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CRITERIA FOR THE REGISTRATION OF TAX PRACTITIONERS

Chapter 18 of Tax Administration Act

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1 SUMMARY

- a) This guide describes the requirements for an individual to register as a tax practitioner, to maintain their status as a tax practitioner, and the process of suspension and deregistration where the tax practitioner requirements are not met.

2 BACKGROUND

- a) Chapter 18 of the Tax Administration Act, 2011 (Act No. 28 of 2011) (the Act), amongst others, regulates the professionalism of the tax advisory industry. Instrumental in this process is the role of tax practitioners.

3 LEGISLATION

- a) Section 240(1) of the Act requires that a natural person who –

- i) provide advice to another person with respect to the application of a tax Act; or
- ii) complete or assist in completing a return by another person,

must register with or fall under the jurisdiction of an RCB and register with SARS as a tax practitioner within 21 business days after the date on which that person for the first time provides the advice or completes or assists in completing the return.

Note: Exclusions to this rule are listed in section 240(2) of the Act.

- b) A person may not register as a tax practitioner under subsection (1) or SARS may deregister a registered tax practitioner, if the person or the registered tax practitioner, as the case may be –

- i) during the preceding five years has been removed from a related profession by a 'controlling body' for serious misconduct.
- ii) during the preceding five years has been convicted (whether in the Republic or elsewhere) of –
 - A) theft, fraud, forgery or uttering a forged document, perjury or an offence under the Prevention and Combating of Corrupt Activities Act, 2004; or
 - B) any offence involving dishonesty, for which the person has been sentenced to a period of imprisonment exceeding two years without the option of a fine or to a fine exceeding the amount prescribed in the Adjustment of Fines Act, 1991.
- iii) during the preceding five years has been convicted of a serious tax offence; or
- iv) during the preceding 12 months has for an aggregate period of at least six months not been tax compliant to the extent referred to in section 256 (3) and has failed to –
 - A) demonstrate that he or she has been compliant for that period; or
 - B) remedy the non-compliance, within the period specified in a notice by SARS.

- c) If prosecution for a serious tax offence has been instituted but not finalised against a person or registered tax practitioner and if the person or registered tax practitioner continues with the commission of a serious tax offence after the criminal proceedings have been instituted, a senior SARS official may –
- i) not register the person as a registered tax practitioner; or
 - ii) suspend the registration of the registered tax practitioner,

for the duration of the criminal proceedings commencing on the date that prosecution is instituted and ending on the date that the person or registered tax practitioner is finally acquitted.

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4 TAX PRACTITIONER REQUIREMENTS

4.1 REGISTRATION

- a) To register as a tax practitioner, an individual must be registered with both a Recognised Controlling Body (RCB) and SARS. Therefore, anyone wishing to register as a tax practitioner who is not yet registered with an RCB should ensure that they meet the requirements outlined in this document, as well as any additional requirements specified by the RCB they choose to register with.

4.1.1 INDIVIDUALS WHO ARE EXEMPT FROM REGISTERING AS TAX PRACTITIONERS

- a) The following individuals are exempt from registering as tax practitioners:
- i) An individual who provides tax advice or completes or assists in completing a return for no consideration to that person or their employer or a connected person in relation to that employer or that person.
 - ii) An individual who provides tax related advice in anticipation of or during any litigation to which the Commissioner is a party or where the Commissioner is a complainant.
 - iii) An individual who provides tax related advice as an incidental or subordinate part of providing goods or other services to another person.
 - iv) An individual who provides tax advice or completes or assists in completing a return —
 - A) to or in respect of the employer by whom that person is employed on a full-time basis or to or in respect of that employer and connected persons in relation to that employer; or
 - B) under the direct supervision of a person who is registered as a tax practitioner.

