

# TAXPRACTICE

## WEEKLY HIGHLIGHTS

WEEK OF 21 - 27 Aug 2025  
(Issue 32 -2025)

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### TOP STORIES

#### SARS and RCBs Forge Strategic Partnership to Boost Voluntary Compliance

SARS has reinforced its partnership with RCBs to strengthen voluntary tax compliance. Commissioner Edward Kieswetter met with RCB leaders to discuss ways to support tax practitioners and safeguard the integrity of South Africa's tax system.

During the engagement, SARS and the RCBs held candid discussions on key matters affecting practitioners and the broader tax ecosystem. Both parties agreed that SARS must provide practitioners with clear guidance on their obligations and make compliance easier, particularly regarding registration and ongoing renewal verification. RCBs were encouraged to obtain members' consent for compliance-status sharing to enhance transparency.

This engagement reaffirms a shared commitment to ethical conduct, constructive dialogue, and a fair, equitable tax system that contributes to South Africa's development. To strengthen ongoing collaboration, specific objectives were outlined and agreed upon by all parties.

Further details on the engagement may be accessed [below](#).

#### 2025 Draft Tax Bills and Regulations Released for Public Comment

National Treasury and SARS have jointly published the 2025 Draft Tax Bills and Draft Regulations for public comment. These documents outline the legislative amendments necessary to implement the tax proposals set out in Chapter 4 and Annexure C of the 2025 Budget Review, which require further consultation with the public.

National Treasury and SARS will engage with stakeholders as part of a broader consultation process on these proposed changes. The release of the draft bills marks a critical step in shaping sound and effective national tax legislation.

Members are strongly encouraged to review the [2025 Draft Tax Bills and Draft Regulations](#) and to actively participate in the consultation process, contributing to the development of meaningful and informed legislation.

Further information may be accessed [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](mailto:taxassist@thesait.org.za).

Approximately 500 – 1500 words

# PART A: COMPLIANCE & SARS OPERATIONS

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

### Non-Resident Tax Return Type Functionality on SOQS

At the Gauteng Regional Meeting on 21 August 2025, SAIT highlighted challenges with the current Non-Resident Tax Return function on SOQS. At present, the system only accepts foreign passport numbers, which creates difficulties for individuals ceasing tax residency who do not yet hold a foreign passport.

In many cases, taxpayers with South African ID numbers, despite having received formal non-residency confirmation from SARS, find that their status is not updated on the system, preventing them from accessing the non-resident return. Furthermore, only taxpayers with foreign passports can correct an incorrectly issued non-resident return on SOQS, while those with South African IDs are unable to update their return status. These limitations undermine the effectiveness of recent system enhancements.

SARS has indicated that the issue will be referred to its business systems team, with feedback to be provided and communicated once available.

### The Role of a Registered Representative in Tax Administration

In the South African tax system, the Registered Representative is a critical figure recognised by SARS. Together with tax practitioners, the Registered Representative plays a central role in ensuring compliance, effective communication, and accountability.

The Tax Administration Act, No. 28 of 2011, requires every taxpayer that is not a natural person, such as companies, trusts, and estates, to appoint a natural person as their Registered Representative. This individual is vested with full authority to act on behalf of the taxpayer and serves as the official point of contact with SARS.

Without a Registered Representative, non-natural persons cannot fully comply with their tax obligations, including the timely submission of returns. It is therefore essential that, when entities are successfully registered for tax, the registration of a representative on SOQS be completed without delay. Equally important is the obligation to update SARS within 21 working days of any change in the registered representative.

The SAIT Tax Helpline has recently received an increasing number of escalation requests from practitioners seeking to expedite the registration or update of representatives due to imminent deadlines. Members are reminded that all service requests must first be submitted to SARS through the prescribed channels. Only once a SARS case number has been issued and the standard turnaround time (TAT) has lapsed can the matter be escalated via the SAIT channel.

