



**MINISTRY OF FINANCE  
REPUBLIC OF SOUTH AFRICA**

**STATEMENT BY THE MINISTER OF FINANCE ON EVENTS  
AT THE SA REVENUE SERVICE (SARS)**

I have noted the events that have been unfolding at the South African Revenue Service (SARS) in recent months, about which the SARS Commissioner has kept me fully briefed. I have also received a copy of the report by the independent panel chaired by Advocate Muzi Sikhakhane. It is common knowledge that the Commissioner has taken certain actions which are within his powers to take.

I am in consultation with the SARS Commissioner and other relevant stakeholders about how we can best bring about closure to this sad chapter in the history of this important fiscal institution, but also do so in a manner that is less disruptive to its operations. I will make an announcement on the way forward before the end of January. It is also my intention to brief parliament at an appropriate time.

I would also like to state the following:

- The statutory mandate of SARS is pleasingly clear compared to those given to most government agencies: section 3 of the South African Revenue Services Act, which establishes the institution as a public entity, states that the objective of SARS is ‘the efficient and effective collection of revenue.’
- SARS also provides protection against the illegal importation and exportation of goods; facilitates trade; and advises the Minister of Finance on all revenue matters.
- Over and above this explicit mandate, SARS is bound by the Constitution of the Republic of South Africa which provides for basic democratic values and

principles governing public administration, including the following principles:

- A high standard of professional ethics must be promoted and maintained;
  - Service must be provided impartially, fairly, equitably and without bias;
  - Transparency must be fostered by providing the public with timely, accessible and accurate information; and
  - In its interaction with the taxpayers, traders, SARS employees and the South African public in general, SARS gives effect to provisions of the Bill of Rights, notably the rights of taxpayers, traders and SARS employees to just administrative action and access to information.
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- SARS has since inception carried out its mandate with excellence and by so doing, has helped finance South Africa's development agenda. And that is thanks to the commitment, hard work, integrity, and honesty of the nearly 15,000 people who are employed by SARS.
  - The tasks carried out by SARS include the maintenance of the databases of tax-payers and traders, engaging with tax-payers (through electronic platforms, offices, call centres, and various special units such as the Large Business Centres), auditing returns and other declarations, managing customs operations at border posts, managing the processes of collecting revenues and refunding tax-payers, investigating tax offences, and policing the integrity and honesty within SARS itself. In addition to making itself as accessible as possible and enforcing the law against those who evade taxes, SARS also tries to find other ways to impact positively on the culture of tax compliance.
  - Information is the lifeblood of everything that SARS does. And this information, especially one that relates to taxpayers (names, addresses, details of earnings, and banking details), is confidential and ought to be treated as such. So key to the success of SARS is the trust that South Africans, but more specifically taxpayers, have that SARS employees will not compromise their details.
  - It is doubtful that there is any single agency in government whose operational performance is more critical to the work of government than SARS. The rigorous focus on improving administrative efficiency is the most important policy process in SARS, and its performance in gathering revenues is the most important issue likely to exercise the mind of a Minister of Finance. This means continuous engagement with SARS about its performance and ways to

overcome problems in enforcing relevant laws, developing appropriate outreach activities, and improving levels of service received by tax-payers.

- While SARS and the Commissioner are reasonably independent of the Minister on operational matters, the SARS Act also provides that SARS is ‘under the policy control of the Minister’ and ‘subject to any directives and guidelines on policy matters issued by the Minister.’
- It is against this background that we must ensure at all times that we protect and enhance the organisational integrity of SARS and its employees.

In conclusion, I would like to reassure fellow South Africans that I will not allow the events of recent months to derail SARS and that I will do everything within my powers to ensure that SARS remains a model public institution.

**Issued by Ministry of Finance**

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