

Media Releases 2011

VDP Deadline Reminder that tax defaulters have until 31 October 2011 to seek relief

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Pretoria, 17 October 2011 – Taxpayers who have tax defaults with the South African Revenue Service (SARS) and would like to be granted relief from penalties and interest, and avoid possible criminal prosecution have until 31 October 2011 to voluntarily disclose their outstanding tax affairs.

This is when the period for applications for relief under the Voluntary Disclosure Programme (VDP) will close.

Tax defaults, range from submitting inaccurate or incomplete information or failure to submit information to SARS for any tax type that SARS administers.

The aim of the VDP is to encourage applicants to disclose their tax defaults and to give them the opportunity to regularise their tax affairs. Over recent weeks SARS has been conducting an extensive advertising campaign to raise public awareness about the VDP.

SARS wants to emphasize that the current VDP programme is a unique opportunity for defaulting taxpayers and SARS wants to encourage such taxpayers to use the remaining window period available to them.

The VDP allows for individuals and entities (such as close corporations, trusts, companies and co-operatives) to make full and voluntary disclosure of any tax default that occurred prior to 17 February 2010.

By 14 October 2011, SARS had received 5 755 VDP applications, an increase of 686 from the end of September. The breakdown of VDP applications per tax type is as follows:

- Corporate Income Tax – 67%
- VAT – 20%
- Personal Income Tax - 10%
- Other taxes – 3%

A defaulting taxpayer will be granted relief under the programme if the application meets the following requirements:

- The disclosure is complete in all material respects and made in the prescribed form and manner
- SARS was not aware of the default which must have occurred prior to 17 February 2010
- A penalty or additional tax would have been imposed had SARS discovered the default in the normal course of business
- It would not result in a refund due by the Commissioner.

All types of tax administered by SARS qualify under the VDP. However, administrative penalties are excluded.

Prospective applicants can:

- Request application forms when visiting any SARS Branch
 - or submit an application via eFiling
 - Manual applications, with the supporting documents, may be submitted directly to the VDP Unit Per Hand to:
VDP Unit
South African Revenue Service
Gramick Office Park
281 Middel Street
Brooklyn
PRETORIA, 0001
- If an application meets the criteria set out in the legislation, then SARS will enter into an agreement with the taxpayer regarding the relief to be granted.

The agreement will cover amongst others:

- The material facts of the defaults disclosed
- The relief granted by SARS under the Tax VDP
- Payment terms in respect tax payable
- The fact that the relief may be withdrawn if SARS subsequently determines that the disclosure did not constitute a valid disclosure under the Tax VDP

For more information please visit www.sars.gov.za or Email: vdp@sars.gov.za or Telephone: 0800 864 613.

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