

# TAXPRACTICE

## WEEKLY HIGHLIGHTS

WEEK OF 22 - 28 May 2025  
(Issue 20 -2025)

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### TOP STORIES

#### SARS gazettes 2025 tax filing season requirements

On 23 May 2025, SARS published a [public notice](#) in terms of section 25 of the Tax Administration Act, No. 28 of 2011 (the TAA), read with section 66(1) of the Income Tax Act, No. 58 of 1962 (the ITA). The notice specifies the persons required to submit income tax returns for the 2025 year of assessment.

The [public notice](#) outlines the prescribed submission requirements applicable to each category of taxpayer, including companies, natural persons, trusts, and other juristic entities such as institutions, boards, or bodies.

Further details are discussed [below](#).

#### SARS restores previous e@syFile™ version to support timely submissions ahead of looming deadline

In response to technical challenges encountered by some employers using the new e@syFile™ Employer Version 8.0, SARS has reinstated the previous version of the software. This temporary measure aims to assist employers in meeting the 31 May 2025 deadline for Pay-As-You-Earn (PAYE) reconciliation submissions. This [decision](#) provides a critical fallback option for employers still facing difficulties upgrading to the latest version.

Employers are encouraged to act proactively to ensure a smooth PAYE reconciliation process. Submissions should be made as soon as possible using either version of e@syFile™, although SARS recommends transitioning to Version 8.0 to take advantage of enhanced features and future compatibility.

For assistance or technical support, contact the SARS Contact Centre at 0800 00 7277 or email [support@sarsefiling.co.za](mailto:sarsefiling.co.za).

## Looming deadline for Employer Reconciliations and third-party data reporting

Employers and third-party data providers are reminded that the deadline for submitting 2024/02 annual EMP501 reconciliations and third-party data is **31 May 2025**.

This data includes employee income, PAYE deductions, and other financial disclosures used by SARS to pre-populate individuals' income tax returns. Timely and accurate submissions ensure a smoother personal income tax filing season and helps employers avoid administrative penalties.

Employers are urged to use SARS e@syFile™ or the eFiling platform to submit their reconciliations. Support resources have been made available online by SARS for those needing assistance with the process.

Failure to submit by the deadline may result in non-compliance penalties and processing delays. All relevant parties are encouraged to act promptly.

*#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](mailto:taxassist@thesait.org.za).

Approximately 500 – 1500 words

## MEMBERS' DIGEST

### Understanding the Tax Implications of Loans to Foreign Trusts: Insights on Section 7C, Transfer Pricing, and Recent Amendments

Written by: Ammar Zairy,  
Ammar Zairy

Many South Africans utilise foreign trust structures for tax-efficient asset protection and estate planning. A connected foreign trust refers to a trust that is linked to a South African resident, whether that resident is an individual or a company. Various tax rules apply to loans made by residents to foreign trusts, particularly when those entities are connected to the individual or entity making the loan. Notably, Section 7C of the Income Tax Act and Section 31 (transfer pricing) are the key provisions that regulate these transactions.

#### **Background: Use of Trusts for Estate Planning and Tax Efficiency**

Before the implementation of Section 7C, trusts were commonly used to reduce the tax impact of estate duty upon an individual's death. A typical strategy involved transferring assets to a trust, with the purchase price remaining outstanding as an interest-free loan. This structure allowed the transfer of wealth to the next generation with minimal tax consequences.

#### **The Introduction of Section 7C: Combatting Tax Avoidance**

With the introduction of Section 7C in March 2017, the South African Revenue Service (SARS) aimed to curb the abuse of interest-free or low-interest loans to foreign trusts that were linked to South African residents. Section 7C is an anti-avoidance measure targeting low-interest or interest-free loans granted to connected foreign trusts. If a loan is made at a rate lower than the official interest rate (or interest-free), SARS may deem the difference between the official rate and the actual rate charged as a donation. This can trigger donation tax consequences.

In the case of a company making such a loan, the difference would be treated as a deemed dividend, subject to dividends tax of 20%. The goal of Section 7C is to ensure that tax-avoidance schemes, such as these favourable loan terms, do not allow for wealth transfer without incurring appropriate tax obligations.

#### **Transfer Pricing Provisions under Section 31**

Further to Section 7C, Section 31 of the Income Tax Act imposes transfer pricing rules on loans made to connected foreign trusts. These rules require transactions, such as loans, to adhere to the arm's length principle, which dictates that terms should be consistent with what would be agreed upon by unrelated parties in a comparable situation. If loans made to foreign trusts deviate from this principle, SARS may apply transfer pricing adjustments, leading to additional tax liabilities and penalties.

The following transfer pricing adjustments are typically required under Section 31:

1. Primary Adjustment (Section 31(2)): The lender must include in their taxable income the difference between the arm's length interest rate and the actual interest charged (if any).
2. Secondary Adjustment (Section 31(3)):
  - o If the lender is a company, the amount of the primary adjustment is treated as a deemed dividend paid by the resident lender to the foreign borrower. This is subject to dividends tax at 20%.
  - o If the lender is a natural person, the amount of the primary adjustment is treated as a deemed donation to the borrower, potentially incurring donations tax at the applicable rate.