The current turnaround time for the registration or amendment of a registered representative is 21 working days. SAIT cannot escalate cases that are still within this timeframe, regardless of the urgency. To avoid delays, members are strongly encouraged to initiate registration or update requests well in advance of tax return deadlines to ensure uninterrupted compliance for their clients.

For detailed steps on how to register or update a registered representative, visit the [registered representative webpage](#).

## Final Reminder on Upcoming August Deadline: Provisional and Turnover Tax

Taxpayers (individuals, trusts, and companies) with a February year-end are reminded that the due date for the submission of the first provisional tax return and payment for the 2026 year of assessment is Friday, 29 August 2025.

The amount payable is calculated based on 50% of the total tax due on the estimated taxable income for the 2026 tax year. It is important to note that SARS must receive payment by no later than 29 August 2025. Payments received after the final business day of August will be deemed late, and a 10% penalty will be levied on the late payment of the first provisional tax payment.

Payment must be directly made on the taxpayer's registered SARS eFiling profile. For further guidance on provisional tax, please consult the [SARS Provisional Tax Guide](#).

Additionally, micro businesses with an annual turnover of R1 million or less that are registered for turnover tax are reminded that the first payment is calculated at 50% of the total tax payable on their estimated annual turnover for the 2026 tax year. This payment is also due on Friday, 29 August 2025.

It is in the best interest of micro businesses to ensure that payments are made by the last business day of August to avoid potential penalties and interest. For more information on Turnover Tax, read [here](#).

## Reminder on the PRN Feature on SOQS to Streamline Tax Payments

SARS has introduced a new functionality on SOQS that allows taxpayers to request a Payment Reference Number (PRN) directly through the platform. This enhancement is designed to simplify the process of making payments to SARS and ensure accurate allocation of funds.

A PRN is a 19-digit reference number that identifies the specific tax type and period for which payment is made. It is required when making payments to SARS via electronic funds transfer (EFT) or at bank branches. By using a PRN, taxpayers can ensure that payments are applied correctly, avoiding misallocation or delays in processing.

### The tax types that will be covered by the PRN feature on SOQS:

- Income Tax
- Provisional Tax
- VAT (limited to period PRNs)
- PAYE/SDL/UIF (limited to period PRNs)
- Dividends Tax

### *How to Use the Feature:*

Taxpayers can access the PRN function via the "[What is my Payment Reference Number](#)" section on the SOQS webpage. Once generated, the PRN can be used for payments via eFiling or at any bank using the preloaded SARS beneficiary options. For Personal Income Tax payments, the appropriate preloaded beneficiary is 'SARS-ITA'.

For detailed guidance, taxpayers may refer to the updated [SARS Online Query System \(SOQS\) Guide](#) available on the [SARS website](#).

## Reminder on SARS Updates for Completing ITR12 Returns – 2025 Year of Assessment

On 19 August 2025, SARS advised taxpayers of the following updates relating to the completion of ITR12 returns for the 2025 year of assessment onward:

### 1. Antedated Salary/Pension:

For amounts reported using source codes 3623/3673 ('antedated salary/pension' paid for previous years), the directive number is now mandatory in the income section of the IRP5 certificate.

### 2. Exempt Dividends:

- o Local Dividends (Source code 4306): Will only appear next to the 'Exempt Local Dividends' field.
- o Foreign Dividends (Source code 4307): Will only appear next to the 'Exempt Foreign Dividends' field.

### 3. Capital Gains Tax:

Taxpayers in a partnership disposing of partnership assets during the year are required to declare only their portion of the proceeds and base cost on their ITR12 return.

### 4. Return Type for Foreign Nationals:

From 26 July 2025, all foreign nationals are issued a 'resident' ITR12 by default. Foreign nationals requiring a non-resident ITR12 must request the correct return type using the Non-resident Tax Return Type icon on SOQS.

For detailed guidance, taxpayers should consult the updated [IT-AE-36-G05 – Comprehensive Guide to the ITR12 Income Tax Return for Individuals – External Guide](#).

