

TAXPRACTICE

WEEKLY HIGHLIGHTS

WEEK OF 24 – 30 April 2025
(Issue 16 -2025)

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TOP STORIES

2025 National Budget to be re-tabled on 21 May 2025

The National Treasury has confirmed that the 2025 Budget Review will be re-tabled on Wednesday, 21 May 2025. The revised Budget will include the Fiscal Framework, Appropriation Bill, Division of Revenue Bill, and already tabled tax legislation.

This follows the reversal of the proposed VAT hike, keeping the rate at 15%, and signals a renewed focus on fiscal responsibility and transparency.

The re-tabling of the National Budget is not to be viewed as a delay or a setback, but a necessary pause to ensure that South Africa's fiscal decisions are sound, inclusive, and aligned with the needs of all taxpayers.

The National Treasury has already begun work on a new fiscal framework aimed at stabilising debt and strengthening public finances. This involves updating economic assumptions, revising fiscal and revenue projections, determining borrowing strategies, and consolidating these into a sustainable plan.

The National Treasury has committed to providing regular updates and maintaining transparent communication as the process unfolds. Read the official media statement [here](#).

High Court officially suspends VAT increase

The Western Cape High Court has officially suspended the implementation of the proposed 0.5 percentage point VAT increase, in line with the Minister of Finance's recent announcement to withdraw the hike. The suspension applies to both the increase initially set for 1 May 2025 and the second phase scheduled for 1 April 2026.

The court ruled that the VAT rate changes may not proceed unless Parliament passes the necessary enabling legislation or a final determination is made on the constitutionality of section 7(4) of the VAT Act. The judgment also set aside the resolutions adopted by the National Assembly and the National Council of Provinces in support of the 2025 Fiscal Framework report from the Standing Committee on Finance. Costs were awarded, and the ruling leaves the door open for a formal application to have section 7(4) declared constitutionally invalid.

The Minister welcomed the court's decision, noting that it supports his announcement of 24 April 2025 to reverse the VAT increase. Read the full media statement [here](#).

SARS outlines the practical implications of VAT Increase Reversal

The decision to reverse the planned 0.5% VAT increase, which was set to take effect on 1 May 2025, has been confirmed by the Minister of Finance — and in a formal response, the SARS Commissioner has indicated that the revenue service will now implement the necessary administrative adjustments to accommodate the shift and to align with this reversal.

In a statement released on 24 April 2025, alongside the tabling of the Rates and Monetary Amounts and Amendment of Revenue Laws Bill, the Minister of Finance signalled a course correction, citing economic considerations and the feedback received during the public comment phase.

Commissioner Kieswetter noted that the reversal, while offering relief to consumers, presents practical challenges for businesses, many of whom had already restructured their systems and processes in anticipation of the rate hike. Read more [below](#) for further details.

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Approximately 500 – 1500 words

PART A: COMPLIANCE & SARS OPERATIONS

SAIT-SARS 'ON-THE-GROUND' ENGAGEMENT

Practical implications of the VAT increase reversal

SARS has welcomed the decision of the High Court and the agreement of the parties to suspend the 0.5 percentage point increase in the VAT rate, which was originally announced to come into effect on 1 May 2025.

The Commissioner stated that the court order provides clarity to SARS to effectively and efficiently administer the VAT Act and that it also has practical implications for consumers and VAT vendors charged with managing VAT.

The Commissioner issued a statement in which he indicated that the following measures would apply to all VAT vendors with effect from 1 May 2025:

- VAT vendors who have not implemented the rate change should stop all developments in this regard.
- Vendors are required to charge VAT at 15%, not 15.5%, on applicable goods and services, in line with the VAT Act. A limited period will be allowed for vendors to adjust their systems and ensure accurate VAT reporting and payment.
- Should a vendor not be able to revert to the 15% rate, due to complex system changes that may be needed, such supplies and purchases must be reported and accounted for at the 15.5% rate until such time that you are able to make the necessary system adjustments which should be completed by no later than 15 May 2025.
- VAT transactions which were charged at 15.5% must be reported in field 12 (for output tax) and field 18 (for input tax) of the VAT return.
- Adjustments in the form of refunds of the 0.5% rate to customers and from suppliers must equally be reported in fields 12 and 18, respectively.
- The VAT return declarations made will be taken into consideration when verifications and/or audits on the affected VAT tax periods are conducted.
- The VAT returns that are to be submitted will continue to calculate the VAT auto calculation using the 15% rate from tax periods or months commencing 1 May 2025.
- Vendors who have already implemented both the rate changes and the Zero-Rating are encouraged to reverse those changes before 1 May 2025.

