

TAXPRACTICE

WEEKLY HIGHLIGHTS

WEEK OF 01 - 07 May 2025
(Issue 17 -2025)

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TOP STORIES

Stay compliant: Update your SARS details before filing season opens

As the 2025 tax filing season approaches, now is the ideal time to ensure that your registered details with SARS are accurate and up-to-date.

Outdated contact information or banking details may lead to communication breakdowns, delayed refunds, or even penalties. SARS relies on taxpayers providing the correct registered details to process returns efficiently and issue important correspondence.

By verifying and updating your information before filing season begins, you reduce the risk of administrative errors and demonstrate your commitment to tax compliance. This proactive step supports efficient service delivery and ensures your tax affairs are in good order. Read more on how to update your details [below](#).

[#StayAbreastOfTheTaxWave](#)

Are you a **tax practitioner** with a passion for writing?

Let's feature your article on the Tax
Practice: Weekly Highlights.

Send your article to
taxassist@thesait.org.za.

Approximately 500 – 1500 words

PART A: COMPLIANCE & SARS OPERATIONS

SAIT-SARS 'ON-THE-GROUND' ENGAGEMENT

Communication of changes for registered details

With the 2025 filing season quickly approaching, it is important for taxpayers to ensure that their SARS-registered details are correct and updated. This will ensure the efficient processing of any refunds that may be due to the taxpayer and, ultimately, an effortless filing season.

Section 23 of the Tax Administration Act, No. 28 of 2011 (TAA) 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.

Taxpayers who need to amend or update their 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. We set out additional pertinent information below:

1. **Why keeping your details updated matters**

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

- **Staying informed:** To ensure you receive timely and important updates regarding your tax matters by keeping your contact details up-to-date.
- **Securing your account:** To 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.

2. **How to update your information**

On eFiling, you will be able to maintain the following details:

- Selected identity information (Name, surname)
- Bank account details
- Address details
- Contact details

In the event that you have forgotten your username, your password, or both, the following steps can be taken to resolve the issue:

1. Go to the [Forgot Username webpage](#) and follow the [Forgot Username](#) process
2. Complete the relevant information and follow the prompts to reset your password, if needed.

Completing the above steps will result in a one-time PIN (OTP) being sent to your registered security contact details on the system. If any of these details have changed, you can update them in the 'Security Contact Details' section under your profile on eFiling.

If both your registered security contact details have changed, please reach out to the Contact Centre on 0800 00 7277 or visit a branch; remember to [make an appointment](#) first.

Once you have accessed your profile, taxpayers will be able to:

- Update your security contact details (required to receive OTPs)
- Update your banking details quickly
- Maintain registered details

3. **Details that cannot be changed on eFiling**

Changing your ID number or Passport Number cannot be done via eFiling. Amendments in this regard would need to be undertaken at the branch. As a reminder, tax practitioners cannot make this change on behalf of their clients. Tax practitioners may only assist the taxpayer with making a booking for an appointment at the branch to "Maintain ID".

This may be done as follows:

1. Book an [appointment](#)
2. Select "Other" then "Maintain ID" as your appointment
3. Upload supporting documents:
Supporting Documents for Maintain ID - (e.g., Original and a Copy of a Valid ID/Driver's Licence/Passport/Temporary Identity Document/Asylum Seeker Certificate/Permit, etc.)

More information is contained in the guides listed 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](#)
- [GEN-REG-01-G04 - How to Complete the Registration Amendments and Verification Form RAV01 - External Guide](#)

Allowed objection and revised assessment error

In recent weeks, the SAIT Technical Department, via the Tax Helpline, has seen a rise in escalations where objections have been allowed, but no corresponding reduced assessment has been issued.

This has led to delayed refunds or the continuation of SARS's debt collection processes in cases where the debt had, in fact, been nullified or reduced by the allowed objection. In this instance, it is important to note that taxpayers will not be allowed to submit another objection, as the initial objection has already been allowed.

