation upon which the official publication was based was *obiter dicta*; or

- (c) the official publication is withdrawn or modified by the Commissioner, from the date of the official publication of the withdrawal or modification.
- (3) A binding general ruling ceases to be a practice generally prevailing in the circumstances described in section 85 or 86.

Part B

Powers and duties of SARS and SARS officials

6. Powers and duties

- (1) The powers and duties of SARS under this Act may be exercised for purposes of the administration of a tax Act.
- (2) Powers and duties which are assigned to the Commissioner by this Act must be exercised by the Commissioner personally but he or she may delegate such powers and duties in accordance with section 10.
- (3) Powers and duties required by this Act to be exercised by a senior SARS official must be exercised by—
 - (a) the Commissioner;
 - (b) a SARS official who has specific written authority from the Commissioner to do so; or
 - (c) a SARS official occupying a post designated by the Commissioner in writing for this purpose.
[S 6(3)(c) subs by s 38(a) of Act 21 of 2012 wef 1 October 2012.]
- (4) The execution of a task ancillary to a power or duty under subsection (2) or (3) may be done by a SARS official under the control of an official referred to in subsection (3)(a), (b) or (c).
[S 6(4) am by s 38(b) of Act 21 of 2012 wef 1 October 2012; subs by s 35 of Act 23 of 2015 wef 8 January 2016.]
- (5) Powers and duties not specifically required by this Act to be exercised by the Commissioner or by a senior SARS official, may be exercised by a SARS official.
[S 6(5) subs by s 38(c) of Act 21 of 2012 wef 1 October 2012.]
- (6) The Commissioner may by public notice specify that a power or duty in a tax Act other than this Act must be exercised by the Commissioner personally or a senior SARS official.

7. Conflict of interest

The Commissioner or a SARS official may not exercise a power or become involved in a matter pertaining to the administration of a tax Act, if—

- (a) the power or matter relates to a taxpayer in respect of which the Commissioner or the official has or had, in the previous three years, a personal, family, social, business, professional, employment or financial relationship presenting a conflict of interest; or
- (b) other circumstances present a conflict of interest,

that will reasonably be regarded as giving rise to bias.

8. Identity cards

- (1) SARS may issue an identity card to each SARS official exercising powers and duties for purposes of the administration of a tax Act.

[\[S 8\(1\) subs by s 39 of Act 21 of 2012 wef 1 October 2012.\]](#)

- (2) When a SARS official exercises a power or duty for purposes of the administration of a tax Act in person outside SARS premises, the official must produce the identity card upon request by a member of the public.

[\[S 8\(2\) subs by s 39 of Act 21 of 2012 wef 1 October 2012.\]](#)

- (3) If the official does not produce the identity card, a member of the public is entitled to assume that the person is not a SARS official.

9. Decision or notice by SARS

- (1) A decision made by a SARS official or a notice to a specific person issued by SARS under a tax Act, excluding a decision given effect to in an assessment or a notice of assessment that is subject to objection and appeal, may in the discretion of a SARS official described in paragraph (a), (b) or (c) or at the request of the relevant person, be withdrawn or amended by—

- (a) the SARS official;
- (b) a SARS official to whom the SARS official reports; or
- (c) a senior SARS official.

[\[S 9\(1\) subs by s 22\(a\) of Act 13 of 2017 wef 18 December 2017.\]](#)

- (2) If all the material facts were known to the SARS official at the time the decision was made, a decision or notice referred to in subsection (1) may not be withdrawn or amended with retrospective effect, after three years from the later of the—
- (a) date of the written notice of that decision; or
 - (b) date of assessment or the notice of assessment giving effect to the decision (if applicable).
- (3) A decision made by a SARS official or a notice to a specific person issued by SARS under a tax Act is regarded as made by a SARS official authorised to do so or duly issued by SARS, until proven to the contrary.

[S 9(3) ins by s 22(b) of Act 13 of 2017 wef 18 December 2017.]

Part C

Delegations

10. Delegations by the Commissioner

- (1) A delegation by the Commissioner under section 6(2)—
- (a) must be in writing;
 - (b) becomes effective only when signed by the Commissioner;
[S 10(1)(b) subs by s 32 of Act 39 of 2013 wef 1 October 2012.]
 - (c) is subject to the limitations and conditions the Commissioner may determine in making the delegation;
 - (d) may either be to—
 - (i) a specific individual; or
 - (ii) the incumbent of a specific post; and
 - (e) may be amended or withdrawn by the Commissioner.
- (2) A delegation does not divest the Commissioner of the responsibility for the exercise of the delegated power or the performance of the delegated duty.

Part D
Authority to act in legal proceedings

11. Legal proceedings involving Commissioner

[\[Section heading subs by s 33\(a\) of Act 39 of 2013 wef 1 October 2012.\]](#)

- (1) No SARS official may institute or defend civil proceedings on behalf of the Commissioner unless authorised to do so under this Act or by the Commissioner or by the person delegated by the Commissioner under section 6(2).

[\[S 11\(1\) subs by s 36 of Act 23 of 2015 wef 8 January 2016.\]](#)

- (2) For purposes of subsection (1), a SARS official who, on behalf of the Commissioner, institutes litigation, or performs acts which are relied upon by the Commissioner in litigation, is regarded as duly authorised until proven to the contrary.

- (3) An amount due or payable as a result of a cost order in favour of SARS recovered by the State Attorney resulting from any civil proceedings under this Act must be paid to the National Revenue Fund.

[\[S 11\(3\) subs by s 40 of Act 21 of 2012 wef 1 October 2012, s 33\(b\) of Act 39 of 2013 wef 1 October 2012, s 48 of Act 16 of 2016 wef 19 January 2017.\]](#)

- (4) Unless the court otherwise directs, no legal proceedings may be instituted in the High Court against the Commissioner, unless the applicant has given the Commissioner written notice of at least 10 business days of the applicant's intention to institute the legal proceedings.

[\[S 11\(4\) ins by s 33\(c\) of Act 39 of 2013 wef 1 October 2012; am by s 27 of Act 33 of 2019 wef 15 January 2020.\]](#)

- (5) The notice or any process by which the legal proceedings referred to in subsection (4) are instituted, must be served at the address specified by the Commissioner by public notice.

[\[S 11\(5\) ins by s 33\(c\) of Act 39 of 2013 wef 1 October 2012.\]](#)

12. Right of appearance in proceedings

- (1) Despite any law to the contrary, a senior SARS official may, on behalf of SARS or the Commissioner in proceedings referred to in a tax Act, appear *ex parte* in a judge's chambers, in the tax court or in a High Court.

[\[S 12\(1\) am by s 24 of Act 24 of 2020 wef 20 January 2021.\]](#)

- (2) A senior SARS official may appear in the tax court or a High Court only if the person is a legal practitioner duly admitted and enrolled under the Legal Practice Act, 2014 (Act 28 of 2014).

[\[S 12\(2\) subs by s 28 of Act 33 of 2019 wef 15 January 2020.\]](#)

Part E
Powers and duties of Minister

13. Powers and duties of Minister

- (1) The powers conferred and the duties imposed upon the Minister by or under the provisions of a tax Act may—
 - (a) be exercised or performed by the Minister personally; and
 - (b) except for the powers under sections 14 and 257, be delegated by the Minister to the Deputy Minister or Director-General of the National Treasury.
- (2) The Director-General may in turn delegate the powers and duties delegated to the Director-General by the Minister to a person under the control, direction or supervision of the Director-General.

14. Power of Minister to appoint Tax Ombud

- (1) The Minister must appoint a person as Tax Ombud—
 - (a) for a term of five years, which term may be renewed; and
[S 14(1)(a) subs by s 49 of Act 16 of 2016 wef 19 January 2017.]
 - (b) under such conditions regarding remuneration and allowances as the Minister may determine.
- (2) The person appointed under subsection (1) or (3) may be removed by the Minister for misconduct, incapacity or incompetence.
- (3) During a vacancy in the office of Tax Ombud, the Minister may designate a person in the office of the Tax Ombud to act as Tax Ombud.
- (4) No person may be designated in terms of subsection (3) as acting Tax Ombud for a period longer than 90 days at a time.
- (5) A person appointed as Tax Ombud—
 - (a) is accountable to the Minister;
 - (b) must have a good background in customer service as well as tax law; and

(c) may not at any time during the preceding five years have been convicted (whether in the Republic or elsewhere) of—

(i) theft, fraud, forgery or uttering a forged document, perjury, an offence under the Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004); or

(ii) any other offence involving dishonesty,

for which the person has been sentenced to a period of imprisonment exceeding two years without the option of a fine or to a fine exceeding the amount prescribed in the Adjustment of Fines Act, 1991 (Act 101 of 1991).

Part F

Powers and duties of Tax Ombud

15. Office of Tax Ombud

(1) The Tax Ombud must appoint the staff of the office of the Tax Ombud who must be employed in terms of the SARS Act.

[\[S 15\(1\) subs by s 50\(a\) of Act 16 of 2016 wef 19 January 2017.\]](#)

(2) When the Tax Ombud is absent or otherwise unable to perform the functions of office, the Tax Ombud may designate another person in the office of the Tax Ombud as acting Tax Ombud.

(3) No person may be designated in terms of subsection (2) as acting Tax Ombud for a period longer than 90 days at a time.

(4) The expenditure connected with the functions of the office of the Tax Ombud is paid in accordance with a budget approved by the Minister for the office.

[\[S 15\(4\) subs by s 50\(b\) of Act 16 of 2016 wef 19 January 2017.\]](#)

16. Mandate of Tax Ombud

(1) The mandate of the Tax Ombud is to—

(a) review and address any complaint by a taxpayer regarding a service matter or a procedural or administrative matter arising from the application of the provisions of a tax Act by SARS; and

(b) review, at the request of the Minister or at the initiative of the Tax Ombud with the approval of the Minister, any systemic and emerging issue related to a service matter or the

application of the provisions of this Act or procedural or administrative provisions of a tax Act.

[S 16(1) subs by s 51 of Act 16 of 2016 wef 19 January 2017.]

- (2) In discharging his or her mandate, the Tax Ombud must—
- (a) review a complaint and, if necessary, resolve it through mediation or conciliation;
 - (b) act independently in resolving a complaint;
 - (c) follow informal, fair and cost-effective procedures in resolving a complaint;
 - (d) provide information to a taxpayer about the mandate of the Tax Ombud and the procedures to pursue a complaint;
 - (e) facilitate access by taxpayers to complaint resolution mechanisms within SARS to address complaints; and
 - (f) identify and review systemic and emerging issues related to service matters or the application of the provisions of this Act or procedural or administrative provisions of a tax Act that impact negatively on taxpayers.

17. Limitations on authority

The Tax Ombud may not review—

- (a) legislation or tax policy;
- (b) SARS policy or practice generally prevailing, other than to the extent that it relates to a service matter or a procedural or administrative matter arising from the application of the provisions of a tax Act by SARS;
- (c) a matter subject to objection and appeal under a tax Act, except for an administrative matter relating to such objection and appeal; or
- (d) a decision of, proceeding in or matter before the tax court.

18. Review of complaint

- (1) The Tax Ombud may review any issue within the Tax Ombud's mandate on receipt of a request from a taxpayer.

- (2) The Tax Ombud may—
- (a) determine how a review is to be conducted; and
 - (b) determine whether a review should be terminated before completion.
- (3) In exercising the discretion set out in subsection (2), the Tax Ombud must consider such factors as—
- (a) the age of the request or issue;
 - (b) the amount of time that has elapsed since the requester became aware of the issue;
 - (c) the nature and seriousness of the issue;
 - (d) the question of whether the request was made in good faith; and
 - (e) the findings of other redress mechanisms with respect to the request.
- (4) The Tax Ombud may only review a request if the requester has exhausted the available complaints resolution mechanisms in SARS, unless there are compelling circumstances for not doing so.
- (5) To determine whether there are compelling circumstances, the Tax Ombud must consider factors such as whether—
- (a) the request raises systemic issues;
 - (b) exhausting the complaints resolution mechanisms will cause undue hardship to the requester; or
 - (c) exhausting the complaints resolution mechanisms is unlikely to produce a result within a period of time that the Tax Ombud considers reasonable.
- (6) The Tax Ombud must inform the requester of the results of the review or any action taken in response to the request, but at the time and in the manner chosen by the Tax Ombud.

19. Reports by Tax Ombud

- (1) The Tax Ombud must—
- (a) report directly to the Minister;

- (b) submit an annual report to the Minister within five months of the end of SARS' financial year; and
 - (c) submit a report to the Commissioner quarterly or at such other intervals as may be agreed.
- (2) The reports must—
- (a) contain a summary of at least 10 of the most serious issues encountered by taxpayers and identified systemic and emerging issues referred to in section 16(2)(f), including a description of the nature of the issues;
 - (b) contain an inventory of the issues described in subparagraph (a) for which—
 - (i) action has been taken and the result of such action;
 - (ii) action remains to be completed and the period during which each item has remained on such inventory; or
 - (iii) no action has been taken, the period during which each item has remained on such inventory and the reasons for the inaction; and
 - (c) contain recommendations for such administrative action as may be appropriate to resolve problems encountered by taxpayers.
- (3) The Minister must table the annual report of the Tax Ombud in the National Assembly.

20. Resolution and recommendations

- (1) The Tax Ombud must attempt to resolve all issues within the Tax Ombud's mandate at the level at which they can most efficiently and effectively be resolved and must, in so doing, communicate with SARS officials identified by SARS.
- (2) The Tax Ombud's recommendations are not binding on a taxpayer or SARS, but if not accepted by a taxpayer or SARS, reasons for such decision must be provided to the Tax Ombud within 30 days of notification of the recommendations and may be included by the Tax Ombud in a report to the Minister or the Commissioner under section 19.

[\[S 20\(2\) subs by s 52 of Act 16 of 2016 wef 19 January 2017.\]](#)

21. Confidentiality

- (1) The provisions of Chapter 6 apply with the changes required by the context for the purpose of this Part.

- (2) SARS must allow the Tax Ombud access to information in the possession of SARS that relates to the Tax Ombud's powers and duties under this Act.
- (3) The Tax Ombud and any person acting on the Tax Ombud's behalf may not disclose information of any kind that is obtained by or on behalf of the Tax Ombud, or prepared from information obtained by or on behalf of the Tax Ombud, to SARS, except to the extent required for the purpose of the performance of functions and duties under this Part.

CHAPTER 3

REGISTRATION

22. Registration requirements

- (1) A person—
 - (a) obliged to apply to; or
 - (b) who may voluntarily,register with SARS under a tax Act must do so in terms of the requirements of this Chapter or, if applicable, the relevant tax Act.
- (2) A person referred to in subsection (1) must—
 - (a) apply for registration within the period provided for in a tax Act or, if no such period is provided for, 21 business days of so becoming obliged or within the further period as SARS may approve in the prescribed form and manner;
 - (b) apply for registration for one or more taxes or under section 26(3) in the prescribed form and manner; and
 - [S 22(2)(b) subs by s 37(a) of Act 23 of 2015 wef 8 January 2016.]
 - (c) provide SARS with the further particulars and any documents as SARS may require for the purpose of registering the person for the tax or taxes or under section 26(3).
 - [S 22(2)(c) subs by s 37(a) of Act 23 of 2015 wef 8 January 2016.]
- (3) A person registered or applying for registration under a tax Act may be required to submit biometric information in the prescribed form and manner if the information is required to ensure—
 - (a) proper identification of the person; or

(b) counteracting identity theft or fraud.

(4) A person who applies for registration in terms of this Chapter and has not provided all particulars and documents required by SARS, may be regarded not to have applied for registration until all the particulars and documents have been provided to SARS.

(5) Where a person that is obliged to register with SARS under a tax Act fails to do so, SARS may register the person for one or more tax types as is appropriate under the circumstances or for purposes of section 26(3).

[S 22(5) subs by s 37(b) of Act 23 of 2015 wef 8 January 2016.]

23. Communication of changes in particulars

A person who has been registered under section 22 must communicate to SARS within 21 business days any change that relates to—

(a) postal address;

(b) physical address;

(c) representative taxpayer;

(d) banking particulars used for transactions with SARS;

(e) electronic address used for communication with SARS; or

(f) such other details as the Commissioner may require by public notice.

24. Taxpayer reference number

(1) SARS may allocate a taxpayer reference number in respect of one or more taxes to each person registered under a tax Act or this Chapter.

(2) SARS may register and allocate a taxpayer reference number to a person who is not registered.

(3) A person who has been allocated a taxpayer reference number by SARS must include the relevant reference number in all returns or other documents submitted to SARS.

(4) SARS may regard a return or other document submitted by a person to be invalid if it does not contain the reference number referred to in subsection (3) and must inform the person accordingly if practical.

CHAPTER 4
RETURNS AND RECORDS

Part A
General

25. Submission of return

- (1) A person required under a tax Act or by the Commissioner to submit or who voluntarily submits a return must do so—

[\[Words preceding s 25\(1\)\(a\) subs by s 34 of Act 39 of 2013 wef 1 October 2012.\]](#)

- (a) in the prescribed form and manner; and
- (b) by the date specified in the tax Act or, in its absence, by the date specified by the Commissioner in the public notice requiring the submission.
- (2) A return must contain the information prescribed by a tax Act or the Commissioner and be a full and true return.
- (3) A return must be signed by the taxpayer or by the taxpayer's duly authorised representative and the person signing the return is regarded for all purposes in connection with a tax Act to be cognisant of the statements made in the return.
- (4) Non-receipt by a person of a return form does not affect the obligation to submit a return.
- (5) SARS may, prior to the issue of an original assessment by SARS, request a person to submit an amended return to correct an undisputed error in a return.
- (6) SARS may extend the time period for filing a return in a particular case, in accordance with procedures and criteria in policies published by the Commissioner.
- (7) The Commissioner may also extend the filing deadline generally or for specific classes of persons by public notice.
- (8) An extension under subsection (6) or (7) does not affect the deadline for paying the tax.

26. Third party returns

- (1) The Commissioner may by public notice, at the time and place and by the due date specified, require a person who employs, pays amounts to, receives amounts on behalf of or otherwise transacts with

another person, or has control over assets of another person, to submit a return by the date specified in the notice.

[S 26(1) subs by s 35 of Act 39 of 2013 wef 1 October 2012.]

(2) A person required under subsection (1) to submit a return must do so in the prescribed form and manner and the return must—

(a) contain the information prescribed by the Commissioner;

(b) be a full and true return; and

(c) for purposes of providing the information required in the return, comply with the due diligence requirements as may be prescribed in a tax Act, an international tax agreement, an international tax standard or by the Commissioner in a public notice consistent with the international tax agreement or the international tax standard.

[S 26(2) subs by s 39 of Act 44 of 2014 wef 1 October 2012; s 26(2)(c) subs by s 38(a) of Act 23 of 2015 wef 8 January 2016.]

(3) The Commissioner may, by public notice, require a person to apply to register as a person required to submit a return under this section, an international tax agreement or an international tax standard.

[S 26(3) ins by s 38(b) of Act 23 of 2015 wef 8 January 2016.]

(4) If, in order to submit a return under subsection (1) and to comply with the requirements of this section, a person requires information, a document or thing from another person, the other person must provide the information, document or thing so required within a reasonable time.

[S 26 subs by s 41 of Act 21 of 2012 wef 1 October 2012; s 26(4) ins by s 38(b) of Act 23 of 2015 wef 8 January 2016.]

27. Other returns required

(1) A senior SARS official may require a person to submit further or more detailed returns regarding any matter for which a return under section 25 or 26 is required or prescribed by a tax Act.

(2) A person required under subsection (1) to submit a return must do so in the prescribed form and manner and the return must contain the information prescribed by the official and must be a full and true return.

[S 27 subs by s 42 of Act 21 of 2012 wef 1 October 2012, s 36 of Act 39 of 2013 wef 1 October 2012.]

28. Statement concerning accounts

- (1) SARS may require a person who submits financial statements or accounts prepared by another person in support of that person's submitted return, to submit a certificate or statement by the other person setting out the details of—
 - (a) the extent of the other person's examination of the books of account and of the documents from which the books of account were written up; and
 - (b) whether or not the entries in those books and documents disclose the true nature of the transactions, receipts, accruals, payments or debits in so far as may be ascertained by that examination.
- (2) A person who prepares financial statements or accounts for another person must, at the request of that other person, submit to that other person a copy of the certificate or statement referred to in subsection (1).

29. Duty to keep records

- (1) A person must keep the records, books of account or documents that—
 - (a) enable the person to observe the requirements of a tax Act;
 - (b) are specifically required under a tax Act or by the Commissioner by public notice; and
[\[S 29\(1\)\(b\) subs by s 43\(a\) of Act 21 of 2012 wef 1 October 2012.\]](#)
 - (c) enable SARS to be satisfied that the person has observed these requirements.
- (2) The requirements of this Act to keep records, books of account or documents for a tax period apply to a person who—
[\[Words preceding s 29\(2\)\(a\) subs by s 43\(b\) of Act 21 of 2012 wef 1 October 2012.\]](#)
 - (a) has submitted a return for the tax period;
 - (b) is required to submit a return for the tax period and has not submitted a return for the tax period; or
 - (c) is not required to submit a return but has, during the tax period, received income, has a capital gain or capital loss, or engaged in any other activity that is subject to tax or would be subject to tax but for the application of a threshold or exemption.

- (3) Records, books of account or documents need not be retained by the person described in—
[Words preceding s 29(3(a) subs by s 43(c) of Act 21 of 2012 wef 1 October 2012.]
- (a) subsection (2)(a), after a period of five years from the date of the submission of the return;
and
- (b) subsection (2)(c), after a period of five years from the end of the relevant tax period.

30. Form of records kept or retained

- (1) The records, books of account, and documents referred to in section 29, must be kept or retained—
- (a) in their original form in an orderly fashion and in a safe place;
- (b) in the form, including electronic form, as may be prescribed by the Commissioner in a public notice; or
- (c) in a form specifically authorised by a senior SARS official in terms of subsection (2).
- (2) A senior SARS official may, subject to the conditions as the official may determine, authorise the retention of information contained in records, books of account or documents referred to in section 29 in a form acceptable to the official.

31. Inspection of records

The records, books of account and documents referred to in section 29 whether in the form referred to in section 30(1) or in a form authorised under section 30(2), must at all reasonable times during the required periods under section 29, be open for inspection by a SARS official in the Republic for the purpose of—

- (a) determining compliance with the requirements of sections 29 and 30; or
- (b) an inspection, audit or investigation under Chapter 5.

32. Retention period in case of audit, objection or appeal

Despite section 29(3), if—

- (a) records, books of account or documents are relevant to an audit or investigation under Chapter 5 which the person, subject to the audit or investigation has been notified of or is aware of; or

[S 32(a) subs by s 44(a) of Act 21 of 2012 wef 1 October 2012.]

- (b) a person lodges an objection or appeal against an assessment or decision under section 104(2),

the person must retain the records, books of account or documents relevant to the audit, investigation, objection or appeal until the audit or investigation is concluded or the assessment or the decision becomes final.

[Words following s 32(b) subs by s 44(b) of Act 21 of 2012 wef 1 October 2012.]

33. Translation

- (1) In the case of information that is not in one of the official languages of the Republic, a senior SARS official may by notice require a person who must furnish the information to SARS, to produce a translation in one of the official languages determined by the official within a reasonable period.
- (2) A translation referred to in subsection (1) must—
- (a) be produced at a time and at the place specified by the notice; and
- (b) if required by SARS, be prepared and certified by a sworn and accredited translator or another person approved by the senior SARS official.

Part B

Reportable arrangements

34. Definitions

In this Part and in section 212, unless the context indicates otherwise, the following terms, if in single quotation marks, have the following meanings—

“arrangement” means any transaction, operation, scheme, agreement or understanding (whether enforceable or not);

“financial benefit” means a reduction in the cost of finance, including interest, finance charges, costs, fees and discounts on a redemption amount;

“financial reporting standards” means, in the case of a company required to submit financial statements in terms of the Companies Act, 2008 (Act 71 of 2008), financial reporting standards prescribed by that Act, or, in any other case, the International Financial Reporting Standards or appropriate financial reporting standards that provide a fair presentation of the financial results and position of the taxpayer;

[“financial reporting standards” subs by s 37 of Act 39 of 2013 wef 1 October 2012.]

“participant”, in relation to an ‘arrangement’, means—

- (a) a ‘promoter’;
- (b) a person who directly or indirectly will derive or assumes that the person will derive a ‘tax benefit’ or ‘financial benefit’ by virtue of an ‘arrangement’; or
- (c) any other person who is party to an ‘arrangement’ listed in a public notice referred to in section 35(2);

[“participant” subs by s 40(1)(a) of Act 44 of 2014 wef 20 January 2015, s 39 of Act 23 of 2015 wef 8 January 2016.]

“pre-tax profit”, in relation to an ‘arrangement’, means the profit of a ‘participant’ resulting from that ‘arrangement’ before deducting normal tax, which profit must be determined in accordance with ‘financial reporting standards’ after taking into account all costs and expenditure incurred by the ‘participant’ in connection with the ‘arrangement’ and after deducting any foreign tax paid or payable by the ‘participant’ in connection with the ‘arrangement’;

“promoter”, in relation to an ‘arrangement’, means a person who is principally responsible for organising, designing, selling, financing or managing the ‘arrangement’;

[“promoter” subs by s 40(1)(b) of Act 44 of 2014 wef 20 January 2015.]

“reportable arrangement” means an ‘arrangement’ referred to in section 35(1) or 35(2) that is not an excluded ‘arrangement’ referred to in section 36;

[“reportable arrangement” ins by s 40(1)(c) of Act 44 of 2014 wef 20 January 2015.]

“tax benefit” means the avoidance, postponement, reduction or evasion of a liability for tax.

[S 34 am by s 45 of Act 21 of 2012 wef 1 October 2012; “tax benefit” subs by s 40(1)(d) of Act 44 of 2014 wef 20 January 2015.]

35. Reportable arrangements

- (1) An ‘arrangement’ is a ‘reportable arrangement’ if a person is a ‘participant’ in the ‘arrangement’ and the ‘arrangement’—

[Words preceding s 35(1)(a) subs by s 41(1)(a) of Act 44 of 2014 wef 20 January 2015.]

- (a) contains provisions in terms of which the calculation of interest as defined in section 24J of the Income Tax Act, finance costs, fees or any other charges is wholly or partly dependent on the assumptions relating to the tax treatment of that ‘arrangement’ (otherwise than by reason of any change in the provisions of a tax Act);

- (b) has any of the characteristics contemplated in section 80C(2)(b) of the Income Tax Act, or substantially similar characteristics;
 - (c) gives rise to an amount that is or will be disclosed by any 'participant' in any year of assessment or over the term of the 'arrangement' as—
 - (i) a deduction for purposes of the Income Tax Act but not as an expense for purposes of 'financial reporting standards'; or
 - (ii) revenue for purposes of 'financial reporting standards' but not as gross income for purposes of the Income Tax Act;
 - (d) does not result in a reasonable expectation of a 'pre-tax profit' for any 'participant'; or
 - (e) results in a reasonable expectation of a 'pre-tax profit' for any 'participant' that is less than the value of that 'tax benefit' to that 'participant' if both are discounted to a present value at the end of the first year of assessment when that 'tax benefit' is or will be derived or is assumed to be derived, using consistent assumptions and a reasonable discount rate for that 'participant'.
- (2) An 'arrangement' is a 'reportable arrangement' if the Commissioner has listed the 'arrangement' in a public notice.
- [\[S 35\(2\) subs by s 41\(1\)\(b\) of Act 44 of 2014 wef 20 January 2015.\]](#)
- (3) ...
- [\[S 35\(3\) rep by s 41\(1\)\(c\) of Act 44 of 2014 wef 20 January 2015.\]](#)

36. Excluded arrangements

- (1) An 'arrangement' is an excluded 'arrangement' if it is—
- (a) a debt in terms of which—

[\[Words preceding s 36\(1\)\(a\)\(i\) subs by s 46 of Act 21 of 2012 wef 1 October 2012.\]](#)

 - (i) the borrower receives or will receive an amount of cash and agrees to repay at least the same amount of cash to the lender at a determinable future date; or
 - (ii) the borrower receives or will receive a fungible asset and agrees to return an asset of the same kind and of the same or equivalent quantity and quality to the lender at a determinable future date;
 - (b) a lease;

- (c) a transaction undertaken through an exchange regulated in terms of the Financial Markets Act, 2012 (Act 19 of 2012); or

[\[S 36\(1\)\(c\) subs by s 40 of Act 23 of 2015 wef 8 January 2016.\]](#)

- (d) a transaction in participatory interests in a scheme regulated in terms of the Collective Investment Schemes Control Act, 2002 (Act 45 of 2002).

(2) Subsection (1) applies only to an 'arrangement' that—

- (a) is undertaken on a stand-alone basis and is not directly or indirectly connected to any other 'arrangement' (whether entered into between the same or different parties); or
- (b) would have qualified as having been undertaken on a stand-alone basis as required by paragraph (a), were it not for a connected 'arrangement' that is entered into for the sole purpose of providing security and if no 'tax benefit' is obtained or enhanced by virtue of the security 'arrangement'.

(3) Subsection (1) does not apply to an 'arrangement' that is entered into—

- (a) with the main purpose or one of its main purposes of obtaining or enhancing a 'tax benefit'; or
- (b) in a specific manner or form that enhances or will enhance a 'tax benefit'.

(4) The Commissioner may determine an 'arrangement' to be an excluded 'arrangement' by public notice.

[\[S 36\(4\) subs by s 42\(1\) of Act 44 of 2014 wef 20 January 2015.\]](#)

37. Disclosure obligation

(1) The information referred to in section 38 in respect of a 'reportable arrangement' must be disclosed by a person who—

- (a) is a 'participant' in an 'arrangement' on the date on which it qualifies as a 'reportable arrangement', within 45 business days after that date; or
- (b) becomes a 'participant' in an 'arrangement' after the date on which it qualifies as a 'reportable arrangement', within 45 business days after becoming a 'participant'.

[\[S 37\(1\) subs by s 43\(1\)\(a\) of Act 44 of 2014 wef 20 January 2015.\]](#)

(2) ...

[\[S 37\(2\) rep by s 43\(1\)\(a\) of Act 44 of 2014 wef 20 January 2015.\]](#)

- (3) A 'participant' need not disclose the information if the 'participant' obtains a written statement from any other 'participant' that the other 'participant' has disclosed the 'reportable arrangement'.

[S 37(3) am by s 47 of Act 21 of 2012 wef 1 October 2012; subs by s 43(1)(a) of Act 44 of 2014 wef 20 January 2015.]

- (4) ...

[S 37(4) rep by s 43(1)(b) of Act 44 of 2014 wef 20 January 2015.]

- (5) SARS may grant extension for disclosure for a further 45 business days, if reasonable grounds exist for the extension.

38. Information to be submitted

The following information in relation to a 'reportable arrangement', must be submitted in the prescribed form and manner and by the date specified—

[Words preceding s 38(a) subs by s 44(1) of Act 44 of 2014 wef 20 January 2015.]

- (a) a detailed description of all its steps and key features, including, in the case of an 'arrangement' that is a step or part of a larger 'arrangement', all the steps and key features of the larger 'arrangement';
- (b) a detailed description of the assumed 'tax benefits' for all 'participants', including, but not limited to, tax deductions and deferred income;
- (c) the names, registration numbers, and registered addresses of all 'participants';
- (d) a list of all its agreements; and
- (e) any financial model that embodies its projected tax treatment.

39. Reportable arrangement reference number

SARS must, after receipt of the information contemplated in section 38, issue a 'reportable arrangement' reference number to each 'participant' for administrative purposes only.

[S 39 subs by s 45(1) of Act 44 of 2014 wef 20 January 2015.]

CHAPTER 5 INFORMATION GATHERING

Part A

General rules for inspection, verification, audit and criminal investigation

40. Selection for inspection, verification or audit

SARS may select a person for inspection, verification or audit on the basis of any consideration relevant for the proper administration of a tax Act, including on a random or a risk assessment basis.

41. Authorisation for SARS official to conduct audit or criminal investigation

- (1) A senior SARS official may grant a SARS official written authorisation to conduct a field audit or criminal investigation, as referred to in Part B.
- (2) When a SARS official exercises a power or duty under a tax Act in person, the official must produce the authorisation.
- (3) If the official does not produce the authorisation, a member of the public is entitled to assume that the official is not a SARS official so authorised.

42. Keeping taxpayer informed

- (1) A SARS official involved in or responsible for an audit under this Chapter must, in the form and in the manner as may be prescribed by the Commissioner by public notice, provide the taxpayer with a notice of commencement of an audit and, thereafter, a report indicating the stage of completion of the audit.

[S 42(1) subs by s 48(a) of Act 21 of 2012 wef 1 October 2012, s 16 of Act 22 of 2018 wef 17 January 2019.]

- (2) Upon conclusion of the audit or a criminal investigation, and where—
 - (a) the audit or investigation was inconclusive, SARS must inform the taxpayer accordingly within 21 business days; or
 - (b) the audit identified potential adjustments of a material nature, SARS must within 21 business days, or the further period that may be required based on the complexities of the audit, provide the taxpayer with a document containing the outcome of the audit, including the grounds for the proposed assessment or decision referred to in section 104(2).
- (3) Upon receipt of the document described in subsection (2)(b), the taxpayer must within 21 business days of delivery of the document, or the further period requested by the taxpayer that may be

allowed by SARS based on the complexities of the audit, respond in writing to the facts and conclusions set out in the document.

- (4) The taxpayer may waive the right to receive the document.
- (5) Subsections (1) and (2)(b) do not apply if a senior SARS official has a reasonable belief that compliance with those subsections would impede or prejudice the purpose, progress or outcome of the audit.
- (6) SARS may under the circumstances described in subsection (5) issue the assessment or make the decision referred to in section 104(2) resulting from the audit and the grounds of the assessment or decision must be provided to the taxpayer within 21 business days of the assessment or the decision, or the further period that may be required based on the complexities of the audit or the decision.

[\[S 42\(6\) subs by s 48\(b\) of Act 21 of 2012 wef 1 October 2012.\]](#)

42A. Procedure where legal professional privilege is asserted

- (1) For purposes of Parts B, C and D, if a person alleges the existence of legal professional privilege in respect of relevant material required by SARS, during an inquiry or during the conduct of a search and seizure by SARS, the person must provide the following information to SARS and, if applicable, the presiding officer designated under section 51 or the legal practitioner referred to in section 64—

[\[Words preceding s 42A\(1\)\(a\) am by s 29 of Act 33 of 2019 wef 15 January 2020.\]](#)

- (a) a description and purpose of each item of the material in respect of which the privilege is asserted;
- (b) the author of the material and the capacity in which the author was acting;
- (c) the name of the person for whom the author referred to in paragraph (b) was acting in providing the material;
- (d) confirmation in writing that the person referred to in paragraph (c) is claiming privilege in respect of each item of the material;
- (e) if the material is not in possession of the person referred to in paragraph (d), from whom did the person asserting privilege obtain the material; and
- (f) if the person asserting privilege is not the person referred to in paragraph (d), under what circumstances and instructions regarding the privilege did the person obtain the material.

- (2) A person must submit the information required under Part B to SARS at the place, in the format and within the time specified by SARS, unless SARS extends the period based on reasonable grounds submitted by the person.
- (3) If SARS disputes the assertion of privilege upon receipt of the information—
 - (a) SARS must make arrangements with a practitioner from the panel appointed under section 111 to take receipt of the material;
 - (b) the person asserting privilege must seal and hand over the material in respect of which privilege is asserted to the practitioner;
 - (c) the practitioner must within 21 business days after being handed the material make a determination of whether the privilege applies and may do so in the manner the practitioner deems fit, including considering representations made by the parties;
 - (d) if a determination of whether the privilege applies is not made by the practitioner or a party is not satisfied with the determination, the practitioner must retain the relevant material pending final resolution of the dispute by the parties or an order of court; and
 - (e) any application to a High Court must be instituted within 30 days of the expiry of the period of 21 business days, failing which the material must be handed to the party in whose favour the determination, if any, was made.
- (4) The appointed practitioner—
 - (a) is not regarded as acting on behalf of either party;
 - (b) must personally take responsibility for the safekeeping of the material;
 - (c) must give grounds for the determination under subsection (3)(d); and
 - (d) must be compensated in the same manner as if acting as chairperson of the tax board.

[S 42A ins by s 41 of Act 23 of 2015 wef 8 January 2016.]

43. Referral for criminal investigation

- (1) If at any time before or during the course of an audit it appears that a taxpayer may have committed a serious tax offence, the investigation of the offence must be referred to a senior SARS official responsible for criminal investigations for a decision as to whether a criminal investigation should be pursued.

[S 43(1) subs by s 49 of Act 21 of 2012 wef 1 October 2012.]

- (2) Relevant material obtained under this Chapter from the taxpayer after the referral, must be kept separate from the criminal investigation.

[\[S 43\(2\) subs by s 49 of Act 21 of 2012 wef 1 October 2012.\]](#)

- (3) If an investigation is referred under subsection (1) the relevant material and files relating to the case must be returned to the SARS official responsible for the audit if—

- (a) it is decided not to pursue a criminal investigation;
- (b) it is decided to terminate the investigation; or
- (c) after referral of the case for prosecution, a decision is made not to prosecute.

44. Conduct of criminal investigation

- (1) During a criminal investigation, SARS must apply the information gathering powers in terms of this Chapter with due recognition of the taxpayer's constitutional rights as a suspect in a criminal investigation.
- (2) In the event that a decision is taken to pursue the criminal investigation of a serious tax offence, SARS may make use of relevant material obtained prior to the referral referred to in section 43.
- (3) Relevant material obtained during a criminal investigation may be used for purposes of audit as well as in subsequent civil and criminal proceedings.

[\[S 44\(3\) subs by s 17 of Act 22 of 2018 wef 17 January 2019.\]](#)

Part B

Inspection, request for relevant material, audit and criminal investigation

45. Inspection

- (1) A SARS official may, for the purposes of the administration of a tax Act and without prior notice, arrive at a premises where the SARS official has a reasonable belief that a trade or enterprise is being carried on and conduct an inspection to determine only—
 - (a) the identity of the person occupying the premises;
 - (b) whether the person occupying the premises is registered for tax; or
 - (c) whether the person is complying with sections 29 and 30.

- (2) A SARS official may not enter a dwelling-house or domestic premises, except any part thereof used for the purposes of trade, under this section without the consent of the occupant.

46. Request for relevant material

- (1) SARS may, for the purposes of the administration of a tax Act in relation to a taxpayer, whether identified by name or otherwise objectively identifiable, require the taxpayer or another person to, within a reasonable period, submit relevant material (whether orally or in writing) that SARS requires.

- (2) A senior SARS official may require relevant material in terms of subsection (1)—

(a) in respect of taxpayers in an objectively identifiable class of taxpayers; or

(b) held or kept by a connected person, as referred to in paragraph (d)(i) of the definition of 'connected person' in the Income Tax Act, in relation to the taxpayer, located outside the Republic.

[S 46(2) subs by s 42(a) of Act 23 of 2015 wef 8 January 2016.]

- (3) A request by SARS for relevant material from a person other than the taxpayer is limited to material maintained or kept or that should reasonably be maintained or kept by the person in relation to the taxpayer.

[S 46(3) subs by s 50(a) of Act 21 of 2012 wef 1 October 2012, s 42(a) of Act 23 of 2015 wef 8 January 2016; am by s 30 of Act 33 of 2019 wef 15 January 2020.]

- (4) A person or taxpayer receiving from SARS a request for relevant material under this section must submit the relevant material to SARS at the place, in the format (which must be reasonably accessible to the person or taxpayer) and—

(a) within the time specified in the request; or

(b) if the material is held by a connected person referred to in subsection (2)(b), within 90 days from the date of the request, which request must set out the consequences referred to in subsection (9) of failing to do so.

[S 46(4) subs by s 46 of Act 44 of 2014 wef 1 October 2012, s 42(a) of Act 23 of 2015 wef 8 January 2016.]

- (5) If reasonable grounds for an extension are submitted by the person or taxpayer, SARS may extend the period within which the relevant material must be submitted.

[S 46(5) subs by s 50(b) of Act 21 of 2012 wef 1 October 2012, s 42(a) of Act 23 of 2015 wef 8 January 2016.]

- (6) Relevant material required by SARS under this section must be referred to in the request with reasonable specificity.

- (7) A senior SARS official may direct that relevant material—
- (a) be provided under oath or solemn declaration; or
 - (b) if required for purposes of a criminal investigation, be provided under oath or solemn declaration and, if necessary, in accordance with the requirements of section 212 or 236 of the Criminal Procedure Act, 1977 (Act 51 of 1977).

[\[S 46\(7\) subs by s 38 of Act 39 of 2013 wef 1 October 2012.\]](#)

- (8) A senior SARS official may request relevant material that a person has available for purposes of revenue estimation.
- (9) If a taxpayer fails to provide material referred to in subsection (2)(b), the material may not be produced by the taxpayer in any subsequent proceedings, unless a competent court directs otherwise on the basis of circumstances outside the control of the taxpayer and any connected person referred to in paragraph (d)(i) of the definition of ‘connected person’ in the Income Tax Act, in relation to the taxpayer.

[\[S 46\(9\) ins by s 42\(b\) of Act 23 of 2015 wef 8 January 2016.\]](#)

47. Production of relevant material in person

- (1) A senior SARS official may, by notice, require a person, whether or not chargeable to tax, an employee of the person or a person who holds an office in the person to attend in person at the time and place designated in the notice for the purpose of being interviewed by a SARS official concerning the tax affairs of the person, if the interview—
- (a) is intended to clarify issues of concern to SARS—
 - (i) to render further verification or audit unnecessary; or
 - (ii) to expedite a current verification or audit; and
 - (b) is not for purposes of a criminal investigation.

[\[S 47\(1\) subs by s 43 of Act 23 of 2015 wef 8 January 2016.\]](#)

- (2) The senior SARS official issuing the notice may require the person interviewed to produce relevant material under the control of the person during the interview.
- (3) Relevant material required by SARS under subsection (2) must be referred to in the notice with reasonable specificity.

- (4) A person may decline to attend an interview, if the distance between the place designated in the notice and the usual place of business or residence of the person exceeds the distance prescribed by the Commissioner by public notice.

48. Field audit or criminal investigation

- (1) A SARS official named in an authorisation referred to in section 41 may require a person, with prior notice of at least 10 business days, to make available at the person's premises specified in the notice relevant material that the official may require to audit or criminally investigate in connection with the administration of a tax Act in relation to the person or another person.
- (2) The notice referred to in subsection (1) must—
- (a) state the place where and the date and time that the audit or investigation is due to start (which must be during normal business hours); and
 - (b) indicate the initial basis and scope of the audit or investigation.
- (3) SARS is not required to give the notice if the person waives the right to receive the notice.
- (4) If a person at least five business days before the date listed in the notice advances reasonable grounds for varying the notice, SARS may vary the notice accordingly, subject to conditions SARS may impose with regard to preparatory measures for the audit or investigation.
- (5) A SARS official may not enter a dwelling-house or domestic premises, except any part thereof used for the purposes of trade, under this section without the consent of the occupant.

49. Assistance during field audit or criminal investigation

- (1) The person on whose premises an audit or criminal investigation is carried out and any other person on the premises, must provide such reasonable assistance as is required by SARS to conduct the audit or investigation, including—

[\[Words preceding s 49\(1\)\(a\) subs by s 51\(a\) of Act 21 of 2012 wef 1 October 2012.\]](#)

- (a) making available appropriate facilities, to the extent that such facilities are available;
- (b) answering questions relating to the audit or investigation including, if so required, in the manner referred to in section 46(7); and

[\[S 49\(1\)\(b\) subs by s 44 of Act 23 of 2015 wef 8 January 2016.\]](#)

- (c) submitting relevant material as required.

- (2) No person may without just cause—
- (a) obstruct a SARS official from carrying out the audit or investigation; or
 - (b) refuse to give the access or assistance as may be required under subsection (1).
- (3) The person may recover from SARS after completion of the audit or criminal investigation (or, at the person's request, on a monthly basis) the cost for the use of photocopying facilities in accordance with the fees prescribed in section 92(1)(b) of the Promotion of Access to Information Act.
- [\[S 49\(3\) subs by s 51\(b\) of Act 21 of 2012 wef 1 October 2012.\]](#)

Part C

Inquiries

50. Authorisation for inquiry

- (1) A judge may, on application made *ex parte* and authorised by a senior SARS official grant an order in terms of which a person described in section 51(3) is designated to act as presiding officer at the inquiry referred to in this section.
- [\[S 50\(1\) subs by s 47 of Act 44 of 2014 wef 1 October 2012.\]](#)
- (2) An application under subsection (1) must be supported by information supplied under oath or solemn declaration, establishing the facts on which the application is based.
- (3) A senior SARS official may authorise a person to conduct an inquiry for the purposes of the administration of a tax Act.

51. Inquiry order

- (1) A judge may grant the order referred to in section 50(1) if satisfied that there are reasonable grounds to believe that—
- (a) a person has—
 - (i) failed to comply with an obligation imposed under a tax Act;
 - (ii) committed a tax offence; or
 - (iii) disposed of, removed or concealed assets which may fully or partly satisfy an outstanding tax debt; and

- (b) relevant material is likely to be revealed during the inquiry which may provide proof of the failure to comply, of the commission of the offence or of the disposal, removal or concealment of the assets.

[\[S 51\(1\) subs by s 45 of Act 23 of 2015 wef 8 January 2016.\]](#)

- (2) The order referred to in subsection (1) must—

- (a) designate a presiding officer before whom the inquiry is to be held;
- (b) identify the person referred to in subsection (1)(a);
- (c) refer to the alleged non-compliance, the commission of the offence or the disposal, removal or concealment of assets to be inquired into;
- (d) be reasonably specific as to the ambit of the inquiry; and
- (e) be provided to the presiding officer.

[\[S 51\(2\) subs by s 45 of Act 23 of 2015 wef 8 January 2016.\]](#)

- (3) A presiding officer must be a person appointed to the panel described in section 111.

52. Inquiry proceedings

- (1) The presiding officer determines the conduct of the inquiry as the presiding officer thinks fit.
- (2) The presiding officer must ensure that the recording of the proceedings and evidence at the inquiry is of a standard that would meet the standard required for the proceedings and evidence to be used in a court of law.
- (3) A person has the right to have a representative present when that person appears as a witness before the presiding officer.

53. Notice to appear

- (1) The presiding officer may, by notice in writing, require a person, whether or not chargeable to tax, to—
 - (a) appear before the inquiry, at the time and place designated in the notice, for the purpose of being examined under oath or solemn declaration, and
 - (b) produce any relevant material in the custody of the person.

- (2) If the notice requires the production of relevant material, it is sufficient if the relevant material is referred to in the notice with reasonable specificity.

54. Powers of presiding officer

The presiding officer has the same powers regarding witnesses at the inquiry as are vested in a president of the tax court under sections 127 and 128.

[\[S 54 subs by s 39 of Act 39 of 2013 wef 1 October 2012.\]](#)

55. Witness fees

The presiding officer may direct that a person receive witness fees to attend an inquiry in accordance with the tariffs prescribed in terms of section 51*bis* of the Magistrates' Courts Act, 1944 (Act 32 of 1944).

56. Confidentiality of proceedings

- (1) An inquiry under this Part is private and confidential.
- (2) The presiding officer may, on request, exclude a person from the inquiry if the person's attendance is prejudicial to the inquiry.
- (3) Section 69 applies with the necessary changes to persons present at the questioning of a person, including the person being questioned.
- (4) Subject to section 57(2), SARS may use evidence given by a person under oath or solemn declaration at an inquiry in a subsequent proceeding involving the person or another person.

57. Incriminating evidence

- (1) A person may not refuse to answer a question during an inquiry on the grounds that it may incriminate the person.
- (2) Incriminating evidence obtained under this section is not admissible in criminal proceedings against the person giving the evidence, unless the proceedings relate to—
- (a) the administering or taking of an oath or the administering or making of a solemn declaration;
 - (b) the giving of false evidence or the making of a false statement; or
 - (c) the failure to answer questions lawfully put to the person, fully and satisfactorily.

58. Inquiry not suspended by civil or criminal proceedings

Unless a court orders otherwise, an inquiry relating to a person referred to in section 51(1)(a) must proceed despite the fact that a civil or criminal proceeding is pending or contemplated against or involves the person, a witness or potential witness in the inquiry, or another person whose affairs may be investigated in the course of the inquiry.

