

# TAX PRACTICE

## WEEKLY HIGHLIGHTS

WEEK OF 15 - 21 August 2024  
(Issue 32 -2024)

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### TOP STORIES

#### Tax Ombud investigation of eFiling profile hijacking given the green light

The Office of the Tax Ombud (OTO) has sought and obtained approval from the Minister of Finance to conduct a review of possible systemic and emerging issues related to the alleged SARS' service failures in assisting taxpayers who have been affected by eFiling profile hijacking timeously in terms of section 16(1)(b) of the Tax Administration Act.

The alarming rise of taxpayer profile hijackings has plagued South Africans since 2021 and with this probe, the OTO aims to tackle fraudulent activities where criminals alter banking details and file fake tax returns. The investigation will scrutinise SARS' handling of these incidents and enhance security measures to protect taxpayers. This initiative is a crucial step towards restoring trust in the tax system and ensuring taxpayer rights are safeguarded.

Further detail may be accessed, [here](#).

#### SARS allows additional time for trade testing as the legislature gears up for the implementation of the two-pot retirement system

To facilitate the upcoming two-pot retirement system changes, SARS will be making enhancements to the Tax Directives process. Having commenced this trade testing on 1 July 2024, SARS is now extending the end date of trade testing to and will run up to 30 August 2024.

Consequentially, the current trade testing link will remain active for trade testing and the NCTS mailbox will remain open until 30 August 2024.

Please access, [here](#), for a reminder regarding the steps to be followed when submitting one's test files.

#### SARS urges taxpayers to take caution by using the services of a registered tax practitioner

In terms of Section 240 of the Tax Administration Act, all tax practitioners who complete and submit tax returns on behalf of clients must be registered with both a recognised controlling body and SARS. Such tax practitioners have full authority to prepare and submit tax returns on behalf of their clients.

To ensure that you are working with a registered tax practitioner, please request the practitioner's PR Number for verification on the [tax practitioner verification link](#).

Read more below.

[#StayAbreastOfTheTaxWave](#)

# Are you a **tax practitioner** with a passion for writing?

Let's feature your article on the Tax Practice: Weekly Highlights.

Send your article to  
[taxqueries@thesait.org.za](mailto:taxqueries@thesait.org.za).

Approximately 500 – 1 500 words

## MEMBERS' DIGEST

### Employer third-party data reporting: Confirmation and risks

Written by: Cecile Diedricks, Affiliate Member



The IRP5/IT3(a) has traditionally been the only source document needed to prove the deduction and payment of Pay as You Earn (PAYE) by an employer on behalf of their employee. It has a long-standing tradition of being the only reliable source document that SARS has used for many years; the employee/taxpayer's failure to produce the said IRP5 would result in the PAYE credit not being allowed on assessment. This has always been a very bitter pill to swallow for those employees found to be without an IRP5 at the end of the tax year, as SARS would not allow the PAYE credit where an IRP5 could not be produced.

Over the years, SARS began to strengthen the PAYE systems and processes to the point that the IRP5s were prepopulating on the ITR12 when it was generated. SARS would use a complex algorithm to match an IRP5 to a specific taxpayer's ITR12 return by matching based either on the ID or tax reference number. As the systems progressed further and the reliability of this process started to increase, SARS decided to lock the IRP5 containers so that no changes to the IRP5

on the ITR12 were allowed, thereby forcing all changes back onto the employer. This was a logical and wise move by SARS, as this then forced the data integrity of the IRP5 to increase and made the employer more conscious of what needed to be placed on the IRP5. However, it was a little frustrating to the tax community as they were now dependent on the employer to issue the IRP5 correctly and to make any adjustments timeously. By forcing the changes to the IRP5 back onto the employer, SARS wanted the employer to be aware of the impact the IRP5 had on the whole tax system; if the IRP5 was incorrect, then the Income Tax Return of the taxpayer was also incorrect.

