



THE SUPREME COURT OF APPEAL
REPUBLIC OF SOUTH AFRICA

MEDIA SUMMARY – JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

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From: The Registrar, Supreme Court of Appeal
Date: 1 December 2010
Status: Immediate

Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal

The Supreme of Court of Appeal today upheld an appeal brought by SARS against the order of the Cape Town Tax Court, which ordered the Commissioner for SARS to provide Sprigg Investment 117 CC with adequate reasons for assessments made in relation to employees tax, income tax and VAT.

The SCA found that the application Sprigg Investments brought before the tax court, although procedural in nature in terms of s 83 (13) (d) of the Income Tax Act 58 of 1962, was final in effect and, therefore, appealable and was a valid decision under s 86 A (1) of that Act.

The SCA found further that the application to be furnished with adequate reasons for tax assessments was merely antecedent to an objection to the assessments on its merits and was not a judicial review proceeding. The court held that the cogency of the reasons which Sprigg Investments contested related to the merits of those reasons and was not yet relevant, and that the question in the present proceedings was merely whether Sprigg Investments had sufficiently been furnished with the Commissioner's actual reasons for the tax assessments to enable it to formulate an objection thereto.

The SCA concluded that the reasons already furnished by the Commissioner were adequate for the purpose for which they were sought.

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