



South African Revenue Service

REVENUE ANNOUNCEMENT 2024

Media Pack



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SARS CONTRIBUTION TO 30 YEARS OF DEMOCRACY



R21.5 trillion collected between 1994/95 and 2023/24, with CAGR of 9.9%

**R21.5
trillion**

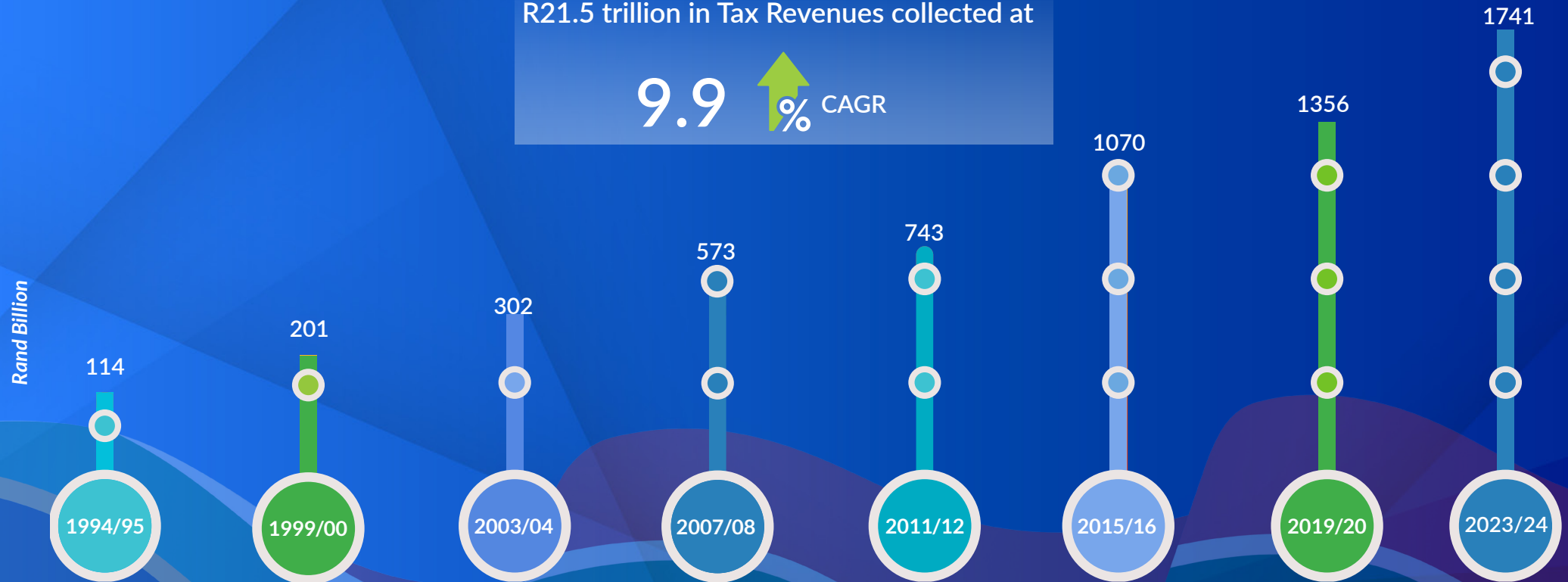
CONTRIBUTION TO SOUTH AFRICA'S DEMOCRACY



Tax-to-GDP improved from 20.2% in 1994/95 to 24.7% in 2023/24