Part D
Search and seizure

59. Application for warrant

- (1) A senior SARS official may, if necessary or relevant to administer a tax Act, authorise an application for a warrant under which SARS may enter a premises where relevant material is kept to search the premises and any person present on the premises and seize relevant material.
- (2) SARS must apply *ex parte* to a judge for the warrant, which application must be supported by information supplied under oath or solemn declaration, establishing the facts on which the application is based.
- (3) Despite subsection (2), SARS may apply for the warrant referred to in subsection (1) and in the manner referred to in subsection (2), to a magistrate, if the matter relates to an audit or investigation where the estimated tax in dispute does not exceed the amount determined in the notice issued under section 109(1)(a).

60. Issuance of warrant

- (1) A judge or magistrate may issue the warrant referred to in section 59(1) if satisfied that there are reasonable grounds to believe that—
 - (a) a person failed to comply with an obligation imposed under a tax Act, or committed a tax offence; and
 - (b) relevant material likely to be found on the premises specified in the application may provide evidence of the failure to comply or commission of the offence.
- (2) A warrant issued under subsection (1) must contain the following—
 - (a) the alleged failure to comply or offence that is the basis for the application;
 - (b) the person alleged to have failed to comply or to have committed the offence;

- (c) the premises to be searched; and
 - (d) the fact that relevant material as defined in section 1 is likely to be found on the premises.
- (3) The warrant must be exercised within 45 business days or such further period as a judge or magistrate deems appropriate on good cause shown.

61. Carrying out search

- (1) A SARS official exercising a power under a warrant referred to in section 60 must produce the warrant, and if the owner or person in control of the premises is not present, the SARS official must affix a copy of the warrant to the premises in a prominent and visible place.

[\[S 61\(1\) subs by s 52 of Act 21 of 2012 wef 1 October 2012.\]](#)

- (2) Subject to section 63, a SARS official's failure to produce a warrant entitles a person to refuse access to the official.
- (3) The SARS official may—
- (a) open or cause to be opened or removed in conducting a search, anything which the official suspects to contain relevant material;
 - (b) seize any relevant material;
 - (c) seize and retain a computer or storage device in which relevant material is stored for as long as it is necessary to copy the material required;
 - (d) make extracts from or copies of relevant material, and require from a person an explanation of relevant material; and
 - (e) if the premises listed in the warrant is a vessel, aircraft or vehicle, stop and board the vessel, aircraft or vehicle, search the vessel, aircraft or vehicle or a person found in the vessel, aircraft or vehicle, and question the person with respect to a matter dealt with in a tax Act.
- (4) The SARS official must make an inventory of the relevant material seized in the form, manner and at the time that is reasonable under the circumstances and provide a copy thereof to the person.
- (5) The SARS official must conduct the search with strict regard for decency and order, and may search a person if the official is of the same gender as the person being searched.
- (6) The SARS official may, at any time, request such assistance from a police officer as the official may consider reasonably necessary and the police officer must render the assistance.

- (7) No person may obstruct a SARS official or a police officer from executing the warrant or without reasonable excuse refuse to give such assistance as may be reasonably required for the execution of the warrant.
- (8) If the SARS official seizes relevant material, the official must ensure that the relevant material seized is preserved and retained until it is no longer required for—
 - (a) the investigation into the non-compliance or the offence described under section 60(1)(a); or
 - (b) the conclusion of any legal proceedings under a tax Act or criminal proceedings in which it is required to be used.

62. Search of premises not identified in warrant

- (1) If a senior SARS official has reasonable grounds to believe that—
 - (a) the relevant material referred to in section 60(1)(b) and included in a warrant is at premises not identified in the warrant and may be removed or destroyed;
 - (b) a warrant cannot be obtained in time to prevent the removal or destruction of the relevant material; and
 - (c) the delay in obtaining a warrant would defeat the object of the search and seizure,

a SARS official may enter and search the premises and exercise the powers granted in terms of this Part, as if the premises had been identified in the warrant.

- (2) A SARS official may not enter a dwelling-house or domestic premises, except any part thereof used for purposes of trade, under this section without the consent of the occupant.

63. Search without warrant

- (1) A senior SARS official may without a warrant exercise the powers referred to in section 61(3)—
 - (a) if the owner or person in control of the premises so consents in writing; or
 - (b) if the senior SARS official on reasonable grounds is satisfied that—
 - (i) there may be an imminent removal or destruction of relevant material likely to be found on the premises;

- (ii) if SARS applies for a search warrant under section 59, a search warrant will be issued; and
 - (iii) the delay in obtaining a warrant would defeat the object of the search and seizure.
- (2) A SARS official must, before carrying out the search, inform the owner or person in control of the premises—
 - (a) that the search is being conducted under this section; and
 - (b) of the alleged failure to comply with an obligation imposed under a tax Act or tax offence that is the basis for the search.
- (3) Section 61(4) to (8) applies to a search conducted under this section.
- (4) A SARS official may not enter a dwelling-house or domestic premises, except any part thereof used for purposes of trade, under this section without the consent of the occupant.
- (5) If the owner or person in control of the premises is not present, the SARS official must inform such person of the circumstances referred to in subsection (2) as soon as reasonably possible after the execution of the search and seizure.

[\[S 63\(5\) ins by s 53 of Act 21 of 2012 wef 1 October 2012.\]](#)

64. Legal professional privilege

- (1) If SARS foresees the need to search and seize relevant material that may be alleged to be subject to legal professional privilege, SARS must arrange for a legal practitioner from the panel appointed under section 111 to be present during the execution of the warrant.
- (2) A legal practitioner with whom SARS has made an arrangement in terms of subsection (1) may appoint a substitute legal practitioner to be present on the appointing legal practitioner's behalf during the execution of a warrant.
- (3) If, during the carrying out of a search and seizure by SARS, a person alleges the existence of legal professional privilege in respect of relevant material and a legal practitioner is not present under subsection (1) or (2), SARS must seal the material, make arrangements with a legal practitioner from the panel appointed under section 111 to take receipt of the material and, as soon as is reasonably possible, hand over the material to the legal practitioner.
- (4) A legal practitioner referred to in subsections (1), (2) and (3)—
 - (a) is not regarded as acting on behalf of either party; and

(b) must personally take responsibility—

- (i) in the case of a warrant issued under section 60, for the removal from the premises of relevant material in respect of which legal privilege is alleged;
- (ii) in the case of a search and seizure carried out under section 63, for the receipt of the sealed information; and
- (iii) if a substitute legal practitioner in terms of subsection (2), for the delivery of the information to the appointing legal practitioner for purposes of making the determination referred to in subsection (5).

- (5) The legal practitioner referred to in subsection (1) or (3) must, within 21 business days, make a determination of whether the privilege applies and may do so in the manner the legal practitioner deems fit, including considering representations made by the parties.
- (6) If a determination of whether the privilege applies is not made under subsection (5) or a party is not satisfied with the determination, the legal practitioner must retain the relevant material pending final resolution of the dispute by the parties or an order of court.
- (7) The legal practitioner from the panel appointed under section 111 and any legal practitioner acting on behalf of that legal practitioner referred to in subsection (1) must be compensated in the same manner as if acting as Chairperson of the tax board.

[\[S 64 am by s 31 of Act 33 of 2019 wef 15 January 2020.\]](#)

65. Person's right to examine and make copies

- (1) The person to whose affairs relevant material seized relates, may examine and copy it.
- (2) Examination and copying must be made—
 - (a) at the person's cost in accordance with the fees prescribed in accordance with section 92(1)(b) of the Promotion of Access to Information Act;
 - (b) during normal business hours; and
 - (c) under the supervision determined by a senior SARS official.

66. Application for return of seized relevant material or costs of damages

- (1) A person may request SARS to—
 - (a) return some or all of the seized material; and
 - (b) pay the costs of physical damage caused during the conduct of a search and seizure.
- (2) If SARS refuses the request, the person may apply to a High Court for the return of the seized material or payment of compensation for physical damage caused during the conduct of the search and seizure.
- (3) The court may, on good cause shown, make the order as it deems fit.
- (4) If the court sets aside the warrant issued in terms of section 60(1) or orders the return of the seized material, the court may nevertheless authorise SARS to retain the original or a copy of any relevant material in the interests of justice.

CHAPTER 6
CONFIDENTIALITY OF INFORMATION

67. General prohibition of disclosure

- (1) This Chapter applies to—
 - (a) SARS confidential information as referred to in section 68(1); and
 - (b) taxpayer information, which means any information provided by a taxpayer or obtained by SARS in respect of the taxpayer, including biometric information.
- (2) An oath or solemn declaration undertaking to comply with the requirements of this Chapter in the prescribed form, must be taken before a magistrate, justice of the peace or commissioner of oaths by—
 - (a) a SARS official and the Tax Ombud, before commencing duties or exercising any powers under a tax Act; and
 - (b) a person referred to in section 70 who performs any function referred to in that section, before the disclosure described in that section may be made.

- (3) In the event of the disclosure of SARS confidential information or taxpayer information contrary to this Chapter, the person to whom it was so disclosed may not in any manner disclose, publish or make it known to any other person who is not a SARS official.
- (4) A person who receives information under section 68, 69, 70 or 71, must preserve the secrecy of the information and may only disclose the information to another person if the disclosure is necessary to perform the functions specified in those sections.
- (5) The Commissioner may, for purposes of protecting the integrity and reputation of SARS as an organisation and after giving the taxpayer at least 24 hours' notice, disclose taxpayer information to the extent necessary to counter or rebut false allegations or information disclosed by the taxpayer, the taxpayer's duly authorised representative or other person acting under the instructions of the taxpayer and published in the media or in any other manner.

68. SARS confidential information and disclosure

- (1) SARS confidential information means information relevant to the administration of a tax Act that is—
 - (a) personal information about a current or former SARS official, whether deceased or not;
 - (b) information subject to legal professional privilege vested in SARS;
 - (c) information that was supplied in confidence by a third party to SARS the disclosure of which could reasonably be expected to prejudice the future supply of similar information, or information from the same source;
 - (d) information related to investigations and prosecutions described in section 39 of the Promotion of Access to Information Act;
 - (e) information related to the operations of SARS, including an opinion, advice, report, recommendation or an account of a consultation, discussion or deliberation that has occurred, if—
 - (i) the information was given, obtained or prepared by or for SARS for the purpose of assisting to formulate a policy or take a decision in the exercise of a power or performance of a duty conferred or imposed by law; and
 - (ii) the disclosure of the information could reasonably be expected to frustrate the deliberative process in SARS or between SARS and other organs of state by—
 - (aa) inhibiting the candid communication of an opinion, advice, report or recommendation or conduct of a consultation, discussion or deliberation; or

(bb) frustrating the success of a policy or contemplated policy by the premature disclosure thereof;

(f) information about research being or to be carried out by or on behalf of SARS, the disclosure of which would be likely to prejudice the outcome of the research;

(g) information, the disclosure of which could reasonably be expected to prejudice the economic interests or financial welfare of the Republic or the ability of the government to manage the economy of the Republic effectively in the best interests of the Republic, including a contemplated change or decision to change a tax or a duty, levy, penalty, interest and similar moneys imposed under a tax Act or the Customs and Excise Act;

(h) information supplied in confidence by or on behalf of another state or an international organisation to SARS;

(i) a computer program, as defined in section 1(1) of the Copyright Act, 1978 (Act 98 of 1978), owned by SARS;

[\[S 68\(1\)\(i\) am by s 40\(a\) of Act 39 of 2013 wef 1 October 2012.\]](#)

(j) information relating to the security of SARS buildings, property, structures or systems; and

[\[S 68\(1\)\(j\) am by s 40\(b\) of Act 39 of 2013 wef 1 October 2012.\]](#)

(k) information relating to the verification or audit selection procedure or method used by SARS, the disclosure of which could reasonably be expected to jeopardise the effectiveness thereof.

[\[S 68\(1\)\(k\) ins by s 40\(c\) of Act 39 of 2013 wef 1 October 2012.\]](#)

(2) A person who is a current or former SARS official—

(a) may not disclose SARS confidential information to a person who is not a SARS official;

(b) may not disclose SARS confidential information to a SARS official who is not authorised to have access to the information; and

(c) must take the precautions that may be required by the Commissioner to prevent a person referred to in paragraph (a) or (b) from obtaining access to the information.

(3) A person who is a SARS official or former SARS official may disclose SARS confidential information if—

(a) the information is public information;

- (b) authorised by the Commissioner;
- (c) disclosure is authorised under any other Act which expressly provides for the disclosure of the information despite the provisions in this Chapter;
- (d) access has been granted for the disclosure of the information in terms of the Promotion of Access to Information Act; or
- (e) required by order of a High Court.

69. Secrecy of taxpayer information and general disclosure

- (1) A person who is a current or former SARS official must preserve the secrecy of taxpayer information and may not disclose taxpayer information to a person who is not a SARS official.
- (2) Subsection (1) does not prohibit the disclosure of taxpayer information by a person who is a current or former SARS official—

- (a) in the course of performance of duties under a tax Act or customs and excise legislation, such as—

[\[Words preceding s 69\(2\)\(a\)\(i\) subs by s 47 of Act 23 of 2015 wef 8 January 2016.\]](#)

- (i) to the South African Police Service or the National Prosecuting Authority, if the information relates to, and constitutes material information for the proving of, a tax offence;
 - (ii) as a witness in civil or criminal proceedings under a tax Act; or
 - (iii) the taxpayer information necessary to enable a person to provide such information as may be required by SARS from that person;
 - (b) under any other Act which expressly provides for the disclosure of the information despite the provisions in this Chapter;
 - (c) by order of a High Court; or
 - (d) if the information is public information.
- (3) An application to the High Court for the order referred to in subsection (2)(c) requires prior notice to SARS of at least 15 business days unless the court, based on urgency, allows a shorter period.

- (4) SARS may oppose the application on the basis that the disclosure may seriously prejudice the taxpayer concerned or impair a civil or criminal tax investigation by SARS.
- (5) The court may not grant the order unless satisfied that the following circumstances apply—
- (a) the information cannot be obtained elsewhere;
 - (b) the primary mechanisms for procuring evidence under an Act or rule of court will yield or yielded no or disappointing results;
 - (c) the information is central to the case; and
 - (d) the information does not constitute biometric information.
- (6) Subsection (1) does not prohibit the disclosure of information—
- (a) to the taxpayer; or
 - (b) with the written consent of the taxpayer, to another person.
- (7) Biometric information of a taxpayer may not be disclosed by SARS except under the circumstances described in subsection (2)(a)(i).
- (8) The Commissioner may, despite the provisions of this section, disclose—
- (a) the name and taxpayer reference number of a taxpayer;
 - (b) a list of—
 - (i) pension funds, pension preservation funds, provident funds, provident preservation funds and retirement annuity funds as defined in section 1(1) of the Income Tax Act; and
 - (ii) public benefit organisations approved for the purposes of sections 18A and 30 of the Income Tax Act;
 - (c) the name and tax practitioner registration number of a registered tax practitioner; and
 - (d) taxpayer information in an anonymised form.

[S 69(8) am by s 41 of Act 39 of 2013 wef 1 October 2012; subs by s 48 of Act 44 of 2014 wef 1 October 2012.]

70. Disclosure to other entities

- (1) A senior SARS official may provide to the Director-General of the National Treasury taxpayer information or SARS confidential information in respect of—
- (a) a taxpayer which is an—
 - (i) institution referred to in section 3(1) of the Public Finance Management Act, 1999 (Act 1 of 1999); or
 - (ii) entity referred to in section 3 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), to the extent necessary for the Director-General to perform the functions and exercise the powers of the National Treasury under those Acts; and
 - (b) a class of taxpayers to the extent necessary for the purposes of tax policy design or revenue estimation.
- (2) A senior SARS official may disclose to—
- (a) the Statistician-General the taxpayer information as may be required for the purpose of carrying out the Statistician-General's duties to publish statistics in an anonymous form;
 - (b) the Chairperson of the Board administering the National Student Financial Aid Scheme, the name and address of the employer of a person to whom a loan or bursary has been granted under that scheme, for use in performing the Chairperson's functions under the National Student Financial Aid Scheme Act, 1999 (Act 56 of 1999);
 - (c) a commission of inquiry established by the President of the Republic of South Africa under a law of the Republic, the information to which the Commission is authorised by law to have access;
[\[S 70\(2\)\(c\) am by s 42\(a\) of Act 39 of 2013 wef 1 October 2012.\]](#)
 - (d) to an employer (as defined in the Fourth Schedule to the Income Tax Act) of an employee (as defined in the Fourth Schedule), but only the income tax reference number, identity number, physical and postal address of that employee and such other non-financial information in relation to that employee, as that employer may require in order to comply with its obligations in terms of a tax Act;
[\[S 70\(2\)\(d\) am by s 42\(b\) of Act 39 of 2013 wef 1 October 2012.\]](#)

- (e) a recognised controlling body (as defined in section 239) of a registered tax practitioner, such information in relation to the tax practitioner as may be required to verify that sections 240A(2)(a) and 240A(3) are being given effect to; and

[S 70(2)(e) ins by s 42(c) of Act 39 of 2013 wef 1 October 2012.]

- (f) the Department of Labour, the name and contact details of all employers registered for employees' tax and eligible to receive the employment tax incentive in terms of section 2 of the Employment Tax Incentive Act, 2013.

[S 70(2)(f) ins by s 13 of Act 26 of 2013 wef 1 January 2014.]

(3) A senior SARS official may disclose to—

- (a) the Governor of the South African Reserve Bank, or other person to whom the Minister delegates powers, functions and duties under the Regulations issued under section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), the information as may be required to exercise a power or perform a function or duty under the South African Reserve Bank Act, 1989 (Act 90 of 1989), or those Regulations;

[S 70(3)(a) am by s 25 of Act 24 of 2020 wef 20 January 2021.]

- (b) the Financial Sector Conduct Authority, the information as may be required for the purpose of carrying out the Financial Sector Conduct Authority's duties and functions under the Financial Sector Regulation Act, 2017 (Act 9 of 2017);

[S 70(3)(b) subs by s 18 of Act 22 of 2018 wef 1 April 2018.]

- (c) the Financial Intelligence Centre, the information as may be required for the purpose of carrying out the Centre's duties and functions under the Financial Intelligence Centre Act, 2001 (Act 38 of 2001); and

- (d) the National Credit Regulator, the information as may be required for the purpose of carrying out the Regulator's duties and functions under the National Credit Act, 2005 (Act 34 of 2005).

(4) A senior SARS official may disclose to an organ of state or institution listed in a regulation issued by the Minister under section 257, information to which the organ of state or institution is otherwise lawfully entitled to and for the purposes only of verifying the correctness of the following particulars of a taxpayer—

- (a) name and taxpayer reference number
- (b) any identifying number;
- (c) physical and postal address and other contact details;

- (d) employer's name, address and contact details; and
 - (e) other non-financial information as the organ of state or institution may require for purposes of verifying paragraphs (a) to (d).
- (5) The information disclosed under subsection (1), (2) or (3) may only be disclosed by SARS or the persons or entities referred to in subsection (1), (2) or (3) to the extent that it is—
- (a) necessary for the purpose of exercising a power or performing a regulatory function or duty under the legislation referred to in subsection (1), (2) or (3); and
 - (b) relevant and proportionate to what the disclosure is intended to achieve as determined under the legislation.
- [\[S 70\(5\) subs by s 48 of Act 23 of 2015 wef 8 January 2016.\]](#)
- (6) SARS must allow the Auditor-General to have access to information in the possession of SARS that relates to the performance of the Auditor-General's duties under section 4 of the Public Audit Act, 2004 (Act 25 of 2004).
- (7) Despite subsections (1) to (5), a senior SARS official may not disclose information under this section if satisfied that the disclosure would seriously impair a civil or criminal tax investigation.

71. Disclosure in criminal, public safety or environmental matters

- (1) If so ordered by a judge under this section, a senior SARS official must disclose the information described in subsection (2) to—
- (a) the National Commissioner of the South African Police Service, referred to in section 6(1) of the South African Police Service Act, 1995 (Act 68 of 1995); or
 - (b) the National Director of Public Prosecutions, referred to in section 5(2)(a) of the National Prosecuting Authority Act, 1998 (Act 32 of 1998).
- (2) Subsection (1) applies to information which may reveal evidence—
- (a) that an offence (other than a tax offence) has been or may be committed in respect of which a court may impose a sentence of imprisonment exceeding five years;
 - (b) that may be relevant to the investigation or prosecution of the offence; or
 - (c) of an imminent and serious public safety or environmental risk.

- (3) A senior SARS official may, if of the opinion that—
- (a) SARS has information referred to in subsection (2);
 - (b) the information will likely be material to the prosecution of the offence or avoidance of the risk; and
[S 71(3)(b) subs by s 54 of Act 21 of 2012 wef 1 October 2012.]
 - (c) the disclosure of the information would not seriously impair a civil or criminal tax investigation,
- make an *ex parte* application to a judge in chambers for an order authorising SARS to disclose the information under subsection (1).
- (4) The National Commissioner of the South African Police Service, the National Director of Public Prosecutions or a person acting under their respective direction and control, if—
- (a) carrying out an investigation relating to an offence or a public safety or environmental risk referred to in subsection (2); and
 - (b) of the opinion that SARS may have information that is relevant to that investigation, may make an *ex parte* application to a judge in chambers for an order requiring SARS to disclose the information referred to in subsection (2).
- (5) SARS must be given prior notice of at least 10 business days of an application under subsection (4) unless the judge, based on urgency, allows a shorter period and SARS may oppose the application on the basis that the disclosure would seriously impair or prejudice a civil or criminal tax investigation or other enforcement of a tax Act by SARS.

72. Self-incrimination

- (1) A taxpayer may not refuse to comply with his or her obligations in terms of legislation to complete and file a return or an application on the grounds that to do so might incriminate him or her, and an admission by the taxpayer contained in a return, application, or other document submitted to SARS by a taxpayer is admissible in criminal proceedings against the taxpayer for a tax offence, unless a competent court directs otherwise.
- (2) An admission by the taxpayer of the commission of a tax offence obtained from a taxpayer under Chapter 5 is not admissible in criminal proceedings against the taxpayer, unless a competent court directs otherwise.

[S 72 subs by s 55 of Act 21 of 2012 wef 1 October 2012.]

73. Disclosure to taxpayer of own record

- (1) A taxpayer or the taxpayer's duly authorised representative is entitled to obtain—
- (a) a copy, certified by SARS, of the recorded particulars of an assessment or decision referred to in section 104(2) relating to the taxpayer;
 - (b) access to information submitted to SARS by the taxpayer or by a person on the taxpayer's behalf;
[S 73(1)(b) am by s 43(a) of Act 39 of 2013 wef 1 October 2012.]
 - (c) information, other than SARS confidential information, on which the taxpayer's assessment is based; and
[S 73(1)(c) subs by s 43(b) of Act 39 of 2013 wef 1 October 2012.]
 - (d) other information relating to the tax affairs of the taxpayer.
[S 73(1)(d) ins by sn 43(c) of Act 39 of 2013 wef 1 October 2012.]
- (2) A request for information under subsection (1)(d) must be made under the Promotion of Access to Information Act.
[S 73(2) subs by s 43(d) of Act 39 of 2013 wef 1 October 2012.]
- (3) ...
[S 73(3) rep by s 43(e) of Act 39 of 2013 wef 1 October 2012.]

74. Publication of names of offenders

- (1) The Commissioner may publish for general information the particulars specified in subsection (2), relating to a tax offence committed by a person, if—
- (a) the person was convicted of the offence; and
 - (b) all appeal or review proceedings relating to the offence have been completed or were not instituted within the period allowed.
- (2) The publication referred to in subsection (1) may specify—
- (a) the name and area of residence of the offender;
 - (b) any particulars of the offence that the Commissioner thinks fit; and
 - (c) the particulars of the fine or sentence imposed.

CHAPTER 7

ADVANCE RULINGS

75. Definitions

In this Chapter, unless the context indicates otherwise, the following terms, if in single quotation marks, have the following meanings—

“advance ruling” means a ‘binding general ruling’, a ‘binding private ruling’ or a ‘binding class ruling’;

“applicant” means a person who submits an ‘application’ for a ‘binding private ruling’ or a ‘binding class ruling’;

“application” means an application for a ‘binding private ruling’ or a ‘binding class ruling’;

“binding class ruling” means a written statement issued by SARS regarding the application of a tax Act to a specific ‘class’ of persons in respect of a ‘proposed transaction’;

“binding effect” means the requirement that SARS interpret or apply the applicable tax Act in accordance with an ‘advance ruling’ under section 82;

“binding general ruling” means a written statement issued by a senior SARS official under section 89 regarding the interpretation of a tax Act or the application of a tax Act to the stated facts and circumstances;

“binding private ruling” means a written statement issued by SARS regarding the application of a tax Act to one or more parties to a ‘proposed transaction’, in respect of the ‘transaction’;

“class” means—

- (a) shareholders, members, beneficiaries or the like in respect of a company, association, pension fund, trust, or the like; or
- (b) a group of persons, that may be unrelated and—
 - (i) are similarly affected by the application of a tax Act to a ‘proposed transaction’; and
 - (ii) agree to be represented by an ‘applicant’;

“class member” and ‘class members’ means a member or members of the ‘class’ to which a ‘binding class ruling’ applies;

“non-binding private opinion” means informal guidance issued by SARS in respect of the tax treatment of a particular set of facts and circumstances or ‘transaction’, but which does not have a ‘binding effect’ within the meaning of section 88;

“proposed transaction” means a ‘transaction’ that an ‘applicant’ proposes to undertake, but has not agreed to undertake, other than by way of an agreement that is subject to a suspensive condition or is otherwise not binding; and ‘transaction’ means any transaction, deal, business, arrangement, operation or scheme and includes a series of transactions.

76. Purpose of advance rulings

The purpose of the ‘advance ruling’ system is to promote clarity, consistency and certainty regarding the interpretation and application of a tax Act by creating a framework for the issuance of ‘advance rulings’.

77. Scope of advance rulings

SARS may make an ‘advance ruling’ on any provision of a tax Act.

78. Private rulings and class rulings

- (1) SARS may issue a ‘binding private ruling’ upon ‘application’ by a person in accordance with section 79.
- (2) SARS may issue a ‘binding class ruling’ upon ‘application’ by a person in accordance with section 79.
- (3) SARS may make a ‘binding private ruling’ or ‘binding class ruling’ subject to the conditions and assumptions as may be prescribed in the ruling.
- (4) SARS must issue the ruling to the ‘applicant’ at the address shown in the ‘application’ unless the ‘applicant’ provides other instructions, in writing, before the ruling is issued.
- (5) A ‘binding private ruling’ or ‘binding class ruling’ may be issued in the prescribed form and manner, must be signed by a senior SARS official and must contain the following—
 - (a) a statement identifying it as a ‘binding private ruling’ or as a ‘binding class ruling’ made under this section;
 - (b) the name, tax reference number (if applicable), and postal address of the ‘applicant’;
 - (c) in the case of a ‘binding class ruling’, a list or a description of the affected ‘class members’;

- (d) the relevant statutory provisions or legal issues;
 - (e) a description of the 'proposed transaction';
 - (f) any assumptions made or conditions imposed by SARS in connection with the validity of the ruling;
 - (g) the specific ruling made; and
 - (h) the period for which the ruling is valid.
- (6) In the case of a 'binding class ruling', the 'applicant' alone is responsible for communicating with the affected 'class members' regarding the 'application' for the ruling, the issuance, withdrawal or modification of the ruling, or any other information or matter pertaining to the ruling.

79. Applications for advance rulings

- (1) An 'application' must be made in the prescribed form and manner.
- (2) An 'application' for a 'binding private ruling' may be made by one person who is a party to a 'proposed transaction', or by two or more parties to a 'proposed transaction' as co-applicants, and if there is more than one 'applicant', each 'applicant' must join in designating one 'applicant' as the lead 'applicant' to represent the others.
- (3) An 'application' for a 'binding class ruling' may be made by a person on behalf of a 'class'.
- (4) An 'application' must contain the following minimum information—
 - (a) the 'applicant's' name, applicable identification or taxpayer reference number, postal address, email address, and telephone number;
 - (b) the name, postal address, email address and telephone number of the 'applicant's' representative, if any;
 - (c) a complete description of the 'proposed transaction' in respect of which the ruling is sought, including its financial implications;
 - (d) a complete description of the impact the 'proposed transaction' may have upon the tax liability of the 'applicant' or any 'class member' or, if relevant, any connected person in relation to the 'applicant' or any 'class member';

- (e) a complete description of any 'transaction' entered into by the 'applicant' or 'class member' prior to submitting the 'application' or that may be undertaken after the completion of the 'proposed transaction' which may have a bearing on the tax consequences of the 'proposed transaction' or may be considered to be part of a series of 'transactions' involving the 'proposed transaction';
- (f) the proposed ruling being sought, including a draft of the ruling;
- (g) the relevant statutory provisions or legal issues;
- (h) the reasons why the 'applicant' believes that the proposed ruling should be granted;
- (i) a statement of the 'applicant's' interpretation of the relevant statutory provisions or legal issues, as well as an analysis of relevant authorities either considered by the 'applicant' or of which the 'applicant' is aware, as to whether those authorities support or are contrary to the proposed ruling being sought;
- (j) a statement, to the best of the 'applicant's' knowledge, as to whether the ruling requested is referred to in section 80;
- (k) a description of the information that the 'applicant' believes should be deleted from the final ruling before publication in order to protect the confidentiality of the 'applicant' or 'class members';
- (l) the 'applicant's' consent to the publication of the ruling by SARS in accordance with section 87;
[\[S 79\(4\)\(l\) am by s 56\(a\) of Act 21 of 2012 wef 1 October 2012.\]](#)
- (m) in the case of an 'application' for a 'binding class ruling'—
 - (i) a description of the 'class members'; and
 - (ii) the impact the 'proposed transaction' may have upon the tax liability of the 'class members' or, if relevant, any connected person in relation to the 'applicant' or to any 'class member';
- (n) a statement confirming that the 'applicant' complied with any registration requirements under a tax Act, with regard to any tax for which the 'applicant' is liable, unless the 'application' concerns a ruling to determine if the 'applicant' must register under a tax Act; and
[\[S 79\(4\)\(n\) ins by s 56\(b\) of Act 21 of 2012 wef 1 October 2012.\]](#)

- (o) a statement confirming that all returns required to be rendered by that 'applicant' in terms of a tax Act have been rendered and any tax has been paid or arrangements acceptable to SARS have been made for the submission of any outstanding returns or for the payment of any outstanding tax debt.

[S 79(4)(o) ins by s 56(b) of Act 21 of 2012 wef 1 October 2012; subs by s 44 of Act 39 of 2013 wef 1 October 2012.]

- (5) SARS may request additional information from an 'applicant' at any time.
- (6) An 'application' must be accompanied by the 'application' fee prescribed under section 81.
- (7) SARS must provide an 'applicant' with a reasonable opportunity to make representations if, based upon the 'application' and any additional information received, it appears that the content of the ruling to be made would differ materially from the proposed ruling sought by the 'applicant'.
- (8) An 'applicant' may withdraw an 'application' for a ruling at any time.
- (9) A co-applicant to a 'binding private ruling' referred to in subsection (2) may withdraw from an 'application' at any time.
- (10) A withdrawal does not affect the liability to pay fees under section 81.

80. Rejection of application for advance ruling

- (1) SARS may reject an 'application' for an 'advance ruling' if the 'application'—
 - (a) requests or requires the rendering of an opinion, conclusion or determination regarding—
 - (i) the market value of an asset;
 - (ii) the application or interpretation of the laws of a foreign country;
 - (iii) the pricing of goods or services supplied by or rendered to a connected person in relation to the 'applicant' or a 'class member';
 - (iv) the constitutionality of a tax Act;
 - (v) a 'proposed transaction' that is hypothetical or not seriously contemplated;
 - (vi) a matter which can be resolved by SARS issuing a directive under the Fourth Schedule or the Seventh Schedule to the Income Tax Act;

[S 80(1)(a)(vi) subs by s 57 of Act 21 of 2012 wef 1 October 2012.]

- (vii) whether a person is an independent contractor, labour broker or personal service provider; or
 - (viii) a matter which is submitted for academic purposes;
- (b) contains—
 - (i) a frivolous or vexatious issue;
 - (ii) an alternative course of action by the ‘applicant’ or a ‘class member’ that is not seriously contemplated; or
 - (iii) an issue that is the same as or substantially similar to an issue that is—
 - (aa) currently before SARS in connection with an audit, investigation or other proceeding involving the ‘applicant’ or a ‘class member’ or a connected person in relation to the ‘applicant’ or a ‘class member’;
 - (bb) the subject of a policy document or draft legislation that has been published; or
 - (cc) subject to dispute resolution under Chapter 9;
- (c) involves the application or interpretation of a general or specific anti-avoidance provision or doctrine;
- (d) involves an issue—
 - (i) that is of a factual nature;
 - (ii) the resolution of which would depend upon assumptions to be made regarding a future event or other matters which cannot be reasonably determined at the time of the ‘application’;
 - (iii) which would be more appropriately dealt with by the competent authorities of the parties to an agreement for the avoidance of double taxation;
 - (iv) in which the tax treatment of the ‘applicant’ is dependent upon the tax treatment of another party to the ‘proposed transaction’ who has not applied for a ruling;
 - (v) in respect of a ‘transaction’ that is part of another ‘transaction’ which has a bearing on the issue, the details of which have not been disclosed; or

- (vi) which is the same as or substantially similar to an issue upon which the 'applicant' has already received an unfavourable ruling;
 - (e) involves a matter the resolution of which would be unduly time-consuming or resource intensive; or
 - (f) requests SARS to rule on the substance of a 'transaction' and disregard its form.
- (2) The Commissioner may publish by public notice a list of additional considerations in respect of which the Commissioner may reject an 'application'.
 - (3) If SARS requests additional information in respect of an 'application' and the 'applicant' fails or refuses to provide the information, SARS may reject the 'application' without a refund or rebate of any fees imposed under section 81.

81. Fees for advance rulings

- (1) In order to defray the cost of the 'advance ruling' system, the Commissioner may by public notice prescribe fees for the issuance of a 'binding private ruling' or 'binding class ruling', including—
 - (a) an 'application' fee; and
 - (b) a cost recovery fee.
- (2) Following the acceptance of an 'application' SARS must, if requested, provide the 'applicant' with an estimate of the cost recovery fee anticipated in connection with the 'application' and must notify the 'applicant' if it subsequently appears that this estimate may be exceeded.
- (3) The fees imposed under this section constitute fees imposed by SARS within the meaning of section 5(1)(h) of the SARS Act, and constitute funds of SARS within the meaning of section 24 of that Act.
- (4) If there is more than one 'applicant' for a ruling in respect of a 'proposed transaction' SARS may, upon request by the 'applicants', impose a single prescribed fee in respect of the 'application'.

82. Binding effect of advance rulings

- (1) If an 'advance ruling' applies to a person in accordance with section 83, then SARS must interpret or apply the applicable tax Act to the person in accordance with the ruling.
- (2) An 'advance ruling' does not have 'binding effect' upon SARS in respect of a person unless it applies to the person in accordance with section 83.

- (3) A 'binding general ruling' may be cited by SARS or a person in any proceedings, including court proceedings.
- (4) A 'binding private ruling' or 'binding class ruling' may not be cited in any proceeding, including court proceedings, other than a proceeding involving an 'applicant' or a 'class member', as the case may be.
- (5) A publication or other written statement issued by SARS does not have 'binding effect' unless it is an 'advance ruling'.

83. Applicability of advance rulings

A 'binding private ruling' or 'binding class ruling' applies to a person only if—

- (a) the provision or provisions of the Act at issue are the subject of the 'advance ruling';
- (b) the person's set of facts or 'transaction' are the same as the particular set of facts or 'transaction' specified in the ruling;
- (c) the person's set of facts or 'transaction' falls entirely within the effective period of the ruling;
- (d) any assumptions made or conditions imposed by SARS in connection with the validity of the ruling have been satisfied or carried out;
- (e) in the case of a 'binding private ruling', the person is an 'applicant' identified in the ruling;
and
- (f) in the case of a 'binding class ruling', the person is a 'class member' identified in the ruling.

84. Rulings rendered void

- (1) A 'binding private ruling' or 'binding class ruling' is void *ab initio* if—
 - (a) the 'proposed transaction' as described in the ruling is materially different from the 'transaction' actually carried out;
 - (b) there is fraud, misrepresentation or non-disclosure of a material fact; or
 - (c) an assumption made or condition imposed by SARS is not satisfied or carried out.
- (2) For purposes of this section, a fact described in subsection (1) is considered material if it would have resulted in a different ruling had SARS been aware of it when the original ruling was made.

85. Subsequent changes in tax law

- (1) Despite any provision to the contrary contained in a tax Act, an 'advance ruling' ceases to be effective if—
- (a) a provision of the tax Act that was the subject of the 'advance ruling' is repealed or amended in a manner that materially affects the 'advance ruling', in which case the 'advance ruling' will cease to be effective from the date that the repeal or amendment is effective; or
 - (b) a court overturns or modifies an interpretation of the tax Act on which the 'advance ruling' is based, in which case the 'advance ruling' will cease to be effective from the date of judgment unless—
 - (i) the decision is under appeal;
 - (ii) the decision is fact-specific and the general interpretation upon which the 'advance ruling' was based is unaffected; or
 - (iii) the reference to the interpretation upon which the 'advance ruling' was based was *obiter dicta*.
- (2) An 'advance ruling' ceases to be effective upon the occurrence of any of the circumstances described in subsection (1), whether or not SARS publishes a notice of withdrawal or modification.

86. Withdrawal or modification of advance rulings

- (1) SARS may withdraw or modify an 'advance ruling' at any time.
- (2) If the 'advance ruling' is a 'binding private ruling' or 'binding class ruling', SARS must first provide the 'applicant' with notice of the proposed withdrawal or modification and a reasonable opportunity to make representations prior to the decision whether to withdraw or modify the 'advance ruling'.
- [\[S 86\(2\) am by s 26 of Act 24 of 2020 wef 20 January 2021.\]](#)
- (3) SARS must specify the date the decision to withdraw or modify the 'advance ruling' becomes effective, which date may not be earlier than the date—
- (a) the decision is delivered to an 'applicant', unless the circumstances in subsection (4) apply; or
 - (b) in the case of a 'binding general ruling', the decision is published.

- (4) SARS may withdraw or modify a 'binding private ruling' or a 'binding class ruling' retrospectively if the ruling was made in error and if—
- (a) the 'applicant' or 'class member' has not yet commenced the 'proposed transaction' or has not yet incurred significant costs in respect of the arrangement;
 - (b) a person other than the 'applicant' or 'class member' will suffer significant tax disadvantage if the ruling is not withdrawn or modified retrospectively and the 'applicant' will suffer comparatively less if the ruling is withdrawn or modified retrospectively; or
 - (c) the effect of the ruling will materially erode the South African tax base and it is in the public interest to withdraw or modify the ruling retrospectively.

87. Publication of advance rulings

- (1) A person applying for a 'binding private ruling' or 'binding class ruling' must consent to the publication of the ruling in accordance with this section.
- (2) A 'binding private ruling' or 'binding class ruling' must be published by SARS for general information in the manner and in the form that the Commissioner may prescribe, but without revealing the identity of an 'applicant', 'class member' or other person identified or referred to in the ruling.
- (3) Prior to publication, SARS must provide the 'applicant' with a draft copy of the edited ruling for review and comment.
- (4) SARS must consider, prior to publication, any comments and proposed edits and deletions submitted by the 'applicant', but is not required to accept them.
- (5) An 'applicant' for a 'binding class ruling' may consent in writing to the inclusion of information identifying it or the 'proposed transaction' in order to facilitate communication with the 'class members'.
- (6) The application or interpretation of the relevant tax Act to a 'transaction' does not constitute information that may reveal the identity of an 'applicant', 'class member' or other person identified or referred to in the ruling.
- (7) SARS must treat the publication of the withdrawal or modification of a 'binding private ruling' or 'binding class ruling' in the same manner and subject to the same requirements as the publication of the original ruling.

- (8) Subsection (2) does not—
 - (a) require the publication of a ruling that is materially the same as a ruling already published; or
 - (b) apply to a ruling that has been withdrawn before SARS has had occasion to publish it.
- (9) If an 'advance ruling' has been published, notice of the withdrawal or modification thereof must be published in the manner and media as the Commissioner may deem appropriate.

88. Non-binding private opinions

- (1) A 'non-binding private opinion' does not have 'binding effect' upon SARS.
- (2) A 'non-binding private opinion' may not be cited in any proceedings including court proceedings, other than proceedings involving the person to whom the opinion was issued.

89. Binding general rulings

- (1) A senior SARS official may issue a 'binding general ruling' that is effective for either—
 - (a) a particular tax period or other definite period; or
 - (b) an indefinite period.
- (2) A 'binding general ruling' must state—
 - (a) that it is a 'binding general ruling' made under this section;
 - (b) the provisions of a tax Act which are the subject of the 'binding general ruling'; and
 - (c) either—
 - (i) the tax period or other definite period for which it applies; or
 - (ii) in the case of a 'binding general ruling' for an indefinite period, that it is for an indefinite period and the date or tax period from which it applies.
- (3) A 'binding general ruling' may be issued as an interpretation note or in another form and may be issued in the manner that the Commissioner prescribes.
- (4) A publication or other written statement does not constitute and may not be considered or treated as a 'binding general ruling' unless it contains the information prescribed by subsection (2).

90. Procedures and guidelines for advance rulings

The Commissioner may issue procedures and guidelines, in the form of 'binding general rulings', for implementation and operation of the 'advance ruling' system.

CHAPTER 8 ASSESSMENTS

91. Original assessments

- (1) If a tax Act requires a taxpayer to submit a return which does not incorporate a determination of the amount of a tax liability, SARS must make an original assessment based on the return submitted by the taxpayer or other information available or obtained in respect of the taxpayer.
- (2) If a tax Act requires a taxpayer to submit a return which incorporates a determination of the amount of a tax liability, the submission of the return is an original self-assessment of the tax liability.
- (3) If a tax Act requires a taxpayer to make a determination of the amount of a tax liability and no return is required, the payment of the amount of tax due is an original assessment.
- (4) ...
[S 91(4) subs by s 32 of Act 33 of 2019 wef 15 January 2020; rep by s 27 of Act 24 of 2020 wef 20 January 2021.]
- (5) ...
[S 91(5) subs by s 58(a) of Act 21 of 2012 wef 1 October 2012; rep by s 27 of Act 24 of 2020 wef 20 January 2021.]
- (6) ...
[S 91(6) ins by s 58(b) of Act 21 of 2012 wef 1 October 2012; rep by s 27 of Act 24 of 2020 wef 20 January 2021.]

92. Additional assessments

If at any time SARS is satisfied that an assessment does not reflect the correct application of a tax Act to the prejudice of SARS or the *fiscus*, SARS must make an additional assessment to correct the prejudice.

93. Reduced assessments

- (1) SARS may make a reduced assessment if—
- (a) the taxpayer successfully disputed the assessment under Chapter 9;
 - (b) necessary to give effect to a settlement under Part F of Chapter 9;
[S 93(1)(b) subs by s 45 of Act 39 of 2013 wef 1 October 2012.]
 - (c) necessary to give effect to a judgment pursuant to an appeal under Part E of Chapter 9 and there is no right of further appeal;
[S 93(1)(c) am by s 49 of Act 23 of 2015 wef 8 January 2016.]
 - (d) SARS is satisfied that there is a readily apparent undisputed error in the assessment by—
 - (i) SARS; or
 - (ii) the taxpayer in a return;
[S 93(1)(d) subs by s 49 of Act 23 of 2015 wef 8 January 2016.]
[S 93(1)(d)(ii) am by s 18 of Act 21 of 2021 wef 19 January 2022.]
 - (e) a senior SARS official is satisfied that an assessment was based on—
 - (i) the failure to submit a return or submission of an incorrect return by a third party under section 26 or by an employer under a tax Act;
 - (ii) a processing error by SARS; or
 - (iii) a return fraudulently submitted by a person not authorised by the taxpayer; or
[S 93(1)(e) ins by s 49 of Act 23 of 2015 wef 8 January 2016; am by s 28(a) of Act 24 of 2020 wef 20 January 2021.]
[S 93(1)(e)(iii) am by s 18 of Act 21 of 2021 wef 19 January 2022.]
 - (f) the taxpayer in respect of whom an assessment has been issued under section 95(1), requests SARS to issue a reduced assessment under section 95(6).
[S 93(1)(f) ins by s 28(b) of Act 24 of 2020 wef 20 January 2021.]
- (2) SARS may reduce an assessment despite the fact that no objection has been lodged or appeal noted.

94. Jeopardy assessments

- (1) SARS may make a jeopardy assessment in advance of the date on which the return is normally due, if the Commissioner is satisfied that it is required to secure the collection of tax that would otherwise be in jeopardy.
- (2) In addition to any rights under Chapter 9, a review application against an assessment made under this section may be made to the High Court on the grounds that—
 - (a) its amount is excessive; or
 - (b) circumstances that justify a jeopardy assessment do not exist.
- (3) In proceedings under subsection (2), SARS bears the burden of proving that the making of the jeopardy assessment is reasonable under the circumstances.

95. Estimation of assessments

- (1) SARS may make an original, additional, reduced or jeopardy assessment based in whole or in part on an estimate, if the taxpayer—
 - (a) does not submit a return;
 - (b) submits a return or relevant material that is incorrect or inadequate; or
 - (c) does not submit a response to a request for relevant material under section 46, in relation to the taxpayer, after delivery of more than one request for such material.

[S 95(1) subs by s 29(a) of Act 24 of 2020 wef 20 January 2021.]

- (2) SARS must make the estimate based on information readily available to it.
- (3) If the taxpayer is unable to submit an accurate return, a senior SARS official may agree in writing with the taxpayer as to the amount of tax chargeable and issue an assessment accordingly, which assessment is not subject to objection or appeal.
- (4) The making of an assessment under subsection (1) does not detract from the obligation to submit a return or the relevant material.

[S 95(4) ins by s 29(b) of Act 24 of 2020 wef 20 January 2021.]

- (5) An assessment under subsection (1) (a) or (c) is only subject to objection and appeal if SARS decides not to make a reduced or additional assessment after the taxpayer submits the return or relevant material under subsection (6).

[S 95(5) ins by s 29(b) of Act 24 of 2020 wef 20 January 2021, subs by s 19 (a) of Act 21 of 2022 wef 19 January 2022.]

- (6) The taxpayer in relation to whom the assessment under subsection (1) (a) or (c) has been issued may, within 40 business days from the date of assessment, request SARS to make a reduced or additional assessment by submitting a true and full return or the relevant material.

[S 95(6) ins by s 29(b) of Act 24 of 2020 wef 20 January 2021, subs by s 19 (b) of Act 21 of 2022 wef 19 January 2022.]

- (7) If reasonable grounds for an extension are submitted by the taxpayer, a senior SARS official may extend the period referred to in subsection (6) within which the return or relevant material must be submitted, for a period not exceeding the relevant period referred to in section 99 (1) or forty business days, whichever is the longest.

[S 95(7) ins by s 29(b) of Act 24 of 2020 wef 20 January 2021, subs by s 19 (c) of Act 21 of 2022 wef 19 January 2022.]

- (8) If SARS decides not to make a reduced or additional assessment under subsection (6), the date of the assessment made under subsection (1) (a) or (c), for purposes of Chapter 9, is regarded as the date of the notice of the decision.

[S 95(8) ins by s 19 (d) of Act 21 of 2022 wef 19 January 2022.]

96. Notice of assessment

- (1) SARS must issue to the taxpayer assessed a notice of the assessment made by SARS stating—
- (a) the name of the taxpayer;
 - (b) the taxpayer's taxpayer reference number, or if one has not been allocated, any other form of identification;
 - (c) the date of the assessment;
 - (d) the amount of the assessment;
 - (e) the tax period in relation to which the assessment is made;
 - (f) the date for paying the amount assessed; and
 - (g) a summary of the procedures for lodging an objection to the assessment.
- (2) In addition to the information provided in terms of subsection (1) SARS must give the person assessed—

- (a) in the case of an assessment described in section 95 or an assessment that is not fully based on a return submitted by the taxpayer, a statement of the grounds for the assessment; and
- (b) in the case of a jeopardy assessment, the grounds for believing that the tax would otherwise be in jeopardy.