## Reminder on The Latest SARS Email Scam

SARS has identified a new phishing scam involving emails that appear to come from an address like the official eFiling notifications, such as [noreply@sars.gov.za](mailto:noreply@sars.gov.za). The subject line of the email is "PROCESS QUOTE LETTER", and it instructs recipients to "Please kindly process SARS letter for attention", with a link directing to a fraudulent website.

**Important To Note:** Do not click on the link. The website is designed to steal your personal information.

If you are unsure about the authenticity of an email:

- Hover over any links (as shown in the image below) to verify the website address.
- Check the [SARS Scams webpage](#) for the latest examples of phishing attempts and guidance on how to respond to suspicious emails.



From: noreply@sars.gov.za <noreply@sars.gov.za>  
Sent: Monday, 18 August 2025 16:38  
To:  
Subject: PROCESS QUOTE LETTER

Good Day,

Please kindly provide SARF details to transfer your case to  
[Click to follow link]

[PROCESS LETTER HERE](#)

SARS TERM OFFICE

SCAM

## 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 notice of objections.
2. Delays in finalising and payment of refunds.
3. Delays in finalising registered representative requests.
4. Delays in finalising requests for remission of penalties.

SAIT continues to engage with SARS at both regional and national levels on a case-by-case basis regarding the escalations mentioned above. Feedback is communicated directly to the affected members as appropriate.

## 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 the 21st of August 2025, the SARS Gauteng Region held their second stakeholder meeting for 2025 since the merging of the previous Gauteng North and Gauteng South regions. Minutes of the meeting can be accessed [here](#).

## Upcoming RCB/SARS regional and national meetings

1. Eastern Cape – 29 August 2025
2. Western Cape – 3 September 2025
3. Mpumalanga – 5 September 2025
4. Free State and Northern Cape – 8 September 2025
5. Limpopo – 9 September 2025
6. Northern Region – 26 September 2025
7. Free State and Northern Cape – 10 November 2025 and
8. Eastern Cape – Gqeberha and Kariega – 12 November 2025
9. Gauteng – 20 November 2025.

### Other meetings of interest

1. RCB Forum meeting – 16 September 2025;
2. RCB Forum meeting – 11 November 2025; and
3. SARS National Operational Forum – 20 November 2025.

## DAILY COMPLIANCE AND ADMINISTRATION

### Due dates for reporting and payments: August 2025

Month	Date	Tax Type	Notification
August 2025	07/08/2025	Employment Taxes	<b>EMP201</b> - Submissions and payments
	25/08/2025	Value-Added Tax	<b>VAT201</b> - Manual submissions and payments
	29/08/2025	Value-Added Tax	<b>VAT201</b> - Electronic submissions and payments
	29/08/2025	Income Tax	<b>1st provisional (2026)</b> submissions and payments for individuals, trusts and companies with a February year-end
	29/08/2025	Turnover Tax	<b>1st TT02 (2026)</b> payments for micro businesses registered for turnover tax

Month	Date	Tax Type	Notification
September 2025	01/09/2025	Other	<b>Third-Party Data IT3(t)</b> - Start of third-party bi-annual submissions in the LIVE environment
	05/09/2025	Employment Taxes	<b>EMP201</b> - Submissions and payments
	20/09/2025	Income Tax	<b>ITR12T</b> - Opening of Trust Filing Season
	22/09/2025	Employment Taxes	<b>EMP501</b> - Start of employer interim reconciliation submissions
	25/09/2025	Value-Added Tax	<b>VAT201</b> - Manual submissions and payments
	30/09/2025	Value-Added Tax	<b>VAT201</b> - Electronic submissions and payments
	30/09/2025	Income Tax	<b>3rd provisional (2025)</b> payments for individuals, trusts and companies with a February year-end period
	30/09/2025	Other	<b>Third-Party Data IT3(t)</b> - End of third-party annual submissions for Trusts

## SAIT member resources

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

## Key operational news

No key operational news was identified during the week of 21 - 27 August 2025.

