



TAYFIN TAXTALK

ACCOUNTANTS & FORENSIC AUDITORS

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

1. “300 000 COMPANIES TO BE FINED”

SARS is clearly living up to its **Constitutional Mandate** which is the efficient and effective collection of **Revenue**.

Revenue is predominantly collected through **Taxes** however **SARS** has in recent times relied on other streams of income in the form of **Administrative Penalties**.

These penalties were gradually introduced during the years as:

- 1) **Penalty for underestimation of taxes,**
- 2) **Penalty for late payments,**
- 3) **Penalty for non-compliance,**
- 4) **Penalty for Reportable Arrangements et al,**

Administrative Penalties is defined as:

*“...a mechanism for enforcing compliance with regulatory legislation. They are monetary **penalties** assessed and imposed by a regulator without recourse to a court or independent **administrative tribunal**”.*

SARS states that:

- These are penalties raised for offences which constitute non-compliance (e.g. **non-submission of an income tax return**). **Administrative Penalties** recur each month the taxpayer is non-compliant, up to a maximum of **35 months**. Each recurring penalty will have a unique transaction number.

SARS does however invite **Taxpayers** to submit their returns and have the option of applying for remission. This discretion naturally rests with **SARS**.

Administrative Penalties were initially reserved for natural persons however given the state of our economy **SARS** is extending its reach to **Companies** as well.

In an attempt to boost its **Revenue Collection**, **SARS** is set to penalize **300 000 Companies** for failure to submit **Corporate Income Tax Returns**.

SARS has worked closely with the **CIPC** and managed to update its database on existing and newly floated Companies.

SARS System will go online on **7 December 2018** and defaulting entities will be issued with **Administrative Penalties**.

According to **SARS** its debt book for individuals where two or more returns were outstanding stands at approximately **R 9 Billion**.

When the going gets tough SARS gets tougher

2. SARS NARRATIVE

SARS will in all probability fail to meet its collection target and the narrative of the previous administration being responsible for the mess desperately needs to be refined and re-thought.

The pre-electoral statements by politicians are frightening potential **Foreign Investors** just as much as **Native Investors** and **Taxpayers**.

There is a mass exodus of **Professionals, Businessmen, Farmers** and **Investors** who are fearful of the political instability within our country.

In times of uncertainty, criminal enterprise flourish at the expense of law-abiding citizens.

Politicians should collectively recognize the challenges **SA faces**:

- **Racism, Fear, Land Expropriation**
- **Crime, Protest and More Commonly Rioting**
- **Xenophobia, Political Instability and Most Importantly an Unfaithful Taxpayer**

Government must understand that **SARS** cannot meet its objectives when the **Government** itself together with **Political Parties** creates hurdles for **SARS** which in turn fashions a social discontent for **Taxpayers**.

MORALITY UPHELD

Remember the famous saying:

“When Governments fear the people, there is liberty. When the people fear the government, there is tyranny.”

TAYFIN ERASMIA

TAYFIN JOHANNESBURG

TAYFIN RUSTENBURG

TAYFIN CAPE TOWN
(Opening Soon)

For any comments or suggestions regarding this advertisement or further editions please contact our offices at 014 592 3234 / management.rtg@taygro.co.za.

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

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