

# FAIR PLAY

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OFFICE OF THE  
**TAX OMBUD**

Ensuring fairness

**W**elcome to the first issue of 2021! We are excited to outline the Office of the Tax Ombud's (OTO) strategic intent for the 2021/22 financial year, as unpacked by the Tax Ombud Judge Bernard Ngoepe and Chief Executive Officer Professor Thabo Legwaila. This issue also touches on the OTO's educational awareness campaign #TaxPayersRightsMatter which seeks to enlighten taxpayers about their rights when they deal with SARS.

We also share insights on various case studies detailing how the OTO assisted taxpayers when their rights were infringed; responses to frequently asked questions; and processes that will assist taxpayers when they do not understand why there are delays in having their tax complaints against SARS resolved. We are confident that the content we have compiled will empower our readers with knowledge not just to understand our services and processes, but also other pertinent issues in the tax sphere.

We are excited to also share an insightful article contributed by Prof. Carika Fritz from the University of the Witwatersrand, which reflects on the relationship between SARS and taxpayers. Kindly share this newsletter with other taxpayers.

If you have found this newsletter useful and informative, please share it with other taxpayers so that they too may benefit.



**Pearl Seopela**

Senior Manager:  
Communications &  
Outreach

# #Taxpayers Rights Matter

## In this **edition:**



### Tax Ombud's corner

Our strategic focus has remained unchanged but our efforts to execute it have diversified and intensified.

Page 2



### Expert's corner

Prof. Carika Fritz on balancing SARS's powers and taxpayers' rights.

Page 8

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# Tax Ombud's corner

*Seven years into the life of the Office of the Tax Ombud, our strategic focus has remained unchanged but our efforts to execute it have diversified and intensified.*

Our strategic focus has consistently been to embrace accountability, efficacy, independence, security and confidentiality. It is a strategy that has received support from our stakeholders, including government, tax practitioners and, most importantly, taxpayers, and is intended to help improve tax compliance and the protection of taxpayers' rights, and ultimately strengthen the country's tax administration system.

## **NURTURING PARTNERSHIPS**

In executing this strategy, we place great value on the input of our stakeholders. We have had many fruitful stakeholder engagements that have given us important insights, such as that the majority of our stakeholders believe we are delivering on our mandate but feel more could be done to improve accessibility and awareness of the OTO and what we do. Stakeholders have also expressed a strong desire for the OTO to have more powers and be structurally independent of SARS, something that we have been calling for since the Office's inception. This structural independence is important for the credibility of the organisation in the eyes of the taxpayers and tax practitioners whom we assist daily.

In recent times, we have signed two important Memoranda of Understanding (MoUs), with SARS and the Public Protector South Africa respectively, to promote increased cooperation in resolving taxpayers' complaints. As a result, we have already seen SARS speeding up the pace at which it implements our recommendations, allowing the OTO to expeditiously finalise complaints. Moving forward, we aim to identify other institutions where formalised partnerships would contribute towards improving the country's tax administration system.

I am proud that we have spoken the truth to power without fear or favour and we intend to continue doing so. We have stated many times that we are neither for SARS nor for taxpayers, but look at the facts and make decisions based on them. On average, over 90% of our recommendations are implemented by SARS but there are also times when we find taxpayers to be in the wrong,



**Judge Bernard Makgabo Ngoepe**

Tax Ombud

*"I am proud that we have spoken the truth to power without fear or favour and we intend to continue doing so."*

attempting to use our Office to escape their tax obligations. We do not shy away from telling the truth, no matter who needs to hear it.

Like all organisations, we have had to deal with COVID-19-induced restrictions and have adapted reasonably well to the changing work environment, continuing to operate remotely and providing the services expected. We are looking at innovative ways, including digitisation and collaboration with other stakeholders, to help improve access to and the quality of the services we provide.

## **FORGING AHEAD WITH VERVE**

As the demand for our services increases, so is the need for resources to deliver them. However, the financial challenges facing our government mean that the countrywide footprint we have envisaged is not affordable at this stage. The availability of virtual technology, which provides cheaper and more efficient modes of engagement, might for now compensate for our limited in-person consultation capabilities.

