

AIR PASSENGER TAX (APT) MODERNISATION PROJECT

STAKEHOLDER ENGAGEMENT

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Thank you for walking this journey with us



APT MODERNISATION PROJECT

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APT MODERNISATION PROJECT

Background

- The aim of today's engagement is of a consultative nature and to bring Air Passenger Tax modernisation project to the industry's knowledge, and further to solicit input and views of the industry, where appropriate.
- This is part of SARS's strategic objectives of working with and through stakeholders to improve the tax ecosystem.
- SARS administers APT as part of its excise levies through the Customs and Excise Act under the Customs and Excise division.
- Based on pre-Covid revenue trends, annual revenue collections for APT were approximately R1 billion, with approximately 80 airline operators registered.

APT MODERNISATION PROJECT

Background Contin....

- Ever since the emergence of COVID19 where travel restrictions were implemented and some airlines went bankrupt, there has been decline in revenue collections by SARS, however since the scrapping of Covid regulations through the Disaster Management Act this trajectory is gradually improving.
- As part of one of SARS's strategic objectives which is to modernise its systems, SARS management approved a new project to modernise the APT administration to ensure that these taxpayers are provided with digital and streamlined online services.
- SARS currently utilizes manual process to administer the collection of APT where applications to register as a taxpayer and return submissions are manually received via emails.

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Expected Changes and Objectives

- The key objective is to move to an automated streamlined process from this manual and cumbersome process.
- The implementation of this APT modernisation project is expected to improve the taxpayer experience and to make it easier to transact with SARS.
- SARS intends to implement **e-filing** capability for the new registration of APT clients, submission of APT monthly returns, and for payments of APT liabilities.
- In the meantime SARS strongly recommends that APT clients should make use of the current payment e-filing capability in order to make the transition smoother when the system is rolled out in the new financial year or later part of 2023.
- All the APT clients will be expected to make use of the current payment e-filing capability when making payments to SARS and no longer EFT.

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Timelines

- The APT modernisation project was approved by SARS Executive during the latter part of the 2022 Financial year.
- SARS is currently busy with its internal stakeholders working in conjunction with the outsourced system developers to develop the desired system solution for this APT modernisation project.
- The new APT system is expected to be implemented during the 2024 Financial year, subject to the continued availability of the funding and any other possible unforeseen obstacles.
- Again SARS would like to emphasize and also to encourage the existing APT clients, that its preferred payment channel is e-filing, and e-filing will extend to registration of new clients and submission of APT returns once the new system solution is implemented.