## Other SARS and related operational publications and announcements

## TAX PRACTITIONER MANAGEMENT

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

### Understanding Section 6quat: Relief for Foreign Taxes

The SAIT Tax Helpline has observed a growing number of queries from practitioners regarding relief for foreign taxes. Below is a concise overview of the relief available to taxpayers, along with additional resources members can use to gain a thorough understanding of Section 6quat.

South African tax residents are taxed on their worldwide income, which creates the potential for international double taxation when foreign jurisdictions also tax the same earnings. Section 6quat of the Income Tax Act provides relief via rebates or deductions for foreign taxes paid. In certain contexts, such as dividends, relief may also be available under section 64N.

#### Rebate vs Deduction

- **Rebate (s6quat(1))**
  - Directly reduces normal tax liability by the amount of foreign tax paid.
  - Applies to foreign source amounts included in taxable income, such as:
    - Income from foreign sources,
    - Net income from Controlled Foreign Companies (CFCs) under section 9D,
    - Taxable capital gains from foreign sources,
    - Amounts deemed received under section 7.
  - Unused credits can generally be carried forward for seven years.
  - **Limitation: Cannot exceed the portion of normal tax corresponding to the ratio of foreign taxable income to total taxable income (s6quat(1B)(a)).**
- **Deduction (s6quat(1C)(a))**
  - Treated as an ordinary deduction, reducing taxable income, not tax liability directly.
  - Cannot be carried forward.
  - Used when claiming a deduction provides better tax treatment than a rebate.

Requirements for Qualifying Foreign Taxes (s6quat(1A) & (3))

To qualify, foreign taxes must:



1. Be payable on income.
2. Be paid to a foreign government.
3. Be final, with no rights of recovery.
4. Relate to amounts included in the resident's taxable income.
5. Be paid by specified persons as recognized by SARS.

## Key Considerations

- Tax treaties may override domestic rules and affect rebate eligibility. Taxpayers can choose between treaty-based credit mechanisms and the domestic rebate method.
- Currency conversion: Foreign taxes must be translated to rand, rounded to the nearest rand, using the average exchange rate for the relevant tax year.
- Assessments and documentation: SARS may amend assessments for up to six years. Taxpayers must keep proof of liability, payment, and finality of foreign taxes, including certified translations if needed.
- Common misconceptions: Choosing not to claim a foreign refund does not make excess withholding tax non-recoverable. Relief applies only to taxes on income.

## Why It Matters

Section 6quat is crucial for individuals and companies earning foreign income. Misapplication can lead to:

- Overpayment of tax,
- Misstated financial statements, or
- Compliance issues with SARS.

Proper understanding ensures accurate reporting, maximisation of relief, and compliance with both South African and international tax rules.

## References

[Interpretation Note 18 \(Issue 4\)](#) offers comprehensive guidance on claiming foreign tax relief under Section 6quat. In addition, SAIT recently hosted a webinar exploring Relief for Foreign Taxes in detail, which can be accessed [here](#).

### Key tax practitioner news

### Government & stakeholder newsletters

### August Edition of Tax Practitioner Connect Published

SARS published the August edition of the Tax Practitioner Connect. The latest issue shares the following important updates for tax practitioners:

- **Provisional Tax:** First IRP6 submission due by 29 August 2025.
- **12th Annual SAIT Tax Indaba:** Held in Johannesburg from 11–13 August, the event stressed the evolving role of tax practitioners, moving beyond compliance to advisory, risk management, and strategic engagement. Clear, consistent communication with SARS and accurate financial reporting were highlighted as essential.
- **Scam Alert:** Taxpayers are warned against fraudulent messages claiming to be from SARS about outstanding debt.
- **Scope of Service:** SARS urges tax practitioners to clearly define their services and responsibilities in writing with clients. This helps prevent disputes and protects both parties if complaints arise.

