

CLIENT GUIDE | SARS DISPUTES

SARS Dispute Resolution Guide

Objecting, appealing and protecting your
rights under the Tax Administration Act

Tax Administration Act 28 of 2011 | Updated June 2026

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■ About this guide

Jansen Accountants & Auditors | SARS Dispute Resolution | Updated June 2026

If you disagree with a SARS assessment, penalty or decision, you have a clear, time-bound right to dispute it. This guide explains how, and how we handle it for you.

Most disputes are won on documentation and on acting in time. This guide sets out the decisions you can dispute, the remedies available, the strict deadlines, and the eight-phase process our firm follows on every SARS matter. It reflects Chapter 9 of the Tax Administration Act 28 of 2011, the Dispute Resolution Rules and current SARS practice as at June 2026.

How to read the boxes in this guide

A **JACC insight** explains a point plainly, a **Planning opportunity** points to something worth doing, and a **Common SARS pitfall** warns of what goes wrong. A note from our partner appears where experience matters most.

Professional disclaimer

This guide does not constitute personal, legal or tax advice. Deadlines are short and strict, and a missed date can cost you the dispute. If you have received a SARS assessment or decision you disagree with, contact us immediately.

■ At a glance

The deadlines that matter

30 BD Request for reasons	80 BD Objection (NOO)	30 BD Appeal (NOA)	3 years Maximum condonation
16 Dec to 15 Jan Excluded (dies non)	Section 164 Pay now, argue later	SARS Bears the penalty onus	10 / 20 / 30 Escalation when SARS defaults

■ Not every SARS letter is a fight

Match the response to the matter

A great deal of needless cost and worry comes from treating every SARS letter as a full-blown dispute. It is not. The first question is always what the letter actually is, and the lightest correct response that resolves it.

- A **verification** (IT34V, VAT217, EMP217) is a request for documents, not an assessment. Send the supporting documents on eFiling, usually within 21 business days. There is nothing to object to yet.
- A simple **calculation correction** can often be fixed with a request for correction or a reduced assessment, not a formal objection.
- A **first-time administrative penalty** is usually dealt with by a request for remission (RFR01), not an objection.
- A substantive **additional assessment with a penalty** (AP34), an understatement penalty, or a section 95 estimate is a genuine dispute that needs the full process.

JACC insight

We route every SARS matter as either light-touch (most matters, a quick correct response) or full-dispute (the minority that warrant the complete process). Matching the response to the matter keeps your costs down and avoids picking an unnecessary fight with SARS.

When not to dispute

Sometimes the right call is not to dispute. If SARS is correct and the law is against you, objecting only adds cost and delay. Part of our job is to tell you honestly when a matter is not worth fighting, and to look instead at remission, a payment arrangement or a compromise.

■ The decisions you can dispute**What is open to objection**

You can dispute an assessment or a decision that is subject to objection and appeal, including:

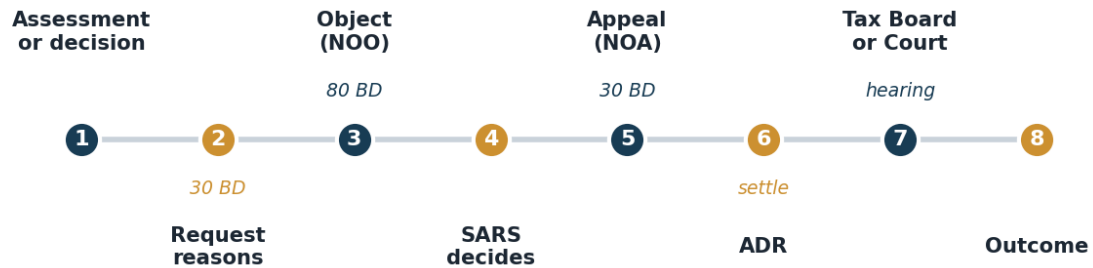
- Additional, reduced, estimated (section 95) and jeopardy assessments.
- Understatement penalties under sections 222 and 223.
- Administrative non-compliance penalties (after a request for remission), and certain interest.
- The disallowance of an expense, deduction, input VAT, or an exemption.
- Other decisions that the Tax Administration Act specifically makes subject to objection and appeal.