It also made sense to fix an IRP5 in the PAYE system because updating an IRP5 might impact the whole recon submission (EMP501). Allowing changes to the IRP5 under the income tax system meant that the underlying data was never amended and the PAYE system was not balancing. This also had an impact on the PAYE risk engines and auditing processes, as the data upon which SARS would be basing their risk rules did not have a high level of integrity. Trends and fluctuations in the PAYE system could not be monitored proficiently and a high risk of fraudulent activity was inevitable. Ultimately, what was a frustrating move for the taxpayer was a wise move for the tax system.

This model is still not without flaws and SARS' continued efforts to increase the integrity of the IRP5 and the PAYE deduction system have caused quite a few frustrations to the tax community. The latest update to this IRP5 vs ITR12 system has taken the frustrations to new levels.

#### **Disallowing the PAYE tax credit due to 'delinquent' employers**

As stated, the IRP5 was the chief source document used to verify the deduction of PAYE during the income tax assessment process. This has always been taken for granted, as the whole PAYE system was based on the issuing and management of the IRP5.

However, this assumption recently started to prove wrong. SARS started disallowing the PAYE credit in spite of the fact that a valid IRP5 was prepopulated on the ITR12. There seemed to be no errors in the data when compared to the physical IRP5 issued by the employer, yet SARS was not allowing the PAYE credit; instead, it was issuing an assessment, which made the PAYE payable again. This obviously caused an uproar in the tax community as SARS was, in effect, asking twice for PAYE.

Upon further investigation into this matter, it was found that SARS was, in fact, disallowing the PAYE due to a default on the employer's part. SARS started classifying employers as 'delinquent employers', where it was found that the employer was non-compliant as per the 'My Compliance Profile' in the tax compliance status systems. All of this then boiled down to the employee being penalised for a default on the employer's side, which did not make sense as the employer did deduct the PAYE and the employee did receive a valid IRP5. In effect, this process rendered the IRP5 useless as the PAYE credit now depended not only on a valid IRP5 but also on the compliance status of the employer. In fact, the compliance status of the employer was taking precedence over the IRP5 issued and the PAYE was deducted as per that IRP5, which was being disallowed.

This 'new' process was strongly condemned by the tax community and rightly so, as the IRP5 was traditionally the only criterium used to determine the validity of a PAYE credit. Through rigorous debate between SARS and various tax controlling bodies, SARS then decided to allow taxpayers the chance to prove the validity of the PAYE credit by confirming their employer/employee relationship. With this amendment to the process in mind, SARS began to raise verification audits on these taxpayers, allowing them to provide certain documentation to prove their employment status instead of just disallowing the PAYE credit. Once these documents were submitted through the verification audit process (in some instances an objection was necessary), an auditor would decide on whether to allow the PAYE credit or not. This decision would be

based on the employer's compliance history and whether the employer did, in fact, pay this amount over to SARS. If there were any payments outstanding, this would make the process harder to prove.

SARS is of the opinion that the PAYE must have actually been paid by the employer before a PAYE credit could be allowed. While this notion is correct (it just makes sense that if you are allowing a tax credit on one hand, there should be a payment of such tax credit on the other hand), the balance that SARS is trying to reach impacts the employee/taxpayer the most. The employee has genuinely paid this PAYE (and this is reflected in their pay), and being told to pay this amount again is seriously unjust. There are debt collection steps and proper tax management systems in place within the PAYE regime to effectively manage the employer's compliance; why choose a method that impacts the employee greatly and is something beyond their control?

Nevertheless, SARS has implemented this process and is managing it as part of the income tax assessment process. However, SARS is not doing enough to manage the employer. Some employers refuse to update the IRP5s or are uncooperative. It is an offence to issue an incorrect IRP5 or to withhold PAYE and not pay it over to SARS, but these provisions are not enforced on the employer by SARS. The employee then solely bears the burden of proving the payment of this PAYE credit.

The suggested solution to this dilemma is to provide SARS with the documentation that is requested under the verification audit or if no audit is raised, one ought to lodge an objection to the disallowance of the PAYE credit after the assessment is processed. The documentation that SARS normally requests is as follows:

- Employment contract/letter of employment from the employer with the entity letterhead stating the following:
  - o Physical address of the entity;
  - o Contact number of Human Resources to confirm employment; and
  - o PAYE Reference Number of the entity

where the employee is employed.