Amid the constraints posed by the pandemic, we will continue to reach out to our stakeholders for their input, support and suggestions. We are grateful for the mutually beneficial relationships we have formed with stakeholders, and look forward to strengthening these relationships as well as building new ones.

In the meantime, if you would like to know more about our plans for 2021/22, please read the OTO's Annual Performance Plan on [www.taxombud.gov.za](http://www.taxombud.gov.za).



# Overview from the CEO's desk



**Prof. Thabo Legwaila**  
Tax Ombud CEO

*I am excited to update you on our plans for the year ahead, as detailed in the Tax Ombud's Annual Performance Plan (APP) for 2021/22. Our focus is on intensifying customer centricity by improving our services, understanding the needs and expectations of taxpayers, and efficiently responding to those needs. Business unusual due to the strategic thrust of our performance will focus on technology resources, customer experience, stakeholder engagements, promoting taxpayers' rights and improving our agile organisation.*

## TECHNOLOGY RESOURCES

We have developed a five-year Digital Communications Framework aimed at improving communication with taxpayers, increasing taxpayer access to the OTO's services and improving customer-centricity. The digital framework details how the Office embraces new technologies to improve the taxpayer-centric experience that integrates the human element with constantly evolving digital channels. The intention is provide efficient, real-time and quality communication that is responsive and clear.

The OTO also plans to harness the power of technology by providing services via online platforms when taxpayers lodge complaints, and increasing the number of digital channels used for continued brand presence and recognition in the coming years.

## CUSTOMER EXPERIENCE

The OTO enjoys a satisfying level of trust and confidence from taxpayers. To build on this, we will continue to improve our communications, providing clear messages that are aligned with the needs of each taxpayer approaching us and intensifying communication about our services.

We will also continue to seek fruitful engagements with taxpayers so that we have the insights needed to further improve our services and assess whether the content developed and distributed is making an impact – and the right kind of impact.

“We will also continue to seek fruitful engagements with taxpayers so that we have the insights needed to further improve our services.”

## STAKEHOLDER ENGAGEMENTS

Effective communication is at the heart of the OTO's ethos of service excellence. By enabling us to understand stakeholders' needs, respond quickly and provide appropriate solutions when they use the Office to lodge tax complaints against SARS, effective communication and engagement help build trust and good relationships.

With this in mind, we have developed a Stakeholder Engagement Framework that outlines our plans to ensure we have mutually beneficial partnerships with stakeholders. More on this is detailed in our Annual Performance Plan 2021/22.

## CONTINUE TO PROMOTE TAXPAYERS' RIGHTS

We launched our informative digital awareness campaign, themed #TaxpayersRightsMatter, on 1 September 2020. More campaigns promoting taxpayer rights education are planned for the year and form part of our continued commitment to improve the country's tax administration system. We look forward to the 2021/22 financial year and your continued support as we seek to ensure that the magnificent plans we have are implemented and make a tangible improvement in tax compliance and the overall tax administration system.

# SARS's CONFUSING TIMELINES

*Just about everything in tax is governed by some form of timeframe that is set out in different documents. Taxpayers and tax practitioners need to know how to navigate this minefield of timeframes, especially when raising issues with SARS and lodging complaints.*

## UNDERSTANDING DIFFERENT KINDS OF TIMEFRAMES

The first set of timeframes is legal in nature. These are timelines set out in legislation and that have legal implications if not complied with.

An example of this kind of timeframe is that SARS must finalise an objection within 60 days after it is lodged. If SARS does not, the taxpayer has specific legal remedies it can pursue against SARS.

Similarly, a taxpayer has at most three years to lodge an objection. If this period lapses, the taxpayer cannot expect SARS to condone the late filing because SARS does not have the authority to do so.

In the complaint resolution arena, legal timeframes have their benefits because they are clearly set out, unambiguous and create certainty. In other words, when it comes to a legal timeframe, a taxpayer knows exactly when it has a reason to start the complaint procedure.

## MORE COMPLEX TIMEFRAMES

The second set of timeframes is a bit more complex. These are timeframes that are not codified in law. SARS and taxpayers alike cannot have an indefinite period to do something. Therefore, where periods are not clearly defined in law, whatever action is required must be done in a reasonable period.

