

VAT Alert

11 October 2011

Voluntary Disclosure Program – 20 days to go!

The voluntary disclosure program (“VDP”) introduced with effect from 1 November 2010 to encourage taxpayers to disclose any tax defaults and regularise their tax affairs, is drawing to a close on 31 October 2011.

Who should consider the VDP?

Any person who has committed a tax default prior to 17 February 2010.

Effect of the VDP

Once a voluntary disclosure agreement has been concluded with the vendor, SARS

- may not pursue criminal prosecution;
- must grant 100% relief for penalties and additional tax (excluding a penalty imposed for the late submission of a return or for the late payment of tax);
- must grant 100% relief for interest (although the relief will be limited to 50% where the person had knowledge of an audit by SARS); and
- must issue an assessment for the payment of VAT due in accordance with the agreement, which assessment will not be subject to objection, appeal or internal review.

What should you do?

There is still time to disclose any tax defaults that occurred prior to 17 February 2010.

Businesses should investigate their VAT affairs to determine whether an application for VDP relief should be submitted.

The VDP is an opportunity to regularise intra-group transactions, barter transactions, and any other transactions which may have been overlooked for VAT purposes.

We can assist you in assessing your VAT risk, determining your VAT liabilities and applying for voluntary disclosure relief.

Please contact one of our indirect tax specialists 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.

