

**Draft public notice regarding electronic record-keeping**

On 3 June 2021 the South African Revenue Service (SARS) published the draft public notice whereby the SARS Commissioner prescribed the electronic form in which records, books of account and documents that are required to be kept in terms of the Tax Administration Act, 2011, must be held.

**Highlights of the draft notice:**

The regulation requires employers to maintain some standards and make it easier for SARS to access electronic records.

Electronic records mean records that are kept or stored in electronic form on a computer or on another electronic storage device and are either originally created in an electronic form or are converted from any non-electronic form into an electronic form.

The acceptable electronic form is a form in which:

- The integrity of the records/information meets the standards of the Electronic Communication and Transactional Act.
- The information on the records must be easily accessible by SARS, readable and correctly analysable.
- The database records must be in delimited Microsoft Excel or similar format.

**Location of records**

- Records must be stored and maintained in a physical location in South Africa.
- If the location is outside South Africa, the electronic system used must be accessible to SARS and there should be an international tax agreement for mutual assistance between South Africa and the country where the records are stored.
- The company which stores the records must be able to produce records and information in an acceptable format.

**System documentation explanation**

- A company that uses a commonly recognised software/electronic storage method would not be required to keep a system documentation explanation.
- If the software is not commonly recognised in South Africa or has been adapted, system documentation must be kept that accurately describes the system.
- A technical manual must be kept for SARS officials to reference for inspection and auditing purposes.
- In the case of an electronic record that consists of any non-electronic record that was converted to an electronic form, or any electronic record that was converted into another electronic form, a separate record must be kept. This record must be a chronological record and explanation of the order of the changes and upgrades and must include an explanation of how the new system can recreate an acceptable electronic form.

**Storage, back up and conversion**

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