At this stage, the only mechanism available to correct this error is to request SARS to issue a reduced assessment in line with the objection that has been allowed and finalised.

SAIT is aware of this matter and has alerted SARS. To assist members with this matter, the SAIT Tax Helpline escalates these cases to the relevant region for correction. To submit an escalation of this nature, kindly log a query on the Tax Helpline [here](#).

Alternatively, access the Helpline through the SAIT website.

- Click on the Member portal after logging in
- Click on 'Tax Helpline'
- Select 'SARS Escalations'
- Complete the form and click on submit

Kindly ensure that you submit the following documents alongside your escalation:

- Original assessment
- Additional assessment
- Completed NOO01 form
- Objection outcome letter

All cases that have previously been brought to our attention and referred to the respective SARS regional offices have also been escalated to the SARS National Team ahead of the upcoming SARS RCB meeting in May. This measure has been taken to support a more expedient resolution of the identified error.

We understand that this ongoing issue is frustrating, and we remain committed to engaging constructively with SARS to gain greater clarity on the root causes of the error and the steps being taken toward resolution. Should the matter remain unresolved at both regional and national levels, a formal submission will be made to SARS to request further intervention.

Reminder: Practical implications of 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](#).

Reminder: 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](#).

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 registered representative requests.
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 may be accessed [here](#).

Upcoming RCB/SARS regional and national meetings

1. Mpumalanga Emalahleni – 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: May 2025

Month	Date	Tax Type	Notification
May 2024	07/05/2025	Employment Taxes	EMP201 - Submissions and payments
	23/05/2025	Value-Added Tax	VAT201 - Manual submissions and payments
	30/05/2025	Value-Added Tax	VAT201 - Electronic submissions and payments
	30/05/2025	Employment Taxes	EMP501 - End of the annual employer reconciliation submissions
	30/05/2025	Other	Third-Party Data (IT3) - Close of the annual third-party submissions period

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: 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

No other SARS and related operation publications and announcements were made during the week of 1-7 May 2025

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 1-7 May 2025.

Key tax practitioner news

No new key tax practitioner news is relevant for the week of 1-7 May 2025.

Government & stakeholder newsletters

No government and stakeholder newsletters were published during the period 1-7 May 2025.

Other tax practitioner access and functionality publications and

No other tax practitioner access and functionality publications and announcements were made in the week of 1-7 May 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 1-7 May 2025.

National legislation

Reminder: 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 13 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 1-7 May 2025.

SAIT has, however, made a submission to SARS regarding [internal administrative appeals in terms of section 77H and section 120](#) of the Customs and Excise Act.

Legislative counsel publications

Reminder: 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 interest rate tables 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.

This reduction is in line with the anticipation of the potential vote by the South African Reserve Bank to hold or reduce interest rates in May 2025. The interest rates are now 11% and 7% respectively and will remain at this rate until a change in the “prescribed rate” linked to the rate determined in terms of section 80(1)(b) of the Public Finance Management Act.

Reminder: 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 1-7 May 2025.

Other SARS publications and announcements

No other legislative publications or announcements were issued by SARS during the week of 1-7 May 2025.

OTHER MATTERS OF INTEREST FOR A TAX PRACTICE

SAIT is inviting passionate and solution-driven members of the tax community to get involved.

Whether you have valuable insights, ideas for improvement, or personal experiences with the eFiling system, this is a unique opportunity to contribute to meaningful, lasting change.

The SAIT eFiling workgroup will discuss potential enhancements to the SARS eFiling system, make recommendations to be presented to the national SARS eFiling team, and participate in testing, among other duties. It is therefore imperative that the members of the SAIT eFiling working group demonstrate a comprehensive understanding of, and exhibit mastery in, the eFiling system.

Interested members who have not yet expressed their interest are urged to kindly complete this [form](#) by 23 May 2025.

This is an important step towards reigniting the conversation and working together to build a more efficient and practitioner-friendly eFiling system.

Reminder: 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.

