CALL FOR COMMENT: NEW VAT REGISTRATION PROCESS

We refer to your call for comment regarding the above-mentioned document circulated by e-mail dated 30 November 2007. Set out below please find SAICA’s comments, which have been provided by members of our National Tax Committee.

Firstly we welcome the proposed simplifications. Our comments are as follows:

1. The new form does not have a form number i.e. “VAT 101”.
2. Section 1, we cannot see the need for the date of birth when the identity number is a required feature.
3. Section 1, we suggest that the passport number is moved below identity number to avoid mixing this information with that of the company.
4. The question in bold in section 4 of the form, which reads “Is this a voluntary registration where the turnover has exceeded R20 000 in the preceding period of 12 months?”, disregards the possibility of voluntary registrations as envisaged by section 23(3)(c) and (d) of the VAT Act, i.e. instances where the registration is based on anticipated turnover or the existing turnover of another entity which will be acquired as a going concern.

We are not sure whether this was intentional or whether this is an oversight. We are concerned that a response of “no” to the question in its current form (because a registration is based on anticipated turnover rather than actual turnover), may unnecessarily delay the registration process.

We propose the following amendment/s to the form:

Delete the current question in favour of the question which appeared in the “old form”, i.e. “Is this a voluntary registration?”, or amend the current question to include
the following underlined words, i.e. “Is this a voluntary registration where the actual or anticipated turnover has exceeded R20 000 in the preceding period of 12 months?”

5. With reference to section 6 of the form, a note that all foreign enterprises must complete this section of the form.

6. It is not clear if this registration allows for registration through e-filing.

The challenge would be at the level of implementation, i.e. to align the various individual offices’ policies and procedures with the intended simplification. Rigorous training and monitoring of actual outcomes and behaviours are therefore recommended.

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

Yours faithfully

M Hassan CA(SA)

PROJECT DIRECTOR: TAX

The South African Institute of Chartered Accountants