AS IS PROCESS DESCRIPTION

Registration

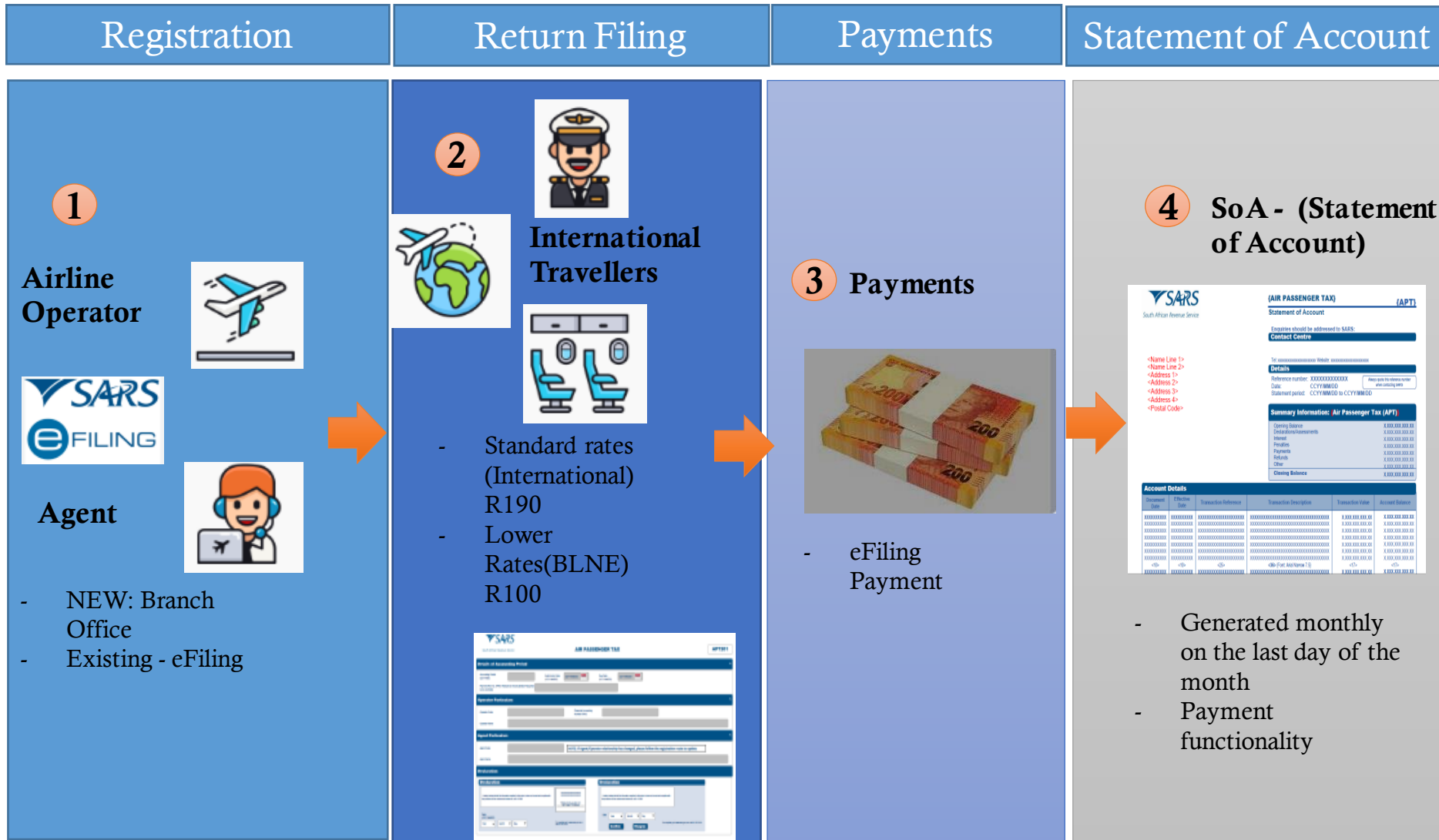
- Currently APT records the Operator and Agent registration details and assigns the Customs Code.
- The Operator/Agent relationship details are captured manually on APT legacy mainframe system.
- This system is outdated and not fully supported by the latest technology.
- Operators and Agents can only do their APT registrations and de-registrations at the OR Tambo Office as there is no electronic channel available for them.

AS IS PROCESS DESCRIPTION CONT.

Return Submission Process

- On the 22 of each Month, a flat file is sent to Cape Town for printing.
- The flat file is printed into return form and posted to all Operators and Agents.
- The airline will consolidate, split the non-chargeable and chargeable passengers and fill this information into the form (manually).
- Email, fax or hand deliver form to SARS airport office.
- SARS Officer captures the returns into APT.
- A monthly statement is generated on APT, printed in Cape Town and posted to clients.
- The clients can then make use of the PRN to pay using cheque, EFT, eFiling or direct deposit
- If payment is late, interest is charged.
- In case of an audit and underpayments are found, interest is charged and where applicable a penalty is also be charged.
- In a case of an overpayment as an outcome of an audit, the client is refunded following the existing refund process (either credit the next period or pay the refund)

APT – HIGH LEVEL CONCEPTUAL DESIGN(Phase 1)



PROCESS DESCRIPTION (HIGH LEVEL)

#	Process Step	Description
1	Registration	<ul style="list-style-type: none"> ▪ This entails the submission of APT registration via eFiling. ▪ Branch option is available for first time registrants/subscribers to APT. ▪ Agents will be linked via eFiling “invite user” functionality. They will have to submit the APT 101 forms and supporting documents at the Branch Office. ▪ APT reference number (FAN #) will be issued upon conformation of registration.
2	Return Filing	<ul style="list-style-type: none"> ▪ Monthly returns will be submitted on eFiling. ▪ The modernised HTML 5 APT 201 form will auto-calculate the amounts due using the system rates.
3	Payments	<ul style="list-style-type: none"> ▪ The Operators /Agents will be able to process the amounts due on eFiling. ▪ Pay now button will be made available.
4	Statement of Account	<ul style="list-style-type: none"> ▪ SoA will be issued on the last day of every month. ▪ Payments can also be made on an outstanding balances that are reflected on the statement.

Thank you
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Dankie
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