
AFFIDAVIT

I, the undersigned,

THINUS MARX

do hereby make oath and say:

1. I am a Principal Specialist at SARS.
2. The contents of this affidavit are within my personal knowledge, unless the context indicates otherwise, and are to the best of my belief true.

POSITION AT SARS

3. I started working at Inland Revenue that is currently known as SARS, in 1974. Between July 2010 and March 2016 I was the Group Executive: Compliance.

My responsibilities included:

- 3.1. End to end management of the Compliance division processes, functionalities and performance
- 3.2. Operationalisation of modernisation improvements and legislative changes

CONSULTATION WITH BAIN

4. The "SARS Operating Model review – Appendix to Bain submission to SARS Commission of Inquiry" document provided to me by the Commission states that I formed part of BAIN's primary research and that I was interviewed.
5. On the face of it, the statement seems to suggest that I was meaningfully consulted and engaged. I wish to state that I was not meaningfully consulted nor engaged in the process of developing the New Operating Model. I explain below the process of consultation that took place.

My involvement in the SARS Support Team

6. On 23 January 2015, I was invited to a meeting where I, together with other SARS colleagues, was informed that I would be part of the Support Team within the SARS Project Team. I was the "Business Contributor for Back Office Processes".
7. This was confirmed later on the same day in a SARS Newsflash issued by the Commissioner. I attach the Newsflash as Annexure TM1.
8. The meeting on 23 January 2015 was the only one that I attended with the whole Operating Model Project Team.
9. I understand that later on individual project contributor meetings were scheduled to discuss specific issues arising from the documents submitted by the Business Contributors.

10. On the 26 January 2015, I was requested via email to submit a document on the area that was allocated to me in a prescribed format. I submitted this document titled "Compliance – Review of SARS Mandate, its Current Strategy and Operating Model 2014/15" on 30 January 2015. I attach the document as Annexure TM2. The document included:
 - 10.1. An overview of the Compliance division in terms of its mandate and functions
 - 10.2. The current structure of the division
 - 10.3. A current distributions of the functions amongst the regions and
 - 10.4. Recommendations.
11. I considered this document to be the initial step in reviewing SARS' current state.
12. I attended a meeting on the 2 February 2015 with three consultants from BAIN who according to the mail were Neville Eisenberg, Alexis Bour and Moyo Lungile as well as the SARS project manager Mr Ronald Makomva. I attach the meeting invite document as Annexure TM3.
13. I was accompanied to this meeting by two colleagues who formed part of my executive team at the time I was heading up the Compliance division i.e. Fareed Khan and Omar Ganie.
14. The SARS project manager and the Senior BAIN consultant excused themselves during the early stages of the meeting and it was left to the other

two BAIN consultants to carry on with the discussions. We presented the Compliance Review document to the two remaining BAIN consultants.

15. This was the only meeting I personally attended regarding the design of the compliance function within the new operating model.

Other requests for information

16. I am aware that BAIN requested the following information:

- 16.1. Information regarding employee numbers, positions and grades from Fareed Khan that was provided on 24 June 2015. I attach the mail from Fareed Khan informing me of the data that he had to provide as annexure TM 4

- 16.2. On 29 July 2015 I was requested to validate the information in a document dealing with Compliance Operations Audit sent to me by the SARS "Enterprise Business Enablement" division. This was done on 29 July 2015 during a meeting with Omar Ganie. I attached the mail from Business Enterprise as annexure TM 5

17. I was also informed by Fareed Khan that he attended a meeting with the consultants from BAIN and the SARS project manager. At this meeting, they disclosed to him the new operating model for Compliance. This meeting took place without my knowledge.

Consultation on trusts, penalties and interest

18. On 11 August 2015 I was informed via an e mail that Bain would like to meet to discuss Trusts. The meeting was recommended by the Sars Enterprise Business Enablement and took place on 14 August 2015
19. I did not attend the meeting but was informed by those who did that it was mainly to provide Bain with an understanding of Trusts in general as well as the challenges that existed at that point in time. Additional data was requested by Bain on the 17, 18 and 20 August 2015.
20. On 14 September 2015 another request for data was received from BAIN. The request was made after the announcement of the Operating model i.e. 18 August 2015. The senior manager in charge of the Compliance Effectiveness area dealt with this request.
21. I was not involved in the interactions/meetings as mentioned in par 18, 19 and 20 but it happened with my knowledge and recommendation.

