SOWETO BUSINESS DIRECTORY · BOOK 9

Register & Tax in Plain Words

Less fear. Clear steps. Paperwork you can manage.



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> **Start with the duties that fit your business. Keep the proof. Ask for help before guessing.**

Fictional characters. General South African guidance, not individual tax or legal advice. Chapter sources were checked on 4-5 November 2026. Rates, thresholds, deadlines and official processes can change. Follow current SARS and CIPC guidance for your circumstances.

Cover illustration is based on the supplied SARS Soweto entrance photograph. This is an independent Soweto Business Directory guide, not a SARS publication or endorsement.

Chapter 1: The Stamp Was Not the Business

Know which door you need before joining every queue.

Jabu had designed the company stamp before choosing the business structure. At his small clothing-repair table, he showed his cousin Palesa a logo: "Jabu Repairs, something-something Holdings." She looked at the trousers waiting for a zip. "Does Holdings know this customer is collecting at four?" Jabu wanted to look official. Fair enough. But he had mixed company registration, tax registration and permission to trade into one giant thing called "the papers".



The stamp was ready. The trousers were still waiting.

Palesa drew a map, not a shopping list of certificates. First: who owns and runs the business? Second: what must be registered and reported to SARS? Third: what permissions apply to this activity and place? These questions connect, but one answer does not settle the others. A company certificate is not a trading permit. A tax number is not proof that every return is filed or every tax bill paid.

A business does not always have to be a company

Jabu was the only owner. He could run the business as a sole proprietor, also called a sole trader, without creating a company at CIPC, the Companies and Intellectual Property Commission. That did not make the work imaginary or remove his tax and other duties. The business was not legally separate from him; its debts could become his personal problem. A trading name did not change that.

A private company would be a different structure. A company registered with CIPC is a separate legal person, with its own duties. Being a director is work, not a title for the WhatsApp profile. CIPC annual returns and SARS tax returns are different filings. Company duties can continue even when it is not trading. Choose a company for a reason, with a plan for ongoing administration.

> **Company registration, tax registration and permission to trade are different checks. One certificate does not finish all three.**

No company does not mean no SARS

"So if I stay a sole trader, SARS cannot see me?" Jabu asked. "That is a business structure, bhuti, not a hiding place." Under the ordinary income-tax route, a sole trader declares business income and allowable business expenses in their own individual tax return. Keep proper records from the start. Small does not automatically mean tax-free. Taxable profit is not the same as money coming in; the tax payable depends on the applicable rules and circumstances.

They checked what already existed before applying again. Jabu might have a personal income-tax number from earlier work. Confirm the registration and access; do not collect duplicate numbers. When a company is registered through CIPC, SARS automatically generates its company income-tax number. The representative must still arrange the right eFiling access and check the details. That does not automatically settle VAT, employee taxes or ongoing filing duties.



Three questions. Not one magic certificate.

Check the work and the place as well

The address mattered as much as the logo. The City of Johannesburg requires licences for certain businesses and permits for informal trading. Requirements depend on the work and where it happens. Jabu would ask the City what applied to his work and premises, not borrow a food seller's checklist. Where a licence or permit is required, get it before doing the activity that needs it. CIPC registration does not replace that permission.

The first useful document was a clear page about his own business. Jabu wrote: what I do, where I do it, who owns it, whether I employ anyone, what registrations I already have and what remains unconfirmed. He would start from the official CIPC, SARS and City websites, keep confirmations privately and note each next action.

They would check before choosing. For unclear ownership, risk or tax choices, Jabu would get suitable help before signing. Registration can support a real opportunity; it does not promise customers, funding or a contract. He put down the stamp design and picked up the trousers. "First delivery from Holdings," he said. "One repaired zip."

Sho't left, do this today

1. Write what you do, where, who owns it and whether you have employees.
2. List existing registrations. Check the name and owner on each record.
3. Confirm your SARS registration and access. Do not assume you need a new number.
4. Ask the City which activity and premises permissions apply. Record the answer and next step.
5. Before choosing a company, understand its ongoing duties. Keep proof and unanswered questions in one private folder.