Section 7C(5)(e) also outlines the method for calculating donation tax in cases where low-interest or interest-free loans are made to connected foreign trusts. The valuation rules outlined in this section ensure that the donation is calculated accurately for tax purposes.

Section 31 applies to so-called “affected transactions”, which are broadly defined. It is sufficient to state that a loan advanced by a South African resident to a non-resident, where the parties are connected persons, will be an affected transaction. This would include a situation where a South African resident is a beneficiary of a foreign trust and advances a loan to that trust.

Section 31 states that one must consider whether the terms of an affected transaction, including a loan, adhere to the arm’s length principle.

### **Example of a Connected Foreign Trust Loan**

Consider a South African resident who advances an interest-free loan of R5 million to a connected foreign trust. The arm’s length interest rate (market rate) would be 6%, resulting in an interest of R300,000. However, the official interest rate under Section 7C is 8.75%, equating to R437,500.

Under the previous framework, Section 31 transfer pricing rules would apply, and the primary adjustment would require the inclusion of the arm’s length interest of R300,000 in the lender’s taxable income. The secondary adjustment would be as follows:

- If the lender is a company, the R300,000 difference would be a deemed dividend in specie, subject to dividends tax at 20%.
- If the lender is a natural person, the difference would be considered a deemed donation, triggering potential donations tax.

Without the application of Section 31, the deemed donation or dividend would have been calculated based on the official interest rate of R437,500 instead of the arm’s length rate of R300,000.

### **Recent Amendment to Section 7C: Effective 1 January 2025**

A significant amendment to Section 7C, which came into effect on 1 January 2025, was introduced to prevent the potential abuse of

tax structuring around low or interest-free loans to foreign trusts by connected persons. This amendment was part of the Taxation Laws Amendment Act 42 of 2024, which aimed to limit the exclusion of certain transactions from the scope of Section 7C.

Previously, when the arm’s length interest rate under Section 31(2) was lower than the official interest rate, the difference was excluded from Section 7C. This created an unintended loophole, leading to potential erosion of the tax base. The amendment now requires that any difference between the arm’s length rate and the official rate be included under Section 7C, creating additional donations or dividends tax liabilities.

### **Impact of the Amendment: A Practical Example**

Using the same example from earlier, where a South African resident advances an interest-free loan of R5 million to a connected foreign trust, the new provisions would be applied as follows:

1. The primary adjustment would include the arm’s length interest of R300,000 in the resident’s taxable income.
2. The secondary adjustment would treat the R300,000 as:
  - o A deemed dividend in specie if the lender is a company (subject to dividends tax at 20%).
  - o A deemed donation if the lender is a natural person (subject to donations tax).
3. The further Section 7C adjustment would include the difference between the official interest rate and the arm’s length rate, i.e., R137,500, as an additional donation subject to donations tax.

### **Compliance and Disclosure Requirements**

South African tax residents must ensure that loans made to foreign trusts, particularly those involving connected parties, are disclosed to SARS. Failure to comply with tax reporting and transfer pricing requirements can result in severe penalties, interest charges, and

additional tax assessments.

As cross-border trust structures become more complex, it is critical for taxpayers to carefully assess their compliance with the updated provisions under Section 7C and Section 31. These amendments impose stricter tax liabilities, ensuring that tax-avoidance strategies involving foreign trusts are tightly regulated, with the potential for additional donations or dividends tax liabilities.

## **Conclusion**

The combined impact of Section 7C and the transfer pricing rules under Section 31 requires South African residents to navigate these rules carefully when dealing with foreign trusts. Failure to comply with the anti-avoidance provisions and transfer pricing rules could result in significant tax consequences, including donations tax or dividends tax. Taxpayers are advised to consult with tax professionals to ensure they comply with the latest regulations and avoid the risks associated with cross-border trust structures.

# PART A: COMPLIANCE & SARS OPERATIONS

## SAIT-SARS 'ON-THE-GROUND' ENGAGEMENT

### SARS gazettes 2025 tax filing season requirements

As previously noted, SARS has gazetted a [public notice](#) identifying the individuals and entities required to submit income tax returns for the 2025 year of assessment. It outlines the specific obligations for various category of taxpayer, including companies, natural persons, trusts, and other juristic entities such as institutions, boards, or bodies.

This [notice](#) is a useful guide for taxpayers to determine their filing responsibilities. By clearly outlining the applicable categories, it promotes awareness, helps prevent non-compliance and contributes to more informed and efficient tax filing season for all.

The following deadlines apply for the submission of income tax returns:

- Companies: Within 12 months from the end of the company's financial year.
- Other persons (natural persons, trusts and juristic entities):
  - **20 October 2025**- if the return is submitted electronically through the assistance of a SARS official at a **SARS branch office or manually**.
  - **20 October 2025**- if the return does **not relate to a provisional taxpayer** and is submitted by using the **SARS eFiling platform**.
  - **19 January 2026**- if the return relates to a **provisional taxpayer** and is submitted by using the **SARS eFiling platform**.
  - **19 January 2026**- if the return relates to a trust.

Where accounts are accepted by the Commissioner in terms of section 66(13A) of the ITA in respect of the whole or portion of a taxpayer's income, which are drawn to a date after 28 February 2025 but on or before 30 September 2025, within 6 months from the date such accounts are drawn.

