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COUNTRY-BY-COUNTRY REPORTING: REQUEST FOR EXTENDED DUE DATE

The purpose of this submission is for SAIT to offer its concurrence with SAICA in terms of their submission dated 9 November 2017 seeking an extended due date in respect of South Africa's pending implementation of country-by-country reporting.

As you are well aware, the country-by-country reporting system initiated by the OECD represents a tremendous change in the reporting landscape for large multinationals. The compliance burden falling on these companies can take months of work, especially in the case of larger multi-nationals that have more than 100 subsidiaries. Revenue authorities have also had to engage in significant work to create systems to receive and compile the desired information for it to be shared with revenue authorities in other countries (as appropriate).

Given the above, many companies have been diligently working towards the country-by-country reporting deadlines for many months. This effort initially took the form of compiling country-by-country information pursuant to the templates and guidance provided by the OECD given the lack of local (e.g. South African) information requirements. This work has been ongoing from 2016 with the work accelerating in 2017.

At issue is the SARS pending country-by-country reporting platform that will only be available sometime in mid-December 2017. While the new SARS system merely replicates the OECD information requirements for the most part, at issue is how the data must be encoded to qualify as an acceptable and timely receipt by SARS. More specifically, the new SARS platform requires multi-nationals to specifically encode this data onto the new system on a line-by-line basis.

At issue is the undertaking of this line-by-line encoding of information that has already been assembled by companies on PDF and other standardized formats. This new line-by-line encoding may take several weeks. Still worse, if the new SARS platform is only available by December, many of the required staff will naturally be taking leave. These shortened timelines are especially serious for companies with due dates ending on the close of December 2017 and the early months of 2018.

Given the above, we would request a three-month extension for country-by-country reporting in terms of the e-filing platform as requested by SAICA. In order to ensure good faith compliance (i.e. to ensure that the delay is solely caused by the new SARS platform), SARS may want to consider requiring taxpayers to submit the core information on hand (i.e. via the PDF and other commonly used formats) within the pre-existing timelines as a pre-requisite for the additional 90 days until 31 March 2018 to submit on the SARS platform.

Yours sincerely,

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