

**BRIEFING NOTE:
REVISED DRAFT REGULATION OF TAX PRACTITIONERS BILL**

The discussion document released by SARS entitled *Regulating Tax Practitioners* noted that; “SARS is engaged in a number of initiatives aimed at improving the compliance culture and reducing the tax gap in South Africa. As far as tax practitioners are concerned a significant problem for both SARS and taxpayers is that no minimum standard in respect of qualifications or experience is required for tax practitioners and that not all tax practitioners are subject to a code of professional conduct.” The discussion document went on to set out a possible model for the regulation of tax practitioners.

Following the consideration of the comments on the discussion document, a number of refinements to the proposal were made, including its introduction in two phases.

The first phase involved the registration of tax practitioners with SARS. This phase provides information on existing tax practitioners with regard to their qualifications, experience and membership of existing professional bodies. Nearly 23 000 tax practitioners are registered with SARS.

The second phase envisages the establishment of an independent regulatory board for tax practitioners in terms of a separate Bill. The draft Regulation of Tax Practitioners Bill was released for public comment in 2007.

These comments have been considered and a revised draft Regulation of Tax Practitioners Bill is now released for public comment. The public comment process will be accompanied by a consultation process between SARS and the professional associations that commented on the initial draft Bill. The most significant changes include the following:

- Tax practitioners who are under statutory regulation by another relevant statutory body (e.g. the Independent Regulatory Board for Auditors) or who are regulated by the High Court of South Africa (i.e. the legal profession) will only be required to register in terms of the revised draft Bill but will be subject to the disciplinary and other procedures of the other body;
- The concept of a reportable irregularity will not be pursued;
- The board size will be reduced and at least three of the seven board members will be appointed by the Minister from nominations by the tax practitioner community; and
- The decriminalization of the code of conduct.

Comments on the revised draft Bill and consequential amendments should be submitted by 15 July 2008. Comments should be directed to:

Ms Adele Collins

E-mail: acollins@sars.gov.za

Fax No.: (012) 422 - 5195