Some SARS actions are not disputed by objection but through other remedies, for example a request for remission for penalties, a suspension of payment for collection, or a complaint for poor service. We identify the correct route at the outset.

■ How we handle your SARS matter**The eight-phase JACC process**

Every SARS-touching matter at our firm runs through the same disciplined process, scaled to the matter. You stay informed at each step, and the file is built to stand up to scrutiny.

- 1 Intake and classification** we log the SARS document, calculate every deadline, and classify the matter.
- 2 Strategy** we decide the best remedy and the grounds, reviewed and signed off by the partner.
- 3 Penalty defence** where an understatement penalty is imposed, we build a separate defence, in parallel.
- 4 Execution: primary remedy** we file the request for reasons, objection or other remedy on eFiling.
- 5 Execution: parallel tracks** we run any suspension of payment, debt, VDP or compromise alongside.
- 6 Appeal, ADR and Tax Board** if needed, we appeal and pursue Alternative Dispute Resolution (ADR) or a hearing.
- 7 Litigation** Tax Court, and in rare cases the High Court.
- 8 Orchestration and closure** throughout, we track deadlines, push SARS when it defaults, and close the matter properly.



A suspension of payment (section 164) can run alongside the dispute throughout.

The dispute journey, from assessment to outcome. Most matters resolve well before litigation.

Charlton's insight

Commercial sense comes first. Most matters never reach ADR, let alone the Tax Court. The aim is the right outcome at the lowest cost and risk to you, whether that is a clean objection, an early settlement, or simply sending SARS the documents it should have had. Litigation is the last resort, not the first move.

■ The remedies and the forms

What we file, and by when

Remedy	Use it when	Time limit
RFR01 (reasons)	You need SARS to explain the assessment	30 business days from the assessment
RFR01 (remission)	An administrative penalty should be remitted	Per the penalty notice
DISP01 NOO (objection)	You dispute an assessment	80 business days from the assessment
DISP01 NOA (appeal)	SARS disallows your objection	30 business days from the disallowance
Section 164 (suspension)	You want to pause payment while disputing	File together with the objection
ADR	You want to settle without a hearing	Elected in the appeal
VDP01	You are regularising an undisclosed default	Before SARS notifies an audit

■ Request for reasons

Rule 6

If you do not understand the basis of an assessment, you may ask SARS for reasons within 30 business days, under Rule 6 of the Dispute Resolution Rules made under the Tax Administration Act (the rules referred to throughout this guide). Where reasons are requested, the period for lodging an objection runs from the date SARS provides adequate reasons. A request for reasons also often shows whether a dispute is worth pursuing, or whether the issue is a simple misunderstanding that can be corrected.

■ The objection

Notice of objection, Rule 7

The objection is the formal dispute, lodged on the DISP01 notice of objection through eFiling. Since 10 March 2023 you have 80 business days from the date of the assessment to object (the old period was 30 days). The objection must set out each ground clearly, link it to the law and to your documents, and deal with every point in the assessment.

Common SARS pitfall

A vague objection is the most common reason SARS disallows one. State each ground precisely, attach an indexed bundle of supporting documents, and answer every issue. A strong, well-evidenced objection often ends the dispute without an appeal.

If you are late: condonation

SARS may condone a late objection on reasonable grounds, up to a maximum of three years from the assessment, but condonation is at SARS's discretion and is never guaranteed. Reasonable grounds usually mean something genuinely outside your control, such as serious illness or hospitalisation, a death in the family, or a delay caused by SARS itself. Being busy, or a simple oversight, is rarely accepted. The longer you are late, the stronger your grounds must be, and SARS also weighs the prospects of success. Always object within the 80 business days where you possibly can.

■ The appeal

Notice of appeal, Rule 10

If your objection is disallowed in whole or in part, you may appeal within 30 business days on the DISP01 notice of appeal. The grounds of appeal are generally limited to the grounds of the objection, so the objection must be drafted thoroughly from the start. In the appeal you also elect whether to pursue Alternative Dispute Resolution, the Tax Board or the Tax Court.

