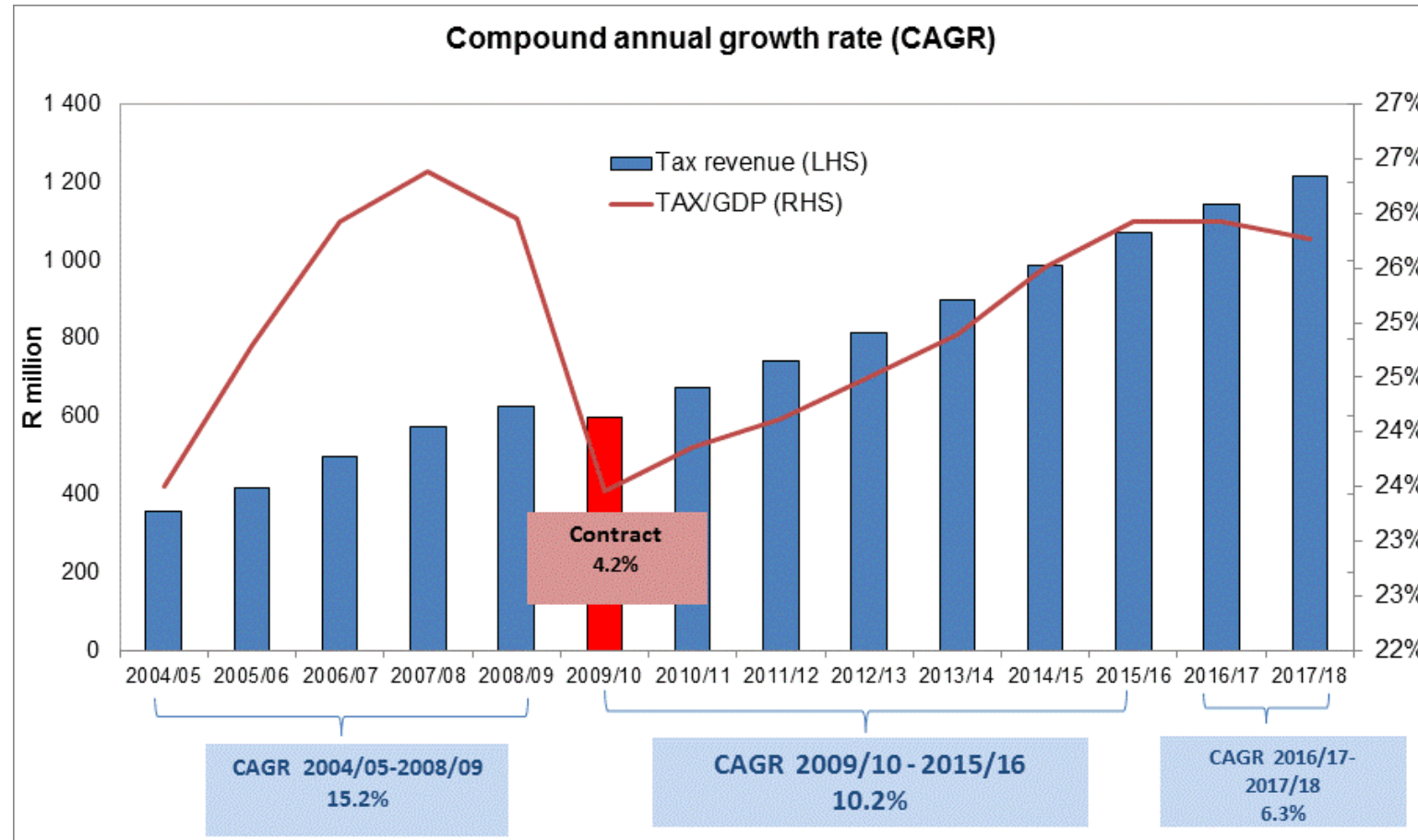


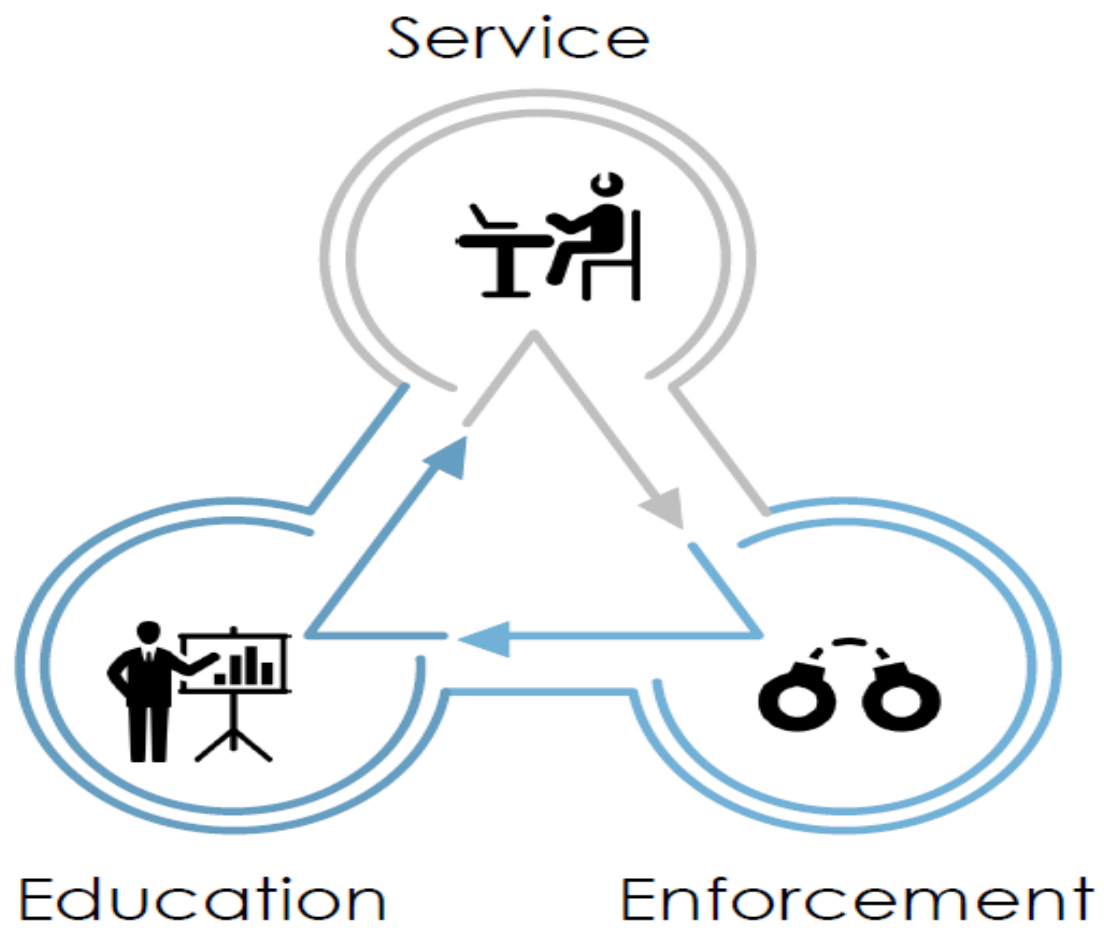
A review of the Bain  
recommendations;

The new SARS Operating Model  
implemented 2016

Revenue growth post democracy exceeding the economy, offering South Africa fiscal space to reduce sovereign debt and provide relief to taxpayers.

