

Stakeholder Relations

Partnership Development

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Dear Mr Van Vuren

RE: UPDATE ON MATTERS RELATING TO DECEASED ESTATES

One of the most important strategic objectives of SARS is to work with and through our Stakeholders. Therefore, our engagements with FISA are vital in order for us to work together to improve service delivery and encourage voluntary tax compliance.

The new operating model implemented in 2020 seeks to further enhance working relationships with our relevant stakeholders. One of the key changes made was the introduction of segmenting of the various type of tax products and taxpayer clusters, one of which is the Estates Segment.

The COVID-19 Pandemic brought about many challenges for SARS as an organisation and this resulted in the need to research, improve and update our digital channel service offerings in order to meet the requirements imposed during the lockdown periods.

The Estates segment team has worked with the various SARS technical and engineering teams to provide the following options to enable Executors / Tax practitioners etc. to continue to meet their tax obligations.

The following enhancements were implemented in 2020:

- a) SARS online query system(SOQS) now provides the following options:
 - Reporting a new Estate case (i.e. Deceased, Insolvent and Liquidation);
 - Changing of a Registered representative; and
 - Uploading supporting documents in respect of existing cases.

- b) Creation of a dedicated webpage for Estates.
<https://www.sars.gov.za/ClientSegments/Businesses/Pages/Estates.aspx>
- c) Dedicated e-mail address i.e. estatesegment@sars.gov.za for escalations from Registered Controlling Bodies (RCB's).
- d) Special arrangements have been made to have a dedicated resource to assist with legal interpretations on Estate-related matters. If there are any requests on specific subjects that require a legal interpretation and input or guidance is required from SARS, please forward these to the abovementioned e-mail address.

Based on queries raised by various stakeholders in the Estates environment, we would like to share the following updates with all relevant parties:

1. E-Filing profile transfer/e-Filing registration for deceased taxpayers

The relevant processes were amended to ensure that the Executor appointed by the Masters office reflects correctly as the registered representative. The process is as follows:

- An entity is coded as an estate on the SARS system should sufficient documentary evidence be provided / available. Once the official Masters appointment document is received, the Executors / trustee / liquidator details are captured and set as the Registered representative (RR) of the Estate.
- All correspondence thereafter will be sent to the Registered representative. This includes OTP's for e-Filing related purposes.
- When the appointed tax practitioner wants to access the e-Filing profile of the Estate, they shall request a "Tax type Transfer" on e-Filing and an e-mail will be sent to the Registered Representative to authorise the profile transfer. This approval must be done via the SARS secure website and doesn't require the Registered Representative to log onto e-Filing.
- The process to authorise the tax practitioner to have access to the Estate's e-Filing profile does not require any update to the e-Filing Security details from SARS.

2. Update of the Estate's Representative Taxpayer details

The nominated representative taxpayer of the estate (Executor / Trustee / Liquidator / Curator) as duly appointed by the Master of the High Court needs to

ensure that the necessary official appointment documents are furnished to SARS in order for the details regarding the estate's representative taxpayer to be updated.

This is vitally important, in the course of the estate initiation and finalisation process, as all communication regarding tax enquiries, e-Filing matters and estates compliance is sent to the correct e-mail address. As such, all representative taxpayers should ensure that their personal tax profile with SARS is up to date and reflects the correct contact details and e-mail address. No changes and amendments to the representative taxpayer's profile shall be done at the time of updating the relationship between the estate and the representative taxpayer.

Updates to the representative taxpayer's personal taxpayer profile can be done via e-Filing, the SARS Contact Centre and at any SARS Branch Office.

Corporate stakeholders (Executor / Trustee / Liquidator / Curator) who nominate their employees as the appointed Executor / Trustee / Liquidator / Curator of an estate by the Master of the High Court, should ensure that these employees' personal tax profile with SARS is updated and current. Their contact details and e-mail address are critical in ensuring direct communication and smooth facilitation of the SARS Estates processes.

These updates and changes, as may be required, cannot be done as part of the estate process. Employees need to follow the generally prescribed channels to effect such updates and changes.

Executors / Registered representatives must ensure that the correct supporting documents are submitted timeously.

The updated internal process and the inclusion of "Request to change Registered Representatives" on SOQS should reduce the problems experienced with regard to the issuing of the OTP and tax type transfer requests.

3. SARS appointments

We are aware of the issues regarding time limitations for virtual appointments. However, with the introduction of the online processes, it is expected that the need for an appointment would be decreased. There is a concern that some

Executors and Tax practitioners are not necessarily aware of the new online processes that were recently implemented. In addition, the misunderstanding regarding the need to update the e-Filing Security details in order for the OTP to be sent to the correct person, mistakenly increased the requests for branch walk-ins and appointments.