Jabu, Palesa and this business are made up. General South African guidance, checked 4 November 2026, not individual legal or tax advice. Sources: SARS: sole proprietors; SARS: small businesses; CIPC: company duties; City: business licences; City: informal trading. Check current requirements for your own situation.

Chapter 2: The Number Was in the Drawer

Find the record. Get the right access. Keep the proof.

Jabu had three old payslips, two email addresses and no idea which one SARS knew. Palesa asked whether he had ever had an income-tax number. "I was employed before. Maybe it expired when I left?" Then he opened a drawer and found an old tax document. "There it is!" Palesa smiled. "Good. Now we check it. We do not apply for another number because the drawer was untidy."



The number was not missing. The filing system was on leave.

The old paper was a lead, not the whole answer. Jabu was checking the sole-trader route, not opening a company in this scene. His personal income-tax registration mattered. The tax reference number identifies his tax record. The eFiling profile is his online access to SARS services. Having one written on a paper does not prove he can use the other. Nor does logging in prove every tax obligation is up to date.

Recover access before starting again

They started at the official SARS website: sars.gov.za. From there Jabu followed the eFiling route. If he already had an eFiling profile, he would use the official recovery options rather than invent another identity. Forgot Username and Forgot Password are different problems. If both are forgotten, recover the username first, then follow the password-reset prompts. A new email address does not mean he needs a new tax number.

If he was not registered, he would follow the registration process. SARS can automatically issue a personal income-tax number during new eFiling registration when the person is not already registered for income tax and has a valid South African ID. That is not a promise that every application finishes immediately. Follow identity checks and any request for documents. If records do not match, use SARS help instead of changing facts to force the form through.

A tax number is not a login. A login is not a filed return. A submitted request is not always an approved request.

The phone must belong in the plan

The next hurdle was an old cellphone number. Security messages were no use if Jabu could not receive them. SARS uses security contact details for identity checks and one-time PINs; correspondence contact details have a different purpose. Check both. Use the official contact-update or recovery process, which may require identity verification. If access stays blocked, arrange help through SARS. Do not replace Jabu's details with a helper's merely to get past the screen.

Palesa helped him understand the screen, not take over his identity. Jabu entered his own password and security codes privately in the official process. No passwords or codes went into their notebook or a WhatsApp message. SARS warns that it will not request passwords, OTPs, banking PINs or eFiling login credentials by email, SMS, social media or telephone. An unexpected link promising a refund was not their route into the account.



Help with the steps. Not ownership of the password.

Save what is confirmed, track what is not

Once access was working, they checked the record itself. Name, identity details, income-tax reference and contact details had to match Jabu. They would obtain the SARS Notice of Registration as proof of the tax number and store it privately. A screenshot from an unknown helper was not enough. A request still awaiting documents stayed marked pending, with its case reference, required action and follow-up date.

A company would need its own checks. Its income-tax number is not the director's personal number. The person acting for it needs the proper representative access. Its private folder should hold registration documents, ownership records and a calendar of CIPC and SARS duties. CIPC annual returns and beneficial-ownership declarations are ongoing company duties, including when dormant. Do not add those company tasks to Jabu's sole-trader list as if he had incorporated overnight.

Getting help did not mean throwing away responsibility. If using a tax practitioner, verify their registration through SARS, agree the work and use authorised access arrangements. Keep copies of submissions and outcomes. "So this folder is my head office?" Jabu asked. Palesa pointed at the trousers. "Only if head office remembers the customer."

Sho't left, do this today

1. Find existing tax records and confirm whose record each one belongs to.
2. Use official SARS registration or recovery. Do not create duplicate records to solve an access problem.
3. Check security and correspondence contacts. Keep passwords and codes private.
4. Save confirmed proof. Track pending requests with the next action and date.
5. Keep a duty calendar for your actual structure. Verify any practitioner and keep copies of their work.

Jabu, Palesa and this business are made up. General South African guidance, checked 4 November 2026, not individual tax or legal advice. Sources: SARS: registration, profiles and proof; SARS: access recovery; SARS: scams; SARS: practitioners; CIPC: ongoing filings. Follow current official prompts for your situation.