R21.5 trillion in Tax Revenues collected at

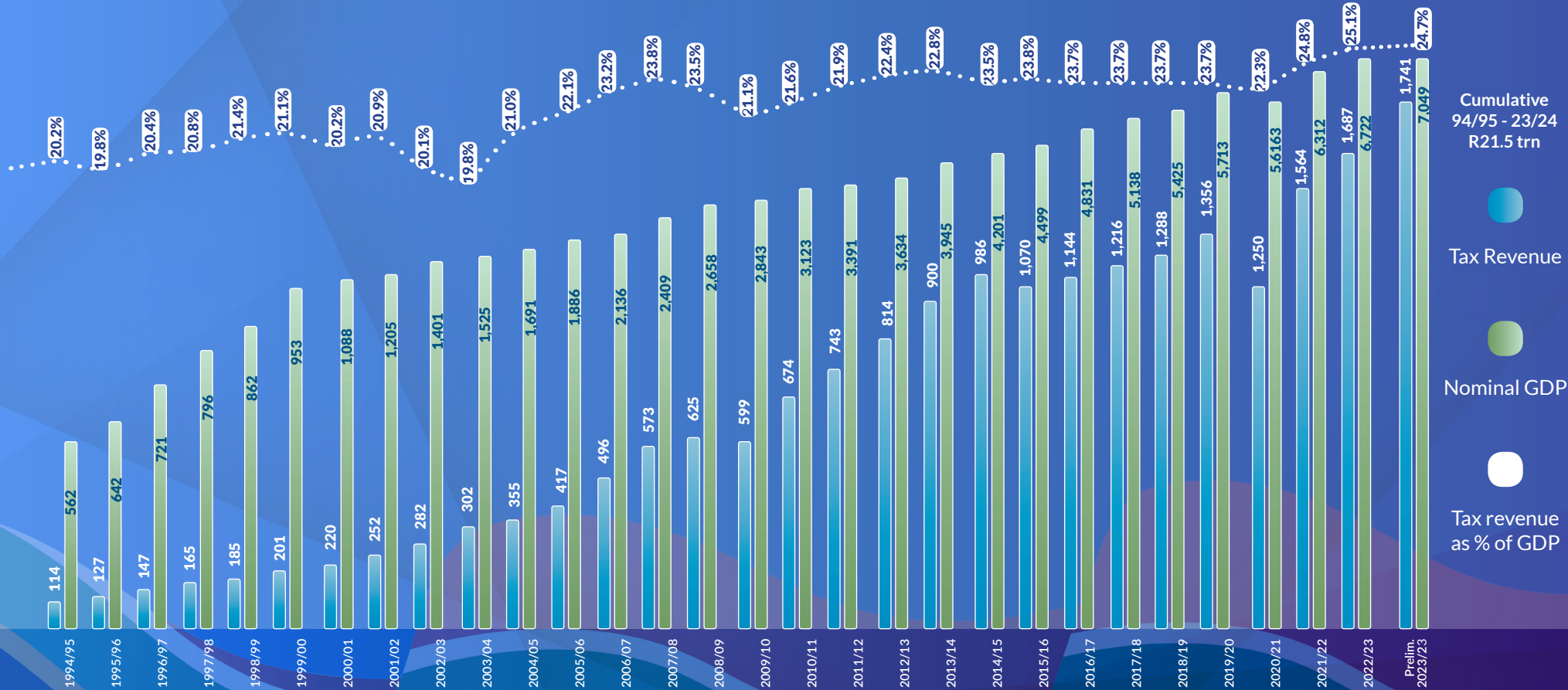
9.9% CAGR



CONTRIBUTION TO SOUTH AFRICA'S DEMOCRACY



Rand Billion / %



Cumulative
94/95 - 23/24
R21.5 trn

Tax Revenue

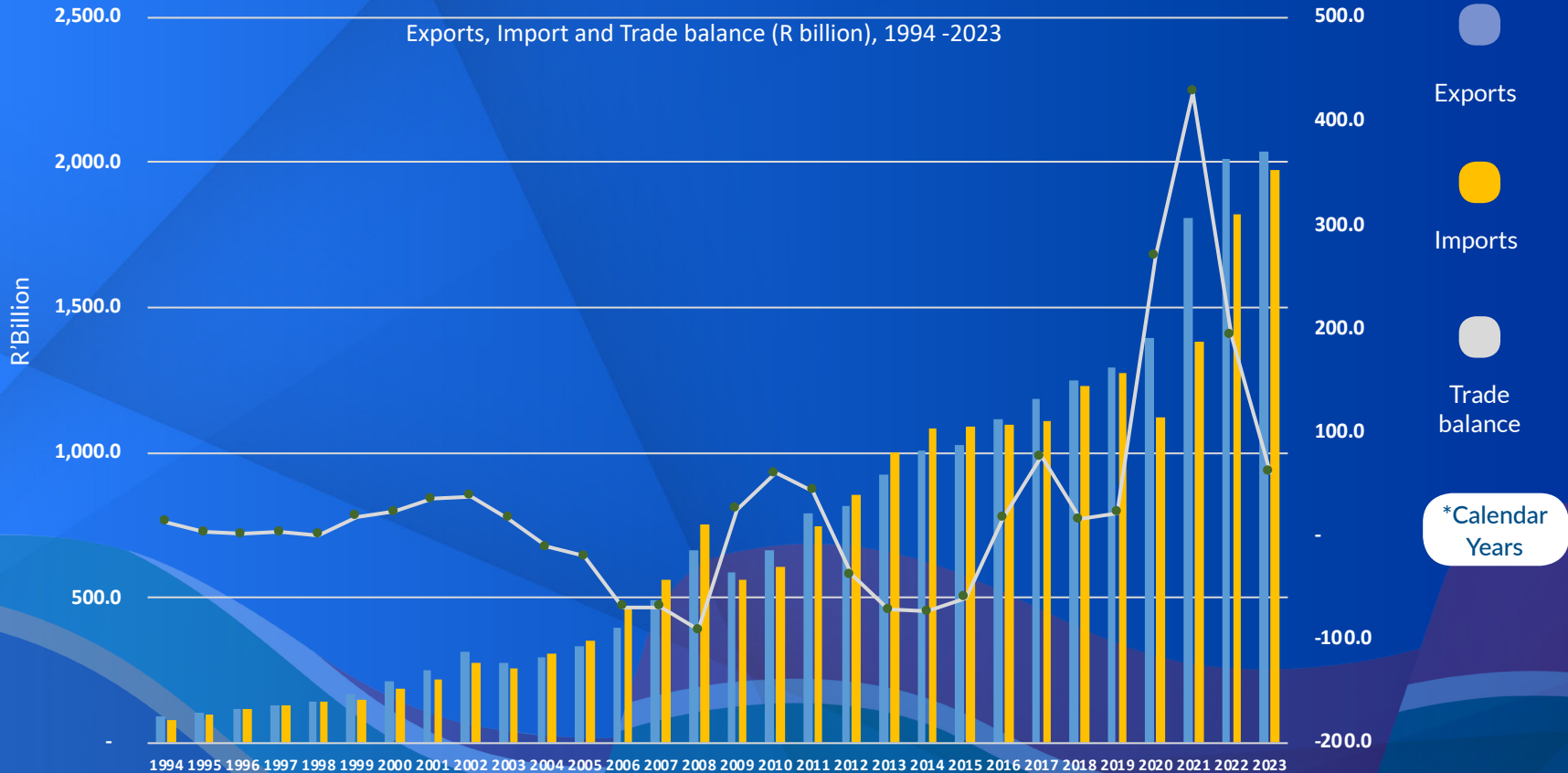
Nominal GDP

Tax revenue
as % of GDP

CONTRIBUTION TO SOUTH AFRICA'S DEMOCRACY



Trade increased from R167.4bn in 1994* to R4015.3bn in 2023, representing a cumulative total of R42.9tr with CAGR of 11.6%