97. Recording of assessments

- (1) The particulars of an assessment and the amount of tax payable thereon must be recorded and kept by SARS.
- (2) A notice of assessment issued by SARS is regarded as made by a SARS official authorised to do so or duly issued by SARS, until proven to the contrary.
- (3) The record of an assessment is not open to public inspection.
- (4) The record of an assessment, including the return or records on which it was based, whether in electronic format or otherwise, may be destroyed by SARS after seven years from the date of assessment or the expiration of a further period that may be required—
 - (a) by the Auditor-General;
 - (b) as a result of the application of section 99(2)(c); or
 - (c) for purposes of a verification, audit or criminal investigation under Chapter 5 or a dispute under Chapter 9.

[S 97(4) subs by s 54 of Act 16 of 2016 wef 19 January 2017.]

98. Withdrawal of assessments

- (1) SARS may, despite the fact that no objection has been lodged or appeal noted, withdraw an assessment which—
 - (a) was issued to the incorrect taxpayer;
 - (b) was issued in respect of the incorrect tax period; or

[S 98(1)(b) am by s 46(a) of Act 39 of 2013 wef 1 October 2012, s 50 of Act 23 of 2015 wef 8 January 2016.]

- (c) was issued as a result of an incorrect payment allocation.

[S 98(1)(c) am by s 46(b) of Act 39 of 2013 wef 1 October 2012, s 50 of Act 23 of 2015 wef 8 January 2016.]

- (d) ...

[S 98(1)(d) ins by s 46(c) of Act 39 of 2013 wef 1 October 2012; rep by s 50 of Act 23 of 2015 wef 8 January 2016.]

- (2) An assessment withdrawn under this section is regarded not to have been issued, unless a senior SARS official agrees in writing with the taxpayer as to the amount of tax properly chargeable for the relevant tax period and accordingly issues a revised original, additional or reduced assessment, as the case may be, which assessment is not subject to objection or appeal.

[S 98(2) subs by s 46(d) of Act 39 of 2013 wef 1 October 2012.]

99. Period of limitations for issuance of assessments

- (1) An assessment may not be made in terms of this Chapter—

[Words preceding s 99(1)(a) subs by s 51(a) of Act 23 of 2015 wef 8 January 2016.]

- (a) three years after the date of assessment of an original assessment by SARS;
- (b) in the case of self-assessment for which a return is required, five years after the date of assessment of an original assessment—
- (i) by way of self-assessment by the taxpayer; or
- (ii) if no return is received, by SARS;
- (c) in the case of a self-assessment for which no return is required, after the expiration of five years from the—
- (i) date of the last payment of the tax for the tax period; or
- (ii) effective date, if no payment was made in respect of the tax for the tax period;
- (d) in the case of—
- (i) an additional assessment if the—
- (aa) amount which should have been assessed to tax under the preceding assessment was, in accordance with the practice generally prevailing at the date of the preceding assessment, not assessed to tax; or
- (bb) full amount of tax which should have been assessed under the preceding assessment was, in accordance with the practice, not assessed;

[S 99(1)(d)(i)(aa) subs by s 59 of Act 21 of 2012 wef 1 October 2012.]

- (ii) a reduced assessment, if the preceding assessment was made in accordance with the practice generally prevailing at the date of that assessment; or
 - (iii) a tax for which no return is required, if the payment was made in accordance with the practice generally prevailing at the date of that payment; or
- (e) in respect of a dispute that has been resolved under Chapter 9.

(2) Subsection (1) does not apply to the extent that—

- (a) in the case of assessment by SARS, the fact that the full amount of tax chargeable was not assessed, was due to—
 - (i) fraud;
 - (ii) misrepresentation; or
 - (iii) non-disclosure of material facts;
- (b) in the case of self-assessment, the fact that the full amount of tax chargeable was not assessed, was due to—
 - (i) fraud;
 - (ii) intentional or negligent misrepresentation;
 - (iii) intentional or negligent non-disclosure of material facts; or
 - (iv) the failure to submit a return or, if no return is required, the failure to make the required payment of tax;
- (c) SARS and the taxpayer so agree prior to the expiry of the limitations period;
[\[S 99\(2\)\(c\) am by s 51\(b\) of Act 23 of 2015 wef 8 January 2016.\]](#)
- (d) it is necessary to give effect to—
 - (i) the resolution of a dispute under Chapter 9; or
[\[S 99\(2\)\(d\)\(i\) am by s 55 of Act 16 of 2016 wef 19 January 2017.\]](#)
 - (ii) ...
[\[S 99\(2\)\(d\)\(ii\) rep by s 55 of Act 16 of 2016 wef 19 January 2017.\]](#)

- (iii) an assessment referred to in section 93(1)(d) if SARS becomes aware of the error referred to in that subsection before expiry of the period for the assessment under subsection (1);

[S 99(2)(d) am by s 47 of Act 39 of 2013 wef 1 October 2012; subs by s 51(b) of Act 23 of 2015 wef 8 January 2016.]

- (iv) a reduced or additional assessment under section 95 (6); or
[S 99(2)(d)(iv) ins by s 20 of Act 21 of 2021 wef 19 January 2022.]

- (e) SARS receives a request for a reduced assessment under section 93(1)(e).
[S 99(2)(e) ins by s 51(b) of Act 23 of 2015 wef 8 January 2016.]

- (3) The Commissioner may, by prior notice of at least 30 days to the taxpayer, extend a period under subsection (1) or an extended period under this section, before the expiry thereof, by a period approximate to a delay arising from—

- (a) failure by a taxpayer to provide all the relevant material requested within the period under section 46(1) or the extended period under section 46(5); or

- (b) resolving an information entitlement dispute, including legal proceedings.
[S 99(3) ins by s 51(c) of Act 23 of 2015 wef 8 January 2016.]

- (4) The Commissioner may, by prior notice of at least 60 days to the taxpayer, extend a period under subsection (1), before the expiry thereof, by three years in the case of an assessment by SARS or two years in the case of self-assessment, where an audit or investigation under Chapter 5 relates to—

- (i) the application of the doctrine of substance over form;
- (ii) the application of Part IIA of Chapter III of the Income Tax Act, section 73 of the Value-Added Tax Act or any other general anti-avoidance provision under a tax Act;
- (iii) the taxation of hybrid entities or hybrid instruments; or
- (iv) section 31 of the Income Tax Act.

[S 99(4) ins by s 51(c) of Act 23 of 2015 wef 8 January 2016.]

100. Finality of assessment or decision

- (1) An assessment or a decision referred to in section 104(2) is final if, in relation to the assessment or decision—

- (a) it is an assessment described—
 - (i) in section 95(1)(a) or (c), and no return or response described in section 95(6) has been received by SARS; or
[S 100(1)(a)(i) am by s 30 of Act 24 of 2020 wef 20 January 2021.]
 - (ii) in section 95(3);
 - (b) no objection has been made, or an objection has been withdrawn;
 - (c) after the decision of an objection, no notice of appeal has been filed or a notice has been filed and is withdrawn;
[S 100(1)(c) am by s 33 of Act 33 of 2019 wef 15 January 2020.]
 - (d) the dispute has been settled under Part F of Chapter 9;
 - (e) an appeal has been determined by the tax board and there is no referral to the tax court under section 115;
 - (f) an appeal has been determined by the tax court and there is no right of further appeal; or
 - (g) an appeal has been determined by a higher court and there is no right of further appeal.
- (2) Subsection (1) does not prevent SARS from making an additional assessment, but in respect of an amount of tax that has been dealt with in a disputed assessment referred to in—
- (a) subsection (1)(d), (e) and (f), if the relevant period under section 99(1)(a), (b) or (c) has expired, SARS may only make an additional assessment under the circumstances referred to in section 99(2)(a) and (b); and
[S 100(2)(a) subs by s 56 of Act 16 of 2016 wef 19 January 2017.]
 - (b) subsection (1)(g), SARS may not make an additional assessment.

CHAPTER 9

DISPUTE RESOLUTION

Part A

General

101. Definitions

In this Chapter, unless the context indicates otherwise, the following terms, if in single quotation marks, have the following meanings—

“appellant”, except in Part E of this Chapter, means a person who has noted an appeal against an assessment or ‘decision’ under section 107;

“decision” means a decision referred to in section 104(2);

“registrar” means the registrar of the tax court; and ‘rules’ mean the rules made under section 103.

102. Burden of proof

- (1) A taxpayer bears the burden of proving—
 - (a) that an amount, transaction, event or item is exempt or otherwise not taxable;
 - (b) that an amount or item is deductible or may be set off;
[\[S 102\(1\)\(b\) subs by s 23 of Act 13 of 2017 wef 18 December 2017.\]](#)
 - (c) the rate of tax applicable to a transaction, event, item or class of taxpayer;
 - (d) that an amount qualifies as a reduction of tax payable;
 - (e) that a valuation is correct; or
 - (f) whether a 'decision' that is subject to objection and appeal under a tax Act, is incorrect.
- (2) The burden of proving whether an estimate under section 95 is reasonable or the facts on which SARS based the imposition of an understatement penalty under Chapter 16, is upon SARS.

103. Rules for dispute resolution

- (1) The Minister may, after consultation with the Minister of Justice and Constitutional Development, by public notice make 'rules' governing the procedures to lodge an objection and appeal against an assessment or 'decision', and the conduct and hearing of an appeal before a tax board or tax court.
- (2) The 'rules' may provide for alternative dispute resolution procedures under which SARS and the person aggrieved by an assessment or 'decision' may resolve a dispute.
- (3) The Commissioner may prescribe the form of a document required to be completed and delivered under the 'rules'.
[\[S 103\(3\) ins by s 48 of Act 39 of 2013 wef 1 October 2012.\]](#)

Part B **Objection and appeal**

104. Objection against assessment or decision

- (1) A taxpayer who is aggrieved by an assessment made in respect of the taxpayer may object to the assessment.

- (2) The following decisions may be objected to and appealed against in the same manner as an assessment—
- (a) a decision under subsection (4) not to extend the period for lodging an objection;
 - (b) a decision under section 107(2) not to extend the period for lodging an appeal; and
 - (c) any other decision that may be objected to or appealed against under a tax Act.
- (3) A taxpayer entitled to object to an assessment or 'decision' must lodge an objection in the manner, under the terms, and within the period prescribed in the 'rules'.
- (4) A senior SARS official may extend the period prescribed in the 'rules' within which objections must be made if satisfied that reasonable grounds exist for the delay in lodging the objection.
- (5) The period for objection must not be so extended—
- (a) for a period exceeding 30 business days, unless a senior SARS official is satisfied that exceptional circumstances exist which gave rise to the delay in lodging the objection;
[S 104(5)(a) subs by s 57 of Act 16 of 2016 wef 19 January 2017.]
 - (b) if more than three years have lapsed from the date of assessment or the 'decision'; or
 - (c) if the grounds for objection are based wholly or mainly on a change in a practice generally prevailing which applied on the date of assessment or the 'decision'.

105. Forum for dispute of assessment or decision

A taxpayer may only dispute an assessment or 'decision' as described in section 104 in proceedings under this Chapter, unless a High Court otherwise directs.

[S 105 subs by s 52 of Act 23 of 2015 wef 8 January 2016.]

106. Decision on objection

- (1) SARS must consider a valid objection in the manner and within the period prescribed under this Act and the 'rules'.
- (2) SARS may disallow the objection or allow it either in whole or in part.
- (3) If the objection is allowed either in whole or in part, the assessment or 'decision' must be altered accordingly.

- (4) SARS must, by notice, inform the taxpayer objecting or the taxpayer's representative of the decision referred to in subsection (2), unless the objection is stayed under subsection (6) in which case notice of this must be given in accordance with the 'rules'.
- (5) The notice must state the basis for the decision and a summary of the procedures for appeal.
- (6) If a senior SARS official considers that the determination of the objection or an appeal referred to in section 107, whether on a question of law only or on both a question of fact and a question of law, is likely to be determinative of all or a substantial number of the issues involved in one or more other objections or appeals, the official may—
 - (a) designate that objection or appeal as a test case; and
 - (b) stay the other objections or appeals by reason of the taking of a test case on a similar objection or appeal before the tax court,

in the manner, under the terms, and within the periods prescribed in the 'rules'.

107. Appeal against assessment or decision

- (1) After delivery of the notice of the decision referred to in section 106(4), a taxpayer objecting to an assessment or 'decision' may appeal against the assessment or 'decision' to the tax board or tax court in the manner, under the terms and within the period prescribed in this Act and the 'rules'.
- (2) A senior SARS official may extend the period within which an appeal must be lodged for—
 - (a) 21 business days, if satisfied that reasonable grounds exist for the delay; or
 - (b) up to 45 business days, if exceptional circumstances exist that justify an extension beyond 21 business days.
- (3) A notice of appeal that does not satisfy the requirements of subsection (1) is not valid.
- (4) If an assessment or 'decision' has been altered under section 106(3), the assessment or 'decision' as altered is the assessment or 'decision' against which the appeal is noted.
- (5) By mutual agreement, SARS and the taxpayer making the appeal may attempt to resolve the dispute through alternative dispute resolution under procedures specified in the 'rules'.
- (6) Proceedings on the appeal are suspended while the alternative dispute resolution procedure is ongoing.

- (7) SARS may concede an appeal in whole or in part before—
- (a) the matter is heard by the tax board or the tax court; or
 - (b) an appeal against a judgment of the tax court or higher court is heard.
- [S 107(7) ins by s 60 of Act 21 of 2012 wef 1 October 2012.]

Part C
Tax board

108. Establishment of tax board

- (1) The Minister may by public notice—
- (a) establish a tax board or boards for areas that the Minister thinks fit; and
 - (b) abolish an existing tax board or establish an additional tax board as circumstances may require.
- (2) Tax boards are established under subsection (1) to hear appeals referred to in section 107 in the manner provided in this Part.

109. Jurisdiction of tax board

- (1) An appeal against an assessment or 'decision' must in the first instance be heard by a tax board, if—
- (a) the tax in dispute does not exceed the amount the Minister determines by public notice; and
 - (b) a senior SARS official and the 'appellant' so agree.
- (2) SARS must designate the places where tax boards hear appeals.
- (3) The tax board must hear an appeal at the place referred to in subsection (2) which is closest to the 'appellant's' residence or place of business, unless the 'appellant' and SARS agree that the appeal be heard at another place.
- (4) In making a decision under subsection (1)(b), a senior SARS official must consider whether the grounds of the dispute or legal principles related to the appeal should rather be heard by the tax court.
- (5) If the chairperson prior to or during the hearing, considering the grounds of the dispute or the legal principles related to the appeal, believes that the appeal should be heard by the tax court rather than

the tax board, the chairperson may direct that the appeal be set down for hearing de novo before the tax court.

110. Constitution of tax board

- (1) A tax board consists of—
- (a) the chairperson, who must be a legal practitioner from the panel appointed under section 111; and
[S 110(1)(a) am by s 34 of Act 33 of 2019 wef 15 January 2020.]
 - (b) if the chairperson, after considering any representations by a senior SARS official or the taxpayer, considers it necessary—
[Words preceding s 110(1)(b)(i) subs by s 24 of Act 13 of 2017 wef 18 December 2017.]
 - (i) an accountant who is a member of the panel referred to in section 120; and
 - (ii) a representative of the commercial community who is a member of the panel referred to in section 120.
- (2) Sections 122, 123, 124, 126, 127, 128 and 129 apply, with the necessary changes, and under procedures determined in the 'rules', to the tax board and the chairperson.
[S 110(2) subs by s 49 of Act 39 of 2013 wef 1 October 2012.]

111. Appointment of chairpersons

- (1) The Minister must, in consultation with the Judge-President of the Division of the High Court with jurisdiction in the area where the tax board is to sit, by public notice appoint legal practitioners to a panel from which a chairperson of the tax board must be nominated from time to time.
[S 111(1) am by s 35 of Act 33 of 2019 wef 15 January 2020.]
- (2) The persons appointed under subsection (1)—
- (a) hold office for five years from the date the notice of appointment is published in the public notice;
 - (b) are eligible for re-appointment as the Minister thinks fit; and
 - (c) must be persons of good standing who have appropriate experience.
[S 111(2) subs by s 53 of Act 23 of 2015 wef 8 January 2016.]

- (3) The Minister may terminate an appointment made under this section at any time for misconduct, incapacity or incompetence.
- (4) A member of the panel must be appointed as chairperson of a tax board.
- (5) A chairperson will not solely on account of his or her liability to tax be regarded as having a personal interest or a conflict of interest in any matter upon which he or she may be called upon to adjudicate.
- (6) A chairperson must withdraw from the proceedings as soon as the chairperson becomes aware of a conflict of interest which may give rise to bias which the chairperson may experience with the case concerned or other circumstances that may affect the chairperson's ability to remain objective for the duration of the case.
- (7) Either party may ask for withdrawal of the chairperson on the basis of conflict of interest or other indications of bias, under procedures provided in the 'rules'.

112. Clerk of tax board

- (1) The Commissioner must appoint a clerk of the tax board.
- (2) The clerk acts as convenor of the tax board.
- (3) If no chairperson is available in the jurisdiction within which the tax board is to be convened, the clerk may convene the tax board with a chairperson from another jurisdiction.
- (4) The clerk of the tax board must, within the period and in the manner provided in the 'rules', submit a notice to the members of the tax board and the 'appellant' specifying the time and place for the hearing.

113. Tax board procedure

- (1) Subject to the procedure provided for by the 'rules', the chairperson determines the procedures during the hearing of an appeal as the chairperson sees fit, and each party must have the opportunity to put the party's case to the tax board.
- (2) The tax board is not required to record its proceedings.
- (3) The chairperson may, when the proceedings open, formulate the issues in the appeal.
- (4) The chairperson may adjourn the hearing of an appeal to a convenient time and place.

- (5) A senior SARS official must appear at the hearing of the appeal in support of the assessment or 'decision'.
- (6) At the hearing of the appeal the 'appellant' must—
 - (a) appear in person in the case of a natural person; or
 - (b) in any other case, be represented by the representative taxpayer.
- (7) If a third party prepared the 'appellant's' return involved in the assessment or 'decision', that third party may appear on the 'appellant's' behalf.
- (8) The 'appellant' may, together with the notice of appeal, or within the further period as the chairperson may allow, request permission to be represented at the hearing otherwise than as referred to in subsection (6).
- (9) If neither the 'appellant' nor anyone authorised to appear on the 'appellant's' behalf appears before the tax board at the time and place set for the hearing, the tax board may confirm the assessment or 'decision' in respect of which the appeal has been lodged—
 - (a) at the request of the senior SARS official; and
[\[S 113\(9\)\(a\) subs by s 25 of Act 13 of 2017 wef 18 December 2017.\]](#)
 - (b) on proof that the 'appellant' was furnished with the notice of the sitting of the tax board.
- (10) If the tax board confirms an assessment or 'decision' under subsection (9), the 'appellant' may not thereafter request that the appeal be referred to the tax court under section 115.
- (11) If the senior SARS official fails to appear before the tax board at the time and place set for the hearing, the tax board may allow the 'appellant's' appeal at the 'appellant's' request.
- (12) If the tax board allows the appeal under subsection (11), SARS may not thereafter refer the appeal to the tax court under section 115.
- (13) Subsections (9), (10), (11) and (12) do not apply if the chairperson is satisfied that sound reasons exist for the non-appearance and the reasons are delivered by the 'appellant' or SARS to the clerk of the tax board within 10 business days after the date determined for the hearing or the longer period as may be allowed in exceptional circumstances.

114. Decision of tax board

- (1) The tax board, after hearing the 'appellant's' appeal against an assessment or 'decision', must decide the matter in accordance with this Chapter.
- (2) The Chairperson must prepare a written statement of the tax board's decision that includes the tax board's findings of the facts of the case and the reasons for its decision, within 60 business days after conclusion of the hearing.
- (3) The clerk must by notice in writing submit a copy of the tax board's decision to SARS and the 'appellant'.

115. Referral of appeal to tax court

- (1) If the 'appellant' or SARS is dissatisfied with the tax board's decision or the Chairperson fails to deliver the decision under section 114(2) within the prescribed 60 business day period, the 'appellant' or SARS may within 21 business days, or within the further period as the Chairperson may on good cause shown allow, after the date of the notice referred to in section 114(3) or the expiry of the period referred to in section 114(2), require, in writing, that the appeal be referred to the tax court for hearing.
- (2) The tax court must hear de novo a referral of an appeal from the tax board's decision under subsection (1).

Part D ***Tax court***

116. Establishment of tax court

- (1) The President of the Republic may by proclamation in the *Gazette* establish a tax court or additional tax courts for areas that the President thinks fit and may abolish an existing tax court as circumstances may require.
- (2) The tax court is a court of record.

117. Jurisdiction of tax court

- (1) The tax court for purposes of this Chapter has jurisdiction over tax appeals lodged under section 107.
- (2) The place where an appeal is heard is determined by the 'rules'.

- (3) The court may hear and decide an interlocutory application or an application in a procedural matter relating to a dispute under this Chapter as provided for in the 'rules'.

[S 117(3) subs by s 50 of Act 39 of 2013 wef 1 October 2012.]

118. Constitution of tax court

- (1) A tax court established under this Act consists of—

- (a) a judge or an acting judge of the High Court, who is the president of the tax court;
- (b) an accountant selected from the panel of members appointed in terms of section 120; and
- (c) a representative of the commercial community selected from the panel of members appointed in terms of section 120.

- (2) If the appeal involves—

- (a) a complex matter that requires specific expertise and the president of the tax court so directs after considering any representations by a senior SARS official or the 'appellant', the representative of the commercial community referred to in subsection (1)(c) may be a person with the necessary experience in that field of expertise;
- (b) the valuation of assets, and the president of the tax court, a senior SARS official or the 'appellant' so requests, the representative of the commercial community referred to in subsection (1)(c) must be a sworn appraiser.

[S 118(2) am by s 51 of Act 39 of 2013 wef 1 October 2012; subs by s 58 of Act 16 of 2016 wef 19 January 2017.]

- (3) If an appeal to the tax court involves a matter of law only or is an interlocutory application or application in a procedural matter under the 'rules', the president of the court sitting alone must decide the appeal.

[S 118(3) subs by s 51(c) of Act 39 of 2013 wef 1 October 2012.]

- (4) The president of the court alone decides whether a matter for decision involves a matter of fact or a matter of law.

- (5) The Judge-President of the Division of the High Court with jurisdiction in the area where the relevant tax court is situated, may direct that the tax court consist of three judges or acting judges of the High Court (one of whom is the president of the tax court) and the members of the court referred to in subsections (1)(b) and (c) and (2), where necessary, if—

- (a) the amount in dispute exceeds R50 million; or

(b) SARS and the 'appellant' jointly apply to the Judge-President.

119. Nomination of president of tax court

- (1) The Judge-President of the Division of the High Court with jurisdiction in the area for which a tax court has been constituted must nominate and second a judge or an acting judge of the division to be the president of that tax court.
- (2) The Judge-President must determine whether the secondment referred to in subsection (1) applies for a period, or for the hearing of a particular case.
- (3) A judge will not solely on account of his or her liability to tax be regarded as having a personal interest or a conflict of interest in any matter upon which he or she may be called upon to adjudicate.

120. Appointment of panel of tax court members

- (1) The President of the Republic by proclamation in the *Gazette* must appoint the panel of members of a tax court for purposes of section 118(1)(b) and (c) for a term of office of five years from the date of the relevant proclamation.
- (2) A person appointed in terms of subsection (1) must be a person of good standing who has appropriate experience.
- (3) A person appointed in terms of subsection (1) is eligible for reappointment for a further period or periods as the President of the Republic may think fit.
- (4) The President of the Republic may terminate the appointment of a member under this section at any time for misconduct, incapacity or incompetence.
- (5) A member's appointment lapses in the event that the tax court is abolished under section 116(1).
- (6) A member of the tax court must perform the member's functions independently, impartially and without fear, favour or prejudice.

121. Appointment of registrar of tax court

- (1) The Commissioner appoints the 'registrar' of the tax court.
- (2) A person appointed as 'registrar' and persons appointed in the 'registrar's' office are SARS employees.

- (3) The 'registrar' and other persons referred to in subsection (2) must perform their functions under this Act and the 'rules' independently, impartially and without fear, favour or prejudice.

122. Conflict of interest of tax court members

- (1) A member of the court must withdraw from the proceedings as soon as the member becomes aware of a conflict of interest which may give rise to bias which the member may experience with the case concerned or other circumstances that may affect the member's ability to remain objective for the duration of the case.
- (2) Either party may ask for withdrawal of a member on the basis of conflict of interest or other indications of bias, under procedures provided in the 'rules'.
- (3) A member of the court will not solely on account of his or her liability to tax be regarded as having a personal interest or a conflict of interest in the case.

123. Death, retirement or incapability of judge or member

- (1) If at any stage during the hearing of an appeal, or after hearing of the appeal but before judgment has been handed down, one of the judges dies, retires or becomes otherwise incapable of acting in that capacity, the hearing of an appeal must be heard de novo.
- (2) If the tax court has been constituted under section 118(5), the hearing of the appeal referred to in subsection (1) must proceed before the remaining judges and members, if the remaining judges constitute the majority of judges before whom the hearing was commenced.
- (3) If at any stage during or after the hearing of an appeal but before judgment has been handed down, a member of the tax court dies, retires or becomes incapable of acting in that capacity, the hearing of the appeal must proceed before the president of the tax court, any other judges, the remaining member, and, if the president deems it necessary, a replacement member.
- (4) The judgment of the remaining judges and members referred to in subsection (1) or (3) is the judgment of the court.

124. Sitting of tax court not public

- (1) The tax court sittings for purposes of hearing an appeal under section 107 are not public.
- (2) The president of the tax court may in exceptional circumstances, on request of any person, allow that person or any other person to attend the sitting but may do so only after taking into account any representations that the 'appellant' and a senior SARS official, referred to in section 12 appearing in support of the assessment or 'decision', wishes to make on the request.

125. Appearance at hearing of tax court

- (1) A senior SARS official referred to in section 12 may appear at the hearing of an appeal in support of the assessment or 'decision'.

- (2) ...

[S 125(2) rep by s 26 of Act 13 of 2017 wef 18 December 2017.]

126. Subpoena of witness to tax court

SARS, the 'appellant' or the president of a tax court may subpoena any witness in the manner prescribed in the 'rules', whether or not that witness resides within the tax court's area of jurisdiction.

127. Non-attendance by witness or failure to give evidence

- (1) A person subpoenaed under section 126 is liable to the fine or imprisonment specified in subsection (2), if the person without just cause fails to—

- (a) give evidence at the hearing of an appeal;
- (b) remain in attendance throughout the proceedings unless excused by the president of the tax court; or
- (c) produce a document or thing in the person's possession or under the person's control according to the subpoena.

- (2) The president of the tax court may impose a fine or, in default of payment, imprisonment for a period not exceeding three months, on a person described in subsection (1) upon being satisfied by—

- (a) oath or solemn declaration; or
- (b) the return of the person by whom the subpoena was served,

that the person has been duly subpoenaed and that the person's reasonable expenses have been paid or offered.

- (3) The president of the tax court may, in addition to imposing a fine or imprisonment under subsection (2), issue a warrant for the person to be apprehended and brought to give evidence or to produce the document or thing in accordance with the subpoena.

- (4) A fine imposed under subsection (2) is enforceable as if it were a penalty imposed by a High Court in similar circumstances and any laws applicable in respect of a penalty imposed by a High Court apply with the necessary changes in respect of the fine.
- (5) The president of the tax court may, on good cause shown, remit the whole or any part of the fine or imprisonment imposed under subsection (2).
- (6) The president of the tax court may order the costs of a postponement or adjournment resulting from the default of a witness, or a portion of the costs, to be paid out of a fine imposed under subsection (2).

128. Contempt of tax court

- (1) If, during the sitting of a tax court, a person—
 - (a) wilfully insults a judge or member of the tax court;
 - (b) wilfully interrupts the tax court proceedings; or
 - (c) otherwise misbehaves in the place where the hearing is held,

the president of a tax court may impose upon that person a fine or, in default of payment, imprisonment for a period not exceeding three months.

- (2) An order made under subsection (1) must be executed as if it were an order made by a Magistrate's Court under similar circumstances, and the provisions of a law which apply in respect of such an order made by a Magistrate's Court apply with the necessary changes in respect of an order made under subsection (1).

129. Decision by tax court

- (1) The tax court, after hearing the 'appellant's' appeal lodged under section 107 against an assessment or 'decision', must decide the matter on the basis that the burden of proof as described in section 102 is upon the taxpayer.
- (2) In the case of an assessment or 'decision' under appeal or an application in a procedural matter referred to in section 117(3), the tax court may—

[Words preceding s 129(2)(a) subs by s 52(a) of Act 39 of 2013 wef 1 October 2012.]

- (a) confirm the assessment or 'decision';

- (b) order the assessment or 'decision' to be altered;
[S 129(2)(b) am by s 19 of Act 22 of 2018 wef 17 January 2019.]
- (c) refer the assessment back to SARS for further examination and assessment; or
[S 129(2)(c) am by s 19 of Act 22 of 2018 wef 17 January 2019.]
- (d) make an appropriate order in a procedural matter.
[S 129(2)(d) ins by s 19 of Act 22 of 2018 wef 17 January 2019.]

- (3) In the case of an appeal against an understatement penalty imposed by SARS under a tax Act, the tax court must decide the matter on the basis that the burden of proof is upon SARS and may reduce, confirm or increase the understatement penalty.

[S 129(3) subs by s 52(b) of Act 39 of 2013 wef 1 October 2012.]

- (4) If SARS alters an assessment as a result of a referral under subsection (2)(c), the assessment is subject to objection and appeal.
- (5) Unless a tax court otherwise directs, a decision by the tax court in a test case designated under section 106(6) is determinative of the issues in an objection or appeal stayed by reason of the test case under section 106(6)(b) to the extent determined under the 'rules'.

[S 129(5) ins by s 52(c) of Act 39 of 2013 wef 1 October 2012.]

130. Order for costs by tax court

- (1) The tax court may, in dealing with an appeal under this Chapter and on application by an aggrieved party, grant an order for costs in favour of the party, if—
 - (a) the SARS grounds of assessment or 'decision' are held to be unreasonable;
 - (b) the 'appellant's' grounds of appeal are held to be unreasonable;
 - (c) the tax board's decision is substantially confirmed;
 - (d) the hearing of the appeal is postponed at the request of the other party; or
 - (e) the appeal is withdrawn or conceded by the other party after the 'registrar' allocates a date of hearing.
- (2) The costs awarded by the tax court under this section must be determined in accordance with the fees prescribed by the rules of the High Court.

[S 130(2) subs by s 53(a) of Act 39 of 2013 wef 1 October 2012.]

- (3) The tax court may make an order as to costs provided for in the 'rules' in—
- (a) a test case designated under section 106(5); or
 - (b) an interlocutory application or an application in a procedural matter referred to in section 117(3).

[S 130(3) rep by s 61 of Act 21 of 2012 wef 1 October 2012; ins by s 53(b) of Act 39 of 2013 wef 1 October 2012.]

131. Registrar to notify parties of judgment of tax court

The 'registrar' must notify the 'appellant' and SARS of the court's decision within 21 business days of the date of the delivery of the written decision.

132. Publication of judgment of tax court

A judgment of the tax court dealing with an appeal under this Chapter must be published for general information and, unless the sitting of the tax court was public under the circumstances referred to in section 124(2), in a form that does not reveal the 'appellant's' identity.

Part E

Appeal against tax court decision

133. Appeal against decision of tax court

- (1) The taxpayer or SARS may in the manner provided for in this Act appeal against a decision of the tax court under sections 129 and 130.
- (2) An appeal against a decision of the tax court lies—
 - (a) to the full bench of the Provincial Division of the High Court which has jurisdiction in the area in which the tax court sitting is held; or
 - (b) to the Supreme Court of Appeal, without an intermediate appeal to the Provincial Division, if—
 - (i) the president of the tax court has granted leave under section 135; or
[S 133(2)(b)(i) subs by s 54 of Act 39 of 2013 wef 1 October 2012.]
 - (ii) the appeal was heard by the tax court constituted under section 118(5).

134. Notice of intention to appeal tax court decision

- (1) A party who intends to lodge an appeal against a decision of the tax court (hereinafter in this Part referred to as the appellant) must, within 21 business days after the date of the notice by the 'registrar' notifying the parties of the tax court's decision under section 131, or within a further period as the president of the tax court may on good cause shown allow, lodge with the 'registrar' and serve upon the opposite party or the opposite party's legal practitioner or agent, a notice of intention to appeal against the decision.

[S 134(1) am by s 36 of Act 33 of 2019 wef 15 January 2020.]

- (2) A notice of intention to appeal must state—
- (a) in which division of the High Court the appellant wishes the appeal to be heard;
 - (b) whether the whole or only part of the judgment is to be appealed against (if in part only, which part), and the grounds of the intended appeal, indicating the findings of fact or rulings of law to be appealed against; and
 - (c) whether the appellant requires a transcript of the evidence given at the tax court's hearing of the case in order to prepare the record on appeal (or if only a part of the evidence is required, which part).
- (3) If the appellant is the taxpayer and requires a—
- (a) transcript of the evidence or a part thereof from the 'registrar', the appellant must pay the fees prescribed by the Commissioner by public notice; or
 - (b) copy of the recording of the evidence or a part thereof from the 'registrar' for purposes of private transcription, the appellant must pay the fees prescribed by the Commissioner in the public notice.
- (4) A fee paid under subsection (3) constitutes funds of SARS within the meaning of section 24 of the SARS Act.

135. Leave to appeal to Supreme Court of Appeal against tax court decision

- (1) If an intending appellant wishes to appeal against a decision of the tax court to the Supreme Court of Appeal, the 'registrar' must submit the notice of intention to appeal lodged under section 134(1) to the president of the tax court, who must make an order granting or refusing leave to appeal having regard to the grounds of the intended appeal as indicated in the notice.

[S 135(1) subs by s 62 of Act 21 of 2012 wef 1 October 2012.]

- (2) If the president of the tax court cannot act in that capacity or it is inconvenient for the president to act in that capacity for purposes of this section, the Judge-President of the relevant Division of the High Court may nominate and second another judge or acting judge to act as president of the tax court for that purpose.
- (3) Subject to leave to appeal to the Supreme Court of Appeal in terms of section 17 of the Superior Courts Act, 2013 (Act 10 of 2013), an order made by the president of the tax court under subsection (1) is final.

[S 135(3) subs by s 54 of Act 23 of 2015 wef 8 January 2016.]

136. Failure to lodge notice of intention to appeal tax court decision

- (1) A person entitled to appeal against a decision of the tax court, who has not lodged a notice of intention to appeal within the time and in the manner required by section 134, abandons, subject to any right to note a cross appeal, the right of appeal against the decision.
- (2) A person who under section 134 lodged a notice of intention to appeal against a decision of the tax court but who has subsequently withdrawn the notice, abandons the right to note an appeal or cross-appeal against the decision.

137. Notice by registrar of period for appeal of tax court decision

- (1) After the expiry of the time allowed under section 134(1) for the lodging of a notice of intention to appeal, the 'registrar' must—
 - (a) give notice to a person who has lodged a notice of intention to appeal which has not been withdrawn, that if the person decides to appeal, the appeal must be noted within 21 business days after the date of the 'registrar's' notice; and
 - (b) supply to the person referred to in paragraph (a) a certified copy of an order that the president of the tax court made under section 135 which is the subject of the intended appeal.
- (2) The 'registrar' may not give notice under subsection (1)(a) until the order has been made or the transcript has been completed if—
 - (a) it appears that the president of the tax court will make an order under section 135; or
 - (b) an intending appellant requires a transcript of evidence given at the hearing of the case by the tax court as envisaged in section 134(2)(c).

- (3) If the opposite party is not also an intending appellant in the same case, the 'registrar' must provide to the opposite party copies of the notice and any order referred to in subsection (1)(a) and (b).

138. Notice of appeal to Supreme Court of Appeal against tax court decision

- (1) If a person has—
- (a) appealed to the Supreme Court of Appeal from a court established under section 118(5);
 - (b) been granted leave to appeal to the Supreme Court of Appeal under section 135; or
 - (c) successfully petitioned to the Supreme Court of Appeal for leave to appeal,

the appeal which a party must note against a decision given in the relevant case must be noted to that Court.

- (2) If the notice of intention to appeal was noted to the High Court or leave to appeal to the Supreme Court of Appeal has been refused under section 135, the party who lodged the notice of intention to appeal must note an appeal to the appropriate Provincial Division of the High Court.
- (3) The notice of appeal must be lodged within the period referred to in section 137(1)(a) or within a longer period as may be allowed under the rules of the court to which the appeal is noted.
- (4) A notice of appeal must be in accordance with the requirements in the rules of the relevant higher court.

139. Notice of cross-appeal of tax court decision

- (1) A cross-appeal against a decision of the tax court in a case in which an appeal has been lodged under section 138, must be noted by lodging a written notice of cross-appeal with the 'registrar', serving it upon the opposite party or the opposite party's legal practitioner and lodging it with the registrar of the court to which the cross-appeal is noted.

[\[S 139\(1\) am by s 37 of Act 33 of 2019 wef 15 January 2020.\]](#)

- (2) The notice of cross-appeal must be lodged within 21 business days after the date the appeal is noted under section 138 or within a longer period as may be allowed under the rules of the court to which the cross-appeal is noted.
- (3) A notice of cross-appeal must state—
- (a) whether the whole or only part of the judgment is appealed against, and if a part, which part;

- (b) the grounds of cross-appeal specifying the findings of fact or rulings of law appealed against; and
- (c) any further particulars that may be required under the rules of the court to which the cross-appeal is noted.

140. Record of appeal of tax court decision

- (1) The record lodged with a court to which an appeal against a decision of a tax court is noted, includes all documents placed before the tax court under the 'rules'.
- (2) Documents submitted in the tax court which do not relate to the matters in dispute in the appeal may be excluded from the record with the consent of the parties.

141. Abandonment of judgment

- (1) A party may by notice in writing lodged with the 'registrar' and the opposite party or the opposite party's legal practitioner or agent, abandon the whole or a part of a judgment in the party's favour.
[\[S 141\(1\) am by s 38 of Act 33 of 2019 wef 15 January 2020.\]](#)
- (2) A notice of abandonment becomes part of the record.

Part F

Settlement of dispute

142. Definitions

In this Part, unless the context indicates otherwise, the following terms, if in single quotation marks, have the following meanings—

'dispute' means a disagreement on the interpretation of either the relevant facts involved or the law applicable thereto, or of both the facts and the law, which arises pursuant to the issue of an assessment or the making of a 'decision'; and

'settle' means to resolve a 'dispute' by compromising a disputed liability, otherwise than by way of either SARS or the person concerned accepting the other party's interpretation of the facts or the law applicable to those facts or of both the facts and the law, and **'settlement'** must be construed accordingly.

[\["settle" subs by s 63 of Act 21 of 2012 wef 1 October 2012.\]](#)

143. Purpose of Part

- (1) A basic principle in tax law is that it is the duty of SARS to assess and collect tax according to the laws enacted by Parliament and not to forgo a tax which is properly chargeable and payable.
- (2) Circumstances may require that the strictness and rigidity of this basic principle be tempered, if such flexibility is to the best advantage of the State.
- (3) The purpose of this Part is to prescribe the circumstances in which it is appropriate for SARS to temper the basic principle and 'settle' a 'dispute'.

144. Initiation of settlement procedure

- (1) Either party to a 'dispute' may initiate a 'settlement' procedure by communication with the other party.
- (2) Neither SARS nor the taxpayer has the right to require the other party to engage in a 'settlement' procedure.

145. Circumstances where settlement is inappropriate

It is inappropriate and not to the best advantage of the State to 'settle' a 'dispute' if in the opinion of SARS—

- (a) no circumstances envisaged in section 146 exist and—
 - (i) the action by the person concerned that relates to the 'dispute' constitutes intentional tax evasion or fraud;
 - (ii) the 'settlement' would be contrary to the law or a practice generally prevailing and no exceptional circumstances exist to justify a departure from the law or practice; or
 - (iii) the person concerned has not complied with the provisions of a tax Act and the non-compliance is of a serious nature;
- (b) it is in the public interest to have judicial clarification of the issue and the case is appropriate for this purpose; or
- (c) the pursuit of the matter through the courts will significantly promote taxpayer compliance with a tax Act and the case is suitable for this purpose.

146. Circumstances where settlement is appropriate

The Commissioner may, if it is to the best advantage of the state, 'settle' a 'dispute', in whole or in part, on a basis that is fair and equitable to both the person concerned and to SARS, having regard to—

- (a) whether the 'settlement' would be in the interest of good management of the tax system, overall fairness, and the best use of SARS' resources;
- (b) SARS' cost of litigation in comparison to the possible benefits with reference to the prospects of success in court;
[\[S 146\(b\) subs by s 55 of Act 23 of 2015 wef 8 January 2016.\]](#)
- (c) whether there are any—
 - (i) complex factual issues in contention; or
 - (ii) evidentiary difficulties, which are sufficient to make the case problematic in outcome or unsuitable for resolution through the alternative 'dispute' resolution procedures or the courts;
- (d) a situation in which a participant or a group of participants in a tax avoidance arrangement has accepted SARS' position in the 'dispute', in which case the 'settlement' may be negotiated in an appropriate manner required to unwind existing structures and arrangements; or
- (e) whether 'settlement' of the 'dispute' is a cost-effective way to promote compliance with a tax Act by the person concerned or a group of taxpayers.

147. Procedure for settlement

- (1) A person participating in a 'settlement' procedure must disclose all relevant facts during the discussion phase of the process of 'settling' a 'dispute'.
- (2) A 'settlement' is conditional upon full disclosure of material facts known to the person concerned at the time of 'settlement'.
- (3) A dispute 'settled' in whole or in part must be evidenced by an agreement in writing between the parties in the prescribed format and must include details on—
 - (a) how each particular issue is 'settled';

- (b) relevant undertakings by the parties;
 - (c) treatment of the issue in future years;
 - (d) withdrawal of objections and appeals; and
 - (e) arrangements for payment.
- (4) The agreement must be signed by a senior SARS official.
 - (5) SARS must, if the 'dispute' is not ultimately 'settled', explain to the person concerned the further rights of objection and appeal.
 - (6) The agreement and terms of a 'settlement' agreement must remain confidential, unless their disclosure is authorised by law or SARS and the person concerned agree otherwise.

148. Finality of settlement agreement

- (1) The settlement agreement represents the final agreed position between the parties and is in full and final 'settlement' of all or the specified aspects of the 'dispute' in question between the parties.
- (2) SARS must adhere to the terms of the agreement, unless material facts were not disclosed as required by section 147(1) or there was fraud or misrepresentation of the facts.
- (3) If the person concerned fails to pay the amount due pursuant to the agreement or otherwise fails to adhere to the agreement, a senior SARS official may—
 - (a) regard the agreement as void and proceed with the matter in respect of the original disputed amount; or
 - (b) enforce collection of the 'settlement' amount under the collection provisions of this Act in full and final 'settlement' of the 'dispute'.

149. Register of settlements and reporting

- (1) SARS must—
 - (a) maintain a register of all 'disputes' that are 'settled' under this Part; and
 - (b) document the process under which each 'dispute' is 'settled'.

- (2) The Commissioner must provide an annual summary of 'settlements' to the Auditor-General and to the Minister.
- (3) The summary referred to in subsection (2) must be submitted by no later than the date on which the annual report for SARS is submitted to Parliament for the year and must—
- (a) be in a format which, subject to section 70 (6), does not disclose the identity of the person concerned; and
[S 149(3)(a) subs by s 21 of Act 21 of 2021 wef 19 January 2022.]
- (b) contain details, arranged by main classes of taxpayers or sections of the public, of the number of 'settlements', the amount of tax forgone, and the estimated savings in litigation costs.

150. Alteration of assessment or decision on settlement

- (1) If a 'dispute' between SARS and the person aggrieved by an assessment or 'decision' is 'settled' under this Part, SARS may, despite anything to the contrary contained in a tax Act, alter the assessment or 'decision' to give effect to the 'settlement'.
- (2) An altered assessment or 'decision' referred to in subsection (1) is not subject to objection and appeal.

CHAPTER 10
TAX LIABILITY AND PAYMENT

Part A
Taxpayers

151. Taxpayer

In this Act, taxpayer means—

- (a) a person who is or may be chargeable to tax or with a tax offence;
[S 151(a) subs by s 59(1) of Act 16 of 2016 and by s 59(2) deemed to have come into operation on 1 October 2012.]
- (b) a representative taxpayer;
- (c) a withholding agent;
- (d) a responsible third party; or

- (e) a person who is the subject of a request to provide assistance under an international tax agreement.

152. Person chargeable to tax

A person chargeable to tax is a person upon whom the liability for tax due under a tax Act is imposed and who is personally liable for the tax.

153. Representative taxpayer

- (1) In this Act, a representative taxpayer means a person who is responsible for paying the tax liability of another person as an agent, other than as a withholding agent, and includes a person who—
 - (a) is a representative taxpayer in terms of the Income Tax Act;
 - (b) is a representative employer in terms of the Fourth Schedule to the Income Tax Act; or
 - (c) is a representative vendor in terms of section 46 of the Value-Added Tax Act.
- (2) Every person who becomes or ceases to be a representative taxpayer (except a public officer of a company) under a tax Act, 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, as the case may be.
- (3) A taxpayer is not relieved from any liability, responsibility or duty imposed under a tax Act by reason of the fact that the taxpayer's representative—
 - (a) failed to perform such responsibilities or duties; or
 - (b) is liable for the tax payable by the taxpayer.

154. Liability of representative taxpayer

- (1) A representative taxpayer is, as regards—
 - (a) the income to which the representative taxpayer is entitled;
 - (b) moneys to which the representative taxpayer is entitled or has the management or control;
 - (c) transactions concluded by the representative taxpayer; and

(d) anything else done by the representative taxpayer,

in such capacity—

- (i) subject to the duties, responsibilities and liabilities of the taxpayer represented;
 - (ii) entitled to any abatement, deduction, exemption, right to set off a loss, and other items that could be claimed by the person represented; and
 - (iii) liable for the amount of tax specified by a tax Act.
- (2) A representative taxpayer may be assessed in respect of any tax under subsection (1), but such assessment is regarded as made upon the representative taxpayer in such capacity only.

155. Personal liability of representative taxpayer

A representative taxpayer is personally liable for tax payable in the representative taxpayer's representative capacity, if, while it remains unpaid—

- (a) the representative taxpayer alienates, charges or disposes of amounts in respect of which the tax is chargeable; or
- (b) the representative taxpayer disposes of or parts with funds or moneys, which are in the representative taxpayer's possession or come to the representative taxpayer after the tax is payable, if the tax could legally have been paid from or out of the funds or moneys.

156. Withholding agent

In this Act, withholding agent means a person who must under a tax Act withhold an amount of tax and pay it to SARS.

157. Personal liability of withholding agent

A withholding agent is personally liable for an amount of tax—

- (a) withheld and not paid to SARS; or
- (b) which should have been withheld under a tax Act but was not so withheld. (2) An amount paid or recovered from a withholding agent in terms of subsection (1) is an amount of tax which is paid on behalf of the relevant taxpayer in respect of his or her liability under the relevant tax Act.

158. Responsible third party

In this Act, responsible third party means a person who becomes otherwise liable for the tax liability of another person, other than as a representative taxpayer or as a withholding agent, whether in a personal or representative capacity.

159. Personal liability of responsible third party

A responsible third party is personally liable to the extent described in Part D of Chapter 11.

160. Taxpayer's right to recovery

[Section heading subs by s 27 of Act 13 of 2017 wef 18 December 2017.]

- (1) A representative taxpayer, withholding agent or responsible third party who, as such, pays a tax is entitled—
 - (a) to recover the amount so paid from the person on whose behalf it is paid; or
 - (b) to retain out of money or assets in that person's possession or that may come to that person in that representative capacity, an amount equal to the amount so paid.
- (2) Unless otherwise provided for in a tax Act, a taxpayer in respect of whom an amount has been paid to SARS by a withholding agent under a tax Act or by a responsible third party under section 179, is not entitled to recover from the withholding agent or responsible third party the amount so paid but is entitled to recover the amount of an unlawful or erroneous payment from SARS.

