

# SPEECH

by

MINISTER OF FINANCE

HONOURABLE NEAL RIJKENBERG

LAUNCH OF 2019 FILING SEASON

## **SALUTATION,**

- Honourable Members of Both Houses of Parliament
- Principal Secretary in the Ministry of Finance
- SRA Governing Board
- SRA Commissioner General and your Management Team
- Government Officials here present
- Representatives of the Business Community
- SRA Staff
- Members of the Media
- Ladies & Gentlemen

A good evening to you all!!!

## **INTRODUCTION OF SRA NEW BOARD MEMBERS**

Before I get into the business for the day, may I use this opportunity to officially introduce to you the recently appointed additional members of the SRA Governing Board:

- Mr. David Dlamini      - Chairman
- Dr. Philemon Mnisi    - Vice Chairman
- Prince Lindani         - Member

These new members join non-executive members, Mr Majozi Sithole (CBE Governor); Bhekie Bhembe (Principal Secretary-Finance); Mr Newman Ntshangase (Director of Trade in the Ministry of Commerce Industry & Trade) and Carol Muir (Human Resources Manager at Eswatini Royal Insurance Corporation) and Executive member; Dumisani Masilela, who is also the SRA's Commissioner General.

It is with excitement and anticipation of great things to come that I welcome you all to the SRA family. We look forward to tapping into the various skills and expertise that you bring to the table as we endeavour to take this great organisation to the next level. We look forward to your fresh perspectives and valuable insights as you play an oversight and advisory role towards the delivery of the mandate of this important institution. Congratulations once again!!!

### **THE FILING SEASON IS NOW OPEN!!!**

The 1<sup>st</sup> of July marks a very important period in the calendar of our country; this is the beginning of the new tax year. Clearly this marks the beginning of processes to close the old tax year, which means the official start of the income tax returns filing season. This is a period where all those who are called upon to submit their returns MUST start preparing for their submission. As the Commissioner General has mentioned, various classes of taxpayers will be expected to submit their income tax returns and what is of utmost importance is that this be done ON TIME and in full compliance with legislation.

Income tax returns are by no means any form of tool to frustrate anyone. These are merely a means through which every proud liSwati and resident proudly declares that they have indeed played their part in the financing of the building of our nation. The SRA has done a great job of improving

and simplifying the process of submitting returns in a bid to ensure that no one is left out, therefore falling foul of their legal obligation; I therefore urge us all to take this process very seriously by submitting our returns. They have assured me that they take the simplification of their processes and form very seriously and are open to suggestions from their key stakeholders on how to achieve this objective effectively.

## **GOVERNMENT STRATEGY AND REVENUE COLLECTION**

I will not go too deep into explaining the use of the taxes collected through this process, but may I mention that what we are gathered about today compliments very well some key elements of the Government of Eswatini's strategic roadmap, which was recently launched by His Excellency the Right Honourable Prime Minister, Ambrose Mandvulo Dlamini. I will highlight some of the relevant elements of the strategy:

### ***EASE OF DOING BUSINESS INDEX***

According to the 2019 World Bank's Ease of Doing Business Index report, Eswatini's ranking deteriorated to 117 out of 190 countries and we remain outside of the top 10 in Africa. Our target is to be ranked in the top 10 in Africa in order to attract meaningful investment to grow our economy. Two of the key indicators in which the SRA contributes are the: **Trading Across Borders** and the **Paying Taxes Indices**. May I commend the SRA and all stakeholders who work at the country's ports-of-entry for the great work they have done over the years to keep the country at the ranking of 32<sup>nd</sup> in the world and 1<sup>st</sup> in Sub-Saharan Africa.

Ladies and gentlemen with regards the PAYING TAXES index, the Kingdom of Eswatini is ranked 63<sup>rd</sup> in the world and 7<sup>th</sup> in Sub-Saharan Africa; As a government we are already on a drive to gradually reduce Corporate Tax from 27.5% to 12.5% by 2023 and we are positive that that

this will eventually improve our ranking on this index and render us more attractive for foreign investment.