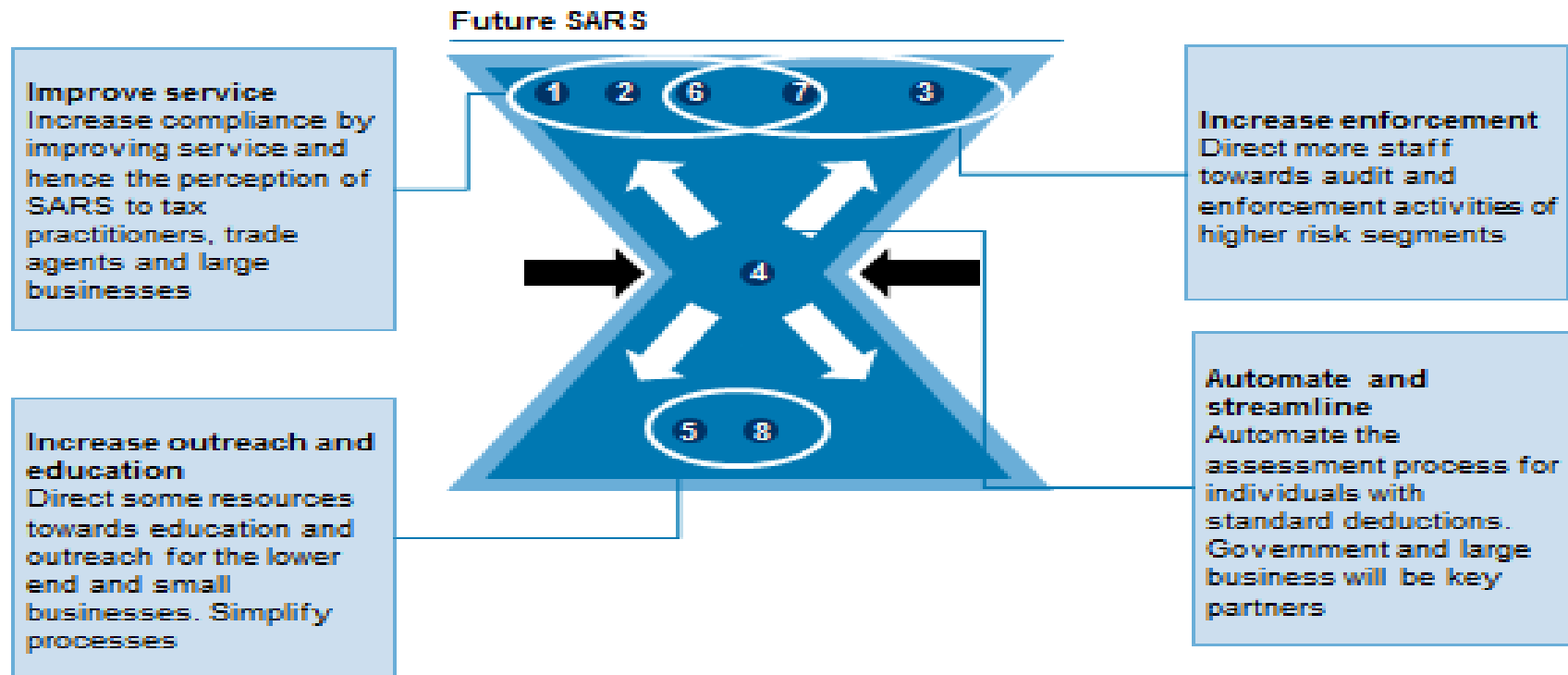


SARS BALANCES THREE LEVERS  
TO EXECUTE ITS MANDATE



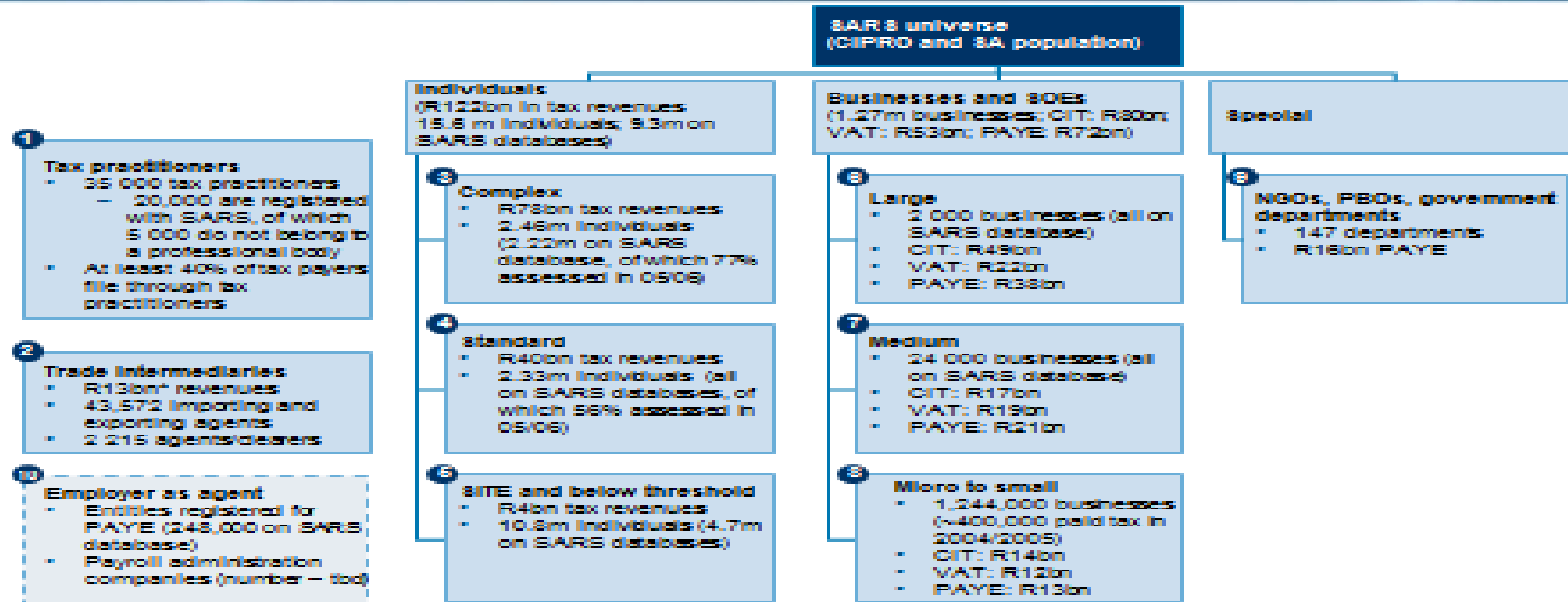
The 2008 I-SARS model standardised and automated routine and labour intensive processes liberating staff to attend to specialized functions.

