



KPMG AEOI Updates & Tracking Service FATCA/CRS Alert



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South Africa: Issued Clarification Document on General Compliance Indicator Reason Codes

On 26 November 2024, the South African Revenue Service (SARS) issued an updated version (V.5) of the clarification document to its AEOI guidance (found [here](#)). The updates are as follows:

- Appendix K, *Undocumented Reason Code Table*, was updated to include minor language updates.
- Appendix L, *General Compliance Indicator Reason Code Table*, has been updated to include the following changes:
 - Codes 001 to 004 are applicable only to pre-existing accounts.
 - New Codes 005 to 009 have been added to the table, noting the specific circumstances for their application:
 - Code 005, applicable to both pre-existing and new accounts, should be used when second-day procedures and remediation efforts are actively progressing within the legislated 90-day period.
 - Code 006, applicable to both pre-existing and new accounts, should be used when there is a change in circumstances indicating the original self-certification is incorrect or unreliable, and is in the process of obtaining a new valid self-certification within a 90-day period.
 - Code 007, applicable to pre-existing accounts, should be used if the information supporting Indicia is no longer correct because of change in circumstances and no valid self-certification is obtained within 90

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days, leading to the suspension of the account holder's portfolio.

- Code 008, applicable to new accounts, should be used when a valid self-certification is not obtained, or becomes invalid due to change in circumstances, and a new self-certification is not obtained within 90 days, resulting in the suspension of the account holder's portfolio.
- Code 009, applicable to new accounts, should be used when continued non-compliance leads to the account holder's portfolio being handed over for termination or closure.

SARS further notes that if reporting Financial Institutions (FIs) are unable to apply codes 005 to 009 on their systems starting from the 2025 reporting period, a supplementary manual report must be submitted by 31 May. This report should indicate additional measures applied to reported accounts where reason codes 001 to 004 were allocated, the number of affected records, and the steps taken to address continuous non-compliance.

Reference: [Clarification Document](#) [PDF 205KB]

For information on KPMG's global AEOI network professionals, please email [GO-FM AEOI Program Support](#).

For more information on KPMG AEOI Updates & Tracking Service, please see [here](#).

For additional summaries of the latest AEOI developments, please visit KPMG's TaxNewsFlash-FATCA/IGA/CRS Insights page, [here](#).

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