- **SOQS Enhancements:**
  - o OTP added for directive status checks.
  - o New option to request auto-assessment for provisional taxpayers.
  - o Non-resident return services expanded for those ceasing residency.
- **Exempt Institutions:** Tutorial videos on IT12EI returns now available.
- **Key Deadlines:**
  - o Trusts Filing: 20 September 2025 – 19 January 2026
  - o Interim Employer Reconciliation: 22 September – 31 October 2025
  - o Individuals [PIT]: 21 July – 20 October 2025
  - o Provisional taxpayers [PIT]: 21 July 2025 – 19 January 2026

The full publication can be assessed here: [Tax Practitioner Connect Issue 65 \(August 2025\) | South African Revenue Service](#)

### Reminder that SARS Published Issue 12 of SMME Connect

The SMME Connect Issue 12, published on 15 August 2025, newsletter underscores SARS's unwavering commitment to supporting the SMME sector. It celebrates the contributions of small businesses, facilitates access to SARS services, and offers crucial compliance reminders, especially ahead of the 31 August deadlines for Turnover Tax and Provisional Tax.

To read the full publication, click [here](#).

### Reminder that SARS Published the August Monthly Tax Digest

In the August 2025 issue of the Monthly Tax Digest, SARS continues its push for accessible and efficient tax compliance, offering invaluable guidance for taxpayers. SARS not only reminds taxpayers of the approaching Provisional Tax deadline, but it also equips taxpayers with the tools to:

- Update contact and banking information to avoid access or refund issues
- Correct mistakes on returns
- Efficiently submit required verification documentation digitally
- Educate on how to use digital channels (WhatsApp, MobiApp, USSD) for refund updates
- Stay compliant with provisional tax requirements to avoid unnecessary penalties

All the topics included in this digest were previously dissected in previous editions of the TPWH. To read the full publication, click [here](#).

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

27 August 2025 – The Limpopo [mobile tax unit schedules](#) for September 2025 are now available.

# PART B – LEGISLATION & POLICY

## LEGISLATION, INTERNATIONAL AGREEMENTS & POLICY

### Tax policy & international agreements

#### National Legislation

### Reminder on the Release of the 2025 Draft Tax Bills and Regulations for Public Comment

On 16 August 2025, the National Treasury and SARS jointly released the 2025 Draft Tax Bills and Draft Regulations for public comment. These documents outline proposed legislative amendments aimed at implementing key tax policy changes announced in the 2025 Budget Review.

The draft legislation includes amendments to the Income Tax Act, Customs and Excise Act, Value-Added Tax Act, Carbon Tax Act, and the Global Minimum Tax Act, among others.

#### Key proposed amendments include:

- Reducing the threshold for ring-fencing of assessed losses
- Tax treatment of foreign retirement benefits
- Refining the definition of “hybrid equity instrument” in section 8E to strengthen the anti-avoidance measures
- Reviewing asset-for-share and amalgamation transactions involving collective investment schemes to close loopholes
- Reviewing the VAT treatment of airtime vouchers supplied in South Africa for exclusive use in an export country
- Low-value importation of goods
- Phase 2 of the carbon tax
- Clarifying the meaning of the audit certificate to be issued by public benefit organisations
- Providing for a simplified customs entry regime for the entry of goods imported or exported for purposes of express delivery on a door-to-door basis
- Dutiability of waste derived from processing imported goods in manufacturing plants
- Providing for a customs and excise voluntary disclosure programme
- Enabling the VAT Modernisation Project
- Inspecting the business premises of a taxpayer applying for registration or approval
- Clarifying “bona fide inadvertent error” for purposes of understatement penalties

#### Draft Regulations published include:

- Draft Domestic Reverse Charge Regulations
- Draft Export Regulations
- Draft Explanatory Memoranda accompanying the above regulations

Members can access the full set of 2025 Draft Tax Bills and Draft Regulations [on the SARS website](#)

The deadline for public comment is 12 September 2025. SAIT Tax Technical and the SAIT Technical Workgroups will be submitting formal responses.

