



South African Revenue Service

Dear Valued Stakeholder,

## **FILING SEASON 2022 – IMPORTANT INFORMATION: AUTO-ASSESSMENTS**

This year SARS celebrates its 25-year anniversary. Since our inception we, together with valued contributors to the economy such as yourself, have and continue to make a positive impact in the lives of South Africans. The tax we collect enables South Africans to access essential services and further provides government with the means to improve all our lives. We are not only celebrating our organisation's anniversary but also your individual contribution to building a better South Africa through your continued tax compliance.

Our goal remains to make it easy for all taxpayers to meet their personal tax obligations. In doing so, we have issued auto-assessments to certain taxpayers, which can be accessed on eFiling or the SARS MobiApp.

**Attached** to this letter is an information sheet that explains everything one needs to know about the auto-assessment process. You can also visit our website at [www.sars.gov.za](http://www.sars.gov.za) for more information.

Sincerely,

**THE SOUTH AFRICAN REVENUE SERVICE**

**JUNE 2022**

Please do not reply to this email. Replies to this message will be sent to an unmonitored mailbox. If you have any questions, visit the SARS website on [www.sars.gov.za](http://www.sars.gov.za)

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## INFORMATION SHEET: AUTO-ASSESSMENTS

### **What is different this year?**

This year we will again issue auto-assessments to taxpayers. However, we have made it much easier this year – if the taxpayer or their Tax Practitioner is in agreement with an auto-assessment then there is no need to “accept” the assessment. If the taxpayer or Tax Practitioner disagrees with the SARS auto-assessment, a tax return can be filed in the normal way with the additional information, within 40 business days of the date of the auto-assessment.

### **How does auto-assessment work?**

As Tax Practitioners know, SARS receives 3<sup>rd</sup> party data from employers, medical schemes, banks, retirement annuity funds and others. We then use that data to calculate tax assessments. If we are satisfied that the data and tax calculation is correct, we issue the assessment via eFiling or the SARS MobiApp. At the same time, we also send a message via a taxpayers preferred channel of communication (like SMS or email) to alert a taxpayer or Tax Practitioner of an assessment on eFiling or SARS MobiApp when it is ready to be viewed.

### **What must be done when an auto-assessment is received?**

Log on to eFiling or the SARS MobiApp and view the assessment. All data used to calculate the assessment will be available.

If the taxpayer or Tax Practitioner is in agreement with the assessment, check if a refund is due or if tax is owed to SARS. If a taxpayer or their Tax Practitioner is not in agreement with the assessment, they can access the tax return via eFiling or SARS MobiApp, complete the return, and file it within 40 business days from the date that SARS issued the auto assessment.

### **How does a Taxpayer or Tax Practitioner know that the data is correct?**

This year, for the first time, a taxpayer or Tax Practitioner can view data in detail, as follows:

1. Login onto eFiling
2. Select the “Third Party Data Certificate” search button on the menu bar

3. Submit / search any certificate that you wish to verify
4. Select the certificate type in question.

If there is an error on the data or the data is incomplete, the taxpayer or Tax Practitioner can correct it by doing two things:

1. The taxpayer must ask the institution that provided the data to SARS to correct it by sending updated data to SARS.
2. When the taxpayer receives the updated data, the taxpayer or Tax Practitioner must access the tax return on eFiling or the MobiApp, update the data on the tax return, and file the tax return via eFiling or the SARS MobiApp.

#### **Will SARS select a taxpayer for verification or audit if auto-assessed?**

No, SARS has already quality checked the auto-assessment and therefore if the taxpayer or Tax Practitioner agrees with this assessment, then this taxpayer will not be selected for verification or audit.

However, the taxpayer or Tax Practitioner must please make sure that the assessment is complete. For example, if a taxpayer received rental income or other income or has deductions in addition to what we reflected in the auto-assessment, a taxpayer or Tax Practitioner must file a tax return with the information in addition to what we have already pre-populated on the tax return, within 40 business days of the date of the assessment. In such a case, the taxpayer may possibly be selected for verification or, where appropriate, for audit. It is therefore very important that taxpayers and their Tax Practitioners have supporting documents to substantiate any changes they want to make to the auto-assessment on hand when the return is filed.

#### **What must a taxpayer or Tax Practitioner do if they do not agree with the auto-assessment?**

There is no need to file an objection to the auto-assessment. Simply access the tax return via eFiling or MobiApp, complete the return, and file it via eFiling or MobiApp within 40 business days from the date on which SARS issued the auto-assessment.

If one cannot file the tax return within 40 business days, one can request extension via eFiling or MobiApp. We explain this in more detail below.

If we accept the updates in the tax return, we will issue a reduced or an additional assessment. If we do not accept the updates in the tax return, we will inform the taxpayer or the Tax Practitioner of the reasons their updates are not accepted. If the taxpayer or Tax Practitioner disagrees with the reason(s) why we did not accept the updates in the tax return, then the normal objection and appeal facility will be available.

**Can a taxpayer or Tax Practitioner ask for extension to file a tax return if they cannot file it within 40 business days?**

Yes, a taxpayer or Tax Practitioner can apply for extension via eFiling or the SARS MobiApp.

SARS can extend the 40 business days if we receive the request for extension before the expiry of the 40 business days, together with reasonable grounds. SARS can also extend the 40 business days after the expiry of the 40 business days if the taxpayer's request is submitted to SARS within 21 business days after the expiry of the 40 business days, and if accompanied by reasonable grounds. SARS can also extend the 40 business days after the expiry of the 40 business days if a taxpayer's request is submitted to SARS within 3 years after the expiry of the 40 business days, in exceptional circumstances.

**Is the official Filing Season due date of 24 October 2022 for filing tax returns applicable to auto-assessed taxpayers?**

Taxpayers who are part of the auto-assessment process and in agreement with the assessment, the due date of 24 October 2022 does not apply.

However, if a taxpayer or Tax Practitioner is not in agreement with the auto-assessment, and want to file a tax return after 24 October 2022, the return will be considered late like any other 2022 tax return received after that date.