### Important reminder regarding the Employer Annual Declaration (EMP501) – 2025 Tax Year

The Employer Annual Declaration (EMP501) period for the 2025 tax year opened on 1 April 2025 and will close on **31 May 2025**.

During this period, all employers are required to submit their annual reconciliation declarations, ensuring that employee payroll information is both accurate and up to date for the period required.

*Key submission requirements:*

- EMP201 declarations:  
Employers must ensure that all monthly declarations relating to Pay-As-You-Earn (PAYE), Unemployment Insurance Fund (UIF) contributions, and the Skills Development Levy (SDL) are submitted in full.
- Employee tax certificates:  
Employers are required to issue IRP5/IT3(a) certificates for each employee, covering the period from 1 March 2024 to 28 February 2025.
- Employee registration:  
Employers must register any employees who are not yet registered for income tax. This registration may be done via the following methods, both of which are available through



the e@syFile™ Employer system:

- o Individual ITREG for single employee registration, or
- o Bundled ITREG for registering multiple employees simultaneously,

### *Submission channels*

- Employers with more than 50 employees are required to submit their EMP501 declarations using e@syFile™ Employer. The current or previous version can be utilised to make the submission.
- Employers with between 1 and 50 employees may submit their declarations via either SARS eFiling or e@syFile™ Employer.

### Penalties for non-compliance

- Administrative penalties:
- Failure to submit a complete and accurate EMP501 declaration by the deadline will result in an administrative penalty of 1% of the annual PAYE liability, increasing monthly by an additional 1%, up to a maximum of 10%.
- Criminal offences:  
Employers may be criminally liable for the following wilful or negligent actions:
  - o Failure to submit complete EMP201 or EMP501 returns by the due date.
  - o Failure to issue IRP5 or IT3(a) certificates within the prescribed timeframes.
  - o Failure to deduct or withhold PAYE or UIF, or failure to remit the deducted amounts to SARS.
  - o Misuse of PAYE deductions for any purpose other than payment to SARS.

Conviction for any of the above offences may result in a fine or imprisonment of up to two years. It is therefore essential that all required declarations and payments are submitted to SARS by the specified deadline to ensure compliance and avoid penalties.

Users of the new e@syfile are encouraged to contact SARS at [support@sarsefiling.co.za](mailto:support@sarsefiling.co.za) should they experience any issues stemming from their use of the new version. Users are reminded that the previous version of e@syFile is temporarily enabled for the submissions due 31 May 2025. Additionally, users are encouraged to utilise the [guide](#) and [e@syFile™ webpage](#) for all information regarding the use of the e@syFile Employer application. You can also access the some of the FAQs [below](#).

## **Reminder: Third-party data submissions due by 31 May**

The deadline for the Third-Party Data Annual submissions is 31 May 2025.

These submissions are essential to ensure the accurate pre-population of individual tax returns for the 2025 year of assessment (1 March 2024- 28 February 2025). This deadline applies to the following data types: IT3(b), IT3(c), IT3(d), IT3(e), IT3(s), Medical Scheme Contributions and Insurance Payments.

It is important to note that the **SARS Test Platform** will remain open throughout the submission period. Taxpayers are strongly encouraged to test their data submissions in advance to ensure all files are adequately tested for conformity with the External BRS requirements before being submitted to the SARS Live Platform.

Testing support will be available throughout this period to address and resolve any issues timeously. For assistance, please contact the 3rd Party Data Support team at [Bus\\_Sys\\_CDsupport@sars.gov.za](mailto:Bus_Sys_CDsupport@sars.gov.za). Alternatively, you may access resources to assist with a seamless submission [here](#).



## Reminder: Enhanced security measures for eFiling: Two-factor authentication and stronger password requirements

To strengthen the protection of taxpayer information and prevent cyberattacks on SARS systems, key security updates have been implemented for eFiling. These include mandatory Two-Factor Authentication and enhanced password requirements.

### *Two-Factor Authentication*

- Enforced for all individual eFiling profiles.
- Users must confirm and update their registered security contact details (cellphone number or email address).
- The two-factor authentication process is as follows:
  - Enter your username and password.
  - Receive and enter a One-Time Pin (OTP) sent to your registered contact method.
  - Upon successful validation, access is granted to your eFiling profile.
- If you last logged in to submit your 2024 Personal Income Tax Return, you will be prompted to set up two-factor authentication at your next login.

### *Stronger Password Requirements*

- Passwords must:
  - Contain at least eight characters.
  - Include at least one uppercase letter, one lowercase letter, one number, and one special character.
  - Avoid repetitive or sequential characters (e.g., “aaaaa” or “12345”).
- A password-strength meter has been added to help users create more secure passwords.

For further details, refer to the external guide: [GEN-ELEC-18-G01 – How to Register for eFiling and Manage Your User Profile](#).

## 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 requests for the remission of penalties.
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.
4. Delays in finalising requests for reduced assessments.

