

17 March 2020

Mr Edward Kieswetter  
The Commissioner of the South African Revenue Service  
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Dear Commissioner Kieswetter

**SARS MEASURES IN RESPONSE TO THE STATE OF DISASTER DECLARED BY THE PRESIDENT OF SOUTH AFRICA ON 15 MARCH 2020**

1. Following the announcement by the President of South Africa on 15 March 2020, declaring the country to be in a State of National Disaster as defined in the Disaster Management Act, 2002 (GG43096 15 March 2020) in response to the outbreak of COVID-19 in South Africa, there are concerns regarding how this will impact tax compliance and the knock-on effect on penalties and/or interest for non-compliance by taxpayers.
2. We note that SARS have issued communication today regarding measures it will take in response to the announcement. However, there are other aspects which we believe require a more specific response.
3. Specifically, there are concerns as to how taxpayers will be able to meet their obligations within relevant timelines given the fact that the proposed measures to limit infection as well as possible infection of taxpayers and SARS staff, will result in reduced capacity both from a taxpayer and a SARS perspective. It will also mean that taxpayers will be reluctant to visit SARS branches.
4. SARS has requested that those who have travelled to risk countries and/or are self-isolating should not visit the SARS branch. In addition to this, there may be immune-compromised taxpayers who may choose not to visit to avoid putting themselves at risk and this may affect their ability to fulfil certain SARS requirements.
5. We are also fully cognisant that we are at the end of the fiscal year with tax collections at full speed in a fiscal environment where under collections in a weak economy places additional challenges on SARS officials. We should also not increase the opportunity for non-compliance.



6. However, we also believe that taxpayers and government as a whole should heed the Presidents call and that it is pertinent that SARS address this as a matter of urgency in a public forum to allay fears and clarify procedures and processes.
7. We also request SARS to clarify interventions as to how they will address branch only matters like biometric checks for tax registrations and Tax number confirmations in the interim, where electronic channels are not currently available to fulfil these functions.
8. There appears to be no arrangements being made with respect to alternatives for appointments to finalise VAT registrations. There is currently no electronic process to fulfil this function. SARS should perhaps consider electronic channels to complete this process, as an interim measure. Remote assistance should also be considered for other services which may only be performed within a SARS branch, currently.
9. It is also noted that section 7C and donations tax manual return submissions are due at the end of March 2020. Whilst the SARS communication sent today refers to using electronic channels, it would be most useful if SARS could specify email addresses that may be used in respect of these submissions.
10. There are certain circumstances, in which case SARS will allow a representative to change bank details or act on behalf of taxpayers for purposes of verification, but based on the information on the SARS website, these circumstances do not include the circumstances we find ourselves in and further guidance is required in this regard with respect to these and other functions which taxpayers and certain other representatives are required to fulfil in person.
11. We note SARS' request that COVID-19 not be used as an excuse to delay payments due, but in some instances, in this State of National Disaster that we find ourselves in, delays will be inevitable and we believe that SARS should consider reasonable concessions in this regard.
12. It would be remiss if we did not raise our members concerns that they or their clients may be burdened by additional compliance challenges and punitive measures by SARS for a natural disaster affecting the whole country if no special arrangements were made.
13. We would therefore request from the Commissioner of SARS make a public statement to allay taxpayer concerns that this is an **"exceptional circumstance"** and **'natural' disaster** (as announced by the President) for the purposes of section 187(7) and 218 TAA which will allow for concessions in appropriate circumstances and what SARS will be expecting of taxpayers to prove causality.
14. It would also be helpful that SARS provide guidance on either changes to the branch only services protocols or at least the infection control protocols that will apply at SARS branches during this time.
15. In recent engagements with SARS staff, it is apparent that they may not be aware of the measures put in place by SARS and there may be a need for SARS to up skill call



centres with the precautionary measures being taken and perhaps monitor some of these calls to ensure that the correct information is shared.

16. It would also be useful to provide regular feedback to taxpayers via SARS' social media channels. We would be happy to work with SARS in this regard in using our channels to share important information.

Should you wish to clarify any of the comments, please do not hesitate to contact us.

Yours sincerely

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