

Managing your Tax Compliance Status with SARS

Being tax compliant and 'paying your fair share' is not just good for you, but also contributes to the positive growth of our country's economy which in turn benefits all South Africans.

In our continued effort to improve compliance and to make it even easier for taxpayers to manage their tax affairs, the South African Revenue Service (SARS) will from 18 April 2016, introduce an enhanced Tax Compliance Status System.

The new system will make it easier for taxpayers to obtain a Tax Clearance Certificate (TCC) and the enhanced system will also allow taxpayers to obtain a Tax Compliance Status (TCS) PIN which can be used by authorised third parties to verify your compliance status online via SARS eFiling.

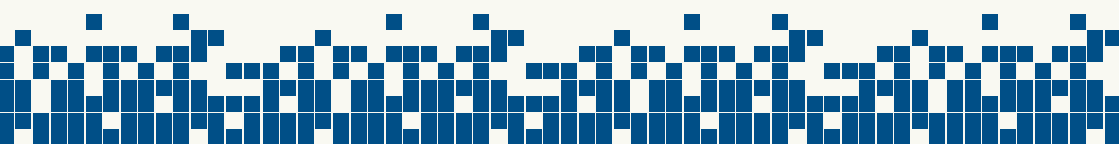
How to access My Compliance Profile (MCP) via SARS eFiling

The first step in this process is for taxpayers to determine whether or not they are compliant by accessing their My Compliance Profile (MCP) via SARS eFiling.

It is important to remember that a taxpayer's compliance status is not static and changes according to his/her continued compliance with tax requirements.

With this in mind, in order to be tax compliant you should make sure that:

- You do not have any outstanding tax returns
- You do not owe any money to SARS unless a payment arrangement or suspension of debt has been agreed to
- You are registered for all the tax products that you are liable for
- Your registered particulars are updated
- You have either merged (via the Merge tool on eFiling) or declared (on the ERC01 form available on eFiling), all your registered tax reference numbers.



The MCP affords taxpayers the opportunity to view their tax compliance status as determined by SARS in order to remedy any non-compliance identified. The introduction of the MCP will ultimately empower taxpayers with more information about their tax compliance and underpins the replacement of the current Tax Clearance Certificate system.

How to access your My Compliance Profile (MCP) via SARS eFiling

It is important that you regularly view your Tax Compliance Status. This can now be done simply and easily via SARS eFiling www.sarsefiling.co.za. Follow these steps to view your My Compliance Profile to get a view of your tax compliance status or the reasons why you may not be tax compliant and how to fix the non-compliance.

How to request your Tax Compliance Status (TCS) via eFiling

STEP 01

Logon to eFiling

Logon to eFiling by using your login name and password. If you are not yet an eFiler, register on www.sarsefiling.co.za.

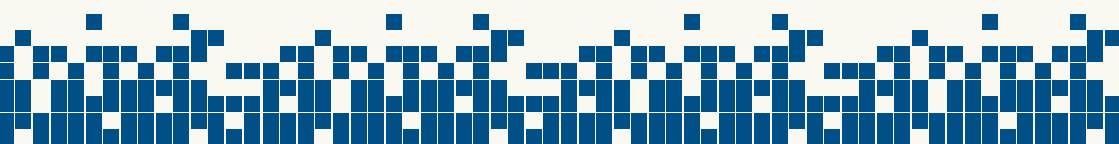
You need to be registered for eFiling and have one tax product [such as Income Tax, Value-Added Tax (VAT) or Pay-As-You-Earn (PAYE)] already activated on your taxpayer profile in order to activate the Tax Compliance Status (TCS) service.

STEP 02

Activate the Tax Compliance Status service

Tax practitioners and eFiling administrators for organisations must ensure that the correct rights are allocated to users who need access to the tax compliance status screen. For more information on allocating these rights, please refer to the “Guide to the Tax Compliance Status Functionality on eFiling” available on the SARS website www.sars.gov.za.

You only need to activate your Tax Compliance Status once and it will remain active. Once you have activated it and you have merged or declared all your registered tax reference numbers, you will be given access to your My Compliance Profile (MCP).



Maintaining a compliant tax status is very important and you are urged to view your compliance profile regularly in order to ensure your tax status is compliant.

You can view your tax compliance profile by selecting the My Compliance Profile menu option. A colour-coded profile will appear to indicate whether you are tax compliant or not.

- **Red** – Your tax affairs are not in order and you are not tax compliant
- **Green** – Your tax affairs are in order and you are tax compliant.

These colour-coded indicators are an overall summary of your tax compliance status with regard to the following compliance requirements:

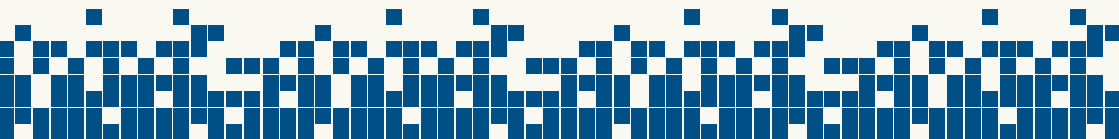
- **Registration status** – are you registered and active for the tax products that you are liable for?
- **Submission of returns** – are any returns that you are liable for outstanding after the stipulated filing due dates?
- **Debt** –
 - o do you have any outstanding tax debt for which no instalment payment arrangement has been made?
 - o do you have any outstanding tax debt which has not been suspended by SARS?