## 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

Feedback from the following RCB/SARS regional meeting/s held between 22 – 28 May 2024 can be accessed:

1. [Gauteng North](#) held on 20 May 2025
2. [Mbombela](#) held on 23 May 2025

## Upcoming RCB/SARS regional and national meetings

1. Western Cape – 4 June 2025
2. KwaZulu Natal – 6 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. RCB Forum meeting- 3 June 2025;
2. SARS National Operational Forum – 14 August 2025;
3. RCB Forum meeting tentatively scheduled for 16 September 2025;
4. RCB Forum meeting- 11 November 2025; and
5. 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 | <b>EMP201</b> - Submissions and payments   |
|          | 23/05/2025 | Value-Added Tax  | <b>VAT201</b> - Manual submissions and payments                                    |
|          | 30/05/2025 | Value-Added Tax  | <b>VAT201</b> - Electronic submissions and payments                                |
|          | 30/05/2025 | Employment Taxes | <b>EMP501</b> - End of the annual employer reconciliation submissions              |
|          | 30/05/2025 | Other            | <b>Third-Party Data (IT3)</b> - 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

### SARS enables access to previous version of e@syFile™ to support employers

As a reminder, SARS has re-enabled access to a previous version of its e@syFile™ Employer software, following technical challenges experienced by some users with the latest update. This measure is intended to assist employers and payroll administrators in meeting their tax compliance obligations, particularly the 31 May 2025 deadline for submitting of the 2024/2025 Annual Reconciliation (EMP501).

Employers alternating between the two versions are advised to exercise caution to avoid duplicate submissions. To mitigate this risk, SARS recommends using only one version of the software to complete and submit returns.

### Other SARS and related operational publications and announcements

No other SARS and related operation publications and announcements were made during the week of 22 - 28 May 2025

## TAX PRACTITIONER MANAGEMENT

### SAIT TaxHelpline – Tax practitioner access and functionality (eFiling)

#### Reminder: e@syFile™ Frequently Asked Questions

Over the past week, there has been a noticeable rise in e@syFile-related queries to the Tax Helpline, as employers prepare for the upcoming **31 May 2025** submission deadline.

Below are some of the FAQ's the Tax Helpline has identified that are continuously asked by members regarding the new e@syfile. The respective responses, as indicated below were provided by the SARS eFiling team, who have also encouraged users of the new e@syfile to contact them at [support@sarsefiling.co.za](mailto:support@sarsefiling.co.za) should they experience any issues stemming from their use of the new version.

Furthermore, it is imperative to download the new version of e@syfile because as effective from 1 March 2025, the older versions of e@syFile™ Employer are no longer supported.

**Employers who fail to upgrade will be unable to submit reconciliations and tax certificates using the old software and may face non-compliance penalties.**

1. *I cannot download the latest version of the E@syFile.*

**Response:** To ensure smooth operation, employers must meet the following minimum system requirements:

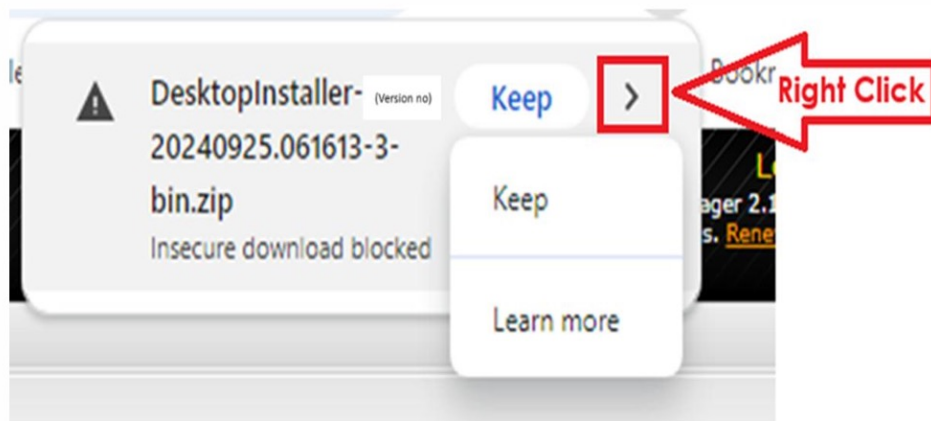
- **Operating System:** Windows 10 or higher (64-bit recommended).
- **RAM:** Minimum 8GB (16GB recommended for large employers handling bulk submissions).
- **Storage:** At least 2GB of free disk space.
- **Internet Connection:** Required for software updates and online submissions.

**Top Tip:** The minimum system requirements for e@syFile Employer Version 8.0 must be met to successfully download and operate the application. Additionally, the new application operates akin to a browser, thus making memory very important. Users are encouraged to upgrade their system memory to ensure optimal performance of the platform.

2. *I have encountered an insecure message when trying to download the latest version.*

**Response:** Should you encounter a message below for insecure file download, please follow the instructions:

Right-click on the arrow and select 'keep' so that you can download the latest version (see image below).



**Top Tip:** Please ensure that all applications required for downloading the latest version of e@syFile are accepted. Additionally, review and update your IT policies to allow for the acceptance of essential applications, including JavaScript, to ensure the smooth operation of e@syFile Employer Version 8.0.