[S 160(2) subs by s 55 of Act 39 of 2013 wef 1 October 2012.]

161. Security by taxpayer

- (1) A senior SARS official may require security from a taxpayer to safeguard the collection of tax by SARS, if the taxpayer—
 - (a) is a representative taxpayer, withholding agent or responsible third party who was previously held liable in the taxpayer's personal capacity under a tax Act;
 - (b) has been convicted of a tax offence;
 - (c) has frequently failed to pay amounts of tax due;
 - (d) has frequently failed to carry out other obligations imposed under any tax Act which constitutes non-compliance referred to in Chapter 15; or

- (e) is under the management or control of a person who is or was a person contemplated in paragraphs (a) to (d).
- (2) If security is required, SARS must by written notice to the taxpayer require the taxpayer to furnish to or deposit with SARS, within such period that SARS may allow, security for the payment of any tax which has or may become payable by the taxpayer in terms of a tax Act.
- (3) The security must be of the nature, amount and form that the senior SARS official directs.
- (4) If the security is in the form of cash deposit and the taxpayer fails to make such deposit, it may—
 - (a) be collected as if it were an outstanding tax debt of the taxpayer recoverable under this Act; or
[\[S 161\(4\)\(a\) subs by s 56 of Act 39 of 2013 wef 1 October 2012.\]](#)
 - (b) be set-off against any refund due to the taxpayer.
- (5) A senior SARS official may, in the case of a taxpayer which is not a natural person and cannot provide the security required under subsection (1), require of any or all of the members, shareholders or trustees who control or are involved in the management of the taxpayer to enter into a contract of suretyship in respect of the taxpayer's liability for tax which may arise from time to time.

Part B
Payment of tax

162. Determination of time and manner of payment of tax

- (1) Tax must be paid by the day and at the place notified by SARS, the Commissioner by public notice or as specified in a tax Act, and must be paid as a single amount or in terms of an instalment payment agreement under section 167.
[\[S 162\(1\) subs by s 49 of Act 44 of 2014 wef 1 October 2012.\]](#)
- (2) The Commissioner may by public notice prescribe the method of payment of tax, including electronically.
[\[S 162\(2\) subs by s 49 of Act 44 of 2014 wef 1 October 2012.\]](#)
- (3) Despite sections 96(1)(f) and 167, a senior SARS official may, if there are reasonable grounds to believe that—
 - (a) a taxpayer will not pay the full amount of tax;
 - (b) a taxpayer will dissipate the taxpayer's assets; or

(c) that recovery may become difficult in the future,

require the taxpayer to—

- (i) pay the full amount immediately upon receipt of the notice of assessment or a notice described in section 167(6) or within the period as the official deems appropriate under the circumstances; or
- (ii) provide such security as the official deems necessary.

163. Preservation order

- (1) A senior SARS official may, in order to prevent any realisable assets from being disposed of or removed which may frustrate the collection of the full amount of tax that is due or payable or the official on reasonable grounds is satisfied may be due or payable, authorise an *ex parte* application to the High Court for an order for the preservation of any assets of a taxpayer or other person prohibiting any person, subject to the conditions and exceptions as may be specified in the preservation order, from dealing in any manner with the assets to which the order relates.

[\[S 163\(1\) subs by s 57\(a\) of Act 39 of 2013 wef 1 October 2012.\]](#)

(2)

- (a) SARS may, in anticipation of the application under subsection (1) seize the assets pending the outcome of an application for a preservation order, which application must commence within 24 hours from the time of seizure of the assets or the further period that SARS and the taxpayer or other person may agree on.

[\[S 163\(2\)\(a\) subs by s 57\(b\) of Act 39 of 2013 wef 1 October 2012.\]](#)

- (b) Until a preservation order is made in respect of the seized assets, SARS must take reasonable steps to preserve and safeguard the assets including appointing a *curator bonis* in whom the assets vest.

[\[S 163\(2\)\(b\) subs by s 57\(c\) of Act 39 of 2013 wef 1 October 2012.\]](#)

- (3) A preservation order may be made if required to secure the collection of the tax referred to in subsection (1) and in respect of—

[\[Words preceding s 163\(3\)\(a\) subs by s 57\(d\) of Act 39 of 2013 wef 1 October 2012.\]](#)

- (a) realisable assets seized by SARS under subsection (2);
- (b) the realisable assets as may be specified in the order and which are held by the person against whom the preservation order is being made;
- (c) all realisable assets held by the person, whether it is specified in the order or not; or

- (d) all assets which, if transferred to the person after the making of the preservation order, would be realisable assets.
- (4) The court to which an application for a preservation order is made may—
- (a) make a provisional preservation order having immediate effect;
 - (b) simultaneously grant a rule nisi calling upon the taxpayer or other person upon a business day mentioned in the rule to appear and to show cause why the preservation order should not be made final;
[\[S 163\(4\)\(b\) am by s 57\(e\) of Act 39 of 2013 wef 1 October 2012.\]](#)
 - (c) upon application by the taxpayer or other person, anticipate the return day for the purpose of discharging the provisional preservation order if 24 hours' notice of the application has been given to SARS; and
[\[S 163\(4\)\(c\) am by s 57\(f\) of Act 39 of 2013 wef 1 October 2012.\]](#)
 - (d) upon application by SARS, confirm the appointment of the *curator bonis* under subsection (2)(a) or appoint a *curator bonis* in whom the seized assets vest.
[\[S 163\(4\)\(d\) ins by s 57\(g\) of Act 39 of 2013 wef 1 October 2012.\]](#)
- (5) A preservation order must provide for notice to be given to the taxpayer and a person from whom the assets are seized.
- (6) For purposes of the notice or rule required under subsection (4)(b) or (5), if the taxpayer or other person has been absent for a period of 21 business days from his or her usual place of residence or business within the Republic, the court may direct that it will be sufficient service of that notice or rule if a copy thereof is affixed to or near the outer door of the building where the court sits and published in the *Gazette*, unless the court directs some other mode of service.
- (7) The court, in granting a preservation order, may make any ancillary orders regarding how the assets must be dealt with, including—
- (a) authorising the seizure of all movable assets;
 - (b) if not appointed under subsection (4)(d), appointing a *curator bonis* in whom the assets vest;
[\[S 163\(7\)\(b\) subs by s 57\(h\) of Act 39 of 2013 wef 1 October 2012.\]](#)
 - (c) realising the assets in satisfaction of the tax debt;
 - (d) making provision as the court may think fit for the reasonable living expenses of a person against whom the preservation order is being made and his or her legal dependants, if the

court is satisfied that the person has disclosed under oath all direct or indirect interests in assets subject to the order and that the person cannot meet the expenses concerned out of his or her unrestrained assets; or

- (e) any other order that the court considers appropriate for the proper, fair and effective execution of the order.
- (8) The court making a preservation order may also make such further order in respect of the discovery of any facts including facts relating to any asset over which the taxpayer or other person may have effective control and the location of the assets as the court may consider necessary or expedient with a view to achieving the objects of the preservation order.
- (9) The court which made a preservation order may on application by a person affected by that order vary or rescind the order or an order authorising the seizure of the assets concerned or other ancillary order if it is satisfied that—
 - (a) the operation of the order concerned will cause the applicant undue hardship; and
 - (b) the hardship that the applicant will suffer as a result of the order outweighs the risk that the assets concerned may be destroyed, lost, damaged, concealed or transferred.
- (10) A preservation order remains in force—
 - (a) pending the setting aside thereof on appeal, if any, against the preservation order; or
 - (b) until the assets subject to the preservation order are no longer required for purposes of the satisfaction of the tax debt.
- (11) In order to prevent any realisable assets that were not seized under subsection (2) from being disposed of or removed contrary to a preservation order under this section, a senior SARS official may seize the assets if the official has reasonable grounds to believe that the assets will be so disposed of or removed.
- (12) Assets seized under this section must be dealt with in accordance with the directions of the High Court which made the relevant preservation order.

164. Payment of tax pending objection or appeal

- (1) Unless a senior SARS official otherwise directs in terms of subsection (3)—
 - (a) the obligation to pay tax; and

(b) the right of SARS to receive and recover tax,

will not be suspended by an objection or appeal or pending the decision of a court of law pursuant to an appeal under section 133.

(2) A taxpayer may request a senior SARS official to suspend the payment of tax or a portion thereof due under an assessment if the taxpayer intends to dispute or disputes the liability to pay that tax under Chapter 9.

(3) A senior SARS official may suspend payment of the disputed tax or a portion thereof having regard to relevant factors, including—

(a) whether the recovery of the disputed tax will be in jeopardy or there will be a risk of dissipation of assets;

(b) the compliance history of the taxpayer with SARS;

(c) whether fraud is *prima facie* involved in the origin of the dispute;

(d) whether payment will result in irreparable hardship to the taxpayer not justified by the prejudice to SARS or the *fiscus* if the disputed tax is not paid or recovered; or

(e) whether the taxpayer has tendered adequate security for the payment of the disputed tax and accepting it is in the interest of SARS or the *fiscus*.

[S 164(3) am by s 58 of Act 39 of 2013 wef 1 October 2012; subs by s 50(1) of Act 44 of 2014 wef 20 January 2015.]

(4) If payment of tax was suspended under subsection (3) and subsequently—

[Words preceding s 164(4)(a) subs by s 58(b) of Act 39 of 2013 wef 1 October 2012.]

(a) no objection is lodged;

(b) an objection is disallowed and no appeal is lodged; or

(c) an appeal to the tax board or court is unsuccessful and no further appeal is noted,

the suspension is revoked with immediate effect from the date of the expiry of the relevant prescribed time period or any extension of the relevant time period under this Act.

- (5) A senior SARS official may deny a request in terms of subsection (2) or revoke a decision to suspend payment in terms of subsection (3) with immediate effect if satisfied that—

[Words preceding s 164(5)(a) subs by s 58(c) of Act 39 of 2013 wef 1 October 2012.]

- (a) after the lodging of the objection or appeal, the objection or appeal is frivolous or vexatious;
- (b) the taxpayer is employing dilatory tactics in conducting the objection or appeal;
- (c) on further consideration of the factors referred to in subsection (3), the suspension should not have been given; or
- (d) there is a material change in any of the factors referred to in subsection (3), upon which the decision to suspend payment of the amount involved was based.

[S 164(5)(d) subs by s 64 of Act 21 of 2012 wef 1 October 2012.]

- (6) During the period commencing on the day that—

- (a) SARS receives a request for suspension under subsection (2); or
- (b) a suspension is revoked under subsection (5),

and ending 10 business days after notice of SARS' decision or revocation has been issued to the taxpayer, no recovery proceedings may be taken unless SARS has a reasonable belief that there is a risk of dissipation of assets by the person concerned.

- (7) If an assessment or a decision referred to in section 104(2) is altered in accordance with—

- (a) an objection or appeal;
- (b) a decision of a court of law pursuant to an appeal under section 133; or
- (c) a decision by SARS to concede the appeal to the tax board or the tax court or other court of law,

a due adjustment must be made, amounts paid in excess refunded with interest at the prescribed rate, the interest being calculated from the date that excess was received by SARS to the date the refunded tax is paid, and amounts short-paid are recoverable with interest calculated as provided in section 187(1).

- (8) The provisions of section 191 apply with the necessary changes in respect of an amount refundable and interest payable by SARS under this section.

Part C
Taxpayer account and allocation of payments

165. Taxpayer account

- (1) SARS must maintain one or more taxpayer accounts for each taxpayer.
- (2) The taxpayer account must reflect the tax liability in respect of each tax type included in the account.
[\[Section 165\(2\) subs by s 59\(a\) of Act 39 of 2013 wef 1 October 2012.\]](#)
- (3) The taxpayer account must record details for all tax periods of—
 - (a) the tax liability;
[\[S 165\(3\)\(a\) subs by s 59\(b\) of Act 39 of 2013 wef 1 October 2012.\]](#)
 - (b) any penalty imposed;
 - (c) the interest payable on outstanding tax debts;
[\[S 165\(3\)\(c\) subs by s 59\(c\) of Act 39 of 2013 wef 1 October 2012.\]](#)
 - (d) the tax liability for any other tax type;
[\[S 165\(3\)\(d\) subs by s 59\(c\) of Act 39 of 2013 wef 1 October 2012.\]](#)
 - (e) tax payments made by or on behalf of the taxpayer; and
 - (f) any credit for amounts paid that the taxpayer is entitled to have set off against the taxpayer's tax liability.
- (4) From time to time, or when requested by the taxpayer, SARS must send to the taxpayer a statement of account, reflecting the amounts currently due and the details that SARS considers appropriate.

166. Allocation of payments

- (1) Despite anything to the contrary contained in a tax Act, SARS may allocate payment made in terms of a tax Act against an amount of penalty or interest or the oldest amount of an outstanding tax debt at the time of the payment, other than amounts—
[\[Words preceding s 166\(1\)\(a\) subs by s 65 of Act 21 of 2012 wef 1 October 2012, s 60 of Act 39 of 2013 wef 1 October 2012.\]](#)
 - (a) for which payment has been suspended under this Act; or
 - (b) that are payable in terms of an instalment payment agreement under section 167.

- (2) SARS may apply the first-in-first-out principle described in subsection (1) in respect of a specific tax type or a group of tax types in the manner that may be prescribed by the Commissioner by public notice.
- (3) In the event that a payment in subsection (1) is insufficient to extinguish all tax debts of the same age, the amount of the payment may be allocated among these tax debts in the manner prescribed by the Commissioner by public notice.
- (4) The age of a tax debt for purposes of subsection (1) is determined according to the duration from the date the debt became payable in terms of the applicable Act.

Part D
Deferral of Payment

167. Instalment payment agreement

- (1) A senior SARS official may enter into an agreement with a taxpayer in the prescribed form under which the taxpayer is allowed to pay a tax debt in one sum or in instalments, within the agreed period if satisfied that—
 - (a) criteria or risks that may be prescribed by the Commissioner by public notice have been duly taken into consideration; and
 - (b) the agreement facilitates the collection of the debt.
- (2) The agreement may contain such conditions as SARS deems necessary to secure collection of tax.
- (3) Except as provided in subsections (4) and (5), the agreement remains in effect for the term of the agreement.
- (4) SARS may terminate an instalment payment agreement if the taxpayer fails to pay an instalment or to otherwise comply with its terms and a payment prior to the termination of the agreement must be regarded as part payment of the tax debt.
- (5) A senior SARS official may modify or terminate an instalment payment agreement if satisfied that—
 - (a) the collection of tax is in jeopardy;
 - (b) the taxpayer has furnished materially incorrect information in applying for the agreement; or
 - (c) the financial condition of the taxpayer has materially changed.

- (6) A termination or modification—
- (a) referred to in subsection (4) or (5)(a) takes effect as at the date stated in the notice of termination or modification sent to the taxpayer; and
 - (b) referred to in subsection (5)(b) or (c) takes effect 21 business days after notice of the termination or modification is sent to the taxpayer.

168. Criteria for instalment payment agreement

A senior SARS official may enter into an instalment payment agreement only if—

- (a) the taxpayer suffers from a deficiency of assets or liquidity which is reasonably certain to be remedied in the future;
- (b) the taxpayer anticipates income or other receipts which can be used to satisfy the tax debt;
- (c) prospects of immediate collection activity are poor or uneconomical but are likely to improve in the future;
- (d) collection activity would be harsh in the particular case and the deferral or instalment agreement is unlikely to prejudice tax collection; or
- (e) the taxpayer provides the security as may be required by the official.

**CHAPTER 11
RECOVERY OF TAX**

***Part A
General***

169. Debt due to SARS

- (1) An amount of tax due or payable in terms of a tax Act is a tax debt due to SARS for the benefit of the National Revenue Fund.
- (2) A tax debt is recoverable by SARS under this Chapter, and is recoverable from—
[\[Words preceding s 169\(2\)\(a\) subs by s 61\(a\) of Act 39 of 2013 wef 1 October 2012.\]](#)
 - (a) in the case of a representative taxpayer who is not personally liable under section 155, any assets belonging to the person represented which are in the representative taxpayer's possession or under his or her management or control; or

(b) in any other case, any assets of the taxpayer.

- (3) SARS is regarded as the creditor for the purposes of any recovery proceedings related to a tax debt.

[\[S 169\(3\) subs by s 61\(b\) of Act 39 of 2013 wef 1 October 2012.\]](#)

- (4) SARS need not recover a tax debt under this Chapter if the amount thereof is less than R100 or any other amount that the Commissioner may determine by public notice, but the amount must be carried forward in the relevant taxpayer account.

[\[S 169\(4\) subs by s 61\(b\) of Act 39 of 2013 wef 1 October 2012.\]](#)

170. Evidence as to assessment

The production of a document issued by SARS purporting to be a copy of or an extract from an assessment is conclusive evidence—

(a) of the making of the assessment; and

(b) except in the case of proceedings on appeal instituted under Chapter 9 against the assessment, that all the particulars of the assessment are correct.

[\[S 170\(b\) subs by s 20 of Act 22 of 2018 wef 17 January 2019.\]](#)

171. Period of limitation on collection of tax

Proceedings for recovery of a tax debt may not be initiated after the expiration of 15 years from the date the assessment of tax, or a decision referred to in section 104(2) giving rise to a tax liability, becomes final.

Part B

Judgment procedure

172. Application for civil judgment for recovery of tax

- (1) If a person has an outstanding tax debt, SARS may, after giving the person at least 10 business days' notice, file with the clerk or registrar of a competent court a certified statement setting out the amount of tax payable and certified by SARS as correct.

[\[S 172\(1\) subs by s 62 of Act 39 of 2013 wef 1 October 2012.\]](#)

- (2) SARS may file the statement irrespective of whether or not the tax debt is subject to an objection or appeal under Chapter 9, unless the period referred to in section 164(6) has not expired or the obligation to pay the tax debt has been suspended under section 164.

[\[S 172\(2\) subs by s 62 of Act 39 of 2013 wef 1 October 2012.\]](#)

- (3) SARS is not required to give the taxpayer prior notice under subsection (1) if SARS is satisfied that giving notice would prejudice the collection of the tax.

173. Jurisdiction of Magistrates' Court in judgment procedure

Despite anything to the contrary in the Magistrates' Courts Act, 1944 (Act 32 of 1944), the certified statement referred to in section 172 may be filed with the clerk of the Magistrate's Court that has jurisdiction over the taxpayer named in the statement.

174. Effect of statement filed with clerk or registrar

A certified statement filed under section 172 must be treated as a civil judgment lawfully given in the relevant court in favour of SARS for a liquid debt for the amount specified in the statement.

175. Amendment of statement filed with clerk or registrar

- (1) SARS may amend the amount of the tax debt specified in the statement filed under section 172 if, in the opinion of SARS, the amount in the statement is incorrect.

[\[S 175\(1\) subs by s 63 of Act 39 of 2013 wef 1 October 2012.\]](#)

- (2) The amendment of the statement is not effective until it is initialled by the clerk or the registrar of the court concerned.

176. Withdrawal of statement and reinstitution of proceedings

- (1) SARS may withdraw a certified statement filed under section 172 by sending a notice of withdrawal to the relevant clerk or registrar upon which the statement ceases to have effect.

- (2) SARS may file a new statement under section 172 setting out an amount of the tax debt included in a withdrawn statement.

[\[S 176\(2\) subs by s 64\(a\) of Act 39 of 2013 wef 1 October 2012.\]](#)

- (3) If SARS is satisfied that a person has paid the full amount of the tax debt set out in a certified statement filed under section 172 and has no other outstanding tax debts, SARS must withdraw the statement if requested by the person in the prescribed form and manner.

[\[S 176\(3\) ins by s 64\(b\) of Act 39 of 2013 wef 1 October 2012.\]](#)

Part C
Sequestration, liquidation and winding-up proceedings

177. Institution of sequestration, liquidation or winding-up proceedings

- (1) A senior SARS official may authorise the institution of proceedings for the sequestration, liquidation or winding-up of a person for an outstanding tax debt.

[S 177(1) subs by s 65 of Act 39 of 2013 wef 1 October 2012, s 56 of Act 23 of 2015 wef 8 January 2016.]

- (2) SARS may institute the proceedings whether or not the person—
- (a) is present in the Republic; or
 - (b) has assets in the Republic.
- (3) If the tax debt is subject to an objection or appeal under Chapter 9 or a further appeal against a decision by the tax court under section 129, the proceedings may only be instituted with leave of the court before which the proceedings are brought.

178. Jurisdiction of court in sequestration, liquidation or winding-up proceedings

Despite any law to the contrary, a proceeding referred to in section 177 may be instituted in any competent court and that court may grant an order that SARS requests, whether or not the taxpayer is registered, resident or domiciled, or has a place of effective management or a place of business, in the Republic.

Part D
Collection of tax debt from third parties

179. Liability of third party appointed to satisfy tax debts

- (1) A senior SARS official may authorise the issue of a notice to a person who holds or owes or will hold or owe any money, including a pension, salary, wage or other remuneration, for or to a taxpayer, requiring the person to pay the money to SARS in satisfaction of the taxpayer's outstanding tax debt.

[S 179(1) subs by s 66 of Act 39 of 2013 wef 1 October 2012, s 57(a) of Act 23 of 2015 wef 8 January 2016.]

- (2) A person that is unable to comply with a requirement of the notice, must advise the senior SARS official of the reasons for the inability to comply within the period specified in the notice and the official may withdraw or amend the notice as is appropriate under the circumstances.
- (3) A person receiving the notice must pay the money in accordance with the notice and, if the person parts with the money contrary to the notice, the person is personally liable for the money.

- (4) SARS may, on request by a person affected by the notice, amend the notice to extend the period over which the amount must be paid to SARS, to allow the taxpayer to pay the basic living expenses of the taxpayer and his or her dependants.
- (5) SARS may only issue the notice referred to in subsection (1) after delivery to the tax debtor of a final demand for payment which must be delivered at the latest 10 business days before the issue of the notice, which demand must set out the recovery steps that SARS may take if the tax debt is not paid and the available debt relief mechanisms under this Act, including, in respect of recovery steps that may be taken under this section—
- (a) if the tax debtor is a natural person, that the tax debtor may within five business days of receiving the demand apply to SARS for a reduction of the amount to be paid to SARS under subsection (1), based on the basic living expenses of the tax debtor and his or her dependants; and
- (b) if the tax debtor is not a natural person, that the tax debtor may within five business days of receiving the demand apply to SARS for a reduction of the amount to be paid to SARS under subsection (1), based on serious financial hardship.
- [S 179(5) ins by s 57(b) of Act 23 of 2015 wef 8 January 2016.]
- (6) SARS need not issue a final demand under subsection (5) if a senior SARS official is satisfied that to do so would prejudice the collection of the tax debt.
- [S 179(6) ins by s 57(b) of Act 23 of 2015 wef 8 January 2016.]

180. Liability of financial management for tax debts

A person is personally liable for any outstanding tax debt of the taxpayer to the extent that the person's negligence or fraud resulted in the failure to pay the tax debt if—

[Words preceding s 180(a) subs by s 67 of Act 39 of 2013 wef 1 October 2012.]

- (a) the person controls or is regularly involved in the management of the overall financial affairs of a taxpayer; and
- (b) a senior SARS official is satisfied that the person is or was negligent or fraudulent in respect of the payment of the tax debts of the taxpayer.

181. Liability of shareholders for tax debts

- (1) This section applies where a company is wound up other than by means of an involuntary liquidation without having satisfied its outstanding tax debt, including its liability as a responsible third party, withholding agent, or a representative taxpayer, employer or vendor.

[S 181(1) subs by s 68(a) of Act 39 of 2013 wef 1 October 2012.]

- (2) The persons who are shareholders of the company within one year prior to its winding up are jointly and severally liable to pay the tax debt to the extent that—

[\[Words preceding s 181\(2\)\(a\) subs by s 68\(b\) of Act 39 of 2013 wef 1 October 2012.\]](#)

- (a) they receive assets of the company in their capacity as shareholders within one year prior to its winding-up; and
- (b) the tax debt existed at the time of the receipt of the assets or would have existed had the company complied with its obligations under a tax Act.

- (3) The liability of the shareholders is secondary to the liability of the company.

- (4) Persons who are liable for the tax debt of a company under this section may avail themselves of any rights against SARS as would have been available to the company.

[\[S 181\(4\) subs by s 68\(c\) of Act 39 of 2013 wef 1 October 2012.\]](#)

- (5) This section does not apply—

- (a) in respect of a “listed company” within the meaning of the Income Tax Act; or
- (b) in respect of a shareholder of a company referred to in paragraph (a).

182. Liability of transferee for tax debts

- (1) A person (referred to as a transferee) who receives an asset from a taxpayer who is a connected person in relation to the transferee without consideration or for consideration below the fair market value of the asset is liable for the outstanding tax debt of the taxpayer.

[\[S 182\(1\) subs by s 69 of Act 39 of 2013 wef 1 October 2012.\]](#)

- (2) The liability is limited to the lesser of—

- (a) the tax debt that existed at the time of the receipt of the asset or would have existed had the transferor complied with the transferor's obligations under a tax Act; and
- (b) the fair market value of the asset at the time of the transfer, reduced by the fair market value of any consideration paid, at the time of payment.

- (3) Subsection (1) applies only to an asset received by the transferee within one year before SARS notifies the transferee of liability under this section.

183. Liability of person assisting in dissipation of assets

If a person knowingly assists in dissipating a taxpayer's assets in order to obstruct the collection of a tax debt of the taxpayer, the person is jointly and severally liable with the taxpayer for the tax debt to the extent that the person's assistance reduces the assets available to pay the taxpayer's tax debt.

184. Recovery of tax debts from other persons

- (1) SARS has the same powers of recovery against the assets of a person who is personally liable under section 155, 157 or this Part as SARS has against the assets of the taxpayer and the person has the same rights and remedies as the taxpayer has against such powers of recovery.
- (2) SARS must provide a person referred to in subsection (1) with an opportunity to make representations—
 - (a) before the person is held liable for the tax debt of the taxpayer in terms of section 155, 157, 179, 180, 181, 182 or 183, if this will not place the collection of tax in jeopardy; or
 - (b) as soon as practical after the person is held liable for the tax debt of the taxpayer in terms of section 155, 157, 179, 180, 181, 182 or 183.

[\[S 184 subs by s 51\(1\) of Act 44 of 2014 wef 20 January 2015.\]](#)

Part E

Assisting foreign governments

185. Tax recovery on behalf of foreign governments

- (1) If SARS has, in accordance with an international tax agreement, received—
 - (a) a request for conservancy of an amount alleged to be due by a person under the tax laws of the other country where there is a risk of dissipation or concealment of assets by the person, a senior SARS official may authorise an application for a preservation order under section 163 as if the amount were a tax payable by the person under a tax Act; or

[\[S 185\(1\)\(a\) subs by s 58\(1\) of Act 23 of 2015, deemed to have come into operation on 1 October 2012.\]](#)

- (b) a request for the collection from a person of an amount alleged to be due by the person under the tax laws of the other country, a senior SARS official may, by notice, call upon the person to state, within a period specified in the notice, whether or not the person admits liability for the amount or for a lesser amount.

- (2) A request described in subsection (1) must be in the prescribed form and must include a formal certificate issued by the competent authority of the other country stating—
- (a) the amount of the tax due;
 - (b) whether the liability for the amount is disputed in terms of the laws of the other country;
 - (c) if the liability for the amount is so disputed, whether such dispute has been entered into solely to delay or frustrate collection of the amount alleged to be due; and
 - (d) whether there is a risk of dissipation or concealment of assets by the person.
- (3) In any proceedings, a certificate referred to in subsection (2) is—
- (a) conclusive proof of the existence of the liability alleged; and
 - (b) *prima facie* proof of the other statements contained therein.
- (4) If, in response to the notice issued under subsection (1)(b), the person—
- (a) admits liability;
 - (b) fails to respond to the notice; or
 - (c) denies liability but a senior SARS official, based on the statements in the certificate described in subsection (2) or, if necessary, after consultation with the competent authority of the other country, is satisfied that—
 - (i) the liability for the amount is not disputed in terms of the laws of the other country;
 - (ii) although the liability for the amount is disputed in terms of the laws of the other country, such dispute has been entered into solely to delay or frustrate collection of the amount alleged to be due; or
 - (iii) there is a risk of dissipation or concealment of assets by the person,

the official may, by notice, require the person to pay the amount for which the person has admitted liability or the amount specified, on a date specified, for transmission to the competent authority in the other country.

- (5) If the person fails to comply with the notice under subsection (4), SARS may recover the amount in the certificate for transmission to the foreign authority as if it were a tax payable by the person under a tax Act.
- (6) No steps taken in assistance in collection by any other country under an international tax agreement for the collection of an amount alleged to be due by a person under a tax Act, including a judgment given against a person in the other country for the amount in pursuance of the agreement, may affect the person's right to have the liability for the amount determined in the Republic in accordance with the relevant law.

Part F

Remedies with respect to foreign assets

186. Compulsory repatriation of foreign assets of taxpayer

- (1) To collect an outstanding tax debt, a senior SARS official may apply for an order referred to in subsection (2), if—

[\[Words preceding s 186\(1\)\(a\) subs by s 70 of Act 39 of 2013 wef 1 October 2012.\]](#)

- (a) the taxpayer concerned does not have sufficient assets located in the Republic to satisfy the tax debt in full; and
- (b) the senior SARS official believes that the taxpayer—
 - (i) has assets outside the Republic; or
 - (ii) has transferred assets outside the Republic for no consideration or for consideration less than the fair market value,

which may fully or partly satisfy the tax debt.

- (2) A senior SARS official may apply to the High Court for an order compelling the taxpayer to repatriate assets located outside the Republic within a period prescribed by the court in order to satisfy the tax debt.
- (3) In addition to issuing the order described in subsection (2), the court may—
 - (a) limit the taxpayer's right to travel outside the Republic and require the taxpayer to surrender his or her passport to SARS;
 - (b) withdraw a taxpayer's authorisation to conduct business in the Republic, if applicable;

- (c) require the taxpayer to cease trading; or
 - (d) issue any other order it deems fit.
- (4) An order made under subsection (2) applies until the tax debt has been satisfied or the assets have been repatriated and utilised in satisfaction of the tax debt.

CHAPTER 12

INTEREST

187. General interest rules

- (1) If a tax debt or refund payable by SARS is not paid in full by the effective date, interest accrues, and is payable, on the amount of the outstanding balance of the tax debt or refund—

[Words preceding s 187(1)(a) subs by s 59(1)(a) of Act 23 of 2015, deemed to have come into operation on 1 October 2012.]

- (a) at the rate provided under section 189; and
 - (b) for the period provided under section 188.
- (2) Interest payable under a tax Act is calculated on—
- (a) the daily balance owing; or
 - (b) the daily balance owing and compounded monthly, which method of determining interest will apply to a tax type from the date the Commissioner prescribes it by public notice.

[Commencement of s 187(2): not in force; s 187(2) subs by s 52(1) of Act 44 of 2014 wef the date on which section 187(2) comes into operation.]

- (3) The effective date for purposes of the calculation of interest in relation to—
- (a) tax other than income tax or estate duty for any tax period, is the date by which tax for the tax period is due and payable under a tax Act;

[Commencement of s 187(3)(a): not in force.]

- (b) income tax for any year of assessment, is the date falling seven months after the last day of that year in the case of a taxpayer that has a year of assessment ending on the last day of February, and six months in any other case;

[Commencement of s 187(3)(b): not in force.]

- (c) estate duty for any period, is the earlier of the date of assessment or 12 months after the date of death;

[Commencement of s 187(3)(c): not in force.]

- (d) a fixed amount penalty referred to in section 210, is the date of assessment of the penalty, and in relation to an increment of the penalty under section 211(2), the date of the increment;

[Commencement of s 187(3)(d): not in force; s 187(3)(d) subs by s 66 of Act 21 of 2012 wef 1 October 2012.]

- (e) a percentage based penalty referred to in section 213, is the date by which tax for the tax period should have been paid;

[Commencement of s 187(3)(e): not in force; s 187(3)(e) am by s 59(1)(b) of Act 23 of 2015 wef 8 January 2016.]

- (f) an understatement penalty, is the effective date for the tax understated;

[S 187(3)(f) am by s 59(1)(b) of Act 23 of 2015 wef 8 January 2016, s 31(a) of Act 24 of 2020 wef 20 January 2021.]

- (g) an outstanding tax debt referred to in section 190(5), is the date of payment of a refund which is not properly payable under a tax Act; and

[S 187(3)(g) ins by s 59(1)(b) of Act 23 of 2015 wef 8 January 2016; am by s 31(b) of Act 24 of 2020 wef 20 January 2021.]

- (h) an erroneous payment referred to in section 190(1)(b), is the date 30 days after the date that the payment was made.

[S 187(3)(h) ins by s 31(c) of Act 24 of 2020 wef 20 January 2021.]

- (4) The effective date in relation to an additional assessment or reduced assessment is the effective date in relation to the tax payable under the original assessment.

[Commencement of s 187(4): not in force.]

- (5) The effective date in relation to a jeopardy assessment is the date for payment specified in the jeopardy assessment.

- (6) If a senior SARS official is satisfied that interest payable by a taxpayer under subsection (1) is payable as a result of circumstances beyond the taxpayer's control, the official may, unless prohibited by a tax Act, direct that so much of the interest as is attributable to the circumstances is not payable by the taxpayer.

- (7) The circumstances referred to in subsection (6) are limited to—

- (a) a natural or human-made disaster;

- (b) a civil disturbance or disruption in services; or
 - (c) a serious illness or accident.
- (8) SARS may not make a direction that interest is not payable under subsection (6) after the expiry of three years, in the case of an assessment by SARS, or five years, in the case of self-assessment, from the date of assessment of the tax in respect of which the interest accrued.
- [\[S 187\(8\) ins by s 59\(1\)\(c\) of Act 23 of 2015 wef 8 January 2016.\]](#)

188. Period over which interest accrues

- (1) Unless otherwise provided in a tax Act, interest payable under section 187 is imposed for the period from the effective date of the tax to the date the tax is paid.
- (2) Interest payable in respect of the—
- (a) first payment of provisional tax, is imposed from the effective date for the first payment of provisional tax until the earlier of the date on which the payment is made or the effective date for the second payment of provisional tax;
[\[S 188\(2\)\(a\) am by s 32\(a\) of Act 24 of 2020 wef 20 January 2021.\]](#)
 - (b) second payment of provisional tax, is imposed from the effective date for the second payment of provisional tax until the earlier of the date on which the payment is made or the effective date for income tax for the relevant year of assessment;
[\[S 188\(2\)\(b\) am by s 32\(b\) of Act 24 of 2020 wef 20 January 2021.\]](#)
 - (c) the first payment under section 5(1) or 5A of the Mineral and Petroleum Resources Royalty (Administration) Act, 2008 (Act 29 of 2008), is imposed from the effective date for the first payment until the earlier of the date on which the payment is made or the effective date for the second payment under section 5(2) or 5A of that Act for the relevant year of assessment; and
[\[S 188\(2\)\(c\) ins by s 32\(c\) of Act 24 of 2020 wef 20 January 2021.\]](#)
 - (d) the second payment under section 5(2) or 5A of the Mineral and Petroleum Resources Royalty (Administration) Act, 2008 (Act 29 of 2008), is imposed from the effective date for the second payment until the earlier of the date on which the payment is made or the effective date for mineral and petroleum resources royalty under section 6(2) of that Act for the relevant year of assessment.

[\[Commencement of s 188\(2\): not in force; s 188\(2\)\(d\) ins by s 32\(c\) of Act 24 of 2020 wef 20 January 2021.\]](#)

- (3) Unless otherwise provided under a tax Act—
- (a) interest on an amount refundable under section 190 is calculated from the later of the effective date or the date that the excess was received by SARS to the date the refunded tax is paid; and
 - (b) for this purpose, if a refund is offset against a liability of the taxpayer under section 191, the date on which the offset is effected is considered to be the date of payment of the refund.
- [\[Commencement of s 188\(3\): not in force.\]](#)

189. Rate at which interest is charged

- (1) The rate at which interest is payable under section 187 is the prescribed rate.
- (2) In the case of interest payable with respect to refunds on assessment of provisional tax and employees' tax for purposes of final assessment of income tax or of mineral and petroleum resources royalty paid for the relevant year of assessment, the rate payable by SARS is four percentage points below the prescribed rate.

[\[Commencement of s 189\(2\): not in force; s 189\(2\) am by s 33 of Act 24 of 2020 wef 20 January 2021.\]](#)

- (3) The prescribed rate is the interest rate that the Minister may from time to time fix by notice in the *Gazette* under section 80(1)(b) of the Public Finance Management Act, 1999 (Act 1 of 1999).
- (4) If the Minister fixes a different interest rate referred to in subsection (3) the new rate comes into operation on the first day of the second month following the month in which the new rate becomes effective for purposes of the Public Finance Management Act, 1999.
- (5) If interest is payable under this Chapter and the rate at which the interest is payable has with effect from any date been altered, and the interest is payable in respect of any period or portion thereof which commenced before the said date, the interest to be determined in respect of—
- (a) the period or portion thereof which ended immediately before the said date; or
 - (b) the portion of the period which was completed before the said date,

must be calculated as if the rate had not been altered.

[\[Commencement of s 189\(5\): not in force; s 189\(5\) subs by s 67 of Act 21 of 2012 wef 1 October 2012.\]](#)

CHAPTER 13

REFUNDS

190. Refunds of excess payments

- (1) SARS must pay a refund if a person is entitled to a refund, including interest thereon under section 188(3)(a), of—

[Words preceding s 190(1)(a) subs by s 60(1)(a) of Act 23 of 2015, deemed to have come into operation on 1 October 2012.]

- (a) an amount properly refundable under a tax Act and if so reflected in an assessment; or
- (b) the amount erroneously paid in respect of an assessment in excess of the amount payable in terms of the assessment.

- (2) SARS need not authorise a refund as referred to in subsection (1) until such time that a verification, inspection, audit or criminal investigation of the refund in accordance with Chapter 5 has been finalised.

[S 190(2) am by s 34(a) of Act 24 of 2020 wef 20 January 2021.]

- (3) SARS must authorise the payment of a refund before the finalisation of the verification, inspection, audit or criminal investigation if security in a form acceptable to a senior SARS official is provided by the taxpayer.

[S 190(3) am by s 34(b) of Act 24 of 2020 wef 20 January 2021.]

- (4) An amount under subsection (1)(b) is regarded as a payment to the National Revenue Fund unless a refund is made in the case of—

- (a) an assessment by SARS, within three years from the later of the date of the assessment or the erroneous payment;

[S 190(4)(a) am by s 21 of Act 22 of 2018 wef 17 January 2019.]

- (b) self-assessment, within five years from the later of the date the return had to be submitted or, if no return is required, payment had to be made in terms of the relevant tax Act or the erroneous payment was made.

- (c) an erroneous payment claimed by a taxpayer within the period referred to in paragraph (a) or (b), but not paid by SARS within the period.

[S 190(4) subs by s 53 of Act 44 of 2014 wef 1 October 2012, s 60(1)(b) of Act 23 of 2015 wef 8 January 2016; s 190(4)(c) ins by s 21 of Act 22 of 2018 wef 17 January 2019.]

- (5) If SARS pays to a person by way of a refund any amount which is not properly payable to the person under a tax Act, the amount, including interest thereon under section 187(1), is regarded as an outstanding tax debt from the date on which it is paid to the person.

[S 190(5) subs by s 71 of Act 39 of 2013 wef 1 October 2012, s 60(1)(c) of Act 23 of 2015, deemed to have come into operation of 1 October 2012.]

- (5A) If a person who carries on the 'business of a bank' as defined in the Banks Act, 1990 (Act 94 of 1990), holds an account on behalf of a client into which an amount referred to in subsection (5) is deposited, reasonably suspects that the payment of the amount is related to a tax offence, the person must immediately report the suspicion to SARS in the prescribed form and manner and not proceed with the carrying out of any transaction in respect of the amount for a period not exceeding two business days unless—

(a) SARS or a High Court directs otherwise; or

(b) SARS issues a notice under section 179.

[S 190(5A) ins by s 60(1)(d) of Act 23 of 2015 wef 8 January 2016; subs by s 28 of Act 13 of 2017 wef 18 December 2017.]

- (6) A decision not to authorise a refund under subsection (1)(b) is subject to objection and appeal.

[S 190(6) subs by s 60(1)(e) of Act 23 of 2015 wef 8 January 2016.]

191. Refunds subject to set-off and deferral

- (1) An amount refundable under section 190, including interest thereon under section 188(3)(a), must be treated as a payment by the taxpayer that is recorded in the taxpayer's account under section 165, of an outstanding tax debt, if any, and any remaining amount must be set off against any outstanding debt under customs and excise legislation.

[S 191(1) subs by s 61 of Act 23 of 2015 wef 8 January 2016; am by s 39 of Act 33 of 2019 wef 15 January 2020.]

- (2) Subsection (1) does not apply to a tax debt—

(a) for which the period referred to in section 164(6) has not expired or suspension of payment under section 164 exists; or

[S 191(2)(a) subs by s 72 of Act 39 of 2013 wef 1 October 2012.]

(b) in respect of which an instalment payment agreement under section 167 or a compromise agreement under section 204 applies.

- (3) An amount is not refundable if the amount is less than R100 or any other amount that the Commissioner may determine by public notice, but the amount must be carried forward in the taxpayer account.

CHAPTER 14

WRITE OFF OR COMPROMISE OF TAX DEBTS

[Chapter 14 am by s 69 of Act 21 of 2012 wef 1 October 2012.]

Part A

General provisions

192. Definitions

In this Chapter, unless the context indicates otherwise, the following terms, if in single quotation marks, have the following meanings—

“asset” ...

[“asset” rep by s 68 of Act 21 of 2012 wef 1 October 2012.]

“Companies Act” means the Companies Act, 2008 (Act 71 of 2008);

“compromise” means an agreement entered into between SARS and a ‘debtor’ in respect of a tax debt in terms of which—

[Words preceding para (a) subs by s 73(a) of Act 39 of 2013 wef 1 October 2012.]

- (a) the ‘debtor’ undertakes to pay an amount which is less than the full amount of the tax debt due by that ‘debtor’ in full satisfaction of the tax debt; and
- (b) SARS undertakes to permanently ‘write off’ the remaining portion of the tax debt on the condition that the ‘debtor’ complies with the undertaking referred to in paragraph (a) and any further conditions as may be imposed by SARS;

“debtor” means a taxpayer with a tax debt; and

[“debtor” subs by s 73(b) of Act 39 of 2013 wef 1 October 2012.]

“write off” means to reverse an outstanding tax debt either in whole or in part.

[“write-off” subs by s 73(c) of Act 39 of 2013 wef 1 October 2012.]

193. Purpose of Chapter

- (1) As a general rule, it is the duty of SARS to assess and collect all tax debts according to a tax Act and not to forgo any tax debts.

- (2) SARS may, when required by circumstances, deviate from the strictness and rigidity of the general rule referred to in subsection (1) if it would be to the best advantage of the State.
- (3) The purpose of this Chapter is to prescribe the circumstances under which SARS may deviate from the general rule and take a decision to 'write off' a tax debt or not to pursue its collection.

194. Application of Chapter

Parts C and D of this Chapter apply only in respect of a tax debt owed by a 'debtor' if the liability to pay the tax debt is not disputed under Chapter 9 by the 'debtor'.

[S 194 subs by s 54 of Act 44 of 2014 wef 1 October 2012, s 60(1) of Act 16 of 2016 and by s 60(2) deemed to have come into operation on 1 October 2012.]

Part B

Temporary write off of tax debt

195. Temporary write off of tax debt

- (1) A senior SARS official may decide to temporarily 'write off' an amount of tax debt—
 - (a) if satisfied that the tax debt is uneconomical to pursue as described in section 196 at that time; or
 - (b) for the duration of the period that the 'debtor' is subject to business rescue proceedings under Chapter 6 of the 'Companies Act', as referred to in section 132 of that Act.

[S 195(1) subs by s 55 of Act 44 of 2014 wef 1 October 2012.]

- (2) A decision by the senior SARS official to temporarily 'write off' an amount of tax debt does not absolve the 'debtor' from the liability for that tax debt.
- (3) A senior SARS official may at any time withdraw the decision to temporarily 'write off' a tax debt if satisfied that the tax debt is no longer uneconomical to pursue as referred to in section 196 and that the decision to temporarily 'write off' would jeopardise the general tax collection effort.

196. Tax debt uneconomical to pursue

- (1) A tax debt is uneconomical to pursue if a senior SARS official is satisfied that the total cost of recovery of that tax debt will in all likelihood exceed the anticipated amount to be recovered in respect of the outstanding tax debt.

- (2) In determining whether the cost of recovery is likely to exceed the anticipated amount to be recovered as referred to in subsection (1), a senior SARS official must have regard to—
- (a) the amount of the tax debt;
 - (b) the length of time that the tax debt has been outstanding;
 - (c) the steps taken to date to recover the tax debt and the costs involved in those steps, including steps taken to locate or trace the ‘debtor’;
 - (d) the likely costs of continuing action to recover the tax debt and the anticipated return from that action, including the likely recovery of costs that may be awarded to SARS;
 - (e) the financial position of the ‘debtor’, including that ‘debtor’s’ assets and liabilities, cash flow, and possible future income streams; and
 - (f) any other information available with regard to the recoverability of the tax debt.

Part C

Permanent write off of tax debt

197. Permanent write off of tax debt

- (1) A senior SARS official may authorise the permanent ‘write off’ of an amount of tax debt—
- (a) to the extent satisfied that the tax debt is irrecoverable at law as referred to in section 198; or
 - (b) if the debt is ‘compromised’ in terms of Part D.
- (2) SARS must notify the ‘debtor’ in writing of the amount of tax debt ‘written off’.

198. Tax debt irrecoverable at law

- (1) A tax debt is irrecoverable at law if—
- (a) it cannot be recovered by action and judgment of a court; or
 - (b) it is owed by a ‘debtor’ that is in liquidation or sequestration and it represents the balance outstanding after notice is given by the liquidator or trustee that no further dividend is to be paid or a final dividend has been paid to the creditors of the estate; or

- (c) it is owed by a 'debtor' that is subject to a business rescue plan referred to in Part D of Chapter 6 of the 'Companies Act', to the extent that it is not enforceable in terms of section 154 of that Act.
- (2) A tax debt is not irrecoverable at law if SARS has not first explored action against or recovery from the assets of the persons who may be liable for the debt under Part D of Chapter 11.

199. Procedure for writing off tax debt

- (1) Before deciding to 'write off' a tax debt, a senior SARS official must—
 - (a) determine whether there are any other tax debts owing to SARS by the 'debtor';
 - (b) reconcile amounts owed by and to the 'debtor', including penalties, interest and costs;
 - (c) obtain a breakdown of the tax debt and the periods to which the outstanding amounts relate; and
 - (d) document the history of the recovery process and the reasons for deciding to 'write off' the tax debt.
- (2) In deciding whether to support a business rescue plan referred to in Part D of Chapter 6 of the 'Companies Act' or 'compromise' made to creditors under section 155 of the 'Companies Act' a senior SARS official must, in addition to considering the information as referred to in section 150 or 155 of that Act, take into account the information and aspects covered in the provisions of sections 200, 201(1), 202 and 203 with the necessary changes.

Part D
Compromise of tax debt

200. Compromise of tax debt

A senior SARS official may authorise the 'compromise' of a portion of a tax debt upon request by a 'debtor', which complies with the requirements of section 201, if—

- (a) the purpose of the 'compromise' is to secure the highest net return from the recovery of the tax debt; and
- (b) the 'compromise' is consistent with considerations of good management of the tax system and administrative efficiency.

