

NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
QUESTION NUMBER: 9 [NO457E]
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★9. Mr A M Shaik-Emam (NFP) to ask the Minister of Finance:

How does the National Treasury intend to address the non-payment of taxes by many (a) South Africans and (b) foreigners, especially those in self-employment, which is aggravated by the millions of rand that foreigners send to their families in their respective countries?

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REPLY: The National Treasury has a strong policy and legislative framework in place to deal with any form of tax evasion, which would erode the tax base. In addition, the South African Revenue Service (SARS) has built up significant capacity to audit high risk individuals, such as those who have tax liabilities that are not withheld by a formal employer or pension provider.

Remittances are not necessarily a form of tax evasion. Foreigners who are resident in South Africa are liable for tax in South Africa like any other tax resident. They are not restricted from passing on part of their after-tax income to relatives or others who may reside in another country, as long as they meet the applicable exchange control requirements.