

COMMISSIONER GENERAL'S REMARKS

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LAUNCH OF 2019 FILING SEASON

SALUTATION,

- Minister of Finance, Honourable Neal Rijkenberg
- Honourable Members of Both Houses of Parliament
- Principal Secretary in the Ministry of Finance
- SRA Governing Board
- SRA Management Team
- Government Officials here present
- Representatives of the Business Community
- SRA Staff
- Members of the Media
- Ladies & Gentlemen

May I greet you all in the name of “Voluntary Tax Compliance”. 😊

WORDS OF APPRECIATION

Let me start by passing my sincere appreciation to the Government of the Kingdom of Eswatini for their continued support and guidance and to the SRA Governing Board for steering this organisation to success and ensuring we live up to our motto of “Raising the Standard”. My special appreciation goes to the over 600 men and women who work tirelessly on a daily basis to bring to life the mandate of the organisation. To them I want to say you are champions. We are aware of the many difficulties you encounter in doing this job and we do not take that lightly.

I also want to extend our gratitude to our compliant taxpayers, traders and intermediaries who continue to fulfil their tax obligations and contribute to the development of this great nation.

OUR PERFORMANCE IN PRIOR YEAR

Honourable Minister, distinguished guests, let me report that last financial year was a particularly difficult one for us. This was the first year where we missed our target. We closed the year at E8, 995 billion Emalangeni against a target of E9, 878 billion. This means our collections were 9% below the annual target. This was mainly due to a slow-down in the economy, coupled with non-approval of certain tax policy changes that had to be processed through Parliament. However, we did managed to deliver year-on-year revenue growth of 6% compared. We continue to forge strong strategic partnerships and this will serve us well in the medium to long term.

COMPLIANCE LEVELS

Honourable Minister, our research division continues to provide relevant data to identify gaps in our tax system and assist us develop plans to close these. We are moving on to review our Compliance Management Framework, with a view to deliver the appropriate treatment to the various segments of taxpayers. To this end we are improving our systems to capture taxpayer behaviour to support this approach. We have also continued to benefit from technical assistance provided mainly by our partners the IMF, the Africa Tax Administration Forum and the World Customs Organization, which has enhanced our capacity in dealing with some complex revenue administration issues. This assistance has

resulted in improved auditing of some high-risk industries and proposed amendments to our legislation to close the loopholes that were allowing some of these taxpayers to take advantage.

As an organization, while admittedly scared of the responsibility placed on us, we are very excited by the recently launched Government of Eswatini Strategic Roadmap. Let me assure you Honourable Minister that we have already taken time to interrogate it and have re-aligned our strategic key performance areas to ensure that we deliver on these expectations.

Honourable Minister, distinguished ladies and gentlemen, when we took over this responsibility in 2011, we always knew it was never going to be easy. This is especially because nobody wants to easily part with their hard earned cash. Every time I get an opportunity to talk about tax compliance, I am reminded of the 2007 IMF report which observed that “paying taxes in Eswatini was optional”. So, from inception we understood that our responsibility was to change this culture. I am glad to observe, honourable Minister that we are currently sitting with improved rates of compliance. While this is the case, we are, however, still a long way from our desired 100% voluntary compliance. This is evidenced by the reported overall returns filing compliance rate of 46.7% of which only 33.2% filed on time. This situation is what informs our new vision of “100% Voluntary Compliance for a better Eswatini”. We want to encourage all our taxpayers to submit their returns on time to avoid the heavy penalties and interest imposed by legislation.

E-Tax Registration & Filing

To make it easy for our taxpayers to comply, we launched our eFiling platform in 2015, which started with VAT registered entities and has been expanded to include the filing of all income taxes, the viewing of statements, payment of taxes and the lodgement of queries. We have promoted e-tax amongst the taxpaying community for a few years now and as at the end of March 2019 we had 2399 taxpayer registered.

We are, however, very concerned about the very slow uptake of this very convenient platform and the low utilization among those that are registered. We do realize that there may be reasons behind this outcome and we are happy to receive comments from taxpayers so that we can improve it. In other jurisdictions, Online filing is compulsory for certain categories of taxpayers. Please note that the Income Tax Order empowers the Commissioner General to prescribe the form in which returns are to be submitted. In the current year, we have already informed all Large taxpayers to file their returns online. We believe that online filing is of mutual benefit hence we invite all taxpayers to register and file their returns online.

Education Campaign

During the month of June, we engaged in vigorous education campaigns in all major towns, where we invited businesses to attend our workshops on filing of Pay As you Earn and Income Tax Returns. More than 600 taxpayers participated in these workshops. From this month to 31 December 2019 we will visit more towns to bring the campaign closer to the people. This is where we will register new taxpayers, demonstrate

online filing and actually help taxpayers to file their returns online. We will also run the campaign through other media platforms such as print, radio as well as digital and social media.

CONCLUSION

Allow me to conclude by quoting two pieces of scripture. The first is Romans 13:7, which I will direct to our taxpayers. "Pay to all what is owed to them: taxes to whom taxes are owed, revenue to whom revenue is owed, respect to whom respect is owed, honour to whom honour is owed". The second piece I will direct to my fellow officers. This is taken from Luke 3:12-13; "Tax collectors also came to be baptized and said to him, "Teacher, what shall we do?" and he said to them, "collect no more than you are authorized to do". I continue to see evidence of how God fearing my fellow citizens are, and for this I want to thank you profusely. Lastly, allow me to thank the SRA team, in advance, that will be working hard in assisting our taxpayers file their returns and ensuring that they are further assessed timeously and the resultant revenue collected efficiently.

I THANK YOU AND GOD BLESS US ALL.