There is also a need to simplify things further for our Small and Medium Enterprises to assist them with the cost of compliance. We are looking at doing this mainly through the introduction of the small taxpayer regime, commonly referred to as presumptive tax. Once this is implemented, we anticipate that it will be much easier for the small and medium businesses to comply with our tax laws, thus improving our compliance rates.

## **IMPACT OF DIGITIZATION ON THE EASE OF DOING BUSINESS**

The World Bank further reports that “Digitization was a common theme among the countries which improved their ranking. For instance, Ivory Coast and Togo introduced online systems for filing corporate income tax and value added tax returns, while Kenya simplified the process of providing value added tax information by enhancing its existing online system, iTax”.

It is great to learn that, as part of its digitization agenda, the SRA has enhanced the e-Tax platform to allow Individuals and Sole Traders to submit their returns online with effect from this filing period. I encourage all individuals and businesses to register and use this platform; some of the many benefits of using eTax include being able to submit your returns from the comfort of your office/home, easy access to previously submitted returns, as well as the ease of lodging a query. It must be noted though that some countries have moved to compelling taxpayers to utilize these platforms. This makes a lot of sense as these are supposed to improve the efficiency of revenue administrations, who are always contending with diminishing financial resources. We will be considering this move in the near term as the Kingdom of Eswatini.

## **TAX COMPLIANCE LEVELS**

The SRA Commissioner General has shared with us the statistics on the level of compliance for the different tax-types and segments administered by the organization. May I pass my sincere gratitude to all those who continue to diligently make their contribution towards the fiscus by paying their taxes on time and correctly. It is through your continued cooperation that our country will realize its short, medium and long term goals. **Thank**

**You all for Paying Your Taxes correctly and ON TIME!!!”**. To those who are willing but struggling, may I encourage you to take advantage of the SRA’s services, including the Voluntary Disclosure Programme and ensure that you “get back on track”.

The last group I want to address are those that refuse to comply. I want to remind you that this is a violation of the country’s laws and a **CRIMINAL ACT**, which deprives our great country of much needed resources for our social and economic development. The SRA has the full support of my office and Cabinet to use all means provided for in law to curb this criminal activity.

## **PROGRESS ON TAX POLICY PROPOSALS**

As a Ministry we are currently involved in legislative processes to bring about some strategic policy changes, which once approved by Parliament will have a positive impact on revenue administration in the country.

- **Revenue Appeals Tribunal Bill** – this bill proposes the establishment of an Appeals Tribunal, which will deal with appeals by taxpayers of some decisions that the SRA will have made through its internal Processes. It is designed to deliver fair, transparent and swift justice for all. Please note, however, that tax legislation will continue to require that you pay the assessed revenues while waiting for the outcome of your case from this tribunal.
- **Alcohol and Tobacco Levy Bill** – this bill aims at introducing a 7% levy on imports and 2% on locally produced alcohol and tobacco products.
- **Eswatini Revenue Authority (Amended) Bill** – The amendment on this Act aims at providing clarity and support to enable the SRA to take-over the overall Government revenue collection

responsibility; obtaining third party information as well as dealing with integrity issues amongst others.

Let me take this opportunity pass my heartfelt gratitude to both Houses of Parliament for their continued support and guidance as we work towards approval of these pieces of Legislation.

## **CONCLUSION**

In conclusion, please be reminded once again that, the 1<sup>st</sup> of July marks the beginning of the new Income Tax year and therefore the beginning of the Filing season to close the old tax year. I call upon everyone, in particular those who are leaders in society to lead by example and submit their returns correctly and on-time. The SRA is committed to being of service towards assisting you to play your part as we drive for 100% voluntary compliance for a better Kingdom of Eswatini.

It is now my singular honour and pleasure to declare the filing season for the year 2019 officially open. Thank you very much for your attention and God Bless you all!!