Please note that there is no need for an Executor to request branch office assistance as all service offerings are available online. It will be appreciated if you can ensure that your membership can familiarise themselves with our enhanced online offerings for estates.

4. Updating banking details

For comprehensive information on how to change banking details, the channels available to and the supporting documents required, please refer to the SARS website. Estate banking details is considered 3rd party banking details and therefore SARS is not currently able to systematically verify the information at the time of submitting the banking details.

A manual verification case is required that involves human intervention. This does not require a visit to a SARS office. The documents can be submitted electronically via e-Filing or the SARS Online Query System at the point where SARS requests this.

It is important to note that SARS may not create the verification case immediately at the time of submitting the banking details and the status may reflect as “Pending Verification” or “Not Valid”. This status does not necessarily mean that the details supplied are INVALID. The best course of action is to check the details again and if it is correct, wait until the verification case is created.

SARS will send a notification via a letter when the case is created in order to request the applicable supporting documentation that is required for the verification process. This letter will either be sent via e-Filing or e-mail.

You will then have 21 business days to respond with the requested supporting documentation. Once the documents have been submitted to SARS, your case will be attended to and you will receive an outcome letter once completed containing the result of the verification.

There are 2 outcome letters that are issued viz. where supporting documents are not submitted or where the request was rejected as the details could not be verified.

If there is still clarity required on this matter, examples should be provided to SARS.

5. Policies and Standard Operating Procedures

There have been many changes made in the last few months in respect of new processes implemented especially in the Estates environment. This could have given rise to some of the challenges experienced by Executors.

SARS holds regular training sessions with operational teams to ensure consistency in the application of Standard Operating processes. There are regular meetings held with the relevant teams to ensure that they have the updated information to ensure consistency of information shared with stakeholders and clients.

6. Communication

SARS communicates internally to all its staff of any changes that have an impact on clients. However, we note that the timing of communication is very important and this is ongoingly addressed with the necessary internal stakeholders. The social distancing requirements and the need to use virtual platforms to communicate has created a few challenges. SARS is addressing the need for training and timeous communication to our staff.

It would be advisable to also advise your members to use the channels mentioned above to view or report any new changes that they may not be aware of.

7. SARS turnaround time and responsiveness

With regard to response times on Estate related matters, there are controls in place to monitor and track response times to queries. We note there could occasionally be potential delays. There are various reasons, including delays in submission of supporting documents from clients and the COVID-19 pandemic

that perpetuated the problem. Internal processes are consistently reviewed to minimise escalations and improve service delivery.

The process for escalations is available on our website and should be followed where necessary. If there are any further escalations that remain unattended or are delayed, we would like to advise that FISA forwards these relevant escalations to the e-mail address provided above. It must be noted that any escalations forwarded to this e-mail address should have first exhausted all the available channels.

It would also be helpful if FISA advises their members to ensure that the correct supporting documents requested are submitted timeously. All required supporting documents and processes to be followed are available on our website.

8. Estate Duty Team

SARS is continuously looking for opportunities to modernize our systems and processes.

We are exploring possible system enhancements in the Estate duty environment. However, these will be long term objectives due to the complexity of the improvements.

The process for issuing of DEC letters is under review. This requires system re-design and we do not anticipate a short term resolution. However, there is currently a team looking at an interim solution and this will be communicated to the relevant stakeholders.

The dedicated e-mail address for all general Estate duty queries is estateduty@sars.gov.za. The Estate duty team facilitates the distribution and resolution of queries via this channel.

Kindly remember that the e-mail address to be used for coding an estate is contactus@sars.gov.za, alternatively, tax practitioners may utilise their standard channel for engaging SARS i.e. pcc@sars.gov.za.

9. 2020 Tax return

SARS has unlocked the interest container so that executors can apportion and capture the amounts correctly. In respect of the third party data, the 3rd party must ensure that the certificate is issued to correct TRN.

If there are problems still being experienced, please forward examples for us to investigate.

In conclusion, it is vital to us and the Estate segment, to improve communication and engagements with our stakeholders. The plan is to hold regular interdependency meetings with Estate stakeholders during the course of the year.

We look forward to working with FISA in order to improve the Estates segment.

Yours sincerely



Mark Kingon

Head: Stakeholder Relations

Date: 10 June 2021

CC: Dhevani Munsamy – Segment Leader: Estates