THROUGH THE TAILORED APPROACHES, SARS CAN DELIVER ON THE ASPIRATIONS ARTICULATED IN THE STRATEGIC PLAN 07/08



# The 2008 I-SARS model further identified the specialized segments on which the operating model would be premised on.

## THE SEGMENT PORTFOLIO PROVIDES A FRAMEWORK TO TAILOR OUR APPROACH AND DELIVER A DIFFERENTIATED OPERATING MODEL

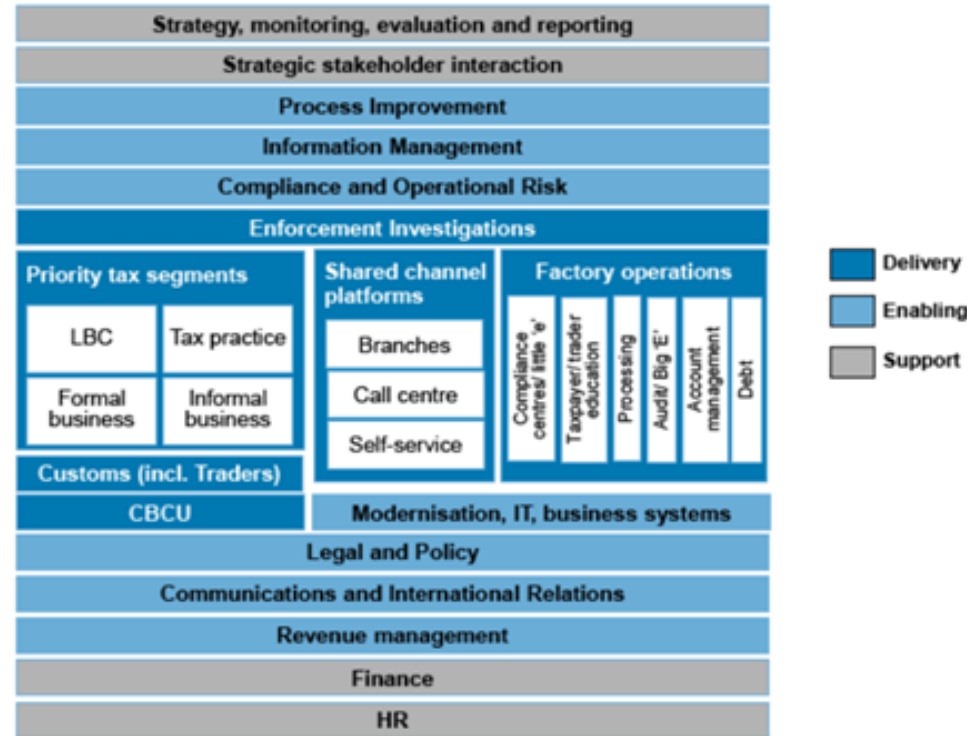


\* Total customs revenues (i.e., not all through agents)

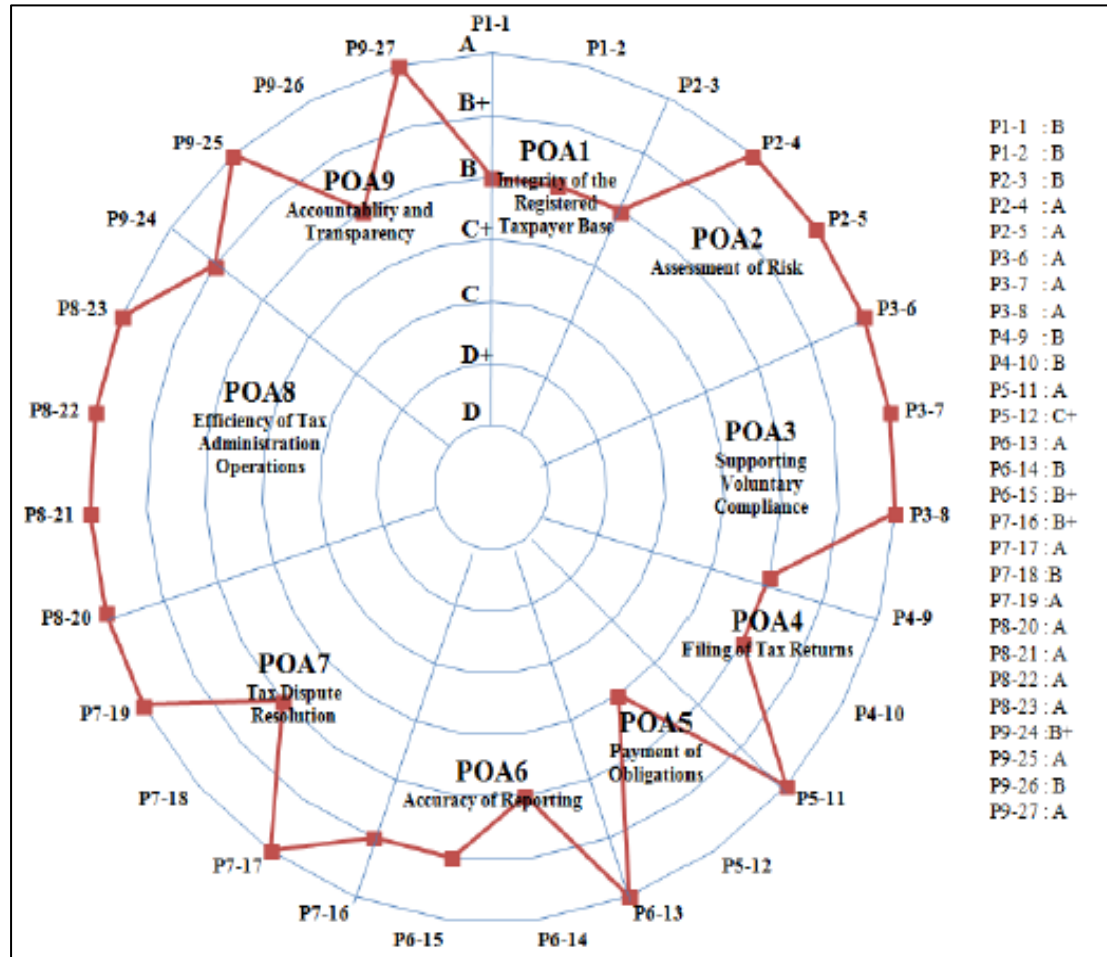
Source: OS/OS IRP and assessment data for individuals; OS/OS assessment data for businesses; tax practitioner survey; team analysis