■ ADR, the Tax Board and the Tax Court

Where appeals are decided

- **Alternative Dispute Resolution (ADR):** an informal, without-prejudice process where SARS and the taxpayer try to settle. It is often the fastest and cheapest route, and most appeals that settle, settle here.
- **The Tax Board:** a less formal hearing for smaller matters, where the tax in dispute does not exceed the amount set by the Minister (currently R1 million), or by agreement.
- **The Tax Court:** a formal court for larger or more complex matters, under sections 117 to 129 of the Tax Administration Act. Its judgments can be taken on appeal to the High Court or the Supreme Court of Appeal.

Charlton's insight

ADR is underused by taxpayers who think disputing SARS means a courtroom. In practice a well-prepared ADR, with the documents and the technical argument set out clearly, settles a large share of matters in months rather than years. We come to ADR ready to settle on the right terms, not to posture.

Planning opportunity

Decide early how far you are willing to go. ADR works best when you know whether you will accept a sensible commercial settlement or hold out on principle. Tell us your bottom line so we negotiate with a clear mandate.

When the dispute is really about how SARS acted

Some disputes are not about what the law says but about how SARS behaved: procedural unfairness, acting without authority, or ignoring its own process. Where that is the real issue, a review under the Promotion of Administrative Justice Act 3 of 2000 (PAJA) in the High Court may be the right route rather than an ordinary objection. We assess this at the strategy stage.

■ Pay now, argue later

Section 164

Lodging an objection does not, on its own, suspend your obligation to pay. Under the pay-now-argue-later principle, the disputed tax remains due unless you apply for a suspension of payment under section 164. SARS must consider the factors listed in section 164(3), such as the prospects of success, the risk to the fiscus and any hardship to you. We file the suspension request together with the objection.

Common SARS pitfall

If you object but do not request a suspension of payment, SARS can still collect the disputed tax, including by appointing your bank or employer to pay it over under section 179. Always deal with payment and the objection together.

■ How long it takes

Realistic timelines

Timelines depend on SARS and on the complexity of the matter, but as a rough guide:

Stage	Typical duration
Request for reasons	A few weeks for SARS to respond
Objection decision	SARS aims to decide within about 60 business days of a complete objection
Appeal and ADR	Often three to twelve months to a settlement
Tax Board	Several months to a hearing and decision
Tax Court	Frequently two to three years to finalisation

Most disputes resolve at objection or ADR, long before a hearing. We push at every stage and escalate when SARS delays.

■ What it costs

Fees you can plan for

Cost is usually the first question after an assessment lands. Our approach is to scope the work and give you a fee estimate before we start, so there are no surprises.

- Most objections and remission requests are quoted as a fixed fee, based on the complexity and the volume of evidence.
- Appeals, ADR and litigation are scoped separately, with an estimate at each stage as the matter develops.
- We tell you early where the likely cost outweighs the amount in dispute, so you can make a commercial decision.
- You authorise the fee before we proceed to each stage.

JACC insight

Ask us for an estimate up front. For many routine matters the fee is modest relative to the tax and penalties at stake, and a successful objection or penalty remission often pays for itself several times over.

■ Penalties, and how we challenge them

Sections 222, 223 and 217

Where SARS finds an understatement, it can add a penalty of between 10% and 200% of the tax, depending on the behaviour category. A bona fide inadvertent error attracts no penalty. The category SARS chooses is often the most disputable part of an assessment, and importantly, SARS bears the burden of proving the facts behind the penalty.

Behaviour	Standard case	Voluntary disclosure (before notice)
Substantial understatement	10%	0%
Reasonable care not taken	25%	0%
No reasonable grounds	50%	0%
Impermissible avoidance	75%	0%
Gross negligence	100%	5%
Intentional tax evasion	150%	10%

Administrative non-compliance penalties (for example for a late return) are first challenged by a request for remission (RFR01), and only then, if refused, by objection. We pursue remission of penalties and interest wherever there are grounds.

■ Who has to prove what?

Section 102

Clients often assume SARS must prove its case. For most of an assessment, the burden is the other way around. Knowing where the burden lies shapes the evidence you need.

