



16 October 2018

EXECUTIVE HEAD
Tax Division

Dear Sir/Madam

RE: REVIEW IN TERMS OF SECTION 16(1)(b) OF THE TAX ADMINISTRATION ACT, 2011: INVITATION TO MAKE SUBMISSIONS

The Tax Ombud has sought, and obtained, the Minister's approval in terms of section 16(1)(b) of the Tax Administration Act 28 of 2011 (hereinafter the TAA) to review two systemic and emerging issues relating to service matters and the application of the provisions of the TAA or procedural or administrative provisions of a tax Act; namely, the complaint about the fluidity of the pay as you earn (PAYE) statements of accounts and SARS's disregard of the timeframes prescribed by the Rules for the resolution of disputes.

1. Fluidity of the Pay as you earn statements of accounts.

The problem was raised with the OTO by industry bodies at our meetings with them. We also received complaints from taxpayers. They complain that statements of accounts balances constantly change throughout any day with SARS passing journal entries with no explanation to taxpayers as to why such entries are made. The practical result is that the real status of a taxpayer's account is so fluid that neither SARS nor the taxpayer knows exactly what the status of the account is at any given time.

Industry bodies also claim that they have raised this issue with SARS but that the latter has not adequately addressed the problem.

2. SARS's disregard of the timeframes prescribed by the Rules for the resolution of disputes.

This office has received numerous complaints relating to the non-observance of the timeframes prescribed by the Rules for the resolution of disputes.

As an important stakeholder you are invited to make formal submissions in respect of each of the above reviews and where possible providing the necessary examples. Such submission must be forwarded to Office@taxombud.gov.za and must reach the office no later than 31 October 2018.

Please note that in terms of S21(3) of the TAA the Tax Ombud and any person acting on the Tax Ombud's behalf may not disclose information of any kind that is obtained or on behalf of the Tax Ombud to SARS, except to the extent required for the purposed of performance of functions and duties.

Thanking you.



Adv H E Mkhawane
CEO: Office of the Tax Ombud