



South African Revenue Service

Dear Taxpayer

ADMINISTRATIVE PENALTIES FOR CORPORATE INCOME TAX (CIT) TO BE IMPOSED

SARS will be imposing administrative penalties from December 2018 for outstanding Corporate Income Tax (CIT) returns.

Administrative penalties will be imposed on companies that receive a final demand to submit a return. In terms of Section 210 of the Tax Administration Act of 2011, non-compliance with regards to non-submission of required CIT returns may be subjected to a penalty, as follows:

(1) If SARS is satisfied that noncompliance by a person referred to in subsection (2) exists, excluding the non-compliance referred to in section 213, SARS must impose the appropriate 'penalty' in accordance with the Table in section 211.

(2) Non-compliance is failure to comply with an obligation that is imposed by or under a tax Act and is listed in a public notice issued by the Commissioner, other than:

(a) the failure to pay tax subject to a percentage based penalty under Part C; or

(b) non-compliance subject to an understatement penalty under Chapter 16.

The penalties range from R250 to R16 000 per month that non-compliance continues, depending on a company's assessed loss or taxable income. According to our records your company has been identified as having one or more CIT returns outstanding. We request that you submit your return to SARS before the end of November 2018 to rectify your non-compliance and prevent penalties being imposed.

Please note that it is compulsory for registered companies to submit their income tax returns. If a company is dormant, it is still required to submit any outstanding returns prior to 2018 to prevent a penalty being imposed. The criteria for the exception in 2018 are set out in Notice 600 of 15 June 2018, which is available on the SARS website.

More information

Visit the SARS website on www.sars.gov.za for more information.

Sincerely

SOUTH AFRICAN REVENUE SERVICE
September 2018

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 or call the SARS Contact Centre on 0800 00 7277.

Legal disclaimer: This email is intended solely for the use of the individual or entity to who it is addressed. If you have received this email in error, please delete the email from your system. If you are not the intended recipient you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited.