R'bn	Exports	Imports	Trade balance
1994	90.2	77.2	13.1
1995	102.2	99.1	3.1
1996	115.4	113.6	1.8
1997	131.5	127.9	3.6
1998	145.0	144.2	0.8
1999	165.6	147.4	18.2
2000	210.4	187.6	22.8
2001	251.1	216.0	35.0
2002	313.7	275.4	38.3
2003	275.7	258.8	16.9
2004	296.2	306.9	-10.7
2005	331.2	351.1	-19.9
2006	396.2	465.0	-68.9
2007	494.3	563.4	-69.1
2008	662.0	753.3	-91.3
2009	586.3	560.5	25.8
2010	666.4	606.2	60.1
2011	790.0	746.3	43.7
2012	817.0	855.0	-38.0
2013	926.4	998.1	-71.6
2014	1,010.0	1,083.4	-73.4
2015	1,027.6	1,088.0	-60.4
2016	1,115.9	1,099.3	16.7
2017	1,183.5	1,107.0	76.6
2018	1,247.8	1,232.4	15.4
2019	1,294.9	1,273.3	21.6
2020	1,394.4	1,123.8	270.5
2021	1,809.0	1,381.0	428.0
2022	2,013.9	1,820.6	193.3
2023	2,038.2	1,977.1	61.1
Total	21,902.0	21,039.1	862.9
CAGR	11.3%	11.8%	

2019-2024 FIVE-YEAR REVIEW, SARS' STRATEGIC JOURNEY



STATE CAPTURE: THE DEVASTATION CAUSED TO SARS

NUGENT COMMISSION

- The Nugent Commission released its final report in December 2018.
- Conclusion: “... *A massive failure of integrity and governance* ...”
- The Commission made 16 recommendations aimed at rebuilding SARS and restoring public trust in the institution.
- SARS has implemented the majority of the recommendations falling within its mandate.

APPOINTMENT OF COMMISSIONER

- President Cyril Ramaphosa appointed Mr Edward Chr Kieswetter as the new SARS Commissioner from 1 May 2019.
- Mr Kieswetter had previously served at SARS as the founding Group Executive of the Large Business Centre and High Net Worth Unit, Chief Operating Officer and Deputy Commissioner from 2004 to 2009.
- In March 2024, Mr Kieswetter’s term was extended by two years.

REBUILDING OF SARS



THE STORY OF SARS IS A STORY ABOUT PEOPLE:

Everything we do is about having a transformational impact on the well-being of the lives of people, especially the most vulnerable among us.

SARS HIGHER PURPOSE:

To enable government to build a capable state, to foster sustainable economic growth and social development that serves the well-being of all South Africans.

SARS STRATEGIC STATEMENT



VISION 2020-2025:

The Strategic Statement 2020-2025 presents an inspirational vision to build “a smart modern SARS, with unquestionable integrity, trusted and admired”. It sets out a clear Strategic Intent “to follow the internationally recognized approach of Voluntary Compliance”, and further translates this intent into 9 clear strategic objectives.

SARS THEORY OF COMPLIANCE:

We believe that most taxpayers are honest and simply want to fulfil their obligations with the least amount of effort & cost.

TO ACHIEVE AND DEEPEN A CULTURE OF VOLUNTARY COMPLIANCE, SARS HAS ADOPTED 9 STRATEGIC OBJECTIVES



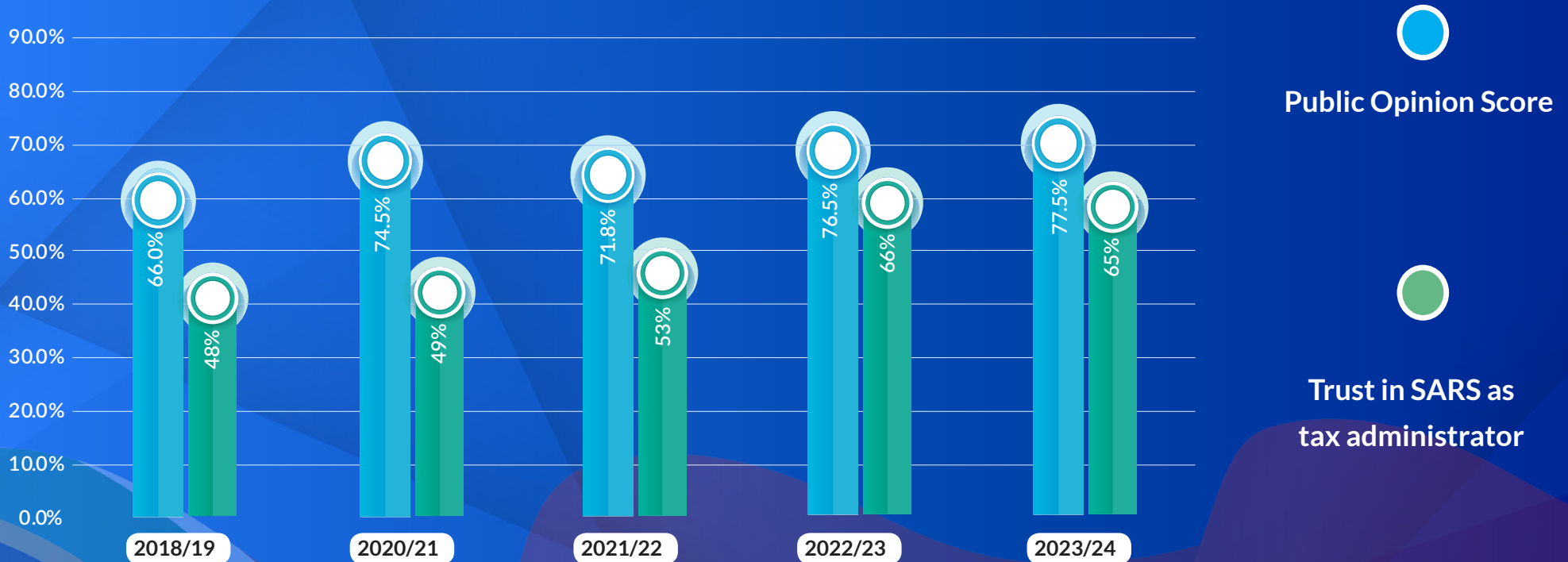
1. Provide CLARITY and CERTAINTY for taxpayers and traders of their obligations.
2. Make it EASY for taxpayers and traders to comply with their obligations.
3. DETECT taxpayers and traders who do not comply, making non-compliance HARD and COSTLY.
4. Develop a HIGH performing, DIVERSE, AGILE, ENGAGED and EVOLVED workforce.
5. Increase and expand the use of DATA within a comprehensive knowledge management framework.
6. Modernise our systems to provide DIGITAL and STREAMLINED online services.
7. Demonstrate EFFECTIVE STEWARDSHIP of our resources to ensure EFFICIENCY and EFFECTIVENESS in the delivery of quality outcomes and performance excellence.
8. Work with and through STAKEHOLDERS to improve the TAX ECOSYSTEM.
9. Build PUBLIC TRUST and CONFIDENCE in the tax administration system.

