

**NATIONAL COUNCIL OF PROVINCES
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 262 [CW357E]
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262. Mr F Essack (Mpumalanga: DA) to ask the Minister of Finance:

Whether the Davis Tax Committee recommendations regarding the appointment of a Tax Commissioner are appropriate; if not, why not; if so, what steps have been undertaken to ensure that such recommendations are considered for adoption?

CW357E

REPLY:

The Honorable Member does not specify which recommendations of the Davis Tax Committee (DTC) that he is referring to, but I shall assume he is referring the recommendations made in its report on Tax Administration, published 13 November 2017. In this report, the DTC makes recommendations on governance at SARS, and how the Commissioner for SARS should be appointed.

Government indicated its initial response to this report in the 2018 Budget Speech, when the Minister of Finance indicated that:

“At the SONA, the President has announced his intention to establish a commission of inquiry into tax administration and governance at SARS.

This year, government will respond to the Davis Tax Commission’s report on tax administration and introduce draft legislation to give effect to some of its recommendations, including those on the accountability of SARS to the Minister of Finance, and the establishment of a supervisory board, as well as measures to strengthen the Office of the Ombud.”

Since the SONA and Budget announcement, the President has established a Commission of Inquiry into tax administration and governance of SARS, and appointed Judge Robert Nugent as Commissioner, assisted by Prof Michael Katz, Adv Mabongi Masilo and Mr Vuyo Kahla. The Commission has already commenced its work, and Government will await its outcome before finalising its response on governance and administration issues. However, coming draft tax legislation on the 2018 tax proposals to be released next month will also make contain proposals on some urgent issues related to the accountability of the Commissioner for SARS to the Minister of Finance, as recommended by the DTC.