



South African Revenue Service



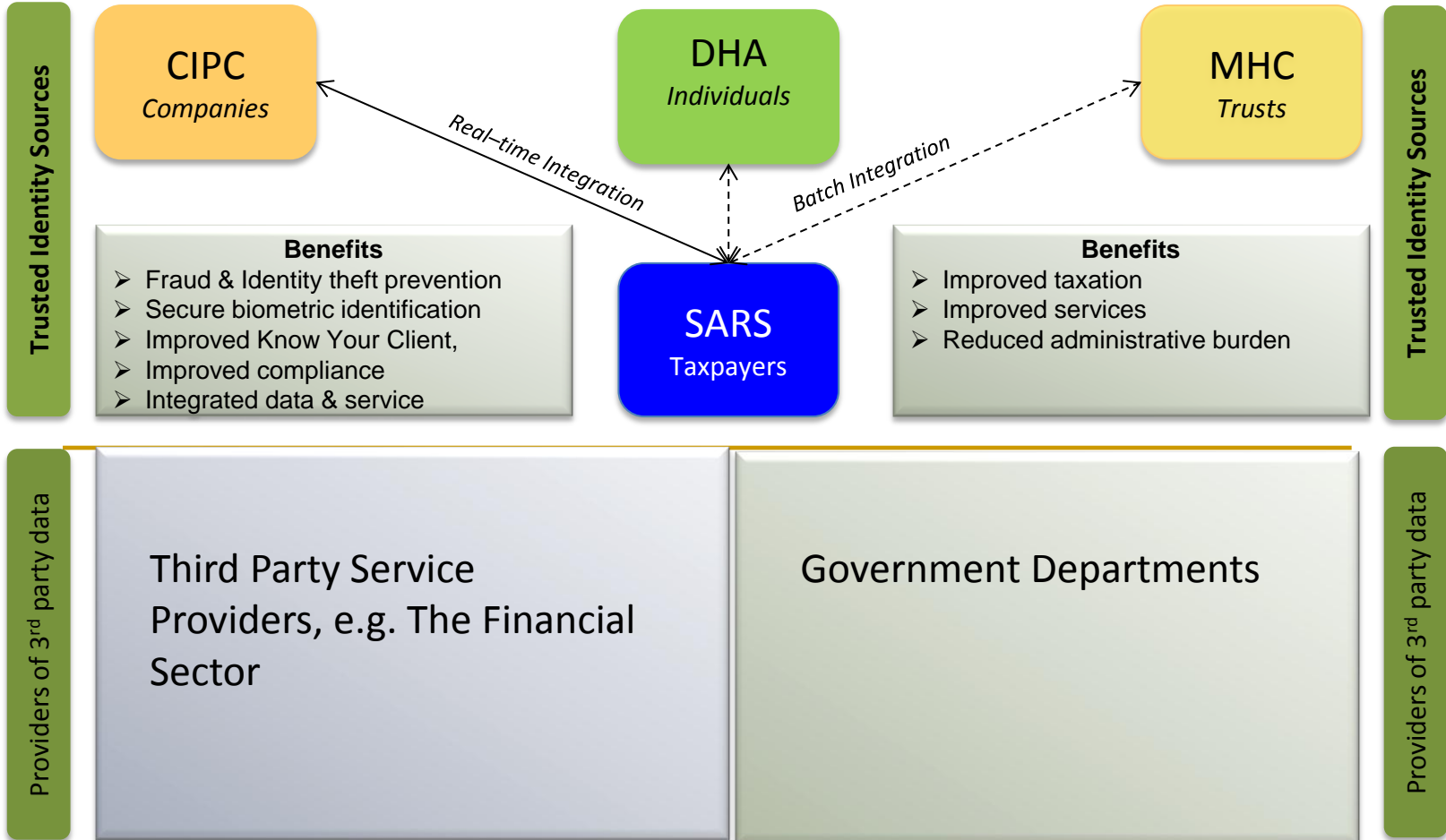
**SARS & CIPC
CIPC/SARS Collaboration**

20 September 2016

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OVERVIEW - STRATEGIC COLLABORATION

The SARS strategy is to collaborate with other government entities as shown below as well as with providers of 3rd party data that can be used for risk management, data quality and to improve service to Citizens



1 - INFORMATION EXCHANGE

Objectives

- To provide an integrated service between CIPC and SARS where a company registering a new entity at CIPC automatically updates SARS and is registered for Company tax and a tax reference number is returned to CIPC for providing to the client. This results in enhanced compliance by integrating the CIPC company registration and maintenance process with the SARS registration and Single Registration processes as all companies registered are automatically registered for Tax.
- Reduce the administrative burden on both Enterprises and Departments (e.g. SARS, CIPC) by sharing information that has already been captured and validated – improve the “Ease of doing Business” through “One and Done” services with a focus on Small Business.
- Removal of duplication for companies/taxpayers by automating the registration process automatically when a company is registered.
- Improving data quality by automatically receiving necessary data from CIPC for both first time registrations as well as maintenance changes (addresses, etc.)
- Utilise data from CIPC to assist internal SARS data matching, migration and quality improvement projects as well as sharing data with CIPC to improve their data quality.
- Enhance Identity Verification by leveraging off the Trusted Identity Sources in South Africa (DHA for Individuals and CIPC for Companies).