It is not always easy to determine what a reasonable period would be because it is dependent on the circumstances of every case. This creates much less certainty when a taxpayer has a reason to complain. An example of this is that SARS is not bound by any legislation to finalise a verification or audit within a specific time.

In an effort to address this, and after some motivation from the OTO, SARS issued a Service Charter that gives specific undertakings on how long SARS should take to do specific things.

We need to mention two things about the Service Charter. Firstly, what SARS does is give undertakings at best. These undertakings have no legally binding effect, but at the very least, they give a taxpayer clarity on when it has reason to be aggrieved and to start the complaint process.

So, using the audit/verification timeline as an example, SARS now sets itself a target to finalise audits/verifications within 21 days after all documents are received from a taxpayer. SARS can now not tell a taxpayer following up on an audit/ verification that it does not have a timeline for finalisation, or, as it used to say, that it has six to 12 months to finalise an audit. The moment the 21 days lapses, the taxpayer has a reason to complain by virtue of the undertaking given by SARS in the Service Charter.

The second thing to mention is that SARS has included legal timeframes in the Service Charter as well. Even though SARS indicates it will “endeavour” to comply with these legal timeframes, it is still legally obliged to comply with the law and these are not mere undertakings.

### TIMEFRAMES SPECIFIC TO COMPLAINT RESOLUTION

Two of the most important timeframes for the purposes of the OTO is that SARS gives itself 21 days to respond to a query and another 21 days to respond to a complaint lodged with its Complaint Management Office (the CMO).

These periods are very important because they relate directly to SARS's complaint resolution procedure and the OTO is legally prohibited from reviewing complaints unless taxpayers have followed the SARS procedure. While there is an exception to this prohibition, it is not relevant for purposes of the current discussion.

### THE REALITY OF COMPLAINT TIMEFRAMES

Our office very often sees already frustrated taxpayers and practitioners become even more exasperated when they want to use the services of the OTO, only for their complaints to be rejected because the SARS complaints mechanism was not exhausted. Most of the time they are frustrated because they have been struggling with SARS for months or even years, doing escalation after escalation and follow-up after follow-up. This should not be the case, however, and if it happens, it is because taxpayers and tax practitioners do not utilise the available remedies correctly.

### WHERE DOES IT GO WRONG?

Where taxpayers and practitioners struggle with this procedure is when they do numerous follow-ups with SARS.

Let's say a practitioner queries a verification that has not been finalised as per SARS's Service Charter. SARS does not respond within the 21 days as per its undertaking. Now the practitioner follows up. SARS will give itself another 21 days to attend to that follow-up. If the practitioner follows

up again after the lapse of the second 21 days, SARS will give itself another 21 days to deal with that follow-up. If the practitioner lodges a complaint with the CMO within the last 21 days, the complaint will be rejected because SARS is "still within service level". After all, it still has time to respond to the last query.

The practitioner still cannot approach the OTO because in order to meet the legal requirements for submission, a complaint must have been lodged with the CMO and it must have failed to resolve it. The practitioner must now wait for the last query's timeframe to lapse before complaining to the CMO. At this stage, the CMO will have 21 days to resolve the complaint and by the time the taxpayer can access the OTO, more than four months have already elapsed.

### WHAT SHOULD A TAXPAYER DO?

The question is, what do taxpayers do with this information? The answer is quite simply that you must hold SARS to its timeframes.

It should not take a taxpayer more than 42 days to be able to access the services of the OTO. Once a taxpayer has reason to be aggrieved, a query must be lodged with SARS and a reference number obtained. If SARS does not resolve the query within 21 days, the taxpayer should not do a follow-up, but lodge a complaint with SARS's CMO.

If SARS's CMO does not resolve the complaint within 21 days, the taxpayer should not do a follow-up, but rather lodge a complaint with the Tax Ombud. Not only would this give the taxpayer the fastest route to the OTO, but it can also access OTO services without the need to satisfy any complex requirements to gain direct access to this office.



