

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 47 [NW47E]

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47. Mr R A Lees (DA) to ask the Minister of Finance:

- (1) Whether the VAT refund due to a certain taxpayer (name and details furnished) has been paid to the specified taxpayer; if not, (a) what are the detailed reasons for the non-payment of the specified refund and (b) when will the specified refund be paid to the taxpayer; if so, (i) when was the specified refund paid to the taxpayer and (ii) why was the specified refund delayed;
- (2) whether the specified taxpayer was kept fully informed about the reasons for the delay in receiving the specified refund; if not, why not; if so, what are the relevant details in terms of (a) how and (b) when the specified taxpayer was kept informed about the delay in paying of the specified refund?

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REPLY:

The following information is provided by South African Revenue Service (SARS):

- (1)(2)(a)(b)(i)(ii) Due to the taxpayer confidentiality provisions contained in Section 69 of the Tax Administration Act No. 28 of 2011, SARS is prohibited from disclosing any taxpayer information to any person other than a SARS official. SARS is, therefore, unfortunately not in a position to respond to the above request in relation to any tax matter.

In general the VAT Refund process is subject to certain risk rules and follows a standardised process in line with legislation.

These steps include but are not limited to:

- A declaration by a taxpayers is subjected to the “Risk Rule” built into the system
- A declaration is reviewed where risks are identified or refunds are released where no risk is identified. 83% of cases are released without audit or verification
- Where risk is identified, a generic request for information from clients in support of their declaration is sent to the taxpayer.

These requests are made in writing to the taxpayer's E-filing account or registered address.

- Evaluation by SARS of the data in support of the declaration is conducted, and requests for further specific supporting documentation is sent to the taxpayer where deemed necessary by the auditor. This second request is made telephonically and followed up by a written request sent to the E-filing account or other registered details
- If required an adjustment is made to the assessment

As indicated above, all reviews are conducted based on the risk identified by the system and all procedures and legislation are adhered to at all times in dealing with identified cases.

The TAA, chapter 5, Sec 40, differentiates between an Audit and a Verification. Once again, the risk rules determine whether a case will be Verified or Audited. Sec 42 of the TAA requires that a taxpayer be kept informed of progress with an Audit. The same obligations do not exist in the case of a Verification.