Members who would like to contribute are encouraged to send their input to [ksesana@thesait.org.za](mailto:ksesana@thesait.org.za) by 05 September 2025.

## LEGISLATIVE INTERPRETATION

### Legislative calls for comment

No other new calls for comment were released in the week of 21 - 27 August 2025.

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

No new submissions were made in the week of 21 - 27 August 2025.

### Legislative counsel publications

## SARS Issues Guidance on Section 18A Approval for Specific UN Entities

SARS has released a new guide explaining how specific United Nations (UN) entities can obtain section 18A approval, allowing them to issue tax-deductible receipts for qualifying donations in South Africa. These specific UN entities are namely specialised agencies and the programmes, funds, High Commissioners, offices and entities or organisations listed in section 18A(1)(bA) of the Act.

The guide outlines:

- Eligible entities – including specialised UN agencies (e.g. WHO, ILO, IMF), programmes (UNICEF, UNDP, UNHCR, UN Women), and other UN offices.
- Approval requirements – entities must submit a written undertaking to SARS, apply donations to approved public benefit activities, and maintain proper tax records.
- Donor benefits – once approved, donations to these UN bodies may qualify for tax deductions, provided a compliant section 18A receipt is issued.
- Compliance duties – strict record-keeping, reporting, and administrative obligations apply.

Annexures to the guide include templates for undertakings and receipts, as well as references to the relevant legislation.

This guide is a significant resource for international bodies operating in South Africa. It not only clarifies the path to tax-deductible donation status but also reinforces South Africa's commitment to supporting the UN's global development, humanitarian, and social objectives.

The comprehensive guidelines can be accessed here: [Section 18A Approval for Specific United Nations Entities Guide](#)

## SARS Updates the Tax Guide for Small Businesses

On 26 August 2025, SARS released an updated guide on the taxation of small businesses.

For income tax, the guide incorporates the latest legislative changes, including the Tax Administration Laws Amendment Act 43 of 2024, the Taxation Laws Amendment Act 42 of 2024, the Rates and Monetary Amounts Amendment Act 45 of 2024, as well as updates from the 2024 Budget Review. For indirect taxes, all relevant information has been revised to reflect amendments in effect as of the guide's publication date, 26 August 2025.

The revised guide includes expanded sections on VAT registration, provisional tax, and capital gains tax, with clearer explanations tailored to sole proprietors, partnerships, and small business corporations. Notably, the guide now features updated thresholds for transfer duty and tax rates applicable to micro businesses and SBCs for the 2024/2025 tax year. It also provides detailed commentary on deductions available under various sections of the Income Tax Act, including those for renewable energy investments and learnership agreements.

The comprehensive guidance can be accessed here: [Tax Guide for Small Businesses](#)

## **SARS Publishes the Updated Taxation in South Africa Guide**

On 26 August 2025, SARS published the updated Taxation in South Africa guide, offering a broad overview of the country's tax legislation and administrative processes.

This edition incorporates amendments from the Tax Administration Laws Amendment Act 43 of 2024, the Taxation Laws Amendment Act 42 of 2024, and the Rates and Monetary Amounts Amendment Act 45 of 2024.

The guide is designed to assist taxpayers, practitioners, and advisors by providing detailed insights into income tax, VAT, customs and excise duties, and other taxes. Notable enhancements include updated tax thresholds, revised capital gains tax provisions, and expanded guidance on the Two-Pot Retirement System. The guide also outlines SARS's digital services, including eFiling and the MobiApp, and offers step-by-step instructions for registration, return submission, and payment processes.

The detailed guide can be found here: [Taxation in South Africa](#)

## **SARS Issues Interpretation Note 139**

SARS has [issued Interpretation Note 139](#) to provide clarity on the taxation of amounts received by or accrued to missionaries under section 1(1) of the Income Tax Act.