# Know your rights



*SARS is currently on the last leg of its Revenue Collection Drive 2020/21, collecting taxes due from taxpayers. It is important for taxpayers to know their tax obligations and rights in the context of this drive. It is also imperative for taxpayers to understand the SARS process when a tax refund is due and when there is delayed payment of those refunds by SARS.*

Below are some of the frequently asked questions from taxpayers during stakeholder engagements held by the Office of the Tax Ombud, and answers to clarify any confusion that might arise.

**Q. How long does it take SARS to pay a refund due to the taxpayer - if a current year's refund is due and there is no debt due, all obligations have been met and no inspection, verification or audit is required?**

A. SARS should pay the current filing period refunds, above R100, within seven business days of finalising the final assessment. If the refund is not paid, a taxpayer can lodge a complaint with the SARS Complaint Management Office (CMO), which needs to resolve it within 21 working days. Then you can lodge the complaints with the OTO if your matter is not resolved within 21 working days.

**Q. If taxpayers are not satisfied with the outcome of the assessment, what can they do?**

A. Taxpayers can exercise their rights in one of three ways:

- request reasons for decisions and outcomes regarding their personal tax affairs;
- object and appeal against an assessment or qualifying decision; or
- lodge an administrative complaint via eFiling, at a SARS

branch or via the SARS Contact Centre.

If, having exhausted the administrative complaints processes within SARS, they are still not satisfied, they can lodge tax complaints with the Office of the Tax Ombud.

**Q. How long does it take for verification to be finalised after all supporting documentation has been submitted?**

A. SARS should conclude verification within 21 business days from the date all required supporting documents are received. If SARS does not adhere to the timeframe, taxpayers can lodge their complaints with the SARS CMO first, then with the OTO if their matters are not resolved within 21 working days.

**Q. How long does it take for SARS to consider an application for a debt compromise when all the requirements have been met?**

A. SARS will consider the request within 30 business days of receiving the complete application, and communicate accordingly. If SARS does not respond to the application of debt compromise within 30 days, they can lodge their complaints with the CMO and give the revenue collector 21 working days to resolve their matters, and then lodge a complaint with the OTO if their matters are not resolved.

**Q. How do I lodge a complaint with the Tax Ombud?**

A. You must complete a complaint form, which is available on [www.taxombud.gov.za](http://www.taxombud.gov.za), contact the Office by telephone on 0800 662 837, send a fax to 012 452 5013 or you can send an email to [complaints@taxombud.gov.za](mailto:complaints@taxombud.gov.za) to obtain a complaint form.



Once the complaint form is completed, it can be sent via email, fax or post. Walk-ins are suspended until further notice due to the COVID-19 outbreak.

**Q. Can someone else lodge a complaint on my behalf?**

A. Yes, but only a registered tax practitioner or representative with a signed power of attorney from you. The power of attorney form can be accessed [here](#).

**Q. What is the turnaround time for the OTO to finalise a complaint?**

A. The OTO strives to resolve complaints within 15 business days of accepting them and will inform complainants if the complaints cannot be resolved within this period.

**Q. Can I lodge a complaint with SARS and include the Ombud from the start to ensure that all parties have a paper trail going forward?**

A. No, this is not possible. The taxpayer must first lodge the complaint with the SARS CMO by contacting 0860121216 or on eFiling, and allow SARS 21 business days to handle the complaint. Only after exhausting these two steps can a complaint be lodged with the Office of the Tax Ombud, unless the taxpayer can show “compelling circumstances” for bypassing the SARS complaints process.

**Q. If SARS is not responding to a complaint, how long must a taxpayer wait for a proper response from SARS before approaching the Office of the Tax Ombud?**

A. The Tax Ombud only accepts complaints after the internal SARS complaints mechanisms have been exhausted or until SARS has had the opportunity to resolve them. (For clarity on the timeframes linked to SARS’s complaints processes, read the article on pages 4 and 5.)

**Q. Supporting documents were uploaded but SARS said that a 60-day turnaround time to finalise matters was introduced. Can we lodge a complaint with the Office of the Tax Ombud?**

A. We advise you to allow SARS 60 business days to finalise the objection. The matter is, therefore, still within the SARS turnaround time of 60 business days. You cannot lodge a complaint with the OTO at this stage.