Chapter 3: The Voice Note Was Not the Law

Know which taxes are really yours before you fear all of them.

The voice note was two minutes long and full of doom. "Every business must charge VAT now. SARS is coming for everyone. My cousin's neighbour knows." Jabu looked at his repair slips and felt the money was already gone. Palesa listened twice. "Who is speaking? A SARS page or a frightened phone?" They checked the name. It was not SARS.



A loud voice note is still not the law.

Tax was not one big pot with his name on all of it. Different taxes have different owners. Jabu's list depended on his structure, his sales and whether he employed anyone. Chapter 1 gave him the registration map. Chapter 2 gave him his number, his access and his proof folder. Now they could ask the real question: which taxes belong to a one-man clothing repair business?

Income tax is on profit, not on the till

Jabu's repair money was not all profit. As a sole trader he pays income tax in his personal capacity on taxable income, not on every rand that enters the till. Only the business costs SARS allows, like zips, fabric and machine needles, come off before profit is worked out; private spending does not. That is why the record book matters: no records, no honest profit figure.

Provisional tax is a way of paying, not a new tax

Because Jabu earns business income and not only a salary, he is a provisional taxpayer. Provisional tax is not a separate tax. It is a method of paying his income tax in advance, so the year does not end with one frightening bill. For each period he submits an IRP6 return through eFiling based on his estimated taxable income, paying only what the estimate shows is due; where tax is payable, that means at least two advance payments during the year. For a tax year starting in March, the first payment falls due by the end of August and the second by the end of February. No separate registration is needed; he adds provisional tax to his eFiling profile. The estimate must be honest, because SARS compares it with the real numbers on assessment.

> **Tax on profit is not tax on turnover. Provisional tax is a payment method, not an extra tax. VAT is for registered vendors, not every till.**

Turnover tax is the optional simple route

Palesa put one more tin on the table: turnover tax. It is a simplified system for micro businesses with a qualifying annual turnover of R2.3 million or less, a threshold raised from R1 million on 1 April 2026. For a registered micro business it replaces income tax, provisional tax, capital gains tax, dividends tax and normally VAT with one tax worked out on turnover, not profit; a micro business can still choose, or be required, to stay registered for VAT as well. For the 2026/27 tax year the first R600 000 of taxable turnover is taxed at 0%. Registration is optional, through the SARS Online Query System; a new business applies within two months of starting to trade, and some, such as professional-service providers, do not qualify. Tax is paid in two parts during the year plus a final return, and records of everything received still matter. It is one route or the other, never both: Jabu would compare the two against his real numbers before choosing.

VAT waits for a bigger till

So what about the voice note's VAT panic? Only registered vendors may charge VAT, and a small repair business does not register because a phone said so. Registration becomes compulsory when taxable supplies pass R2.3 million in any 12-month period, a threshold raised from R1 million on 1 April 2026, or when signed contracts show they will; the application is then due within 21 business days. Once taxable supplies pass R120 000 over 12 months, a business may register voluntarily. Until he is registered, Jabu does not add VAT to his repair prices.

Hiring would bring a different knock. The day Jabu employs someone, employer duties start one by one, not all at once. He registers for employees' tax (PAYE) within 21 business days once any employee earns enough to owe tax. UIF stands on its own: most workers and their employers each contribute, even a low-paid worker whose employer never registers for PAYE; that employer registers with the Department of Employment and Labour's UI Commissioner instead. SDL applies only once the year's payroll is expected to pass R500 000. The registrations that apply bring monthly declarations, twice-yearly reconciliations and employee tax numbers. Those tins stay closed until he actually hires. "So I only owe the taxes that fit my business?" Palesa nodded. "Knowing which ones fit is half the admin."



Check which tins are yours before paying for the whole shelf.

Check once a year, not once a scare. Budgets change thresholds; the 2026 Budget raised both of these, which is how an old pamphlet becomes confidently wrong. Jabu's folder notes which taxes apply and which official page confirmed each, re-checked after each Budget, not the family WhatsApp group.