Consultation in respect of Excise

22. During the initial stage of the project, I was also requested to provide a resource from my Excise area which I did.
23. I was concerned that this important business area was not receiving sufficient attention and initiated a meeting with the BAIN consultants and Anand Khelawon who headed up Excise.



24. The meeting took place on 24 July 2015 from 3:00 to 4:00 in the afternoon. As the discussion progressed, it became clear that BAIN would require a better understanding of the history, current status and the improvements that have been achieved by the modernisation programme and the areas that still need to be modernised. I attached the meeting request as annexure TM 6
25. A few days after the meeting, on 28 July 2015, a request for specific information was received from BAIN. The request covered the following:
- 25.1. History of excise (e.g. overview of transition to customs and then branches)
 - 25.2. Overview of service/transactions volumes today and how they have move online
 - 25.3. Summary of the physical branch infrastructure

This information was provided to BAIN save for the information on volumes that was not available. I attach the request for information as annexure TM 7 and that presentation as annexure TM 8.

ANNOUNCEMENT AND PRESENTATION OF THE NEW OPERATING MODEL

26. I was informed of the New Operating Model for the first time at the SARS National Executive Forum held on 18 August 2015.
27. During this session there was no mention made of how my limited inputs were considered or discounted in the final version of the New Operating Model as a

matter of fact the announcement was in the format of a presentation and no discussions afterwards.

28. As the then Group Executive: Compliance, I was required to present the new operating model to my management team two days after it was announced at a SARS National Executive Forum held on 18 August 2015.

29. Each Group Executive received a pack of documents at the National Forum that were to be used for the 90 minute sessions with their management teams scheduled for 19 and 20 August 2015. The pack consisted of two sets of documents i.e.

29.1. "Speaker notes for Group Executive briefing sessions 19 and 20 August 2015

29.2. "Group Executive Briefing Document" (Powerpoint Presentation).

30. On 19 and 20 August 2015 each GE presented the new operating model to their managers.

31. I briefed my managers on the 20 August 2018 from 13h00 till 14h30. During this session I had to present the new operating model to them notwithstanding the fact that I was not meaningfully involved in the design and had no time to study and understand it as I only got to view it for the first time on 18 August 2015.

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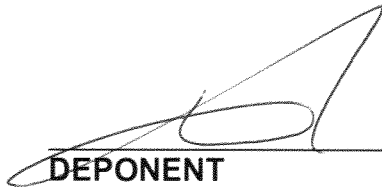
END TO END OWNER OF EXCISE REVENUE INITIATIVES

32. Regular Revenue Meetings are held and attended by the Group Executives and other related people.
33. At a Group Executive Revenue Meeting held on the 5 October 2015 I saw a presentation that explained that the BAIN/SARS diagnostic had stated that over 3 -5 years SARS could obtain certain levels of revenue.
34. I was appointed the "end to end" owner of a number of Excise revenue initiatives that, based on a SARS/BAIN diagnostic, could have resulted in additional revenue over a 3 to 5 year period.
35. Part of my deliverables was to determine which actions could be implemented from a quick win perspective and to assign a value (R value) in terms of additional revenue that could be collected by the end of the financial year. I attach the email as TM9.
36. I did not understand how these numbers and figures were calculated. In my effort to try to get a better understanding of the numbers presented, I approached various individuals at BAIN, the SARS Project Team, and SARS revenue team to provide me with the underlying and working documents for these figures. I was referred back and forth for some time. Eventually I threatened to escalate the matter to higher authorities.
37. A meeting was arranged with BAIN, the revenue team and the project team that took place on 29 October 2015. The outcome of the discussion was not really helpful. The feedback as far as I can recall was that it was a high-level

diagnostics which required further analyses which the operational areas had to do.

38. It was however clear that no additional revenue was to be collected on quick wins

39. At that stage I left Compliance that also ended my involvement in this process.



DEPONENT

The Deponent has acknowledged that he/she knows and understands the contents of this affidavit, which was signed and sworn to or solemnly affirmed before me at PRETORIA on this the 17th day of AUGUST 2018, the regulations contained in Government Notice No. R1258 of 21 July 1972, as amended, and Government Notice No. R1648 of 19 August 1977, as amended, having been complied with.

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