Although additional practical and scheduling challenges are likely to arise in implementing the suspension of the VAT rate increase, it is now legally certain that the increase will not take effect on 1 May 2025. Additionally, SARS stated that it will do its best to provide further clarity to create certainty of obligation for all vendors. Read the full media statement [here](#) and [here](#).

Latest tools and updates from SARS to help you navigate Donations and Royalties Tax

The [SARS Online Query System](#) (SOQS) allows taxpayers to address various queries related to their taxes without visiting a physical branch.

Previously, the Donations Tax (IT144) and Withholding Tax on Royalties (WTR01) forms, together with any supporting documents and proof of payment, were manually submitted via the branch or email.

As part of SARS' modernisation efforts, taxpayers will now be able to submit Donations Tax (IT144) and Withholding Tax on Royalties (WTR01) declarations online through the SOQS. This streamlines the tax declaration process with automated systems and seeks to create synergies within the system and to improve efficiency.

To submit Donations Tax (IT144) and Withholding Tax on Royalties (WTR01) declarations, visit the [SARS Digital Channels webpage](#). Alternatively, visit the new direct link to submit [Donations Tax \(IT144\) and Withholding Tax on Royalties \(WTR01\) declarations](#).

Communication regarding updated banking information

With the 2025 filing season quickly approaching, SARS has issued a notice urging taxpayers to ensure that their banking details are correct and updated. This will ensure the efficient processing of any refund that may be due.

Section 23 of the Tax Administration Act states that a person who is registered for tax must communicate to SARS within 21 business days any change that relates to:

- Postal address
- Physical address
- Representative taxpayer
- Banking particulars used for transactions with SARS
- Electronic address used for communication with SARS or
- Other details as the Commissioner may require by public notice.

With the 2025 filing season quickly approaching, SARS has issued a notice urging taxpayers to ensure that their banking details are correct and updated. This will ensure the efficient processing of any refund that may be due.

Taxpayers who need to change or update their banking information are encouraged to ensure that their security contact details (email and cell phone number) and SARS eFiling log-in details are up to date.

Why keeping your details updated matters

Keeping your details up to date is essential for the following reasons:

- Staying informed: Ensure you receive timely and important updates regarding your tax matters by keeping your contact details up to date.
- Securing your account: Protect your personal information by maintaining accurate login credentials and safeguarding your eFiling account details. SARS will use your contact details (email or cell phone number) to send you a One-Time Pin (OTP).
 - o These OTPs are essential for accessing your eFiling account and for making changes to your banking details.
 - o If your contact information is outdated, you may not receive the OTP, which could hinder your ability to update or verify your banking information.

How to update your information

To update your security contact details (Required to receive OTPS)

1. Log in to eFiling (sarsefiling.co.za).
2. Click on "My Profile" in the menu on the left-hand side of the screen.
3. Select "Profile and Preference Setup" and scroll to the "Security Contact Details" section. Here, you can update your email address or cell phone number.
4. Verify with OTP: choose your preferred method of communication (email or SMS) to

- receive an OTP. Enter the OTP to confirm the changes.
5. Save changes. Once the OTP is verified, your updated contact details will be saved.

To update your banking details quickly

1. Log in to eFiling.
2. Click the express-access option: "Update My Personal Income Tax Bank Account".
3. The Banking Details Update screen will be displayed.
4. Click "Maintain SARS Registered Details".
5. Click the drop-down menu to select the bank name.
6. Fill in the branch code/branch name, account number, account type and account-holder name.
7. Click "Update Banking Details".
8. Confirm the banking details change with the OTP sent to your preferred method of communication.