IMPROVED TAXPAYER ATTITUDE



ATTITUDE TO TAX COMPLIANCE INDEX (ATCI) or PUBLIC OPINION SCORE

Public Opinion Score and Trust in SARS as a tax administrator



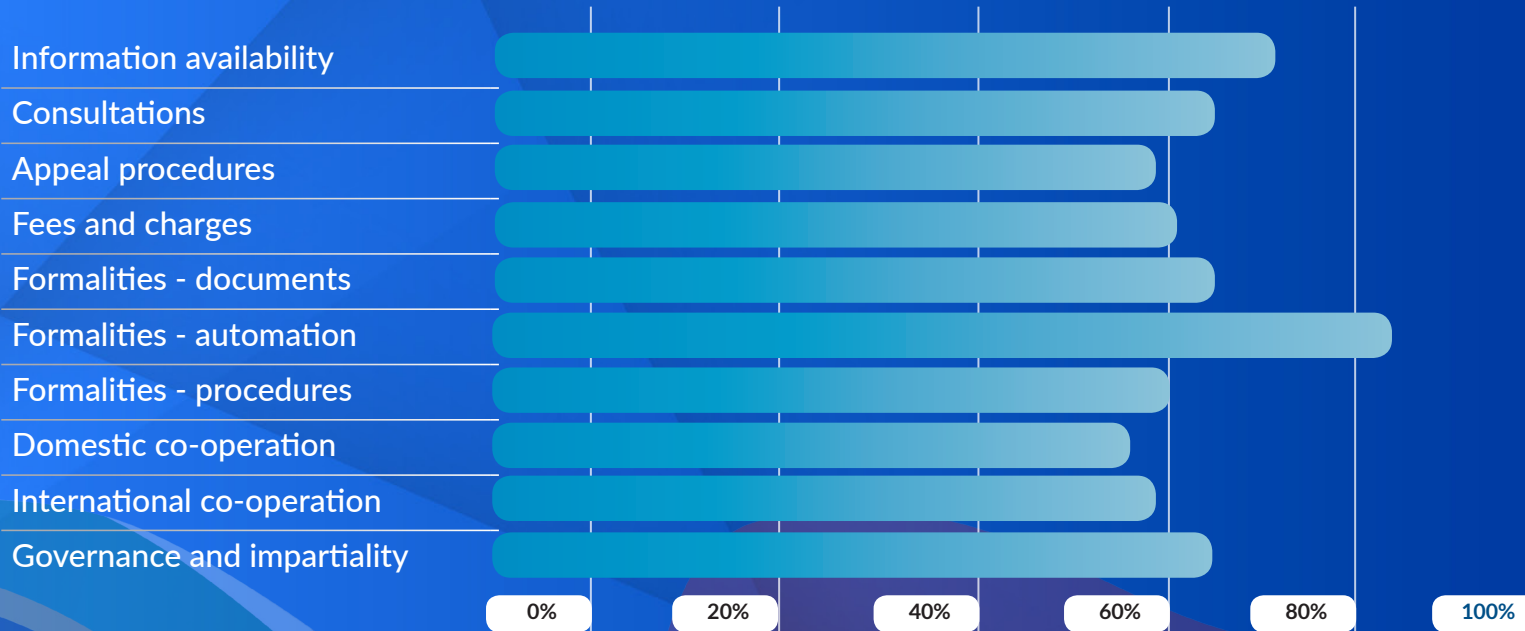
The study was not run consistently prior to 2020/21. Trust results are extracted from the statement on Trust in SARS as a tax administrator. Note - this survey is conducted by an Independent Service Provider.

PERFORMANCE IN 2023/24 – TRADE FACILITATION INDEX



Overall TFI score of 72% surpasses APP benchmark of 55% and better than baseline score of 53% in Mar 2023