3. *After installing the latest version, I encountered this error.*

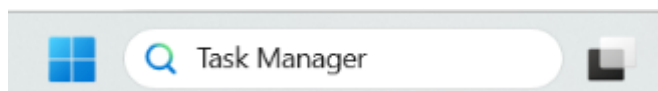


**Response:**

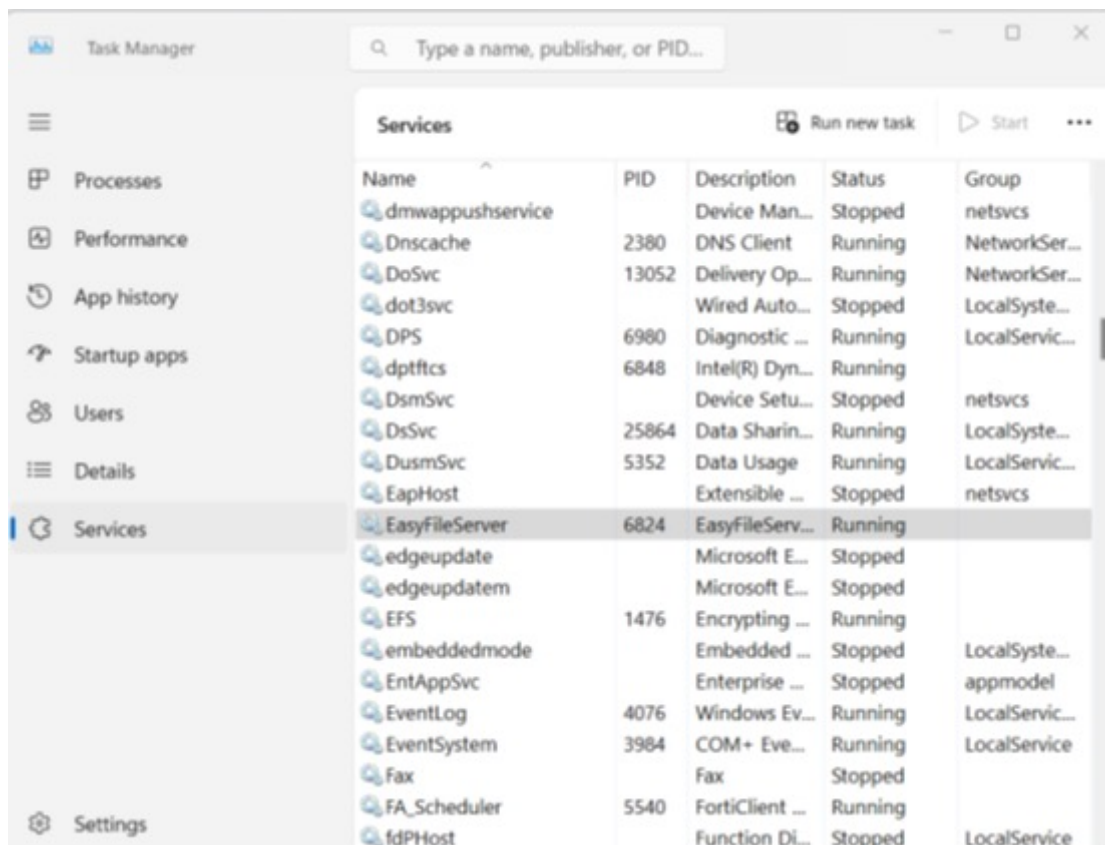
Following the installation of the e@syFile™ TC application, the error message shown above may appear. This is due to the application finalising the creation of the database and establishing a connection to the e@syFile™ server. Please allow approximately 5–10 minutes before attempting to launch the application again.

If the issue persists after approximately 10 minutes, please verify that your computer meets the minimum RAM requirement of 8GB, as specified above.

If your system has more than 8GB RAM, and the issue continues, restart the e@syFile™ server via Task Manager. This may be done by typing "Task Manager", launching the Task Manager application (or press ctrl+alt+del on your keyboard and select Task Manager) (see image below).



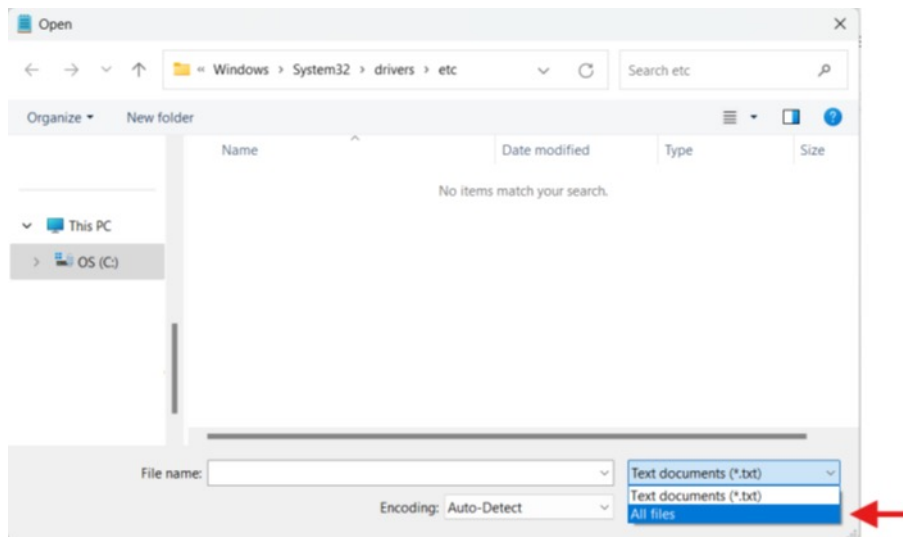
After opening Task Manager, click on the **Services** tab. Scroll down the list to locate **EasyFileServer**, right-click on it, and select **Restart**. Then, wait approximately 5 minutes before reopening **e@syFile TC**.



