

NATIONAL COUNCIL OF PROVINCES
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 80 [CW125E]
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80. Mr F Essack (Mpumalanga: DA) to ask the Minister of Finance:

- (1) Whether the National Treasury has any plans to address the delays in refunds of value added tax inputs for businesses; if not, why not; if so, what are the relevant details;
- (2) whether he has consulted with the SA Revenue Services to address this matter; if not, why not; if so, what are the relevant details?

CW125E

REPLY:

Please note that the VAT Act provides that SARS must pay interest on a VAT refunds that are not paid to the vendor within 21 business days from receipt of a **valid** VAT refund claim. SARS has informed the National Treasury that it pays the majority of vendor refunds (59%) within two days and the vast majority (76%) within 21 days. The law allows that the 21 days may be extended or suspended if the VAT refund is subject to verification or audit, or the vendor has not submitted all tax returns, or has not provided SARS with valid banking details. There are a small number of incidents where refunds are not processed within these time periods. In the event that the refunds are not processes within the 21-day (or appropriately extended) time period, there are internal escalation processes and functions within SARS to resolve these cases.