- IRP5/IT3(a) employee income tax certificates in respect of remuneration income and lump sums from your employer/pension fund or provident fund or retirement fund;
- Three months' bank statement showing the salary transfer; and
- Salary slips for the 12-month period or less if employment is less than a year.

The best solution would obviously be for the employer to maintain their compliance status; in practice, this is not always the case.

### **No IRP5 issued**

The other IRP5 issue that has recently been on the rise is when the employer does not even issue the employee with an IRP5. This is not a new practice; however, instances where this is happening seem to occur more often.

SARS has published the process that needs to be followed when submitting the ITR12 on their website:

<https://www.sars.gov.za/faq/i-dont-see-my-irp5-on-my-return/>

These ITR12s should be submitted via the SARS branch office by booking a virtual appointment. It should not be submitted on eFiling. They also stipulate which documents need to be provided.

You will be required to provide the following documentation:

- All payslips issued by the employer for the year of assessment in question;
- Bank statements to show the transfer of salary into your account from the employer and, if applicable, a copy of a service contract;
- Name and contact details of the employer; and
- Physical address of the employer.

The difficult part is not capturing the return but what happens afterwards, meaning how the return will be processed. (Will the PAYE

credit as reflected on the payslips be allowed or not?)

Ultimately, the liability for withholding employees' tax is with the employer in terms of part II of the 4th Schedule to the Income Tax Act. Where the employer did not withhold employees' tax from the employee, the employee may be held jointly liable (with the employer) for the payment of the employees' taxes. Provided that the employer, therefore, deducted or withheld such amounts from the employee, the employer must issue a tax certificate, notwithstanding the fact that the employer has failed to pay those amounts to SARS.

The difficult part is proving that such PAYE amounts were withheld by their employer and paid over to SARS. This can only be provided in the form of payslips, service contracts, etc. Therefore, where SARS suspects that the employer has failed in their duty to withhold or pay over the PAYE, SARS is allowed to disallow the credit on the payslip and the employee will need to prove the deduction of this PAYE.

If this amount (the PAYE) was not paid over to SARS, then SARS has the right not to allow the credit. This means that the taxpayer will become liable for these taxes on assessment. From a practical standpoint, it is difficult to get SARS to allow the credit if the amount has not been paid by the employer (as reflected on the employer's PAYE account). In some instances, SARS does allow the credit up to a breakeven point (meaning they make the assessment a nil assessment). It all depends on whether you can convince SARS to allow this credit or not.

What we mostly find in practice, though, is that the PAYE is not allowed and the taxpayer has to pay this amount on assessment. This amount should also be recoverable from the employer because if they have deducted the PAYE and did not pay this amount over to SARS, the employer owes this amount to the employee.

## Conclusion

SARS' heavy reliance on third-party data to prepopulate the ITR12 will only get greater as time goes by and the burden placed on the employer to maintain their PAYE records and payments will become even more crucial. The integrity of the underlying data must increase if SARS is to achieve their vision within the automated assessment process. But, as it stands, this burden of the PAYE system is being borne by the employee and not the employer, which is where it should be focused. More emphasis should be placed on auditing the employer and holding the employer liable for not paying over the PAYE as it should be in terms of the Income Tax Act. The employee is left to scramble on their own to prove a deduction of PAYE that they do not have control over, nor does the Act give them the authority to hold the employer liable. Without proper systems in place to govern the employer, the employee is left alone in their frustrating fight with SARS over the deduction of PAYE. This should be something that SARS focuses on in the near future, especially if they want to rely solely on the submission of third-party data.

# PART A: COMPLIANCE & SARS OPERATIONS

## SAIT-SARS 'ON-THE-GROUND' ENGAGEMENT

### SAIT TaxHelpline – SARS operational queries

#### Reminder on the highlights from the July and August 2024 SAIT/SARS escalations

Over the month of 1 July – 14 August 2024, SAIT has received and validated 200 escalation cases relating to long outstanding cases not finalised by SARS within the prescribed timeframes.

