

*South African Payroll Association*

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### **SARS' shift towards AI, Big Data is long overdue, says SAPA**

The South African Revenue Service (SARS) recently announced that it will be harnessing Big Data, Artificial Intelligence and self-learning computers to streamline efficiencies and crack down on tax dodgers. Jethro Malapane, Executive Committee member of the South African Payroll Association (SAPA), says the shift towards more intelligent systems and processes is not only welcome but long overdue.

“SARS Commissioner Edward Kieswetter says they can no longer simply talk about the Fourth Industrial Revolution because it’s already upon us. The SAPA commends SARS for redoubling its efforts to build a modern revenue authority,” says Malapane.

#### ***SARS behind the curve among African revenue authorities***

Malapane, who is the HR Operations and Payroll Lead – Africa at an international insurance company, manages payroll services for African clients, leading him to deal with revenue authorities from other countries. He says SARS is currently behind the curve when compared with the service from these institutions.

“I can’t speak on tax submission processes in all fifty-four countries in Africa, but the revenue authorities in some of the East African countries I work in – such as Uganda (URA), Tanzania (TRA) and Kenya (KRA) – have proven to be more advanced in terms of providing clarity and certainty on tax obligations. Their processes also make it easier for taxpayers and traders to comply,” says Malapane.

While the digital technologies and systems at other African revenue authorities aren’t necessarily more advanced, Malapane says that the human element - combined with better processes – are the winning combination.

“What makes the process easier is that you can pick up the phone and the person on the other end of the line will generally be able to solve your problem quickly. Locally, the need to go travel to a SARS office still arises frequently. Future-focused systems are good, but focusing on a customer-centric experience by providing helpful, personal interactions is also key,” says Malapane.

#### ***Assisting the public in the transition is key to success***

Malapane says the only potential problem he foresees with SARS’ steps to becoming a more technology-enabled organisation is how easy-to-use the new systems will be.

“e-Filing was launched twenty years ago, but there are still many people who hire financial professionals to do their submissions because they find it confusing. When SARS implements their new, modern solutions, there must be a system to check that the public understands how to use it and whether it truly facilitates better tax submissions for the companies and individuals. The fact that SARS is recruiting for a Tax Engagement Director tells me that avoiding confusion and aiding the transition is high on their agenda,” says Malapane.

He concludes by encouraging payroll professionals, companies and individuals to be aware of SARS’ planned changes and keep up to date with system changes.

“SARS isn’t getting rid of their current systems, they are transitioning to smarter, more intelligent and powerful systems. To benefit from the automation and insights that can be gleaned from this, payroll professionals, companies and individuals need to stay up-to-date with new features, tools and processes.”

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