

Frequently Asked Questions (FAQs) from the Webinar on eFiling navigation and applying for Tax Compliance Status as on 30 September 2021

1. SMME who are currently not compliant and are in the process of rectifying their compliance how can they be assisted in terms of penalties?

SMME that have incurred penalties as well as admin penalties may request for the penalties to be waived and in the case of admin penalties can submit a request for remission via SARS eFiling. In both instances they must provide a reason for the request of the waiver.

2. Why do I need a pin for TCS?

The TCS PIN is the mechanism by which you, the taxpayer, authorise 3rd Parties (like Government institutions or private companies) to securely verify/ check your current Tax Compliance Status. The PIN does not mean you are compliant, it is just the mechanism by which a 3rd party may verify what your status is.

3. I have received an email saying the taxpayer have two weeks to rectify information to become compliant. I looked at tax compliance update of the taxpayer, all tabs are green. Where do I look at to find out what must be changed to become compliant?

If all the colour indicators on My Compliance profile dashboard are green it means that the overall TCS status is tax compliant. You are welcome to draw a Statement of Account available on eFiling, to see if there are any outstanding balances on the account which might affect the compliance status. You may also call the SARS contact centre for additional information.

4. Is the additional charge for TCS?

No there are no additional charges for obtaining a TCS pin.

5. What are the steps I should follow to verify if my company has any outstanding returns?

Log onto eFiling select "My Compliance Status" icon on the eFiling dashboard landing page to access your overall compliance status. Select the expand button next to "Submission of returns" you should be able to see which returns are outstanding and how to remedy the non-compliance from the displayed dashboard.

6. How much are the penalties?

The administrative non-compliance penalty for the future to submit a return comprises fixed amount penalties based on a taxpayer's taxable income and can range from R250 up to R16 000 a month for each month that the compliance continues up maximum 35 months.

7. Does the status of deregistration of a company (on CIPC) affect the status of an active company's Tax Compliance Status on eFiling? Penalties were subsequently paid but still the non-compliance is still showing.

If the company is in the process of deregistration with CIPC it will subsequently be deregistered from SARS, admin penalties will reoccur up until all outstanding returns have been filed.

8. I received a letter informing me to pay my taxes however my business has not made any profit, how do I know how much am I supposed to pay?

Check if the amount in question is for admin penalties then file all the returns and pay all the admin penalties, the statement of account will indicate amounts payable.

9. How do I resolve an error message "Don't have sufficient rights to address this non-compliance?"

Ensure the correct taxpayer is selected from the "Taxpayer list" Click "Organisation" Rights Group" and then "Manage Groups". The "Group Details" page will be displayed, click Group" and then "Manage Groups" The "Groups Details" page will be displayed, click "Open" hyperlink. Select the "Tax Compliance Status" option and click "update" to set the applicable rights.

Submissions

10. Can your accountant ask for invoices to submit for VAT at SARS before they are paid by your client?

According to the general time of supply rule, a supply occurs at the earlier of the following events:

- At the time that an invoice is issued; or
- At the time any payment is received by the supplier.

11. I'm a Tax Practitioner and I experienced 2 errors all reading "Expenditure incurred on or after 21 July 2019 in exchange for the issue of Venture Capital Share (s12J) is a mandatory field". Please help?

You might have to click the container when you customised your return and therefore all the information will be mandatory if you did not buy shares in exchange of Venture capital certificate (12J) you can marked that as "no".

Registrations

12. I understand amongst other conditions, one has to be tax compliant to qualify as a tax practitioner. Now my question is, can one qualify to be a practitioner if he owes money to SARS?

As a tax practitioner you are also a taxpayer and should remain complaint therefore all tax obligations must be fulfilled.

13. What do you do if you register a company but never traded? The company was registered with CIPC but you decided after that registration that you don't want to trade.

If you are deregistering a company you will need to submit all the outstanding returns up to the day when you cease to operate and also you will need to tell SARS about the date of cessation, SARS will inform you about the information that need to be submitted.

14. What are the requirements for the SMME to apply for a VAT number?

If taxable supplies exceed R50 000.00 during any 12 months period you can register voluntarily and if taxable supplies exceed R1 million in any 12 months period VAT is compulsory.

15. If you exceed the R500 000 SDL exemption how do you then register for SDL. Tried via RAV01 but was not successful?

You first need to ensure that you have active Registered Representative on your eFiling profile and remember that you should have registered for PAYE.

PAYE

16. If employees get paid via commission and make that amount at some point. Do we still have to apply for PAYE?

Yes once you have an employee who earns above the tax threshold, as an employer you are obliged to register for PAYE and deduct employee's tax from the commission earner.