Upon further analysis of the escalations, the top three escalations relate to:

1. Delays in the finalisation of verifications (for corporate income tax and VAT);
2. Delays in the payment of VAT refunds;
3. Delays in finalising deregistration requests; and
4. Delays in the finalisation of cessation of tax residency applications.

We further noted a decrease in the number of escalations relating to registered representative requests and Approval for International Transfer TCS applications.

Some of the systemic issues identified have been raised and discussed at the various regional forums and the National Operations meeting which took place on 1 August 2024. Additionally, we noted some teething challenges at the beginning of Filing Season 2024, which included the blocking of tax practitioner profiles, Standard Bank refund reversals and appointment unavailability. However, to a large extent, the aforementioned challenges have since been resolved.

For assistance with an escalation, members may submit a [SARS escalation](#) query on the SAIT Helpline and provide details relating to the query, including:

- Taxpayer tax reference number;
- SARS case number;
- Taxpayer's region of registration;
- The date documents were submitted to SARS;
- Tax period (if applicable); and
- A brief summary of the case.

### SAIT TaxHelpline – escalations

As part of our service to members, SAIT escalates appropriate cases within the SARS structures on behalf of members. Members can submit a query via the [TaxHelpline](#) for SAIT to assist with a SARS escalation matter. You can read more on the process and requirements, [here](#).

The most urgent cases escalated this week related to:

1. Delays in finalising and circulating non-resident confirmation letter and
2. Delays in the finalisation and payment of refunds.

## SARS regional and national operational meetings

SAIT and its Regional Representatives attend the SARS/RCB regional meetings on a quarterly basis (qualifying for CPD points)\*.

*\*For effective and meaningful interactions with SARS, Regional Representatives are urged to provide specific examples of issues and matters that arise.*

### Feedback from the RCB/SARS regional and national meetings

- Feedback from the Eastern Cape regional stakeholder meeting held on 14 August 2024 can be accessed, [here](#).
- Feedback from the North West regional stakeholder meeting held on 19 August can be accessed, [here](#).

## Upcoming RCB/SARS regional and national meetings

The following regional and national meetings have been scheduled:

1. Gauteng North for 22 August 2024;
2. Mbombela for 23 August 2024;
3. Witbank, Mpumalanga scheduled for 26 August 2024;
4. Free State and Northern Cape for 9 September 2024;
5. KwaZulu-Natal for 9 September 2024;
6. Free State and Northern Cape for 11 November 2024;
7. Gauteng South for 13 November 2024;
8. Gauteng North for 21 November 2024; and
9. KwaZulu-Natal for 25 November 2024.

### Other meetings of interest

1. RCB forum meeting scheduled for 10 September 2024;
2. RCB forum meeting scheduled for 12 November 2024; and
3. SARS National Operations meeting scheduled for 21 November 2024.

Members who wish to make themselves available to serve as SAIT Regional Representatives or raise agenda points can send their details (full names, region, and area of speciality) to Lerato Mashigo at [taxassist@thesait.org.za](mailto:taxassist@thesait.org.za).

## DAILY COMPLIANCE AND ADMINISTRATION

### Due dates for reporting and payments: August 2024

Month	Date	Tax Type	Notification
August 2024	07/08/2024	Employment Taxes	<b>EMP201</b> - Submissions and payments
	23/08/20234	Value-Added Tax	<b>VAT201</b> - Manual submissions and payments
	30/08/2024	Value-Added Tax	<b>VAT201</b> - Electronic submissions and payments
	30/08/2024	Income Tax	<b>1st provisional (2025)</b> submissions and payments for individuals, trusts and companies with a February year-end
	30/08/2024	Turnover Tax	<b>1st TT02 (2025)</b> payments for micro businesses registered for turnover tax



## SAIT member resources

- [SAIT Important tax dates calendar](#) – contains important dates from January 2024 to January 2025 (unchanged).
- [SAIT SARS contact map](#) – links service requirements to SARS channels (updated) – The contact map has been updated with the addresses at which disputes in terms of Section 103 of the Tax Administration Act must be delivered. [Public notice 5114](#) replaces [public notice 3135](#) previous published on 10 March 2023.

