

# 10-day warning to taxpayers in South Africa



The South African Revenue Service (SARS) has been upping the ante in its debt collection efforts, demanding that taxpayers from all categories bring their tax affairs up to date within days.

According to Tax Consulting SA, individual taxpayers, companies, and trusts alike have all been receiving urgent correspondence from the taxman, demanding action.

This includes Final Letters of Demand to submit outstanding tax returns or risk possible criminal prosecution.

The correspondence also includes the recent notices to trusts warning of imminent civil judgment if outstanding tax debts are not settled or payment arrangements are not made.

From May 2026, trusts that have not yet regularised their tax affairs will find themselves dealing with penalty notices from the revenue service.

However, all taxpayers are under the taxman's boot, with André Daniels, Head of Tax Controversy and Dispute Resolution at Tax Consulting SA, flagging cases where individuals are also at risk.

This was highlighted in a recent case where an individual taxpayer received a final demand to submit outstanding tax returns spanning six years.

**SARS allowed the taxpayer only 10 business days to comply.**

Daniels warned that failure to comply could result in monthly administrative penalties per outstanding return, the issuing of a summons, and potential criminal prosecution.

“Upon conviction, this could lead to a fine or imprisonment of up to two years,” he said.

According to Daniels, the aggressive approach against individual taxpayers has been uncommon in practice, especially regarding outstanding tax returns.

However, the extent of the non-compliance, being multiple years of outstanding personal income tax returns, likely prompted the intervention by the tax authority.

“Filing six historical tax returns within 10 business days is no easy task. This serves as a warning to taxpayers to remain compliant and up to date, and to act urgently to correct any non-compliance,” he said.

“When SARS comes to your door first, the options available become far more limited.”

## SARS will take money from your bank account or salary



Under the Tax Administration Act (TAA), if a person has an outstanding tax debt, SARS may, **after giving the person at least 10 days' notice**, file with the clerk or registrar of a competent court a certified statement setting out the amount of tax payable and certified by SARS as correct.

The Act also provides that SARS is not required to give prior notice if doing so would prejudice tax collection.

Daniels warned that tax liabilities can escalate even in the absence of active communication from SARS.

Many taxpayers become aware of the full extent of their debt only after recovery actions are underway, he said.

In the case highlighted above, the taxpayer was unaware of outstanding returns, likely due to their failure to regularly check their eFiling profile.

Meanwhile, penalties and interest had been accumulating automatically.

Adding to the warning, once collection efforts are underway, taxpayers have little room to move, with the revenue service empowered by law to collect what is due.

This includes strong legal steps such as:

- Potential **criminal prosecution** for non-compliance with a tax act;
- Third-party appointments to financial institutions to **deduct money directly from a bank account**;
- Civil judgments which are followed by the **attachment of assets** and sale in execution;
- **Garnishee orders** for salaried employees.

“Considering projected 2026/27 revenue exceeding R2.12 trillion, SARS is expected to further tighten its compliance efforts,” the tax expert said.

With the undisputed tax debt book currently exceeding R500 billion—money owed to SARS—it is unlikely the revenue service will slow down.

Adding to the escalation of enforcement actions, the **Tax Administration Laws Amendment Act, 2026**, has been signed into law, giving SARS even greater powers.