



## South African Fiscal Association

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7 November 2011

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### Newsletter 4/2011

Dear members

#### Seminar on the Tax Administration Bill (TAB)

1. The third seminar for 2011 on the abovementioned topic will be held (DV) on  
29 November 2011 in Cape Town and  
30 November 2011 in Johannesburg
2. The year so far has seen quite a bit of important tax developments, e.g. some important new tax cases as well as important tax law amendments. Amongst all of this happening there is the danger that taxpayers could have missed the developments on new legislation that could have a significant influence on their day to day administration of tax. **Taxpayers would especially be interested to know what effect this legislation has on their rights, what remedies are available as well as how efficient, practical, user friendly and cost-efficient these remedies are.** Will this legislation level the playing field between SARS and the taxpayer?
3. **SAFA is proud to have secured Mr Franz Tomasek of SARS's Legal and Policy Division to present on this matter.** Franz is well-known to and well respected by taxpayers and has been instrumental in drafting this important piece of legislation that will shape South Africa's tax administration environment.
4. The TAB seeks to achieve a balance between the powers and duties of SARS, on the one hand, and the rights and obligations of taxpayers, on the other. Important and notable inclusions as a result of the TAB is the establishment of a Tax Ombud, and increased rights for taxpayers, such as the right of taxpayers to be kept informed on the progress of audits; the placement of the burden of proof for estimated and jeopardy assessments on SARS; the replacement of the discretionary additional tax system with an understatement penalty system linked

to behaviour; a reduction in the prescription period of tax debts from 30 years to 15 years; and the introduction of a permanent voluntary disclosure programme. The TAB notably grants extensive powers to SARS, including significantly increased information gathering powers, increased obligations on taxpayers to assist during field audits; the power to issue jeopardy assessments; an increased burden of proof for taxpayers; the right to demand security from taxpayers for tax which has or may become payable outside the VAT context; the power to seize assets for up to 24 hours in anticipation of an application for a preservation order; the power to hold financial management, shareholders of companies and transferees personally liable in certain circumstances; the power to withhold a refund subject to finalisation of an audit; limitations on amounts of reportable arrangement penalties that may be remitted; and the prohibition of undesirable persons registering as tax practitioners.

**After several rounds of public consultation, the Bill is scheduled for re-introduction into National Assembly on 17 November 2011. The date of promulgation is as of yet unknown.**

**Booking details for November seminars:**

**Date:** 29 November 2011  
**Place:** Cape Town  
PricewaterhouseCoopers, No 1 Waterhouse Place  
Century City  
**Time:** 18h00 to 19h30  
**Speakers:** Franz Tomasek  
**Bookings:** [jolandie.james@za.pwc.com](mailto:jolandie.james@za.pwc.com) Tel no: 021- 529 2368

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**Date:** 30 November 2011  
**Place:** Johannesburg:  
Webber Wentzel, No 10 Fricker Road, Illovo Boulevard,  
Johannesburg, 2196  
**Time:** 18h00 to 19h30  
**Speakers:** Franz Tomasek  
**Bookings:** [jolandie.james@za.pwc.com](mailto:jolandie.james@za.pwc.com) Tel no: 021- 529 2368

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**Annual General Meeting (AGM)**

The SAFA AGM will be at 17h00 at the venue of the Johannesburg presentation on 30 November 2011.

We trust that we will see all our members at this last seminar for 2011.

Yours faithfully

**Charl du Toit**  
**President: SAFA**