## Key operational news

### Third-party data reporting – Medical Aid Trade Testing commences from 19 August until 13 September 2024

SARS has announced that the Medical Aid Trade Testing commenced from 19 August 2024 until 13 September 2024.

In this regard, the latest [External Medical Aid Business Requirement Specification \(BRS\)](#) version 1.09-1 has been updated to include the update to the Principal Member and Dependent Disability Indicators definition.

Additionally, this BRS has been updated to accommodate new requirements as indicated below:

- Medical aids to provide details of who is paying the medical aid contributions to tighten the process on taxpayers claiming to incur expenses on behalf of their dependants.
- Get data from medical aids with regards to the disability details of the principal member and their dependent(s).
- The split between allowable expenses (qualifying medical expenses in terms of the Income Tax Act) and non -allowable expenses (non-qualifying medical expenses in terms of the Income Tax Act claimed by taxpayers).

Members who wish to refer testing queries, may do so to [SARSTradeTesting@sars.gov.za](mailto:SARSTradeTesting@sars.gov.za) indicating the subject as 'Medical Trade Testing'.

Additional detail may be accessed on the [Third Party Data Submission Platform](#) webpage.

### Reminder regarding the updated e@syfile Employer Beta release available for trade testing

SARS will provide trade testers an opportunity to test the updated e@syFile™ Employer build before the formal release in mid-September 2024 for the Employer Interim Reconciliation.

The updated e@syFile™ Employer BETA version with enhanced features for download will be released on 16 September 2024. During the testing period from 19 August to 23 August 2024, all online functionalities will be disabled to prevent incorrect submissions of test data into the production environment. This means that the application will default to offline mode. Certain menu options will also be disabled as a precautionary measure.

The BETA version of the current e@syFile will contain the following changes:

- New source code for the saving withdrawal benefit for two-pot system.
- Minor amendments to source code validations.

For more information on how to participate in the trade testing, read [here](#).

## Other SARS and related operational publications and announcements

SARS has released the August edition of the [Monthly Tax Digest](#).

This month's edition discusses matters pertaining to:

- Important dates relating to the 2024 Individual Tax Filing Season
- Supporting documents that must be submitted to complete an Income Tax Return
- An update regarding SARS' Debt Management Department and their efforts in the case of indebted taxpayers
- An update regarding instances when a tax refund can be delayed
- Reminder regarding the importance of using a registered practitioner

## TAX PRACTITIONER MANAGEMENT

### SAIT TaxHelpline – Tax practitioner access and functionality (eFiling)

No new recurring matters have been identified in the queries submitted to SAIT for the week of 15 – 21 August 2024.

### Key tax practitioner news

#### Reminder regarding SARS' fight against 'ghost' tax practitioners

Over the past few years, a focus has been placed on tax practitioners' personal tax compliance and how they advise their clients, with very little focus on 'ghost' tax preparers who remain off the system. This has since changed with SARS fighting against 'ghost' tax practitioners head on.

Keith Engel, CEO of SAIT, indicated that these scammers also raise other red flags, often promising clients guaranteed tax returns from SARS. *"Many of what we call 'ghost' tax preparers promise refunds, charge a fee and then disappear. If SARS then audits the taxpayers' cases, they demand that the money be repaid. The taxpayer can also incur penalties,"* Keith said.

It is suggested that taxpayers not be lax about their tax affairs and assume that they can be hands-off, even with tax practitioners involved. The question then arises, how do you know if your tax practitioner is legit?

- 1. Check registration:** Ensure that your tax practitioner is duly registered with SARS and a recognised controlling body, and that they are in good standing with both.
- 2. Request proof of compliance:** Ask your practitioner to provide evidence of their overall compliance status.

### Government & stakeholder newsletters

No government and other stakeholder newsletters were published during the week of 15 - 21 August 2024.