**Q. What are the rights of SARS to withdraw monies from a taxpayer account without informing the taxpayer and what recourse do taxpayers have?**

A. According to legislation, SARS is allowed to demand that third parties, including banks and employers, pay over any outstanding tax debt. Failure to comply with this order, by the bank or employer, constitutes a criminal offence. However, the law requires that SARS take certain steps before this is done. These steps include notifying a taxpayer of the outstanding tax debt (in the form of a final demand), and informing the taxpayer that SARS will proceed with further steps should the tax debt remain outstanding.

If SARS appoints a bank or employer as a third party without having issued a final demand, this is procedurally and legislatively wrong and a taxpayer has the right to lodge a complaint about this with the SARS CMO and then, if it remains unresolved, with the Tax Ombud.

**Q. What should a taxpayer do when there is a verification audit and the taxpayer invoked section 42 – no receipt of update – and followed the procedure set out in section 42?**

A. Section 42 only applies to audit and criminal investigations and not to verifications. In any of these kinds of procedures, taxpayers have the right to complain to the SARS CMO first and then to the Office of the Tax Ombud, should they not be kept informed about the status of the verification/audit/investigation.

**Q. Is there anywhere in the Act that allows disputes to be lodged after three years have passed?**

A. No. Once the three-year period prescribes, the assessment becomes final and conclusive. In any case, where the three-year period has lapsed, it would be advisable to obtain formal legal counsel on the specific case as it might be possible to have it reopened but that will entail litigation. Unfortunately, the OTO is not mandated to provide legal advice as to exactly what options are available and it would very much depend on the circumstances of each case.



Taxpayers can read more about their tax rights on <http://www.taxombud.gov.za/Pages/Know-Your-Rights>

# *SARS's powers vs Taxpayers' rights*



**Prof. Carika Fritz:**  
Associate Professor,  
School of Law, University of the  
Witwatersrand. LLB; LLM; LLD (UP)

***SARS and taxpayers are in an unequal relationship. This is because SARS is obliged to collect taxes effectively and efficiently. Consequently, SARS is afforded certain powers to collect taxes, which by far exceed the powers of an ordinary creditor.***

The rights contained in Chapter 2 of the Constitution of the Republic of South Africa, 1996 together with the Tax Administration Act, 28 of 2011 (TAA) set a framework that balances the imperative to collect taxes with taxpayer rights. Recent judgments highlight the balance that needs to be attained and the importance of SARS adhering to legislative provisions.

SIP Project Managers (Pty) Ltd v CSARS (case number: 11521/2020 Gauteng Division, Pretoria (30 April 2020)) and WPD Fleetmas CC v Commissioner: South Africa Revenue Services and Impala Platinum Limited (case no 31339 2020 (unreported)) 19-08-2020 (GNP)) considered the consequences that ensue when SARS fails to deliver a letter of demand as required in terms of section 179(5) of the TAA before collecting outstanding taxes by way of a third-party appointment. In SIP Project Managers, the court determined that it is fatal that SARS delivers the section 179(5) letter of demand before appointing a third party on behalf of the taxpayer because such letter advises the taxpayer of the outstanding tax debt, of SARS's recovery powers and of the taxpayer's debt relief mechanisms. In both of the cases, the court declared the subsequent issuing of a third-party notice null and void.

Another matter where SARS failed to comply with its own legislation is that of Nondabula v Commissioner: SARS (19 SATC 333). This was the case since SARS proceeded to collect assessed taxes despite not having furnished a notice of assessment as required in terms of section 96(1) of the TAA. The court held SARS's conduct to be

unlawful and contrary to the rule of law. Furthermore, the court emphasised that SARS, as an organ of state, should uphold the standard that is required of public administration in section 195(1) of the Constitution. In Nondabula, SARS ignored this constitutional standard by not acting in an accountable manner when it disobeyed the relevant legislation.

Moreover, SARS did not act in a transparent manner, because it failed to provide the taxpayer with "timely, accessible and accurate information". As to what would qualify as timely, it depends on the specific circumstances. For example, in Rappa (Pty) Ltd v Commissioner for the South African Revenue Service ((20/18875) [2020] ZAGPPHC (5 November 2020)), the court held that SARS may not delay finalising an audit indefinitely. Although the TAA does not prescribe when an audit must be completed, the court held that it must be concluded within a reasonable period in those specific circumstance.