Sho't left, do this today

1. Write down your structure, your yearly sales and whether you employ anyone. That is your tax map.
2. Sole traders: plan for income tax on profit, paid in advance through provisional tax (IRP6 on eFiling).
3. Turnover of R2.3 million or less? The optional turnover tax route replaces income tax and provisional tax; choose one route before the tax year starts.
4. Only registered vendors add VAT to prices. Registration becomes compulsory above R2.3 million of taxable supplies in any 12 months.
5. Hiring soon? Employer duties come one by one: PAYE when an employee owes tax, UIF for most workers even without PAYE, and SDL only above a R500 000 payroll.

Jabu, Palesa and this business are made up. General South African guidance, checked 4 November 2026, not individual tax or legal advice. Thresholds apply from 1 April 2026. Sources: SARS: provisional tax; turnover tax; VAT; VAT registration; PAYE; SDL; UIF; Budget 2026 FAQ.

Chapter 4: The SMS Was Not a Fine

Filing season is a task with a date, not a disaster.

The phone buzzed and Jabu nearly dropped his iron. "SARS: your auto-assessment is ready." He held the phone like it owed him money. "Is this a fine? Is this that voice note coming true?" Palesa read it twice. "It is not a fine. It is SARS's version of your tax year. Sit down. First we check your auto-assessment status on the official SARS query page; SARS even answers status checks on WhatsApp. Not everyone is selected, and some provisional taxpayers are. Either way: we check before anything stands."



An SMS from SARS is a task, not a fine.

SARS had filled in what it already knew. An auto-assessment is built from information SARS receives from employers, banks, medical schemes, retirement funds and insurers. But nobody sends SARS Jabu's repair slips. His business income and his allowable costs were his to declare, so SARS's version could not be the whole story. And there is no accept button that protects him: if he does nothing, those numbers simply stand as his year.

Review it, then let it stand or correct it

The rule is simple: check every line first. If the auto-assessment is complete and correct, there is nothing more to do, not even a return. If it is wrong or missing something, like a whole repair business, Jabu files his ITR12 return on eFiling or the MobiApp, adding the missing information to what SARS pre-filled, and he does it before his deadline, because the assessment stands until he corrects it. If a bank or employer's data is wrong, he asks that institution to correct it with SARS, then checks again. Either way he keeps the supporting documents, because SARS may ask. The outcome is one of three: a refund, an amount due, or a zero assessment.

Dates depend on your taxpayer type

Filing season has a rhythm, announced every year. For the 2026 season, auto-assessment notices went out from 1 to 12 July 2026. Non-provisional individuals who were not auto-assessed filed from 13 July to 23 October 2026. Provisional taxpayers like Jabu have longer, until 22 January 2027 for that season, and a wrong auto-assessment is corrected within the same window. When a deadline falls on a weekend or public holiday, the last business day before it counts. Next year's dates will come from SARS's own pages, not from the taxi rank.

> **An auto-assessment is a real assessment that stands unless you correct it in time. Your deadline depends on your taxpayer type. Keep proof of what you submit and what you pay.**

Pay what is due, the official way

The assessment outcome arrives as a Notice of Assessment, the ITA34. If Jabu owes, he pays through eFiling, which sends a request he authorises at his own bank, through the MobiApp, or by EFT to the pre-loaded SARS beneficiary with exactly the right payment reference so the money lands on his account. A wrong reference can stop the payment from being allocated. Late returns attract admin penalties that grow for each month outstanding, and late payments attract interest, which is why the calendar matters more than the panic. If he cannot pay in full, he talks to SARS about payment arrangements instead of hiding.

Palesa gave the folder a calendar page. On it: the July notice, his filing window, and the August and February provisional circles from Chapter 3. "So tax has a timetable, not a temper," Jabu said, ironing the last seam. "And the SMS?" Palesa smiled. "The SMS is just the timetable knocking."



Circle the dates before they circle you.