# SARS conceptual Operating model 2007 and implemented 2010

## CONCEPTUAL DESCRIPTION OF SARS OPERATING MODEL



# TADAT 2014 Assessment of SARS South Africa: Scores shows on 15 of 27 indicators SARS scored “comparable to good international practice”



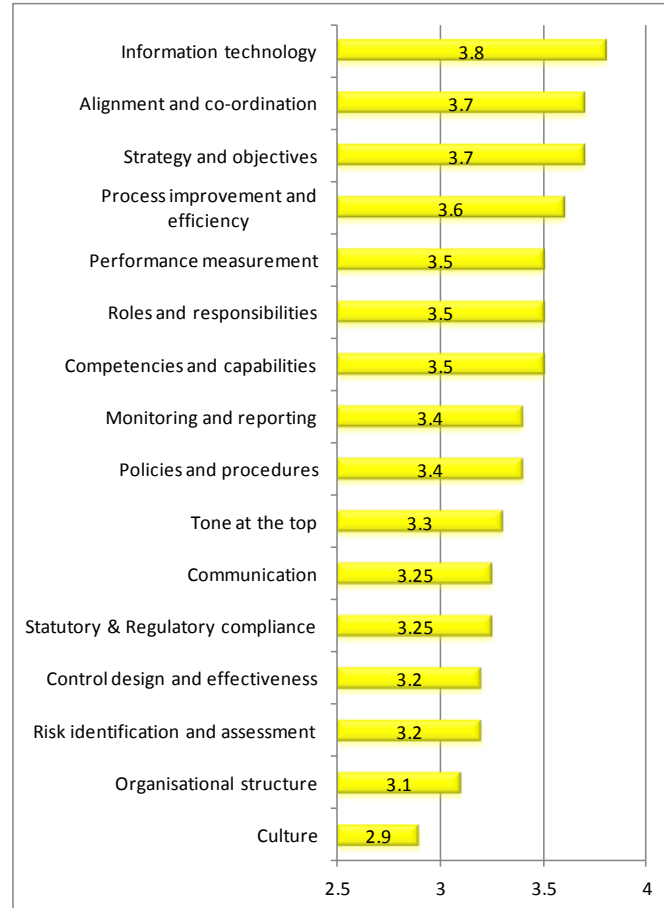
‘A’ denotes strong performance (i.e. performance comparable to good international practice)

‘B’ represents sound performance (i.e. healthy level of performance but a rung below international good practice)