Reflecting on the above-mentioned cases, when SARS acts overzealously or when the legislative provisions are unclear, a taxpayer should approach the court for reprieve or clarity. In relation to the first three discussed cases, the taxpayer was fortunate in having sufficient funds to litigate and rectify the injustices that SARS's conduct brought about. Most taxpayers are not as fortunate and therefore, SARS should investigate averments that it did not follow the required procedure. If it finds that it failed to comply with legislative requirements, it should withdraw any steps it already took and repay money it received. Failing to do so would culminate in SARS flouting yet another element of the section 195 constitutional standard, because it would need to unnecessarily spend taxpayers' money on defending cases against SARS. This would not be an efficient, economic and effective use of resources.



# Case studies

*Reading about how other taxpayers' complaints have been handled can be very informative and useful. It can also help taxpayers and tax practitioners to gain better insight about issues such as when to lodge a complaint, the types of taxpayer complaints with which the OTO works and possible solutions to complaints.*

Below are some case study examples of complaints that were lodged, as well as the resolutions that were reached.



## **CASE 1: FINALISATION OF INCOME TAX VERIFICATION**

### **SUMMARY OF COMPLAINT**

SARS failed to respond to the taxpayer's request to finalise the income tax verification and pay out the refund in respect of the 2020 year of assessment.

### **FINDINGS**

SARS selected the income tax declaration for verification on 16 November 2020, and the taxpayer submitted the requested supporting information to the revenue collector on the same day. Thereafter, SARS failed to finalise the verification within the turnaround time of 21 business days, resulting in a delay in the payment of a possible refund. Furthermore, a complaint was lodged with the SARS Complaints Management Office about the delay.

### **RECOMMENDATIONS**

The OTO recommended that SARS finalise the income tax verification and pay out the refund, if applicable, in respect of the 2020 year of assessment.

### **RESOLUTION**

SARS finalised the income tax verification and issued an additional assessment to the taxpayer on 28 January 2021. Thereafter, a tax refund amount of R124 727.17 was paid into the taxpayer's bank account on 2 February 2021.



## **CASE 2: DELAYS IN FINALISING VERIFICATION OF ASSESSMENTS**

### **SUMMARY OF COMPLAINT**

The complaint related to a delay by SARS in finalising verification of the assessments between 2016 and 2020, thus delaying the payment of a possible refund to the taxpayer.

### **FINDINGS**

SARS identified the 2016, 2017, 2018 and 2020 assessments for verification and the taxpayer submitted documents on 17 November 2020. However, SARS failed to finalise the verification within 21 business days. Only the 2020 verification was finalised on 1 December 2020 but the refund for the period was not paid out within the requisite period of seven days.

In the meantime, SARS failed to finalise verification of the 2016, 2017 and 2018 assessments, again delaying the payment of a possible refund to the taxpayer.

### **RECOMMENDATIONS**

The OTO recommended that SARS finalise verification of the assessments for the period from 2016 to 2018 and pay out the refund if applicable. It further recommended that the refund relating to the 2020 assessment be paid out as verification of the period had been finalised without any adjustments on 1 December 2020.

### **RESOLUTION**

All verification cases were finalised and refunds released on 14 January 2021.

**CASE 3:  
SARS FAILS TO TRACE PAYMENT****SUMMARY OF COMPLAINT**

SARS failed to trace a taxpayer's payment, despite proof of payment being provided

The complaint related to the payment of R71 007.43 that was made by the taxpayer into a SARS bank account on 21 December 2000 but which SARS was unable to trace. This payment was for the taxpayer's VAT account. Proof of payment and a bank statement that reflected that the money was paid to SARS was submitted, but the revenue collector could not trace the payment. The taxpayer further complained that SARS had imposed penalties and interest on their VAT account for non-payment when it had paid on time. The complaint was received in March 2018.

