External Guide on how to submit a Request for Remission
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1. INTRODUCTION

A taxpayer can request for remission when disputing the following penalties that have been imposed for non-compliance:

- Administrative penalties levied for personal income tax;
- Penalties levied for PAYE (employers).

This request for remission must be completed on the prescribed form (RFR1).

A form to request remission (RFR1) can be requested via any of the following channels:
- eFiling;
- e@syfile (Applicable to PAYE)
- At a local SARS branch office; or
- SARS Contact centre on 0800 00 SARS (7277). The RFR1 form will be posted to the taxpayer.

The RFR1 and/or supporting documents can be submitted via any of the following channels:
- eFiling;
- e@syfile (Applicable to PAYE)
- At a local SARS branch office; or
- Post or drop box.

The identification of taxpayers/employers who are non-compliant is an automated process. SARS will issue a penalty assessment notice (AP34) to notify the taxpayer/employer of the penalties that have been levied.

- Penalties levied for **personal income tax**:  
  - These penalties are levied in terms of Section 75B of the Income Tax Act  
  - The Act prescribes the types of non-compliance that is subject to a fixed penalty. These will be implemented by SARS using a phased-on approach. Currently Penalties are imposed on individual taxpayers only for the following transgressions:  
    - Non-submission of income tax return  
    - Failure to inform SARS of a change in address  
  - The penalties are fixed based (i.e. a fixed rand amount is imposed based on the taxpayer’s taxable income).

- PAYE penalties levied for **Employers**:  
  - These penalties are levied in terms of Par 14(6) of the 4th Schedule of the Income tax Act  
  - PAYE penalties are levied on Employers for the following transgressions  
    - Non submission of EMP501 reconciliations by the due date  
    - Failure to submit an employees’ tax certificates (i.e. Missing IRP5/IT3(a) certificates)  
    - Submission of incorrect, incomplete or inaccurate data in relation to the employees (IRP5/IT3(a)) certificates (even where the EMP501 return has been submitted on time).  
  - The penalty is equal to 10% of the total amount of employees’ tax for the period relating to the outstanding EMP501 return.  
    - Put differently, the penalty is 10% of the total liability of the EMP201’s declared for the period relating to the EMP501 which is outstanding.  
  - Although the full 10% penalty will be **imposed** on the employer; the amount will be spread equally over a 10 month period. The penalty will be **posted** to the employer’s penalty account in monthly instalments and can be calculated as follows:  
    - Penalty amount divided by 10; or  
    - 1% of the total employees’ tax for the period
If the employer **fully** remedies the non-compliance within the 10 month period (i.e. submission of the outstanding EMP501, no missing IRP5’s and all certificate data is accurate), the automatic posting to the penalty account will cease.

If the employer submits the outstanding EMP501 return, but is still non-compliant (missing IRP5’s and/or inaccurate certificate data), the monthly posting to the penalty account will continue for the remainder of the 10 months, however the amount will be discounted (reduced) according to the level of compliance.

If the non-compliance relates to failure to submit an employees’ tax certificate, instalments will be calculated as follows:

- **1% of the total employees’ tax for the period discounted by** the percentage of employees tax certificates received against the total number of employee certificates on record for that employer;

If the non-compliance relates to submission of incorrect/incomplete/inaccurate on employee tax certificates, instalments will be calculated as follows:

- **1% of the total employees’ tax for the period discounted by** the percentage of employees tax certificates which are invalid against the total number of employee certificates on record for that employer.

If a penalty value is recalculated by SARS based on the taxpayer’s compliance, the employer will not be able to request remission due to the fact that SARS already remitted a portion of the penalty at the point of remedying the non-compliance in terms of par 14(6) of the Fourth Schedule of the Income Tax Act. In this instance the employer will enter the dispute process from the Notice of Objection stage.

The penalty assessment notice (AP34) will notify the taxpayer/employer of the penalty imposed:

- For Income Tax, it will reflect the penalty imposed as well as outstanding returns. The letter also advises the individual taxpayer to submit the outstanding returns in order to prevent the penalty from recurring after the due date. The taxpayer is also advised to submit a request for remission if she/he does not agree with the penalty imposed.