If the error persists, verify that the e@syFile TC IP address has been added to the host file.

Open the Notepad application and follow the steps below:

1. Click on File > Open.
2. Click on Windows.
3. Click on System32.
4. Click on Drivers.
5. Click on etc.
6. Click on the "Text document" drop-down menu and select "All Files".

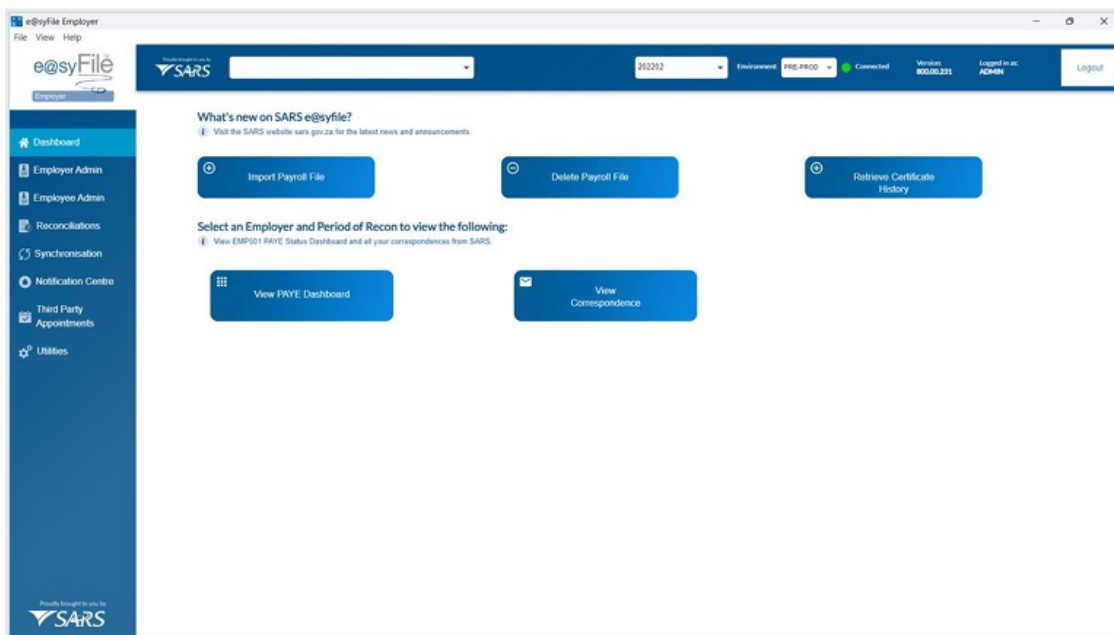


Click on “Hosts” and check that the IP address, 127.0.0.1 easyfile.sars.gov.za, appears. The IP address needs to appear on its own line.

Save any changes that need to be done, then save the host file, and then try to log into e@syFile.

#### 4. How do I retrieve Certificate History?

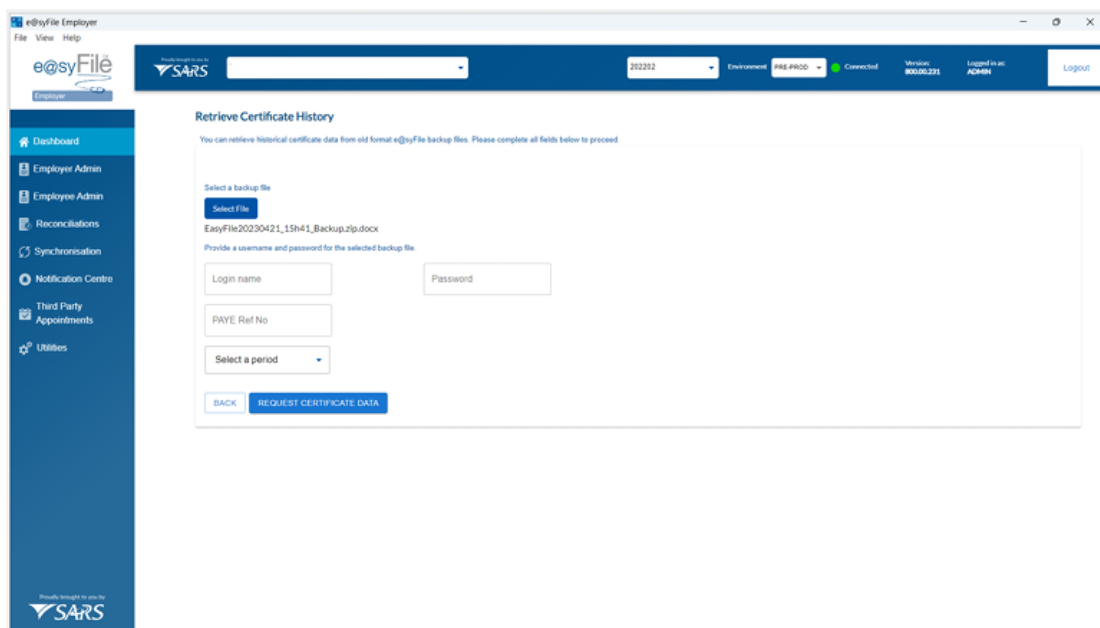
**Response:** The following screens and steps show how to retrieve certificate history:



Select Retrieve Certificate History from the Dashboard. You may select an Employer and Period of Reconciliation, but it is not required to access this function. Please note: Employee records will be retrieved for a reconciliation period only if a certificate was created. As a result, an employee might appear in one reconciliation period but not in another.

