

EXTERNAL POLICY

CHANGE OF BANKING DETAILS OF REGISTERED VAT VENDORS

1 SCOPE

- This policy applies to a request by a registered vendor to change bank account details as recorded on the SARS system.
- This policy explains the vendor's obligations relating to bank account detail changes and the requirements to process the change.

2 POLICY STATEMENT

- A vendor has an obligation to notify SARS of any changes to his/her or entity's bank account. This notification should be done by completing a VAT 126e form which must be presented in person at SARS branch together with supporting documentation.
- In terms of section 44(3)(d) of the Value-Added Tax Act No.89 of 1991, the Commissioner will not make a refund, unless the vendor has furnished the Commissioner in writing of the enterprises banking details.
- VAT refunds cannot be paid where SARS does not have the enterprise's bank details, nor will any interest be paid on late refunds where the vendor has not submitted the correct and valid banking details.

Note: The legal person/name of the holder of the bank account must correspond to the legal person/name registered for VAT with SARS.

- SARS will under no circumstances accept a:
 - Request for change of VAT Vendor bank account details over the phone, or
 - Accept bank account detail changes via facsimile, post, drop box or e-mail.
- **The change of bank account details may only be done "in person" at a SARS Branch.**
- A power of attorney or letter of authority appointing a person as the VAT Vendor's duly authorised agent will no longer be accepted for the change of bank account details.

2.1 THIRD PARTY BANK DETAILS

- With effect from 1 April 2009, the amendment to section 44(3)(d) came into effect which permits only non-resident companies and subsidiary companies of a holding company to use the bank account of a third party (and, in the case of a subsidiary company, the bank account of its holding company or another subsidiary company of its holding company) for purposes of obtaining a refund.
- Any vendor who is therefore not a non-resident company or a subsidiary company of a holding company(group structure) will not be permitted to use a third party bank account for the purposes of receiving VAT refunds).
- If a vendor uses a bank account of a third party (in terms of the proviso to section 44(3)(d)(i)(ii)) and has completed a VAT 119i form, the 21-day interest free period commences from the date that the VAT 119i form is received by the Commissioner.

2.2 SUPPORTING DOCUMENTATION

- A vendor must ensure that all the required supporting documentation is attached to the VAT 126e form or VAT 119i form whichever is applicable in respect of bank detail changes.
- The following must accompany the request to change banking details:
 - Certificate of Incorporation (CM1) in the case of a Public/Private Company, Founding Statement

and Certificate of Incorporation (CK1) in the case of a Close Corporation, a Partnership Agreement in the case of a Partnership **and a Trust deed or other founding document in the case of the Trust**

- Original identity document/passport or affidavit to justify the absence of identity document/passport together with a temporary identity document/passport of an individual, a partner or an entity representative (not required if non-resident company has no presence in RSA)
- Certified copy of identity document or passport of an individual, a partner or an entity representative
- Original bank statement with the bank stamp not more than three months old that confirms the account holder's name, account number, account type and branch code, **if applicable**
- **Original proof of residential address i.e. a municipal account/utility bill e.g. telephone account of a Public Officer or entity representative not more than three months old reflecting the name and residential address or a confirmation of another individual's or entity's residential address, in which instance a CRA01 – Confirmation of Entity Residential Address must be completed. The CRA01 can be obtained on the SARS website www.sars.gov.za, or may be obtained from your nearest SARS branch**
- **Original proof of business address e.g. municipal account/utility bill (e.g. telephone account) of a Company/Close Corporation, trust or partnership not more than three months old reflecting the name and residential address or a confirmation of another individual's or entity's residential address, in which instance a CRA01 – Confirmation of Entity Residential Address must be completed. The CRA01 can be obtained on the SARS website www.sars.gov.za or may be obtained from your nearest SARS branch. Shops in shopping centres that do not always get individual municipal accounts can submit a signed lease agreement.**
- If the company is a non-resident company of the Republic:
 - Articles of memorandum of association or similar document issued indicating country of issue
 - Letter of appointment of representative vendor who is a natural person who is a resident of the Republic
 - Copy of ID document of authorised signatory of nominated bank account.
- If the company is a subsidiary company of a holding company:
 - Letter from Public Officer confirming company structure
 - Copy of ID document of authorised signatory of nominated bank account
 - If any required documents are not attached, the request will be rejected and any refund(s) may not be paid.

3 QUALITY RECORDS

Number	Title
VAT126e	Updating of bank details particulars
VAT119i	Indemnification in terms of section 44(3)(d) of the VAT Act – bank details

4 REFERENCES

4.1 LEGISLATION

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Value-Added Tax Act No. 89 of 1991: Section 44 and 45
Other Legislation:	None
International Instruments:	None

4.2 CROSS REFERENCES

- None

5 DEFINITIONS AND ACRONYMS

Bank account	South African bank account
CK1	Certificate of Incorporation for Close Corporations
CM1	Certificate of Incorporation for Unlisted/Private Companies
Commissioner	Commissioner of the South African Revenue Service
CRA01	Confirmation of Entity Residential/Business Address
ID	Identity document
Legal person/name	Is the formal name by which a person is known and who is identifiable by official documentation.
Representative vendor	<p>In case of a company, the public officer is the nominee that holds a post of responsibility in the company, such as managing director, manger, shareholder or secretary or as appointed in default by the Commissioner. The appointment of an auditor or attorney who is not an employee of the company may not be accepted unless the assessing officer is satisfied that there are special circumstance warranting such appointment and then only if the registered address of the company is that of such auditor or attorney.</p> <p>In case of a company in liquidation the liquidator is the person duly appointed to carry out a liquidation.</p> <p>In case of any Public authority, any person responsible for accounting for receipt or payment of money under any law or for the receipt or payment of public funds on behalf of such public authority.</p> <p>In case of a Local authority, the person responsible for accounting of all monies on behalf of that local authority meaning –</p> <ul style="list-style-type: none"> ▫ any divisional/rural/municipal/regional services council, town/local/village management board or health committee or any joint services board; or ▫ any water board or regional water services corporation or any other institution which has powers similar to those of any such boards or corporations. <p>In case of any corporate or unincorporated body, the person who is the treasurer or whose functions are similar to those of a treasurer other than a company Treasurer meaning a person appointed to administer or manage the financial assets and liabilities.</p> <p>In case of a person under legal disability, his / her guardian, curator or administrator or any other person having the management or control of his / her affairs.</p> <p>In case of a deceased person or his / her estate, the executor or administrator of the estate.</p> <p>In case of an insolvent person or his / her estate the trustee or administrator of the estate.</p>
RSA	Republic of South Africa
SARS	South African Revenue Service
VAT	Value-Added Tax
Vendor	A person who is required to be registered under this ACT: Provided that where the Commissioner has under Section 23 or 50A determined the date from which a person is a vendor that person shall be deemed to be a vendor from that date

6 DOCUMENT MANAGEMENT

Designation	Name / Division
Business Owner:	Group Executives: Branch Operations, Centralise Processing Operations and Contact Centre Operations
Policy Owner:	Executive: Enterprise Business Enablement (EBE)
Author:	Patricia Khoncha
Detail of change from previous revision:	Revision 1 – Initial Update due to change in process (14.04.2011) Revision 2 – Updated to standardise according to system requirements (01.07.2011)
Template number and revision:	POL-TM-02 - Rev 9