TFI Overall - Year End Survey



72%
Final Score

PRELIMINARY REVENUE OUTCOME

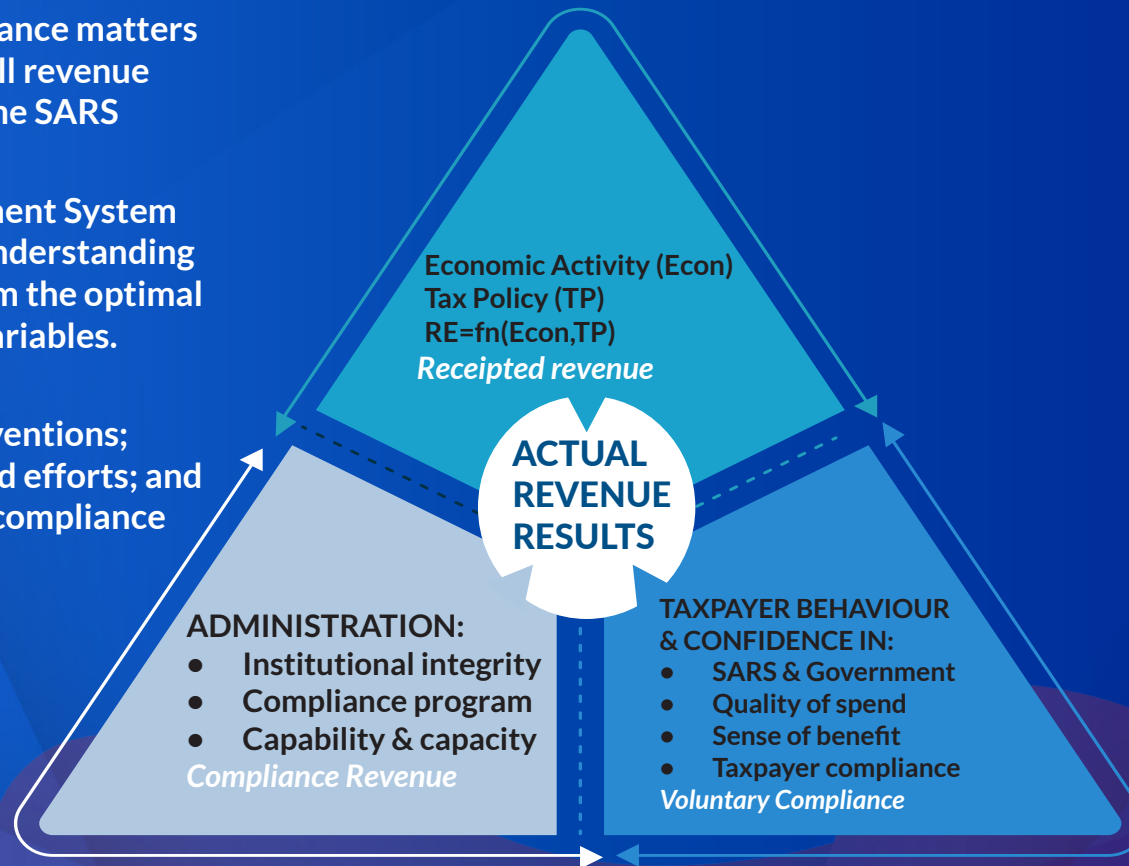
2023/24 *

**Disclaimer: This information contained herein is preliminary and will be subjected to detailed financial reconciliation and a final audit.*

SARS REVENUE MANAGEMENT SYSTEM



- A deliberate focus on revenue and compliance matters required a decisive approach to manage all revenue generating activities undertaken within the SARS value chain.
- Accordingly, the SARS Revenue Management System was conceptualised to galvanise a clear understanding that the revenue outcome culminates from the optimal leveraging of three inextricably related variables.
- These variables are:
(1) economic activity and tax policy interventions;
(2) revenue administration efficiencies and efforts; and
(3) improvements in taxpayer and trader compliance behaviour briefly outlined below:



REVENUE PERFORMANCE IN 2023/24



Key drivers of revenue surplus and growth are mainly CIT Provisional tax, CIT Assessment payments and lower-than-estimated VAT refunds

YTD performance 31 March 2024 | R'Million

Total Gross Receipts

2,154,671 *CY Actuals*
2,067,792 *PY Actuals*



Variance vs Revised

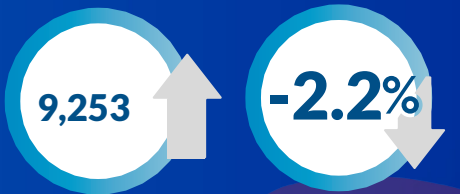


Refunds

-413,824 *CY Actuals*
-381,100 *PY Actuals*



Variance vs Revised



Net Revenue (cash)

1,740,847 *CY Actuals*
1,686,691 *PY Actuals*



Variance vs Revised



CY- Current Year
PY- Previous Year

GROSS REVENUE PERFORMANCE



YTD performance 31 Mar 2024

R'million	CY Actuals	PY Actuals	PY Growth			Revised	Variance vs Revised			
Total Gross Receipts	2,154,671	2,067,792	↑	86,880	↑	4.2%	2,154,429	↑	242	↑ 0.0%
PIT Gross (incl. int)	691,901	638,682	↑	53,219	↑	8.3%	693,242	↓	-1,341	↓ -0.2%
CIT Gross (incl. int)	340,064	366,567	↓	-26,503	↓	-7.2%	327,733	↑	12,331	↑ 3.8%
VAT Gross	790,666	741,421	↑	49,244	↑	6.6%	796,193	↓	-5,527	↓ -0.7%
Import Duties	70,621	73,946	↓	-3,324	↓	-4.5%	72,492	↓	-1,871	↓ -2.6%
Taxes on Prop.	19,416	21,238	↓	-1,822	↓	-8.6%	19,486	↓	-70	↓ -0.4%
DT/STC	39,112	38,119	↑	993	↑	2.6%	39,705	↓	-593	↓ -1.5%
Spec. Exc. Dom.	53,470	55,155	↓	-1,685	↓	-3.1%	53,942	↓	-472	↓ -0.9%
Fuel Levy Gross	98,772	86,981	↑	11,792	↑	13.6%	101,761	↓	-2,988	↓ -2.9%
Other	50,649	45,684	↑	4,965	↑	10.9%	49,876	↑	773	↑ 1.6%

2023/24 REFUNDS PERFORMANCE



VAT refunds key component of outflow of refunds, R23.9bn (7.5%) higher than prior year

YTD performance 31 Mar 2024

R'million	CY Actuals	PY Actuals	PY Growth		Revised	Variance vs REVISED			
Refunds	-413,824	-381,100	↓ -32,724	↑ 8.6%	-423,077	↑ 9,253	↓ -2.2%		
PIT Refunds	-40,463	-36,699	↓ -3,764	↑ 10.3%	-41,303	↑ 839	↓ -2.0%		
CIT Refunds	-23,198	-18,889	↓ -4,309	↑ 22.8%	-22,533	↓ -665	↑ 3.0%		
VAT Refunds	-342,858	-319,005	↓ -23,853	↑ 7.5%	-350,853	↑ 7,994	↓ -2.3%		
Diesel Refunds	-7,305	-6,508	↓ -797	↑ 12.2%	-8,389	↑ 1,084	↓ -12.9%		