CIPC Requirements

CIPC required the following from SARS:

- To forward the Annual Financial Statements (AFS) submitted by a Taxpayer with an ITR14 to CIPC on the taxpayer's behalf, provided the taxpayer provided consent in the ITR14 to share this information. When companies file their Company Tax returns, they are required to submit a copy of their financial statements. As CIPC also request a copy of the AFS, a question was added to the tax return asking if SARS could share the AFS with CIPC. Where companies accept this then SARS automatically submit a copy of the AFS to CIPC reliving the taxpayer from the obligation to submit to both SARS and CIPC.

ITR14 question: "Do you give consent that SARS can provide the attached financial statements to the Companies and Intellectual Property Commission (CIPC)?"

- Demographic data such as addresses, email & contact details.

These AFS and data is now included in the interface between SARS and CIPC.

INFORMATION EXCHANGE - INFORMATION UTILISATION

No	Information Type	Utilisation		Master		Dependent		Shared		
		CIPC	SARS	CIPC	SARS	CIPC	SARS	CIPC	SARS	
1	Company registration number	Issue	Update	x						
2	Company type	Issue	Update	x						
3	Company Name	Issue	Update	x						
4	Trading Name	Issue	Update	x						
5	Date of company registration	Issue	Update	x						
6	Public Officer	Issue	Update if valid ID number	x						
7	Accounting Officer	Issue	Update if valid ID number	x						
8	Directors	Issue	Update if valid ID number	x						
9	Income Tax Reference Number	Info	Issue		x					
10	Party ID	Info	Issue		x					
11	Financial Year end change notification	Update after completion of CIPC process	Update after completion of CTS process			x	x			
12	Deactivation notification	CIPC discretion	On receipt, initiate SARS process					x	x	
13	Reactivation notification	CIPC discretion	On receipt, initiate SARS process					x	x	
14	Business Trade Activity	CIPC discretion	Update if latest change date					x	x	
15	Registered Physical addresses	CIPC discretion	Validate and update if latest change date					x	x	
16	Registered Postal address	CIPC discretion							x	x
17	Email address	CIPC discretion							x	x
18	Contact details	CIPC discretion							x	x
19	Public Officer registered details	CIPC discretion						x	x	
20	Accounting Officer registered details	CIPC discretion	Update if latest change date					x	x	
21	Directors registered details	CIPC discretion	Update if latest change date					x	x	
22	Financial Statements	CIPC discretion	Issue					x	x	

Master information	Information where the initiator is the owner of the Information and the receiving party will update their records accordingly
Dependent information	Information exchanges where the changes may be initiated by either party, and the receiving party will update and use the information in accordance with their own business rules
Shared information	Information exchanges where the changes may be initiated by either party and the receiving party may decide to utilise or not to utilise the information at their own discretion

2 - INTERFACE BETWEEN SARS & CIPC

An interface was designed and implemented between SARS & CIPC to enable the real-time sharing of data between the two entities.

The interface included:

- A Technical Interface Definition including :
 - Data Transmission Channel Selection
 - Data schema alignment.
- Business Requirements Definition detailing the functional requirements to be contained in the messages between the entities.

The interface between SARS & CIPC uses the Connect Direct technology to ensure security, resilience and manage the completeness and accuracy of any data transmission.

The interface was built in September 2014 and has been working successfully since then.

3 – DE-REGISTRATION BY CIPC

De-registration by CIPC of Companies

- There is no automated process to deregister clients at SARS who have been deregistered at the CIPC. Currently on a periodic basis, CIPC provides a dataset of companies which they intend to deregister due to non payment of annual fees.
- SARS compares this data with SARS data and informs the CIPC of cases they cannot deregister due to debt or other outstanding obligations
- The companies who have no outstanding obligations are deregistered on both the SARS and CIPC Registers

It should be noted that a de-registration by the CIPC of a company that is indebted to SARS or who has other outstanding legal obligations is problematic as the reinstatement of a company after de-registration with require a judicial process.

Tax Compliance

Legally,

- No Tax Compliance can be done prior to the registration of the company.
- It is not possible to apply for Tax Compliance confirmation (Clearance Certificate) prior to the registration of the company

QUESTIONS