201. Request by debtor for compromise of tax debt

- (1) A request by a 'debtor' for a tax debt to be 'compromised' must be signed by the 'debtor' and be supported by a detailed statement setting out—
 - (a) the assets and liabilities of the 'debtor' reflecting their current fair market value;
 - (b) the amounts received by or accrued to, and expenditure incurred by, the 'debtor' during the 12 months immediately preceding the request;
 - (c) the assets which have been disposed of in the preceding three years, or such longer period as a senior SARS official deems appropriate, together with their value, the consideration received or accrued, the identity of the person who acquired the assets and the relationship between the 'debtor' and the person who acquired the assets, if any;
 - (d) the 'debtor's' future interests in any assets, whether certain or contingent or subject to the exercise of a discretionary power by another person;
 - (e) the assets over which the 'debtor', either alone or with other persons, has a direct or indirect power of appointment or disposal, whether as trustee or otherwise;
 - (f) details of any connected person in relation to that 'debtor';
 - (g) the 'debtor's' present sources and level of income and the anticipated sources and level of income for the next three years, with an outline of the 'debtor's' financial plans for the future; and
 - (h) the 'debtor's' reasons for seeking a 'compromise'.
- (2) The request must be accompanied by the evidence supporting the 'debtor's' claims for not being able to make payment of the full amount of the tax debt.
- (3) The 'debtor' must warrant that the information provided in the application is accurate and complete.
- (4) A senior SARS official may require that the application be supplemented by such further information as may be required.

202. Consideration of request to compromise tax debt

- (1) In considering a request for a 'compromise', a senior SARS official must have regard to the extent that the 'compromise' may result in—
 - (a) savings in the costs of collection;
 - (b) collection at an earlier date than would otherwise be the case without the 'compromise';
 - (c) collection of a greater amount than would otherwise have been recovered; or
 - (d) the abandonment by the 'debtor' of some claim or right, which has a monetary value, arising under a tax Act, including existing or future tax benefits, such as carryovers of losses, deductions, credits and rebates.
- (2) In determining the position without the 'compromise', a senior SARS official must have regard to—
 - (a) the value of the 'debtor's' present assets;
 - (b) future prospects of the 'debtor', including arrangements which have been implemented or are proposed which may have the effect of diverting income or assets that may otherwise accrue to or be acquired by the 'debtor' or a connected person in relation to the 'debtor';
 - (c) past transactions of the 'debtor'; and
 - (d) the position of any connected person in relation to the 'debtor'.

203. Circumstances where not appropriate to compromise tax debt

A senior SARS official may not 'compromise' any amount of a tax debt under section 200 if—

- (a) the 'debtor' was a party to an agreement with SARS to 'compromise' an amount of tax debt within the period of three years immediately before the request for the 'compromise';
- (b) the tax affairs of the 'debtor' (other than the outstanding tax debt) are not up to date;
- (c) another creditor has communicated its intention to initiate or has initiated liquidation or sequestration proceedings;
- (d) the 'compromise' will prejudice other creditors (unless the affected creditors consent to the 'compromise') or if other creditors will be placed in a position of advantage relative to SARS;

- (e) it may adversely affect broader taxpayer compliance; or
- (f) the 'debtor' is a company or a trust and SARS has not first explored action against or recovery from the personal assets of the persons who may be liable for the debt under Part D of Chapter 11.

204. Procedure for compromise of tax debt

- (1) To 'compromise' a tax debt, a senior SARS official and the 'debtor' must sign an agreement setting out—
 - (a) the amount payable by the 'debtor' in full satisfaction of the debt;
 - (b) the undertaking by SARS not to pursue recovery of the balance of the tax debt; and
 - (c) the conditions subject to which the tax debt is 'compromised' by SARS.
- (2) The conditions referred to in subsection (1)(c) may include a requirement that the 'debtor' must—
 - (a) comply with subsequent obligations imposed in terms of a tax Act;
 - (b) pay the tax debt in the manner prescribed by SARS; or
 - (c) give up specified existing or future tax benefits, such as carryovers of losses, deductions, credits and rebates.

205. SARS not bound by compromise of tax debt

SARS is not bound by a 'compromise' if—

- (a) the 'debtor' fails to disclose a material fact to which the 'compromise' relates;
- (b) the 'debtor' supplies materially incorrect information to which the 'compromise' relates;
- (c) the 'debtor' fails to comply with a provision or condition contained in the agreement referred to in section 204; or
- (d) the 'debtor' is liquidated or the 'debtor's' estate is sequestrated before the 'debtor' has fully complied with the conditions contained in the agreement referred to in section 204.

Part E
Records and reporting

206. Register of tax debts written off or compromised

- (1) SARS must maintain a register of the tax debts 'written off' or 'compromised' in terms of this Chapter.
- (2) The register referred to in subsection (1) must contain—
 - (a) the details of the 'debtor', including name, address and taxpayer reference number;
 - (b) the amount of the tax debt 'written off' or 'compromised' and the periods to which the tax debt relates; and
 - (c) the reason for 'writing off' or 'compromising' the tax debt.

207. Reporting by Commissioner of tax debts written off or compromised

- (1) The amount of tax debts 'written off' or 'compromised' during a financial year must be disclosed in the annual financial statements of SARS relating to administered revenue for that year.
- (2) The Commissioner must on an annual basis provide to the Auditor-General and to the Minister a summary of the tax debts which were 'written off' or 'compromised' in whole or in part during the period covered by the summary, which must—
 - (a) be in a format which, subject to section 70(5), does not disclose the identity of the 'debtor' concerned;
 - (b) be submitted within 60 business days following the end of the fiscal year; and
[\[S 207\(2\)\(b\) subs by s 56 of Act 44 of 2014 wef 1 October 2012.\]](#)
 - (c) contain details of the number of tax debts 'written off' or 'compromised' and the amount of revenue forgone, which must be reflected in respect of main classes of taxpayers or sections of the public.
[\[S 207\(2\)\(c\) subs by s 56 of Act 44 of 2014 wef 1 October 2012.\]](#)

CHAPTER 15
ADMINISTRATIVE NON-COMPLIANCE PENALTIES

Part A
General

208. Definitions

In this Chapter, unless the context indicates otherwise, the following terms, if in single quotation marks, have the following meanings—

‘administrative non-compliance penalty’ or **‘penalty’** means a “penalty” imposed by SARS in accordance with this Chapter or a tax Act other than this Act, and excludes an understatement penalty referred to in Chapter 16;

[“administrative non-compliance penalty” or “penalty” subs by s 57 of Act 44 of 2014 wef 1 October 2012.]

‘first incidence’ means an incidence of non-compliance by a person if no ‘penalty assessment’ under this Chapter was issued during the preceding 36 months, whether involving an incidence of non-compliance of the same or a different kind, and for purposes of this definition a ‘penalty assessment’ that was fully remitted under section 218 must be disregarded;

‘penalty assessment’ means an assessment in respect of—

- (a) a ‘penalty’ only; or
- (b) tax and a ‘penalty’ which are assessed at the same time;

‘preceding year’ means the year of assessment immediately prior to the year of assessment during which a ‘penalty’ is assessed;

‘remittance request’ means a request for remittance of a ‘penalty’ submitted in accordance with section 215.

209. Purpose of Chapter

The purpose of this Chapter is to ensure—

- (a) the widest possible compliance with the provisions of a tax Act and the effective administration of tax Acts; and
- (b) that an ‘administrative non-compliance penalty’ is imposed impartially, consistently, and proportionately to the seriousness and duration of the non-compliance.

Part B
Fixed amount penalties

210. Non-compliance subject to penalty

- (1) If SARS is satisfied that non-compliance by a person referred to in subsection (2) exists, SARS must impose the appropriate 'penalty' in accordance with the Table in section 211.
- (2) Non-compliance is failure to comply with an obligation that is imposed by or under a tax Act and is listed in a public notice issued by the Commissioner, other than—
- (a) the failure to pay tax subject to a percentage based penalty under Part C;
 - (b) non-compliance in respect of which an understatement penalty under Chapter 16 has been imposed; or
 - (c) the failure to disclose information subject to a reportable arrangement or mandatory disclosure penalty under section 212.

[S 210 subs by s 70 of Act 21 of 2012 wef 1 October 2012; s 210(2)(c) am by s 40 of Act 33 of 2019 wef 15 January 2020.]

211. Fixed amount penalty table

- (1) For the non-compliance referred to in section 210, SARS must impose a 'penalty' in accordance with the following Table—

Table: Amount of Administrative Non-Compliance Penalty

1 Item	2 Assessed loss or taxable income for 'preceding year'	3 'Penalty'
(i)	Assessed loss	R250
(ii)	R0-R250 000	R250
(iii)	R250 001-R500 000	R500
(iv)	R500 001-R1 000 000	R1 000
(v)	R1 000 001-R5 000 000	R2 000

(vi)	R5 000 001-R10 000 000	R4 000
(vii)	R10 000 001-R50 000 000	R8 000
(viii)	Above R50 000 000	R16 000

- (2) The amount of the 'penalty' in column 3 will increase automatically by the same amount for each month, or part thereof, that the person fails to remedy the non-compliance within one month after—
- (a) the date of assessment of the penalty, if SARS is in possession of the current address of the person and is able to deliver the assessment, but limited to 35 months from the date of the assessment; or
[\[S 211\(2\)\(a\) subs by s 71 of Act 21 of 2012 wef 1 October 2012.\]](#)
 - (b) the date of the non-compliance if SARS is not in possession of the current address of the person and is unable to deliver the 'penalty assessment', but limited to 47 months after the date of non-compliance.
- (3) The following persons, except those falling under item (viii) of the Table or those that did not trade during the year of assessment, are treated as falling under item (vii) of the Table—
- (a) a company listed on a recognised stock exchange as referred to in paragraph 1 of the Eighth Schedule to the Income Tax Act;
 - (b) a company whose gross receipts or accruals for the 'preceding year' exceed R500 million;
 - (c) a company that forms part of a "group of companies" as defined in section 1 of the Income Tax Act, which group includes a company described in item (a) or (b); or
 - (d) a person or entity, exempt from income tax under the Income Tax Act but liable to tax under another tax Act, whose gross receipts or accruals exceed R30 million.
- (4) SARS may, except in the case of persons referred to in subsection (3)(a) to (c), if the taxable income of the relevant person for the 'preceding year' is unknown or that person was not a taxpayer in that year—
- (a) impose a 'penalty' in accordance with item (ii) of column 1 of the Table; or
 - (b) estimate the amount of taxable income of the relevant person for the 'preceding year' based on available relevant material and impose a 'penalty' in accordance with the applicable item in column 1 of the Table.

- (5) Where, upon determining the actual taxable income or assessed loss of the person in respect of whom a 'penalty' was imposed under subsection (4), it appears that the person falls within another item in column 1 of the Table, the 'penalty' must be adjusted in accordance with the applicable item in that column with effect from the date of the imposition of the 'penalty' issued under subsection (4).

212. Reportable arrangement and mandatory disclosure penalty

- (1) A person referred to in—
- (a) paragraph (a) or (b) of the definition of 'participant' in section 34, who fails to disclose the information in respect of a 'reportable arrangement', as required by section 37; or
 - (b) the definition of intermediary in the regulations, issued in respect of paragraph (a) of the definition of "international tax standard", who fails to disclose the information required to be disclosed under the regulations,

is liable to a 'penalty', for each month that the failure continues (up to 12 months), in the amount of—

- (i) R50 000, in the case of a 'participant' or intermediary, as the case may be, other than the 'promoter'; or
 - (ii) R100 000, in the case of the 'promoter'.
- (2) The amount of 'penalty' determined under subsection (1) is doubled if the amount of anticipated 'tax benefit', as defined in section 34, for the 'participant' by reason of the arrangement (within the meaning of section 35) exceeds R5 000 000, and is tripled if the benefit exceeds R10 000 000.
- (3) A person referred to in paragraph (c) of the definition of 'participant' in section 34, who fails to disclose the information in respect of a 'reportable arrangement' as required by section 37 is liable to a 'penalty' in the amount of R50 000.

[\[S 212 subs by s 41 of Act 33 of 2019 wef 15 January 2020.\]](#)

Part C

Percentage based penalty

213. Imposition of percentage based penalty

- (1) If SARS is satisfied that an amount of tax was not paid as and when required under a tax Act, SARS must, in addition to any other 'penalty' or interest for which a person may be liable, impose a 'penalty' equal to the percentage of the amount of unpaid tax as prescribed in the tax Act.

[\[S 213\(1\) subs by s 63\(1\) of Act 23 of 2015, deemed to have come into operation on 1 October 2012.\]](#)

- (2) In the event of a change to the amount of tax in respect of which a 'penalty' was imposed under subsection (1), the 'penalty' must be adjusted accordingly with effect from the date of the imposition of the 'penalty'.

Part D
Procedure

214. Procedures for imposing penalty

- (1) A 'penalty' imposed under Part B or C is imposed by way of a 'penalty assessment', and if a 'penalty assessment' is made, SARS must give notice of the assessment in the format as SARS may decide to the person, including the following—
- (a) the non-compliance in respect of which the 'penalty' is assessed and its duration;
 - (b) the amount of the 'penalty' imposed;
 - (c) the date for paying the 'penalty';
 - (d) the automatic increase of the 'penalty'; and
 - (e) a summary of procedures for requesting remittance of the 'penalty'.
- (2) A 'penalty' is due upon assessment and must be paid—
- (a) on or before the date for payment stated in the notice of the 'penalty assessment'; or
 - (b) where the 'penalty assessment' is made together with an assessment of tax, on or before the deadline for payment stated in the notice of the assessment for tax.
- (3) SARS must give the taxpayer notice of an adjustment to the 'penalty' in accordance with section 211(2) or 213(2).

215. Procedure to request remittance of penalty

- (1) A person who is aggrieved by a 'penalty assessment' notice may, on or before the date for payment in the 'penalty assessment', in the prescribed form and manner, request SARS to remit the 'penalty' in accordance with Part E.

- (2) The 'remittance request' must include—
- (a) a description of the circumstances which prevented the person from complying with the relevant obligation under a tax Act in respect of which the 'penalty' has been imposed; and
 - (b) the supporting documents and information as may be required by SARS in the prescribed form.
- (3) During the period commencing on the day that SARS receives the 'remittance request', and ending 21 business days after notice has been given of SARS' decision, no collection steps relating to the 'penalty' amount may be taken unless SARS has a reasonable belief that there is—
- (a) a risk of dissipation of assets by the person concerned; or
 - (b) fraud involved in the origin of the non-compliance or the grounds for remittance.
- (4) SARS may extend the period referred to in subsection (1) if SARS is satisfied that—
- (a) the non-compliance in issue is an incidence of non-compliance referred to in section 216 or 217, and that reasonable grounds exist for the late receipt of the 'remittance request'; or
 - (b) a circumstance referred to in section 218(2) rendered the person incapable of submitting a timely request.
- (5) If a tax Act other than this Act provides for remittance grounds for a 'penalty', SARS may despite the provisions of section 216, 217 or 218 remit the 'penalty' or a portion thereof under such grounds.

[S 215(5) ins by s 58 of Act 44 of 2014 wef 1 October 2012.]

Part E

Remedies

216. Remittance of penalty for failure to register

If a 'penalty' is imposed on a person for a failure to register as and when required under this Act, SARS may remit the 'penalty' in whole or in part if—

- (a) the failure to register was discovered because the person approached SARS voluntarily; and
- (b) the person has filed all returns required under a tax Act.

217. Remittance of penalty for nominal or first incidence of non-compliance

(1) If a 'penalty' has been imposed in respect of—

(a) a 'first incidence' of non-compliance; or

[S 217(1)(a) subs by s 72(a) of Act 21 of 2012 wef 1 October 2012.]

(b) an incidence of non-compliance described in section 210 if the duration of the non-compliance is less than five business days,

SARS may, in respect of a 'penalty' imposed under section 210 or 212, remit the 'penalty', or a portion thereof if appropriate, up to an amount of R2 000 if SARS is satisfied that—

(i) reasonable grounds for the non-compliance exist; and

(ii) the non-compliance in issue has been remedied.

(2) In the case of a 'penalty' imposed under section 212, the R2 000 limit referred to in subsection (1) is changed to R100 000.

(3) If a penalty has been imposed under section 213, SARS may remit the 'penalty', or a portion thereof, if SARS is satisfied that—

(a) the 'penalty' has been imposed in respect of a 'first incidence' of non-compliance, or involved an amount of less than R2 000;

(b) reasonable grounds for the non-compliance exist; and

(c) the non-compliance in issue has been remedied.

[S 217(3) subs by s 72(b) of Act 21 of 2012 wef 1 October 2012.]

218. Remittance of penalty in exceptional circumstances

(1) SARS must, upon receipt of a 'remittance request', remit the 'penalty' or if applicable a portion thereof, if SARS is satisfied that one or more of the circumstances referred to in subsection (2) rendered the person on whom the 'penalty' was imposed incapable of complying with the relevant obligation under the relevant tax Act.

(2) The circumstances referred to in subsection (1) are limited to—

(a) a natural or human-made disaster;

- (b) a civil disturbance or disruption in services;
- (c) a serious illness or accident;
- (d) serious emotional or mental distress;
- (e) any of the following acts by SARS—
 - (i) a capturing error;
 - (ii) a processing delay;
 - (iii) provision of incorrect information in an official publication or media release issued by the Commissioner;
 - (iv) delay in providing information to any person; or
 - (v) failure by SARS to provide sufficient time for an adequate response to a request for information by SARS;
- (f) serious financial hardship, such as—
 - (i) in the case of an individual, lack of basic living requirements; or
 - (ii) in the case of a business, an immediate danger that the continuity of business operations and the continued employment of its employees are jeopardised; or
- (g) any other circumstance of analogous seriousness.

219. Penalty incorrectly assessed

If SARS is satisfied that a 'penalty' was not assessed in accordance with this Chapter, SARS may, within three years of the 'penalty assessment', issue an altered assessment accordingly.

220. Objection and appeal against decision not to remit penalty

A decision by SARS not to remit a 'penalty' in whole or in part is subject to objection and appeal under Chapter 9.

CHAPTER 16
UNDERSTATEMENT PENALTY

Part A
Imposition of understatement penalty

221. Definitions

In this Chapter, unless the context indicates otherwise, the following terms, if in single quotation marks, have the following meanings—

“impermissible avoidance arrangement” means an arrangement in respect of which Part IIA of Chapter III of the Income Tax Act is applied and includes, for purposes of this Chapter, any transaction, operation, scheme or agreement in respect of which section 73 of the Value-Added Tax Act or any other general anti-avoidance provision under a tax Act is applied;

[“impermissible avoidance arrangement” ins by s 61(a) of Act 16 of 2016 wef 19 January 2017.]

“repeat case” means a second or further case of any of the behaviours listed under items (i) to (vi) of the understatement penalty percentage table reflected in section 223 within five years of the previous case;

[“repeat case” subs by s 61(b) of Act 16 of 2016 wef 19 January 2017.]

“substantial understatement” means a case where the prejudice to SARS or the *fiscus* exceeds the greater of five per cent of the amount of ‘tax’ properly chargeable or refundable under a tax Act for the relevant tax period, or R1 000 000;

“tax” means a tax as defined in section 1, excluding a penalty and interest, and will for purposes of this Part include an employment tax incentive as referred to in section 2(1) of the Employment Tax Incentive Act, 2013 (Act 26 of 2013);

[“tax” subs by s 26(1) of Act 16 of 2022 wef 1 September 2022.]

“tax position” means an assumption underlying one or more aspects of a tax return, including whether or not—

- (a) an amount, transaction, event or item is taxable;
- (b) an amount or item is deductible or may be set-off;
- (c) a lower rate of tax than the maximum applicable to that class of taxpayer, transaction, event or item applies; or
- (d) an amount qualifies as a reduction of tax payable; and

“understatement” means any prejudice to SARS or the *fiscus* as a result of—

- (a) failure to submit a return required under a tax Act or by the Commissioner;
[S 221(a) subs by s 22 of Act 22 of 2018 wef 17 January 2019.]
- (b) an omission from a return;
- (c) an incorrect statement in a return;
- (d) if no return is required, the failure to pay the correct amount of ‘tax’; or
- (e) an ‘impermissible avoidance arrangement’.

[“understatement” am by s 74 of Act 39 of 2013 wef 1 October 2012; subs by s 61(c) of Act 16 of 2016 wef 19 January 2017.]

222. Understatement penalty

- (1) In the event of an ‘understatement’ by a taxpayer, the taxpayer must pay, in addition to the ‘tax’ payable for the relevant tax period, the understatement penalty determined under subsection (2) unless the ‘understatement’ results from a *bona fide* inadvertent error.

[S 222(1) subs by s 75(a) of Act 39 of 2013 wef 1 October 2012.]

- (2) The understatement penalty is the amount resulting from applying the highest applicable understatement penalty percentage in accordance with the table in section 223 to each shortfall determined under subsections (3) and (4) in relation to each “understatement”.

[S 222(2) subs by s 75(a) of Act 39 of 2013 wef 1 October 2012, s 23 of Act 22 of 2018 wef 17 January 2019.]

- (3) The shortfall is the sum of—

- (a) the difference between the amount of ‘tax’ properly chargeable for the tax period and the amount of ‘tax’ that would have been chargeable for the tax period if the ‘understatement’ were accepted;

[S 222(3)(a) subs by s 75(b) of Act 39 of 2013 wef 1 October 2012.]

- (b) the difference between the amount properly refundable for the tax period and the amount that would have been refundable if the ‘understatement’ were accepted; and

- (c) the difference between the amount of an assessed loss or any other benefit to the taxpayer properly carried forward from the tax period to a succeeding tax period and the amount that would have been carried forward if the ‘understatement’ were accepted, multiplied by the tax rate determined under subsection (5).

(4)

- (a) If there is a difference under both paragraphs (a) and (b) of subsection (3), the shortfall must be reduced by the amount of any duplication between the paragraphs.
- (b) Where the 'understatement' is the failure to submit a return, the 'tax' that resulted from the 'understatement', had the 'understatement' been accepted, for purposes of subsection (3), must be regarded as nil.

[S 222(4) subs by s 75(c) of Act 39 of 2013 wef 1 October 2012, s 23 of Act 22 of 2018 wef 17 January 2019.]

- (5) The tax rate applicable to the shortfall determined under subsections (3) and (4) is the maximum tax rate applicable to the taxpayer, ignoring an assessed loss or any other benefit brought forward from a preceding tax period to the tax period.

[S 222(5) subs by s 75(c) of Act 39 of 2013 wef 1 October 2012.]

- (6) Any penalty imposed under subsection (2) must be reduced by any penalty imposed under section 4(2) of the Employment Tax Incentive Act, 2013, in respect of the same employment tax incentive amount.

[S 222(6) ins by s 27(1) of Act 16 of 2022 wef 1 September 2022.]

223. Understatement penalty percentage table

- (1) The understatement penalty percentage table is as follows—

1	2	3	4	5	6
<i>Item</i>	<i>Behaviour</i>	<i>Standard Case</i>	<i>If obstructive, or if it is a 'repeat case'</i>	<i>Voluntary disclosure after notification of audit or investigation</i>	<i>Voluntary disclosure before notification of audit or investigation</i>
(i)	'Substantial under-statement'	10%	20%	5%	0%
(ii)	Reasonable care not taken in completing return	25%	50%	15%	0%
(iii)	No reasonable grounds for 'tax position' taken	50%	75%	25%	0%
(iv)	Impermissible avoidance	75%	100%	35%	0%

	arrangement				
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(v)	Gross negligence	100%	125%	50%	5%
(vi)	Intentional tax evasion	150%	200%	75%	10%

[S 223(1) subs by s 76(1)(a) of Act 39 of 2013 wef 16 January 2014, s 62 of Act 16 of 2016 wef 19 January 2017.]

(2) An understatement penalty for which provision is made under this Chapter is also chargeable in cases where—

- (a) an assessment based on an estimation under section 95 is made; or
- (b) an assessment agreed upon with the taxpayer under section 95(3) is issued.

(3) SARS must remit a 'penalty' imposed for a 'substantial understatement' if SARS is satisfied that the taxpayer—

- (a) made full disclosure to SARS of the arrangement, as defined in section 34, that gave rise to the prejudice to SARS or the *fiscus* by no later than the date that the relevant return was due; and

[S 223(3)(a) am by s 42 of Act 33 of 2019 wef 15 January 2020.]

- (b) was in possession of an opinion by an independent registered tax practitioner that—

[Words preceding s 223(3)(b)(i) subs by s 76(1)(b) of Act 39 of 2013 wef 16 January 2014.]

- (i) was issued by no later than the date that the relevant return was due;
- (ii) was based upon full disclosure of the specific facts and circumstances of the arrangement and, in the case of any opinion regarding the applicability of the substance over form doctrine or the anti-avoidance provisions of a tax Act, this requirement cannot be met unless the taxpayer is able to demonstrate that all of the steps in or parts of the arrangement were fully disclosed to the tax practitioner, whether or not the taxpayer was a direct party to the steps or parts in question; and
- (iii) confirmed that the taxpayer's position is more likely than not to be upheld if the matter proceeds to court.

[S 223(3)(b) subs by s 73 of Act 21 of 2012 wef 1 October 2012.]

224. Objection and appeal against imposition of understatement penalty

The imposition of an understatement penalty under section 222 or a decision by SARS not to remit an understatement penalty under section 223(3), is subject to objection and appeal under Chapter 9.

[S 224 subs by s 74 of Act 21 of 2012 wef 1 October 2012, s 77 of Act 39 of 2013 wef 1 October 2012.]

Part B

Voluntary disclosure programme

225. Definitions

In this Part, unless the context indicates otherwise, the following term, if in single quotation marks, has the following meaning—

‘default’ means the submission of inaccurate or incomplete information to SARS, or the failure to submit information or the adoption of a ‘tax position’, where such submission, non-submission, or adoption resulted in an understatement.

[“default” subs by s 64 of Act 23 of 2015 wef 8 January 2016.]

226. Qualification of person subject to audit or investigation for voluntary disclosure

- (1) A person may apply, whether in a personal, representative, withholding or other capacity, for voluntary disclosure relief.
- (2) If the person seeking relief has been given notice of the commencement of an audit or criminal investigation into the affairs of the person, which has not been concluded and is related to the disclosed ‘default’, the disclosure of the ‘default’ is regarded as not being voluntary for purposes of section 227, unless a senior SARS official is of the view, having regard to the circumstances and ambit of the audit or investigation, that—
 - (a) ...
 - (b) the ‘default’ in respect of which the person has sought relief would not otherwise have been detected during the audit or investigation; and
 - (c) the application would be in the interest of good management of the tax system and the best use of SARS’ resources.
- (3) A person is deemed to have been notified of an audit or criminal investigation, if—
 - (a) a representative of the person;

- (b) an officer, shareholder or member of the person, if the person is a company;
- (c) a partner in partnership with the person;
- (d) a trustee or beneficiary of the person, if the person is a trust; or
- (e) a person acting for or on behalf of or as an agent or fiduciary of the person,

has been given notice of the audit or investigation.

[S 226 am by s 65 of Act 23 of 2015 wef 8 January 2016; subs by s 63 of Act 16 of 2016 wef 19 January 2017.]

227. Requirements for valid voluntary disclosure

The requirements for a valid voluntary disclosure are that the disclosure must—

- (a) be voluntary;
- (b) involve a 'default' which has not occurred within five years of the disclosure of a similar 'default' by the applicant or a person referred to in section 226(3);
[S 227(b) subs by s 66 of Act 23 of 2015 wef 8 January 2016.]
- (c) be full and complete in all material respects;
- (d) involve a behaviour referred to in column 2 of the understatement penalty percentage table in section 223;
[S 227(d) subs by s 66 of Act 23 of 2015 wef 8 January 2016.]
- (e) not result in a refund due by SARS; and
- (f) be made in the prescribed form and manner.

228. No-name voluntary disclosure

A senior SARS official may issue a non-binding private opinion, as defined in section 75, as to a person's eligibility for relief under this Part, if the person provides sufficient information to do so, which information need not include the identity of any party to the 'default'.

229. Voluntary disclosure relief

Despite the provisions of a tax Act, SARS must, pursuant to the making of a valid voluntary disclosure by the applicant and the conclusion of the voluntary disclosure agreement under section 230—

[Words preceding s 229(a) subs by s 67(a) of Act 23 of 2015 wef 8 January 2016.]

- (a) not pursue criminal prosecution for a tax offence arising from the 'default';
[S 229(a) subs by s 75 of Act 21 of 2012 wef 1 October 2012.]
- (b) grant the relief in respect of any understatement penalty to the extent referred to in column 5 or 6 of the understatement penalty percentage table in section 223; and
- (c) grant 100 per cent relief in respect of an administrative non-compliance penalty that was or may be imposed under Chapter 15 or a penalty imposed under a tax Act, excluding a penalty imposed under that Chapter or in terms of a tax Act for the late submission of a return.

[S 229(c) subs by s 67(b) of Act 23 of 2015 wef 8 January 2016.]

230. Voluntary disclosure agreement

The approval by a senior SARS official of a voluntary disclosure application and relief granted under section 229, must be evidenced by a written agreement between SARS and the qualifying person who is liable for the outstanding tax debt in the prescribed format and must include details on—

[Words preceding s 230(a) subs by s 78 of Act 39 of 2013 wef 1 October 2012.]

- (a) the material facts of the 'default' on which the voluntary disclosure relief is based;
- (b) the amount payable by the person, which amount must separately reflect the understatement penalty payable;
- (c) the arrangements and dates for payment; and
- (d) relevant undertakings by the parties.

231. Withdrawal of voluntary disclosure relief

- (1) In the event that, subsequent to the conclusion of a voluntary disclosure agreement under section 230, it is established that the applicant failed to disclose a matter that was material for purposes of making a valid voluntary disclosure under section 227, a senior SARS official may—

- (a) withdraw any relief granted under section 229;

- (b) regard an amount paid in terms of the voluntary disclosure agreement to constitute part payment of any further outstanding tax debt in respect of the relevant 'default'; and

[\[S 231\(1\)\(b\) subs by s 79 of Act 39 of 2013 wef 1 October 2012.\]](#)

- (c) pursue criminal prosecution for a tax offence.

[\[S 231\(1\)\(c\) subs by s 76 of Act 21 of 2012 wef 1 October 2012.\]](#)

- (2) Any decision by the senior SARS official under subsection (1) is subject to objection and appeal.

232. Assessment or determination to give effect to agreement

- (1) If a voluntary disclosure agreement has been concluded under section 230, SARS may, despite anything to the contrary contained in a tax Act, issue an assessment or make a determination for purposes of giving effect to the agreement.

- (2) An assessment issued or determination made to give effect to an agreement under section 230 is not subject to objection and appeal.

233. Reporting of voluntary disclosure agreements

- (1) The Commissioner must annually provide to the Auditor-General and to the Minister a summary of all voluntary disclosure agreements concluded in respect of applications received during the period.

- (2) The summary must—

- (a) subject to section 70 (6), not disclose the identity of the applicant, and must be submitted at such time as may be agreed between the Commissioner and the Auditor-General or Minister, as the case may be; and

[\[S 233\(2\)\(a\) subs by s 22 of Act 21 of 2021 wef 19 January 2022.\]](#)

- (b) contain details of the number of voluntary disclosure agreements and the amount of tax assessed, which must be reflected in respect of main classes of taxpayers or sections of the public.

CHAPTER 17 CRIMINAL OFFENCES

234. Criminal offences relating to non-compliance with tax Acts

- (1) Any person who wilfully—

- (a) submits a false certificate or statement under Chapter 4;

- (b) issues an erroneous, incomplete or false document required to be issued under a tax Act to SARS or another person;
- (c) fails to—
 - (i) reply to or answer truly and fully any questions put to the person by a SARS official, as and when required in terms of this Act; or
 - (ii) take an oath or make a solemn declaration as and when required in terms of this Act;
- (d) obstructs or hinders a SARS official in the discharge of the official's duties;
- (e) refuses to give assistance required under section 49(1);
- (f) holds himself or herself out as a SARS official engaged in carrying out the provisions of this Act; or
- (g) dissipates that person's assets or assists another person to dissipate that other person's assets in order to impede the collection of any taxes, penalties or interest,

is guilty of an offence and is liable, upon conviction, to a fine or to imprisonment for a period not exceeding two years.

- (2) Any person who wilfully or negligently fails to—
 - (a) register or notify SARS of a change in registered particulars as required in Chapter 3;
 - (b) appoint a representative taxpayer or notify SARS of the appointment or change of a representative taxpayer as required under section 153 or 249;
 - (c) register as a tax practitioner as required under section 240;
 - (d) submit a return or document to SARS or issue a document to a person as required under a tax Act;
 - (e) retain records as required under a tax Act;
 - (f) furnish, produce or make available any information, document or thing, excluding information requested under section 46(8), as and when required under this Act;

- (g) attend and give evidence, as and when required under this Act;
- (h) comply with a directive or instruction issued by SARS to the person under a tax Act;
- (i) disclose to SARS any material facts which should have been disclosed under a tax Act or to notify SARS of anything which the person is required to so notify SARS of under a tax Act;
- (j) comply with the provisions of sections 179 to 182, if that person was given notice by SARS to transfer the assets or pay the amounts to SARS as referred to in those sections; or
- (k) in the event where that person becomes liable to make a payment for withholding any tax, deduct or withhold or pay to SARS the amount of tax, as and when required under a tax Act,

is guilty of an offence and is liable, upon conviction, to a fine or to imprisonment for a period not exceeding two years.

[\[S 234 subs by s 35 of Act 24 of 2020 wef 20 January 2021.\]](#)

235. Evasion of tax and obtaining undue refunds by fraud or theft

[\[Section heading subs by s 59 of Act 44 of 2014 wef 1 October 2012.\]](#)

- (1) A person who with intent to evade or to assist another person to evade tax or to obtain an undue refund under a tax Act—
 - (a) makes or causes or allows to be made any false statement or entry in a return or other document, or signs a statement, return or other document so submitted without reasonable grounds for believing the same to be true;
 - (b) gives a false answer, whether orally or in writing, to a request for information made under this Act;
 - (c) prepares, maintains or authorises the preparation or maintenance of false books of account or other records or falsifies or authorises the falsification of books of account or other records;
 - (d) makes use of, or authorises the use of, fraud or contrivance; or
 - (e) makes any false statement for the purposes of obtaining any refund of or exemption from tax,

is guilty of an offence and, upon conviction, is subject to a fine or to imprisonment for a period not exceeding five years.

- (2) Any person who makes a statement in the manner referred to in subsection (1) may, unless the person proves that there is a reasonable possibility that he or she was ignorant of the falsity of the statement and that the ignorance was not due to negligence on his or her part, be regarded as being aware of the falsity of the statement.

[S 235(2) subs by s 68 of Act 23 of 2015 wef 8 January 2016.]

- (3) Only a senior SARS official may lay a complaint with the South African Police Service or the National Prosecuting Authority regarding an offence under this section.

[S 235(3) subs by s 78 of Act 21 of 2012 wef 1 October 2012, s 80 of Act 39 of 2013 wef 1 October 2012.]

236. Criminal offences relating to secrecy provisions

A person who contravenes the provisions of section 67(2), (3) or (4), 68(2), 69(1) or (6) or 70(5) is guilty of an offence and, upon conviction, is subject to a fine or to imprisonment for a period not exceeding two years.

[S 236 subs by s 69 of Act 23 of 2015 wef 8 January 2016.]

237. Criminal offences relating to filing return without authority

A person who—

- (a) submits a return or other document to SARS under a forged signature;
- (b) uses an electronic or digital signature of another person in an electronic communication to SARS without the person's consent and authority; or
- (c) otherwise submits to SARS a communication on behalf of another person without the person's consent and authority,

is guilty of an offence and, upon conviction, is subject to a fine or to imprisonment for a period not exceeding two years,

[S 237 subs by s 79 of Act 21 of 2012 wef 1 October 2012.]

238. Jurisdiction of courts in criminal matters

A person charged with a tax offence may be tried in respect of that offence by a court having jurisdiction within any area in which that person resides or carries on business, in addition to jurisdiction conferred upon a court by any other law.

CHAPTER 18

REGISTRATION OF TAX PRACTITIONERS AND REPORTING OF UNPROFESSIONAL CONDUCT

[Chapter heading subs by s 80(1) of Act 21 of 2012 wef 20 December 2012.]

239. Definitions

In this Chapter, unless the context otherwise indicates, the following terms, if in single quotation marks, have the following meanings—

“controlling body” means a body established, whether voluntarily or under a law, with power to take disciplinary action against a person who, in carrying on a profession, contravenes the applicable rules or code of conduct for the profession; and

“recognised controlling body” means a ‘controlling body’ recognised by the Commissioner under section 240A.

[“recognised controlling body” ins by s 81(1)(a) of Act 21 of 2012 wef 20 December 2012.]

“registered tax practitioner” ...

[“registered tax practitioner” rep by s 81(1)(b) of Act 21 of 2012 wef 20 December 2012.]

240. Registration of tax practitioners

(1) Every natural person who—

(a) provides advice to another person with respect to the application of a tax Act; or

(b) completes or assists in completing a return by another person,

[S 240(1)(b) subs by s 82(1)(a) of Act 21 of 2012 wef 20 December 2012.]

must—

(i) register with or fall under the jurisdiction of a ‘recognised controlling body’ by the later of 1 July 2013 or 21 business days after the date on which that person for the first time provides the advice or completes or assists in completing the return; and

(ii) register with SARS as a tax practitioner in the prescribed form and manner, within 21 business days after the date on which that person for the first time provides the advice or completes or assists in completing the return.

[Words following s 240(1)(b) subs by s 82(1)(b) of Act 21 of 2012 wef 20 December 2012.]

- (2) The provisions of this section do not apply in respect of a person who only—
- (a) provides the advice or completes or assists in completing a return for no consideration to that person or his or her employer or a connected person in relation to that employer or that person;
 - (b) provides the advice in anticipation of or in the course of any litigation to which the Commissioner is a party or where the Commissioner is a complainant;
 - (c) provides the advice as an incidental or subordinate part of providing goods or other services to another person; or
 - (d) provides the advice or completes or assists in completing a return—
 - (i) to or in respect of the employer by whom that person is employed on a full-time basis or to or in respect of the employer and connected persons in relation to the employer; or
 - (ii) under the supervision of a registered tax practitioner who has assigned or approved the assignment of those functions to the person.

[S 240(2) am by s 82(1) of Act 21 of 2012 wef 20 December 2012; subs by s 81(1)(a) of Act 39 of 2013 wef 20 December 2012.]

- (2A) A tax practitioner who has assigned or approved the assignment of functions to a person under subsection (2)(d)(ii) is regarded as accountable for the actions of that person in performing those functions for the purposes of a complaint to a recognised controlling body under section 241(2).

[S 240(2A) ins by s 81(1)(b) of Act 39 of 2013 wef 20 December 2012.]

- (3) A person may not register as a tax practitioner under subsection (1) or SARS may deregister a registered tax practitioner if the person or the registered tax practitioner, as the case may be—

[Words preceding s 240(3)(a) subs by s 60(a) of Act 44 of 2014 wef 1 October 2012.]

- (a) during the preceding five years has been removed from a related profession by a 'controlling body' for serious misconduct;

[S 240(3)(a) subs by s 82(1)(e) of Act 21 of 2012 wef 20 December 2012; am by s 60(b) of Act 44 of 2014 wef 1 October 2012.]

- (b) during the preceding five years has been convicted (whether in the Republic or elsewhere) of—

- (i) theft, fraud, forgery or uttering a forged document, perjury or an offence under the Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004); or

- (ii) any other offence involving dishonesty,

for which the person has been sentenced to a period of imprisonment exceeding two years without the option of a fine or to a fine exceeding the amount prescribed in the Adjustment of Fines Act, 1991 (Act 101 of 1991);

[S 240(3)(b) am by s 60(b) of Act 44 of 2014 wef 1 October 2012, s 24 of Act 22 of 2018 wef 17 January 2019.]

- (c) during the preceding five years has been convicted of a serious tax offence, or

[S 240(3)(c) ins by s 60(b) of Act 44 of 2014 wef 1 October 2012; am by s 24 of Act 22 of 2018 wef 17 January 2019.]

- (d) during the preceding 12 months has for an aggregate period of at least six months not been tax compliant to the extent referred to in section 256(3) and has failed to—

- (i) demonstrate that he or she has been compliant for that period; or

- (ii) remedy the non-compliance,

within the period specified in a notice by SARS.

[S 240(3)(d) ins by s 24 of Act 22 of 2018 wef 17 January 2019.]

- (4) If prosecution for a serious tax offence has been instituted but not finalised against a person or registered tax practitioner and if the person or registered tax practitioner continues with the commission of a serious tax offence after the criminal proceedings have been instituted, a senior SARS official may—

- (a) not register the person as a registered tax practitioner; or

- (b) suspend the registration of the registered tax practitioner,

for the duration of the criminal proceedings commencing on the date that prosecution is instituted and ending on the date that the person or registered tax practitioner is finally acquitted.

[S 240(4) ins by s 60(c) of Act 44 of 2014 wef 1 October 2012.]

240A. Recognition of controlling bodies

- (1) The Commissioner must recognise as a 'recognised controlling body'—

- (a) ...

[S 240A(1)(a) rep by s 28 of Act 16 of 2022 wef 5 January 2023.]

(b) the Legal Practice Council established under the Legal Practice Act, 2014 (Act 28 of 2014);
[S 240A(1)(b) subs by s 44(a) of Act 33 of 2019 wef 15 January 2020.]

(c) ...
[S 240A(1)(c) rep by s 44(b) of Act 33 of 2019 wef 15 January 2020.]

(d) a statutory body that the Minister is satisfied is similar to the statutory bodies in this subsection and the details of which are published in the *Gazette*.

(2) The Commissioner may recognise a 'controlling body', for natural persons who provide advice with respect to the application of a tax Act or complete returns, as a 'recognised controlling body' if the body—

(a) in respect of such persons, maintains relevant and effective—

[Words preceding s 240A(2)(a)(i) subs by s 82(1)(a) of Act 39 of 2013 wef 20 December 2012.]

(i) minimum qualification and experience requirements;

(ii) continuing professional education requirements;

(iii) codes of ethics and conduct; and

(iv) disciplinary codes and procedures;

(b) is approved in terms of section 30B of the Income Tax Act for purposes of section 10(1)(d)(iv) of the Act; and

(c) has at least 1 000 members when applying for recognition or reasonable prospects of having 1 000 members within a year of applying.

(3) A body must within the prescribed time period and in the prescribed form and manner, if recognised under—

(a) subsection (1), submit a list of its members to whom the provisions under section 240(1) apply; and

(b) subsection (2), submit a report on its members and compliance with this Chapter.

[S 240A(3) subs by s 82(1)(b) of Act 39 of 2013 wef 20 December 2012, s 61(1) of Act 44 of 2014 wef 20 December 2012.]

- (4) The Minister may appoint a panel of retired judges or persons of similar stature and competence one or more of whom may decide, on behalf of a body recognised under subsection (2), complaints lodged under section 241—
- (a) at the request of the body; or
 - (b) if the Minister is satisfied that the body's disciplinary process is ineffective.
- (5) The costs of the panel in deciding complaints will be borne equally by such a body and SARS.
- (6) If a body recognised under subsection (2) no longer meets the listed requirements, the Commissioner must notify it that if it does not take corrective steps within the period specified in the notice, its recognition will be withdrawn at the end of the period.

[S 240A ins by s 83(1) of Act 21 of 2012 wef 20 December 2012.]

241. Complaint to controlling body

- (1) A senior SARS official may lodge a complaint with a 'controlling body' if a person who carries on a profession governed by the 'controlling body', did or omitted to do anything with respect to the affairs of a taxpayer, including that person's affairs, that in the opinion of the official—
- (a) was intended to assist the taxpayer to avoid or unduly postpone the performance of an obligation imposed on the taxpayer under a tax Act;
 - (b) by reason of negligence on the part of the person resulted in the avoidance or undue postponement of the performance of an obligation imposed on the taxpayer under a tax Act;
 - (c) constitutes a contravention of a rule or code of conduct for the profession which may result in disciplinary action being taken against the person by the body; or
 - (d) constitutes conduct under subsection (2) by a registered tax practitioner.
- (2) A senior SARS official may lodge a complaint with a 'recognised controlling body' if a registered tax practitioner has, in the opinion of the official—
- (a) without exercising due diligence prepared or assisted in the preparation, approval or submission of any return, affidavit or other document relating to matters affecting the application of a tax Act;
 - (b) unreasonably delayed the finalisation of any matter before SARS;

- (c) given an opinion contrary to clear law, recklessly or through gross incompetence, with regard to any matter relating to a tax Act;
- (d) been grossly negligent with regard to any work performed as a registered tax practitioner;
- (e) knowingly given false or misleading information in connection with matters affecting the application of a tax Act or participated in such activity; or
- (f) directly or indirectly attempted to influence a SARS official with regard to any matter relating to a tax Act by the use of threats, false accusations, duress, or coercion, or by offering gratification as defined in the Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004).

[\[S 241 subs by s 84\(1\) of Act 21 of 2012 wef 20 December 2012.\]](#)

242. Disclosure of information regarding complaint and remedies of taxpayer

- (1) Despite section 69, the senior SARS official lodging a complaint under section 241 may disclose the taxpayer information as in the opinion of the official is necessary to lay before the 'controlling body' to which the complaint is made.

[\[S 242\(1\) subs by s 83 of Act 39 of 2013 wef 1 October 2012.\]](#)

- (2) Before a complaint is lodged or information is disclosed, SARS must deliver to the taxpayer concerned and the person against whom the complaint is to be made notification of the intended complaint and information to be disclosed.

[\[S 242\(2\) subs by s 83 of Act 39 of 2013 wef 1 October 2012.\]](#)

- (3) The taxpayer or that person may, within 21 business days after the date of the notification, lodge with SARS an objection to the lodging of the complaint or disclosure of the information.
- (4) If on the expiry of that period of 21 business days no objection has been lodged or, if an objection has been lodged and SARS is not satisfied that the objection should be sustained, a senior SARS official may thereupon lodge the complaint as referred to in section 241.

243. Complaint considered by controlling body

- (1) The complaint is to be considered by the 'controlling body' according to its rules.
- (2) A hearing of the matter where details of a person's tax affairs will be disclosed, may be attended only by persons whose attendance, in the opinion of the 'controlling body', is necessary for the proper consideration of the complaint.

- (3) The 'controlling body' and its members must preserve secrecy in regard to the information as to the affairs of a person as may be conveyed to them by SARS or as may otherwise come to their notice in the investigation of the complaint and must not communicate the information to a person other than the person concerned or the person against whom the complaint is lodged, unless the disclosure of the information is ordered by a competent court of law.

CHAPTER 19

GENERAL PROVISIONS

244. Deadlines

- (1) If—
- (a) a day notified by SARS or specified in a tax Act for payment, submission or other action; or
 - (b) the last day of a period within which payment, submission or other action under a tax Act must be made,
- falls on a Saturday, Sunday or public holiday, the action must be done not later than the last business day before the Saturday, Sunday or public holiday.
- (2) The Commissioner may prescribe the time of day by which a payment, submission or other action must be done, and if it is done after that time on the day it is regarded as done on the first business day following the specified day.
- (3) If SARS is authorised to extend a deadline, the application for extension must be submitted to SARS in the prescribed form before the deadline expires unless—
- (a) reasonable grounds exist for the delay and the application is submitted within 21 business days of the deadline; or
[\[S 244\(3\)\(a\) subs by s 85 of Act 21 of 2012 wef 1 October 2012.\]](#)
 - (b) the delay is due to a circumstance referred to in section 218(2)(a) to (e) or any other circumstance of analogous seriousness and the application is submitted within three years of the deadline.

245. Power of Minister to determine date for submission of returns and payment of tax

- (1) Despite any other provision of a tax Act, if the date for the submission of a return or the payment of tax is the last day of the financial year of the Government, the Minister may by public notice prescribe any other date for submission of the return and payment of the tax, which date must not fall on a day more than two business days prior to the last day of that year.

- (2) The notice contemplated in subsection (1) must be published at least 21 business days prior to the date so prescribed by the Minister.

246. Public officers of companies

- (1) 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.
- (2) The individual representative under subsection (1) must be—
- (a) approved by SARS and—
 - (i) must be a person who is a senior official of the company; or
 - (ii) if no senior official resides in the Republic, may be another suitable person;
[\[S 246\(2\)\(a\) subs by s 84\(a\) of Act 39 of 2013 wef 1 October 2012.\]](#)
 - (b) appointed by the company or by an agent or legal practitioner who has authority to appoint such a representative for the purposes of a tax Act;
[\[S 246\(2\)\(b\) am by s 45 of Act 33 of 2019 wef 15 January 2020.\]](#)
 - (c) called the public officer of the company; and
 - (d) appointed within one month after the company begins to carry on business or acquires an office in the Republic.
- (3) If a public officer is not appointed as required under this section, the public officer is the director, company secretary or other officer of the company that SARS designates for that purpose.
[\[S 246\(3\) subs by s 84\(b\) of Act 39 of 2013 wef 1 October 2012.\]](#)
- (4) A company that has not appointed a public officer is subject to a tax Act as if a tax Act did not require the public officer to be appointed.
[\[S 246\(4\) subs by s 86 of Act 21 of 2012 wef 1 October 2012.\]](#)
- (5) A public officer is responsible for all acts, matters, or things that the public officer's company must do under a tax Act, and in case of default, the public officer is subject to penalties for the company's defaults.
- (6) A public officer's company is regarded as having done everything done by the public officer in the officer's representative capacity.