4.2 CONDITIONS PROHIBITING A PERSON FROM REGISTERING AS A TAX PRACTITIONER AND REMAINING AS A REGISTERED TAX PRACTITIONER

- a) Section 240(3) prohibits an RCB and SARS from registering a person as a tax practitioner and requires that SARS deregisters a registered tax practitioner under certain circumstances. Section 240(3)(d) specifically deals with tax non-compliance. In accordance with section 256(3), tax compliance is measured against the obligation to register for tax and submit returns, as well as the obligation to pay outstanding tax debts or make arrangements in relation to such returns or debts.
- b) Deregistration of tax practitioners affects livelihoods, business continuity, as well as the taxpayers whom practitioners serve. It is in the interest of persons who want to practice as tax practitioners to remain tax compliant or remedy their non-compliance as soon as possible. Prospective or registered tax practitioners are therefore encouraged to act upon a notice by SARS to be registered expeditiously, avoid deregistration, or minimise the period of deregistration where applicable.

4.3 ADMISSION

- a) An individual intending to register as a tax practitioner must ensure that they meet the following minimum requirements.

Requirements:

- Qualifications and experience:

- NQF level 6 and above with at least one accounting module and one tax module, plus at least 1 year's tax working experience;
- NQF level 5 plus at least 4 years' tax working experience; or
- NQF level 4 plus 10 years' tax working experience.

Note: The tax working experience must be verifiable by employers or clients.

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- Successfully completes the SARS Tax Practitioner Readiness Programme, i.e., passed the assessment.
- Be tax compliant.
- Must not have been removed from a related profession by a recognised controlling body for serious misconduct within the past five years and must not have been convicted of an offence as described in section 4.4, 4.6 and 4.7 below.

4.4 CRIMINAL RECORDS

- a) An individual cannot be registered as a tax practitioner and a tax practitioner cannot remain registered if their criminal record reflects that during the preceding 5 years, they have been convicted (whether in the Republic or elsewhere) of –
- i) a serious tax offence as defined in section 1 of the Act, or
 - ii) theft, fraud, forgery, uttering a forged document, perjury, an offence under the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004), or any other offence involving dishonesty,
- for which the person has been sentenced to a period of imprisonment exceeding two years without the option of a fine or to a fine exceeding the amount prescribed in the Adjustment of Fines Act, 1991 (Act No. 101 of 1991).
- b) If prosecution for a serious tax offence has been instituted but not finalised against a person or registered tax practitioner and if the person or registered tax practitioner continues with the commission of a serious tax offence after the criminal proceedings have been instituted, a senior SARS official may—
- i) not register the person as a registered tax practitioner; or
 - ii) suspend the registration of the registered tax practitioner,
- for the duration of the criminal proceedings commencing on the date that prosecution is instituted and ending on the date that the person or registered tax practitioner is finally acquitted.

Requirements:

- Criminal Record:
 - The individual must submit an independently verified criminal record check to their RCB, e.g., a certificate issued by the South African Police Service. This certificate must not be older than 3 months from the date of issue.
 - Once registered, the tax practitioner must produce an annual confirmation indicating that their criminal status remains unchanged. Once in every 5 years, an affidavit indicating that the tax practitioners' criminal record remains in compliance with the above, must be produced and provided to RCBs or at shorter time period as specified by RCBs.

4.5 CONTINUOUS PROFESSIONAL EDUCATION (CPE)

- a) A registered tax practitioner must ensure that they adhere to the CPE requirements that are set out below.

Requirements:

- A tax practitioner must have successfully completed a minimum of 18 verifiable CPE hours per year, which consists of 10 tax hours, 2 ethics hours, and 6 hours relating to the service provided.
- A tax practitioner is required to retain a record of their CPE for 5 years, e.g., competency certificates.

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Please note: A year commences on 1 January and ends on 31 December of a year, and therefore the 18 hours is calculated on a pro rata basis for newly registered tax practitioners depending on the registration date.

4.6 SERIOUS MISCONDUCT

- a) An individual cannot be registered as a tax practitioner and a tax practitioner cannot remain registered if during the preceding 5 years, they have been removed from a related profession by **an** RCB or a controlling body for serious misconduct.
- b) Tax practitioners are required to adhere to the following:

Requirement:

- At the time of joining an RCB, with the aim of registering as a tax practitioner member, an individual must declare to the RCB truthfully, whether they have been removed from a related profession by a previous RCB or a controlling body, for serious misconduct.