- For PAYE, it will reflect the full penalty amount i.e. 10% of the total amount of employees’ tax for the period. The statement of account will provide the detail of the monthly instalments linked to the total penalty amount.

Only one tax type (i.e IT or PAYE) with multiple transgressions may be disputed on one RFR1 form. Income tax penalties and PAYE penalties must be disputed independently.

The following are the reasons for a dispute against a PAYE penalty:

- SARS Error
- Serious Illness / Death/Liquidation/Sequestration
- Not Liable to File
- Other/ Mitigation Factors — i.e. remedied in full, unable to remedy and partially remedied

Where the RFR1 form is submitted manually and all mandatory fields are not completed, a letter will be generated and sent to the taxpayer together with the incomplete form and a new RFR1 form. The taxpayer must complete ALL mandatory fields on the RFR1 form and resubmit to SARS.

The request can either be ALLOWED, PARTIALLY ALLOWED or DISALLOWED, and will be communicated to the taxpayer by means of a dispute outcome letter (AP34D). This letter will be viewable on eFiling if the RFR1 form was submitted via eFiling or posted to the taxpayer if the RFR1 form was submitted manually.

When the request for remission outcome is allowed, all the penalties in relation to the dispute will be reversed. The partially allowed option will be applied to transgressions that relate to PAYE missing certificates or incorrect / incomplete / inaccurate data on employee certificates. When the request for remission outcome is disallowed, the reasons will be given on the “dispute outcome” letter i.e. AP34D.

The taxpayer has the right to lodge an objection (NOO) against the outcome of his / her request for remission.
2. DETAILED PROCEDURES (SUBMIT RFR1 VIA eFILING)

2.1. LOGON TO THE eFILING WEBSITE

Step 1

Navigate to www.sarsefiling.co.za

Click on LOGIN

Log in with your Login name and Password

2.2. ACCESS THE REQUEST FOR REMISSION FORM AND PENALTY ASSESSMENT NOTICE

Step 1

Click on “Returns” and select “Returns History” and then just below “Returns History” select “Income Tax or Employee’s Tax”. A history of the taxpayer’s returns will be displayed.
Step 2

Select the relevant return. The Income Tax or EMP201 work page will be displayed.
Step 3

To search for the Penalty Assessment Notice (AP34), click on “SARS Correspondence” and “Search Admin Penalties”. Under Tax Type, either choose Income Tax or Employees Tax.

Step 4

There is a new page on eFiling called the Administrative Penalties work page. This page will be accessible by clicking on a Penalty Assessment Notice on the Income Tax / EMP201 work page, or the “View” hyperlink on the screen in Step 3 above.

There will be various new functions available on this work page and they include the following:

- Viewing the Penalty Assessment Notice,
- Querying the status of the non-compliance,
- Requesting a Penalty Statement of Account (Historic or Interim), and
- Disputing the Penalty Assessment Notice.
Step 5

To view the Penalty Statement of Account, click on “Request Penalty Statement” on the Administrative Penalties work page in Step 4 above or the “APSA” hyperlink on the EMP201 work page. There will be an option to request a Historic or Interim / Ad Hoc statement of account.

Step 6

Another way to view the penalty assessment notice is to select the link “AP34” under the Administrative Penalty block on the Income Tax or EMP201 work page.

Step 7

To create a Request for Remission (RFR1), select “Dispute” on the Income Tax or EMP201 work page. (The “Dispute” button is also available on the AP34 PDF document if this option was selected.)
Step 8

The dispute work page will open. Select the dispute option “I would like to file a Request for Remission”
Step 9—This relates to Personal Income Tax penalties only.

A table will be displayed that indicates all the penalty transactions that were imposed on the taxpayer’s account. Select the penalty transaction which is under dispute and for which remission will be requested.

<table>
<thead>
<tr>
<th>SELECT</th>
<th>TRANSACTION NO.</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td></td>
<td>30064</td>
<td>R 250.00</td>
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<td>30019</td>
<td>R 250.00</td>
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Note: The option to lodge a Notice of Objection (NOO) can only be selected after the taxpayer has submitted a Request for Remission (RFR1) and SARS has notified the taxpayer of the outcome thereof.