The [note](#) explains that amounts received by missionaries for services rendered or to be rendered, including contributions from missionary organisations, congregations, or communities, are included in "gross income" and subject to normal tax. SARS highlights that even voluntary awards or remunerative donations linked to missionary services fall within taxable income, while purely personal gifts (such as from family members given out of love or duty of support) are excluded.

The [note](#) further clarifies that the source of income is determined by where services are rendered. South African resident missionaries are taxed on worldwide income, while non-residents are taxed on amounts received in respect of services rendered in South Africa. Missionaries not subject to PAYE may also qualify as provisional taxpayers and need to comply with provisional tax obligations. Importantly, case law and practical examples are included to illustrate when contributions qualify as taxable income versus exempt personal gifts.

Members are encouraged to review the full note for comprehensive guidance and to consult their tax advisors on the implications for their specific circumstances.

## **Reminder that SARS has issued Interpretation Note 33 (Issue 6)**

Following on from the above, SARS has issued [Interpretation Note 33 \(Issue 6\)](#) to provide clarity on the "trade" and "income from trade" requirements for companies seeking to carry forward assessed losses under section 20(1)(a) of the Income Tax Act.

The [note](#) emphasises that a company may only retain and set off a balance of assessed loss if it has actively traded during the relevant year, with SARS outlining objective criteria to establish whether genuine trade occurred.

While SARS recognises challenges where companies have not yet derived income, due to the nature of long lead-time business models, it affirms that assessed losses may still be carried forward, provided trading activity is proven. Importantly, passive activities or preparatory steps without substantive commercial operations will not qualify. The [note](#) includes case law references and practical examples to guide taxpayers and tax practitioners.

Members are encouraged to review the full [note](#) for comprehensive insight and compliance obligations. Members are encouraged to familiarise themselves with [Interpretation Note 33 \(Issue 6\)](#) and consult their tax advisors for the latest developments in this area.

## Published court cases

No new court cases were published by SARS during the week of 21 - 27 August 2025.

## Other SARS publications and announcements

No other legislative publications or announcements were issued by SARS during the week of 21 - 27 August 2025.

## OTHER MATTERS OF INTEREST FOR A TAX PRACTICE

### SARS and RCBs Forge Strategic Partnership to Boost Voluntary Compliance

SARS has reinforced its partnership with RCBs to promote voluntary tax compliance. Commissioner Edward Kieswetter met with leaders of RCBs—including SAIT, SAICA, SAIPA, IAC, CIBA, LPC, CGISA, FPI, CIMA, and ACCA—to discuss supporting tax practitioners and ensuring the integrity of South Africa's tax system.

The meeting focused on clarifying practitioner obligations, streamlining registration and renewal processes, and improving collection of outstanding returns and tax debt. SARS and RCBs agreed to maintain strategic engagements, establish committees for legal, operational, and technical matters, and refine the Tax Practitioner Service Offering Model as part of SARS's Modernisation Programme.

Key steps agreed to strengthen collaboration include:

- Annual or bi-annual strategic engagements between the Commissioner and RCB CEOs.
- Reorienting the Operational Forum to address daily operational issues.
- Establishing a Legal & Policy Committee for legislative matters.
- Setting up a technical committee to resolve system and data limitations.
- Re-establishing forums for specific segments, including Large Business & International and High Wealth Individuals.
- Refining the Tax Practitioner Service Offering Model as part of SARS's Modernisation Programme.

Commissioner Kieswetter stressed that voluntary compliance must remain a boardroom priority and that practitioners should uphold the highest standards of accountability. He acknowledged the profession's pivotal role in mobilising resources, contributing to SARS's collection of over R23.3 trillion since its inception.



Keitumetse Sesana from SAIT highlighted the value of collaboration, noting that “seeing how AI and real-time data is being leveraged at SARS was both eye-opening and inspiring,” and reinforced the role of tax practitioners as enablers of fiscal citizenship.

This engagement reaffirms a shared commitment to ethical conduct, constructive dialogue, and a fair, equitable tax system that supports South Africa’s development.

For the full media statement, read [here](#).