

South African Revenue Service

Deregistration of Tax Types



Thank you for walking this journey with us



Welcome to the SARS Tax Workshop

Purpose:

This presentation is merely to provide information in an easily understandable format and is intended to make the provisions of the legislation more accessible

Disclaimer:

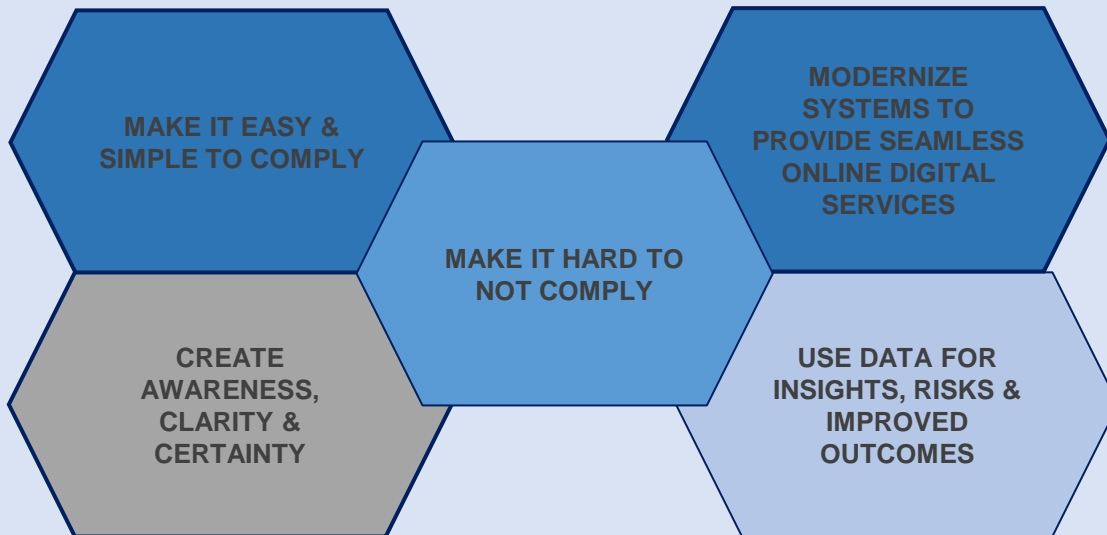
The information therefore has no binding legal effect and the relevant legislation must be consulted in the event of any doubt as to the meaning or application of any provision.



SARS Vision 2024

To build a smart modern SARS with unquestionable integrity, trusted and admired by Government, the public, as well as our international peers.

For the purpose of this presentation, we focus on the following strategic intent:



Points to discuss

Overview

Legislation

Who can request deregistration of tax types?

When will an entity deregister and common tax types?

Deregistration process

Turnover tax deregistration

Supporting documents

Tax Compliance

Overview

- This presentation outlines the relevant procedures to be followed when a taxpayer applies for a deregistration of a tax type.
- This means that the status of the tax reference number for which the application is, will change to “Deregistered” after the finalisation of the deregistration process by SARS. This status will apply from a determined date.
- Once the tax type is deregistered and all tax obligations at date of deregistration are met, the taxpayer or representative taxpayer is released from any further tax obligations attached to the tax type.

Applicable Legislation - VAT Act

Section 24 of the VAT Act states that:

- 1) Subject to the provisions of [subsection \(2\)](#), every vendor shall cease to be liable to be registered where the Commissioner is satisfied that the total value of the vendor's taxable supplies in the period of 12 months commencing at the beginning of any tax period of the vendor will be not more than the amount referred to in [section 23 \(1\)](#) or [\(1A\)](#).
- 2) Every vendor who wishes to have his registration cancelled in the circumstances contemplated in [subsection \(1\)](#), may request the Commissioner in writing to cancel his registration, and if the Commissioner is satisfied as contemplated in [subsection \(1\)](#), the Commissioner shall cancel the vendor's registration with effect from the last day of the tax period during which the Commissioner was so satisfied, or from such other date as may be determined by the Commissioner, and shall notify the vendor of the date on which the cancellation of the registration takes effect.
- 3) Every vendor who ceases to carry on all enterprises shall notify the Commissioner of that fact within 21 business days of the date of such cessation and the Commissioner shall cancel the registration of such vendor with effect from the last day of the tax period during which all such enterprises ceased, or from such other date as may be determined by the Commissioner.