Who carries the burden	What they must prove
You (the taxpayer)	That a deduction, allowance or exemption applies, that an amount is not taxable, and the facts supporting your return (section 102(1)).
SARS	The facts that justify an understatement penalty, and the behaviour category it has applied (section 102(2)).

JACC insight

Because you carry the burden on deductions and exemptions, contemporaneous records are decisive. Because SARS carries the burden on penalties, a thin or overstated behaviour category is one of the most winnable parts of a dispute.

■ Interest and prescription

Sections 187 to 189 and section 99

SARS charges interest on late or underpaid tax at the prescribed rate, and interest can sometimes be remitted where the delay was not the taxpayer's fault. Equally important is prescription: under section 99, SARS generally may not issue an additional assessment after three years from the original assessment (five years for self-assessment taxes such as VAT and PAYE), unless there was fraud, misrepresentation or non-disclosure of material facts. Prescription is a powerful defence that is easy to overlook.

Planning opportunity

Always check whether an additional assessment falls outside the prescription period. If SARS issues an additional assessment for a year that has prescribed, and there is no fraud or material non-disclosure, it can often be challenged on that basis alone.

■ When SARS goes quiet

The 10, 20, 30 escalation cascade

SARS has its own deadlines, and it frequently misses them. When it does, we do not simply wait. Our process triggers an automatic escalation cascade, measured in business days past the SARS deadline:

Stage	What we do
10 business days late	Draft a Complaints Management Office (CMO) complaint and notify you.
20 business days late	File the CMO complaint, and send a senior SARS official escalation letter.
30 business days late	File a Tax Ombud complaint (Form CMP-001), having exhausted SARS's internal remedies.
Beyond 30 days	Partner review, and where justified, a High Court review under PAJA.

JACC insight

The Tax Ombud can only take a complaint once SARS's internal remedies, including the CMO, have been exhausted. Our cascade builds that record automatically, so by the time a matter reaches the Ombud it is properly documented and ready.

Charlton's insight

This cascade is where we earn our keep on stuck matters. In our experience, a properly documented CMO complaint and senior escalation frequently result in meaningful progress on matters that have stalled.

Other routes to resolve a SARS problem

- **Voluntary Disclosure Programme (sections 225 to 233):** regularise an undisclosed default before SARS notifies an audit, with relief from understatement penalties and protection from prosecution for the disclosed default.
- **Compromise of tax debt (sections 200 to 205):** where you genuinely cannot pay the full debt, a compromise may settle it for less.
- **Instalment payment arrangement (sections 167 to 168):** pay a tax debt off over time where you cannot settle it at once.
- **Request for reduced assessment (section 93):** in limited circumstances SARS can reduce an assessment without a formal objection.

How business days are counted

And the festive-season break

All the deadlines are in business days, which exclude weekends and public holidays. The period from 16 December to 15 January (the dies non) is excluded entirely, which effectively extends deadlines that run over the festive season. It is risky to rely on this without checking the exact count.

JACC insight

Work out the exact deadline from the date on the assessment, allowing for weekends, public holidays and the 16 December to 15 January break. Our online SARS deadline calculator does this for you.

What to gather for your dispute

Evidence wins disputes

A dispute is only as strong as the evidence behind it. What you need depends on the issue:

- **Disallowed expense or deduction:** invoices, contracts, proof of payment, and records showing the expense was incurred in earning income.
- **Travel allowance:** a detailed logbook and the vehicle documents.
- **Disallowed input VAT:** valid tax invoices that meet the VAT Act requirements.
- **Understatement penalty defence:** contemporaneous evidence that you took reasonable care, took advice, or made a bona fide error.
- **Estimated (section 95) assessment:** the actual figures and supporting records SARS did not have.
- **Prescription:** the date of the original assessment, to show SARS is out of time.

Send us these to get started

- The SARS assessment or letter, and the date on it.
- Your original return for the period in dispute.
- All correspondence with SARS on the matter.
- The supporting records relevant to the issue above.
- Your tax reference number and entity details.

■ When SARS contacts you

Practical first steps

- Note the date on the letter or assessment; your deadline runs from it.
- Identify what it actually is: a verification, an assessment, a penalty, or a demand.
- Do not ignore it; the dispute and remission windows are short and strict.
- Gather your supporting documents and the technical basis for your position.
- Decide on payment and a suspension request at the same time as the objection.
- Send it to us early. Timing and documentation win disputes.