2023/24 NET REVENUE PERFORMANCE



YTD performance 31 Mar 2024

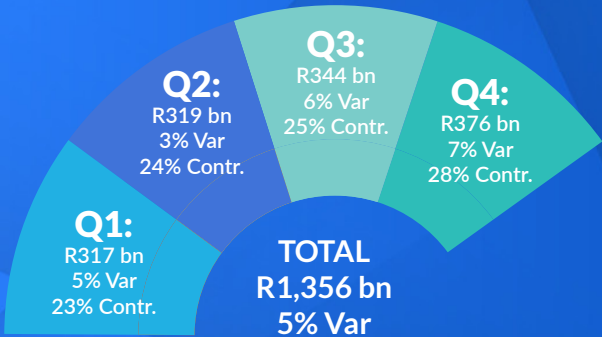
R'million	CY Actuals	PY Actuals	PY Growth			Revised	Variance vs REVISED		
Net Revenue (cash)	1,740,847	1,686,691	↑ 54,156	↑ 3.2%	1,731,353	↑ 9,494	↑ 0.5%		
PIT Net	651,438	601,983	↑ 49,455	↑ 8.2%	651,940	↓ -502	↓ -0.1%		
CIT Net	316,866	347,677	↓ -30,812	↓ -8.9%	305,200	↑ 11,665	↑ 3.8%		
VAT Net	447,807	422,416	↑ 25,391	↑ 6.0%	445,340	↑ 2,467	↑ 0.6%		
Import Duties	70,621	73,946	↓ -3,324	↓ -4.5%	72,492	↓ -1,871	↓ -2.6%		
Taxes on Prop.	19,416	21,238	↓ -1,822	↓ -8.6%	19,486	↓ -70	↓ -0.4%		
DT/STC	39,112	38,119	↑ 993	↑ 2.6%	39,705	↓ -593	↓ -1.5%		
Spec. Exc. Dom.	53,470	55,155	↓ -1,685	↓ -3.1%	53,942	↓ -472	↓ -0.9%		
Net Fuel Levy	91,468	80,473	↑ 10,995	↑ 13.7%	93,372	↓ -1,904	↓ -2.0%		
Other	50,649	45,684	↑ 4,965	↑ 10.9%	49,876	↑ 773	↑ 1.6%		

2023/24 QUARTERLY REVENUE TRENDS

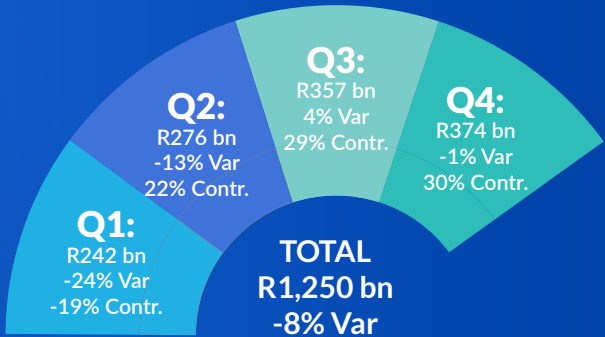


Q1-23/24 contraction from large corporates' CIT in mining sector rebounded from PAYE, Domestic VAT and Fuel levies, whilst trade taxes contracted in 2nd half of the year. Q4-23/24 boosted by CIT provisional and assessment payments.

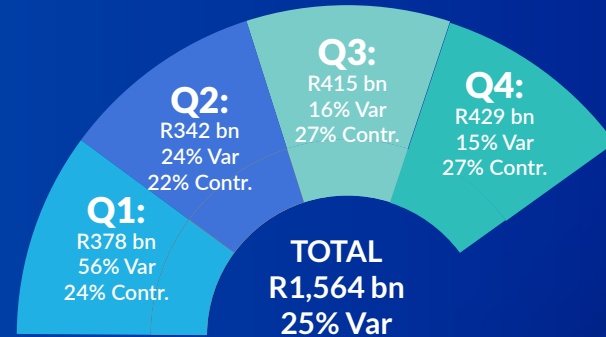
2019/20



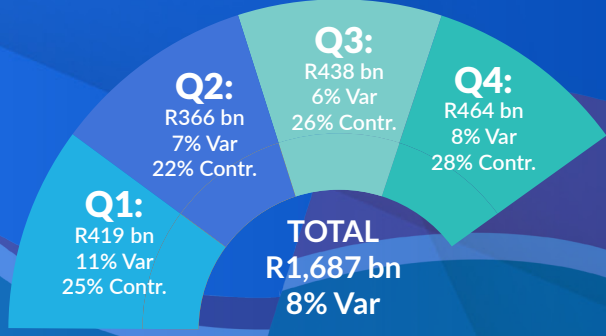
2020/21



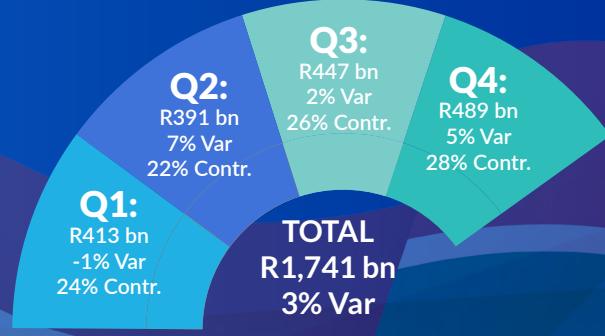
2021/22



2022/23



2023/24



PERFORMANCE IN 2023/24 – SECTOR TRENDS



Drivers of growth mainly finance, community and manufacturing sectors, lowered by mining sector

