

# VAT Alert

18 August 2011

## Changes to the VAT processes and procedures

*Over the past three years, the South African Revenue Service (SARS) has been modernising and simplifying tax processes in line with international best practice. Improvements are being made continuously in order to increase efficiency and compliance. SARS has started implementing these changes since April 2011.*

### April 2011

- The introduction of an enhanced VAT 201 declaration with additional fields.
- The discontinuation of the automatic issuing of VAT201 declarations and the now mandatory requirement for vendors to request their VAT 201 declarations from SARS.
- To this extent SARS will no longer accept photocopies and faxes due to each VAT 201 form having a unique PRN number on the form.
- A new SARS Risk Profiling System which will evaluate all VAT201 declarations submitted.
- Where a VAT201 declaration submitted is selected for review or audit by SARS, a letter will be issued requesting that the vendor submits the required information. The vendor will also be requested to submit output and input tax schedules for the period under review.

### May 2011

- The introduction of a Request of Correction functionality to enable vendors to revise their VAT201 declarations.
- Vendors will be allowed to revise their declarations for the tax periods which fall within the last five years. When correcting the declaration, the vendor will be required to complete the VAT201 declaration in its entirety.
- The discontinuation of all manual debit order arrangements for the filing of manual VAT201 forms. Clients that would like to apply and/or continue to use the debit order function are required to register for eFiling.
- These new requirements will place an additional administrative burden on businesses. We can assist vendors in dealing with these administrative requirements by providing support in times of uncertainty.

Please contact any of our indirect tax specialists listed below for further information.

Region	Contact	Telephone	Email
Eastern Cape	Mornay Schafer	(041) 391 4403	mornay.schafer@za.pwc.com
Free State, North West, Northern Cape	Hettie Koekemoer	(051) 503 4207	hettie.koekemoer@za.pwc.com
Gauteng - Johannesburg	Gerard Soverall	(011) 797 5004	gerard.soverall@za.pwc.com
Gauteng - Menlyn	Bennie Botha	(012) 429 0292	bennie.botha@za.pwc.com
Kwazulu Natal, Mpumalanga, Limpopo	Chaya Lakhani	(031) 271 2012	chaya.lakhani@za.pwc.com
Western Cape	Charles de Wet	(021) 529 2377	charles.de.wet@za.pwc.com



This VAT Alert is provided by PricewaterhouseCoopers Tax Services (Pty) Ltd for information only, and does not constitute the provision of professional advice of any kind. The information provided herein should not be used as a substitute for consultation with professional advisers. Before making any decision or taking any action, you should consult a professional adviser who has been provided with all the pertinent facts relevant to your particular situation. No responsibility for loss occasioned to any person acting or refraining from acting as a result of using the information in the Tax Alert can be accepted by PricewaterhouseCoopers Tax Services (Pty) Ltd, PricewaterhouseCoopers Inc or any of the directors, partners, employees, sub-contractors or agents of PricewaterhouseCoopers Tax Services (Pty) Ltd, PricewaterhouseCoopers Inc or any other PwC entity. © 2010 PricewaterhouseCoopers ("PwC"), a South African firm, PwC is part of the PricewaterhouseCoopers International Limited ("PwCIL") network that consists of separate and independent legal entities that do not act as agents of PwCIL or any other member firm, nor is PwCIL or the separate firms responsible or liable for the acts or omissions of each other in any way. No portion of this document may be reproduced by any process without the written permission of PwC.