REQUEST FOR BUDGET TIPS 2015

We refer to your call on South Africans for their views on the upcoming Budget speech and enclosed below are our ideas for your consideration:

Expand economic activity

The South African Institute of Chartered Accountants (SAICA) recognises that while South Africa’s current tax legislation is relatively good and stable, there is still a need for simplifying processes and procedures for businesses and individual taxpayers to create an enabling environment for trade. The legislation itself is not problematic. The challenge lies in the implementation of systems and processes that eventually result in red tape and stumbling blocks for businesses and individuals to trade easily. As an example, a significant difference can be made by simplifying systems and processes for tax registrations including value added tax (VAT) and in obtaining tax clearance certificates which is a key requirement to trade (both in the public and private sector). Tax Practitioners also play an important role in assisting and ensuring that the correct amounts of taxes due to SARS are paid by their clients, thus indirectly assisting in achieving the annual SARS revenue collection target. Tax Practitioner service levels are therefore vital to ensure timeous resolution to long outstanding and unresolved tax matters.

We therefore suggest the introduction of enhancements to systems and processes that would remove business barriers thereby stimulating economic growth.

Reinforce government support for exporting businesses and improve their competitiveness and by so doing increase the capacity of our economy to create more jobs

Robust policy reforms, simplifications to legislative requirements, systems and processes that can stimulate economic growth are required in the following areas:

- reduction in business administrative requirements;
- relaxation of labour laws;
- tax incentives for growth and employment;
- easier access to risk finance;
- government sector to speed up payments that would reduce cash flow pressure and allow working capital to finance further growth; and
- accelerated investment in crucial infrastructure to create enabling and efficient systems.

**Improve our ability to expand the skills base of our economy**

SAICA has been working with Government in various projects and initiatives including capacity building in the Further Education and Training (FET) Colleges; skills development projects such as Thuthuka; the development of Accounting Technicians (AAT); financial skills capacity building for municipalities; as well as facilitating enterprise development through its Hope Factory and Enterprisation initiatives. We fully appreciate that there is still much to be done when looking at the broader skills issue and employment. We recommend the introduction of further incentives for companies to invest in skills development that will lead to sustainable employment and focus on the priority skills identified by government.

We look forward to hearing from you and believe that SAICA has a vital role to play in assisting government in achieving its goals which will contribute to a better South Africa for all citizens.

Yours sincerely

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