SARS – INTRODUCTION OF A NEW SINGLE REGISTRATION SYSTEM

REGISTRATION OF A NEW TAXPAYER

SARS introduced a single registration system for individual taxpayers and companies during May 2014.

Once the system is in full force, a new taxpayer will need to submit a tax registration application at a SARS branch only once. Any additional tax registrations for income tax, value-added tax (VAT), pay-as-you-earn (PAYE) or customs and excise, will be available through the eFiling platform, as the taxpayer’s registration details will already be on the SARS system.

SARS has stated in a recent media release that the new system is aimed at providing taxpayers with a consolidated single view of their tax affairs, will reduce red tape for small businesses, and aims to reduce cyber crime.

The system includes an automated registration for certain clients. For example, if a new company is registered with the Companies and Intellectual Property Commission (CIPC), it will be automatically registered with SARS for Company Income Tax purposes. The public officer would then be required to “tick the boxes” to indicate whether the entity needs to also be registered for VAT, PAYE and so on. If a company registers employees through current employer registration channels, these individuals will not need to register for income tax purposes as they will receive a tax reference number on registration.

SARS has stated that third party data from CIPC and the Department of Home Affairs will be used during the registration process for both companies and individuals. If there is a mismatch of information, clients will be expected to go to a SARS branch to correct the information.
It is therefore important to ensure that identity number details of company directors are correctly reflected with CIPC and Home Affairs.

The introduction of the new system will only affect new registrations. Taxpayers who are already registered will not need to re-register – however should they need an additional registration, such as for VAT, then they will need to follow the new system in order to add the VAT registration to their profile.

As SARS has stated, the aim of the new system is to give the taxpayer a single view of all tax and customs products linked to the taxpayer’s profile.

**TAX PRACTITIONERS, PUBLIC OFFICERS AND REPRESENTATIVE TAXPAYERS**

Along with the new system of registering a taxpayer, SARS has indicated that it is tightening up its security over taxpayer identity. One of the areas they highlighted for attention was the registered representative of an entity. They have stated that this should not be the tax practitioner – but the public officer of the entity. The registered representative has to be validated by SARS and their information “linked” to the entity they represent. The public officer of a company will need to be registered with SARS and will need to go to a SARS branch office to get “linked” to the company. They will need to take their identity document, power of attorney, board resolution, and/or official letter of appointment.

A public officer of an entity is the person who will take ultimate responsibility for the tax return. Such a person will then be able to allocate the rights to use the registration service of SARS eFiling to additional people, who can perform the same functions as them (including tax practitioners who are acting on behalf of a company). The new system therefore requires that an authorised person at a company must validate with SARS that a registered tax practitioner is mandated to act on behalf of the taxpayer.

Stricter control over sensitive information has also been introduced – should a taxpayer wish to register for the first time, or change his or her identity information, he or she will have to physically go to a SARS branch office to do so, as “physical authentication and visual inspection of relevant material will be required”.

Since the introduction of the new system in May 2014, there have been some hiccups. For example, where tax practitioners have not been recognised as practitioners for their existing clients on the eFiling system, or have been unable to validate the public officers of the companies they represent.

In an effort to regulate tax practitioners, accredited bodies, such as SAICA, have to ensure that their members are registered with SARS as tax practitioners. Those not registered with SARS and any recognised controlling body will not be allowed to practice. SARS is continuing to tighten up its procedures, particularly in regard to tax practitioners.

Please contact our offices should you require further information or assistance on this topic.
KEY STEPS TO BUSINESS SUCCESS

How many times have you walked away from a meeting feeling that a great deal of time was wasted, and nothing was achieved?

So what are the secrets to running a successful business? Unfortunately there isn’t a simple answer to this question, but we have listed some very important points to remember to improve the chances of your business being success.

1. Don’t listen to advice from people who are risk averse. Lots of people are happy to give advice. Many are well meaning, but unless someone has succeeded in their own business, take what they say with a grain of salt. If you want advice on how to run a successful business, ask a successful businessperson.

2. Get your hands dirty. Even as an owner, it’s your role to know every facet of the business. If you can’t do a job, whether it is finance, legal, customer support, content or even sales, there’s not much point in you being around.

3. Back your instincts. To succeed, you need to be able to predict a demand for a product or service. Back your instinct with listening to customers and seeing how they react to new products. Creating a new business requires either selling something people don’t realise they want yet, or improving a process for something they already have.

4. Test your idea first. If you have the option of testing something first, that’s always best. If it works, then throw everything into it; alternatively know when to cut your losses.

5. Treat your staff well. There’s nothing worse than seeing someone in a senior position not respecting newer or more junior team members. It’s pretty easy for staff (especially talented staff) to leave. When that happens, the business loses lots of experience and ability. Do everything you can to make sure your great team members stay with you.

6. Be strict about costs. Unless you’re Google or Facebook, it’s probably not a good idea to spend too much money on things that won’t bring a good return. That doesn’t mean being stringy with your team, or not investing in growing businesses, it means not wasting money on things that don’t help the business.

7. Allocate capital efficiently. Every investment decision needs to be considered through the prism of return on equity (ROE). The most successful businesses are the ones who can maintain high returns on equity and are able to reinvest any profits back through the businesses, compounding those great returns.

8. Be humble. To succeed, you need to be able to predict a demand for a product or service. Make sure you don’t get the market wrong and become too arrogant. The real challenge is putting yourself in the shoes of your customer – you need to be humble and fearful.

WAYS TO IMPROVE EMPLOYEE MORALE WITHOUT BREAKING THE BANK

Happy, engaged employees are the lifeblood of any small business. Sure, there are the workers that always do their job happily and with great quality (keep them at almost all costs!) and the workers that aren’t happy no matter what you do (weed them out!), but most of your employees are somewhere in the middle. If they are engaged and happy, they do great work and produce great value for you. If they are unhappy, they don’t work nearly as well – and the value produced for you is much less.
Obviously, there are a lot of ways to directly motivate employees. A cash bonus for the employee of the month can work, as can nice perks during the work day, but if a financial incentive isn’t an option for you, then try these techniques to motivate your employees and keep your cheque book focused on other areas, like building your business infrastructure and promoting it to potential customers.

- **Learn about your employees and follow up.** Know about the interests of your employees. Learn about their families and their dreams. More importantly, follow up on the things you learn. Keep a list of such information about each employee and refresh yourself regularly if you need it.

- **Be candid about how things are going.** If things are going well, be sure your employees are aware of the success. If things aren’t going well, talk about the problems early on and nip any gossip right in the bud.

- **Give plenty of opportunities for their honesty as well.** Touch base with every employee or contractor in your business on a regular basis. Just stop in, ask them how they’re doing and if they’re having any troubles, and listen to what they have to say, even if you disagree or don’t like what they’re telling you. Take notes, especially when normally-happy employees observe a problem – there’s usually something that needs to be fixed.

- **Give compliments on good work, both individually and publicly.** Make an effort to compliment everyone on their work in individual situations, particularly when you can point out specifics. When someone really does well, point it out to the group.

- **Implement reasonable suggested changes whenever you can.** Employees often suggest little things that they’d really like to see in the workplace. If you can implement these things, it goes a huge way towards making that employee feel more empowered, involved, and happy

Good luck at putting all this newfound employee productivity to good use!

**IMPORTANT NOTE:** The information contained in this newsletter is of a general nature, and may in certain circumstances be subject to misinterpretation. Consequently, we recommend that our advice be sought when acting upon the information contained herein. While every care has been taken in the compilation of this newsletter, no responsibility of any nature whatsoever shall be accepted for any inaccuracies, errors or omissions.