

# Tax Compliance Status

## How to verify for tenders, good standing, FIA and emigration

From 18 April 2016 SARS will introduce a new Tax Compliance Status system.

As part of this enhanced system, taxpayers can now receive a Tax Compliance Status PIN instead of a Tax Clearance Certificate which can be used by third parties to verify the taxpayer's real-time compliance status.

This means that where previously a taxpayer was required to submit a paper Tax Clearance Certificate (TCC), the taxpayer can now submit a Tax Compliance Status PIN or a paper TCC.

### **Why the change?**

A taxpayer's compliance status is not static and changes according to compliance with tax requirements. The paper-based printed TCC process allowed taxpayers to use the printed TCC even though their tax compliance status might have changed during the twelve-month period for which it was valid.

The result of this being that the TCC may not be a true reflection of the taxpayer's tax compliance status at any point in time. The change is also necessary to combat fraud and corruption with the issuing of a paper-based compliance result.

### **What to do when you need to verify a TCS**

With the introduction of these changes, you may now verify a taxpayer's compliance status via the SARS Contact Centre on 0800 00 7277 and online via SARS eFiling.

## How to verify a TCS via SARS eFiling

### STEP 01

#### Logon to eFiling

To use the Tax Compliance Status Verification service online, you must be authorised to use eFiling. Logon to the profile using the organisation's login name and password.

### STEP 02

#### Activate the Tax Compliance Verification system

Activation of the Tax Compliance Verification system is a once-off process.

- Once you have logged in, setup your user groups in order to perform TCS verifications
- Click on "Tax Status"
- Select "Tax Compliance Status Verification"
- Complete the activation process.

### STEP 03

#### View the taxpayer's Tax Compliance Status

Request to view the taxpayer's tax compliance status by clicking "Tax Compliance Status Verification". Capture and submit the taxpayer's tax reference number and PIN. Confirm that the taxpayer information displayed corresponds with those of the taxpayer who you intend to verify.

The taxpayer's tax compliance status will appear and will be colour-coded with a detailed description of what the status means.

#### ***What do these colour codes indicate?***

The colour coding indicates if the taxpayer's tax affairs are in order or not:

- Red – Tax affairs are not in order and the taxpayer is not tax compliant
- Green – Tax affairs are in order and the taxpayer is tax compliant.

## STEP 04

### What to do with the taxpayers' Tax Compliance Status

You will now be able to print the verification for recording purposes. Your verification will also be stored electronically in "History" for future reference.

#### Disclaimer

The information contained in this leaflet is intended as guidance only and is not considered to be a legal reference, nor is it a binding ruling. The information does not take the place of legislation and readers who are in doubt regarding any aspect of the information displayed in the leaflet should refer to the relevant legislation, or seek a formal opinion from a suitably qualified individual.

For more information you may:

- Visit the SARS website [www.sars.gov.za](http://www.sars.gov.za)
- Visit your nearest SARS branch
- Contact your registered tax practitioner
- Contact the SARS Contact Centre on 0800 00 7277 if calling locally or if you are calling from abroad on +27 11 602 2093 (between 8am and 4pm South African time).