

SARS final demand warning to taxpayers in South Africa



The South African Revenue Service (SARS) and tax experts Tax Consulting SA have issued warnings to taxpayers in the country to be on alert for fake “final demand” letters.

While SARS-branded scam emails and notices are nothing new, with the closing of tax season this week for non-provisional taxpayers, fraudulent activity is picking up.

Taxpayers who missed the window to file their taxes, or those whose tax affairs are not finalised, are being targeted by fake letters from SARS claiming to be final demands and notices of court summons.

According to Tax Consulting, the fake letters closely mimic SARS’ official communications are appearing at the same time as SARS’ legitimate notices.

A legitimate SARS letter of final demand is issued under the Tax Administration Act and represents a serious escalation in the debt collection process.

It usually follows previous communication regarding an outstanding tax liability and affords the taxpayer 10 business days to settle the outstanding amount.

“The differences may seem subtle at first glance, but knowing what to look for can make the difference between protecting yourself and falling victim to a phishing scam,” the group said.

SARS and Tax Consulting urged recipients of these notices to pay close attention to important differences so they can avoid becoming victims of a scam.

Firstly, Tax Consulting said that taxpayers should take note of the content of the letter, including the wording and language used.

Official SARS communications are conveyed through formal language, and a notice always includes verifiable taxpayer identifying details such as a taxpayer's name, tax reference number, case number and stipulates the amount owed.

An official SARS letter also informs a taxpayer of various relief mechanisms available, such as a Suspension of Payment request, a Deferral of Payment (payment arrangement), or even a Compromise of Tax Debt, where SARS will waive interest and penalties and allow the taxpayer to settle the capital liability due.

By contrast, fake demands that have been circulating often contain various red flags, such as the omission of taxpayer information such as names, registered addresses and taxpayer reference numbers.

The fake letter of demand also requires payment, of an unspecified amount, to be paid within 24 hours as opposed to the legitimate 10 business-day period.

Second, taxpayers should note the e-mail address used. While scammers may try to replicate or spoof a SARS address, they typically will not mirror a legitimate "@sars.gov.za" domain name.

Some examples include notices coming from "@SARSpay.org", "@govtax.co.za", "@sars-mail.org", etc.

Finally, and most importantly, even if a letter comes from a sars.gov.za address, taxpayers should authenticate all communications on eFiling, the mobile app, or by contacting SARS directly.

"If the demand cannot be located on an eFiling profile, this warrants immediate caution," Tax consulting said.

What to look for	Real	Fake
Language/Wording	Formal	Threatening or confusing
Taxpayer Name	Specified	"Taxpayer"
Tax Reference Number	Specified	Not stated
Case Number	Specified	Specified (fake)
Amount Owed	Specified	Not specified (need to click)
Internal Links	None	Links to PDF (phishing)
Time to pay	10 days as per Tax Act	24 hours
Email address	@sars.gov.za	Any variation, usually .org or .co.za
eFiling	Will have record	No record

SARS can take money from your bank account

In the event that a taxpayer has received a genuine letter of demand from SARS and has verified its legitimacy on eFiling, Tax Consulting warned that this is no trivial matter.

A final letter of demand signals that SARS has reached the enforcement stage of debt collection.

If no response is received within the stipulated 10 business days, SARS can start to take recovery steps, including civil judgments against taxpayers.

This could result in the Sheriff of the Court being instructed to attach and sell assets, or even third-party appointments such as banks being instructed to deduct money directly from a taxpayer's account.

"The purpose of the final demand is to prompt compliance before such measures become necessary. Ignoring it can lead to rapid escalation, compounding both the taxpayer's financial exposure and administrative burden," Tax Consulting said.

As per the legitimate final demand letters sent out, SARS offers various remedies for addressing any outstanding debts.

Should a taxpayer disagree with their liability, they may suspend the recovery of the debt by submitting a Suspension of Payment request where there is a dispute, or an intention to dispute.

Where no intention to dispute exists, a taxpayer may enter into a payment plan in settlement of the debt over monthly instalments, or, where financial hardship is so severe, even request SARS to write off the interest and penalties, and settle the capital tax debt due to SARS.

"Whether genuine or fake, the worst response to a SARS demand is inaction," the tax experts said.

"A legitimate demand requires immediate attention, while a fraudulent one should be reported to SARS to prevent identity misuse and protect others from potential scams."