

NATIONAL COUNCIL OF PROVINCES
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER 560
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560. Mr R A Lees (DA-KZN) to ask the Minister of Finance:

- 1) Whether taxpayers wishing to change their banking details are required to do so at any branch of the SA Revenue Service (SARS); if not, what is the position in this regard; if so, (a) how are taxpayers who are without the means to travel to a SARS branch expected to get to their nearest branch and (b) what is the maximum distance that taxpayers are required to travel;
- 2) whether taxpayers receive any financial compensation for being required to travel to the nearest SARS branch in order to change their banking details; if not, why not; if so, what are the relevant details;
- 3) why are taxpayers not permitted to (a) post, (b) fax or (c) utilise SARS e-filing to update their banking details?

CW704E

REPLY:

Introduction

SARS is aware of the inconvenience for taxpayers of having to visit a branch and of the limited branch network due to resource constraints. However, at the same time over the past few years SARS has noted an increase in attempts to defraud taxpayers and the fiscus by changing taxpayers' banking details in order to divert refund payments. This includes the impersonation of the taxpayer using false identity documents. To protect taxpayers, SARS has put in place a series of verification requirements to ensure that changes to banking details are legitimate. As far as possible, SARS tries to perform this verification without requiring a taxpayer to visit a branch. This includes verifying banking details with third parties such as banks and employers. In limited cases where this verification fails, taxpayers are then required

to visit a SARS branch with original documents including proof of identity, proof of banking details and proof of address.

These measures are in line with those used by financial institutions to ensure compliance with FICA.

1. The vast majority of banking detail changes do not require the taxpayer to visit a SARS branch. Only a very small minority whose details cannot be verified using third party data are required to visit a branch.

To assist taxpayers who are not located near a SARS branch, SARS deploys mobile tax units to those towns and areas not serviced by a branch and has plans to significantly increase the number of mobile tax units during the current financial year. There is no prescribed maximum distance, but SARS, within its resource constraints continues to examine its office locations to ensure we are providing service facilities as conveniently as possible for taxpayers. During the previous financial year SARS opened four new branches and will continue to identify sites for additional branches within resource constraints.

2. SARS does not offer financial compensation to taxpayers who visit a SARS branch.
3. Allowing changes to banking details without verification and/or authentication poses a significant risk to the taxpayer and the fiscus.