### Other tax practitioner access and functionality publications and announcements

- **14 August 2024:** SARS published the Mthatha [mobile tax Unit and mall activation schedules](#) for September to October 2024.
- **8 August 2024:** SARS published the Western Cape [mobile tax unit schedule](#) for September 2024.

# PART B – LEGISLATION & POLICY

## LEGISLATION, INTERNATIONAL AGREEMENTS & POLICY

### Tax policy & international agreements

#### Legislation

### Reminder regarding the release of the 2024 Draft Tax Bills and Regulations for public comment

On 1 August 2024, National Treasury and SARS jointly released the 2024 Draft Tax Bills and Draft Regulations for public comment, which give effect to and provide clarity to the necessary legislative amendments required to implement the more complex tax announcements made in Chapter 4 and Annexure C of the 2024 Budget Review.

Key draft legislative amendments being proposed include:

- Curbing the abuse of the employment tax incentive scheme.
- Reviewing the connected person definition in relation to partnerships.
- Relaxing the assessed loss restriction rule under certain circumstances.
- Reviewing the prohibition against transfers of assets to non-taxable transferees in terms of an 'amalgamation transaction'.
- Clarifying anti-avoidance rules dealing with third-party backed shares.
- An investment allowance for automotive companies investing in production capacity for electric and hydrogen-powered vehicles in South Africa.
- Further refining the definition of 'exchange item' for determining exchange differences.
- Reviewing the interaction of the set-off of assessed loss rules and rules on exchange differences on foreign exchange transactions.
- Retrospective amendment applicable to fuel products of heading 27.10.
- Implementing the Arena Holdings Constitutional Court judgment regarding access to tax records.
- Clarifying provisions relating to original assessments where no return is required or a taxpayer voluntarily submits a return.
- Clarifying the right to appearance before the tax court by taxpayers' representatives who are not legal practitioners and the taxation of legal costs where SARS legal practitioners appear for SARS.
- Reviewing of dispute resolution proceedings to improve their efficiency.
- Removing of grace period for new company to appoint a public officer.

National Treasury and SARS have also published the following draft regulations and amendments:

- Draft Regulations on the method for determining the VAT liability in respect of casino table games of chance, issued in terms of section 74(2) of the Value-Added Tax Act;
- Draft Carbon Offset Regulations;
- Draft Regulations on the domestic reverse charge issued in terms of section 74(2) of the Value-Added Tax Act; and
- Draft Regulations on Electronic Services for the purpose of the definition of 'electronic services' in section 1 of the Value-Added Tax Act.

Members may access the 2024 Draft Tax Bills and Draft Regulations, [here](#), which includes all relevant documentation as well as associated draft explanatory memoranda that sets out the details regarding to the aforementioned proposed tax amendments.

In the main, the due date for commentary is [31 August 2024](#). SAIT Tax Technical as well as the SAIT Technical workgroups will be making submissions on all the proposed amendments. Should you wish to provide your commentary, please circulate your input to [ksesana@thesait.org.za](mailto:ksesana@thesait.org.za) by no later than **26 August 2024**.

- [Draft Revenue Laws Amendment Bill 2024](#)
- [Draft Taxation Laws Amendment Bill 2024](#)
- [Draft Tax Administration Laws Amendment Bill of 2024](#)
- [Draft Regulations on Electronic Services for the purpose of the definition of electronic services](#)
- [Draft Regulations on the method for determining the VAT liability in respect of casino table games of chance](#)
- [Draft Carbon Offset Regulations Prescribing Carbon Offsets in terms of Section 19\(C\) of The Carbon Tax Act 1](#)
- [Domestic Reverse Charge Regulations](#)

For more information on the call for comment, click [here](#).

## LEGISLATIVE INTERPRETATION

### Submissions to SARS and current calls for comment

#### Submitted calls for comment

No submission on legislative calls for comment were submitted to National Treasury and/or SARS for the week of 15 – 21 August 2024

### Legislative interpretation calls for comment

SARS has issued calls for comment as pertaining to the following;

- [Draft Guide](#) – Income Tax Benefits in Special Economic Zones
- [Draft Guide](#) – Allowances and deductions relating to assets used in the generation of electricity from specified sources of renewable energy
- [Draft Guide](#)– Mineral and Petroleum Resources Royalty Act

For more information on the calls for comment, click [here](#).