4.7 TAX COMPLIANCE

- a) An individual cannot be registered as a tax practitioner and a tax practitioner cannot remain registered if during the preceding 12 months, they have for an aggregate period of at least six months not been tax compliant to the extent referred to in section 256(3) of the Act and have failed to –
- i) demonstrate that they have been compliant for that period; or
 - ii) remedy the noncompliance, within 21 business days from the date of the letter of intention to deregister, issued by SARS
- b) Tax practitioners are required to provide the following to their RCBs.

Requirement:

- An individual must provide their RCB with their tax compliance status at the time of registration.
- Once registered as a tax practitioner, they are required to provide their RCBs with their tax compliance status annually and at shorter period as specified by the RCB.

4.8 CONDITIONS FOR TAX PRACTITIONERS TO CHANGE THEIR RCBs

- a) This applies to all tax practitioners moving between RCBs, regardless of whether the releasing RCB is an active RCB or ceases to be an RCB for any reason.
- b) The following definitions apply:
- i) **Releasing RCB** means the RCB that a registered tax practitioner was previously registered with and has ceased to be a member thereof for any reason.
 - ii) **Receiving RCB** means the RCB that a registered tax practitioner joins after leaving the releasing RCB.
 - iii) **Amended criteria** refers to the criteria for recognition of controlling bodies and requirements for registration of tax practitioners amended in 2022 with an effective date of 1 June 2022.

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- c) There are various reasons for tax practitioners to change their RCB. These reasons have been categorised as follows:
- i) **Resignation:** A tax practitioner resigns from the releasing RCB due to perceived advantages of the receiving RCB or the releasing RCB ceased to be recognised either voluntarily, or in terms of the Act,
 - ii) **Termination:** A tax practitioner's membership is terminated by the releasing RCB due to non-compliance with its rules other than categories (iii) and (iv) below,
 - iii) **Deregistration by the releasing RCB or SARS due to serious misconduct or court judgement:** A tax practitioner's membership is deregistered by the releasing RCB, or the tax practitioner's status is deregistered by SARS, in terms of section 240(3)(a), section 240(3)(b) or section 240(3)(c) of the Act, or
 - iv) **Deregistration by the releasing RCB or SARS due to continuous tax non-compliance:** A tax practitioner's membership is deregistered by the releasing RCB, or the tax practitioner status is deregistered by SARS, in terms of section 240(3)(d) of the Act, and
 - v) **Suspension by the RCB or by SARS:** A tax practitioner's membership is suspended, by the RCB he/she is registered with, or tax practitioner status is suspended by SARS, in terms of section 240(4) of the Act.

4.9 RESIGNATION

- a) This applies to tax practitioners who resigned from the releasing RCB as described in category 4.8 (c)(i) above.
- b) A registered tax practitioner is required to provide the receiving RCB with a Letter of Good Standing issued by the releasing RCB. This letter should not be more than six months old. The letter should at least contain the following information of the tax practitioner:
- i) The full name, the Identity number or passport number, the PR Number, the date of the registration and the date of the resignation of the tax practitioner, and
 - ii) Information on the member indicating that:
 - A) CPE is up to date,
 - B) tax compliance was verified and proved to be compliant,
 - C) a criminal verification check status was provided, and
 - D) there are no pending disciplinary cases against the member.
 - iii) If a registered tax practitioner has joined the receiving RCB in the period of less than six months from the resignation date and has submitted the Letter of Good Standing, they must be treated as follows:
 - A) Minimum qualification and working experience:
 - I) If they were registered as a tax practitioner prior to 1 June 2022, the requirements in the 2013 criteria document apply,
 - II) If they were registered as a tax practitioner on or after 1 June 2022, requirements in this document apply.
 - B) SARS Tax Practitioner Readiness Programme
 - I) If they were registered as a tax practitioner prior to 1 July 2022, the requirement for successfully passing the assessment does not apply although they are encouraged to attend the programme,
 - II) If they were registered as a tax practitioner on or after 1 July 2022, they are required to provide evidence of having passed the assessment. The evidence may be a letter from the releasing RCB, or a certificate issued by the institution who conducted the assessment.
 - C) Tax compliance: they must be tax compliant at the time of joining the receiving RCB.