‘C’ means minimum requirements are met

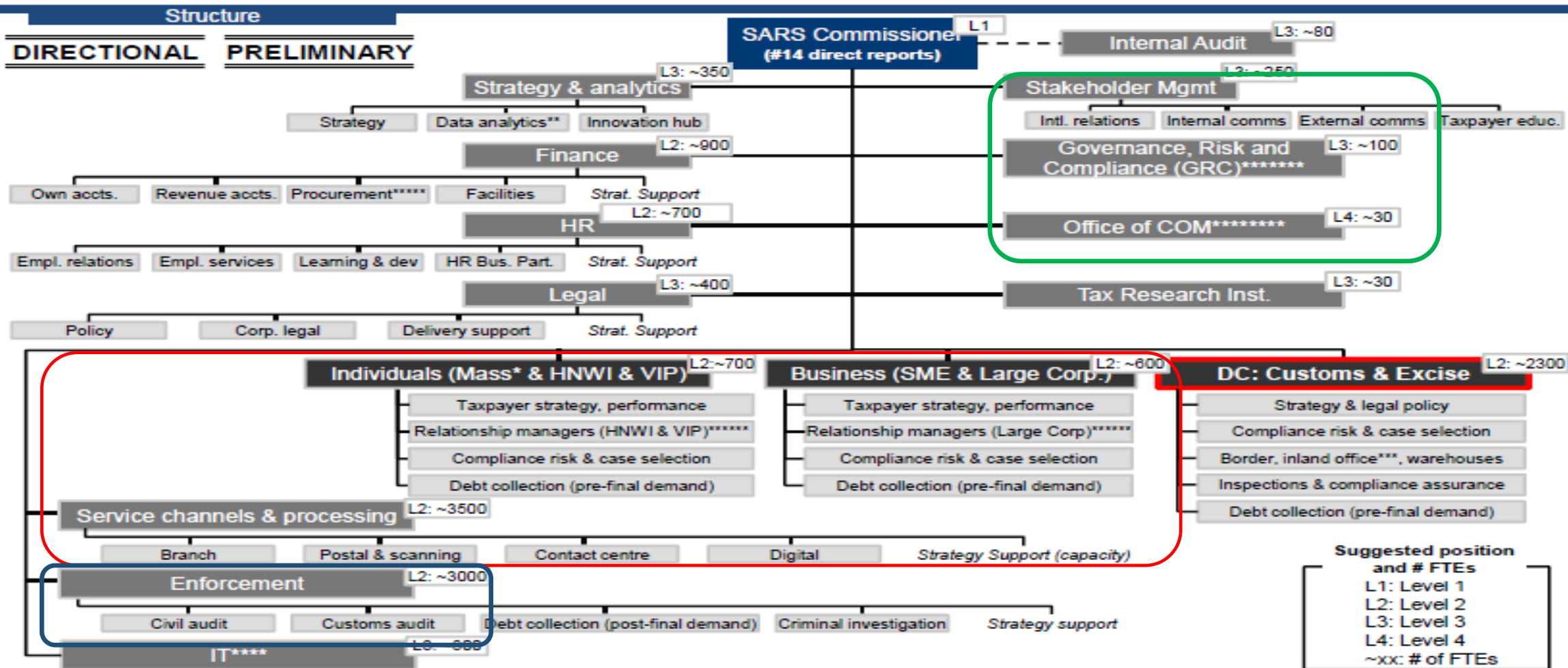
‘D’ denotes inadequate performance (i.e. minimum performance standards are not met).