### Legislative counsel publications

### Release of interpretation note 133

On 15 August 2024, SARS released [IN 133](#) that provides guidance on the interpretation and application of the definition of ‘water services provider’ in section 1(1) for purposes of the exemption of the receipts and accruals of a qualifying water services provider from normal tax under section 10(1)(t)(ix) of the Act.

Chapter 2 of the Constitution of South Africa, the Bill of Rights, guarantees everyone the right to access to sufficient water. To assist a water services provider to fulfil its obligations under the Constitution of South Africa and the Water Services Act, section 10(1)(t)(ix) of the Act exempts the receipts and accruals of any water services provider from normal tax provided certain requirements are met.

Thus, [IN 133](#) considers amongst others, the requirements of the definition of ‘water services provider’ to qualify for this exemption and the reporting obligations of a qualifying water services provider under the Act and the TAA Act, accordingly.

Members, particularly water services providers and their advisors, are encouraged to access [IN 133](#) for full and further detail.

## **SARS publishes issue 4 of the [frequently asked questions](#) pertaining to Deceased Estates**

The frequently asked questions (FAQs) have been compiled based on questions that executors and the public at large have about the tax treatment of deceased estates.

These FAQs are not intended to be used as legal reference but have rather been drafted purely to assist executors and the public at large to obtain clarity and to ensure consistency on certain practical and technical aspects relating to estate duty and the income that may arise after the date of death. These FAQs are to be read in conjunction with the aspects discussed in the [Guide to the Individual Income Tax Return for Deceased and Insolvent Estates – External Guide](#) and the [Comprehensive Guide to Capital Gains Tax \(Issue 9\)](#).

The FAQs will be updated periodically to address questions regarding the practical aspects and tax treatment of deceased estates that are not addressed herein as well as any changes to the legislation.

Members who wish to raise additional questions that have not been addressed in the FAQs can do so by e-mailing the Estate Duty mailbox at [estateduty@sars.gov.za](mailto:estateduty@sars.gov.za).

### **Published court cases**

No new court cases were published in the week of 15 – 21 August 2024.

### **Other SARS publications and announcements**

No other SARS publication and/or announcements were made in week of 15 - 21 August 2024.

## **OTHER MATTERS OF INTEREST FOR A TAX PRACTICE**

### **How to correct your Income Tax Return on eFiling**

SARS has issued guidance and a reminder on how taxpayers can revise and submit their Income Tax Return in the event that a mistake was made.

To correct an initially submitted Income Tax Return, use the 'Request Correction' function on eFiling to submit an updated return to SARS. Use this function if a mistake was made during the completion of the initial return. However, note that a request for correction will not be permitted in the following instances:

- The return is in an issued or saved state.
- There is an active verification in progress for the request.
- An active audit case is in progress.
- An agreed estimate was performed by SARS for Personal Income Tax.
- SARS has finalised an audit case or a Revised Declaration of your Personal Income Tax.
- You have submitted supporting documents for an active verification.

Once you submit the Request for Correction, the eFiling status will change to 'Correction Filed.'

## Webinar invite to the two-pot retirement system

As part of SARS' strategic objectives to give taxpayers clarity and certainty about their obligations, and to make it easy for them to comply therewith, SARS will be hosting a webinar on the two-pot retirement system on 22 August 2024. This webinar will educate taxpayers about the implementation of this retirement reform, its savings withdrawal benefit, and the implications for taxpayers' retirement funds.

The 'two-pot' system was established by The Revenue Laws Amendment Bill that was signed into law by President Cyril Ramaphosa and will change the retirement-fund landscape with effect from 1 September 2024.

### Details of the webinar:

**Topic:** Two-Pot Retirement System Reform  
**Date:** Thursday, 22 August 2024  
**Time:** 17:00–19:00  
**YouTube link:** <https://youtube.com/live/Y4CDHbq-nWU?feature=share>