



*South African Revenue Service*

Dear Tax Practitioner

## **INTRODUCTION OF IMPROVEMENTS TO THE DISPUTE MANAGEMENT PROCESS**

On 12 May 2017 SARS will be introducing important changes and improvements to its current dispute management process as part of our ongoing commitment to delivering a better service to taxpayers.

Please take note of the following:

### **Request for Reasons**

SARS will, for the very first time, be implementing an electronic Request for Reasons via eFiling and the SARS branches. The Request for Reasons automated functionality will be implemented for Personal Income Tax (PIT), Company Income Tax (CIT) and Value-Added Tax (VAT).

The Request for Reasons functionality will allow taxpayers to request reasons for the assessment where the grounds provided in the assessment do not sufficiently enable a taxpayer to understand the basis of the assessment and to formulate an objection, if the taxpayer is aggrieved by the assessment. Once the system has identified that a valid Request for Reasons has been submitted, the period within which an objection must be lodged will be automatically extended for the period permitted by the Dispute Resolution Rules. The Request for Reasons case management workflow will further allow SARS to improve its tracking and management of request for reason requests.

### **Request to allow late submission of a dispute for PIT, CIT and VAT**

The new dispute management process will introduce a separate condonation workflow whereby the taxpayer will be allowed to submit the Request for Reasons, Notice of Objection (NOO) or Notice of Appeal (NOA) after the periods prescribed by the Dispute Resolution Rules have lapsed. Prior to the introduction of the separate workflow, the condonation process was included in the actual dispute process. Where the request for late submission of a Request for Reasons, NOO or NOA was not successful, the current dispute process caused confusion regarding the outcome of the dispute and what the next available step in the dispute process was.

The new automated condonation process allows for SARS to attend to the request for late submission before the Dispute or Request for Reasons case can be created and considered by SARS. If the Request for Reasons, NOO or NOA was submitted late, the taxpayer will be prompted to provide reasons for the late submission. The new condonation process will ensure that the request for late submission is aligned with legislation as SARS will now inform the taxpayer upfront that the submission is late instead of classifying the dispute as invalid.

**Suspension of payments on VAT**

Taxpayers will now be able to request suspension of payments pending the outcome of a dispute on VAT via eFiling or at a SARS branch. This is in line with already implemented suspension of payments that was implemented for PIT and CIT in 2015.

**eFiling Guided Process (PIT, CIT and VAT)**

To assist taxpayers in following the correct dispute sequence and complete all the information required, eFiling will be made an entirely guided process. The eFiling guided process will ensure that the dispute is submitted according to legislative requirements and thereby eliminating any invalid disputes from being submitted to SARS.

**More information**

For more information please visit the SARS website [www.sars.gov.za](http://www.sars.gov.za) or call the SARS Contact Centre on 0800 00 7277.

Sincerely

**THE SOUTH AFRICAN REVENUE SERVICE**

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