- (7) If SARS is of the opinion that a person is no longer suitable to represent the company as public officer SARS may withdraw its approval under subsection (2)(a).

247. Company address for notices and documents

- (1) A company referred to in section 246(1) must, within the period referred to in section 246(2)(d), appoint a place within the Republic approved by SARS at which SARS may serve, deliver or send the company a notice or other document provided for under a tax Act.
- (2) Every notice, process, or proceeding which under a tax Act may be given to, served upon or taken against a company referred to in section 246(1), may be given to, served upon, or taken against its public officer, or if at any time there is no public officer, any officer or person acting or appearing to act in the management of the business or affairs of the company or as agent for the company.

248. Public officer in event of liquidation, winding-up or business rescue

[\[Section heading subs by s 62\(1\)\(a\) of Act 44 of 2014 wef 20 January 2015.\]](#)

- (1) In the event of a company referred to in section 246(1) being placed in voluntary or compulsory liquidation, the liquidator or liquidators duly appointed are required to exercise in respect of the company all the functions and assume all the responsibilities of a public officer under a tax Act during the continuance of the liquidation.

[\[S 248 renumbered as 248\(1\) by s 62\(1\)\(b\) of Act 44 of 2014 wef 20 January 2015.\]](#)

- (2) In the event of a company referred to in section 246(1) being subject to a business rescue plan referred to in Part D of Chapter 6 of the 'Companies Act', the business rescue practitioner as defined in that Chapter is required to exercise, in respect of the company, all the functions and assume all the responsibilities of a public officer under a tax Act for the period that the company is subject to the business rescue plan.

[\[S 248\(2\) ins by s 62\(1\)\(b\) of Act 44 of 2014 wef 20 January 2015.\]](#)

249. Default in appointing public officer or address for notices or documents

- (1) No appointment is deemed to have been made under section 246(2) until notice thereof specifying the name of the public officer and an address for service or delivery of notices and documents has been given to SARS.
- (2) A company must—
- (a) keep the office of public officer constantly filled and must at all times maintain a place for the service or delivery of notices in accordance with section 247(1); and

- (b) notify SARS of every change of public officer or the place for the service or delivery of notices within 21 business days of the change taking effect.

250. Authentication of documents

- (1) A form, notice, demand or other document issued or given by or on behalf of SARS or a SARS official under a tax Act is sufficiently authenticated if the name of SARS or the name or official designation of the SARS official is stamped or printed on it.
- (2) A return made or purporting to be made or signed by or on behalf of a person is regarded as duly made and signed by the person affected unless the person proves that the return was not made or signed by the person or on the person's behalf.
- (3) Subsection (2) applies to other documents submitted to SARS by or on behalf of a person.

251. Delivery of documents to persons other than companies

If a tax Act requires or authorises SARS to issue, give, send, or serve a notice, document or other communication to a person (other than a company), SARS is regarded as having issued, given, sent or served the communication to the person if—

- (a) handed to the person;
- (b) left with another person over 16 years of age apparently residing or employed at the person's last known residence, office or place of business;
- (c) sent to the person by post to the person's last known address, which includes—
 - (i) a residence, office or place of business referred to in paragraph (b); or
 - (ii) the person's last known post office box number or that of the person's employer; or
- (d) sent to the person's last known electronic address, which includes—
 - (i) the person's last known email address;
 - (ii) the person's last known telefax number; or
 - (iii) the person's electronic address as defined in the rules issued under section 255(1).

[S 251(d) subs by s 70(1) of Act 23 of 2015, deemed to have come into operation on 25 August 2014.]

252. Delivery of documents to companies

If a tax Act requires or authorises SARS to issue, give, send or serve a notice, document or other communication to a company, SARS is regarded as having issued, given, sent or served the communication to the company if—

- (a) handed to the public officer of the company;
[\[S 252\(a\) subs by s 87 of Act 21 of 2012 wef 1 October 2012.\]](#)
- (b) left with a person older than 16 years apparently residing or employed at—
 - (i) the place appointed by the company under section 247; or
 - (ii) where no such place has been appointed by the company, the last known office or place of business of the company;
- (c) sent by post addressed to the company or its public officer at the company or public officer's last known address, which includes—
 - (i) an office or place referred to in paragraph (b); or
 - (ii) the company or public officer's last known post office box number or that of the public officer's employer; or
- (d) sent to the company or its public officer's last known electronic address, which includes the—
 - (i) last known email address;
 - (ii) last known telefax number; or
 - (iii) electronic address as defined in the rules issued under section 255(1).

[\[S 252\(d\) subs by s 71\(1\) of Act 23 of 2015, deemed to have come into operation on 25 August 2014.\]](#)

253. Documents delivered deemed to have been received

- (1) A notice, document or other communication issued, given, sent or served in the manner referred to in section 251 or 252, is regarded as received by the person to whom it was delivered or left, or if posted it is regarded as having been received by the person to whom it was addressed at the time when it would, in the ordinary course of post, have arrived at the addressed place.

- (2) Subsection (1) does not apply if—
- (a) SARS is satisfied that the notice, document or other communication was not received or was received at some other time; or
 - (b) a court decides that the notice, document or other communication was not received or was received at some other time.
- (3) If SARS is satisfied that—
- (a) a notice, document or other communication (other than a notice of assessment) issued, given, sent or served in a manner referred to in section 251 or 252 (excluding paragraphs (a) and (b) thereof)—
 - (i) has not been received by the addressee; or
 - (ii) has been received by that person considerably later than it should have been received; and
 - (b) the person has in consequence been placed at a material disadvantage,

the notice, document or other communication must be withdrawn and be issued, given, sent or served anew.

254. Defect does not affect validity

- (1) A notice of assessment or other notice or document issued to a person under a tax Act is not to be considered invalid or ineffective by reason of a failure to comply with the requirements of section 251 or 252 if the person had effective knowledge of the fact of the notice or document and of its content.
- (2) A notice of assessment or other notice or document issued under a tax Act is not to be considered invalid or ineffective by reason of defects if it is, in substance and effect, in conformity with this Act, and the person assessed or affected by the notice or document is designated in it according to common understanding.

255. Rules for electronic communication

- (1) The Commissioner may by public notice make rules prescribing—
 - (a) the procedures for submitting a return in electronic format, electronic record retention and other electronic communications between SARS and other persons;

- (b) requirements for an electronic or digital signature of a return or communication; and
- (c) the procedures for electronic record retention by SARS.

[S 255(1) subs by s 88 of Act 21 of 2012 wef 1 October 2012.]

- (2) SARS may, in the case of a return or other document submitted in electronic format, accept an electronic or digital signature of a person as a valid signature for purposes of a tax Act if a signature is required.

[S 255(2) subs by s 63 of Act 44 of 2014 wef 1 October 2012.]

- (3) If in any proceedings under a tax Act, the question arises whether an electronic or digital signature of a person referred to in subsection (2) was used with the authority of the person, it must be assumed, in the absence of proof to the contrary, that the signature was so used.

256. Tax compliance status

- (1) A taxpayer may apply, in the prescribed form and manner, to SARS for third party access to the taxpayer's tax compliance status.
- (2) SARS must provide or decline to provide third party access to the taxpayer's tax compliance status within 21 business days from the date the application is submitted or such longer period as may reasonably be required to confirm the correctness of the taxpayer's tax compliance status.
- (3) The taxpayer's tax compliance status may only be indicated as compliant if the taxpayer—
 - (a) is registered for tax as required in terms of a tax Act;
 - (b) does not have any outstanding tax debt, excluding a tax debt—
 - (i) contemplated in section 167 or 204; or
 - (ii) that has been suspended under section 164; or
 - (iii) that may not be recovered for the period specified in section 164(6); or
 - (iv) that does not exceed the amount referred to in section 169(4) or any higher amount that the Commissioner may determine by public notice; and
 - (c) does not have any outstanding return, unless an arrangement with SARS has been made for the submission of the return.

- (4) An indication of the tax compliance status of a taxpayer must include at least—
- (a) the date of the tax compliance status of the taxpayer;
 - (b) the name and taxpayer reference number of the taxpayer;
 - (c) the taxpayer's tax compliance status as at the date referred to in paragraph (a); and
 - (d) an indication that the taxpayer is a newly registered taxpayer until—
 - (i) the taxpayer, on the date referred to in paragraph (a), has—
 - (aa) reached the first date on which the taxpayer is required to submit a return or make a payment under a tax Act in respect of a tax for which the taxpayer is registered; or
 - (bb) submitted the return or made the payment, prior to the date referred to in item (aa); or
 - (ii) a period of one year from the date the taxpayer was registered for a tax in terms of a tax Act has lapsed,

whichever occurs first.

[S 256(4) subs by s 29(a) of Act 16 of 2022 wef 1 January 2023.]

- (5) Despite the provisions of Chapter 6, SARS may indicate the taxpayer's tax compliance status as at a current date, or a previous date as prescribed by the Minister in a regulation under section 257(2A), to—
- (a) an organ of state; or
 - (b) a person to whom the taxpayer has provided third party access to the taxpayer's tax compliance status.
- (6) A senior SARS official may revoke access to the taxpayer's tax compliance status in terms of subsection (5), if—
- (a) the access was provided—
 - (i) in error; or
 - (ii) on the basis of fraud, misrepresentation or non-disclosure of material facts; or
 - (b) the correctness of the taxpayer's current tax compliance status is questioned due to suspicion of fraud, misrepresentation or nondisclosure of material facts, and SARS has given the taxpayer prior notice and an opportunity to respond to the allegations of at least 10 business days prior to the revocation.

[S 256(6) subs by s 29(b) of Act 16 of 2022 wef 1 January 2023.]

- (7) A taxpayer's tax compliance status will be indicated as non-compliant by SARS for the period commencing on the date that the taxpayer no longer complies with a requirement under subsection (3), or such later date as the Commissioner may prescribe, and ending on the date that the taxpayer remedies the non-compliance.

[S 256 subs by s 89(1) of Act 21 of 2012 wef 20 December 2012; am by s 85 of Act 39 of 2013 wef 1 October 2012; subs by s 64(1) of Act 44 of 2014 wef 20 January 2015, s 46 of Act 33 of 2019 wef 15 January 2020.]

257. Regulations by Minister

- (1) The Minister may make regulations regarding—
- (a) any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act; and
 - (b) any matter which under this Act is required or permitted to be prescribed.
- (2) The Minister may, after consultation with the Tax Ombud, make regulations regarding—
- (a) the proceedings of the Tax Ombud; and
 - (b) the limitations on the mandate of the Tax Ombud, having regard to—
[Words preceding s 257(2)(b)(i) subs by s 90(a) of Act 21 of 2012 wef 1 October 2012.]
 - (i) the factual or legal complexity of any complaint dealt with by the Tax Ombud;
 - (ii) the nature of the taxpayer whose complaint is dealt with by the Tax Ombud; and
 - (iii) the maximum amount involved in the dispute between the taxpayer and SARS.
- (2A) For purposes of a confirmation of tax compliance status of a taxpayer under section 256, the Minister may make regulations regarding—
- (a) the circumstances when a confirmation or an update of or a change in the tax compliance status of a taxpayer may be required from a person or SARS;
 - (b) the period of validity of a confirmation of tax compliance status of a taxpayer; or
 - (c) any procedure to further regulate the issue or withdrawal of a confirmation of tax compliance status of a taxpayer.

[S 257(2A) ins by s 90(b) of Act 21 of 2012 wef 1 October 2012; subs by s 73 of Act 23 of 2015 wef 8 January 2016.]

- (3) For purposes of the regulations referred to in paragraph (e) of the definition of “biometric information” in section 1, the Minister must publish the draft regulations in the *Gazette* for public comment and submit the draft regulations to Parliament for parliamentary scrutiny at least 30 days before the draft regulations are published.

CHAPTER 20

TRANSITIONAL PROVISIONS

258. New taxpayer reference number

If a person has been allocated a taxpayer, tax or other reference number for purposes of a tax Act before the promulgation of this Act, the number remains in force until the time that SARS allocates a taxpayer reference number to the person under section 24 for purposes of the relevant tax type.

259. Appointment of Tax Ombud

- (1) The Minister must appoint a person as Tax Ombud under section 14 within one year of the commencement date of this Act.
- (2) The first Tax Ombud appointed under this Act may not review a matter that arose more than one year before the day on which the Tax Ombud is appointed, unless the Minister requests the Tax Ombud to do so.

260. Provisions relating to secrecy

A person who took and subscribed to an oath or solemn declaration of secrecy under a tax Act before the commencement date of this Act is regarded as having taken and subscribed to the oath or solemn declaration under section 67(2).

261. Public officer previously appointed

A public officer appointed or regarded as appointed under a tax Act and holding office immediately before the commencement date of this Act, is regarded as a public officer appointed under this Act.

262. Appointment of chairpersons of tax board

A legal practitioner appointed to the panel of persons who may serve as chairpersons of the tax board under a tax Act, who is on that panel immediately before the commencement date of this Act, is regarded as appointed under the provisions of section 111 until the earlier of—

- (a) the expiry of the legal practitioner's appointment under the provisions previously in force; or
- (b) termination of the legal practitioner's appointment under section 111(3).

[\[S 262 subs by s 47 of Act 33 of 2019 wef 15 January 2020.\]](#)

263. Appointment of members of tax court

A member of the tax court appointed under a tax Act who is a member immediately before the commencement date of this Act is regarded as appointed under the provisions of section 120(1) until the expiry of his or her term of office in terms of the provisions previously in force, or until his or her appointment in terms of section 120(4) is terminated or lapses.

264. Continuation of tax board, tax court and court rules

- (1) A tax board or tax court that was established under a tax Act and exists immediately before the commencement date of this Act, is regarded as established under section 108 or 116, respectively, of this Act.
- (2) Rules of court issued by the Minister under a tax Act that are in force immediately before the commencement date of this Act continue in force as if they were issued under section 103.

265. Continuation of appointment to a post or office or delegation by Commissioner

- (1) A person appointed to a post or office or delegated by the Commissioner under the SARS Act or a tax Act, which appointment or delegation is in force immediately before the commencement date of this Act, is regarded as appointed or delegated under this Act.
- (2) Subsection (1) applies until the person is so appointed or delegated under this Act or the appointment or delegation is withdrawn.

266. Continuation of authority to audit

If a SARS official was issued a letter authorising the official to audit under a tax Act, and the letter is in force immediately before the commencement date of this Act, the letter is regarded as issued to the official under section 41.

267. Conduct of inquiries and execution of search and seizure warrants

- (1) If the Commissioner authorised an inquiry under a tax Act and a judge granted an order designating a person to act as presiding officer in the inquiry before the commencement date of this Act, the inquiry is regarded as authorised under sections 50 and 51.
- (2) If a judge issued a search and seizure warrant under a tax Act that has not been executed before the commencement date of this Act, the warrant is regarded as issued under section 60.

268. Application of Chapter 15

Chapter 15 applies to non-compliance resulting from a continuous failure by a person to comply with an obligation that exists on the date a notice referred to in section 210(2) comes into effect, in which case the date on which the non-compliance occurred will be regarded as the date that notice came into effect.

269. Continuation of authority, rights and obligations

- (1) Rules, notices and regulations issued under the provisions of a tax Act repealed by this Act that are in force immediately before the commencement date of this Act, remain in force as if they were issued under the equivalent provisions of this Act, to the extent consistent with this Act, until new rules, notices and regulations are issued under such provisions.

[\[S 269\(1\) subs by s 91 of Act 21 of 2012 wef 1 October 2012.\]](#)

- (2) Forms prescribed under the authority of a tax Act before the commencement date of this Act, and in use immediately before the date of commencement of this Act, are considered to have been prescribed under the authority of this Act, to the extent consistent with this Act.
- (3) Rulings and opinions issued under the provisions of a tax Act repealed by this Act and in force immediately before the commencement date of this Act, which have not been revoked, are regarded as having been issued under the authority of this Act to the extent relevant to and consistent with this Act.
- (4) An order of a court under the authority of a tax Act and in force immediately before the commencement date of this Act, continues to have the same force and effect as if the provisions had not been repealed or amended, subject to any further order of the court.
- (5) A right or entitlement enjoyed by, or obligation imposed on, a person under the repealed or amended provisions of a tax Act, that had not been exercised or complied with before the commencement date of this Act, is a valid right or entitlement of, or obligation imposed on, that person in terms of any comparable provision of this Act, as from the date that the right, entitlement or obligation first arose, subject to the provisions of this Act.
- (6) The commission of an offence before the commencement date of this Act which is a statutory offence under the provisions of a tax Act repealed by this Act, may be investigated by SARS, in the manner referred to in Chapter 5, and prosecuted as if the statutory offence remained in force.

270. Application of Act to prior or continuing action

- (1) Subject to this Chapter, this Act applies to an act, omission or proceeding taken, occurring or instituted before the commencement date of this Act, but without prejudice to the action taken or proceedings conducted before the commencement date of the comparable provisions of this Act.
- (2) The following actions or proceedings taken or instituted under the provisions of a tax Act repealed by this Act but not completed by the commencement date of the comparable provisions of this Act, must be continued and concluded under the provisions of this Act as if taken or instituted under this Act—
- (a) a decision by a SARS official in terms of a statutory power to do so;

- (b) a request by a person for the withdrawal or amendment of a decision or notice by SARS, registration for tax, form of record keeping, information, taxpayer record, advance ruling, refund, reduced assessment, suspension of a disputed tax debt, deferral, write off, compromise or waiver of a tax debt and the remittance of interest or a penalty;
 - (c) an inspection, verification, request for information, audit, criminal investigation, inquiry or search and seizure;
 - (d) an objection, appeal to the tax board, tax court or higher court, alternative dispute resolution, settlement discussions or other related High Court application;
 - (e) suspension of a disputed tax debt;
 - (f) a deferment, write off or compromise of a tax debt; or
 - (g) recovery of a tax debt, including the appointment of an agent to satisfy a tax debt, execution of a civil judgment or sequestration, liquidation or winding-up instituted by SARS or any other related court application.
- (3) A form, notice, demand or other document issued, given or received by a person or SARS under the provisions of a tax Act repealed by this Act, must be regarded as issued, given or received in terms of any comparable provision of this Act, as from the date that the form, notice, demand or other document was issued, given or received under the repealed provisions.
- (4) A record kept or retained by a person as required under the provisions of a tax Act repealed by this Act, must be regarded as kept or retained as required under the comparable provisions of this Act from the date that record was kept or retained under the repealed provisions of the tax Act.
- (5) If the period for an application, objection, appeal or prosecution had expired before the commencement date of this Act, nothing in this Act may be construed as enabling the application, objection, appeal or prosecution to be made under this Act by reason only of the fact that a longer period is specified in this Act.
- (6) Additional tax, penalty or interest may be imposed or levied as if the repeal of the legislation in Schedule 1 had not been effected and may be assessed and recovered under this Act, if—
- (a) additional tax, penalty or interest which but for the repeal would have been capable of being imposed, levied, assessed or recovered by the commencement date of this Act, has not been imposed, levied, assessed or recovered by the commencement date of this Act; or
 - (b) an understatement penalty, administrative non-compliance penalty or interest under this Act cannot be imposed, levied, assessed or recovered in respect of an understatement as

defined in section 221, non-compliance or failure to pay that occurred before the commencement date of this Act.

[S 270(6) subs by s 86(a) of Act 39 of 2013 wef 1 October 2012.]

- (6A) For the purposes of subsection (6), 'capable of being imposed' means that the verification, audit or investigation necessary to determine the additional tax, penalty or interest had been completed before the commencement date of this Act.

[S 270(6A) ins by s 86(b) of Act 39 of 2013 wef 1 October 2012.]

- (6B) If a return was due by the commencement date of this Act, the requirement under section 223(3)(b)(i) is regarded as having been met for the purposes of remittance of a substantial understatement penalty.

[S 270(6B) ins by s 86(b) of Act 39 of 2013 wef 1 October 2012.]

- (6C) A person who made a valid voluntary disclosure before the commencement date of this Act, qualifies for the relief referred to in section 229(b) if the audit or investigation of the person's affairs has commenced before but only concluded after commencement date of this Act and the requirements of Part B of Chapter 16 have been met.

[S 270(6C) ins by s 86(b) of Act 39 of 2013 wef 1 October 2012.]

- (6D) If an understatement penalty is imposed as a result of an understatement, as defined in section 221, made in a return submitted before the commencement date of this Act, a taxpayer may object against the penalty under Chapter 9 (whether or not the taxpayer has previously objected against the assessment imposing the penalty) and if the return was required under—

- (a) the Income Tax Act, excluding returns required under the Fourth Schedule to that Act, a senior SARS official must, in considering the objection, reduce the penalty in whole or in part if satisfied that there were extenuating circumstances; or

[S 270(6D)(a) subs by s 65(a) of Act 44 of 2014 wef 1 October 2012.]

- (b) the Value-Added Tax Act or the Fourth Schedule to the Income Tax Act, a senior SARS official must reduce the penalty in whole if the penalty was imposed under circumstances other than the circumstances referred to in item (vi) of the understatement penalty table in section 223(1).

[S 270(6D) ins by s 86(b) of Act 39 of 2013 wef 1 October 2012; s 270(6D)(b) subs by s 65(a) of Act 44 of 2014 wef 1 October 2012, s 64 of Act 16 of 2016 wef 19 January 2017.]

(6E) Until the date on which the whole of Chapter 12 and of Schedule 1 to this Act come into operation in respect of a tax type—

- (a) the accrual and payment of interest on an understatement penalty imposed under section 222 must be calculated in the manner that interest upon an additional tax penalty imposed under a tax Act, prior to the repeal of the penalty by this Act, was calculated in terms of the interest provisions of the relevant tax Act; and
- (b) the effective date referred to in section 187(3)(f) for tax understated before 1 October 2012 must be regarded as the commencement date of this Act.

[S 270(6E) ins by s 74(1) of Act 23 of 2015, deemed to have come into operation on 1 October 2012; subs by s 29 of Act 13 of 2017 wef 18 December 2017.]

(6F) From the date on which the whole of Chapter 12 and of Schedule 1 to this Act come into operation, the accrual and payment of interest on an understatement penalty imposed under section 222 must be calculated in the manner prescribed by Chapter 12 in respect of an understatement penalty imposed after such date.

[S 270(6F) ins by s 74(1) of Act 23 of 2015, deemed to have come into operation on 1 October 2012.]

(7) Interest arising before the commencement date of this Act must be—

- (a) calculated in accordance with the relevant tax Act until the commencement date; and
- (b) regarded as interest payable under this Act from the commencement date of the comparable provisions of this Act.

[S 270(7)(b) subs by s 86(c) of Act 39 of 2013 wef 1 October 2012.]

(8) ...

[S 270(8) am by s 86(d) of Act 39 of 2013 wef 1 October 2012; rep by s 65(b) of Act 44 of 2014 wef 1 October 2012.]

271. Amendment of legislation

The Acts listed in Schedule 1 are amended to the extent set out in that Schedule.

272. Short title and commencement

- (1) This Act is called the Tax Administration Act, 2011, and comes into operation on a date to be determined by the President by proclamation in the *Gazette*.
- (2) The President may determine different dates for different provisions of this Act to come into operation and for the purposes of Chapter 12 and the provisions relating to interest in Schedule 1,

the Minister may determine by public notice the date on which they come into operation in respect of a tax type.

[S 272(2) subs by s 30 of Act 13 of 2017 wef 18 December 2017.]

- (3) Subparagraphs (g), (h), (i) and (j) of paragraph 60 of Schedule 1 come into operation on the date on which Part VIII of Chapter II of the Income Tax Act, 1962, comes into operation.
- (4) Paragraph 78 of Schedule 1 is deemed to have come into operation on 1 January 2011 and applies in respect of premiums incurred on or after that date.
- (5) Paragraph 184 of Schedule 1 is deemed to have come into operation on 1 March 2010 and applies in respect of a mineral resource transferred on or after that date.

SCHEDULE 1

SECTION 271

No. and year	Short title	Extent of amendment or repeal
Act 40 of 1949	Transfer Duty Act, 1949	Amendment of section 1
		1. Section 1 of the Transfer Duty Act, 1949, is hereby amended— (a) by the substitution for the definition of “Commissioner” of the following definition— “‘Commissioner’ means the Commissioner for the South African Revenue Service <u>appointed in terms of section 6 of the South African Revenue Service Act, 1997 (Act 34 of 1997), or the Acting Commissioner designated in terms of section 7 of that Act;</u>”; (b) by the insertion after the definition of “spouse” of the following definition— “‘Tax Administration Act’ means the <u>Tax Administration Act, 2011;</u>”; (c) by the renumbering of section 1 to section 1(1); and (d) by the insertion after subsection (1) of the following subsection— “(2) <u>Unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Tax Administration Act bears that meaning for purposes of this Act.</u>”.
		Amendment of section 3
		2. Section 3 of the Transfer Duty Act, 1949, is hereby amended—

No. and year	Short title	Extent of amendment or repeal
		(a) by the substitution for subsection (1A) of the following subsection— “(1A) Where a person who acquires any property contemplated in paragraph (d), (e) or (g) of the definition of “property” fails to pay the duty within the period contemplated in subsection (1), the public officer [as defined in section 101 of the Income Tax Act, 1962 (Act 58 of 1962),] of that company and the person from whom the shares or member’s interest are acquired shall be jointly and severally liable for such duty: Provided that the public officer or person from whom the shares or member’s interest was acquired, may recover any amount of duty paid [by him or her] in terms of this subsection [from- (a) the person who so acquired that property; or (b) in the case of a public officer, from that company] <u>in accordance with section 160 of the Tax Administration Act.”;</u> (b) by the substitution for subsection (1B) of the following subsection— “(1B) Where a person who acquires any property contemplated in paragraph (f) of the definition of “property” fails to pay the duty within the period contemplated in subsection (1), the trust and [the trustees] <u>representative taxpayer</u> of that trust shall be jointly and severally liable for such duty: Provided that the trust or [trustee] <u>representative taxpayer</u> may recover any amount of duty paid in terms of this subsection by the trust or [trustee] <u>representative taxpayer</u>, as the case may be, [from - (a) the person who so acquired that property; or

No. and year	Short title	Extent of amendment or repeal
		(b) in the case of the trustee, from that trust] <u>in accordance with section 160 of the Tax Administration Act.</u>"; and (c) by the deletion of subsection (3). Amendment of section 4 3. Section 4 of the Transfer Duty Act, 1949, is hereby amended— (a) by the substitution for the heading of the following heading— “Penalty [and interest] on late payment of duty”; (b) by the substitution for subsection (1) of the following subsection: “(1) If any duty in respect of any transaction entered into before 1 March 2005, remains unpaid after the date of the expiration of the period referred to in section 3, [there shall, subject to the provisions of subsection (3), in addition to the unpaid duty, be payable] <u>the Commissioner must in accordance with Chapter 15 of the Tax Administration Act impose a penalty, at the rate of 10 per cent per annum on the amount of the unpaid duty, calculated in respect of each completed month in the period from that date to the date of payment[</u> Provided that if in any case the period referred to in section 3 ended before 1 July 1982 and the said penalty is chargeable or is in part chargeable in respect of any completed month commencing before 1 July 1982 the penalty payable in respect of such completed month and any earlier completed month or months shall be the amount of penalty which would have been payable in terms of this subsection before its amendment by the Revenue Laws Amendment Act, 1982, if the unpaid amount of such duty had been paid on the day after the end of the only or latest of such

No. and year	Short title	Extent of amendment or repeal
		completed months].”; and (c) by the deletion of subsection (1A). Amendment of section 10 4. Section 10 of the Transfer Duty Act, 1949, is hereby amended— (a) by the substitution for subsection (2) of the following subsection— “(2) The powers conferred and the duties imposed upon the Commissioner by this Act may be exercised or performed by the Commissioner [personally] or by any [officer acting under a delegation from or] <u>SARS official</u> under the control, [or] direction or <u>supervision</u> of the Commissioner.”; and (b) by the insertion after subsection (2) of the following subsection— “(3) <u>Administrative requirements and procedures for purposes of the performance of any duty, power or obligation or the exercise of any right in terms of this Act are, to the extent not regulated in this Act, regulated by the Tax Administration Act.</u>”. Amendment of section 11 5. Section 11 of the Transfer Duty Act, 1949, is hereby amended by the substitution in subsection (3) for paragraph (a) of the following paragraph— “(a) Where in terms of [subsection (2) of section three] <u>section 3(2)</u> a deposit on account of the duty payable by any person is made pending the determination by the Commissioner of the fair value of the property concerned, of an amount equal to the duty calculated on the consideration paid or payable in respect of the acquisition of the property or on the declared value thereof, as the case

No. and year	Short title	Extent of amendment or repeal
		may be, and there is given to the Commissioner security to his <u>or her</u> satisfaction for the payment of any balance of transfer duty [or stamp duty] which may still be payable, the Commissioner may in his <u>or her</u> discretion issue to the person liable to pay the duty a certificate that such deposit has been made and that such security has been given.”.
		Repeal of sections 11A, 11B, 11C, 11D and 11E
		6. Sections 11A, 11B, 11C, 11D and 11E of the Transfer Duty Act, 1949, are hereby repealed.
		Amendment of section 13
		7. Section 13 of the Transfer Duty Act, 1949, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) Whenever the Commissioner is satisfied that the duty payable under this Act in respect of the acquisition of any property or the renunciation of any interest in or restriction upon the use or disposal of any property has not been paid in full, the Commissioner shall, notwithstanding that the acquisition has already been registered in a deeds registry, recover the difference between the amount of the duty payable and the amount paid <u>in accordance with Chapter 11 of the Tax Administration Act.</u>”; and (b) by the deletion of subsection (2).
		Repeal of sections 13A, 13B and 13C
		8. Sections 13A, 13B and 13C of the Transfer Duty Act, 1949, are hereby repealed.
		Amendment of section 14
		9. Section 14 of the Transfer Duty Act, 1949, is hereby amended— (a) by the substitution for subsection (1) of the following subsection—

No. and year	Short title	Extent of amendment or repeal
		“(1) [Declarations] <u>A return</u> appropriate to the manner of the acquisition of property in any particular case shall be submitted [electronically, in the form and manner and containing such information as may be prescribed by the Commissioner] by the parties to the transaction whereby the property has been acquired and, if the Commissioner so directs, also by the agent, auctioneer, broker or other person who acted for or on behalf of either party to the transaction or, if the property has been acquired otherwise than by way of a transaction, by the person who acquired the property.”; and (b) by the deletion of subsections (4), (6), (7) and (8).
		Amendment of section 15
		10. Section 15 of the Transfer Duty Act, 1949, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) [Every] <u>In addition to the requirements upon a taxpayer contained in sections 29, 30, 32 and 33 of the Tax Administration Act, every</u> auctioneer or other person who has effected a sale of property on behalf of some other person shall, for a period of five years from the date on which the sale was effected, keep a record of the sale including a description of the property sold, the person by whom and the person to whom the property has been sold and the price paid for the property.”; and (b) by the deletion of subsections (2) and (3).
		Repeal of sections 17, 17A, 17B, 18, 20, 20A, 20C and 20D
		11. Sections 17, 17A, 17B, 18, 20, 20A, 20C and 20D of the Transfer Duty Act, 1949, are hereby repealed.
Act 45 of 1955	Estate Duty Act 1955	Amendment of section 1

No. and year	Short title	Extent of amendment or repeal
		12. Section 1 of the Estate Duty Act, 1955, is hereby amended— (a) by the substitution for the definition of “Commissioner” of the following definition— “ ‘Commissioner’ means the Commissioner for the South African Revenue Service <u>appointed in terms of section 6 of the South African Revenue Service Act, 1997 (Act 34 of 1997), or the Acting Commissioner designated in terms of section 7 of that Act;</u>”; (b) by the insertion after the definition of “stocks or shares” of the following definition— <u>“‘Tax Administration Act’, means the Tax Administration Act, 2011.”;</u> (c) by the renumbering of section 1 to section 1(1); and (d) by the insertion after subsection (1) of the following subsection— <u>“(2) Unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Tax Administration Act bears that meaning for purposes of this Act. “.</u> Amendment of section 6 13. Section 6 of the Estate Duty Act, 1955, is hereby amended— (a) by the substitution for subsection (2) of the following subsection— “(2) The powers conferred and the duties imposed upon the Commissioner by this Act may be exercised or performed by the Commissioner [personally] or by any [officer acting under a delegation from or] <u>SARS official</u> under the control, [or] direction <u>or supervision</u> of the

No. and year	Short title	Extent of amendment or repeal
		Commissioner.”; and (b) by the substitution for subsection (3) of the following subsection— “(3) <u>Administrative requirements and procedures for purposes of the performance of any duty, power or obligation or the exercise of any right in terms of this Act are, to the extent not regulated in this Act, regulated by the Tax Administration Act.</u>”.
		Amendment of section 7
		14. Section 7 of the Estate Duty Act, 1955, is hereby amended— (a) by the substitution in subsection (1) for the words preceding paragraph (a) of the following words— “Every executor or, if he <u>or she</u> is called upon by the Commissioner to do so, any person having the control of or any interest in any property included in the estate, shall submit to the Commissioner a return [in a form, prescribed by him,] disclosing the amount claimed by the person submitting the return to represent the dutiable amount of the estate together with full particulars regarding-”; and (b) by the deletion of subsection (2).
		Repeal of sections 8, 8A, 8B, 8C, 8D and 8E
		15. Sections 8, 8A, 8B, 8C, 8D and 8E of the Estate Duty Act, 1955, are hereby repealed.
		Amendment of section 9
		16. Section 9 of the Estate Duty Act, 1955, is hereby amended— (a) by the insertion after subsection (1) of the following subsection— “(1A) <u>If the Commissioner, prior to the issue of a notice of assessment in terms of subsection (1)—</u>

No. and year	Short title	Extent of amendment or repeal
		(a) is dissatisfied with any value at which any property is shown in any return; or (b) is of the opinion that the amount claimed to represent the dutiable amount as disclosed in any return, does not represent the correct dutiable amount, <u>the Commissioner shall adjust such value or amount and determine the dutiable amount upon which such assessment shall be raised accordingly.</u>”; (b) by the deletion of subsection (2); and (c) by the insertion of a new subsection (5) after subsection (4)— <u>“(5) An assessment contemplated in subsection (4)(a) and (b) is deemed to be an assessment by way of self-assessment.”.</u> Repeal of sections 9A and 9B 17. Sections 9A and 9B of the Estate Duty Act, 1955, are hereby repealed. Amendment of section 10 18. Section 10 of the Estate Duty Act, 1955, is hereby amended by the substitution for subsection (1) of the following subsection; “(1) If [any duty remains unpaid at the expiration of a period of 30 days from the date of payment notified in accordance with subsection (2) of section nine, there shall be payable, in addition to the unpaid duty, interest at the rate of six per cent per annum on the amount of unpaid duty calculated from the date of the expiration of the said period to the date of payment: Provided that, where] the assessment of duty is delayed beyond a period of 12 months from the

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		date of death, interest at the <u>prescribed</u> rate [of six per cent per annum] shall be payable as from a date 12 months after the date of death on the difference (if any) between the duty assessed and any deposit (if any) made on account of the duty payable within the said period of 12 months.”.
		Substitution of section 12
		19. The Estate Duty Act, 1955, is hereby amended by the substitution for section 12 of the following section— ‘Duty payable by executor 12. Notwithstanding anything to the contrary contained in section [eleven] <u>11</u>, any duty payable under this Act shall be payable by and recoverable from the executor of the estate subject to the duty, <u>to the extent contemplated in Chapters 10 and 11 of the Tax Administration Act</u> [: Provided that the liability under this section of any executor shall be a liability in his or her capacity as executor only and for an amount not exceeding the available assets in the estate, unless the liability is due to fraud].”.
		Repeal of sections 12A, 12B, 23, 23bis, 24, 25, 25A and 27
		20. Sections 12A, 12B, 23, 23bis, 24, 25, 25A and 27 the Estate Duty Act, 1955, are hereby repealed.
		Amendment of section 28
		21. Section 28 of the Estate Duty Act, 1955, is hereby amended— (a) by the substitution for the heading of the following heading— “[PENALTIES] <u>OFFENCES</u>”; (b) by the deletion of subsection (1); and (c) by the deletion in subsection (2) of paragraphs (b) and (b)<i>bis</i>.

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		Repeal of sections 28A and 30 22. Sections 28A and 30 of the Estate Duty Act, 1955, are hereby repealed.
Act 58 of 1962	Income Tax Act, 1962	Amendment of section 1 23. Section 1 of the Income Tax Act, 1962, is hereby amended— (a) by the substitution for the definition of “assessment” of the following definition— “ ‘assessment’ [means the] <u>has the meaning assigned under section 1 of the Tax Administration Act, and includes</u> a determination by the Commissioner-[, by way of a notice of assessment (including a notice of assessment in electronic form) served in a manner contemplated in section 106(2) - (a) of an amount upon which any tax leviable under this Act is chargeable; or (b) of the amount of any such tax; or] (c) of any loss ranking for set-off; [or] (d) of any assessed capital loss determined in terms of paragraph 9 of the Eighth Schedule[.];<u>or</u> <u>(e) of any amounts to be taken into account in the determination of tax payable on income in future years</u> [and for the purposes of Part III of Chapter III includes any determination by the Commissioner in respect of any of the rebates referred to in section 6 and any decision of the

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		Commissioner which is in terms of this Act subject to objection and appeal];”; (b) by the deletion of the definition of “business day”; (c) by the substitution for the definition of “Commissioner” of the following definition— “ ‘Commissioner’ means the Commissioner for the South African Revenue Service <u>appointed in terms of section 6 of the South African Revenue Service Act, 1997 (Act 34 of 1997), or the Acting Commissioner designated in terms of section 7 of that Act;</u>”; (d) by the deletion of the definition of “date of assessment”; (e) by the insertion after the definition of “normal retirement age” of the following definitions— “ ‘normal tax’ means income tax referred to in section 5(1); ‘officer’ means, where used in the context of a person who is engaged by the Commissioner in carrying out the provisions of this Act, a SARS official as defined in section 1 of the Tax Administration Act;”; (f) by the substitution for the definition of “prescribed rate” of the following definition— “ ‘prescribed rate’ means the rate contemplated in section 189(3) of the Tax Administration Act;”; (g) by the substitution of the words in the definition of “representative tax-payer” preceding paragraph (a) of the following words—

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		“ ‘representative taxpayer’ means <u>a natural person who resides in the Republic and-</u>”; (h) by the substitution for paragraph (b) of the definition of “representative taxpayer” of the following paragraph— “(b) in respect of the income under his <u>or her</u> management, disposition or control, the agent of any person [, including an agent appointed as such under the provisions of section <i>ninety-nine</i>, and for the purposes of this paragraph the term “agent” includes every person in the Republic having the receipt, management or control of income on behalf of any person permanently or temporarily absent from the Republic or remitting or paying income to or receiving moneys for such person];”; (i) by the deletion of the words in the definition of “representative taxpayer” following paragraph (f) but preceding the proviso; (j) by the insertion after the definition of “retirement interest” of the following definition— “ ‘return’ means a return as defined in section 1 of the Tax Administration Act;”; (k) by the substitution for the definition of “tax” of the following definition— “ ‘tax’ means tax or a penalty imposed in terms of this Act;”; (l) by the insertion after the definition of “tax” of the following definition— “ ‘Tax Administration Act’ means the Tax Administration Act, 2011;”;

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		(m) by the substitution for the definition of “taxpayer” of the following definition— “ ‘taxpayer’ means any person chargeable with any tax leviable under this Act [and includes every person required by this Act to furnish any return]”; (n) by the renumbering of section 1 to section 1(1); and (o) by the insertion after subsection (1) of the following subsection— “(2) <u>Unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Tax Administration Act bears that meaning for purposes of this Act.</u>”. Amendment of section 2 24. The Income Tax Act, 1962, is hereby amended by the substitution for section 2 of the following section— “[Act to be administered by Commissioner] <u>Administration of Act</u> 2. (1) The Commissioner [shall be] <u>is</u> responsible for carrying out the provisions of this Act. (2) <u>Administrative requirements and procedures for purposes of the performance of any duty, power or obligation or the exercise of any right in terms of this Act are, to the extent not regulated in this Act, regulated by the Tax Administration Act.</u>”. Amendment of section 3 25. Section 3 of the Income Tax Act, 1962, is hereby amended— (a) by the substitution for subsection (1) of the following subsection—

No. and year	Short title	Extent of amendment or repeal
		“(1) The powers conferred and the duties imposed upon the Commissioner by or under the provisions of this Act may be exercised or performed by the Commissioner [personally,] or by any officer [or person engaged in carrying out the said provisions] under the control, direction or supervision of the Commissioner.”; (b) by the deletion of subsections (2) and (3); (c) by the substitution for subsection (4) of the following subsection— “(4) Any decision of the Commissioner under the following provisions of this Act [shall be] <u>is</u> subject to objection and appeal <u>in accordance with Chapter 9 of the Tax Administration Act</u>, namely— (a) the definitions of “benefit fund”, “pension fund”, “pension preservation fund”, “provident fund”, “provident preservation fund”, “retirement annuity fund” and “spouse” in section 1; (b) [section 6, section 8(4)(b), (c), (d) and (e),] <u>section 8(5)(b) and (bA), [section 9D,</u> section 10(1)(cA), [(e)](e)(i)(cc), [(iA)], (j) and (nB), <u>section 10A(8),</u> section 11(e), (f), (g), (gA), (j)[,] <u>and</u> (l), [(t), (u) and (w),] section 12B(6), section 12C, section 12E, section 12G, section 12J(6), (6A), and (7), section 13, section 14, section 15, section 22(1)[,] <u>and</u> (3) [and (5)], <u>section 23H(2), section 23K,</u> section 24(2), section 24A(6), section 24C, section 24D, section 24I(1) and (7), <u>section 24J(9), section 25A</u> [section 25D], section 27, section [28(2)(cA)]<u>28(9),</u> section 30, section 30A, section 30B, section 31, section 35(2), section 37A, <u>section 37H,</u> section [38(4)]<u>38(2)(a) and (b) and (4),</u> section 44(13)(a), section 47(6)(c)(i), section 57(2), <u>section 62(1)(c)(iii)</u>

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		and (d) and (2)(a) and (4), [section 76A,] section 80B and section [80S] 103(2); (c) paragraphs 6, 7, 9, 13, 13A, 14, 19 and 20 of the First Schedule; (d) paragraph 4 of the Second Schedule; (e) paragraphs 14(6), 18, [19(1),] <u>20(1)(a) and (2), 20A(1) and (2)</u>, 21, 24 and 27 of the Fourth Schedule; (f) paragraphs 10(3) and (4), 11(2) and (7), 12(1) and 13 of the Sixth Schedule; (g) paragraphs 2(<u>h</u>), 3, 6(<u>4</u>)(<u>b</u>), 7(6), (7) and (8), [9 and] 11 and 12A(3) of the Seventh Schedule; and (h) paragraphs 12(5)(c)(i), 29(2A), 29(7), 31(2), 65(1)(d) and 66(1)(e) of the Eighth Schedule.”; and (d) by the substitution for subsection (6) of the following section— “(6) Any person aggrieved by a decision of the executive officer to approve or to withdraw an approval of a fund in terms of subsection (5) must, notwithstanding section 26(2) of the Financial Services Board Act, 1990, lodge his or her objection with the Commissioner [in the manner contemplated in Part III of Chapter III of this Act] <u>in accordance with the provisions of Chapter 9 of the Tax Administration Act.</u>”. Repeal of section 4 26. Section 4 of the Income Tax Act, 1962, is hereby repealed.

