



Tax & Legal – News Alert



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“Control and Power.....SARS is watching”

Revenue Authorities across the globe are looking for your tax information. This is now also real for South Africa.

The South African Revenue Authority's (SARS) VAT modernisation discussion paper was issued on 8 September where they are inviting consultants to provide insights and to share experiences on their implementation journey.

Real-time reporting will become relevant for all types of businesses (big or small) in all jurisdictions.

Responding to the ever-evolving business environment, data and technology are underpinning a paradigm shift and tax authorities are driving digitalisation. We have experienced a definite focus on this during the past 6 years from 2017, where 32 countries adopted some form of digital transformation in comparison to only 18 countries over 15 years, pre-2017. We are expecting to see further exponential growth in the next 1 to 5 years, anticipating another 50 countries to adopt the implementation of “e-invoicing” and “real-time reporting”.

The ultimate objective why SARS is doing this is to increase their visibility and ensure transparency of tax collections. This digitalisation holds many benefits for SARS as they will have greater availability of tax data in real, to near-real time, also closing gaps for non-compliance. The new levels of computing power provide SARS with more processing and analytical power of VAT data. SARS will have the edge of more end-to-end visibility that will provide them with insights into business transactions.

No one can deny Tax is changing faster, and more dramatically than at any time in history.

The question to answer is, whether you are positioned to balance compliance obligations that will be visible to SARS at the time the “taxable event” is happening, whilst having a forward-looking focus on risk management and driving increased efficiency and effectiveness demands.

Once the modernised, revenue authorities get control of your VAT data,

- you will no longer know when a tax audit is happening,
- all taxes globally will become real-time. Correcting, amending and adjusting your data, after the period, will no longer be an option, and
- poor data quality will no longer be an excuse.

SARS is also improving the VAT return disclosure requirements to:

- align with financial accounting principles and the data as captured in these systems,
- improve data management, analysis and reconciliations by the vendor, ensuring improved quality of its self-assessment VAT return to SARS,
- facilitate risk analysis by SARS supported by the VAT transactional data transfer validations, and
- enable the building of more intuitive rules (artificial intelligence learning) to inform the SARS risk engine.

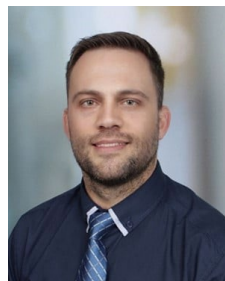
Business and Tax leaders should not be caught off guard, but rather proactively plan and embrace this disruption as a “catalyst” to drive digital transformation in the tax function and view it as an opportunity to realize tangible and sustainable value and growth.

Stop struggling with your data. Start winning with it.

For more information and assistance, please contact:



Madelein van Zyl
Partner
Tax Technology
South Africa
madelein.vanzyl@kpmg.co.za



Wynand du Plessis
Senior Manager
Tax Data Management
South Africa
wynand.duplessis@kpmg.co.za

kpmg.com/socialmedia



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