Important to note: If both your email address and mobile number have changed and you are unable to follow the steps outlined above, you will need to contact the SARS Contact Centre on 0800 00 7277 or visit a SARS branch to verify your identity. To avoid long queues, please book an appointment in advance via the SARS website at www.sars.gov.za.

If your banking details and security contact information are already up to date, no action is required.

For more information, click on the guides below:

- [IT-AE-36-G05 – Comprehensive Guide to the ITR12 Income Tax Return for Individuals – External Guide](#)
- [GEN-GEN-41-G01 – Change of Banking Details – External Guide](#)
- [IT-AE-36-G06 – Guide to submit your Individual Income Tax Return via eFiling – External Guide](#)
- [IT-AE-46-G01 – How to submit your Individual Income Tax return via the SARS MobiApp – External Guide](#)

Reminder: Enhancements to SARS' Auto Merge process set to catch possible and likely identity matches

SARS is advancing its digital modernisation efforts with the launch of an upgraded Auto Merge capability. This enhancement is specifically designed to assist in unifying taxpayer records across various tax types under a single, consolidated profile. With a focus on increasing accuracy and administrative efficiency, the updated system now identifies not only exact matches but also potential and probable connections between taxpayer records.

The core objective of this initiative is to present a unified view of an entity across all relevant tax types, including Income Tax (Corporate, Personal, and Trust), Value-Added Tax (VAT), Employment Taxes, Mineral and Petroleum Resources Royalties (MPRR), as well as Customs and Excise. By capturing more nuanced identity correlations, SARS aims to reduce fragmentation and administrative burden on both its systems and taxpayers.

What changes with the Enhanced Auto merge?

Unlike the previous model, which relied solely on exact identity field matches, the new system can now detect partial matches across key identifiers such as first names, surnames, or company names. This increased flexibility allows SARS to flag profiles as "likely" or "possible" matches, broadening the reach of consolidation efforts while still preserving accuracy.

Entities excluded from this Auto Merge expansion include large business and international tax clients, government institutions, municipalities, welfare bodies, collective investment schemes, foreign taxpayers registered with passport details, and deceased estates. These exclusions help maintain data integrity in complex or sensitive cases.

What is the notification and response process?

Taxpayers identified for a proposed profile merge will receive an official letter from SARS titled “**Update to Your Tax Profile**”. This letter will outline the details of the planned consolidation and list the affected records.

If a taxpayer disagrees with the proposed merge, a correction request must be submitted within 21 calendar days of the letter’s issue date. The request must be accompanied by supporting reasons and the original notification letter. Submission channels include:

- eFiling, as supporting documents
- A local SARS branch
- The SARS Online Query System (SOQS)

Failure to act within the 21-day window will result in the merge being finalised, with all records listed in the letter being integrated into the taxpayer’s profile.

SARS will review the correction request and respond with one of two outcomes:

- A **rejection letter** (sent via eFiling or email) if the reason provided is invalid or insufficient.
- A **confirmation letter** stating the profile will not be merged if valid justification is provided.

Important considerations for taxpayers

1. **Registered particulars must be current:** If your registration details (such as address, representative information, etc.) are outdated, SARS will not update or correct them as part of this auto merge process. Taxpayers must first update these details using the eFiling Registration, Amendment, and Verification (RAV01) form, the Customs and Excise RLA function, or by visiting a SARS office.
2. **eFiling access and permissions:** Existing eFiling permissions will remain unchanged unless a company has multiple registered representatives across various tax types. In such cases, SARS will apply internal rules to designate the most recent representative as the primary point of contact. Other representatives will still retain functional access (e.g., filing returns, making payments) but may lose the ability to perform sensitive actions like tax product registration, additional merges, or Tax Clearance Certificate applications.
3. **Partial merges are not supported by SARS:** If a taxpayer wishes to selectively include only certain tax records in their profile, this must be done before SARS initiates the Auto Merge. Taxpayers can perform a custom merge using the manual Merge Functionality on eFiling.

