



CRS TIMES

SARS : NEW ACCOUNTING STANDARD

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A new accounting standard will be added to the SARS armoury to collect taxes from companies. Companies will be required to account for all tax uncertainties in their financial statements, giving SARS the power to seize audit working papers. It is believed that if the draft accounting standard were to be implemented in its current form, that SARS will use it without shame and unequivocally against taxpayers to boost revenue collections. The proposed accounting standard is intended to replace the existing standard on accounting for income tax (IAS12)



SA ENDORSES CRACKDOWN ON TAX EVADERS



At the recently held meeting of the Organization for Economic Co-Operation & Development on tax administration, SA along with 35 other countries, endorsed the decision that specific focus will be on transparent compliance by banks and engagement with high net worth individuals on tax compliance. A joint co-operation agreement has since been concluded between SARS and SA Banks. SARS has also created a high net worth individual compliance unit (for individuals earning more that R7m a year or having assets which exceed R7m)

MATTERS UNDER REVIEW BY SARS

SARS are intending to make it easier for Employers to register Employees for income tax by making electronic facilities available in SARS E-filing that the Employer can use. The legal liability to register for income tax still remains with the Employee, but the Employer can assist.

Pending changes to the EMP201 format to facilitate the payment of amounts for EMP701 adjustments to prior tax years, is still awaited.



CSV CHANGES FOR YEAR 2010



Various submissions have been made to SARS regarding the pending CSV changes for year 2010 and feedback is awaited on the final specification document. At this stage, the final dates for testing have still to be announced, however, SARS have indicated that they are still on track to test the new CSV import files into e@syFile from 01.12.2009

RETIREMENT ANNUITY & MEDICAL AID TAXATION

The 2009 Budget contained important proposals for both Employers and Employees regarding changes to the taxation of contributions to retirement annuities and medical schemes. It was proposed that employer paid contributions to a retirement annuity should be deductible , subject to existing limits, to be on par with other RA contributions made directly by Employees. In terms of Medical Scheme contributions, the proposal is that the cap portion of the Employer paid contribution , will cease to qualify as a deduction. Further details are awaited.



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