

# 600,000 tax clearance certificates issued

By [Amanda Visser](#)

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Requests for tax clearance certificates from the South African Revenue Service (SARS) have increased to more than 600,000 per year.

Finance Minister Pravin Gordhan said in the medium-term budget policy statement that tax compliance was used as a determinant of "good standing" when the state had to decide whether to award a government tender or not.

Tax clearance certificates are a necessary tool used by government to determine the tax compliance of a company, yet there had been corruption in the process of issuing the certificates.

Gordhan said SARS had developed an electronic mechanism for taxpayers to provide real-time, up-to-date and continuous tax status to interested parties.

The use of a unique one-time access pin will significantly reduce the scope for fraud and abuse of paper-based tax clearance certificates, he said.

The changes will be implemented at the start of the next financial year.

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