This enhancement reflects SARS’ commitment to a streamlined, transparent, and efficient digital environment, helping ensure that every taxpayer’s profile is up to date and accurately reflects all associated obligations. SARS will publish additional operational details and guidance materials in due course. In the interim, taxpayers are strongly encouraged to consult the updated guide [GEN-ELEC-15-G02 – Guide to the Auto Merge Function on eFiling – External Guide for a step-by-step guide](#) on how the function will be undertaken.

Reminder: New compliance updates for tax-exempt institutions: What you need to know before the deadline

SARS has introduced a series of important compliance updates for tax-exempt institutions, aimed at enhancing transparency, improving record-keeping, and reinforcing accountability across the non-profit sector. These updates come at a critical time, as the annual IT3(d) submission deadline for Section 18A-approved Public Benefit Organisations (PBOs) approaches.

These changes are highlighted in the April 2025 editions of both the Government Connect (Issue 27) and Tax Practitioner Connect (Issue 62) newsletters, which featured updated resources to support tax-exempt institutions with their compliance responsibilities.

The following updated guides and materials have been released to support compliance efforts:

- Updated Tax Treatment of the Receipt or accrual of government grants [[Interpretation Note 59 \(Issue 3\)](#)]. A key development, which provides more precise guidance on the tax treatment of government grants. This interpretation note outlines how grants should be treated when received or accrued, addressing previous areas of uncertainty for non-profits, institutions, boards, and bodies operating under tax-exempt status.
- Updated [Tax Exemption Guide](#) for Institutions, Boards or Bodies (Issue 2)
- Updated [Tax Exemption Guide for Public Benefit Organisations in South Africa \(Issue 7\)](#)

These guides are highlighted due to the upcoming tax compliance deadline for s18A approved PBOs. SARS requires all NPOs to submit their IT3(d) forms, detailing the Section 18A tax-deductible receipts issued to donors, between 15 April and 31 May 2025. Failure to meet this deadline or submitting inaccurate information could result in:

- Penalties,
- Potential audits
- Potential revocation of section 18A status.

Losing Section 18A approval would render future donations non-deductible for tax purposes, potentially harming donor confidence and long-term funding opportunities for affected organisations. These updates are crucial for maintaining compliance and understanding the benefits available to tax-exempt institutions. The updated guides also emphasise the importance of accurate record-keeping and timely submissions to avoid penalties and ensure continued eligibility for tax exemptions.

To assist institutions in complying with the new requirements, SARS has published additional information on its [Tax Exempt Institutions page](#), which covers resources that can guide taxpayers on how to:

- Accurately complete and submit IT3(d) forms
- Understanding the obligations of Section 18A-approved entities
- Common errors and how to avoid them
- Key insights from the updated tax exemption guides

With the compliance deadline approaching, all tax-exempt institutions, particularly those with Section 18A status, are encouraged to review the updated guides and ensure they meet all submission requirements. Proactive compliance will not only prevent penalties but also safeguard public trust and maintain the financial sustainability of donor-funded programmes.

SAIT TaxHelpline – escalations

As part of our ongoing commitment to serving our members, SAIT escalates appropriate cases within the SARS structures on their behalf. For assistance with this, members can submit their queries via the [TaxHelpline](#).

The most urgent escalations this week include:

1. Delays in finalising 2024 income tax and VAT verifications.
2. Delays in finalising and payment of refunds.
3. Delays in finalising 2024 objections by not issuing the correct revised assessments as per the objection outcome.

SARS regional and national operational meetings

SAIT and its Regional Representatives attend SARS/RCB regional meetings quarterly, offering opportunities for effective, systemic discussions (qualifying for CPD points)*.

** For effective and meaningful engagement with SARS, Regional Representatives are encouraged to provide three specific examples of issues or challenges that arise. It is important to note that regional meetings are not intended for individual case escalations but serve as a platform to address systemic issues impacting the broader tax practitioner community.*

Feedback from the RCB/SARS regional and national meetings

On 24 April 2025, SARS representatives from the KZN region held a meeting with SAIT. The meeting notes will be provided in upcoming issues of this publication.