- i. Select a backup file to retrieve historical data. The backup file must be saved on the local PC.
- ii. Provide the login name and password to allow decryption of the database. This login information is the same login information used to access the old e@syFile system.
- iii. Capture a PAYE Reference number for an employer contained within the backup database file and the Period of Reconciliation for the period which must be imported.

iv. Select request “Request Certificate Data”



5. Can I still submit using the old e@syFile Employer application?

**Response:** Effective from 1 March 2025, all submissions should be made using the new e@syFile™ Employer application, including the 202502-recon submission.

All information regarding the use of the e@syFile Employer application can be found here: [PAYE-easyFileG01 - e@syfile™TMC Employer Guide - External Guide](#)

## Key tax practitioner news

No new key tax practitioner news is relevant for the week of 22 – 28 May 2025.

## Government & stakeholder newsletters

### Reminder: SARS releases May 2025 edition of the Monthly Tax Digest

On 14 May 2025, SARS published the [Monthly Tax Digest](#). The Tax Digest covered the following topics.

#### Key updates for individual taxpayers

##### *New express functionality on eFiling*

A more user-friendly landing page now includes ‘Express Tabs’ for quick access to key services, such as:

- Submit previous years’ returns.
- View or edit current tax returns.
- Update personal or banking details.

eFiling tutorials are available on SARS’s YouTube channel to assist users in navigating the above.

##### *Two-factor authentication*



To protect taxpayer data from cyber threats, two-factor authentication is now mandatory for all individual profiles:

- Users must enter a One-Time Pin (OTP) sent to their registered cellphone or email after logging in with their username and password.
- Taxpayers who last logged in during the 2024 filing season will be prompted to activate two-factor authentication on their next login.
- Ensure that your contact details are up to date.

#### *Stronger password requirements*

To enhance account security, SARS now requires passwords to:

- Be at least eight characters long.
- Include uppercase and lowercase letters, a number, and a special character.
- Avoid repetitive or sequential characters (e.g., “aaaaa” or “12345”).
- A password-strength meter helps users assess password security.

For more information, refer to [GEN-ELEC-18-G01 – How to Register for eFiling and Manage Your User Profile](#).

#### *Important Notice for Employers regarding the EMP501 Submission Deadline: 31 May 2025*

Employers must submit all outstanding EMP201 (monthly returns) and EMP501 (annual reconciliations) by 31 May 2025.

Failure to comply will result in:

- A 1% monthly penalty (up to 10%) of the annual PAYE liability.

For detailed guidance, consult:

[PAYE-easyFile-G01 – e@syFile™ Employer Guide](#)  
[EMP-GEN-02-G01 – Employer Reconciliation Process Guide](#)  
[Businesses and Employers | South African Revenue Service](#)

For further information, members are encouraged to watch SARS's YouTube video tutorial on submitting the [EMP501 Annual PAYE Reconciliation via eFiling](#).

### **Other tax practitioner access and functionality publications and announcements**

27 May 2025 – The Limpopo & North West [tax workshop schedules](#) for June 2025 are now available.

## 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 22 – 28 May 2025.

#### National legislation

#### **Reminder: The National Treasury has published the Final Response Document on 2024 Tax Legislation**

The National Treasury has published the [Final Response Document](#) pertaining to the

- 2024 Draft Revenue Laws Amendment Bill,
- 2024 Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill,
- 2024 Draft Taxation Laws Amendment Bill,
- 2024 Draft Tax Administration Laws Amendment Bill,
- Global Minimum Tax Bill and Global Minimum Tax Administration Bill – October 2024

This response document provides a consolidated summary of stakeholder feedback on several draft tax bills issued in 2024. It covers written comments received on the 2024 Draft Revenue Laws Amendment Bill, issued for public comment on 21 February and 1 August 2024, along with oral and written submissions presented during the Standing Committee on Finance (SCOF) hearings on 17 September 2024.

Additionally, it includes feedback on the 2024 Draft Rates Bill, the Draft Global Minimum Tax Bill, and the Draft Global Minimum Tax Administration Bill, also released on 21 February 2024.