What do I do if My Compliance Profile is **RED**?

In order to address non-compliance, you can select the “Non-compliant” status indicator to see what steps need to be taken to rectify the non-compliance. Alternatively, you can rectify the non-compliance through the existing channels and processes available.

Challenging your tax compliance status

If you are not satisfied or do not agree with your tax compliance status, you can motivate why SARS needs to re-evaluate your tax compliance status. This can be done on eFiling



by clicking on “Challenge Status” and providing a motivation as to why SARS should re-evaluate your tax compliance status.

The “My Account Enquiries” function under the Tax Compliance Status menu allows you to view account enquiries including progress on “Challenge Status” submissions.

How to request your Tax Compliance Status via eFiling

From **18 April 2016** you can:

- Request your Tax Compliance Status online via eFiling. This will include a unique PIN which you can provide to a third party who is able to verify your tax compliance status either via eFiling or at a SARS branch
 - o Request a Tax Clearance Certificate via eFiling which will give the option to print the TCC via eFiling; or
 - o Request a TCC at a SARS branch where the SARS agent will be able to print or email the TCC to you

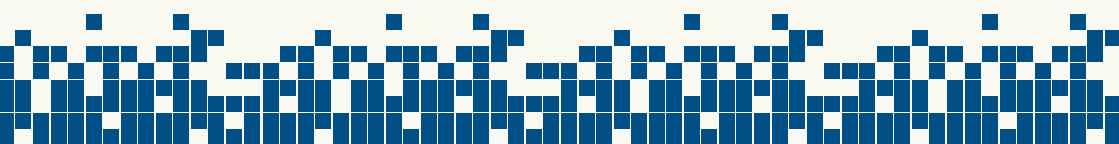
How to request your Tax Compliance Status via eFiling

Once you have viewed your My Compliance Profile, you may request a Tax Compliance Status by:

- Selecting the Tax Compliance Status Request option and the type of TCS for which you would like to apply. You will have the following options:
 - o Good standing
 - o Tender
 - o FIA (individuals only)
 - o Emigration (individuals only)
- Complete the Tax Compliance Status Request and submit it to SARS.

The Tax Compliance Status PIN

Once your request is approved by SARS, you will be issued with an overall tax compliance status and a PIN. The PIN provides you with a way to authorise any third party to view



your tax compliance status online via eFiling. You can request that the PIN be sent to you via SMS and you can view it on your “Tax Compliance Status Request” dashboard on your eFiling profile.

IMPORTANT: A unique PIN will be issued for each request that you make.

In addition to the PIN, you will also be able to print a Tax Clearance Certificate (TCC), in the existing format, via your own computer by selecting “Print TCC”. The “Print TCC” function will only be available if your overall tax compliance status reflects as compliant.

Once you have provided the PIN to a third party, the PIN will enable the relevant organisation or government department to view your current tax compliance status online. It will present them with your overall compliance status as at the date and time they check it and not your status as it was at the date that the PIN was issued to you. To protect the confidentiality of taxpayer information, no other information will be accessible.

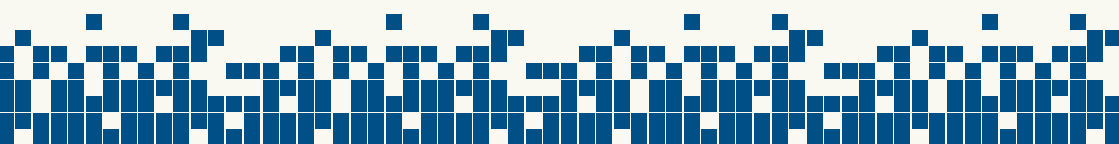
Please note that not all government institutions and private organisations will be able to utilise the Tax Compliance Status PIN at this stage and in such instances, you must supply a printed TCC. It is envisaged that the PIN will, in time, replace the paper TCC.

Requesting a Tax Compliance Status at a SARS branch

When you request your Tax Compliance Status at a SARS branch and if it is approved, your Tax Compliance Status will include a PIN which can be sent to you via SMS on the registered cell phone number which SARS has on record for you.

How to request your Tax Clearance Certificate (TCC) at a SARS branch

You will also be able to request your TCC at a SARS branch by completing the Tax Compliance Status Request for the specific type of TCC you require. (E.g. Tender, Good standing, FIA or Emigration). If your tax compliance status is compliant, the SARS agent will be able to print or email you your TCC to the registered email address which SARS has on record for you.



Please note: If your tax compliance status reflects that you are non-compliant, you will not receive a TCC until you have rectified your compliance.

For more information on the new Tax Compliance Status process visit our website www.sars.gov.za or call the SARS Contact Centre on 0800 00 7277.

Disclaimer

The information contained in this leaflet is intended as guidance only and is not considered to be a legal reference, nor is it a binding ruling. The information does not take the place of legislation and readers who are in doubt regarding any aspect of the information displayed in the leaflet should refer to the relevant legislation, or seek a formal opinion from a suitably qualified individual.

For more information you may:

- Visit the SARS website www.sars.gov.za
- Visit your nearest SARS branch
- Contact your registered tax practitioner
- Contact the SARS Contact Centre on 0800 00 7277 if calling locally or if you are calling from abroad on +27 11 602 2093 (between 8am and 4pm South African time).