Upcoming RCB/SARS regional and national meetings

1. Mpumalanga Emalahleni Branch – 19 May 2025
2. Western Cape – 4 June 2025
3. Free State and Northern Cape – 9 June 2025
4. Eastern Cape – Gqeberha and Kareiga – 25 June 2025
5. Mpumalanga – 27 June 2025
6. Eastern Cape – Gqeberha and Kareiga – 13 August 2025
7. Free State and Northern Cape – 8 September 2025
8. Free State and Northern Cape – 10 November 2025 and
9. Eastern Cape – Gqeberha and Kareiga – 12 November 2025

Other meetings of interest

1. SARS National Operational Forum - 22 May 2025;
2. RCB Forum meeting- 3 June 2025;
3. SARS National Operational Forum – 14 August 2025;
4. RCB Forum meeting tentatively scheduled for 16 September 2025;
5. RCB Forum meeting- 11 November 2025; and
6. SARS National Operational Forum – 20 November 2025.

DAILY COMPLIANCE AND ADMINISTRATION

Due dates for reporting and payments: March 2025

Month	Date	Tax Type	Notification
April 2024	01/04/2025	Employment Taxes	EMP501 - Start of the annual employer reconciliation submissions
	01/04/2025	Other	Third-party data (IT3) - Start of the annual third-party submissions period
	15/04/2025	Other	EMP201 - Submissions and payments
	07/04/2025	Employment Taxes	EMP201 - Submissions and payments
	25/04/2025	Value-Added Tax	VAT201 - Electronic submissions and payments
	30/04/2025	Value-Added Tax	VAT201 - Electronic submissions and payments

SAIT member resources

- [SAIT important tax dates calendar](#) – contains important dates from January 2025 to January 2026 (unchanged).
- [SAIT SARS contact map](#) – links service requirements to SARS channels (unchanged).

Key operational news

Reminder: Tax Directives: 2025 Legislative changes and system enhancements

As mentioned above, SARS has introduced a series of updates to the tax directive system, forms, and supporting documentation, reflecting the legislative changes for 2025. These enhancements aim to streamline processes, improve compliance, and align directive applications with the latest amendments to tax legislation.

Key system enhancements and legislative updates:

1. **RST01 Tax Directive application form:** The application process for South African taxpayers seeking relief under a DTA has been fully automated. Individuals receiving pensions or annuities from a South African retirement fund can now submit their RST01 applications via eFiling. SARS will assess these applications within 21 working days to determine if tax exemption applies under the relevant DTA.
2. **IRP3(a) Tax Directive application form:** A new application reason—*Backdated (Antedated) Salaries and/or Pensions*—has been introduced. This update allows employers to provide accurate information for employees opting to be taxed under section 7A, where employees' tax accrued in prior tax years. Additionally, provisions for non-residents requesting DTA consideration on Savings Withdrawal Benefits have been included in the process.
3. **Form B Tax Directive application form**

Two significant changes were made:

- The allowable transfer reasons for *Transfer – Unclaimed Benefit and Transfer – Inactive Member with Insufficient Information* have been updated.

- The directive reason *Emigration Withdrawal* has been removed, following the deletion of its enabling provision effective 1 September 2024.
4. **Form C Tax Directive application form:** Similar to Form B, the *Emigration Withdrawal* reason has been removed. A new directive reason—*Transfer before Retirement [Par 2(1)(c)]*—has been added. Effective 1 March 2025, this allows a retirement annuity fund member who has reached the normal retirement age (as per fund rules), but who has not yet elected to retire, to transfer their interest to another retirement annuity fund.
 5. **IRP3(c) Tax Directive application form:** Trusts now have the ability to apply electronically for a tax directive permitting annuity providers not to withhold PAYE on annuities owned by a trust registered as an employer. Issued under paragraph 10 read with paragraph 11(a) of the Fourth Schedule to the Act, the trust will be responsible for accounting to SARS for any tax withheld from beneficiary payments.

Updated guidance and resources

To support the rollout of these changes, SARS has also updated several key guides:

- [IT-AE-33-G01 – Tax Directive Cease to be resident and Expiry of visas – External Guide](#)
- [IT-AE-41-G01 – Completion Guide for IRP3\(a\) and IRP3\(s\) Form – External Guide](#)
- [IT-AE-41-G02 – Guide to Complete the Tax Directive Application Forms – External Guide](#)
- [IT-AE-41-G04 – Guide to the Tax Directive functionality on eFiling – External Guide](#)

These changes reflect SARS' continued commitment to modernising its tax directive systems and improving the user experience for taxpayers and practitioners alike.

