

SARS IS STEPPING UP ENFORCEMENT

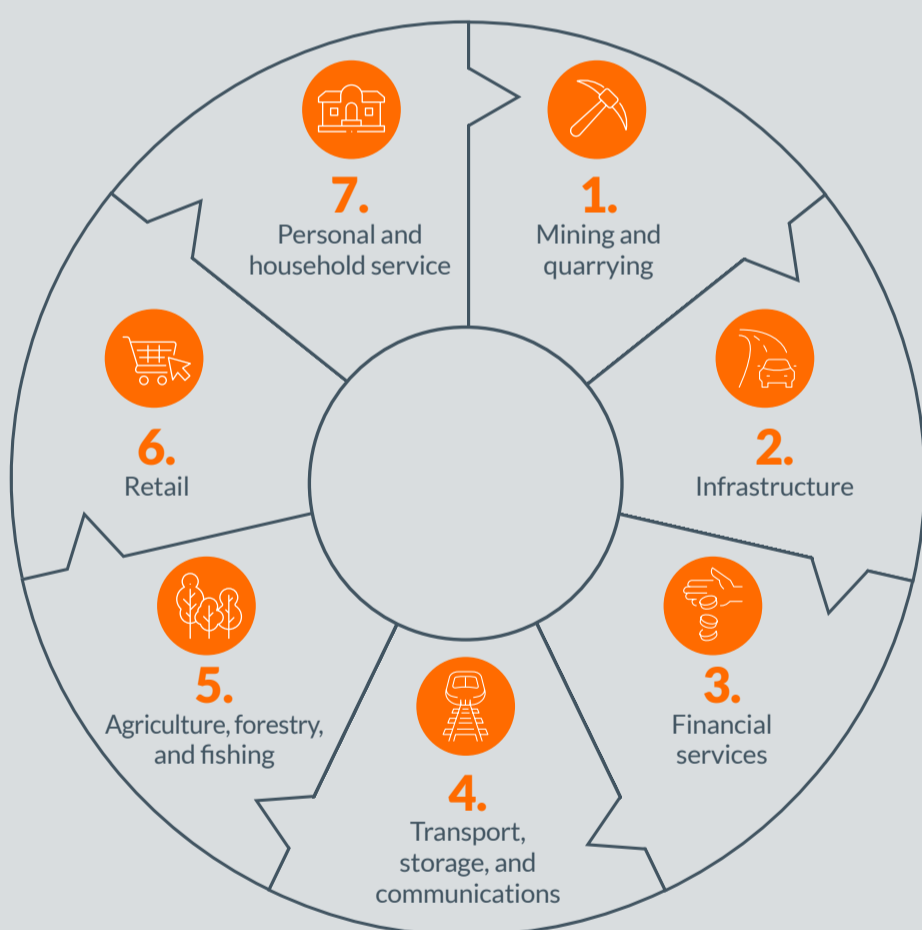


IS YOUR BUSINESS AUDIT-READY?

The South African Revenue Service (SARS) is significantly increasing its tax enforcement efforts. Backed by a ZAR 7.5 billion allocation over the medium term, SARS is expanding its workforce, forming specialised audit teams, and investing in advanced technologies such as data science and artificial intelligence, all aimed at narrowing the tax gap and improving taxpayer compliance.

To date, SARS has recruited 500 new staff members, with an additional 1 000 to 1 500 appointments anticipated. While this expanded capacity targets all tax types, value-added tax (VAT) remains a primary focus due to its relative ease of recovery. SARS is also intensifying efforts in customs and excise (particularly in high-revenue sectors such as tobacco, alcohol, and fuel), as well as pay-as-you-earn (PAYE) collections, with a particular emphasis on independent contractor arrangements.

Seven sectors have been flagged for high levels of non-compliance



Over the next three years, SARS aims to recover an additional ZAR 70 billion in tax revenue.

Why early intervention matters

Even businesses with robust internal controls and longstanding relationships with SARS are not exempt from scrutiny. A proactive compliance approach is your best protection against penalties, interest and time-consuming disputes.

How we can help

Our experienced tax litigation attorneys are ready to:

- Review your current compliance approach.
- Identify potential risk areas.
- Assist with dispute resolution, voluntary disclosure and audit response strategies.

Get in touch with our Tax team to assess your current tax position, uncover potential risk areas and develop a practical strategy to stay compliant with SARS.



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