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		Amendment of section 4A
		27. The Income Tax Act, 1962, is hereby amended by the substitution for section 4A of the following section— “Exercise of powers and performance of duties by Minister 4A. The powers conferred and the duties imposed upon the Minister by or under the provisions of this Act may be exercised or performed by the Minister personally or, <u>except for the power to issue notices or regulations</u>, delegated by the Minister to the Director-General of the National Treasury and the Director-General may in turn delegate the powers and duties so delegated to him or her to any officer or person under his or her control, direction or supervision.”.
		Amendment of section 5
		28. Section 5 of the Income Tax Act, 1962, is hereby amended by the substitution for subsection (7) of the following subsection— “(7) Subject to the provisions of [sections 79 and 102 and the provisions of] the Fourth Schedule, where a taxpayer has been assessed for normal tax in respect of any year of assessment and the rate of the tax payable by [him] <u>the taxpayer</u> has been subsequently fixed or varied, [his] <u>the taxpayer’s</u> assessment for such year shall be adjusted, any amounts paid in excess being refundable to [him] <u>the taxpayer</u> and amounts shortpaid being recoverable from [him] <u>the taxpayer</u>.”.
		Amendment of section 6quat
		29. Section 6quat of the Income Tax Act, 1962, is hereby amended by the substitution for subsection (5) of the following subsection— “(5) Notwithstanding [sections 79 and 81(5)] <u>section 93, 99 or 100 of the Tax Administration Act</u>, an

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		additional or reduced assessment in respect of a year of assessment to give effect to subsections (1) and (1A) may be made within six years from the date of the original assessment in respect of that year.”.
		Amendment of section 8
		30. Section 8 of the Income Tax Act, 1962, is hereby amended— (a) by the substitution in subsection (5) for paragraph (bC) of the following paragraph— (bC) Any person who, as a former lessor of property referred to in paragraph (bA) or as the owner thereof, has after the termination of the lease of such property consented to the former lessee thereof using, enjoying or dealing with such property as contemplated in the said paragraph, or is deemed to have so consented under the provisions of paragraph (bB)(ii), shall not later than 14 days after the end of three months after the termination of the relevant lease advise the former lessee of the fair market value of such property as determined in accordance with paragraph (bA)[, and shall furnish the Commissioner with a copy of such advice].”; and (b) by the deletion in subsection (5) of paragraph (c).
		Amendment of section 10
		31. Section 10 of the Income Tax Act, 1962, is hereby amended by the deletion in the further proviso to subsection (1)(cA) of paragraph (c).
		Amendment of section 10A
		32. Section 10A of the Income Tax Act, 1962, is hereby amended— (a) by the deletion of subsection (9); and

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		(b) by the substitution for subsection (10) of the following subsection— “(10) Subject to the provisions of section [79] <u>99 of the Tax Administration Act</u>, the final calculation or recalculation of the capital element as made in relation to the year of assessment referred to in subsection (8) shall, subject to the provisions of subsection (6)(b), be final and conclusive and shall apply in respect of all relevant annuity amounts which become due to any person under the annuity contract in question in any succeeding years of assessment.”.
		Amendment of section 11
		33. Section 11 of the Income Tax Act, 1962, is hereby amended by the deletion in paragraph (l) of paragraph (vi) of the proviso.
		Amendment of section 11D
		34. Section 11D of the Income Tax Act, 1962, is hereby amended— (a) by the substitution for subsection (14) of the following subsection— “(14) Notwithstanding [section 4] <u>Chapter 6 of the Tax Administration Act</u>, the Commissioner may disclose to the Minister of Science and Technology information in relation to research and development as may be required by that Minister for purposes of submitting a report to Parliament in terms of subsection (17).”; and (b) by the addition after subsection (18) of the following subsection— “(19) <u>For the purposes of subsection (1), the Commissioner may, notwithstanding the provisions of sections 99 and 100 of the Tax Administration Act, raise an additional assessment for any year of assessment with respect to a deduction in respect of research and development</u>

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		<u>which has been allowed, where approval has been withdrawn in terms of subsection (10).”.</u>
		Amendment of section 12G
		35. Section 12G of the Income Tax Act, 1962, is hereby amended— (a) by the substitution for subsection (11) of the following subsection— (11) For purposes of subsections (9) and (10), the Commissioner may, notwithstanding the provisions of sections [79, 81(5) and 83(18)] <u>99 and 100 of the Tax Administration Act</u>, raise an additional assessment for any year of assessment where an additional industrial investment allowance which has been allowed in any previous year must be disallowed in terms of subsection (9) or (10).”; and (b) by the deletion of subsection (12).
		Amendment of section 12I
		36. Section 12I of the Income Tax Act, 1962, is hereby amended— (a) by the substitution for the words preceding paragraph (a) in subsection (13) of the following words— “(13) The Commissioner may, notwithstanding the provisions of [section 4] <u>Chapter 6 of the Tax Administration Act-</u>”; (b) by the substitution for subsection (14) of the following subsection— (14) The Commissioner may, notwithstanding the provisions of [section 79, 81(5) and 83(18)] <u>sections 99 and 100 of the Tax Administration Act</u>, raise an additional assessment for any year of assessment where an additional investment allowance which has been allowed in

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		any previous year must be disallowed in terms of subsection (12) or (13).”; (c) by the deletion of subsection (15); and (d) by the substitution for subsection (21) of the following subsection— “(21) Notwithstanding the provisions of [section 4] <u>Chapter 6 of the Tax Administration Act</u>, the Commissioner must disclose to the Minister of Trade and Industry and the adjudication committee, including any person whose assistance has been obtained by that committee, such information relating to the affairs of any company carrying on an industrial policy project as is necessary to enable the Minister of Trade and Industry and the adjudication committee to perform their functions in terms of this section.”. Amendment of section 12J 37. Section 12J of the Income Tax Act, 1962, is hereby amended by the deletion of subsection (9). Amendment of section 23 38. Section 23 of the Income Tax Act, 1962, is hereby amended by the substitution for paragraph (d) of the following paragraph— “(d) any tax [, duty, levy, interest or penalty] imposed under this Act [, any additional tax imposed under section 60 of the Value-Added Tax Act, 1991 (Act 89 of 1991) and] <u>or</u> any interest or penalty [payable in consequence of the late payment of any tax, duty, levy or contribution payable] <u>imposed</u> under any <u>other</u> Act administered by the Commissioner [, the Regional Services Councils Act, 1985 (Act 109 of 1985), the KwaZulu and Natal Joint Services Act, 1990 (Act 84 of 1990), the Skills Development Levies Act, 1999 (Act 9 of 1999), and the Unemployment Insurance Contributions Act, 2002 (Act 4 of 2002)].”. Amendment of section 23H

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		39. Section 23H of the Income Tax Act, 1962, is hereby amended by the deletion of subsection (4).
		Amendment of section 24J
		40. Section 24J of the Income Tax Act, 1962, is hereby amended by the deletion of subsection (11).
		Amendment of section 25A
		41. Section 25A of the Income Tax Act, 1962, is hereby amended by the deletion of subsection (2).
		Amendment of section 35
		42. Section 35 of the Income Tax Act, 1962, is hereby amended— (a) by the substitution in subsection (2)(a) for the words preceding the proviso of the following words— “Any person who incurs a liability to pay to any other person who is not a resident any amount referred to in subsection (1), or who receives payment of any such amount on behalf of such other person, shall within 14 days after the end of the month during which the said liability is incurred or the said payment is received, as the case may be, or within such further period as the Commissioner may approve, make a payment (which shall be a final payment made on behalf of such other person) to the Commissioner in respect of such other person’s liability for tax in terms of subsection (1), and shall submit to the Commissioner at the time of such tax payment a [declaration in such form as the Commissioner may prescribe] <u>return</u>;”; (b) by the substitution in subsection (2) for paragraph (b) of the following paragraph— “(b) Any person making a payment to the Commissioner in terms of paragraph (a) shall, notwithstanding any agreement to the contrary, be entitled to deduct or withhold the amount of such payment from the amount which [he] <u>that person</u> is liable to pay to the aforesaid other person [, or to recover the amount so paid from such other person or to retain out of any money that may be in his possession or may come to him as the agent of

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		such other person an amount equal to the amount of such payment].”; (c) by the deletion in subsection (2) of paragraphs (d) and (e); and (d) by the deletion of subsection (3). Amendment of section 35A 43. Section 35A of the Income Tax Act, 1962, is hereby amended— (a) by the substitution for subsection (6) of the following subsection— (6) The purchaser must, together with the payment contemplated in subsection (4), submit to the Commissioner a [declaration in the form and containing the information as the Commissioner may prescribe] <u>return</u>.”; (b) by the substitution for subsection (7) of the following subsection— “(7) [If a] <u>A purchaser is person ally liable under the circumstances contemplated in section 157 of the Tax Administration Act, for the amount that must be withheld under subsection (1) only if the purchaser knows or should reasonably have known that the seller is not a resident and [fails to withhold any amount as required by subsection (1), that purchaser -</u> (a) is personally liable for the payment of the amount which he or she failed to withhold; and (b)] must pay that amount to the Commissioner not later than the date on which

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		payment should have been made if the amount had in fact been withheld.”; (c) by the substitution for subsection (9) of the following subsection— (9) If a purchaser fails to pay any amount contemplated in subsection (1) to the Commissioner within the period allowed for payment in terms of subsection (4), that purchaser[- (a) is liable for interest at the prescribed rate on any amount outstanding calculated from the day following the last date for payment to the date that the amount is received by the Commissioner; and (b)] must pay a penalty equal to ten per cent of [that] <u>the</u> amount, in addition to any other penalty or charge for which he or she may be liable under this Act.”; (d) by the deletion of subsection (10); and (e) the substitution for subsection (13) of the following subsection— “(13) The [purchaser,] estate agent or conveyancer [, as the case may be, may recover any amount paid in terms of subsection (7) or (12) from the seller] <u>who paid an amount in terms of subsection (12) is deemed to be a withholding agent for purposes of the Tax Administration Act.</u>”. Amendment of section 37H 44. Section 37H of the Income Tax Act, 1962, is hereby amended— (a) by the substitution in subsection (21) for the words following paragraph (b) of the following words—

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		“the Commissioner may, notwithstanding the provisions of section [79] 99 of the <u>Tax Administration Act</u>, raise assessments in respect of the company as if such company were not a qualifying company.”; and (b) by the deletion of subsection (22).
		Repeal of section 40
		45. Section 40 of the Income Tax Act, 1962, is hereby repealed.
		Amendment of section 47C
		46. Section 47C of the Income Tax Act, 1962, is hereby amended by the substitution for subsection (2) of the following subsection— “(2) This section does not apply to any amounts received by or accrued to the taxpayer— (a) from which the full amount of tax has been withheld by a resident in terms of section 47D; or (b) [in respect of which the tax has] <u>which have</u> been recovered from a resident [in his or her personal capacity] <u>who is personally liable for the amount</u> in terms of section 47G(1).”.
		Amendment of section 47F
		47. Section 47F of the Income Tax Act, 1962, is hereby amended by the substitution for subsections (1) and (2) of the following subsections— “(1) A taxpayer must, together with the payment contemplated in section 47C(1), submit to the Commissioner a return [in the manner and form and containing the information as may be prescribed by the Commissioner]. (2) A resident who pays to the Commissioner any amount in terms of section 47E, must together with

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		that payment submit to the Commissioner a return [in the manner and form and containing the information as may be prescribed by the Commissioner].”.
		Amendment of section 47G
		48. Section 47G of the Income Tax Act, 1962, is hereby amended— (a) by the substitution in subsection (1) for the words following paragraph (b) of the following words— “is personally liable for payment of that amount of tax [, which may be recovered from that resident in terms of this Act as if it is a tax due by that resident] <u>in accordance with Part A of Chapter 10 of the Tax Administration Act.</u>”; and (b) by the deletion of subsection (2).
		Repeal of sections 47H and 47I
		49. Sections 47H and 47I of the Income Tax Act, 1962, are hereby repealed.
		Amendment of section 60
		50. Section 60 of the Income Tax Act, 1962, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) Donations tax shall be paid to the Commissioner [within three months] <u>by the end of the month following the month during which a donation takes effect</u> or such longer period as the Commissioner may allow from the date upon which the donation in question takes effect.”; and (b) by the substitution for subsection (4) of the following subsection— (4) The payment of the tax in terms of subsection (1) shall be accompanied by a return [in such

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		form as may be prescribed by the Commissioner].”.
		Amendment of section 61
		51. Section 61 of the Income Tax Act, 1962, is hereby amended— (a) by the substitution for paragraph (a) of the following paragraph— (a) any reference in [subsection (1) or (2) of section seventy-four, paragraph (c) or (d) of subsection (1) of section seventy-five or] paragraph (a) or (e) of the definition of representative taxpayer’ in section [one] 1 to the income of any person or to the gross income received by or accrued to or in favour of any person shall be deemed to include a reference to property disposed of by any person under a donation or to the value of such property, as the context may require;” and (b) by the deletion of paragraphs (b), (c), (e), (f) and (h).
		Amendment of section 62
		52. Section 62 of the Income Tax Act, 1962, is hereby amended by the substitution for subsection (4) of the following subsection— “(4) If the Commissioner is of the opinion that the amount shown in any return as the fair market value of any property is less than the fair market value of that property, he or she may fix the fair market value of that property, and the value so fixed is[, subject to the provisions of section 63,] deemed for the purposes of this Part to be the fair market value of such property.”.
		Repeal of section 63
		53. Section 63 of the Income Tax Act, 1962, is hereby repealed.
		Amendment of section 64B

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		54. Section 64B of the Income Tax Act, 1962, is hereby amended by the deletion of subsections (9) and (11).
		Amendment of section 64K
		55. Section 64K of the Income Tax Act, 1962, is hereby amended by the deletion of subsections (3), (5), (6), (7) and (8).
		Amendment of section 64L
		56. Section 64L of the Income Tax Act, 1962, is hereby amended by the substitution for the words preceding paragraph (a) of the following words— “ [If] Notwithstanding the provisions of Chapter 13 of the Tax Administration Act, if-”.
		Amendment of section 64M
		57. Section 64M of the Income Tax Act, 1962, is hereby amended by the substitution for the words preceding paragraph(a) of the following words— “ [If] Notwithstanding the provisions of Chapter 13 of the Tax Administration Act, if-”.
		Amendment of section 64R
		58. Section 64R of the Income Tax Act, 1962, is hereby amended by the deletion of subsections (3), (4) and (5).
		Repeal of section 65
		59. Section 65 of the Income Tax Act, 1962, is hereby repealed.
		Amendment of section 66
		60. Section 66 of the Income Tax Act, 1962, is hereby amended— (a) by the substitution for the heading of the following heading— “Notice by Commissioner requiring returns for assessment of [taxes] <u>normal tax</u> under this Act [and manner of furnishing re turns and interim returns]”;

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		(b) by the substitution for subsection (1) of the following subsection— “(1) The Commissioner must annually give public notice [that all] <u>of the</u> persons who [are personally or in a representative capacity liable to taxation under this Act or who] are required by the Commissioner to furnish returns for the assessment of <u>normal tax</u>[, must furnish returns] within the period prescribed in that notice[, or such longer period as the Commissioner may allow, for the purposes of assessments in respect of the years of assessment specified in that notice].”; (c) by the deletion of subsections (1A), (2), (3) and (5); (d) by the substitution for subsection (5A) of the following subsection— “(5A) Any person who is not in terms of this section required to furnish a return in respect of any year of assessment may for the purpose of having [his] <u>that person’s</u> liability for [taxation] <u>normal tax</u> determined on assessment furnish such a return within three years after the end of such year of assessment.”; (e) by the deletion of subsections (6), (7), (7A), (7B), (7C), (7D), (7E), (8), (9), (10) and (11); (f) by the substitution in subsection (13) for the words preceding paragraph (a) of the following words— “(13) The return [of income] <u>for normal tax</u> to be made by any person in respect of any year of assessment shall be a [full and true] return-”; (g) by the deletion in the proviso to subsection (13)(a) of the word “or” at the end of paragraph (b)(ii);

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		(h) by the addition to the proviso to subsection (13)(a) of the following paragraph— “(c) <u>a person ceases to be a resident, a return shall be made for the period commencing on the first day of that year of assessment and ending on the day preceding the date that the person ceases to be a resident; or</u>”; (i) by the addition of the following proviso to subsection (13)(b)— “: <u>Provided that where a company ceases to be a resident, a return shall be made for the period commencing on the first day of that financial year and ending on the day preceding the date that the company ceases to be a resident</u>”. (j) by the substitution for subsection (13B) of the following subsection— “(13B) For the purposes of subsections [(13),] (13A)[,] <u>and</u> (13C) [and (14)], the word ‘income’ must be construed as including any aggregate capital gain or aggregate capital loss.”; and (k) by the deletion of subsections (14) and (15). Amendment of section 67 61. Section 67 of the Income Tax Act, 1962, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) Every person who at any time becomes liable for any normal tax or who becomes liable to submit any return contemplated in section 66 must[, within 60 days after so becoming a

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		taxpayer,] apply to the Commissioner to be registered as a taxpayer <u>in accordance with Chapter 3 of the Tax Administration Act.</u>"; and (b) by the deletion of subsections (1A) and (2). Repeal of sections 67A, 69, 70, 70A, 70B and 71 62. Sections 67A, 69, 70, 70A, 70B and 71 of the Income Tax Act, 1962, are hereby repealed. Amendment of section 72A 63. Section 72A of the Income Tax Act, 1962, is hereby amended by the substitution for subsection (1) of the following subsection— “(1) Every resident who on the last day of the foreign tax year of a controlled foreign company or immediately before a foreign company ceases to be a controlled foreign company directly or indirectly, together with any connected person in relation to that resident, holds at least 10 per cent of the participation rights in any controlled foreign company (otherwise than indirectly through a company which is a resident), must submit to the Commissioner [such] a return [as may be prescribed by the Commissioner].”. Repeal of sections 73 to 80 64. Sections 73, 73A, 73B, 73C, 74, 74A, 74B, 74C, 74D, 75, 75A, 75B, 76, 76B, 76C, 76D, 76E, 76F, 76G, 76H, 76I, 76J, 76K, 76L, 76M, 76N, 76O, 76P, 76Q, 76R, 76S, 77, 78, 79, 79A, 79B and 80 of the Income Tax Act, 1962, are hereby repealed. Amendment of section 80B 65. Section 80B of the Income Tax Act, 1962, is hereby amended by the substitution for subsection (2) of the following subsection— “(2) Subject to the time limits imposed by [section 79, 79A(2)(a) and 81(2)(b)] <u>sections 99, 100 and 104(5)(b) of the Tax Administration Act</u>, the Commissioner must make compensating adjustments

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		that he or she is satisfied are necessary and appropriate to ensure the consistent treatment of all parties to the impermissible avoidance arrangement.”. Repeal of sections 80K and 80M to 89sept 66. Sections 80K, 80M, 80N, 80O, 80P, 80Q, 80R, 80S, 80T, 81, 82, 83, 83A, 84, 85, 86A, 87, 88, 88A, 88B, 88C, 88D, 88E, 88F, 88G, 88H, 89, 89<i>bis</i>, 89<i>ter</i>, 89<i>quat</i>, 89<i>quin</i>, 89<i>sex</i> and 89<i>sept</i> of the Income Tax Act, 1962, are hereby repealed. Amendment of section 90 67. Section 90 of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (1) for the words preceding the proviso of the following words— “Subject to the provisions of this Act <u>and the Tax Administration Act</u>, any <u>normal</u> tax [(other than donations tax) and any interest payable in terms of section 89(2) or 89<i>quat</i>, shall be] <u>is payable</u>[- (a) by any representative taxpayer, liable to assessment or for the payment of such tax or interest under this Act or under any previous Income Tax Act; (c) in respect of any other income and in all other cases,] by the person by whom [the] <u>any taxable</u> income is received or to whom or in whose favour it accrues or who is legally entitled to the receipt thereof”. Amendment of section 91 68. Section 91 of the Income Tax Act, 1962, is hereby amended— (a) by the deletion of subsections (1) and (2); and (b) by the substitution for subsection (5) of the following subsection—

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		“(5) So much of any interest payable in terms of [section eighty-nine] <u>Chapter 12 of the Tax Administration Act</u> as relates to such portion of any tax as is in terms of subsection (4) recoverable from the assets referred to in that subsection may also be recovered from such assets.”. Repeal of sections 91A to 101 69. Sections 91A, 92, 93, 94, 95, 96, 97, 98, 99, 100 and 101 of the Income Tax Act, 1962, are hereby repealed. Amendment of section 102 70. Section 102 of the Income Tax Act, 1962, is hereby amended— (a) by the deletion of subsection (1); (b) by the substitution for subsection (1A) of the following subsection— “(1A) The Commissioner may refuse to authorise a refund under [subsection (1)] <u>section 190 of the Tax Administration Act</u>, if [that person]— (a) <u>that person</u> has failed to furnish a return [for any year of assessment] as required [by] <u>in terms</u> of this Act, until that person has furnished such return as required; or (b) [has failed to furnish the Commissioner in writing with particulars of that person’s banking account or account with a similar institution to enable the Commissioner to transfer a refund, if any, to that account] <u>the refund is claimed by that person after a period of three years after the end of the year of assessment, in the case where that person was not required by any provision of this Act to furnish a return of income for that year of assessment and did not render such a return during the period of three years since the end of that year of assessment.</u>”; and

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		(c) by the deletion of subsections (2), (3) and (4).
		Repeal of section 102A
		71. Section 102A of the Income Tax Act, 1962, is hereby repealed.
		Amendment of section 103
		72. Section 103 of the Income Tax Act, 1962, is hereby amended— (a) by the substitution for subsection (4) of the following subsection— “(4) [Any decision of the Commissioner under subsection (2) shall be subject to objection and appeal, and whenever] If in <u>any objection and appeal</u> proceedings relating [thereto] <u>to a decision under subsection (2)</u> it is proved that the agreement or change in shareholding or members’ interests or trustees or beneficiaries of the trust in question would result in the avoidance or the postponement of liability for payment of any tax, duty or levy imposed by this Act or any previous Income Tax Act or any other law administered by the Commissioner, or in the reduction of the amount thereof, it shall be presumed, until the contrary is proved in the case of any such agreement or change in shareholding or members’ interests or trustees or beneficiaries of such trust, that it has been entered into or effected solely or mainly for the purpose of utilising the assessed loss, balance of assessed loss, capital loss or assessed capital loss in question in order to avoid or postpone such liability or to reduce the amount thereof.”; and (b) by the deletion of subsection (6).
		Repeal of sections 104, 105, 105A, 106, 107A and 110
		73. Sections 104, 105, 105A, 106, 107A and 110 of the Income Tax Act, 1962, are hereby repealed.
		Amendment of paragraph 13 of First Schedule
		74. Paragraph 13 of the First Schedule to the Income Tax Act, 1962, is hereby amended by the substitution for

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		subparagraph (3) of the following subparagraph—
		“(3) Every farmer who desires to claim a deduction in terms of subparagraph (1), shall [with his return of income] for the year of assessment in which he <u>or she</u> sold livestock on account of conditions of drought or stock disease or by reason of his <u>or her</u> participation in a livestock reduction scheme organised by the Government[, or within such period as the Commissioner may allow,] notify the Commissioner accordingly and [furnish] <u>obtain and retain</u> full particulars in regard to the livestock so sold.”.
		Amendment of paragraph 19 of First Schedule
		75. Paragraph 19 of the First Schedule to the Income Tax Act, 1962, is hereby amended by the substitution for subparagraph (3) of the following subparagraph— “(3) Where the taxpayer’s assessment for a relevant period has in terms of section [81(5) of this Act] <u>100 of the Tax Administration Act</u>, become final and conclusive, the Commissioner shall not, merely by reason of the fact that the amount determined under subparagraph (2)(a), as the taxpayer’s annual average taxable income from farming in relation to such period is incorrect, be required to make a further assessment upon the taxpayer for such period in terms of section [79 of this Act] <u>99 of that Act</u> or to authorise a refund under section [102 of this Act] <u>190 of that Act</u> of any tax overpaid in respect of such period, unless it appears that such annual average taxable income from farming should be increased or reduced by at least six hundred rand.”.
		Amendment of paragraph 20 of First Schedule
		76. Paragraph 20 of the First Schedule to the Income Tax Act, 1962, is hereby amended— (a) by the substitution in subparagraph (1) for the words preceding item (a) of the following words— “If [any] <u>a</u> taxpayer (other than a company) who derives income from farming operations [submits

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		an application to the Commissioner] <u>makes an election</u> as provided in subparagraph (6) and <u>if so required</u> proves to the satisfaction of the Commissioner-”; (b) by the substitution in subparagraph (6) for item (a) of the following item— “(a) Any taxpayer (other than a company) may[, at his option, make written application to the Commissioner] <u>elect</u> for the normal tax payable by [him] <u>the taxpayer</u> to be determined under this paragraph.”; and (c) by the substitution in subparagraph (6)(b) for the words preceding subitem (i) of the following words— “ [Any] <u>For purposes of</u> such [application shall be submitted to the Commissioner and shall be accompanied by] <u>election the following records must be obtained and retained[-:]</u>”. Amendment of paragraph 1 of Fourth Schedule 77. Paragraph 1 of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended— (a) by the substitution in the definition of “representative employer” for item (b) of the following item— “(b) in the case of any [divisional council, municipal council, village management board or like authority] <u>municipality</u> or any body corporate or unincorporated (other than a company or a partnership), any manager, secretary, officer or other person responsible for paying remuneration on behalf of such [council, board, authority] <u>municipality</u> or body;”; and (b) by the substitution in the definition of “representative employer” for the words following paragraph (d) of the following words—

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		“who [is a resident] <u>resides in the Republic</u>, but nothing in this definition shall be construed as relieving any person from any liability, responsibility or duty imposed upon him <u>or her</u> by this Schedule; and”. Amendment of paragraph 2 of Fourth Schedule 78. ... [Para 78 of Sch 1 rep by s 92 of Act 21 of 2012 wef 1 October 2012.] Amendment of paragraph 5 of Fourth Schedule 79. Paragraph 5 of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended by the substitution for subparagraph (1) of the following subparagraph— “(1) Subject to the provisions of subparagraph (6) [any], if an employer [who fails to deduct or withhold the full amount of employees’ tax as provided in paragraph 2 shall be] <u>is</u> personally liable for the payment [to the Commissioner of the amount] of employees’ tax <u>under Chapter 10 of the Tax Administration Act</u>, [which he or she fails to deduct or withhold, and] <u>the employer</u> shall [, subject to the provisions of subparagraph (2),] pay that amount to the Commissioner not later than the date on which payment should have been made if the employees’ tax had in fact been deducted or withheld in terms of paragraph 2.”. Amendment of paragraph 6 of Fourth Schedule 80. Paragraph 6 of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended— (a) by the substitution for subparagraph (1) of the following subparagraph— “(1) If an employer fails to pay any amount of employees’ tax for which he <u>or her</u> is liable within the period allowable for payment thereof in terms of paragraph 2 [he shall, in addition to

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		any other penalty or charge for which he may be liable under this Act, pay] <u>SARS must in accordance with Chapter 15 of the Tax Administration Act, impose</u> a penalty equal to ten per cent[.] of such amount.”; and (b) by the deletion of subparagraphs (2), (2A), (2B), (3) and (4). Repeal of paragraph 8 of Fourth Schedule 81. The Fourth Schedule to the Income Tax Act, 1962, is hereby amended by the repeal of paragraph 8. Amendment of paragraph 11B of Fourth Schedule 82. Paragraph 11B of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended by the deletion of subparagraph (4A). Amendment of paragraph 11C of Fourth Schedule 83. Paragraph 11C of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended by the substitution for subparagraph (2) of the following subparagraph— “(2) Subject to subparagraph (6), every private company shall on a monthly basis, in respect of every director of that company, pay to the Commissioner an amount determined in accordance with subparagraph (3), which shall for the purposes of [sections 79, 89bis, 89ter, 89quat,] <u>section 90</u> [, 102 and 102A] of the Act, [and] paragraphs 1, 4, 6, 11[, 12],13 and 14 and Parts III and IV of this Schedule[,] <u>and Chapters 8, 12 and 13 of the Tax Administration Act</u>, be deemed to be an amount of employees’ tax which was required to be deducted or withheld by company as an employer in terms of paragraph 2 of this Schedule.”. Repeal of paragraph 12 of Fourth Schedule 84. The Fourth Schedule to the Income Tax Act, 1962, is hereby amended by the repeal of paragraph 12. Amendment of paragraph 14 of Fourth Schedule 85. Paragraph 14 of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended—

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		(a) by the substitution in subparagraph (1) for the words preceding item (a) of the following words— “[Every] <u>In addition to the records required in accordance with Part A of Chapter 4 of the Tax Administration Act, every</u> employer shall in respect of each employee maintain a record showing-”; (b) by the substitution for subparagraph (2) of the following subparagraph— “(2) Every employer shall when making any payment of employees’ tax submit to the Commissioner [such declaration containing such information as the Commissioner may prescribe] <u>a return.</u>”; (c) by the substitution in subparagraph (3) for the words following item (b) of the following words— “or within such longer time as the Commissioner may approve, render to the Commissioner [such] <u>a return</u> [as the Commissioner may prescribe].”; (d) by the deletion of subparagraph (4); and (e) by the substitution for subparagraph (6) of the following subparagraph— “(6) If an employer fails to render to the Commissioner a return referred to in subparagraph (3) within the period prescribed in that subparagraph, <u>the Commissioner may impose under Chapter 15 of the Tax Administration Act</u> on that employer [shall be required to pay] <u>a percentage based</u> penalty [equal to] <u>for each month that the employer fails to submit a complete return which in total may not exceed 10 per cent of the total amount of employees’ tax deducted or withheld</u> <u>or which should have been deducted or withheld by the employer</u>

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		from the remuneration of employees for the period [relating to the return required in terms of] <u>described in</u> that subparagraph [: Provided that the Commissioner may remit that penalty or portion thereof if he or she is satisfied that the circumstances warrant it].”. Amendment of paragraph 15 of Fourth Schedule 86. Paragraph 15 of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended— (a) by the substitution for subparagraph (1) of the following subparagraph— “(1) Every person who is an employer shall apply to the Commissioner [in such form as the Commissioner may prescribe] <u>in accordance with Chapter 3 of the Tax Administration Act</u> for registration [as an employer within 14 days after becoming an employer, or within such further period as the Commissioner may approve]: Provided that where no one of such employer’s employees is liable for normal tax, the provisions of this paragraph shall not apply to such employer.”; (b) by the deletion of subparagraph (2); (c) by the substitution for subparagraph (3) of the following subparagraph— “(3) Every person who [has applied or is deemed to have applied for registration under subparagraph (1)] <u>is registered as an employer</u> shall within [fourteen] 14 days after [changing his address or] ceasing to be an employer, notify the Commissioner in writing of [his new address or of] the fact of [his] <u>the employer</u> having ceased to be an employer[, as the case may be].”; and

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		(d) by the deletion of subparagraph (4).
		Repeal of paragraph 16 of Fourth Schedule
		87. Paragraph 16 of the Fourth Schedule to the Income Tax Act, 1962, is hereby repealed.
		Amendment of paragraph 17 of Fourth Schedule
		88. Paragraph 17 of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended— (a) by the substitution for subparagraph (5) of the following subparagraph— “(5) The Commissioner may from time to time, having regard to the rates of normal tax as fixed by Parliament or foreshadowed by the Minister in his <u>or her</u> budget statement or as varied by the Minister under section 5(3) of this Act, to the rebates applicable in terms of section 6(2) and (3)(a) and section 6<u>quat</u> of this Act and to any other factors having a bearing upon the probable liability of taxpayers for normal tax, prescribe tables for optional use by provisional taxpayers falling within any category specified by the Commissioner, or by provisional taxpayers generally, for the purpose of estimating the liability of such taxpayers for normal tax, and the Commissioner may prescribe the manner in which such tables shall be applied together with the period for which such tables shall remain in force.”; (b) by the deletion of subparagraph (6); and (c) by the substitution for subparagraph (8) of the following subparagraph— “(8) Every person who is a provisional taxpayer shall [within 30 days after the date upon which he becomes a provisional taxpayer,] apply to the Commissioner for registration as a provisional taxpayer <u>in accordance with Chapter 3 of the Tax Administration Act.</u>”.
		Amendment of paragraph 18 of Fourth Schedule

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		89. Paragraph 18 of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended by the substitution in subparagraph (1)(d) for the words preceding subitem (i) of the following words— “any natural person [(other than a director of a private company)] who on the last day of the year of assessment will be [over the age of] 65 years <u>or older</u>, if the Commissioner is satisfied that such person’s taxable income for that year-”. Amendment of paragraph 19 of Fourth Schedule 90. Paragraph 19 of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended— (a) by the substitution in subparagraph (1) for item (a) of the following item— “(a) Every provisional taxpayer (other than a company) [or a person contemplated in paragraph 18)] shall, during every period within which provisional tax is or may be payable by [him] <u>that provisional taxpayer</u> as provided in this Part, [or any extension of such period granted in terms of paragraph 25(2),] submit to the Commissioner [, in such form as the Commissioner may prescribe,] <u>(should the Commissioner so require) a return of an estimate of the total taxable income which will be derived by the taxpayer in respect of the year of assessment in respect of which provisional tax is or may be payable by [him] the taxpayer.”;</u> (b) by the substitution in subparagraph (1) for item (b) of the following item— “(b) Every company which is a provisional taxpayer shall, during every period within which provisional tax is or may be payable by it as provided in this Part [or any extension of such period granted in terms of paragraph 25(2),] submit to the Commissioner [, in such form as the Commissioner may prescribe,] <u>(should the Commissioner so require) a return of an</u>

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		estimate of the total taxable income which will be derived by the company in respect of the year of assessment in respect of which provisional tax is or may be payable by the company.”; (c) by the substitution in subparagraph (1) for item (c) of the following item— “(c) The amount of any estimate so submitted by a provisional tax-payer (other than a company) during the period referred to in paragraph 21(1)(a) [or any extension of such period granted in terms of paragraph 25(2)], or by a company (as a provisional taxpayer) during the period referred to in paragraph 23(a) [or any extension of such period granted in terms of paragraph 25(2)], shall, unless the Commissioner, having regard to the circumstances of the case, agrees to accept an estimate of a lower amount, not be less than the basic amount applicable to the estimate in question, as contemplated in item (d).”; (d) by the substitution in subparagraph (1) for subsubitem (bb) of item (d)(i) of the following subsubitem— “(bb) [the taxable portion of any lump sum] <u>any amount</u> contemplated in [section 7A(4A) and] paragraph (d) of the definition of ‘gross income’ in section 1; and”; (e) by the substitution in subparagraph (1) for the proviso to item (d) of the following proviso: “Provided that, if an estimate under item (a) or (b) must be made – <u>(a) more than 18 months; and</u>

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		(b) in respect of a period that ends more than one year, after the end of the latest preceding year of assessment in relation to such estimate, the basic amount determined in terms of subitem (i) and (ii) shall be increased by an amount equal to eight per cent per annum of that amount, from the end of such year to the end of the year of assessment in respect of which the estimate is made.”; (f) by the substitution in subparagraph (1) for subitem (ii) of item (e) of the following subitem— “(ii) in respect of which a notice of assessment relevant to the estimate has been issued by the Commissioner not less than [60]14 days before the date on which the estimate is submitted to the Commissioner: Provided that where the Commissioner has in respect of any estimate required to be made by a provisional taxpayer issued to the taxpayer a return for the payment of provisional tax upon which the Commissioner has indicated the taxpayer’s taxable income for the latest preceding year of assessment, in respect of which a notice of assessment was issued prior to the issue of such return, such [taxable income] <u>year of assessment</u> shall at the option of the taxpayer be deemed to be [the basic amount applicable to such estimate] <u>that latest preceding year of assessment</u>.”; (g) by the substitution for subparagraph (2) of the following subparagraph— (2) If any provisional taxpayer fails to submit any estimate as required by subparagraph (1), the Commissioner may estimate the taxable income which is required to be estimated [, and such estimate shall be final and conclusive].”; and (h) by the substitution for subparagraph (3) of the following subparagraph—

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		“(3) The Commissioner may call upon any provisional taxpayer to justify any estimate made by him <u>or her</u> in terms of subparagraph (1), or to furnish particulars of his <u>or her</u> income and expenditure or any other particulars that may be required, and, if the Commissioner is dissatisfied with the said estimate, he <u>or she</u> may increase the amount thereof to such amount as he <u>or she</u> considers reasonable [, and the estimate as increased shall be final and conclusive].”. Amendment of paragraph 20 of Fourth Schedule 91. Paragraph 20 of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended— (a) by the substitution for the heading of the following heading— “ [ADDITIONAL TAX] <u>PENALTY</u> IN THE EVENT OF TAXABLE INCOME BEING UNDERESTIMATED “; (b) by the substitution in subparagraph (1) for items (a) and (b) of the following items— “(a) more than R1 million and such estimate is less than 80 per cent of the amount of the actual taxable income the Commissioner may, if he or she is not satisfied that the amount of such estimate was seriously calculated with due regard to the factors having a bearing thereon or was not deliberately or negligently understated, subject to the provisions of subparagraph (3), impose, in addition to the normal tax chargeable in respect of the taxpayer’s taxable income for such year of assessment, <u>a [an amount by way of additional tax] penalty [up] equal</u> to 20 per cent of the difference between the amount of normal tax as calculated in respect of such estimate and the amount of normal tax calculated, at the rates applicable in respect of such year of assessment, in respect of a taxable income equal to 80 per cent of such actual taxable income; and

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		(b) in any other case, less than 90 per cent of the amount of such actual taxable income and is also less than the basic amount applicable to the estimate in question, as contemplated in paragraph 19(1)(d), the taxpayer shall, subject to the provisions of subparagraphs (2) and (3), be liable to pay to the Commissioner, in addition to the normal tax chargeable in respect of his or her taxable income for such year of assessment, <u>a [an amount by way of additional tax] penalty</u> equal to 20 per cent of the difference between the amount of normal tax as calculated in respect of such estimate and the lesser of the following amounts, namely— (i) the amount of normal tax calculated, at the rates applicable in respect of such year of assessment, in respect of a taxable income equal to 90 per cent of such actual taxable income; and (ii) the amount of normal tax calculated in respect of a taxable income equal to such basic amount, at the rates applicable in respect of such year of assessment.”; (c) by the substitution for subparagraph (2) of the following subparagraph— “(2) Where the Commissioner is satisfied that the amount of any estimate referred to in subparagraph (1)(b) was seriously calculated with due regard to the factors having a bearing thereon and was not deliberately or negligently understated, or if the Commissioner is partly so satisfied, the Commissioner may in his or her discretion remit the [additional tax] penalty or a part thereof.”; and (d) by the deletion of subparagraph (4).
		Amendment of paragraph 20A of Fourth Schedule

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		92. Paragraph 20A of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended— (a) by the substitution for the heading of the following heading— “ [ADDITIONAL TAX] <u>PENALTY</u> IN THE EVENT OF FAILURE TO SUBMIT AN ESTIMATE OF TAXABLE INCOME TIMEOUSLY”; (b) by the substitution for subparagraph (1) of the following subparagraph— “(1) Subject to the provisions of subparagraphs (2) and (3), where any provisional taxpayer is liable for the payment of normal tax in respect of any amount of taxable income derived by that provisional taxpayer during any year of assessment and the estimate of his or her taxable income for that year required to be submitted by him or her under paragraph 19(1) during the period contemplated in paragraph 21(1)(b), 22(1) or 23(b),as the case may be, was not submitted by him or her on or before the last day of that year[or, if the period for the payment of provisional tax due by him or her in respect of such period has under paragraph 25(2) been extended to a date later than the end of such year, on or before such date,] the taxpayer shall, unless the Commissioner has estimated the said taxable income under paragraph 19(2) or has increased the amount thereof under paragraph 19(3), be required to pay to the Commissioner, in addition to the normal tax chargeable in respect of such taxable income, [an amount by way of additional tax] <u>a penalty</u> equal to 20 per cent of the amount by which the normal tax payable by him or her in respect of such taxable income exceeds the sum of any amounts of provisional tax paid by him or her in respect of such taxable income within any period allowed for the payment of such provisional tax under this Part [or within any extension of such period under paragraph 25(2)] and any amounts of employees’ tax deducted or withheld from his or her remuneration by his or her

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		employer during such year.”; (c) by the substitution for subparagraph (2) of the following subparagraph— “(2) The Commissioner may, if he <u>or she</u> is satisfied that the provisional taxpayer’s failure to submit such an estimate timeously was not due to an intent to evade or postpone the payment of provisional tax or normal tax, remit the whole or any part of the [additional tax] <u>penalty</u> imposed under subparagraph (1).”; and (d) by the deletion of subparagraph (3). Amendment of paragraph 23A of Fourth Schedule 93. Paragraph 23A of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended— (a) by the substitution for subparagraph (1) of the following subparagraph— “(1) Any provisional taxpayer may for the purpose of avoiding or reducing his <u>or her</u> liability for any interest which may become payable by him <u>or her</u> in respect of any year of assessment under [section 89quat] <u>Chapter 12 of the Tax Administration Act</u>, elect to make an additional payment of provisional tax in respect of such year.”; and (b) by the deletion of subparagraph (2). Amendment of paragraph 25 of Fourth Schedule 94. Paragraph 25 of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended— (a) by the substitution for subparagraph (1) of the following subparagraph—

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		“(1) If after the end of any period within which provisional tax is payable in terms of this Schedule the Commissioner has under the provisions of subparagraph (3) of paragraph 19 increased the amount of any estimate of taxable income submitted by any provisional taxpayer during such period, any additional provisional tax payable as a result of the Commissioner having made such increase shall, notwithstanding the provisions of paragraphs 21 [, 22] and 23, be payable within such period as the Commissioner may determine.”; and (b) by the deletion of subparagraph (2).
		Amendment of paragraph 27 of Fourth Schedule
		95. Paragraph 27 of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended— (a) by the substitution for subparagraph (1) of the following subparagraph— (1) If any provisional taxpayer fails to pay any amount of provisional tax for which he or she is liable within the period allowed for payment thereof in terms of paragraph 21 or 23, or paragraph 25(1), [or within such extended period as the Commissioner may allow in terms of paragraph 25(2), he or she must, in addition to any other penalty or charge incurred by him or her under this Act, pay to the Commissioner] <u>the Commissioner must, under Chapter 15 of the Tax Administration Act, impose</u> a penalty equal to ten per cent of the amount not paid.”; and (b) by the deletion of subparagraph (2).
		Insertion of paragraph 28A of Fourth Schedule
		96. The Fourth Schedule to the Income Tax Act, 1962, is hereby amended by the insertion of the following paragraph after paragraph 28—

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		“28A. <u>Payments by way of employees’ tax and provisional tax must, for the purposes of this Act and subject to the provisions of paragraph 28, be regarded as having been made in respect of the taxpayer’s liability for tax whether or not the liability has been ascertained or determined at the date of any payment.</u>”.
		Amendment of paragraph 30 of Fourth Schedule
		97. Paragraph 30 of the Fourth Schedule to the Income Tax Act, 1962, is hereby amended— (a) by the substitution in subsection (1) for the words preceding subparagraph (a) of the following words— “Any person who <u>wilfully and without just cause-</u>”; (b) by the deletion in subparagraph (1) of items (c), (d), (e) and (i); (c) by the substitution for item (j) in subparagraph (1) of the following item— “(j) [fails or neglects to apply to the Commissioner for registration as an employer as required by subparagraph (1) of] being a registered employer under paragraph 15(1), [or having so applied] fails or neglects to notify the Commissioner of [any change of his address or the fact of his] having ceased to be an employer as required by [subparagraph (3) of that paragraph] <u>paragraph 15(3);</u> or”; and (d) by the deletion of item (k) in subparagraph (1).
		Repeal of paragraphs 31 and 32 of Fourth Schedule
		98. Paragraphs 31 and 32 of the Fourth Schedule to the Income Tax Act, 1962, are hereby repealed.
		Amendment of paragraph 11 of Sixth Schedule

No. and year	Short title	Extent of amendment or repeal
		99. Paragraph 11 of the Sixth Schedule to the Income Tax Act, 1962, is hereby amended— (a) by the deletion of subparagraph (3); (b) by the substitution for subparagraph (6) of the following subparagraph— “(6) Where the estimate described in subparagraph 4(a) is less than 80 per cent of the taxable turnover for the year of assessment, [additional tax] <u>a penalty</u> equal to 20 per cent of the difference between the tax payable on 80 per cent of the taxable turnover for the year of assessment and the tax payable on that estimate must be charged.”; and (c) by the substitution for subparagraph (8) of the following subparagraph— <u>“(8) Where the Commissioner has issued an assessment in respect of the payment required in terms of subparagraph (4), a penalty must not be imposed in terms of subparagraph (6).”.</u> Repeal of paragraph 12 of Sixth Schedule 100. Paragraph 12 of the Sixth Schedule to the Income Tax Act, 1962, is hereby repealed. Amendment of paragraph 14 of Sixth Schedule 101. Paragraph 14 of the Sixth Schedule to the Income Tax Act, 1962, is hereby amended by the substitution for the words preceding subparagraph (a) of the following words— “[A]<u>Notwithstanding the provisions of Part A of Chapter 4 of the Tax Administration Act</u>, a registered micro business must <u>only</u> retain a record of-”. Repeal of paragraph 15 of Sixth Schedule 102. Paragraph 15 of the Sixth Schedule to the Income Tax Act, 1962, is hereby repealed. Amendment of paragraph 12A of Seventh Schedule

No. and year	Short title	Extent of amendment or repeal
		103. Paragraph 12A of the Seventh Schedule to the Income Tax Act, 1962, is hereby amended by the deletion of subparagraph (4).
		Amendment of paragraph 17 of Seventh Schedule
		104. Paragraph 17 of the Seventh Schedule to the Income Tax Act, 1962, is hereby amended— (a) by the deletion of the proviso in subparagraph (4); and (b) by the deletion of subparagraph (5).
		Amendment of paragraph 18 of Seventh Schedule
		105. Paragraph 18 of the Seventh Schedule to the Income Tax Act, 1962, is hereby amended by the substitution for subparagraph (1) of the following subparagraph— “(1) Every employer shall on the return referred to in paragraph 14 of the Fourth Schedule declare that all taxable benefits enjoyed by employees of such employer during the period in respect of which such return was furnished, are declared on the [employees] <u>employees’</u> tax certificates delivered to such employees or on [the] <u>any other</u> return [to be furnished in terms of section 69] <u>as may be required by the Commissioner.</u>”.
		Repeal of paragraph 19 of Seventh Schedule
		106. Paragraph 19 of the Seventh Schedule to the Income Tax Act, 1962, is hereby repealed.
Act 89 of 1991	Value-Added Tax Act, 1991	Amendment of Act 89 of 1991
		107. The Value-Added Tax Act, 1991, is hereby amended by the substitution for the term ‘officer’, where used in the context of a person who is engaged by the Commissioner in carrying out the provisions of that Act, of the term ‘SARS official’.
		Amendment of section 1
		108. Section 1 of the Value-Added Tax Act, 1991, is hereby amended—

No. and year	Short title	Extent of amendment or repeal
		(a) by the deletion of the definition of business day”; (b) by the substitution for the definition of Commissioner” of the following definition— “ ‘Commissioner’ means the Commissioner for the South African Revenue Service <u>appointed in terms of section 6 of the South African Revenue Service Act, 1997 (Act 34 of 1997), or the Acting Commissioner designated in terms of section 7 of that Act;</u>”; (c) by the substitution for the definition of “prescribed rate” of the following definition— “ ‘prescribed rate’ means the rate contemplated in section 189(3) of the Tax Administration Act;”; (d) by the insertion after the definition of “tax” of the following definition— “ ‘Tax Administration Act’ means the Tax Administration Act, 2011;”; (e) by the deletion of the definition of “tax period”; and (f) by the substitution for the definition of “VAT registration number” of the following definition— “ ‘VAT registration number’, in relation to any vendor, means the number allocated to that vendor by the Commissioner [for the purposes of this Act] <u>in terms of section 24 of the Tax Administration Act;</u>”; (g) by the renumbering of section 1 to section 1(1); and

No. and year	Short title	Extent of amendment or repeal
		(h) by the insertion after subsection (1) of the following subsection— “(2) Unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Tax Administration Act bears that meaning for purposes of this Act.”. Substitution of section 4 109. The Value-Added Tax Act, 1991, is hereby amended by the substitution for section 4 of the following section— [Act to be administered by Commissioner] <u>Administration of Act</u> 4. (1) The Commissioner [shall be] <u>is</u> responsible for carrying out the provisions of this Act. (2) <u>Administrative requirements and procedures for purposes of the performance of any duty, power or obligation or the exercise of any right in terms of this Act are, to the extent not regulated in this Act, regulated by the Tax Administration Act.</u>”. Amendment of section 5 110. Section 5 of the Value-Added Tax Act, 1991, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) The powers conferred and the duties imposed upon the Commissioner by or in terms of the provisions of this Act or any amendment thereof may be exercised or performed by the Commissioner [personally], or by any [officer engaged in carrying out the said provisions under the control, direction or supervision of the Commissioner] <u>SARS official.</u>”; and

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		(b) by the deletion of subsection (2).
		Repeal of section 6
		111. Section 6 of the Value-Added Tax Act, 1991, is hereby repealed.
		Amendment of section 13
		112. Section 13 of the Value-Added Tax Act, 1991, is hereby amended by the substitution in subsection (5) for paragraph (a) of the following paragraph— “(a) for the collection (in such manner as the Commissioner may determine) by <u>a SARS official, or the</u> [- (i) any officer performing his or her duties under the control, direction or supervision of the Commissioner; or (ii)] Managing Director of the South African Post Office Limited on behalf of the Commissioner, of the tax payable in terms of this Act in respect of the importation of any goods into the Republic; and”.
		Amendment of section 14
		113. Section 14 of the Value-Added Tax Act, 1991, is hereby amended by the substitution in subsection (1) for paragraph (a) of the following paragraph— “(a) furnish the Commissioner with a [declaration (in such form as the Commissioner may prescribe) containing such information as may be required] <u>return;</u> and”.
		Amendment of section 15
		114. Section 15 of the Value-Added Tax Act, 1991, is hereby amended by the substitution for subsection (8) of the following subsection— “(8) If, in relation to any particulars required to be furnished under subsection(4)[,] -

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		(a) the amount referred to in subsection (6)(b) exceeds the amount referred to in subsection (6)(a); or (b) the amount referred to in subsection (7)(b) exceeds the amount referred to in subsection (7)(a), the amount of the excess shall be refundable to the vendor by the Commissioner in respect of the changeover period as provided in [section 44(1)] <u>Chapter 13 of the Tax Administration Act</u>, read with section 16(5).”. Amendment of section 16 115. Section 16 of the Value-Added Tax Act, 1991, is hereby amended— (a) by the substitution for the proviso to subsection (2) of the following proviso: “Provided that where a tax invoice or debit note or credit note in relation to that supply has been provided in accordance with this Act, or a bill of entry or other document has been delivered in accordance with the Customs and Excise Act, as the case may be, the Commissioner may determine that no deduction for input tax in relation to that supply or importation shall be made unless that tax in voice or debit note or credit note or that bill of entry or other document is retained in accordance with the provisions of section 55[(3)] <u>and Part A of Chapter 4 of the Tax Administration Act.</u>”; and (b) by the substitution for subsection (5) of the following subsection— “(5) If, in relation to any tax period of any vendor, the aggregate of the amounts that may be deducted under subsection (3) from the sum referred to in that subsection, the amount (if

No. and year	Short title	Extent of amendment or repeal
		any) refundable to the vendor under section 15(8), [the amount (if any) brought forward from the tax period preceding the first-mentioned tax period as provided in paragraph (ii) of the proviso to section 44(1) and the amount (if any) credited under section 44(4) to the vendor's account during the first-mentioned tax period] and any other amount refundable under Chapter 13 of the Tax Administration Act, exceeds the said sum, the amount of the excess shall, subject to the provisions of this Act, be refundable to the vendor by the Commissioner as provided in [section 44(1)] Chapter 13 of the Tax Administration Act.”. Amendment of section 17 116. Section 17 of the Value-Added Tax Act, 1991, is hereby amended— (a) by the substitution for the words preceding the proviso to subsection (1) of the following words— “Where goods or services are acquired or imported by a vendor partly for consumption, use or supply (hereinafter referred to as the intended use) in the course of making taxable supplies and partly for another intended use, the extent to which any tax which has become payable in respect of the supply to the vendor or the importation by the vendor, as the case may be, of such goods or services or in respect of such goods under section 7(3) or any amount determined in accordance with paragraph (b) or (c) of the definition of ‘input tax’ in section 1, is input tax, shall be an amount which bears to the full amount of such tax or amount, as the case may be, the same ratio (as determined by the Commissioner in accordance with a ruling as contemplated in <u>Chapter 7 of the Tax Administration Act</u> or section [41A or] 41B) as the intended use of such goods or services in the course of making taxable supplies bears to the total intended use of such goods or services”; and (b) by the substitution for paragraph (iii) in subsection (1) of the following paragraph—

