

**NATIONAL ASSEMBLY  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 3071 [NW3435E]  
DATE OF PUBLICATION: 26 OCTOBER 2018**

**3071. Mr D J Maynier (DA) to ask the Minister of Finance:**

Whether an illicit economy unit has been and/or will be established in the SA Revenue Service; if not, why not; if so, what are the relevant details?

NW3435E

**REPLY:**

The re-establishment of the Illicit Economy unit (IEU) at SARS is currently in progress and will be implemented in two phases. The 1st phase will be an interim IEU solution, which is scheduled to be functional by November 2018.

This two pronged approach to establish the specialized enforcement capability and capacity is being pursued, first an interim capacity and capability to immediately respond to the current illicit economic activities, and second, developing and implementing the organisational design to build the full functioning IEU of the future. Given the current limited capability and capacity, the focus of the Interim IEU relate to organised tax, Customs and Excise evasion schemes inter-alia in the following industries: Tobacco, Cash and Carry, Textiles, Alcohol and Fuel. In addition, abusive practices such as advanced import payments and currency smuggling, phoenixism, abusive liquidation and business rescue practices and Syndicated refund fraud, including organised VAT fraud such as carousel structures will also be addressed as per the IEU mandate.

Currently SARS have identified 58 potential cases that fall within the illicit IEU mandate. A new conceptual design and interim structure for the illicit economy Unit has been developed and approved.

The 2nd phase will involve the complete operationalisation of the IEU. The anticipated completion of the 2nd phase will be June 2019."