# SARS Governance and Risk Audit Review (2012): Ernest and Young



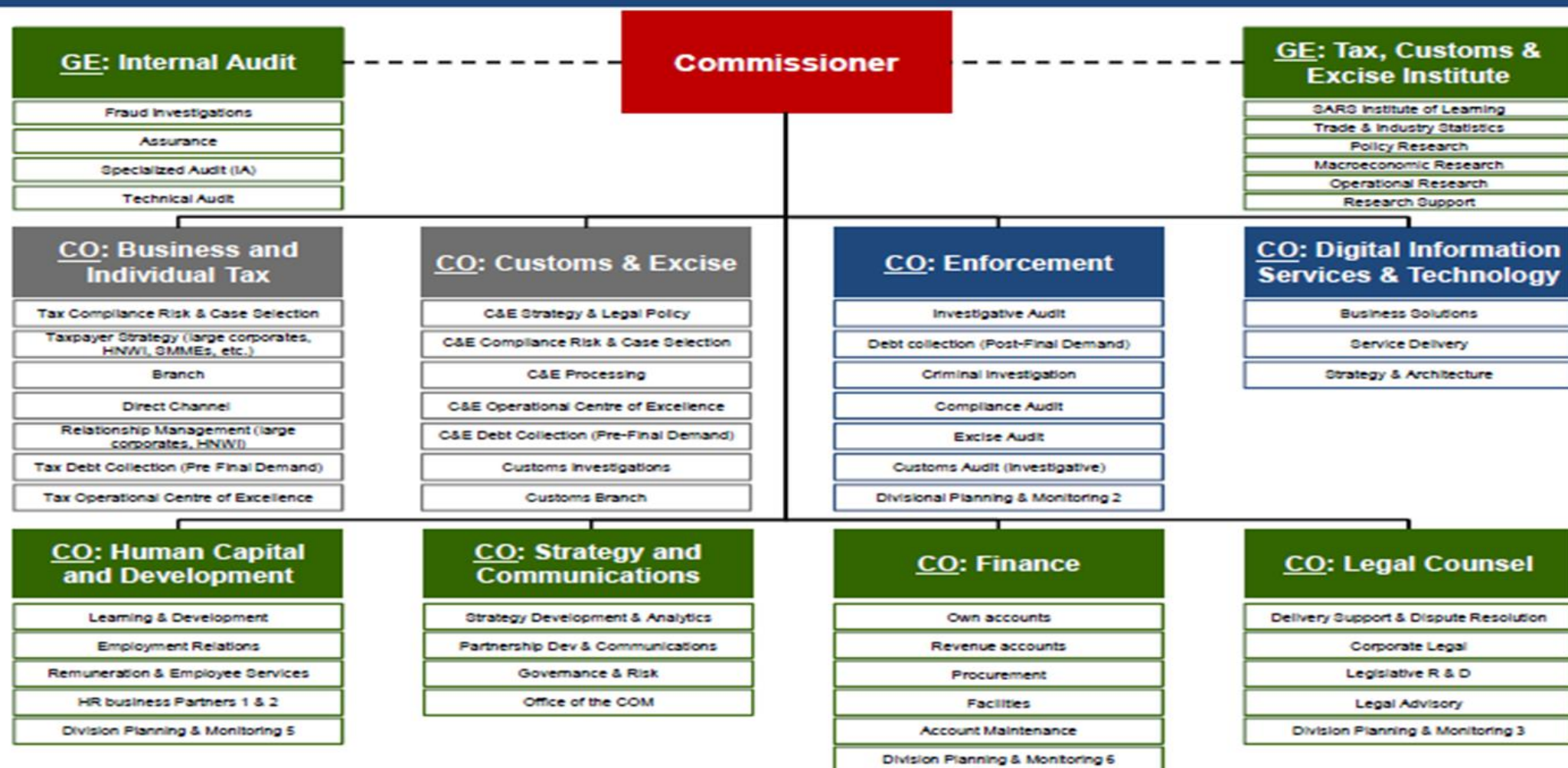


# Operating Model options considered: example 2



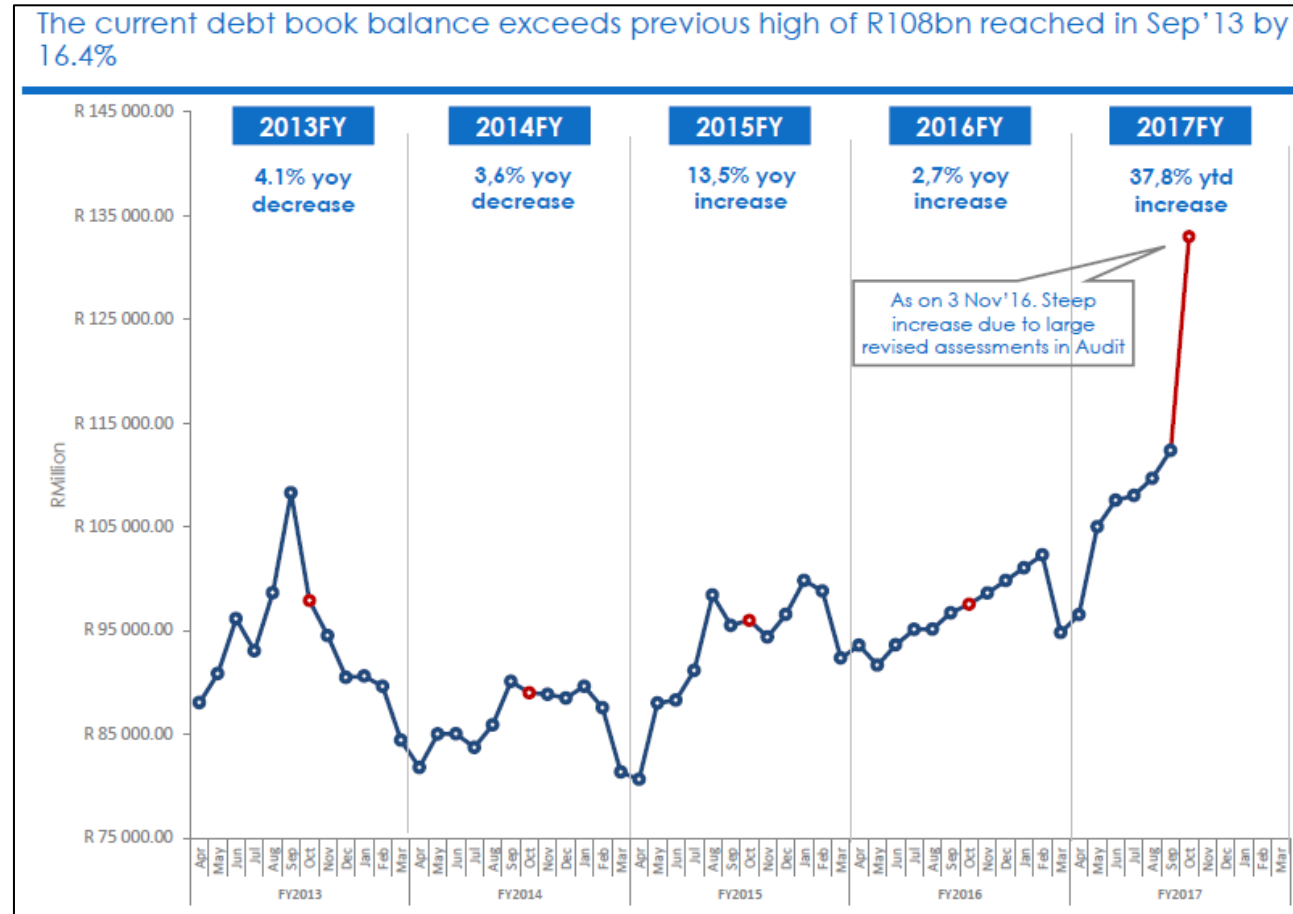
\*Including estates \*\*Including risk engine \*\*\*Including other customs channels \*\*\*\*To be defined by Gartner team; \*\*\*\*\*Includes other supply chain \*\*\*\*\*Includes organisational complaints management responsibility; \*\*\*\*\*Includes Fraud Investigations \*\*\*\*\*Only included VIP security, regular office security under facilities  
 Note: Estimation on sizing based on mapping of previous organisation to new suggested organisation, no reductions or additions have been made

