

# SARS Administrative Penalties

## A Practical Guide for Taxpayers and Business Owners

Staying compliant with the South African Revenue Service (SARS) is essential to avoid unnecessary financial strain. Administrative non-compliance penalties arise when required tax returns such as Income Tax, VAT, or PAYE are not submitted.

### 1. How Penalties Work

- Penalties are triggered when SARS identifies outstanding returns
- Charged monthly for each return not submitted
- Can accumulate for up to 35 months
- Monthly penalty ranges from R250 to R16,000 depending on taxable income

### 2. The 'Dormant Company' Myth

- Dormant or non-trading companies are still required to submit tax returns
- Nil returns must be filed even when there is no activity
- Failure to submit results in monthly administrative penalties

### 3. Consequences of Non-Payment



### 4. Roadmap to Resolution

Step	Action Required
Submission	File all outstanding returns (including nil returns)
Remission	Apply for penalty remission or lodge an objection
Payment	Request a deferred payment arrangement if applicable

Our team at VTN provides expert support in resolving SARS penalties, including return submissions, penalty remissions, objections, and structured payment arrangements.