**FINDINGS**

Bank statements and proof of payment were sent to SARS on numerous occasions as SARS was unable to trace the payment made by the taxpayer. SARS requested the taxpayer to provide proof of the cheque that was issued by the bank (ABSA), which indicated that they no longer have cheques for the year 2000. A letter from ABSA was sent to SARS indicating to which SARS account the payment was made. Furthermore, SARS wanted the taxpayer to contact the bank (FNB) where the payment was made and the taxpayer was unable to do that, as they did not have an account with them. The taxpayer took the matter to the Banking Ombudsman who confirmed after an investigation that the R71 007.43 was paid into a SARS bank account.

SARS, despite having received proof of payment from the taxpayer, a bank statement and the letter from the Banking Ombudsman, still did not allocate the amount paid to the taxpayer's VAT account. On several occasions, SARS asked the OTO to close the matter, citing that the two affected banks had agreed to investigate it. The OTO rejected these requests because we wanted to know what had happened to the money paid by the taxpayer. Our recommendations were not for the banks to agree to investigate.

**RECOMMENDATION**

The OTO recommended that SARS trace the payment made, as proof of payment and a letter from the bank had been submitted, and refund it back to the taxpayer if applicable.

**RESOLUTION**

After several investigations, payment was traced and allocated to the 11/2000 VAT period. The penalties and interest on the account were reversed.

**CASE 4:  
DELAYS IN RESPONDING TO REQUESTS FOR COMPROMISES****SUMMARY OF COMPLAINT**

There was a delay by SARS in responding to a request for compromise in respect of the tax owing by the taxpayer. The case relates to a complaint lodged with the OTO on 14 September 2020 on behalf of a taxpayer and concerned a delay by SARS in responding to a request for compromise. The taxpayer owed SARS R1 191 165.24 inclusive of additional tax (penalties and interest), in the income tax account. Owing to financial difficulties, the taxpayer was unable to pay the tax debt in full.

**FINDINGS**

The taxpayer submitted requests for compromise to SARS on 18 July 2019 and 9 September 2019. SARS failed to respond to the request for compromise within the turnaround time of 30 business days.

**RECOMMENDATIONS**

The OTO recommended that SARS respond to the request for compromise and communicate the outcome to the taxpayer.

**RESOLUTION**

A settlement agreement was signed by SARS and the taxpayer on 9 November 2020. Thereafter, SARS processed a compromise journal in the assessed account on 11 November 2020.



# The OTO's new digital campaign



An example of OTO graphics digitally inserted into popular drama *Imbewu* in post-production.

March can be a frustrating time for SA's taxpayers as SARS pushes for its revenue target. To help taxpayers through the Revenue Collection Drive season, the OTO has embarked on several digital campaigns aimed at educating and informing taxpayers of OTO services, and highlighting common issues that taxpayers experience during this time.

The #TaxpayersRightsMatter campaign has been extended with paid advertising on social media, meeting taxpayers wherever they are. This campaign has been successful in expanding the reach of the OTO's messaging on Facebook and Instagram and enabled the OTO to reach a larger audience.

In addition, the OTO utilises search advertising to target users experiencing common Revenue Collection Drive problems, and this has had the effect of increasing traffic to [taxombud.gov.za](http://taxombud.gov.za). The OTO YouTube advertising

has also been very successful, with a short animation showing consumers where and how to access assistance from the OTO.

On television, you may have seen the OTO pop up in some popular dramas such as Gomora, Imbewu, Skeem Saam and The River. The OTO uses a technique called Digital Brand Insertion (DBI) to insert its brand and messaging into these dramas in post-production. It has proved to be a very cost-effective way to get its messaging onto some of South Africa's most popular dramas and in front of the biggest audiences.

These campaigns are supported by advanced social media listening and conversation tracking. This technology listens for taxpayers' issues across all social media, even where we are not tagged. An artificial intelligence algorithm finds and responds to these conversations, ensuring that taxpayers can find assistance.

**Notice**  
This is a quarterly newsletter that is published every three months. We urge our readers and stakeholders to contribute (in the form of articles, important announcements, opinion pieces or letters to the editor) on any matter concerning this Office or tax issues. Your contributions should be emailed to [PSeopela@taxombud.gov.za](mailto:PSeopela@taxombud.gov.za) or [Communications@taxombud.gov.za](mailto:Communications@taxombud.gov.za).

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