

GUIDELINES FOR TAX DEBT RELIEF PROGRAM

SCOPE

The guideline is intended to regulate the administration of the Tax Debt Relief program whereby the organisation waives interest and penalties for taxpayers who pay all their principal debt within the stipulated period and demonstrate compliance through submission of current returns and payments current as well as correctly declare imported goods.

1. INTRODUCTION

The intention of the organisation for introducing the Tax Debt Relief Program is to assist customers who have long outstanding debt that has accumulated exorbitant interest and penalties, an opportunity to clear such debt. The Program was launched by the Minister of Finance through a notice issued on the 05th of May 2022.

2. PURPOSE AND SCOPE

This guideline serves to provide clarity on how ERS will implement the Tax Debt Relief Program.

The program will be open for a period of 3 months up to 5 August 2022

3. CONDITIONS FOR THE TAX DEBT RELIEF

When applying:

- a. The Tax debt relief program is available to all taxpayers who have tax and Customs duty liabilities as at 31 March 2022.
- b. Taxpayers must ensure that they are up to date on all other obligations such as submission of correct returns and adherence to previous payment arrangements.
- c. Taxpayer is expected to commit to a payment arrangement towards settling the principal debt, whereby:

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- i. The payment arrangement (excluding cases of those arising from import duties and taxes debts) shall include a minimum down payment of 20% of principal debt and the balance should be payable within a period of 12 months.
NOTE: Under exceptional (substantiated) circumstances, taxpayers may further negotiate for a proposal with the Commissioner General – not exceeding 24 months.
 - ii. Settlement of the full amount due and submission of the required declarations with respect to debts from import duties and taxes must not exceed a period of 6 months from the application date. The goods relating to said debt, shall remain under seizure until the full amount has been paid. Furthermore, expenses incidental to the seizure of the goods (e.g. state warehouse rent and towing charges) shall be borne by the taxpayer.
- d. Taxpayers under existing payment arrangements are allowed to apply.
 - e. The Tax Debt Relief Program is available to taxpayers who have submitted an objection and where there is litigation. However, in the case of debts from import duties and taxes the client will be advised to change their election and submit to the administrative procedure.
 - f. Taxpayers who have paid principal debts before the launch of the Tax Debt Relief Program and have balances consisting of forfeiture and/or penalties and/or interest **are required to make an application for waiver**. The waiver of forfeiture and/or penalties and/or interest will be effected once the ERS is satisfied that the principal debt has been paid in full.

During the program

- a. Taxpayer is expected to:
 - Pay all monthly instalments on time and in full.
 - File all returns on time when due.

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- Pay in full and on time all payments that will become due and payable.
 - Notify ERS and request for extension of time to pay where there is good cause.
NOTE: Any extension of time should not exceed the stipulated period of the payment arrangement.
 - Not be involved in any deliberate tax fraud or evasion.
 - Fully and properly declare all imported or exported goods
- b. Failure to meet the above conditions will lead to termination of the arrangement and all outstanding tax including all penalties, interest and forfeiture shall become due and payable.
- c. The penalties, interest and forfeiture will be waived after the taxpayer has paid the principal amount in full.

5.1 Summary.

Taxpayers are expected to submit applications as a form of expressing interest in the program. Taxpayers are expected to submit applications as a form of expressing interest in the program. Once the principal debt has been paid in full, ERS will waive all interest and penalties from a taxpayer's accounts. 5.1.1 Amendments • The guideline may be amended from time to time as and when necessary

CONTACT

For more information on this programme contact the ERS Contact Centre on info@ers.org.sz; call +268 2406 4050 or send a text on WhatsApp 76063735.