

WARNING

Sars has access to offshore accounts

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THE South African Revenue Service (Sars) will soon have unprecedented access to South Africans' offshore financial information.

Starting next month, the revenue service will begin receiving bulk financial data from more than 120 jurisdictions under expanded Automatic Exchange of Information standards developed by the Organisation for Economic Co-operation and Development.

The new framework will allow Sars to systematically obtain details of foreign bank accounts, investments, trusts and digital asset holdings linked to South African tax residents.

According to Jashwin Baijoo, Partner and Head of Strategic Engagement & Compliance at Tax Consulting South Africa, the development significantly strengthens Sars' ability to verify offshore disclosures.

"The investigation into South African taxpayers' offshore interests has long been on the cards with Sars, with foreign asset/income disclosure notices being issued as far back as 2020, entailing a blanket disclosure of offshore assets," Baijoo said.

"At the time, many taxpayers may have thought best to feign ignorance, but now, there is no escape for the non-compliant South African taxpayer, with over 120 countries playing open cards with Sars," Baijoo added.

He said that taxpayers with offshore interests should ensure their foreign income and assets are accurately declared.