cpa | commercial producers association south africa

From: Bobby Amm [mailto:bobby@cpasa.tv]
Sent: 01 October 2009 02:42 PM
To: 'heather@hotshots.co.za'; 'Patrick Walton'; 'namajhb@gmail.com'; 'Carlynn@Contractors. Org. Za'; 'Janet du Plessis'
Cc: 'Russell Cory'; 'Alveena Pillay'
Subject: Important Note - please circulate to all agents

Dear Agents

You may be aware of the proposed amendments and new requirements for the 2010 filling season (March 2009 to Feb 2010) which have been issued and are available on the SARS website for detailed scrutiny.

The new proposed amendments are:

- Certain information will become mandatory on the files that employers submit to SARS. This was introduced form a policy perspective in 2009, but it will be enforced from a system validation perspective in 2010.

- Enhancing the employee's tax certificate [IRP5/IT3(a)] to include significantly more data the complete breakdown of mandatory and optional information is as follows:

Certificate Number	Mandatory	Optional
Type of Certificate	Yes	
Nature of Person	Yes	
Year of Assessment	Yes	
Employee Surname	Yes	
First two names	Yes	
Initials	Yes	
ID Number	Yes	
Passport Number	Yes	
Country of Issue	Yes	
Date of Birth	Yes	
Income Tax Reference Number (*)	Yes	
Contact e-mail		Yes
Home Telephone Number		Yes
Business Telephone Number (*)	Yes	
Fax Number		Yes
Cell Number		Yes
Business Address (*) - All details including postal code & city	Yes	
Home Address - Add details including postal code & city	Yes	
Date employed from	Yes	
Date employed to	Yes	
Pay periods in year of assessment	Yes	

Pay periods worked	Yes	
Directive Number	Yes	
Employee Bank Details (*) - Bank - Branch - Account Number - Branch Code	Yes	

The new and mandatory items have been marked with a (*) above.

Unfortunately we are half way through the tax year and the above information should have been gathered and retained from March 2009.

SARS will impose penalties for non-compliance. Currently employers are faced with the following penalties (excl interest):

- 10% penalty for late submission or late payment of employees' tax (Form EMP 201)
- 10% of annual employees' tax for late submission or non submission or IRP 5's
- Up to 200% penalty for non compliance or misrepresentations on EMP 201 return submissions.

Although it has not been confirmed, it has been inferred that the proposed penalty for the exclusion of Mandatory fields would be a penalty of R200 per field per IRP 5.

To give some value to this penalty that may come into operation, a production company has 200 independent contractors working throughout the year and forgets to add the independent contractor's income tax number and bank details to their IRP 5's. The penalty could be R200 x 200 x 2 omissions = R80,000.00.

(Thank you to Michael Rushby for supplying the above information)

In order to ensure compliance, we have recommended to our members that they ensure that all mandatory fields are completed however we need your assistance to achieve this. We therefore request that information required for all mandatory fields be included in invoices rendered by agents to production companies.

We realize that this is quite an undertaking but please note that we have no choice in the matter as this is a legal requirement.

We trust that we can look forward to your support? Please do not hesitate to contact us should you have any queries.

Best regards,

Bobby

Bobby Amm
Executive Officer
Commercial Producers Association of South Africa

Tel: 27 11 673 6809
Cell: 27 82 683 0575