Applicable Legislation - VAT Act

- 4) Any notification by a vendor in terms of [subsection \(3\)](#) shall be made in writing to the Commissioner and shall state the date upon which that vendor ceased to carry on all enterprises and whether or not that vendor intends to carry on any enterprise within 12 months from that date.
- 5) Where the Commissioner is satisfied that a vendor—
 - (a) no longer complies with the requirements for registration as contemplated in [section 23 \(1\) and \(3\)](#); or
 - (b) has failed to furnish the Commissioner with a return reflecting such information as may be required for the purposes of the calculation of tax in terms of [section 14 or 16](#),

the Commissioner may cancel such vendor's registration with effect from the last day of the tax period during which the Commissioner is so satisfied, or from such other date as may be determined by the Commissioner: Provided that where such person lodges an objection against the Commissioner's decision under this subsection the cancellation of that person's registration shall not take effect until such time as the Commissioner's decision becomes final and conclusive.

Applicable Legislation - VAT Act

- 6) Where any person has been registered as a vendor in consequence of an application made by him under [section 23 \(3\)](#) and subsequent to the registration of that person as a vendor it appears to the Commissioner that such person's registration should be cancelled by reason of any of the circumstances referred to in [section 23 \(7\)](#), the Commissioner may cancel such person's registration with effect from a date determined by the Commissioner: Provided that where such person lodges an objection against the Commissioner's decision under this subsection the cancellation of that person's registration shall not take effect until such time as the Commissioner's decision becomes final and conclusive.
- 7) The Commissioner shall give written notice to the person concerned of his decision to cancel such person's registration in terms of this section or of his refusal to cancel such registration.

Paragraph 15 of the Fourth schedule states that:

(3) Every person who is registered as an employer shall within 14 business days after ceasing to be an employer, notify the Commissioner in writing of the fact of the employer have ceased to be an employer.

Micro business – Voluntary deregistration

Paragraph 9 of the sixth schedule states that:

- 1) A registered micro business may elect to be deregistered before the beginning of a year of assessment or such later date during that year of assessment as the Commissioner may prescribe by notice in the *Gazette*.
- 2) A registered micro business that elects to be deregistered under [subparagraph \(1\)](#) must be deregistered by the Commissioner with effect from the beginning of that year of assessment.

Micro business – Compulsory deregistration

Paragraph 10 of the sixth schedule states that:

- 1) A registered micro business must notify the Commissioner within 21 days from the date on which—
 - a) the qualifying turnover of that registered micro business for a year of assessment exceeds the amount described in [paragraph 2](#), or there are reasonable grounds for believing that the qualifying turnover will exceed that amount; or
 - b) that registered micro business is disqualified in terms of [paragraph 3](#)
- 2) The Commissioner must, subject to [subparagraph \(3\)](#), deregister a registered micro business with effect from the beginning of the month following the month during which the event as described in [subparagraph \(1\) \(a\)](#) or [\(1\) \(b\)](#) occurred.
- 3) If the increase in the qualifying turnover of that person to an amount greater than the amount described in [paragraph 2](#) is of a nominal and temporary nature, the person must apply to the Commissioner for a decision whether the person must remain a registered micro business or not.

Section 82 of the Companies Act states that:

- 1) When the affairs of a company have been completely wound up, and a court order of final liquidation has been made; the Master must promptly file a certificate to that effect, together with a copy of the court order.
- 2) In addition to the duty to deregister a company contemplated in subsection (2)(b), the Commission may otherwise remove a company from the companies register only if-
 - b) the Commission—
 - (ii) has received a request in the prescribed manner and form and has determined that the company—
 - (aa) has ceased to carry on business; and
 - (bb) has no assets or, because of the inadequacy of its assets, there is no reasonable probability of the company being liquidated.
- 3) If the Commission deregisters a company as contemplated in subsection (3), any interested person may apply in the prescribed manner and form to the Commission, to reinstate the registration of the company.

Who can request deregistration of tax types?

-
- An Individual Taxpayer
 - An executor of a deceased estate
 - A curator for an Insolvent estate
 - Representative of a Company (Public Officer), Co-Operative
 - Main member of a CC
 - Representative of a Government entity
 - Main Trustee for a Trust

When will an entity deregister?

When a Company/CC, Trust, Co-operative or any other type of entity is dormant or no longer in operation

When a deregistration was initiated internally by SARS

When an entity has a duplicate reference number

When a taxpayer who formally emigrated from South Africa or a non-resident taxpayer who left the republic, has no income and assets in the republic

When a deceased, insolvent or liquidated estate comes into effect

Common Tax types to deregister

Value-Added Tax (VAT)

Pay-As-You-Earn (PAYE)

*Skills Development Levy (SDL) and/or

*Unemployment Insurance Fund (UIF)

Income Tax

Deregistration process VAT and PAYE

VAT

A written request for deregistration can be submitted via an appointment.

