

Newsflash

Benefits of Professional Tax Expertise

SARS has made it mandatory that all persons completing tax returns on behalf of third parties have to be registered by SARS as tax practitioners and be a member of one of the following professional bodies:

- A Law Society
- Chartered Institute of Management Accountants (CIMA)
- Chartered Secretaries Southern Africa (CSSA)
- General Council of the Bar of South Africa
- Independent Regulatory Board for Auditors (IRBA)
- Institute of Accounting and Commerce (IAC)
- SA Institute of Chartered Accountants (SAICA)
- SA Institute of Professional Accountants (SAIPA)
- SA Institute of Tax Practitioners (SAIT)
- The Association of Chartered Certified Accountants (ACCA)

The partners and associates between them are registered by at least one of the above mentioned professional associations.

What does that mean to you the client?

The Tax Practitioner (TP) is governed by a specific set of rules and disciplines to which they must adhere failing which they will be subject to sanction and possible expulsion from practising as a TP. For the tax practitioner, these are indeed onerous conditions which can arise as a result of, for example:

- Acting in a reckless manner.
- Performing their duties with incompetence.
- Knowingly participates or submit fraudulent documentation.
- Supplying of fraudulent or misleading information.

Consequently the TP should exercise due diligence in carrying out their duties. Due diligence is defined as "*As the necessary steps that a reasonable person would take to avoid committing an offence*" Therefore the TP will not be able to hide behind an outdated tax law, be negligent or do a rush job. Due diligence must be exercised in:

- Preparation of tax returns.
- Assistance with the preparation of tax returns.
- Assistance with the preparation of any submissions made to SARS including objections, PAYE and Vat returns.

The responsibility of the TP is to provide you, the client with advice based on prevailing tax legislation, in an honest unbiased manner. The TP is compelled to

keep up to date with the latest tax legislation by a process of continuing education.

Responsibilities

It is the responsibility of the client to provide all required information timeously and in a manner that can withstand scrutiny by SARS. It is important that these requirements and the respective parties' responsibilities are properly documented to avoid any possible misunderstanding. This document is called a letter of engagement signed by both the client and TP prior to commencement of any work.

Retention

All supporting documentation is required to be retained by the taxpayer for a period of 5 years from the date of the last tax assessment; for example, if the taxpayers affairs are in arrears and the last tax assessment is 2009, the documentation from 2004 must be retained, until all their tax affairs are brought up to date.

You, the client, can be assured that our partners and tax associates can provide you with a high level of service based on sound tax training and experience so that your tax will be minimised within the legal tax framework thereby minimising the likelihood of potential tax problems.

If you have any queries please email us on tax@tfaglobal.co.za or phone 021-9481584.

The Scribe
NF2013-07-23