



# TAYFIN TAXTALK

ACCOUNTANTS & FORENSIC AUDITORS

*“Your Empowered Insight into the World of Tax, Business and Personal Finance Issues.”*

## 1. “CRYPTOCURRENCY”

**CRYPTOCURRENCY** commonly referred to as “Digital Currency” is identified as encryption techniques used to regulate the generation of units in the purport of currency operating independently of a **Central Bank**.

**SARS** at a point held the view that **CRYPTOCURRENCIES** must be taxed under **Capital Gains** until it developed proper guidelines to address this rapidly growing phenomenon.

**SARS** has since progressed in its endeavour and is currently formulating investigating techniques to identify **CRYPTOCURRENCY** Traders.

**CRYPTOCURRENCY** does not necessarily yield an automatic Gain, Losses have also become prevalent in the current economic climate.

**SARS** also recognises that for Gains to be taxed, Losses must be permitted.

**SARS** claims to have ways (**techniques and methods**) to identify **Traders**, however the utilisation of **Foreign Bank Accounts** makes it difficult to trace and monitor.

**South African Tax Laws** command the **Taxpayer** to declare all income, **CRYPTOCURRENCY** included.

**SARS** has declared that **Normal Income Tax Rules** will henceforth apply to **CRYPTOCURRENCY**.

## 2. DISPUTE RESOLUTION

**Tax Practitioners** are disillusioned by **SARS’s** conduct particularly in finalizing **Tax Disputes** through dispute resolution processes.

The procedures are over-scrupulous when it comes to the **Taxpayer** yet common for **SARS**. The problem is that **SARS** presides over its own processes with no cost implications. In the event of litigation **Tax Rands** are utilised and **SARS’s** budget is limitless.

**Taxpayers** must resolve all internal processes before approaching the **Ombudsman** or simply accept **SARS** unilateral representation of time.

**Taxpayers** not lacking the wherewithal have the option of approaching the **Motion Court** wherein, the timelines are properly determined with a level playing field.

Call to mind though that such a course of action attracts significant legal costs and depending on the merit the **Taxpayer** may be liable for **SARS** legal costs.

Conversely the **Taxpayer** may succeed and **SARS** will be required to tender costs. After a careful thought process, allow your **Practitioner** to make that determination provided that he is acting in your best interest and not his own.

## MORALITY UPHELD

**Practitioners** must be guided by a sacred code of ethics to reinforce moral conduct. These codes must be designed to bolster the ethical stamina of all of those who subscribe to it.

A **Practitioner** should avoid impropriety and the appearance of impropriety in all his activities and place the interest of his client above all else.

Remember **PROFESSIONALISM** is a behavior that strives for excellence in whatever the **Practitioner** does.

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(Tayfin does not accept any responsibility for the accuracy of items published in the article. Professional advice should be obtained by all taxpayers.)

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