Employer Annual Declarations (EMP501) period is still underway

Employers are reminded that the submission period for EMP501 began on 1 April 2025 and will run until 31 May 2025. This critical compliance requirement must be completed to ensure accurate reporting of employee earnings and deductions for the tax year.

SARS strongly encourages employers to gather all required information in advance and ensure it is processed correctly to meet the deadline and avoid any penalties. To support employers in meeting their obligations- and to help SARS to achieve its “Higher Purpose” of enabling the state to provide for the well-being of all South Africans- SARS has prepared a detailed letter. This letter outlines what is new in this period, outlines the submission process, and includes further information about applicable penalties.

Read [here](#) for more details.

Other SARS and related operational publications and announcements

22 April 2025: The North West mobile [tax workshop schedules](#) for the Rustenburg and Mmabatho regions, for the month of May 2025, are now available.

25 April 2025: The KwaZulu-Natal [mobile tax unit schedule](#) for May 2025 is now available.

TAX PRACTITIONER MANAGEMENT

SAIT TaxHelpline – Tax practitioner access and functionality (eFiling)

No recurring tax practitioner access and functionality issues were identified via the SAIT TaxHelpline during the week of 24 – 30 April 2025.

Key tax practitioner news

No new key tax practitioner news is relevant for the week of 24 - 30 April 2025.

Government & stakeholder newsletters

Reminder: Tax Practitioner Connect Issue 62 – April 2025

SARS has published [Tax Practitioner Connect Issue 62 \(April 2025\)](#). This edition highlights several key developments designed to support practitioners in better serving their clients and staying aligned with regulatory changes.

Key features include:

- **Spotlight on the SARS MobiApp:** SARS is encouraging practitioners to explore how this mobile tool can streamline services—from submitting returns to tracking progress—allowing for quicker, more efficient support for clients right from a smartphone or tablet.
- **Reminder regarding the start of the Employer Annual Reconciliation Declaration period.** This annual process, which began on 1 April 2025, is a vital step for employers to ensure that PAYE, UIF, and SDL contributions are accurately reconciled with what has been submitted throughout the tax year.
- **Further guidance regarding Tax Exempt Institutions:** SARS has released updated guides and informative videos. These new resources are designed to clarify compliance expectations and simplify reporting requirements, making it easier for institutions to meet their obligations.
- **Information regarding the Customs Sufficient Knowledge Competency Assessment:** This assessment is essential for Accredited Economic Operators. Practitioners supporting customs clients are encouraged to familiarise themselves with the updated criteria to ensure continued compliance and accreditation.

In addition, SARS has published Issue 27 of the [Government Connect Newsletter for April 2025](#), which reiterates these important updates and resources for government departments and public institutions involved in tax-related processes.

Issue 27 serves as a concise but essential resource for staying up to date with SARS developments relevant to government operations.

Other tax practitioner access and functionality publications and announcements

No other tax practitioner access and functionality publications and announcements were made in the week of 24 - 30 April 2025.

PART B – LEGISLATION & POLICY

LEGISLATION, INTERNATIONAL AGREEMENTS & POLICY

Tax policy & international agreements

No new tax policy and international agreements were released in the week of 24 - 30 April 2025.

National legislation

National Treasury tables critical national legislation

On 24 April 2025, the Minister of Finance introduced the [Rates and Monetary Amounts and Amendment of Revenue Laws Bill](#) to the National Assembly. This annual bill gives legal effect to key tax proposals announced in the national budget and plays a central role in shaping the country's revenue framework for the year ahead.

The initial version of the bill includes proposed adjustments to personal income tax brackets, excise duties on alcohol and tobacco, and thresholds for monetary amounts used in tax legislation. It is important to note that while the bill was initially linked to the March 2025 Budget, which proposed a 0.5 percentage point VAT increase, that specific measure has since been withdrawn. The VAT rate will remain at 15%, following the Minister's revised fiscal approach. Nonetheless, other components of the bill remain relevant and will proceed through the parliamentary process.