# Final Operating Model: Overview of new organisation structure

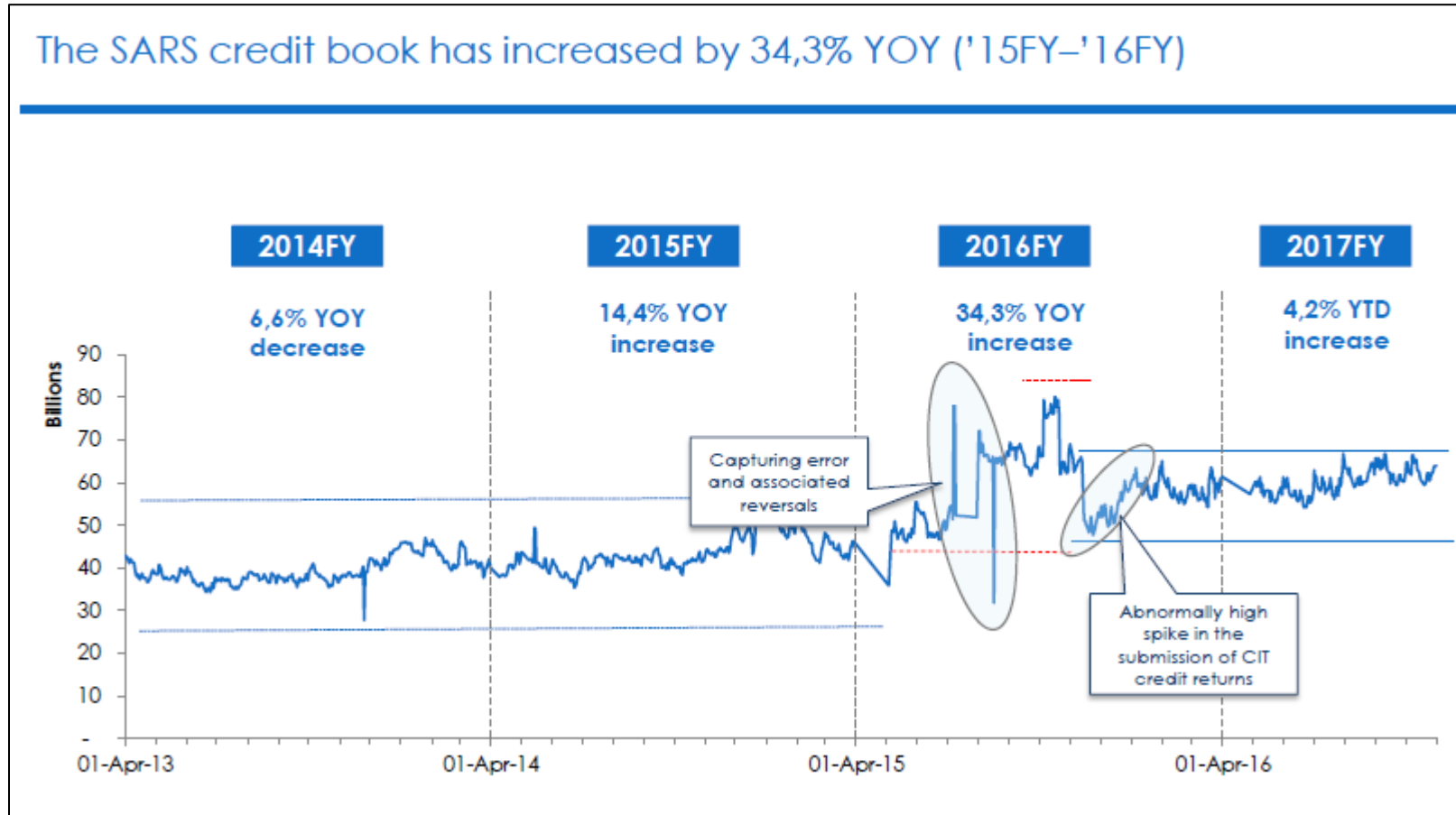


Business unit functions
  Enabling functions
  Corporate support functions

In 2016 SARS saw a dramatic slippage with debt rising from R85 billion in April 2015 to R135 billion in 2017.



The credit book, is on an upward trajectory, moving from about R40 billion in April 2013 to R55 billion at the end of 2016, spiking to over R70 billion in April 2015.



The credit book, comprising monies due to taxpayers.

In Summary .....