



BUSINESS REPORT BUDGET

# SARS clamps down on the illicit rhino indust



*SARS is focussing on tax audit investigations aimed at suspect non-compliant taxpayers benefitting directly or indirectly from tax evasion and illicit financial flows stemming from wildlife crime. Photographer: Armand Hough*

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**In line with its strategy objective of making hard and costly for those who engages in non-compliant activities, several specialised divisions within the South African Revenue Services (SARS) are focussing on tax audit investigations aimed at suspect non-compliant taxpayers, actors and facilitators benefitting directly or indirectly from tax evasion and illicit financial flows stemming from wildlife crime.**

Subsequent to a multi-disciplinary law enforcement operation consisting of the Directorate for Priority Crime Investigation (Hawks) Wildlife Trafficking Section, the SAPS Special Task and Force Unit, Counter Intelligence, Asset Forfeiture Unit, SANParks, the Department of Environmental Affairs, National Prosecuting Authority and SARS Specialised Debt and Customs Dog Detector conducted a search and seizure were conducted at 11 different private and business properties operated by individuals who are engaged in tax evasion and wildlife trafficking

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Several arrests were made including active SAPS members plus a seizure of assets and cash used in these criminal operations. The Directorate for Priority Crime Investigation further identified a number of trucks and vehicles suspected to be stolen.

Resulting tax investigations have resulted in notable successes including legal recovery, civil proceedings and criminal charges against a criminal syndicate involved in wildlife trafficking including rhino poaching.

The legal actions mounted by SARS against members of the criminal syndicate include, sequestration and forfeiture of the proceeds of crime.

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In order to strengthen cross border enforcement actions SARS continues to engage in enhanced co-operation with international tax and customs agencies abroad and collaboration with INTERPOL, the World Customs Organization (WCO), the OCED Task

Force on Tax Crimes (TFTC) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Tax evasion is an integral offence to money-laundering. In this regard SARS will continue to enhance its engagements with the Financial Intelligence Centre (FIC), DPCI, the Department Forestry, Fisheries & Environment and engagement with the South African Anti-Money-Laundering Integrated Task Force (SAMLIT), which is a private-public partnership aimed at combating financial crimes and illicit financial flows linked to criminal activity.

SARS Commissioner Mr Edward Kieswetter said that “ Wildlife crime and illicit trade by transnational organized crime groups threatens not only our iconic species, like the rhino and pangolin but have a direct negative impact on the South African tourism industry which contributes more than ZAR 268 billion (4.3%) of GDP annually and employs more than 1.1 million people. Environmental crimes and the illegal trade in natural resources are closely associated to financial crimes like tax evasion, tax fraud, money laundering, illicit financial flow, corruption, drug trafficking, and human trafficking.

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“The illicit hunting of rhino and trading in rhino horns constitutes a national as well as an international crime. In the 10 years since, 9,885 rhinos have been killed across Africa, according to the 22 August 2022 report by the International Union for Conservation of Nature (IUCN) there were 22,137 rhinos, black and white, left in Africa at the end of 2021. SARS will do all within the provisions of the law it administers to confront these criminal gangs, he concluded”

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