The bill is one of several that form part of the budget legislation package, alongside the Appropriation Bill, Division of Revenue Bill, and the Fiscal Framework and Revenue Proposals. These collectively support government spending plans and ensure legal authority for revenue collection.

Stakeholders should monitor the parliamentary process closely, as the final version of the bill, once enacted, will directly affect tax liabilities and planning strategies for the 2025/26 tax year.

To aid in the interpretation hereof, SARS has published the associated [explanatory memorandum](#), which outlines a clause-by-clause summary of the proposed amendments.

Consequently, the [Frequently Asked Questions: Increase in the VAT Rate from 1 May 2025](#), and the [Pocket Guide on the VAT Rate Increase from 1 May 2025](#) have thus been withdrawn as a result of the tabling hereof.

LEGISLATIVE INTERPRETATION

Legislative Calls for Comment

Reminder that SARS has published the following draft interpretation note for comment

- [Draft Interpretation Note](#): It provides clarity on the tax treatment of amounts received by or accrued to missionaries that perform religious or related activities.

The SAIT Tax Technical team is reviewing this draft interpretation note to provide feedback to SARS. Members who wish to transmit their commentary may email ksesana@thesait.org.

za by no later than 8 May 2025, to ensure that their commentary is taken into consideration prior to the finalisation of this draft interpretation note.

Submissions made to SARS and current calls for comment

No submissions in response to legislative calls for comment were made in the week of 24 - 30 April 2025.

Legislative counsel publications

Updated SARS Interest Rate Tables effective 1 May 2025

SARS has published updated interest rate tables under the Income Tax Act, which are effective from 1 May 2025.

- [Table 1](#): This outlines interest rates applicable to outstanding taxes and refunds due to taxpayers under specific conditions.
- [Table 2](#): This lists the interest rates payable on credit balances.

These tables of interest rates are updated regularly to reflect changes in the market and are critical for calculating interest on late payments or refunds. Taxpayers and practitioners should ensure that the latest interest rates are used for compliance and financial planning purposes.

Reminder that SARS has published update to Corporate Income Tax Guide: Expanded guidance on Beneficial Ownership.

In a significant move to enhance corporate transparency and align with international standards, SARS has updated its [Corporate Income Tax Guide](#) to include expanded guidance on beneficial ownership. This update is not only timely but also critical in supporting South Africa's ongoing commitment to global financial compliance frameworks and is a welcome development in the country's efforts to expedite its removal from the Financial Action Task Force (FATF) greylist.

As is widely known, South Africa has implemented robust measures that ensure the transparency of legal entities. One of FATF's key recommendations is the need for countries to maintain accurate and current information on the beneficial ownership of companies and other legal arrangements.

In line with these international obligations, SARS has introduced a new requirement that strengthens the compliance landscape for companies operating in South Africa. As of the 2022 year of assessment, companies are now required to submit their Beneficial Interest and Beneficial Ownership registers as part of the Income Tax Return for Companies (ITR14) submission process.

What is Beneficial Ownership?

The concept of beneficial ownership refers to the natural person(s) who ultimately own or control a legal entity, even if the ownership is exercised indirectly or through intermediary entities. This information is essential in lifting the corporate veil and identifying who truly benefits from the operations and income of a company.

Previously, the reporting requirements for such information were more general. However, the updated tax guide provides clearer definitions and more structured guidance on what constitutes beneficial ownership, who should be listed in the registers, and how this data should be compiled and submitted.

A closer look at the new requirements

Under the revised framework, companies must now prepare and maintain detailed registers of both:

- **Beneficial Interest Holders:** These are individuals or entities who hold a direct or indirect stake in the company, typically through shares or other forms of equity.
- **Beneficial Owners:** These are individuals who exercise ultimate control over the company, either through ownership, voting rights, or other forms of influence.

These registers must be submitted electronically as part of the ITR14 filing, which SARS has made accessible through eFiling. Failure to submit the required registers may lead to compliance risks, including penalties or further scrutiny.