Step 10

Click on “Continue” to display the RFR1 form. A confirmation screen will appear – select “OK” to continue or “Cancel” to discard.
2.3. COMPLETE THE REQUEST FOR REMISSION FORM (RFR1)

Note: All applicants’ (individual and company/ close corporation/ government/ foreign entity) demographic details will be pre-populated on the form.

**Applicant Details – Individual**

- Ensure that the correct information is completed in the following fields:
  - Surname
  - First two names
  - ID number (if the taxpayer does not have a South African ID number, a valid passport number must be captured in the field for passport number)
  - Passport Number (this field must be completed if the taxpayer does not have a South African ID number)
  - Passport country (country of issue), e.g. South Africa = ZAF
  - Home telephone number (only numeric digits must be entered)
  - Business telephone number (only numeric digits must be entered)
  - Cell phone number (only a 10 digit numeric number must be entered)
  - Contact email address

<table>
<thead>
<tr>
<th>Applicant Details – Individual</th>
<th></th>
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<tbody>
<tr>
<td>Surname</td>
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<tr>
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**Applicant Details – Company/Close Corporation/Government/Foreign Entity**

- Surname or Registered Name
- Trading or Other Name
- CK Number (This is the entity’s registered number e.g. 2007/145689/07
- Business telephone number (only numeric digits must be entered)
- Fax number (only numeric digits must be entered)
- Cell phone number (only a 10 digit numeric number must be entered)
- Contact email address

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<td>Cell phone number</td>
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<td>Contact email address</td>
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Particulars of Representative (Person dealing with dispute on behalf of taxpayer)

- Surname
- Initials
- ID number (if the taxpayer does not have a South African ID number, a valid passport number must be captured in the field for passport number)
- Passport country (country of issue), e.g. South Africa = ZAF
- Passport Number (this field must be completed if the taxpayer does not have a South African ID number)
- Cell phone number (only a 10 digit numeric number must be entered)
- Telephone number (only numeric digits must be entered)
- Fax number (only numeric digits must be entered)
- Tax Practitioner Registration number
- Capacity (The relevant block must be ticked)
- Accounting officer for Local / Public Authority / Accountant (The relevant block must be ticked)
- Contact email address
- Are you signing on behalf of the taxpayer?
- If yes, do you have a power of attorney from the taxpayer?
- Is the taxpayer aware of and agree with the grounds of the dispute?
- Reason why taxpayer is unable to sign this dispute

Postal address for Delivery of Notice (Correspondence)

- Please ensure that the postal address is completed in the following sequence:
  - Box/Bag number
  - Suburb/District
  - City
  - Country
  - Postal code
  - For street delivery, please follow the physical address format
Declaration

- Complete the date in the format CCYMMDD before submitting the form.

**Declaration**

I declare that:
- The information furnished in and with this form is true and correct in every respect and
- I have the necessary records to support all my declarations on this form which I will retain for inspection purposes for a period of five years.
- If I am the representative dealing with this dispute on behalf of the taxpayer, I am duly empowered to lodge this dispute on behalf of the taxpayer in terms of the prescribed power of attorney.

For queries go to www.sars.gov.za or call 0800 007277

Amounts under dispute – Administrative Penalty

- Transaction number: This number will be pre-populated and will be the same as on the Penalty Notice of Assessment (AP34).

**Amounts under Dispute - Administrative Penalty**

Reasons and ground for dispute

- Select the relevant reason for dispute from the following:
  - Serious Illness/Sequestration/Liquidation or Death
  - Not liable to file
  - SARS error
  - Other/Mitigation factors
- For reasons “SARS error” or “Other/Mitigation factors”, the taxpayer must provide details of the reason in the blocks provided.

**Reason and Ground for Dispute - Please write in black ink and enter one character per block**

Note: The mandatory fields will be indicated in red.
2.4. SUBMIT THE REQUEST FOR REMISSION

- After completion of the RFR1 form, the taxpayer can select one of two options:
  - Select “File” to submit the RFR1 form to SARS
  - Select “Save Online” to save the RFR1 form and to submit to SARS at a later stage

- A confirmation message will appear to inform the taxpayer that his / her request for remission has been successfully submitted.

- For any queries regarding the Request for Remission on penalties imposed on your account, kindly contact our SARS Call Centre at 0800 00 7277 or visit your nearest SARS Branch office.
External Guide on how to submit a Request for Remission

September 2011