

Sars strives to secure a prosperous SA – fairly and confidentially

SA ENJOYS remarkable levels of fiscal independence and pursues a better life for its citizens, precisely because most taxpayers pay their fair share.

They do so knowing that SA's tax laws are applied without regard to the status of the individuals or entities concerned.

They do so knowing that in pursuit of its mandate, the SA Revenue Service (Sars) is guided by a strong set of moral values based on integrity and honesty to ensure compliance by each taxpayer.

They do so knowing that Sars conducts itself in a manner becoming the country they hope for.

Sars has the highest regard for these principles and values.

For SA to succeed as a nation, Sars's credibility must be beyond question. We understand that no taxpayer will willingly hand over their money if they mistrust our motives, our methods or our ability to be fair, transparent and impartial.

We cannot succeed without the taxpayers' confidence in us.



We know our hopes for social and economic development and better prosperity for South Africans depend on our fiscal capability.

If anyone is in doubt about what this means, they need only consider recent international experience.

As Christine Lagarde, head of the International Monetary Fund, stated last week: "As far as Athens is concerned, I think about all those people who are trying to escape tax all the time. I think they should help themselves collectively."

Simply put, we have learnt that a

bankrupt state is a prisoner of the dictates of others.

Those outside Sars also have a stake in guarding our reputation. Sars does not belong to any particular person or political party, section of society or stakeholder group.

It belongs to all South Africans in their wonderful diversity.

Tax compliance in society should be seen within the broader context of a greater need to comply with society's standards.

Just as society abhors serious and violent crime or disregard for traffic laws so, too, should it be considered unacceptable for people to fail to pay their tax.

Sars considers the legal principle of taxpayer confidentiality sacrosanct and allows no expediency to infringe upon it, even as spurious accusations are made against our name.

SA is not alone in fervently protecting taxpayer confidentiality by law.

Most international tax laws contain similar provisions with the logic that taxpayers will not willingly

disclose personal and financial information if they are not guaranteed confidentiality.

Every one of Sars's 15 000 employees is required to understand and observe the strict confidentiality provisions contained in law, which make it an offence – punishable by jail sentences – to disclose any information regarding a taxpayer or a trader's affairs.

They are constantly reminded of how pivotal the relationship between a credible tax administration and the general population is to build a culture of compliance with the law.

Public statements by those with political party agendas, based on emotive and rhetorical positions that are devoid of fact, can hardly be afforded in our country – they serve no meaningful purpose and will not help anyone to deal with problems on a practical level.

Unsubstantiated allegations, mud-slinging and political point-scoring do little to identify and correct real problems. They serve only to obfuscate, denigrate and

undermine without foundation.

This does not mean we are above reproach or criticism. Sars is not perfect. It is run not by machines but by people, and people are fallible.

Where evidence of corruption and other wrongdoing are presented and found to be credible, we act swiftly and sternly to deal with them.

Taxpayers who feel that their rights have been infringed upon have many means and forums for recourse.

They can raise an objection, report their experience to a Chapter 9 institution and they can appeal to a court of law.

Sars will take – and has previously taken – firm action against anyone who violates these legal assurances and breaks public trust.

In the past, Sars has been accused of not investigating the affairs of certain taxpayers.

In other instances when investigations are conducted, Sars is accused of having ulterior or "political" motives.

The reality is that in any given year, Sars conducts more than 70 000 audits of taxpayers countrywide.

Taxpayers are randomly selected for scrutiny by Sars for many reasons, based on risk or because specific prima facie evidence suggests serious non-compliance.

More than 2 000 alleged tax and customs crimes are being investigated and are in various stages of conclusion.

Regrettably, Sars has found in the past that some who wish to shirk their tax obligations choose to cast aspersions in the public arena on Sars's reputation.

Clearly, there are those in society who would like Sars to be less effective, less objective and less tenacious in our pursuit of non-compliant taxpayers.

Equally concerning is the emergence of a trend by unscrupulous taxpayers who go the extent of pleading poverty in public, conceal their sources of income and at the same time employ the most expensive legal and time-consuming practices to avoid facing

their obligations.

There are many recent examples of such individuals attempting to capitalise on the developmental state of government institutions to further their own interests.

Greed is often the motive.

Some of these taxpayers happen to be prominent people in our society and their blatant abuse of processes in the criminal justice system and irresponsible public statements propagate the worst kind of example of how not to behave as a taxpayer in a democracy.

For this reason, we react with alarm when the integrity of this institution is questioned by people with doubtful motives – not because it impinges on our reputation but because it undermines two decades of earning the trust and respect of millions of taxpayers.

Fortunately, we know that most South Africans support our fearless pursuit of those who are not paying their fair share of tax.

■ *Magashula is Commissioner of Sars.*