

## Adviser Notice 88

**June 2023**

Dear Adviser

### Improvements to the tax directive application process

In our journey to enhance the client experience, we have reviewed and simplified the tax directive application process, and you can now request a tax directive simulation before completing a withdrawal or retirement form. This change is designed to reduce errors, minimise unnecessary back-and-forth communication with your client service team, and improve processing times.

If you want an estimate of a client's tax liability before submitting a withdrawal or retirement request, simply complete the [Tax directive simulation request](#) form and submit it to your dedicated client service team for processing.

#### **How long does it take to obtain a tax directive simulation?**

Your client service team will inform you of the outcome of the simulation within two business days of receiving the completed form.

#### **The simulation may differ from the final directive**

Although the simulations are designed to assist clients in making informed decisions, it is important to understand that results of the simulation may differ from those included in the final directive issued by SARS. In order to effectively manage client expectations, it is therefore equally important to explain this to your clients and inform them of the inclusions and exclusions highlighted in the table below. While tax directive simulations will include transactions that have been concluded, they will not account for withdrawals that are in progress or multiple simulations that are in progress at the same time.

Inclusions	Exclusions
Previous lump-sums withdrawals.	Lump-sum retirement withdrawals and withdrawals in progress where SARS has not yet issued a final directive.
Excess contribution amounts.	Other simulations in progress.
Public sector fund tax-free amounts contributed before 1 March 1998.	Outstanding taxes on the member's tax records (for which SARS will issue an IT88L).

#### **Once you are satisfied with the simulation, you may submit the withdrawal or retirement instruction**

Once you are comfortable with the directive, you may then proceed to complete the [Withdrawal form](#) or [Retirement form](#) and submit it to your client service team for processing. On receipt of the withdrawal or retirement form, we will apply for the final SARS directive using the details completed on the 'Tax directive simulation request' form. Please note that processing times for withdrawals and retirements that involve tax



directives may take up to six working days before payment is made and the final tax directive issued by SARS cannot be amended or cancelled.

**Need more information?**

If you have any queries, please contact your investment specialist or your dedicated client service team.

Kind regards

**Cindy Tshabalala**  
**Head of Client Service**