8 January 2008

South African Revenue Service
Private Bag X923
PRETORIA
0001

By e-mail: tsnyckers@sars.gov.za

Dear Madam

JOINT SUBMISSION - DRAFT REGULATION OF TAX PRACTITIONER BILL

The following comments have been provided by special task teams set up by SAICA’s National Tax Committee and SAIPA National Tax Committee respectively, to consider alternative suggestions on the Draft Regulation of Tax Practitioners Bill.

Further to any previous comments made by either SAICA or SAIPA in their individual capacities on the Draft Regulation of Tax Practitioners Bill we make the following further representations to the South African Revenue Service.

The current Bill envisages a new body to govern tax practitioners. However, there are a number of bodies that currently govern the activities of their members in a manner appropriate to support the principles which SARS wish to achieve.
These would be SAICA, SAIPA, The Law Society etc. Thus, in our view, the Bill should, similar to the Close Corporation Act when determining who may act as an accounting officer, refer to the fact that the Practitioner must be a member of a body which has rules which mirror the proposed legislation e.g. as to code of conduct; continued professional education; discipline; reportable irregularities etc. In this manner only tax practitioners who are not already a member of such a body need join a new body for tax practitioners (we understand that a body is currently being formed in this arena).

In this manner a double layer would not be created, as is the case with the current proposed draft Bill, which sees members being members of a number of different bodies.

The Bill should then set out the minimum requirements pertaining to:

- a code of conduct
- continued professional education requirements
- disciplinary procedures; and
- what constitute reportable transactions

To which the various bodies would be required to adhere. In this regard we suggest that the Auditing Profession Act (Act 26 of 2005) be used as a basis.

In addition it should be considered that the Bill make provision for a “Standing Advisory Committee on Tax Practitioners (SACTP)” that would consist of representatives from the tax practitioner profession and SARS. The purpose of the SACTP would be similar to the SAC on company law. Self regulation could also be performed by the SACTP.

Please do not hesitate to contact us should you require further information.

Yours faithfully

M Hassan CA(SA)

PROJECT DIRECTOR: TAX

The South African Institute of Chartered Accountants
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TECHNICAL EXECUTIVE

The South African Institute of Professional Accountants