



Date: 25 June 2018

## **CARMOL DISTRIBUTORS (PTY) LTD (IN LIQUIDATION)**

### **MASTERS REF G1023/2015**

#### **SOUTH AFRICAN REVENUE SERVICE CLAIM**

##### **1. CORPORATE INCOME TAX**

The Liquidators obtained legal advice and do not agree with a number of issues raised in the assessments issued by SARS. These issues are mostly legal issues and have been objected to in the detailed objection to the corporate tax assessments which will be lodged during the course of this week. The Liquidators are bound to follow the prescribed procedures as set out in the applicable Tax Legislation in dealing with the objections and appeals, which is regrettably time consuming, but there is no manner in which to expedite the process. The creditors must also keep in mind that the Liquidators cannot, due to the procedure prescribed in the legislation, compel SARS' to expedite the process.

##### **2. PAYE TAXES**

SARS has indicated that it intends amending the assessments already issued by it for PAYE. The Liquidators have called for the amended assessments and upon receipt of same will also file a notice objecting to same.

##### **3. THE WAY FORWARD**

The total tax that SARS intends claiming is approximately R285 million, inclusive of interest and understatement penalties for the period 2012 to 2016. This amount exceeds the assets of the estate and as such only SARS as a preferent creditor will receive any dividends, if its claim remains. The process the Liquidators are engaged in will ultimately determine how much SARS can claim and the remaining balance will accrue to creditors.

Should the objections not be upheld as raised by the Liquidators, same will have to be determined by the Tax Court and ultimately the Supreme Court of Appeal or the Constitutional Court. Only once the SARS claim has been finalized will the Liquidators be able to prepare and lodge a Liquidation and Distribution account.

Creditors are reminded that payments can only be made in terms of a Liquidation and Distribution account that has lay open for inspection free from objection and thereafter been confirmed by the Master of the High Court.

M L Stewart - Joint Liquidator

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### **Bombani Liquidators & Trustees CC**

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