

President receives Nugent Commission final report

14 December 2018

President Cyril Ramaphosa has received the final report of the Nugent Commission of Inquiry into Tax Administration and Governance by the South African Revenue Service (SARS).

The President is studying the report and will apply his mind to its detailed recommendations.

The final report can be viewed at www.thepresidency.gov.za and www.thepresidency.gov.za/report-type/commission-inquiry-tax-administration-and-governance-sars.

President Ramaphosa appointed the Commission on 23 May 2018 following his announcement in the 2018 State of the Nation Address that he would take steps to stabilise SARS, restore the credibility of the institution and strengthen its capacity to meet revenue targets.

The Commission was chaired by retired Justice Robert Nugent, with assistance from Prof Michael Katz, Adv Mabongi Masilo and Mr Vuyo Kahla.

The terms of reference for the Commission covered the following themes:

- The adequacy and legality of steps that SARS took to address revenue shortfalls in the last two years, including allegations of unauthorised payment of bonuses to top executives and withholding of refunds owed to ordinary tax payers.
- The performance of tax administrative duties and application of discretionary powers required or enabled by existing tax legislation.
- The adherence to tax administrative processes, and whether deviations from the established processes unfairly benefited politically-connected persons and persons connected to top managers of SARS.

- The adherence to customs and excise provisions, with particular reference to tobacco products.
- The adherence to internal personnel policies and HR practice, in light of the exit of senior personnel and alleged coercion of SARS officials to resign.
- The impact of the conduct of SARS management on the public image of SARS, upholding the basic values and principles governing public administration envisaged in section 195 of the Constitution.
- The impact of any change in the operating model of SARS on the effectiveness of SARS operations.
- The integrity of supply-chain management and tendering processes.

The submission of the Commission's final report follows the submission of an interim report to the President in October 2018.

The President has thanked Justice Nugent, Prof Katz, Adv Masilo and Mr Kahla for the diligence and commitment with which they undertook this important task.

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