YTD Sector analysis in R'mill as of 31 March 2024	Total on all taxes							
	CY (2023/24)	PY (2022/23)	Growth	% Growth	2021/22	2020/21	2019/20	% CAGR
Agriculture, forestry and fishing	15,134	13,208	1,926	14.6%	13,929	10,658	13,422	3.0%
Community, social and personal services	205,407	196,092	9,316	4.8%	186,521	161,769	171,310	4.6%
Construction	39,164	35,518	3,646	10.3%	33,083	27,252	32,683	4.6%
Electricity, gas and water	29,151	29,348	-197	-0.7%	27,094	18,901	18,834	11.5%
Financial intermediation, insurance, real-estate and business services	619,269	572,518	46,752	8.2%	522,508	446,317	485,660	6.3%
Manufacturing	116,792	104,769	12,023	11.5%	98,739	65,186	79,689	10.0%
Mining and quarrying	25,007	73,453	-48,446	-66.0%	83,330	40,416	18,432	7.9%
Transport, storage and communication	58,436	55,140	3,295	6.0%	50,463	47,797	52,519	2.7%
Wholesale and retail trade, catering and accommodation	94,698	89,646	5,052	5.6%	94,700	70,196	80,108	4.3%
Sub Total	1,203,058	1,169,691	33,367	2.9%	1,110,369	888,491	952,657	6.0%
OTHER	537,789	517,000	20,789	4.0%	453,389	361,262	403,125	7.5%
NET TOTAL	1,740,847	1,686,691	54,156	3.2%	1,563,757	1,249,754	1,355,782	6.4%

PERFORMANCE IN 2023/24 – TRADE TAXES



HS* Chapters -YTD 29 Mar

Import VAT (R millions)	2021/22	2022/23	2023/24
	Import VAT		
Nuclear Reactors, Machinery and Mechanical Appliances	29,038	35,443	38,996
Electrical machinery and Equipment	23,062	31,085	37,054
Original equipment and components	18,117	21,239	26,740
Vehicles and Accessories	18,258	25,551	25,270
Mineral fuels and mineral oils	7,324	13,351	11,981
Plastics and articles thereof	7,601	8,796	8,468
Photographic, cinematographic, and medical instruments	5,503	6,277	7,218
Pharmaceutical products	6,932	7,272	7,082
Miscellaneous chemical products	4,925	6,070	6,217
Iron and Steel	4,612	5,230	5,018
OTHER	78,384	92,153	89,071
TOTAL	203,756	252,468	263,024

HS* Chapters - YTD 29 Mar

Customs (R millions)	2021/22	2022/23	2023/24
	Customs Duty		
Vehicles and accessories	13,814	21,982	18,934
Electrical machinery and Equipment	6,260	7,358	7,526
Footwear and gaiters	4,529	5,165	4,797
Clothing and accessories, knitted or crocheted	3,754	4,807	4,555
Clothing and accessories, not knitted or crocheted	4,165	4,900	4,188
Beverages, spirits and vinegar	3,709	4,525	4,277
Tobacco and manufactured tobacco substitutes	3,745	3,864	4,054
Rubber and articles thereof	1,929	2,545	3,486
Nuclear Reactors, Machinery and Mechanical Appliances	1,846	2,018	2,024
Plastics and articles thereof	1,538	1,775	1,834
OTHER	15,729	17,024	17,076
TOTAL	61,019	75,962	72,753

HS= Harmonised System

2023/24 TRADE FACILITATION PERFORMANCE



South Africa's Trade Flows ~ April - March

R'billion	2019/20	2020/21	2021/22	2022/23	2023/24	Y-on-Y Growth	Y-on-Y % Growth
Total Trade	2,598	2,624	3,327	3,944	3,976	32	↑ 0.8%
Total Trade Growth		1.0%	26.8%	18.5%	0.8%		
Trade Balance	59	336	394	125	81		

VAT REFUNDS BY SECTOR



YTD Sector analysis in R'mill as of 31 March 2024

	VAT refunds							
	CY (2023/24)	PY (2022/23)	Growth	% Growth	2021/22	2020/21	2019/20	% CAGR
Agriculture, forestry and fishing	26,218	24,865	1,353	5.4%	21,985	18,553	17,591	10.5%
Community, social and personal services	15,385	12,677	2,708	21.4%	12,046	11,505	12,595	5.1%
Construction	5,941	5,442	499	9.2%	4,811	5,575	6,924	-3.8%
Electricity, gas and water	8,242	3,153	5,090	161.4%	1,764	3,084	2,783	31.2%
Financial intermediation, insurance, real-estate and business services	62,020	58,883	3,137	5.3%	47,768	40,224	42,728	9.8%
Manufacturing	65,642	67,702	-2,060	-3.0%	52,737	47,649	45,239	9.8%
Mining and quarrying	75,307	72,455	2,852	3.9%	65,070	48,868	49,779	10.9%
Transport, storage and communication	11,165	10,146	1,019	10.0%	6,358	6,386	7,135	11.8%
Wholesale and retail trade, catering and accommodation	72,397	62,919	9,478	15.1%	50,202	46,343	46,911	11.5%
OTHER	541	763	-222	-29.1%	-323	6	830	-10.2%
NET TOTAL	342,858	319,005	23,853	7.5%	262,417	228,193	232,515	10.2%

This analysis includes major taxes only, other tax types (i.e. Custom Duties, Excise, etc) are not available by sector. These are mainly included in "Other" for all tax types.