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- D) Criminal record check: they are required to submit an affidavit stating that they have not committed any crime listed in section 240(3) of the Act and are not in the situation described in sec240(4) of the Act.
- E) Continuous Professional Education: they are required to provide the evidence of the CPE status for the year.
- F) If a registered tax practitioner has joined the receiving RCB six months or longer after the resignation from the releasing RCB, they must be treated as a new registration, hence the amended criteria must be met.

4.10 MEMBERSHIP TERMINATED

- a) This refers to tax practitioners whose membership was terminated by the releasing RCB as described in category 4.8 (c)(ii) above.
- b) Where a tax practitioner's membership was terminated by the releasing RCB, he/she will not be issued with a Letter of Good Standing. Additionally, he/she will not be allowed to register with an RCB as a tax practitioner. He/she can only be registered with an RCB once all the requirements as set out in the amended criteria have been met.

4.11 SERIOUS MISCONDUCT OR COURT JUDGMENT

- a) This applies to tax practitioners who have been deregistered by the releasing RCB or SARS as described in category 4.8(c)(iii). Tax practitioners that have been deregistered, are not permitted to register with any RCB unless the period of five years, from the date of the deregistration by the releasing RCB or the date of the conviction, has lapsed.
- b) After the five-year period has lapsed, the deregistered tax practitioner may only register as a tax practitioner once the amended criteria have been met.

4.12 CONTINUOUS TAX NON-COMPLIANCE

- a) This applies to tax practitioners who have been deregistered by the releasing RCB or SARS as described in category 4.8(c)(iv) above.
- b) Deregistered tax practitioners are not permitted to register as a tax practitioner, unless they can demonstrate to their receiving RCB that they have been tax compliant for at least 6 months in the preceding 12 months. Once the individual has demonstrated that he/she has been tax compliant for at least 6 months in the preceding 12 months, a receiving RCB may register the individual as a tax practitioner if the amended criteria have been met.

4.13 SUSPENDED TAX PRACTITIONERS

- a) This applies to tax practitioners whose membership was suspended by the releasing RCB or the tax practitioner status was suspended by SARS as described in category 4.8(c)(v) above.
- b) If prosecution for a serious tax offence has been instituted but not finalised against a registered tax practitioner and if the registered tax practitioner continues with the commission of a serious tax offence after the criminal proceedings have been instituted, SARS must suspend the registration of the registered tax practitioner in terms of section 240(4) of the Act, and their RCB will suspend their membership. Once fully acquitted, their RCB may reactivate their tax practitioner status. However, an individual who has not been fully acquitted, may not register as a tax practitioner.

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- c) If the tax practitioner wishes to change his/her RCB after the reactivation of the tax practitioner status, the requirements in 4.9 apply.

5 SUPPORTING DOCUMENTS WHEN ENGAGING WITH SARS

- a) When making an application or submission of information to SARS, note the following validation documentation requirements.

5.1 PERSONS APPLYING FOR TAX PRACTITIONER REGISTRATION

- a) Persons applying to be a tax practitioner must have the following:
 - i) Certificates of qualifications.
 - ii) Summary of working experience accompanied by testimonials from employers or clients.
 - iii) Independently verified criminal record check.
 - iv) Proof of completion of the SARS Tax Practitioner Readiness programme and of the 90% pass mark.
 - v) Letter of tax compliance status which is issued by SARS and contains the pin for verification of tax compliance.
 - vi) Declaration that the person has not been removed by any RCB or controlling body due to serious misconduct.

6 DEREGISTRATION OF A TAX PRACTITIONER

- a) A tax practitioner who chooses to no longer be a tax practitioner, must start with their RCB. Their RCB will commence the process.
- b) Registered tax practitioners are required to comply with the code of conduct regulating their profession and the Act to retain their registration. Non-adherence can lead to disciplinary action by their RCB and deregistration by their RCB or SARS which would mean that they no longer comply with the dual registration requirement under the Act and can no longer function as a tax practitioner.
- c) Section 240(3) of the Act permits SARS to deregister a registered tax practitioner where the following conditions are met:
 - i) An RCB or a controlling body has during the preceding of five years revoked the membership of the tax practitioner due to serious misconduct of the related profession.
 - ii) During the preceding five years, the tax practitioner has been sentenced (whether in the republic or elsewhere) for more than 24 months due to the offences listed in section 240(3)(b) of the Act.
 - iii) During the preceding five years, the tax practitioner has been convicted for a serious tax offence defined in section 1 of the Act.
 - iv) During the preceding 12 months, the tax practitioner has for an aggregate period of at least six months not been tax compliant to the extent referred to in section 256(3) of the Act, AND the tax practitioner failed to demonstrate that s/he has been compliant for a 6-month continuous period or remedy compliance within 21 business days of the SARS notice.
- d) Where the registered tax practitioner's membership has been revoked by the RCB due to serious misconduct, the RCB will:
 - i) deregister the tax practitioner on SARS eFiling.
 - ii) inform SARS of this via reportingunprofessionalconduct@sars.gov.za
 - iii) inform all RCBs of this.
- e) SARS will then take the steps to also deregister the tax practitioner.

