

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

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Mr M Swart (DA) to ask the Minister of Finance:

(a) What amount of money has the SA Revenue Service lost in cases where employees of the Companies and Intellectual Property Registration Office (Cipro) duplicated companies on the database in the 2008-09 financial year and (b) in what way does his department establish the amount?

NW1567A

REPLY:

SARS has only detected two cases where this type of fraudulent activity took place. These cases reveal that SARS has lost a total of R50 949 743.80 in Income Tax Refund fraud as a result of duplicate companies registered at CIPRO. The incidents in question are as follows:

Duplicate/Counterfeit CIPRO Registered Company	Amount Lost
SBC International Management Services	R31 600 946.89
Sun Microsystems	R19 348 796.91
Total loss incurred	R50 949 743.80

In relation to the above cases, the kingpin has already been arrested through cooperation of SAPS and SARS. Bail has also been successfully opposed in both the Magistrates court proceedings and in the High court on appeal. Further investigations are undergoing, and SARS, SAPS and the Asset Forfeiture Unit (AFU) are in the process of recovering the losses.

The amounts were uncovered as a result of SARS' own checks and balances. The exact amounts are known because of thorough investigations conducted.