VOLUNTARY COMPLIANCE INDEX (VCI)*



VCI Per Pillar

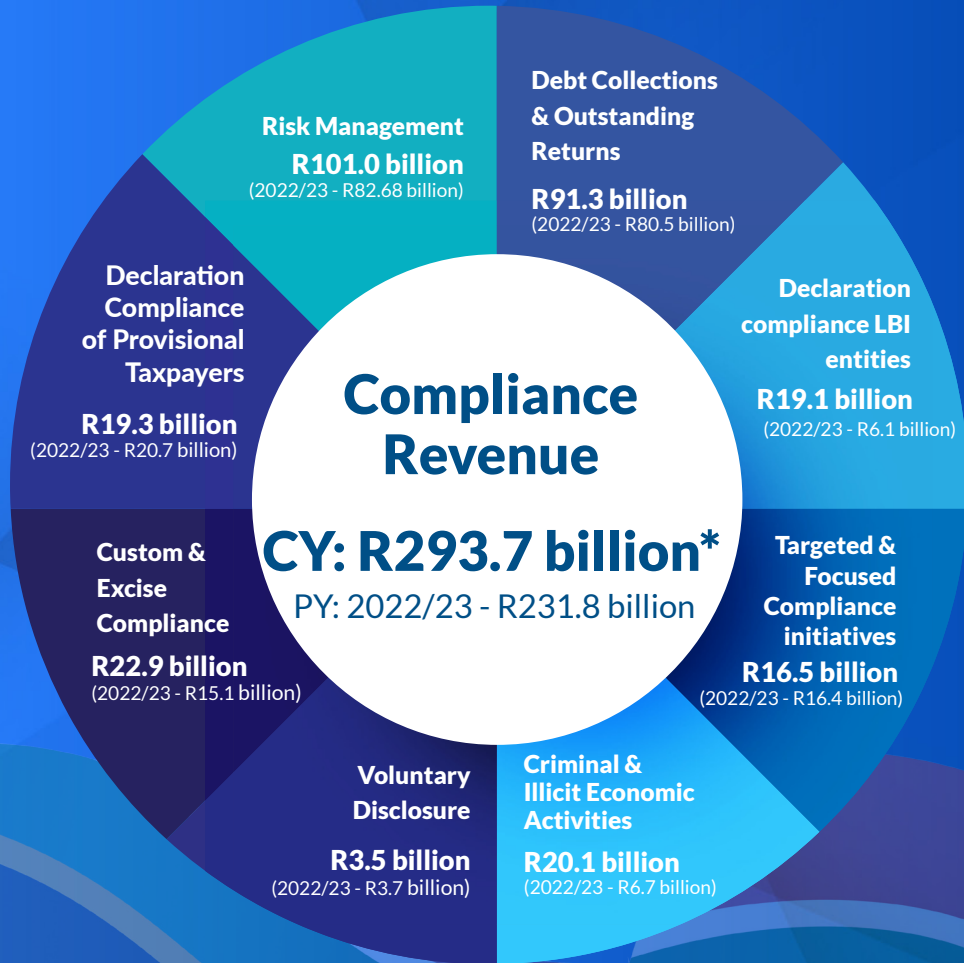


VCI Per Product



*Year-to-date February 2024

COMPLIANCE REVENUE PROGRAMME



Translating into 22.9% CAGR for the period 2019/20 - 2023/24

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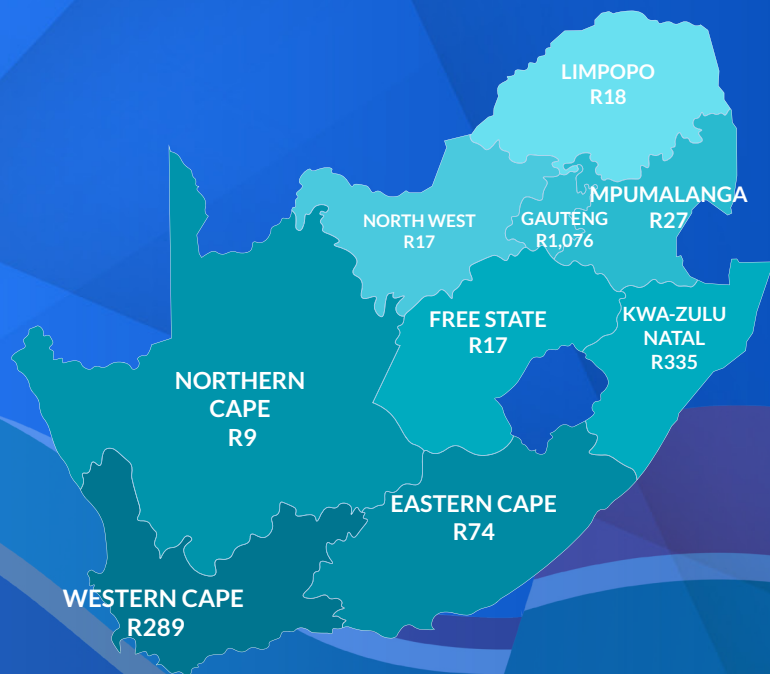
REVENUE OUTLOOK 2024/25



OUTLOOK FOR 2024/25

- Expectations for 2024/25 are revenue of R1863.0bn, which represents growth of 7.0% against 2023/24 and includes tax proposals of R15bn.

2024/25 PROVINCIAL REVENUE OUTLOOK (R'BN)



Grand Total
R1,863bn

COMPLIANCE PROGRAMME OVERVIEW

2024/25



COMPLIANCE PROGRAMME 2024/25



FOCUS FOR 2024/25

In order to maximise revenue collections in the year ahead (FY24/25) several focus areas will guide our work, some are new whilst others are a continuation and deepening of work previously explored, the key theme being working towards closing the tax gap:

- Illicit Economy including focus on Illicit Tobacco, Illicit Fuel, Illicit Financial Flows
- International Taxes with focus on Base Erosion and Profit Shifting incl. Transfer Pricing
- Trade Mispricing & Undervaluation Fraud
- Debt Cash Collections
- Syndicated VAT Fraud and other Tax Crimes
- Tax base broadening through the use of 3rd Party Data (Formal & Informal Economy)
- e-Commerce Transactions (including duties on imported goods i.e. low value goods)
- High Wealth Individuals (Service & Compliance)
- Cryptocurrency



South African Revenue Service

THANK YOU