Fully completed VAT123e or VAT123T in the case of a separate registered enterprise/branch/division (date business ceased trading is mandatory)

PAYE

A written request for deregistration can be submitted via an appointment OR sent to these email addresses :

Tax Practitioners: pcc@sars.gov.za

Taxpayers: contactus@sars.gov.za

To make it easier for employers to request a deregistration without any additional supporting documents/written requests (EMP123/written notification), new system channels have been introduced, whereby an employer can request a deregistration for **PAYE/SDL/UIF**(eFiling- Registration Maintenance)

Fully completed EMP123 (date business ceased trading is mandatory)/written notification.

Deregistration process for PAYE,SDL and UIF

An employer must request in writing for the deregistration as an employer:

- Within 14 business days after an employer's activities have ceased;
- Within 14 business days after the business has been sold.
- This process must be done on eFiling or a written request must be sent to SARS.
- The SDL registration will be cancelled if the total remuneration for employees will not exceed R500 000 per annum.

When PAYE is still active, UIF must be registered with SARS. Only when PAYE is cancelled on the SARS record, UIF is automatically cancelled on the SARS record. The UIF payments must be done with the Department of Labour.

Turnover Tax Deregistration

There are two instances in which a registered micro business may be deregistered from turnover tax by SARS, namely, compulsory or voluntary.

There must be no outstanding TT03 (Turnover Tax Returns).

A request can be done via the branch office (appointment).

12 months bank statements must accompany the application. 12 months bank statement dates end the day before the application is done.

Reasons, in writing for applying to de-register.

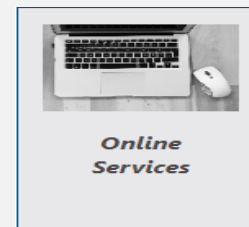
The following e-mail addresses can be used to send the written request:

Tax Practitioners: pcc@sars.gov.za

Taxpayers: contactus@sars.gov.za

For any related queries or submission of the supporting documents use the following channel:

SARS Online Query System(SOQS).



Supporting documents required upon deregistration

Companies:

- The taxpayer must apply at CIPC for deregistration before SARS can proceed with deregistration.
- CIPC requires you to be Tax Compliant before they consider your application therefore it is important to ensure your tax compliance with SARS.
- Proof of deregistration from CIPC must be presented to SARS.
- 12 months banks statement that ends on the day before the application date to de-register

Trusts

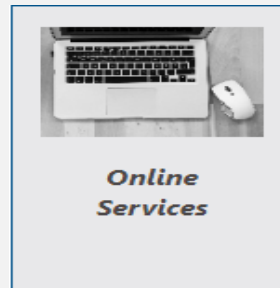
- Letter from the Master High Court to confirm termination date, including minutes of the trustees meeting in which a resolution was taken to deregister the trust.
- Distribution list and or financial statements until termination date.

Common Errors made by Taxpayers upon deregistration that cause delays -Top 5 errors)

- CIT deregistration – no FINAL Deregistration or AR Final deregistration documents from CIPC attached
- PIT (non-resident coding for individuals) – Confirmation of the date the person left South Africa, copy of passport
- VAT deregistration – VAT123 (cancellation of VAT number) not fully completed with the applicable dates of suspension and declaration not signed
- PAYE deregistration – EMP 123 (cancellation of Paye number) not fully completed with the applicable dates of suspension and declaration not signed
- Request for all tax types deregistration coming through the Email Channel – no Power of attorney and well as a copy of ID for the representative person.

SARS Online Query System(SOQS)

For any related queries or submission of the supporting documents use the following channel:



Use our Digital Channels



Request your Tax Number



Submit Supporting Documents



Submit a Payment Allocation



Report New Estates Case



Register a Representative



Tax Compliance Status Request



Tax Compliance Status Verification



Search for a VAT Vendor



Trust Registration



SARS Notices

Tax Compliance

How to become compliant?

Submission of Returns

No returns are outstanding after the filing due dates

Registration

Registered and active for the tax products that you are liable for.

TAX COMPLIANCE STATUS

Supporting Documents

Outstanding supporting documents requested by SARS have been submitted.

Debt

Any outstanding tax debt with SARS for which payment arrangements have not been made.

Payment Arrangement:

- eFiling
- SARS MobiApp

Go Digital

Remember our Digital Channels

- We've made it easier for you

Go Digital!

- Download the SARS MobiApp via your app store
- Register for eFiling
- SARS Online Query System

- Visit us on our Social Media platforms

- LinkedIn
- Facebook



Twitter



- For more information on Deregistration of tax types, please visit:

- SARS website: www.sars.gov.za

Thank you
Re a leboha
Re a leboga
Ndza Khensa
Dankie
Ndi a livhuwa
Ngiyabonga
Enkosi
Ngiyathokoza



Thank you for walking this journey with us