This final response document summarises input on the 2024 Draft Taxation Laws Amendment Bill (TLAB) and Tax Administration Laws Amendment Bill (TALAB), published on 1 August 2024 and discussed during the same SCOF hearings

#### **Reminder: The National Treasury has published a plethora of explanatory memoranda**

On 20 May, the National Legislation issued the following [explanatory memoranda](#):

#### **2025:**

- Explanatory Memorandum on Amendments to the Regulations Prescribing Electronic Services for the Purpose of the Definition of “Electronic Services” in Section 1(1) of the Value-Added Tax Act, 1991
- Explanatory Memorandum on Amendments to the Regulations on the Domestic Reverse Charge relating to Valuable Metal issued in terms of Section 74(2) of the Value-Added Tax Act, 1991
- Explanatory Memorandum on Regulations on Determining the VAT Liability in respect of Casino Table Games of Chance, issued in terms of section 74 of the Value-Added Tax Act, 1991
- Explanatory Memorandum on the Carbon Offset Regulations under the Carbon Tax Act, 2019

## 2024:

- Explanatory Memorandum on Revenue Laws Amendment Bill, 2024 – Savings Pension
- Explanatory Memorandum on the Taxation Laws Amendment Bill, 2024
- Explanatory Memorandum on the Global Minimum Tax Bill, 2024

## LEGISLATIVE INTERPRETATION

### Legislative calls for comment

SARS has published the following draft interpretation note for comment:

- [Draft Binding General Ruling 4 \(Issue 4\)](#) – Apportionment methodology to be applied by a municipality

The SAIT Tax Technical team is currently reviewing this draft interpretation note to provide feedback to SARS. Members who wish to submit their commentary are invited to email [ksesana@thesait.org.za](mailto:ksesana@thesait.org.za) by no later than 5 June 2025, to ensure their input is considered before comments on the draft interpretation note are finalised and circulated to SARS.

SARS has published the following draft Guides for comment:

- [Draft Tax Exemption Guide for Benefit Funds](#), that provides guidance on the meaning of a “benefit fund” as defined in section 1(1) of the Act and the exemption from income tax of the receipts and accruals of an eligible benefit fund under section 10(1)(d)(ii) of the Act.
- [Draft Guide to Section 18A Approval for Specific United Nations Entities](#), that considers the requirements for obtaining and retaining approval for purposes of section 18A of the Income Tax Act 58 of 1962 (the Act) by the eligible United Nations entities, namely, specialised agencies and the programmes, funds, High Commissioners, offices, entities or organisations listed in section 18A(1)(bA) of the Act.

The SAIT Tax Technical team is currently reviewing these draft Guides so as to provide feedback to SARS. Members who wish to submit their commentary are invited to email [ksesana@thesait.org.za](mailto:ksesana@thesait.org.za) by no later than 11 June 2025, to ensure their input is considered before comments on the draft interpretation note are finalised and circulated to SARS.

### Submissions made to SARS and current calls for comment

No submissions in response to legislative calls for comment were made in the week of 22 – 28 May 2025.

## Legislative counsel publications

## Published court cases

### Reminder that SARS has published the following **Tax Court** decisions

| Date of delivery  | Case                      | Relevant Legislation                                      |
|---|---------------------------|---|
| 25/04/2025  | <a href="#">VAT 22315</a> | Value-Added Tax Act, 1991                                 |
| <b>Keywords:</b><br>This matter considered VAT input tax deduction on import – point in limine. in terms of section 54(2A)(a) of the VAT Act – whether the appellant is entitled to VAT input tax, in the amount of R26 901 845.85. |                           |   |
| Date of delivery  | Case                      | Relevant Legislation                                      |
| 15/04/2025  | <a href="#">45840</a>     | Tax Administration Act, 2011                              |
| <b>Keywords:</b><br>Application to amend rule 31 statement of ground of assessment and opposing appeal.   |                           |   |
| 14/04/2025  | <a href="#">IT 46151</a>  | Tax Administration Act, 2011                              |
| <b>Keywords:</b><br>Application for condonation and amendment of rule 32 statement of grounds of appeal.  |                           |   |
| 07/03/2025  | <a href="#">VAT 22504</a> | Value-Added Tax Act, 1991<br>Tax Administration Act, 2011 |
| <b>Keywords:</b><br>Discovery of documents and better and further discovery of documents.   |                           |   |
| 25/02/2025  | <a href="#">IT 35476</a>  | Tax Administration Act, 2011                              |
| <b>Keywords:</b><br>Credit loan – USP – Interest – whether the taxpayer’s credit loan account in Company A in the relevant years of assessment – 2014 to 2017 – represented undeclared income.                                      |                           |   |

## Other SARS publications and announcements

No other legislative publications or announcements were issued by SARS during the week of 22 – 28 May 2025.

## OTHER MATTERS OF INTEREST FOR A TAX PRACTICE

### Exciting career opportunities at the Office of the Tax Ombud

SAIT is pleased to share exciting career opportunities currently available at the Office of the Tax Ombud (OTO). The OTO plays a vital role in promoting fairness, transparency, and accountability in the South African tax system. If you’re passionate about taxpayer rights, systemic fairness, and public service, this is a unique opportunity to contribute your expertise.

The OTO is seeking competent, highly motivated, and professional individuals to join its team in the following roles:

- [Chief Executive Officer](#) (5 year contract)
- [Senior Manager: Operations](#)
- [Senior Manager: Legal Services](#)
- [Manager: Operations](#)
- [Consultant: Human Resources Business Partner](#)
- [Operational Specialist: Systemic Investigations](#)
- [Customer Service Agent](#)

Application deadline: 9 June 2025 (No late applications will be accepted).

SAIT encourages its members, particularly those with experience in tax administration, taxpayer service, legal interpretation, and systemic issue resolution, to consider applying or to share this opportunity with qualified colleagues.

For enquiries, contact: [recruitment@taxombud.gov.za](mailto:recruitment@taxombud.gov.za) or visit the [Office of the Tax Ombud website](#) for vacancy details and application links.