Sho't left, do this today

1. When the SMS or email arrives, review every line on eFiling or the MobiApp; doing nothing makes it final.
2. Wrong or incomplete? File your ITR12 with the missing information, and keep the supporting documents.
3. Write down the deadline for your taxpayer type; SARS announces filing-season dates every year.
4. Pay through eFiling, the MobiApp or EFT with the exact SARS reference, and keep proof of submission and payment.
5. Cannot pay in full? Arrange it with SARS before the date passes, not after.

Jabu, Palesa and this business are made up. General South African guidance, checked 4 November 2026, not individual tax or legal advice. Dates shown are the 2026 filing season; SARS announces new dates each year. Sources: SARS: auto-assessment; filing season 2026; how auto-assessment works; make a payment; how do I pay.

Chapter 5: The Shoebox Was Not the System

A small habit now beats a big panic later.

Jabu arrived with a shoebox and the face of a man bringing bad news. Inside were zip packets, repair slips, a bank printout and one lonely sweet. "Everything is here," he said. Palesa lifted the sweet. "Including lunch from last winter. But where is the receipt for the machine repair?" Jabu pointed confidently at the box. "Somewhere in head office."



Everything is here. Finding it is another service.

The box was not the enemy. The guessing was. A phone and an exercise book could do the job. Jabu needed records he could find, understand and match to what really happened. Not a fancy system he would abandon after three days.

Give every amount a home

They made one simple money record. Date, description, money in, money out, payment method and a reference to the proof. Cash repairs counted too. A customer deposit was marked as a deposit, not quietly counted again when the balance arrived. Money Jabu put into the business, or took for himself, was labelled separately so it would not masquerade as a customer sale or a deductible expense.

Proof explained the entry. A supplier invoice showed what he bought; a payment record showed what he paid. Neither should have to tell the whole story alone. He kept the original papers, grouped by month, and saved electronic originals in named folders. Phone photos helped him find paper records, but taking a photo was not permission to throw the originals away.

Close each month before opening a mystery

Jabu chose the last Friday of each month for a check. This was his own habit, not a new SARS deadline. He compared the book with cash, bank entries and payment-service records, looking for missing sales, duplicate entries, fees and business costs without proof. A transfer between his own accounts was not another sale. If something did not match, he wrote the question down and fixed it with evidence, not a convenient guess.

> **Record it. Match it. Keep the proof. Tax season should use your records, not invent them.**

Keep records beyond the next return

Filing did not turn the old papers into rubbish. For an ordinary submitted ITR12, SARS says to retain the supporting material for five years after submission, not five years after the purchase. Longer retention can be needed for outstanding returns, audits, investigations or disputes. Do not destroy relevant records while such matters remain open; check the rules for your situation before clearing an old file. Keep records orderly, safe and available if SARS requests them.

They added a one-page duty list. Each line had the duty, whose record it concerned, the tax period, the confirmed due date, the next action and a place for completion proof. Annual income-tax work and the provisional steps from the ordinary route stayed distinct. If he later chose turnover tax, he would update the list to that route, not keep both by mistake. VAT, employer or company duties would be added only when they actually applied.



Head office has moved. The thread can keep the box.

Help should leave a trail

A helper saying "sorted" was not completion proof. If Jabu used a tax practitioner, he would check registration with SARS and a recognised controlling body, agree the work and ask for copies of submissions and outcomes. He still remained responsible for his tax affairs. He also checked his own official messages for requests needing an answer. Palesa closed the folder. "Now the system works when I am not sitting here." Jabu nodded. "And the sweet?" "That case is closed."

Sho't left, do this today

1. Start one money record and give each entry a reference to its proof.
2. Choose a monthly check. Match cash and bank records, and investigate differences.
3. Keep originals safe. Do not use a five-year date as automatic permission to destroy records.
4. List your actual duties, periods, due dates, next actions and completion proof.
5. Verify any practitioner. Keep copies and check official messages yourself.

Jabu, Palesa and this business are made up. General South African guidance, checked 5 November 2026, not individual tax or legal advice. The monthly routine is a suggested working habit. Sources: SARS: record keeping; ITR12 supporting records; practitioner checks and correspondence; 2026 filing leaflet: your responsibility.