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## ***Introduction***

Welcome to the second edition of our NewsFlash for 2021.

Some important information was recently released by SARS regarding the 2021 filing season.

This NewsFlash aims to highlight certain important aspects of the recent communication by SARS and to assist in promoting compliance.



## ***Filing Season 2021***

The 2021 Filing Season for employers opens on 1 April 2021 and closes on 31 May 2021. The annual Employer Reconciliation Declaration (EMP501) has to be submitted by the latest 31 May 2021, which this year luckily falls on a Monday. SARS is taking a hard stance with regards to the imposition of penalties for late submissions.

## ***Important information about SARS e@syFile***

SARS have communicated the following important information about SARS e@syFile in an attempt to make tax filing and submissions as easy as possible:

- Employers, Tax Practitioners and Payroll Administrators need to download the latest e@syFile™ Employer version 7.1.0 which was released on 15 December 2020. This can be done via SARS eFiling.
- Employers must submit outstanding monthly declarations (EMP201) and annual reconciliations (EMP501) to SARS prior to submitting the EMP501 for 2021.
- Employers must register employees for income tax purposes using Single ("Individual ITREG") and bundle IT Registration ("Bundled ITREG") for existing tax numbers as well as new registrations available on e@syfile™.
- First-time job seekers can register for income tax via eFiling or on the SARS MobiApp.
- Employers must issue IRP5/IT3(a)'s to employees on time.
- Employees need to check and verify if their details on their IRP5/IT3(a)'s are correct.

## ***Penalties for Non-Compliance***

As mentioned in NewsFlash 1 of 2021, SARS have indicated that they are going to impose the legislated penalty on employers who are late with the submission of their IRP5's and the EMP501.

The penalty will equal 1% of the year's PAYE, for each month that the return is late, up to 10% of the year's PAYE.

## ***Criminal charges for failure to submit a return***

Any employer who wilfully or negligently fails to submit a return to SARS is guilty of an offence and is liable, upon conviction, to a fine or to imprisonment for a period of up to two years. This applies to EMP201's as well as EMP501's.

## ***e@syFile enhancements***

SARS have made the following content regarding recent e@syFile enhancements available:

- Enhancement to the EMP501 declaration to include the employer's email address;
- New form for EMP211 letters in the Notification Centre;
- Single and bundle IT Registration will now return existing tax numbers as well as new registrations.
  - The time required to download e@syFile™ varies due to network and Personal Computer (PC) configurations. In some instances, employers get a time-out notification while the download is running and they have to login again. To address this, we have introduced a pop-up message informing that the user cannot use e@syFile™ functions while the latest version is being downloaded;
- From V7.1.0 onward, a different JRE (AZUL) will be included in setup files for e@syFile instead of the ORACLE JRE that users typically use.

## ***In closing***

Can you believe that 2021 is almost a quarter of the way through and filing season is a mere two weeks away?

Wishing you all a trouble-free tax season and success with every submission.

**Rob Nowicki and Team**