■ Common SARS pitfalls

- Treating a verification as an assessment, or objecting before there is anything to object to.
- Missing the 80-business-day objection window and needing condonation.
- A vague objection that does not deal with every ground or attach the evidence.
- Objecting without applying for a suspension of payment, so SARS collects anyway.
- Accepting an understatement penalty category without challenging it, when SARS bears the onus.
- Letting a refund or a SARS delay drift, instead of triggering the escalation cascade.
- Overlooking prescription where SARS reopens an old year.

■ Frequently asked questions

How long do I have to object?

80 business days from the date of the assessment, excluding the 16 December to 15 January period. Reasons can be requested within 30 business days, after which the objection period runs from the date SARS provides adequate reasons.

Do I have to pay the disputed tax?

Unless you obtain a suspension of payment under section 164, yes. We file the suspension request with the objection.

Can a penalty be reduced?

Often, yes. The understatement penalty category and the facts are frequently disputable, and SARS bears the onus. Administrative penalties are challenged first by a request for remission.

SARS is ignoring my refund or my objection. What can be done?

Our escalation cascade lodges a CMO complaint, a senior escalation and, if needed, a Tax Ombud complaint. Documented pressure usually gets a stuck matter moving.

What if I missed the deadline?

SARS may condone a late objection for up to three years on reasonable grounds, but it is discretionary. Send it to us at once; the sooner we act, the better the prospects.

■ Glossary of terms

Assessment SARS's determination of the tax you owe, which is what you usually dispute.

RFR01 The eFiling form to request reasons for an assessment, or remission of an administrative penalty.

DISP01 The eFiling dispute form used for the notice of objection (NOO) and notice of appeal (NOA).

NOO / NOA Notice of objection and notice of appeal, the two formal dispute steps.

Understatement penalty A penalty of 10% to 200% under sections 222 and 223, based on the taxpayer's behaviour.

Section 164 suspension An application to suspend payment of disputed tax while the dispute runs.

ADR Alternative Dispute Resolution, an informal process to settle an appeal without a hearing.

Tax Board / Tax Court The forums that hear tax appeals; the Board for smaller matters, the Court for larger ones.

CMO SARS's Complaints Management Office, the first level of formal complaint.

Tax Ombud An independent office that reviews SARS service, procedural and administrative complaints once internal remedies are exhausted.

Dies non The period 16 December to 15 January, excluded when counting business days.

Prescription The time limit, under section 99, after which SARS generally may not reopen an assessment.

■ How we can help

Jansen Accountants & Auditors

SARS disputes are a core part of our practice. We run a structured, partner-reviewed dispute process, with standardised submission packs for every remedy, so your matter is handled consistently, on time, and to a standard that holds up under scrutiny.

- Requests for reasons, objections (NOO) and appeals (NOA) on eFiling.
- Understatement and administrative penalty challenges, and requests for remission.
- Suspension of payment applications under section 164.
- Alternative Dispute Resolution, Tax Board and Tax Court representation.
- The Voluntary Disclosure Programme, compromises and instalment arrangements.
- CMO, senior SARS escalation and Tax Ombud complaints when SARS defaults.

You deal directly with the partner on serious matters, and the firm carries professional indemnity cover.



Received a SARS assessment, penalty or audit?

Check your deadline on our SARS Dispute centre at www.jacc.co.za, or contact us before the window closes: +27 21 554 3482, info@jacc.co.za.

■ Useful links

Where to find more

- SARS dispute resolution and eFiling guidance: www.sars.gov.za
- Office of the Tax Ombud (complaints): www.taxombud.gov.za
- Our SARS dispute centre and deadline calculator: www.jacc.co.za

■ Important notice

This guide does not constitute personal advice. It is general information based on South African law and practice as at June 2026, and must not be relied on as advice. Outcomes depend on the specific facts, and the law and regulatory practice change. Jansen Accountants & Auditors Inc accepts no liability for any loss arising from reliance on this guide. Obtain advice specific to your circumstances before acting.

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