17. Why are certain fields on the EMP501 locked?

All the information that cannot be amended will be locked or greyed out, to update these fields you will need to visit the SARS branch office and ensure that you make an appointment prior to the visit.

Registered Representative

18. Do you have to be a tax practitioner to be a tax representative of an entity?

No, a registered representative is a person who is appointed with full rights to act on behalf of another legal entity (.e.g. Companies (Company director), Trust (Trustee), etc.).

19. I would like to ask, why does it take so long, for Public officer request activation?

It takes 21 days to finalise the request for registered representative activation however if SARS requires additional information, the 21 days will commence once the additional information is received.

20. What is the reason the directors of companies cannot access their own company on SARS without adding themselves as representatives?

If it is more than one director in a company, all the directors need to agree whom is going to be a representative and the nominated director must complete the request through SOQS to update the registered representative activation and upload all the relevant documents.

21. What if the only director is a foreigner with no SA income tax number? Who can act as tax representative?

The company must appoint a Public Officer in line with the provision of the Tax Administration Act section 246.

22. We're trying to give the representative access to their personal income tax, but are not successful because they have a VAT and PAYE profile of a company on their personal eFiling. Not trying to get shared access on the VAT or PAYE only of the income tax of the individual.

Shared access only work on the individual Portfolio Type and not on the Organisation Portfolio Type.

- 23. For clarity, the secretary who can be appointed as an RR may be an external person other than those who appear on the COR14.3?**

The company must appoint a Public Officer in line with the provision of the Tax Administration Act section 246. On the link below there is a list of who can act as a representative for different types of entities:

[Who is a registered representative –South African Revenue Service \(www.sars.gov.za\)](http://www.sars.gov.za)

- 24. Do I have to submit a new application for RR on each of my companies if I have more than one company I represent?**

Yes, a registered representative must be appointed for each the companies you represent. The SARS Online Query System can be used for this process and you will be required to submit supporting documents via the system as well.

- 25. The notification of transfer to be approved should go to the RR via email or SMS - the RR does not receive this. This is the reason why he phoned to confirm his personal security details on his personal profile. As I understand the RR are not informed of the tax type move.**

A notification will be sent to the current owner of the tax type to inform him/her of the transfer request and the steps to follow to action the request.

- 26. Will there be any issues if I am the registered representative for our business and registered for all the correct products, but I am not registered in my personal capacity? (I have been studying for the last 11 years and therefore don't have an actual income?).**

The person will have to be registered for income tax in their own personal capacity. If one is a director of a company the company will at some point pay them a salary which is subject to tax.

- 27. I am still studying, but I am one of the directors for a SME, even though I do not pay tax in my own personal capacity as I do not earn a salary/income, can I be registered as the representative for the company? Or does the RR need to be a taxpayer?**

You need to have an active tax number as it is one of the requirements when you activate the Representative on e-Filing.

- 28. Please assist how to appoint the representative.**

Visit SARS website, digital service, online services, register representative, complete the forms with all the information and upload all the relevant supporting documents, below is the list of documents that need to be attached.

[Registered Representatives –South African Revenue Service \(sars.gov.za\)](http://sars.gov.za)

- 29. When details of the representative are updated with SARS and confirmed with them at a later stage, the updated details does not pull through to the "One Time Pin" that is send when transfers must be approved (contact details) - how can this be rectified?.**

The registered representative can make an eBooking appointment for the branch agent to update the eFiling security contact details. The "One Time Pin" will then be sent to the newly updated security contact details.

30. What documents do you bring with to register as representative? And must you come with a Director of the company you will be representing?

Registered Representative (RR) registration does not require an eBooking Appointment. Registration or update of a Registered Representative can be done on eFiling or the SARS Online Query System (SOQS).

31. We are struggling to get Voluntary VAT registered due to not being a representative - how do we get around this?

Only when the Registered Representative has been appointed on e-Filing or SOQS, then they can add other tax types.

32. In the case where a company appoints a company secretary as an RR and none of the Directors. Should submit the selfie?

The list of required documents are on the link below:

[Registered Representatives – South African Revenue Service \(sars.gov.za\)](https://www.sars.gov.za/registered-representatives)

33. Do still need the appointment for the representative even if you are the sole director of the company?

Yes, all the process must be followed.

34. Please can you tell us why SARS has made the Tax Representative so strict? This process is really time consuming. Is there a way to simplify this process?

The process is strict to protect the information of the taxpayer and the fiscus.