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- f) Where the tax practitioner has been sentenced due to offences listed in section 240(3)(b) of the Act (theft, fraud, forgery or uttering a forged document, perjury or an offence under the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004) or any offence involving dishonesty), the steps to deregister the tax practitioner, will be taken both by SARS and/or the RCB (depending on who first becomes aware of the sentence).
- i) If SARS deregisters a tax practitioner, SARS will inform the relevant RCB to also deregister the tax practitioner on SARS eFiling. All other RCBs will also be informed of this.
- g) The process below is followed when deregistration for tax non-compliance of tax practitioners is contemplated:
- i) Non-compliant tax practitioners are identified based on the information in SARS possession.
 - ii) The non-compliance of the tax practitioner is verified across all tax types at this and every subsequent step of the process before moving to the next step because SARS recognises, that deregistration affects livelihoods, business continuity as well as taxpayers who are linked to the tax practitioners.
 - iii) The tax practitioner is notified by letter of SARS' intention to deregister and provided 21 business days to regularise their tax affairs.
 - iv) The letter of intent is sent to the email addresses on the tax practitioner's RAV01 on the SARS system, is tracked for delivery, and SARS maintains records that verify whether delivery has taken place. Where a notification is received that the email cannot be delivered because of incorrect registered particulars, updated details are traced using the information across all tax products. In accordance with section 23 of the Act, taxpayers are obligated to inform SARS of any changes to their contact information, and in accordance with section 234(2)(a) of the Act, not doing so is a criminal offence.
 - v) If the non-compliance is not corrected or addressed within the period allowed and the practitioner remains non-compliant when verified, a case is prepared to request that the appropriate governance committee approve deregistration.
 - vi) If approved, the practitioner is deregistered on the SARS system. SARS will notify their RCB to deregister the person from eFiling on their side. The RCB may pursue additional disciplinary action against the tax practitioner.

7 DISPUTE PROCESS

- a) When an individual is aggrieved by SARS' decision for not being registered as a tax practitioner or when a deregistered tax practitioner is aggrieved by SARS' decision for being deregistered as a tax practitioner, he/she may request SARS to review its decision in terms of section 9 of the Act. In such instances, he/she will be required to provide a clear motivation for their request together with the relevant supporting document to SARS.

8 REFERENCES

8.1 CROSS REFERENCE

DOCUMENT NUMBER	DOCUMENT TITLE
GEN-ELEC-10-G01	Guide for Tax Practitioners on eFiling- External Guide
GEN-GEN-60-G01	Criteria for the Recognition of Controlling Bodies – External Guide

9 DEFINITIONS AND ACRONYMS

Link for centralised definitions, acronyms, and abbreviations: [Glossary A-M | South African Revenue Service \(sars.gov.za\)](#)

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DISCLAIMER

The information contained in this guide is intended as guidance only and is not considered to be a legal reference, nor is it a binding ruling. The information does not take the place of legislation and readers who are in doubt regarding any aspect of the information displayed in the guide should refer to the relevant legislation or seek a formal opinion from a suitably qualified individual.

For more information about the contents of this publication you may:

- Visit the SARS website at www.sars.gov.za.
- Make a booking to visit the nearest SARS branch.
- Contact your own tax advisor / tax practitioner.
- If calling from within South Africa, contact the SARS Contact Centre on 0800 00 SARS (7277); or
- If calling from outside South Africa, contact the SARS Contact Centre on +27 11 602 2093 (only between 8am and 4pm South African time).