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		“(iii) where a method for determining the ratio referred to in this subsection has been approved by the Commissioner, that method may only be changed with effect from a future tax period, or from such other date as the Commissioner may consider equitable <u>and such other date must fall—</u> (aa) <u>in the case of a vendor who is a taxpayer as defined in section 1 of the Income Tax Act, within the year of assessment as defined in that Act; or</u> (bb) <u>in the case of a vendor who is not a taxpayer as defined in section 1 of the Income Tax Act, within the period of 12 months ending on the last day of February, or if such vendor draws up annual financial statements in respect of a year ending other than on the last day of February, within that year.</u> during which the application for the aforementioned method was made by the vendor.”. Amendment of section 23 117. Section 23 of the Value-Added Tax Act, 1991, is hereby amended— (a) by the substitution for subsection (2) of the following subsection— “(2) Every person who <u>is not a resident of the Republic, and who</u> in terms of subsection (1) or section 50A, becomes liable to be registered [shall not later than 21 days after becoming so liable apply to the Commissioner for registration in such form as the Commissioner may direct and provide the Commissioner with such further particulars and any documentation as the Commissioner may require in such form for the purpose of registering that person: Provided that where -

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		(i) a person who applies for registration under this subsection has not provided all particulars and documentation as required by the Commissioner that person shall be deemed not to have applied for registration until he has provided all such particulars and documentation to the Commissioner; (ii) such person is not a resident of the Republic, such person] <u>in accordance with Chapter 3 of the Tax Administration Act</u>, shall be deemed not to have applied for registration, <u>in addition to section 22(4) of the Tax Administration Act</u>, until [he] <u>such person has—</u> [(aa)](a) appointed a representative vendor as contemplated in section [48(1)] 46 in the Republic and furnished the Commissioner with the particulars of such representative vendor; [(bb)](b) opened a banking account with any bank, mutual bank or other similar institution, registered in terms of the Banks Act, 1990 (Act 94 of 1990), for the purposes of his <u>or her</u> enterprise carried on in the Republic and furnished the Commissioner with the particulars of such banking account.”; (b) by the substitution for the words following subparagraph (d) of subsection (3) of the following words— “may apply to the Commissioner for registration [in such form as the Commissioner may direct and provide the Commissioner with such further particulars and any documentation as the Commissioner may require in such form for the purpose of registering that person].”; and

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		(c) by the substitution in subsection (4) for paragraphs (a) and (b) of the following paragraphs— “(a) applied for registration in accordance with <u>Chapter 3 of the Tax Administration Act</u> or subsection (2) or (3) and the Commissioner is satisfied that that person is eligible to be registered in terms of this Act, that person shall be a vendor for the purposes of this Act with effect from such date as the Commissioner may determine; or (b) not applied for registration in terms of [subsection (2)] <u>Chapter 3 of the Tax Administration Act</u> and the Commissioner is satisfied that that person is liable to be registered in terms of this Act, that person shall be a vendor for the purposes of this Act with effect from the date on which that person first became liable to be registered in terms of this Act: Provided that the Commissioner may, having regard to the circumstances of the case, determine that person to be a vendor from such later date as the Commissioner may consider equitable”. Amendment of section 25 118. Section 25 of the Value-Added Tax Act, 1991, is hereby amended— (a) by the substitution for the words preceding paragraph (a) of the following words— “[Subject to this Act] <u>In addition to any requirement under the Tax Administration Act</u>, every vendor shall within 21 days [and in such form as the Commissioner may prescribe] notify the Commissioner in writing of-”; (b) by the substitution for paragraph (a) of the following paragraph— “(a) any change in the [name, address,] constitution or nature of the principal enterprise or enterprises of that vendor;”;

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		(c) by the deletion of paragraph (f); (d) by the addition after paragraph (g) of the following paragraph— “(h) <u>any changes in the majority ownership of any company</u>”; and (e) by the deletion of the proviso. Substitution of section 26 119. The Value-Added Tax Act, 1991, is hereby amended by the substitution for section 26 of the following section— “Liabilities not affected by person ceasing to be vendor 26. The obligations and liabilities under this Act <u>or the Tax Administration Act</u> of any person in respect of anything done, or omitted to be done, by that person while that person is a vendor shall not be affected by the fact that that person ceases to be a vendor, or by the fact that, being registered as a vendor, the Commissioner cancels that person’s registration as a vendor.”. Amendment of section 27 120. Section 27 of the Value-Added Tax Act, 1991, is hereby amended by the substitution for subsection (6) of the following subsection— “(6) The tax periods applicable under this Act to any vendor shall be the tax periods applicable to the Category within which the vendor falls as contemplated in this section: Provided that— (i) the first such period shall commence on the commencement date or, where any person becomes a vendor on a later date, such later date;

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		(ii) any tax period ending on the last day of a month, as applicable in respect of the relevant Category, may, instead of ending on such last day, end on a fixed day approved by the Commissioner, which day shall fall within 10 days before or after such last day: <u>Provided that the future tax period so approved by the Commissioner must be used by the vendor for a minimum period of 12 months commencing from the tax period the change is made;</u> (iii) the first day of any tax period of the vendor subsequent to the vendor's first tax period shall be the first day following - (a) the last day of the vendor's preceding tax period; <u>or</u> (b) the fixed day as approved by the Commissioner in terms of paragraph (ii).”. Amendment of section 28 121. Section 28 of the Value-Added Tax Act, 1991, is hereby amended— (a) by the deletion in subsection (1) of paragraph (i) of the proviso; (b) by the substitution in subsection (1) for paragraph (iii) of the proviso of the following paragraph— “(iii) a vendor registered with the Commissioner to submit returns [and payments] electronically [(other than by means of a debit order), must furnish the return] <u>is deemed to have made payment within the period contemplated in subsection (1) [and make]</u> if the vendor <u>makes</u> full payment of the amount of tax within the period ending on the last business day of the month during which that twenty-fifth day falls; (c) by the deletion in subsection (1) of paragraphs (iv) and (v) of the proviso; and

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		(d) by the deletion of subsections (3), (4), (5), (6), (7), (8) and (9).
		122. Amendment of section 29 Section 29 of the Value-Added Tax Act, 1991, is hereby amended by the substitution in paragraph (a) for the words preceding subparagraph (i) of the following words— “furnish the Commissioner with a return [(in such form as the Commissioner may prescribe)] reflecting-”.
		Repeal of section 30
		123. Section 30 of the Value-Added Tax Act, 1991, is hereby repealed.
		Amendment of section 31
		124. Section 31 of the Value-Added Tax Act, 1991, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) [Where]<u>The Commissioner may make an assessment of the amount of tax payable by—</u> [(a) any person fails to furnish any return as required by section 28, 29 or 30 or fails to furnish any declaration as required by section 14; or (b) the Commissioner is not satisfied with any return or declaration which any person is required to furnish under a section referred to in paragraph (a);or (c) the Commissioner has reason to believe that any person has become liable for the payment of any amount of tax but has not paid such amount; or] (d) any person, not being a vendor, <u>that</u> supplies goods or services and represents that

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		tax is charged on that supply; or (e) any vendor <u>that</u> supplies goods or services and such supply is not a taxable supply or such supply is a taxable supply in respect of which tax is chargeable at a rate of zero per cent, and in either case that vendor represents that tax is charged on such supply at a rate in excess of zero per cent; (f) any person who holds himself out as a person entitled to a refund or who produces, furnishes, authorises, or makes use of any tax invoice or document or debit note and has obtained any undue tax benefit or refund under the provisions of an export incentive scheme referred to in paragraph (d) of the definition of “exported” in section 1, to which such person is not entitled[, the Commissioner may, notwithstanding the provisions of section 32 (5) of this Act and section 83 (18) and 83A (12) of the Income Tax Act, make an assessment of the amount of tax payable by the person liable for the payment of such amount of tax, and the amount of tax so assessed shall be paid by the person concerned to the Commissioner].”; (b) by the deletion in subsection (2) of paragraph (a); (c) by the deletion of subsection (3); (d) by the substitution for the words that precede paragraph (a) in subsection (4) of the following words— “The Commissioner [shall give the person concerned a written notice of such assessment,

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		stating the amount upon which tax is payable, the amount of tax payable, the amount of any additional tax payable in terms of section 60 and the tax period (if any) in relation to which the assessment is made] <u>must give a notice of assessment</u>, and-"; and (e) by the deletion of subsections (5) and (5A).
		Repeal of sections 31A and 31B
		125. Sections 31A and 31B of the Value-Added Tax Act, 1991, are hereby repealed.
		Amendment of section 32
		126. Section 32 of the Value-Added Tax Act, 1991, is hereby amended— (a) by the substitution for the heading of the following heading— “Objections to certain decisions [or assessments]”; (b) by the substitution for subsection (1) of the following subsection— “(1) [Any person who is dissatisfied with-]<u>The following decisions of the Commissioner are subject to objection and appeal—</u> (a) any decision given in writing by the Commissioner— (i) in terms of section 23(7) notifying that person of the Commissioner’s refusal to register that person in terms of this Act; [or] (ii) in terms of section 24(6) or (7) notifying that person of the Commissioner’s decision to cancel any registration of that person in terms of this Act or of

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		the Commissioner's refusal to cancel such registration; or [(iii) in terms of section 44(8) of the Commissioner's refusal to make a refund; or] (iv) refusing to approve a method for determining the ratio contemplated in section 17(1); or [(v) in terms of section 43(5) and (6) notifying a member, shareholder or trustee of a vendor that he is required to provide surety in respect of the vendor's liability for tax from time to time; or] (vi) refusing to remit, in whole or in part, any interest or penalty in terms of section 39(7); or] (b) any assessment made upon him under the provisions of section 31, 60 or 61; or] (c) any [direction or supplementary direction] <u>decision</u> made by the Commissioner and served on that person in terms of section 50A(3) or (4)[, may lodge an objection thereto with the Commissioner]."; and (c) by the deletion of subsections (2), (2A), (3), (4) and (5).
		Repeal of sections 33 to 37
		127. Sections 33, 33A, 34, 35, 36 and 37 of the Value-Added Tax Act, 1991, are hereby repealed.

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		Amendment of section 39 128. Section 39 of the Value-Added Tax Act, 1991, is hereby amended— (a) by the substitution for the heading of the following heading— “Penalty [and interest] for failure to pay tax when due”; (b) by the substitution for subsection (1) of the following subsection— “(1) [(a)] If any person who is liable for the payment of tax and is required to make such payment [in the manner prescribed in] <u>in accordance with the provisions of section 14, 28(1) or 29,</u> fails to pay any amount of such tax within the period for the payment of such tax specified in the said [provision he shall] <u>provisions, the Commissioner must, in [addition to such amount of tax, pay] accordance with Chapter 15 of the Tax Administration Act, impose[</u> - (i)] a penalty equal to 10 per cent of the said amount of tax[; and (ii) where payment of the said amount of tax is made on or after the first day of the month following the month during which the period allowed for payment of the tax ended, interest on the said amount of tax, calculated at the prescribed rate (but subject to the provisions of section 45A) for each month or part of a month in the period reckoned from the said first day. (b) Where any amount of tax has in relation to any tax period of any vendor been refunded to the vendor in terms of the provisions of section 44(1), read with section 16(5), or has in relation to that period been set off against unpaid tax in terms of the provisions of section 44(6), and

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		such amount was in whole or in part not properly refundable to the vendor under section 16(5), so much of such amount as was not properly so refundable shall for the purposes of paragraph (a)(i) be deemed to an amount of tax required to be paid by the vendor within the said period and for the purposes of paragraph (a)(ii), an amount of tax required to be paid by the vendor during the period in which the refund was made].”; (c) by the deletion of subsection (2); (d) by the substitution for subsection (4) of the following subsection— “(4) Where any importer of goods which are required to be entered under the Customs and Excise Act, fails to pay any amount of tax payable in respect of the importation of the goods on the date on which the goods are entered under the said Act for home consumption in the Republic or the date on which customs duty is payable in terms of the said Act in respect of the importation or, if such duty is not payable, the date on which it would be so payable if it had been payable, whichever date is later, <u>the Commissioner must, in accordance with Chapter 15 of the Tax Administration Act, impose on</u> that importer [shall, in addition to such amount of tax pay - (a)] a penalty equal to 10 per cent of the said amount of tax[; and (b) where payment of the said amount of tax is made on or after the first day of the month following the month during which the period allowed for payment of the tax ended, interest on the said amount of tax, calculated at the prescribed rate (but subject to the provisions of section 45A) for each month or part of a month in the period reckoned from the said first day].”;

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		(e) by the substitution for subsection (5) of the following subsection— “(5) Where any person who is liable for the payment of tax fails to pay any amount of such tax on the date on which in terms of the Customs and Excise Act, liability arises for the payment of the excise duty or environmental levy referred to in section 7(3)(a), <u>the Commissioner must, in accordance with Chapter 15 of the Tax Administration Act, impose on</u> that person [shall, in addition to such amount of tax, pay - (a)] a penalty equal to 10 per cent of the said amount of tax[; and (b) where payment of the said amount of tax is made on or after the first day of the month following the month during which the period allowed for payment of the tax ended, interest on that amount of tax, calculated at the prescribed rate (but subject to the provisions of section 45A) for each month or part of a month in the period reckoned from the said first day].”; and (f) by the deletion of subsections (6), (6A), (7) and (8). Repeal of section 40 129. Section 40 of the Value-Added Tax Act, 1991, is hereby repealed. Repeal of section 41A 130. Section 41A of the Value-Added Tax Act, 1991, is hereby repealed. Amendment of section 41B 131. Section 41B of the Value-Added Tax Act, 1991, is hereby amended by the substitution for subsection (1) of the following subsection— “(1) The Commissioner may issue a VAT class ruling or a VAT ruling and in applying the provisions

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		[relating to Part IA of Chapter III of the Income Tax Act,] <u>of Chapter 7 of the Tax Administration Act</u>, a VAT class ruling or a VAT ruling must be dealt with as if it were a binding class ruling or a binding private ruling, respectively: Provided that— (i) the provisions of [subsections (2)(k), (2)(l) and (5) of section 76E and section 76F of the Income Tax Act] <u>section 79(4)(f) and (k) and (6) of the Tax Administration Act</u> shall not apply to any VAT class ruling or VAT ruling; (ii) an application for a VAT class ruling or a VAT ruling in terms of this section shall not be accepted by the Commissioner if the application— (aa) is for an advance tax ruling that qualifies for acceptance in terms of [section 41A] <u>Chapter 7 of the Tax Administration Act</u>; and (bb) falls within a category of rulings prescribed by the Minister by regulation for which applications for rulings in terms of this section may not be accepted.”. Repeal of sections 42 and 43 132. Sections 42 and 43 of the Value-Added Tax Act, 1991, are hereby repealed. Amendment of section 44 133. Section 44 of the Value-Added Tax Act, 1991, is hereby amended— (a) by the deletion of subsections (1) and (2); (b) by the substitution in subsection (3) for the words preceding paragraph (a) of the following words— “The Commissioner shall not make a refund under [subsection (2)] <u>Chapter 13 of the Tax</u>

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		<u>Administration Act</u> unless—; (c) by the deletion in subsection (3) of paragraphs (a) and (b); (d) by the deletion of subsections (4), (5) and (6); (e) by the substitution for subsection (7) of the following subsection— “(7) Where the vendor has failed to furnish a return for any tax period as required by this Act, the Commissioner may withhold payment of any amount refundable to the vendor under [subsection (1) or any amount of interest payable to the vendor in terms of section 45] <u>section 190 of the Tax Administration Act</u> until the vendor has furnished such return as so required.”; (f) by the deletion of subsection (8); and (g) by the addition after subsection (9) of the following subsection— “(10) <u>The amount determined under section 191(3) of the Tax Administration Act must be accounted for as provided in section 16(5), but any refundable amount (irrespective of the quantum thereof) is refundable in full to a vendor in respect of its final tax period on the cancellation of its registration as a vendor.</u> “. Substitution of section 45 134. The Value-Added Tax Act, 1991, is hereby amended by the substitution for section 45 of the following section—

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		“Interest on delayed refunds <u>45.</u> (1) <u>Where the Commissioner does not within the period of 21 business days after the date on which the vendor’s return in respect of a tax period is received by a SARS office refund any amount refundable under the Tax Administration Act, interest will be paid on such amount in accordance with Chapter 12 of that Act.</u> (2) <u>Despite the provisions of Chapter 12 of the Tax Administration Act, if a person fails to -</u> (a) <u>without just cause submit relevant material, requested by SARS for purposes of verification, inspection or audit of a refund in accordance with Chapter 5 of the Tax Administration Act; or</u> (b) <u>furnish SARS in writing with particulars of the account required in terms of section 44(3)(d) to enable SARS to transfer a refund to that account.</u> <u>no interest accrues on the amount refundable for the period from the date that-</u> (i) <u>in respect of subparagraph (a),the relevant material was required to be submitted; or</u> (ii) <u>in respect of subparagraph (b),the refund is authorised,</u> <u>until the date that the person submits the relevant material or bank account particulars.”.</u> Repeal of section 45A 135. Section 45A of the Value-Added Tax Act, 1991, is hereby repealed.

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		Amendment of section 46
		136. Section 46 of the Value-Added Tax Act, 1991, is hereby amended— (a) by the substitution for the words preceding paragraph (a) of the following words— “The natural person who [is a resident of] <u>resides in</u> the Republic responsible for the duties imposed by this Act-”; (b) by the substitution for paragraph (a) of the following paragraph— “(a) on any company shall be the public officer thereof [contemplated in section 101 of the Income Tax Act] or, in the case of any company which is placed in liquidation, the liquidator thereof;”; (c) by the deletion of the proviso.
		Repeal of sections 47, 48 and 49
		137. Sections 47, 48 and 49 of the Value-Added Tax Act, 1991, are hereby repealed.
		Amendment of section 50
		138. Section 50 of the Value-Added Tax Act, 1991, is hereby amended by the substitution for subsection (6) of the following subsection— “(6) Notwithstanding the preceding provisions of this section, any [direction] <u>decision</u> or determination of the Commissioner made under section 15 or 27 in respect of the vendor referred to in subsection (1) of this section shall, for the purposes of this Act, apply equally to each separate enterprise, branch or division of the vendor which is separately registered under this section: Provided that where a [direction] <u>decision</u> or determination is made by the Commissioner under subsection (2) of section

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		27 which applies in respect of any such separate enterprise, branch or division, this subsection shall not be construed as preventing the Commissioner from making a separate [direction] <u>decision</u> or determination under subsection (4) of the said section in the circumstances contemplated in that subsection in respect of any other separate enterprise, branch or division of the said vendor.”. Amendment of section 50A 139. Section 50A of the Value-Added Tax Act, 1991, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) Notwithstanding the provisions of section 23, if the Commissioner makes a [direction] <u>decision</u> under this section, the persons named in the [direction] <u>decision</u> shall be deemed to be a single person carrying on the activities of an enterprise described in the [direction] <u>decision</u> and that person shall be liable to be registered in terms of section 23 with effect from the date of the [direction] <u>decision</u> or, if the [direction] <u>decision</u> so provides, from such date as may be specified therein.”; (b) by the substitution in subsection (2) for the words preceding paragraph (a) of the following words— “The Commissioner shall not make a [direction] <u>decision</u> under this section naming any person unless he <u>or she</u> is satisfied-”; (c) by the substitution in subsection (2) for paragraph (b) of the following paragraph— “(b) that the activities in the course of which he <u>or she</u> makes or made those taxable supplies form only part of certain activities which should properly be regarded as those of the enterprise described in the [direction] <u>decision</u>, the other activities of that enterprise being

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		carried on at that time or previously by one or more other persons; and”; (d) by the substitution for subsection (3) of the following subsection— “(3) A [direction] decision made under this section shall be served on each of the persons named in it.”; (e) by the substitution in subsection (4) for the words preceding paragraph (a) of the following words— “Where, after a [direction] <u>decision</u> has been given under this section specifying a description of the enterprise, it appears to the Commissioner that a person who was not named in that [direction] <u>decision</u> is making taxable supplies in the course or furtherance of activities which should properly be regarded as part of the activities of that enterprise, the Commissioner may make and serve on him or her a supplementary [direction] <u>decision</u> referring to the earlier [direction] <u>decision</u> and the description of the enterprise specified in it and adding that person’s name to those of the persons named in the earlier [direction] <u>decision</u> with effect from-”; (f) by the substitution for subsections (5) and (6), respectively, of the following and (6), respectively, of the following subsections— “(5) If, immediately before a [direction] <u>decision</u> (including a supplementary [direction] <u>decision</u>) is made under this section, any person named in the [direction] decision is registered in respect of the taxable supplies made by him or her as contemplated in subsection (2) or (4), he <u>or she</u> shall cease to be liable to be so registered with effect from— (a) the date with effect from which the single person concerned became liable to be

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		registered; or (b) the date of the [direction] <u>decision</u>, whichever date is the later. (6) In relation to an enterprise specified in a [direction] <u>decision</u> (including a supplementary [direction] <u>decision</u>) under this section, the persons named in such [direction] <u>decision</u>, who together are deemed to be the liable person, are in subsections (7) and (8) referred to as the members.”; (g) by the substitution in subsection (7) for the words preceding paragraph (a) of the following words— “For the purposes of this Act, where a [direction] <u>decision</u> is made under this section-”; and (h) by the substitution for paragraph (a) of subsection (7) of the following paragraph— “(a) the person carrying on the enterprise specified in the [direction] <u>decision</u> shall be registrable in such name as the members may jointly nominate upon compliance with the provisions of section 23(2);”. Amendment of section 55 140. Section 55 of the Value-Added Tax Act, 1991, is hereby amended— (a) by the substitution for the words preceding paragraph (a) of the following words— “[Every vendor shall keep such books of account (which books of account, where generated

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		by means of a computer, shall be retained in the form of a computer print-out) or other records as may enable him to observe the requirements of this Act and enable the Commissioner to satisfy himself that the vendor has observed such requirements, and] <u>In addition to the records required under Part A of Chapter 4 of the Tax Administration Act</u>, every vendor [shall] <u>must</u>, in particular, keep the following records and documents[-]’; and (b) by the deletion of subsections (2), (3) and (4). Repeal of sections 57 to 57D 141. Sections 57, 57A, 57B, 57C and 57D of the Value-Added Tax Act, 1991, are hereby repealed. Amendment of section 58 142. Section 58 of the Value-Added Tax Act, 1991, is hereby amended— (a) by the substitution for the words preceding paragraph (a) of the following words— “Any person who <u>wilfully and without just cause</u>”; (b) by the deletion of paragraphs (a), (b) and (c); (c) by the substitution for paragraph (d) of the following paragraph— “(d) fails to comply with the provisions of section 14, [or section] 28(1) or (2) <u>or</u> [section] 29 [or section 30];or”; (d) by the deletion of paragraphs (f) to (i); (e) by the substitution in paragraph (j) for subparagraphs (ii) and (iii) of the following subparagraphs—

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		“(ii) [knowingly and without lawful excuse (the burden of proof of which shall be upon him)] includes in or adds to the price or amount charged to the recipient in relation to such supply any tax, where in fact no tax is payable in terms of this Act; or (iii) [knowingly and without lawful excuse (the burden of proof of which shall be upon him)] includes in or adds to the price or amount charged to the recipient in relation to such supply any tax in excess of the tax properly leviable under this Act in respect of the value of such supply; or”; (f) by the substitution for paragraph (k) of the following paragraph— “(k) [knowingly and without lawful excuse (the burden of proof of which shall be upon him)] fails to comply with the provisions of paragraph (i) of the proviso to section 20(1) or paragraph (A) of the proviso to section 21(3); or”; and (g) by the deletion of paragraphs (l), (n), (o), (p) and (q). Repeal of sections 59 and 60 143. Sections 59 and 60 of the Value-Added Tax Act, 1991, are hereby repealed. Amendment of section 61 144. Section 61 of the Value-Added Tax Act, 1991, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) Where in respect of any supply made by a vendor, the vendor has, in consequence of any fraudulent action or any misrepresentation by the recipient of the supply, incorrectly applied a rate of zero per cent or treated such supply as being exempt from tax, the Commissioner

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		may, notwithstanding anything to the contrary contained in this Act, raise an assessment upon the recipient for the amount of tax payable, together with any <u>interest and</u> penalty [or interest that has become payable in terms of section 39] <u>that has become payable in terms of Chapter 12, 15 or 16 of the Tax Administration Act, as the case may be</u>, in respect of such amount[, and, in raising such assessment, the Commissioner may estimate the amount on which the tax is payable].”; and (b) by the deletion of subsection (2). Repeal of sections 62, 63, 70 and 71 145. Sections 62, 63, 70 and 71 of the Value-Added Tax Act, 1991, are hereby repealed. Amendment of section 72 146. The Value-Added Tax Act, 1991, is hereby amended by the substitution for section 72 of the following section— “Arrangements and [directions] <u>decisions</u> to overcome difficulties, anomalies or incongruities 72. If in any case the Commissioner is satisfied that in consequence of the manner in which any vendor or class of vendors conducts his, <u>her</u> or their business, trade or occupation, difficulties, anomalies or incongruities have arisen or may arise in regard to the application of any of the provisions of this Act, the Commissioner may make an arrangement or [give a direction] <u>decision</u> as to— (a) the manner in which such provisions shall be applied; or (b) the calculation or payment of tax or the application of any rate of zero per cent or any exemption from tax provided in this Act,

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		in the case of such vendor or class of vendors or any person transacting with such vendor or class of vendors as appears to overcome such difficulties, anomalies or incongruities: Provided that such [direction] <u>decision</u> or arrangement shall not have the effect of substantially reducing or increasing the ultimate liability for tax levied under this Act.”.
Act 34 of 1997	South African Revenue Service Act, 1997	Amendment of section 1
		147. Section 1 of the South African Revenue Service Act, 1997, is hereby amended by the substitution for the definition of “revenue” of the following definition— “ ‘revenue’ means income derived from taxes, duties, levies, fees[, charges, additional tax] and any other moneys imposed in terms of legislation, including penalties and interest in connection with such moneys;”.
Act 9 of 1999	Skills Development Levies Act, 1999	Amendment of section 1
		148. Section 1 of the Skills Development Levies Act, 1999, is hereby amended— (a) by the substitution for the definition of “Commissioner” of the following definition— “ ‘Commissioner’ means the Commissioner for the South African Revenue Service <u>appointed in terms of section 6 of the South African Revenue Service Act, 1997 (Act 34 of 1997), or the Acting Commissioner designated in terms of section 7 of that Act;</u>”; (b) by the insertion after the definition of “Skills Development Act” of the following definition— “ ‘Tax Administration Act’ means the <u>Tax Administration Act, 2011;</u>”;

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		(c) by the renumbering of section 1 to section 1(1); and (d) by the insertion after subsection (1) of the following subsection— “(2) Unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Tax Administration Act, bears that meaning for purposes of this Act.”.
		Amendment of section 2
		149. Section 2 of the Skills Development Levies Act, 1999, is hereby amended— (a) by the substitution for subsection (2) of the following subsection— “(2) The Commissioner must administer the provisions of the Act in so far as it relates to the collection of the levy payable to the Commissioner in terms of this Act, <u>in accordance with the provisions of the Tax Administration Act.</u>”; and (b) by the insertion after subsection (2) of the following subsection— “(2A) <u>Administrative requirements and procedures for purposes of the performance of any duty, power or obligation or the exercise of any right in terms of this Act are, to the extent not regulated in this Act, regulated by the Tax Administration Act.</u>”.
		Amendment of section 6
		150. Section 6 of the Skills Development Levies Act, 1999, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) Subject to section 7, every employer must, <u>not later than seven days, or such longer period</u>

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		<u>as the Commissioner determines, after the end of each month in respect of which the levy is payable, pay the levy to the Commissioner [in the manner and] within the period determined in this Act.”; and</u> (b) by the substitution for subsection (2) of the following subsection— “(2) An employer must[, not later than seven days, or such longer period as the Commissioner determines, after the end of each month in respect of which the levy is payable, pay the levy to the Commissioner and] together with [such] payment <u>of the levy in terms of subsection (1), submit a [statement -</u> (a) in such form as the Commissioner may require; and (b) reflecting the amount of the levy due by that employer and containing such other information as the Commissioner may require] <u>return.”.</u> Repeal of section 7A 151. Section 7A of the Skills Development Levies Act, 1999, is hereby repealed. Amendment of section 11 152. Section 11 of the Skills Development Levies Act, 1999, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) If an employer fails to pay a levy or any portion thereof on the last day for payment thereof, as contemplated in section 6(2) or 7(4), interest is payable on the outstanding amount [at the rate contemplated paragraph (b) of the definition of ‘prescribed rate’ in section 1 of the Income Tax Act, calculated from the day following that last day for payment to

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		the day that payment is received by the Commissioner, SETA or approved body, as the case may be] in accordance with the provisions of Chapter 12 of the Tax Administration Act.”; and (b) by the deletion of subsection (2).
		Amendment of section 12
		153. Section 12 of the Skills Development Levies Act, 1999, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) Subject to subsection (2), if any levy remains unpaid after the last day for payment thereof as contemplated in section 6 (2) or 7 (4), <u>the Commissioner must, under Chapter 15 of the Tax Administration Act, impose</u> a penalty of 10 per cent of that unpaid amount [is payable in addition to the interest contemplated in section 11].”; (b) by the substitution for subsection (2) of the following subsection— “(2) The Commissioner or the executive officer of the SETA or approved body, as the case may be, may[, having due regard to the circumstances of the case,] remit the penalty or any portion thereof imposed by subsection (1) <u>in accordance with the provisions of Chapter 15 of the Tax Administration Act.</u>”; and (c) by the deletion of subsections (3), (4) and (5).
		Repeal of section 13
		154. Section 13 of the Skills Development Levies Act, 1999, is hereby repealed.
		Amendment of section 15

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		155. Section 15 of the Skills Development Levies Act, 1999, is hereby amended by the addition after subsection (2) of the following subsection— “(3) An inspector has the same powers afforded to a senior SARS official, a SARS official or SARS under Chapter 5 of the Tax Administration Act.”. Repeal of sections 16, 17, 20, 20A and 21 156. Sections 16, 17, 20, 20A and 21 of the Skills Development Levies Act, 1999, are hereby repealed.
Act 4 of 2002	Unemployment Insurance Contributions Act, 2002	Amendment of section 1 157. Section 1 of the Unemployment Insurance Contributions Act, 2002, is hereby amended— (a) by the substitution for the definition of “Commissioner” of the following definition— “ ‘Commissioner’ means the Commissioner for the South African Revenue Service <u>appointed in terms of section 6 of the South African Revenue Service Act, 1997 (Act 34 of 1997), or the Acting Commissioner designated in terms of section 7 of that Act;</u>”; (b) by the insertion after the definition of “remuneration” of the following definition— “ ‘Tax Administration Act’ means the Tax Administration Act, 2011;”; (c) by the renumbering of section 1 to section 1(1); and (d) by the insertion of the following subsection after subsection (1)— “(2) Unless the context indicates otherwise, a word or expression to which a meaning has been

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		<u>assigned in the Tax Administration Act bears that meaning for purposes of this Act.”.</u>
		Amendment of section 3
		158. Section 3 of the Unemployment Insurance Contributions Act, 2002, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) This Act must be administered by the Commissioner, <u>in accordance with the provisions of the Tax Administration Act.</u>”; (b) by the insertion after subsection (1) of the following subsection— “(1A) <u>Administrative requirements and procedures for purposes of the performance of any duty, power or obligation or the exercise of any right in terms of this Act are, to the extent not regulated in this Act, regulated by the Tax Administration Act.</u>”; and (c) by the substitution for subsection (2) of the following subsection— “(2) [The] <u>In addition to section 9 of the Tax Administration Act, and in accordance with section 10 of that Act, the</u> Commissioner may delegate any power or assign any duty which relates to the collection of— (a) contributions payable to the Unemployment Insurance Commissioner in terms of section 9; and (b) any information to be submitted by employers in terms of this Act, to the Unemployment Insurance Commissioner.”.
		Amendment of section 8
		159. Section 8 of the Unemployment Insurance Contributions Act, 2002, is hereby amended—

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		(a) by the substitution for subsection (2) of the following subsection— “(2) An employer must, together with the payment [contemplated] <u>referred</u> to in subsection (1), submit a [statement in such form as the Commissioner may require and] <u>return</u> reflecting the amount of the payment and such other particulars as the Minister may prescribe [by regulation].”; and (b) by the deletion of subsection (3). Amendment of section 9A 160. Section 9A of the Unemployment Insurance Contributions Act, 2002, is hereby amended by the substitution for subsection (1) of the following subsection— “(1) Where any employer who is required to pay the amount of all employees’ contributions and the employer’s contributions in respect of every employee in the employment of that employer to [the Commissioner in terms of section 8 or to] the Unemployment Insurance Commissioner in terms of section 9— (a) has failed to submit a statement as required in terms of [section 8(2) or] section 9(2); (b) has furnished a return as required in terms of [section 8(2A) or] section [9(2A)] <u>9(2)</u> but the Commissioner is not satisfied with the return; (c) has failed to deduct or withhold employees’ contributions; or (d) has failed to pay over any contributions deducted or withheld,

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		and such employer has not been absolved from his or her liabilities in terms of the provisions of this Act, the [Commissioner or the] Unemployment Insurance Commissioner [, as the case may be,] may make a reasonable estimate of the amount of any contributions due in terms of section 6 and issue to the employer a notice of assessment for the unpaid amount.”. Amendment of section 10 161. Section 10 of the Unemployment Insurance Contributions Act, 2002, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) An employer to whom this Act applies must apply for registration to the Commissioner, <u>in accordance with Chapter 3 of the Tax Administration Act</u>, or the Unemployment Insurance Commissioner, [whichever is applicable to such employer in terms of section 8 or 9,] in such manner and within such period as may be prescribed by the [Commissioner or] Unemployment Insurance Commissioner[, respectively].”; and (b) by the deletion of subsection (2). Repeal of section 12 162. Section 12 of the Unemployment Insurance Contributions Act, 2002, is hereby repealed. Amendment of section 13 163. Section 13 of the Unemployment Insurance Contributions Act, 2002, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) If any contribution remains unpaid after the last day for payment thereof as contemplated in section 8(1) or 9(1), <u>the Commissioner must, under Chapter 15 of the Tax Administration</u>

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		<u>Act, impose</u> a penalty of 10 per cent of the unpaid amount [is payable in addition to the interest contemplated in section 12,] but the Commissioner or the Unemployment Insurance Commissioner, as the case may be, may[, having due regard to the circumstances of the case,] remit the penalty or any portion thereof <u>in accordance with the provisions of Chapter 15 of the Tax Administration Act.</u>"; and (b) by the deletion of subsections (2), (3) and (4).
		Repeal of section 14
		164. Section 14 of the Unemployment Insurance Contributions Act, 2002, is hereby repealed.
		Amendment of section 15
		165. Section 15 of the Unemployment Insurance Contributions Act, 2002, is hereby amended by the addition after subsection (1) of the following subsection— “(2) <u>An inspector has the same powers afforded to a senior SARS official, a SARS official or SARS under Chapter 5 of the Tax Administration Act.</u>”
		Repeal of section 17
		166. Section 17 of the Unemployment Insurance Contributions Act, 2002, is hereby repealed.
Act 14 of 2007	Diamond Export Levy (Administration) Act, 2007	Amendment of section 1 167. Section 1 of the Diamond Export Levy (Administration) Act, 2007, is hereby amended— (a) by the substitution for the definition of “Commissioner” of the following definition: “ ‘Commissioner’ means the Commissioner for the South African Revenue Service <u>appointed in terms of section 6 of the South African Revenue Service Act, 1997 (Act 34 of 1997), or the Acting Commissioner designated in terms of section 7 of that Act;</u>”;

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		(b) by the insertion after the definition of “registered person” of the following definition— “ ‘Tax Administration Act’ means the Tax Administration Act, 2011.”; (c) by the addition after subsection [(1)](2) of the following subsection— ‘[(2)] (3) Unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Tax Administration Act bears that meaning for purposes of this Act.’ [Sch 1 para 167(c) subs by s 93(a) of Act 21 of 2012 wef 1 October 2012.] (d) ... [Sch 1 para 167(d) rep by s 93(b) of Act 21 of 2012 wef 1 October 2012.] Amendment of section 7 168. Section 7 of the Diamond Export Levy (Administration) Act, 2007, is hereby amended— (a) by the substitution in subsection (1) for the words preceding paragraph (a) of the following words— “[(Every] <u>In addition to the records required under the Tax Administration Act</u>, every registered person must retain [records necessary to observe the requirements of this Act and the Levy Act, including] <u>the following records-</u>”; and (b) by the deletion of subsections (2) and (3). Repeal of sections 10 to 15 169. Sections 10, 11, 12, 13, 14 and 15 of the Diamond Export Levy (Administration) Act, 2007, are hereby repealed.

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		Amendment of section 16
		170. Section 16 of the Diamond Export Levy (Administration) Act, 2007, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) The Commissioner will be responsible for administering this Act and the Levy Act, <u>in accordance with the provisions of the Tax Administration Act, together</u> with the assistance of the Regulator as described in subsection (2).”; (b) by the insertion after subsection (1) of the following subsection— “(1A) <u>Administrative requirements and procedures for purposes of the performance of any duty, power or obligation or the exercise of any right in terms of this Act are, to the extent not regulated in this Act, regulated by the Tax Administration Act.</u>”; and (c) by the deletion of subsection (3).
		Repeal of section 17
		171. Section 17 of the Diamond Export Levy (Administration) Act, 2007, is hereby repealed.
Act 26 of 2007	Securities Transfer Tax Administration Act, 2007	Amendment of section 1 172. Section 1 of the Securities Transfer Tax Administration Act, 2007, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) The Commissioner must administer this Act and the Securities Transfer Tax Act, 2007, <u>in</u>

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		<u>accordance with the provisions of the Tax Administration Act, 2011.</u>”; (b) by the insertion after subsection (1) of the following subsection— “(1A) <u>Administrative requirements and procedures for purposes of the performance of any duty, power or obligation or the exercise of any right in terms of this Act are, to the extent not regulated in this Act, regulated by the Tax Administration Act, 2011.</u>”; (c) by the substitution for subsection (2) of the following subsection— “(2) Unless the context indicates otherwise, <u>a word or expression to which a meaning has been assigned in the Tax Administration Act, 2011</u>, and any word or expression to which a meaning has been assigned in the Securities Transfer Tax Act, 2007, bears the meaning so assigned for the purposes of this Act.”; and (d) by the deletion of subsection (3). Amendment of section 3 173. Section 3 of the Securities Transfer Tax Administration Act, 2007, is hereby amended by the deletion of subsection (4) thereof. Amendment of section 4 174. Section 4 of the Securities Transfer Tax Administration Act, 2007, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) The Commissioner must refund the amount of any overpayment of tax or of any interest or penalty properly chargeable in respect of the transfer of any security, [if application for the

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		refund is made within two years after the date of that overpayment] <u>in accordance with sections 190 and 191 of the Tax Administration Act, 2011.</u>"; and (b) by the deletion of subsections (2) and (4). Repeal of sections 5, 6 and 7 175. Sections 5, 6 and 7 of the Securities Transfer Tax Administration Act, 2007, are hereby repealed. Amendment of section 8 176. The Securities Transfer Tax Administration Act, 2007, is hereby amended by the substitution for section 8 of the following section— “8. Interest on overdue payments and penalty on default recoverable from person to whom security is transferred— (1) In the case of a listed security, a member or participant may recover the amount of [the] interest [referred to in section 5, penalty on default referred to in section 6 or the] <u>or</u> penalty [in the case of evasion referred to in section 7] payable by that member or participant [in terms of this Act] <u>under the Tax Administration Act</u> from the person— (a) to whom a listed security is transferred; or (b) who cancels or redeems a listed security, to the extent that the action or inaction of that person resulted in the interest or penalty. (2) In the case of an unlisted security, the company which issued that security may recover the amount of [the] interest [referred to in section 5, penalty on default referred to in

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		section 6 or the] <u>or</u> penalty [in the case of evasion referred to in section 7] payable by that company [in terms of this Act] <u>under the Tax Administration Act</u> from the person to whom that security was transferred, to the extent that the action or inaction of that person resulted in the interest or penalty.”. Repeal of sections 9, 10, 11, 12, 14, 15, 16, 17, 18 and 19 177. Sections 9, 10, 11, 12, 14, 15, 16, 17, 18 and 19 of the Securities Transfer Tax Administration Act, 2007, are hereby repealed. Substitution of section 20 178. The Securities Transfer Tax Administration Act, 2007, is hereby amended by the substitution for section 20 of the following section— “Offences [and penalties] 20. [Any] <u>In addition to the offences contained in sections 235 and 236 of the Tax Administration Act, 2011, any</u> person who [- (a) fails or neglects to furnish, file or submit any declaration or document as and when required by or under this Act; (b) without just cause shown, refuses or neglects to furnish any information, document or thing referred to in section 12; (c) fails to disclose any material fact in the declaration referred to in section 2 or 3; (d) obstructs or hinders any person in the performance of his or her functions under or in terms of this Act;

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		(e) submits or furnishes a false certificate or statement; or (f) acquires an unlisted security and fails to inform the company of the transfer within the period referred to in section 2, is guilty of an offence and liable on conviction to a fine or to imprisonment for a period not exceeding [12 months] <u>two years</u>.”. Repeal of section 21 179. Section 21 of the Securities Transfer Tax Administration Act, 2007, is hereby repealed.
Act 36 of 2007	Revenue Laws Second Amendment Act, 2007	Repeal of sections 33 and 36 180. Sections 33 and 36 of the Revenue Laws Second Amendment Act, 2007, are hereby repealed.
Act 4 of 2008	Taxation Laws Second Amendment Act, 2008	Repeal of sections 16 and 18 181. Sections 16 and 18 of the Taxation Laws Second Amendment Act, 2008, are hereby repealed. Amendment of section 23 182. Section 23 of the Taxation Laws Second Amendment Act, 2008, is hereby amended by the deletion of subsection (1).
Act 29 of 2008	Mineral and Petroleum Resources Royalty (Administration) Act, 2008	Amendment of section 1 183. Section 1 of the Mineral and Petroleum Resources Royalty (Administration) Act, 2008, is hereby amended— (a) by the substitution for the definition of “Commissioner” of the following definition— “ ‘Commissioner’ means the Commissioner for the South African Revenue Service <u>appointed in</u>

No. and year	Short title	Extent of amendment or repeal
		<u>terms of section 6 of the South African Revenue Service Act, 1997 (Act 34 of 1997), or the Acting Commissioner designated in terms of section 7 of that Act;</u>; (b) by the deletion of the definition of “nonbinding private opinion”; (c) by the substitution for the definition of a “notice of assessment” of the following definition— “ ‘notice of assessment’ means a notice of assessment [mentioned in section 9] <u>as described in section 96 of the Tax Administration Act;</u>”; and (d) by the insertion after the definition of “Royalty Act” of the following definition— “ ‘Tax Administration Act’ means the <u>Tax Administration Act, 2011;</u>”; and (e) by the insertion after subsection (2) of the following subsection— “(3) <u>Unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Tax Administration Act, bears that meaning for purposes of this Act.</u>”. Amendment of section 4 184. Section 4 of the Mineral and Petroleum Resources Royalty (Administration) Act, 2008, is hereby amended by the substitution in subsection (1) for paragraph (b) of the following paragraph— “(b) <u>of which</u> one or more members [of that unincorporated body] hold a prospecting right, retention permit, exploration right, mining right, mining permit or production right granted pursuant to the Mineral and Petroleum Resources Development Act (or a lease or sublease mentioned in section 11 of [the Mineral and Petroleum Resources Development] <u>that</u> Act in respect of such a right); and”.

No. and year	Short title	Extent of amendment or repeal
		Amendment of section 5
		185. Section 5 of the Mineral and Petroleum Resources Royalty (Administration) Act, 2008, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) A registered person must submit an estimate of the royalty payable in respect of a year of assessment within six months after the first day of that year and must make a payment (together with [such] a return for that payment[as the Commissioner may prescribe]) equal to one-half of the amount of the royalty so estimated.”; and (b) by the substitution for subsection (2) of the following subsection— “(2) A registered person must submit an estimate of the royalty payable in respect of a year of assessment by the last day of that year and submit a payment (together with [such] a return for that payment [as the Commissioner may prescribe]) equal to the amount of the royalty so estimated less the amount paid as mentioned subsection (1).”.
		Repeal of section 7
		186. Section 7 of the Mineral and Petroleum Resources Royalty (Administration) Act, 2008, is hereby repealed.
		Amendment of section 8
		187. Section 8 of the Mineral and Petroleum Resources Royalty (Administration) Act, 2008, is hereby amended— (a) by the substitution in subsection (1) for the words preceding paragraph (a) of the following words— “[A] <u>In addition to the records required under the Tax Administration Act</u>, a registered person must retain [such records as are necessary to satisfy the requirements of this Act and the Royalty Act, including-]the following records:”; and

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		(b) by the deletion of subsection (2).
		Amendment of section 9
		188. Section 9 of the Mineral and Petroleum Resources Royalty (Administration) Act, 2008, is hereby amended by the deletion of subsections (1), (2), (3) and (5).
		Repeal of sections 10, 11, 12 and 13
		189. Sections 10, 11, 12 and 13 of the Mineral and Petroleum Resources Royalty (Administration) Act, 2008, are hereby repealed. [Sch 1 para 189 subs by s 65 of Act 16 of 2016 wef 19 January 2017.]
		Amendment of section 17
		190. Section 17 of the Mineral and Petroleum Resources Royalty (Administration) Act, 2008, is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) The Commissioner is responsible for administering this Act and the Royalty Act, <u>in accordance with the provisions of the Tax Administration Act.</u> ”; and (b) by the substitution for subsection (2) of the following subsection— “(2) <u>Administrative requirements and procedures for purposes of the performance of any duty, power or obligation or the exercise of any right in terms of this Act are, to the extent not regulated in this Act, regulated by the Tax Administration Act.</u> ”.
		Repeal of section 18
		191. Section 18 of the Mineral and Petroleum Resources Royalty (Administration) Act, 2008, is hereby repealed.
		Amendment of section 18A

No. and year	Short title	Extent of amendment or repeal
		192. Section 18A of the Mineral and Petroleum Resources Royalty (Administration) Act, 2008 is hereby amended— (a) by the substitution for subsection (1) of the following subsection— “(1) [The] For purposes of this Act, the Commissioner may only issue a non-binding private opinion [to a person regarding the tax treatment of a particular set of facts and circumstances or a particular transaction] in terms of Chapter 7 of the Tax Administration Act.”; and (b) by the deletion of subsections (2) and (3).
Act 61 of 2008	Revenue Laws Second Amendment Act, 2008	Repeal of sections 3, 13 and 14
		193. Sections 3, 13 and 14 of the Revenue Laws Second Amendment Act, 2008, are hereby repealed.
		Amendment of section 16
		194. Section 16 of the Revenue Laws Second Amendment Act, 2008, is hereby amended by the deletion in subsection (1) of paragraph (b).
		Repeal of section 20
		195. Section 20 of the Revenue Laws Second Amendment Act, 2008, is hereby repealed.

No. and year	Short title	Extent of amendment or repeal
Act 18 of 2009	Taxation Laws Second Amendment Act, 2009	Repeal of sections 12, 13, 14, 33, 34 and 38
		196. Sections 12, 13, 14, 33, 34 and 38 of the Taxation Laws Second Amendment Act, 2009, are hereby repealed.

[Commencement date of any provision of Schedule 1 to the Act that amends or repeals a provision of a tax Act relating to interest under that tax Act, to the extent of that amendment or repeal: not in force]