Aligning with global best practice

This development comes at a time of heightened global regulatory scrutiny on corporate ownership. FATF, the OECD, and other international bodies have continuously stressed the importance of transparency in curbing illicit financial flows and tax evasion.

By strengthening its tax administration and disclosure requirements, through measures such as this update, South Africa is signalling a clear intention to play its part in the global fight against financial crime.

Preparing for compliance

Tax practitioners and corporate taxpayers should begin reviewing their internal governance structures to ensure that beneficial ownership information is accurately captured and readily available. Tax practitioners are further encouraged to assist clients in preparing these registers per the updated guidelines.

The updated Corporate Income Tax Guide can be accessed [here](#).

SARS has published Binding Ruling 4 (Issue 4) that opines on the apportionment methodology to be applied by a municipality

SARS has published the latest issue of [Binding General Ruling 4 \(Issue 4\)](#) that reflects legislative changes brought in by the Taxation Laws Amendment Act No. 20 of 2021, effective from 1 April 2022, as well as further amendments introduced by the Taxation Laws Amendment Act No. 42 of 2024.

[Binding General Ruling 4 \(Issue 4\)](#) - issued under section 89 of the Tax Administration Act - prescribes the default method municipalities must use to apportion VAT on mixed expenses. This applies when determining the input tax deduction ratio under section 17(1) of the VAT Act. Unless an alternative method has been approved by SARS through a ruling, all municipalities must apply the standard formula outlined in the [Binding General Ruling 4 \(Issue 4\)](#). Consequently, issue 3 has been duly archived. Members are therefore encouraged to study this BGR for further details.

Published court cases

No new court cases were published in the week of 24 – 30 April 2025.

Other SARS publications and announcements

No other legislative publications or announcements were issued by SARS during the week of 24 – 30 April 2025.

SAIT in the media – Adjustment of the VAT

SAIT continues to set the standard for thought leadership in taxation, driving critical conversations and shaping policy in South Africa and beyond. Our commitment to excellence is reflected in our consistent presence in reputable media outlets. We have been featured in **Polity, SA Profiled, New Room Afrika 405, 100.4 FM Classic Business Radio Station, Daily Investor, BusinessTech, MoneyWeb News, and SA People.com**, discussing the recent VAT reversal and its immediate implications for taxpayers and businesses.

As a member of the SAIT, you've made the right choice. You're associated with the correct Professional Body – one that represents excellence, credibility, and leadership in the tax profession.



South Africa records trade surplus in March 2025

SARS has announced a preliminary trade balance surplus of R24.8 billion for March 2025. This positive outcome is attributed to exports totalling R172.5 billion and imports amounting to R147.7 billion, including trade with Botswana, Eswatini, Lesotho, and Namibia (BELN). Some key highlights are as follows:

- **Year-to-date performance:** From January to March 2025, South Africa achieved a cumulative trade balance surplus of R27.8 billion, an improvement from the R26.2 billion surplus recorded during the same period in 2024. On a year-on-year basis, exports in March 2025 increased by 4.5% to R172.5 billion, while imports decreased by 3.5% to R147.7 billion compared to March 2024.
- **Monthly trends:** Month-on-month, exports rose by R9.4 billion (5.7%) from February to March 2025, driven by higher shipments of coal, iron ore, and manganese ores. Imports also saw an increase of R4.5 billion (3.2%) over the same period, primarily due to higher imports of crude oil, passenger vehicles, and original equipment components.
- **Revised figures:** The preliminary trade balance surplus for February 2025 was revised downwards by R1.0 billion, resulting in a final figure of R19.9 billion.

- **Trade with BELN countries:** Excluding trade data with BELN countries, South Africa's trade with the rest of the world for March 2025 shows a preliminary trade balance surplus of R13.4 billion, with exports at R155.3 billion and imports at R141.9 billion.
- **Sector highlights:** Significant month-on-month export increases were noted in coal, iron ores, and manganese ores, while import increases were driven by crude oil, passenger vehicles, and original equipment components.

The preliminary trade statistics for March 2025 reflect robust export performance and a favourable trade balance, underscoring the country's economic resilience and strategic trade relationships.

For more detailed statistics, please refer [here](#).