

**SARS IMPLEMENTS DEREGISTRATION OF TAX PRACTITIONERS
FOR TAX NON-COMPLIANCE
21 NOVEMBER 2019**

To address ongoing tax compliance concerns of tax practitioners, section 240(3)(d) of the Tax Administration Act, 2011 was added from **1 January 2019** which provides:

‘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— ...

- (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.’

Implementation of the amendment

SARS in October 2019 has started implementing this new section and have started contacting tax practitioners who are found to be tax non-compliant - in respect of personal income taxes, as well as VAT and PAYE where relevant. SARS are allowing those tax practitioners to either prove their compliance (for example, if SARS records are incorrect) or to remedy any non-compliance within a period of 21 days from the date of such notice. **Failure to respond or remedy the non-compliance within the specified period, may result in the tax practitioner being deregistered** and the Recognised Controlling Body will be notified of the non-compliance and deregistration.

Impact

The impact of this deregistration is that tax practitioners will **lose their access to the tax practitioner eFiling profile** and will effectively be prevented to **reregister as a tax practitioner for 6 months** after the non-compliance has been remedied. They will also not be able to make use of the SARS tax practitioner channel.

This will also have a **material impact on the clients** of these tax practitioners and members should ensure that where they are affected by such deregistration that they take appropriate actions to minimise the impact on clients, including timeously communicating to them and ensuring that they have sufficient time to transfer any eFiling taxpayer profiles before the deregistration becomes effective.

SAICA will engage any of our tax practitioners who are affected by such deregistrations to understand the impact on them and their clients and also any challenges of the process.

Ensure ongoing tax compliance

All members should ensure that they maintain ongoing tax compliance in respect of all taxes and tax practitioners should lead by example in this regard.

Confirm your registered controlling body on eFiling or with SARS

Members who are tax practitioners are also requested to please ensure that you **verify your current registered controlling body** on your eFiling profile and that it is correct, especially if you have changed controlling bodies in the last few years.

We have experienced situations where tax practitioners believe that they have transferred to other controlling bodies, but the transfer appears not to have been effected on eFiling by both or either the receiving Recognised Controlling Body or the member. In most instances, the reason for this is that the tax practitioner has not updated their RAV01 form to indicate the relevant controlling body with which they transferred their registration. Should the **transfer not have been effected** successfully, **you will still fall under the jurisdiction of the controlling body as indicated on the SARS system.**

