

TAXPRACTICE

WEEKLY HIGHLIGHTS

WEEK OF 11 - 17 September 2025
(Issue 35 -2025)

TABLE OF CONTENTS

PART A: COMPLIANCE & SARS OPERATIONS 4

SAIT-SARS 'ON-THE-GROUND' ENGAGEMENT 4

SAIT TaxHelpline – escalations 8

SARS regional and national operational meetings 8

Upcoming RCB/SARS regional and national meetings 8

DAILY COMPLIANCE AND ADMINISTRATION 9

Due dates for reporting and payments: July and August 2025 9

SAIT member resources 9

Key operational news 9

Other SARS and related operational publications and announcements 9

TAX PRACTITIONER MANAGEMENT 9

SAIT TaxHelpline - Tax practitioner access and functionality (eFiling) 9

Key tax practitioner news 10

Government & stakeholder newsletter 10

Other tax practitioner access and functionality publications and announcements 11

PART B – LEGISLATION & POLICY 12

LEGISLATION, INTERNATIONAL AGREEMENTS & POLICY 12

Tax policy & international agreements 12

National legislation 12

LEGISLATION INTERPRETATION 14

Legislative calls for comment 14

Submissions to SARS and current calls for comment 15

Legislative counsel publications 15

Other SARS publications and announcements 15

OTHER MATTERS OF INTEREST FOR A TAX PRACTICE 15

TOP STORIES

RCB Engagements with SARS on the proposed Rapid Compromise Process

In recent weeks, SAIT together with other RCB's have had constructive engagements with senior SARS leadership where SARS has unveiled its proposed Rapid Compromise Process, which is aimed at assisting taxpayers with long-standing tax debts to regularise their affairs and improve compliance.

This initiative is set to roll out with structured timelines, criteria, and clear next steps for both taxpayers and tax practitioners. SARS has committed to a streamlined process that balances compliance with much-needed relief for qualifying taxpayers.

More detailed information will be shared with our members soon — including the criteria, application process, and key timelines. Members are encouraged to stay tuned for updates as we continue to work closely with SARS to ensure this initiative is effectively communicated and implemented.

SAIT Technical Work Groups Submit Extensive Commentary on Draft Tax Bill Amendments

On 12 September 2025, SAIT submitted its formal response to the 2025 draft tax legislation. This submission represents the outcome of a detailed, clause-by-clause evaluation of all the proposed technical amendments—carefully undertaken by SAIT in collaboration with experts from our specialist workgroups. This effort is part of our broader commitment to advancing the South African tax profession and ensuring the interests of taxpayers are heard and considered in legislative processes.

In the upcoming week, SAIT will participate in the National Treasury workshops which are scheduled for 22–23 September 2025. Building on those discussions, we will take our input forward to the Standing Committee on Finance during the upcoming Parliamentary hearings, where we will advocate for and expand on the positions outlined in our submissions.

Key issues raised include:

- Concerns over the broad application of anti-avoidance rules on third-party backed shares
- The inconsistent definitions under section 23M.
- Objections to the proposed reduction of assessed loss ring-fencing thresholds
- Comments on the proposed repeal of foreign retirement fund exemptions
- Unintended consequences of redefining “equity share”
- Ambiguity in exchange difference deferrals
- The growing reliance on IFRS in tax law
- Concerns regarding SARS’ narrow interpretation of bona fide error; and
- Comments regarding the proposed changes on section 12H as these relates to supplies made by educational institutions.

Extensive commentary was also made on the carbon tax, customs and business incentive proposed amendments. Full submissions are available on our website for members seeking detailed technical insights. Brief excerpts from the submissions can be read [below](#).

2025 Interim Employer Reconciliation Updates

SARS has released important updates for the Employer Interim Reconciliation submissions period from 22 September to 31 October 2025. Employers are required to reconcile for the first half of the reconciliation year (1 March to 31 August 2025) via eFiling or e@syFile™ Employer. Employers with 50 or fewer employees may use either SARS eFiling or e@syFile™ Employer. Larger employers must use e@syFile™ Employer.

The key changes for 2025 are as follows:

1. Transition to e@syFile Thin Client.

The “Flex” version is being phased out. For the 2025 interim reconciliation, submissions must be made using e@syFile Thin Client. Historical data can be accessed via “Flex,” but new submissions via Flex will no longer be accepted. A guide is available on the SARS website to assist with this change.

2. Updated the **Business Requirements Specification**.

New source codes, validation rule changes, and updates to source code descriptions have been introduced. Employers and payroll administrators should ensure their systems are aligned with the latest requirements.

3. **Mandatory Income Tax Numbers for All Employees (Effective February 2026)**

Starting in the February 2026 filing season, valid Income Tax Numbers will be mandatory for all employees in EMP501 submissions.

Employers will no longer be able to submit reconciliations without valid Income Tax numbers for all employees. Employers should verify or register income tax reference numbers for their employees via SARS’s registration processes, eFiling, e@syFile, or by visiting a SARS branch.

Failure to submit a correct and timely EMP501 may result in administrative penalties, including interest and penalties for late or inaccurate declarations. Additionally, ETI employers with unused ETI will forfeit the ETI for non-submission or where the employer has a non-compliant status.

Employers and tax practitioners are advised to file timeously. Members can read the full communication [here](#).

[#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

SARS Prepares for Implementation of Global Minimum Tax

On 12 September 2025, SARS announced that it is preparing its systems and teams to implement the Global Anti-Base Erosion (GloBE) Model Rules, which introduce a global minimum tax for large multinational enterprises. The initiative aims to promote fair taxation, support voluntary compliance, and enable streamlined reporting through eFiling. SARS will provide further updates on the implementation as developments unfold.

- [Discover more about the GloBE framework and how it affects multinational entities here.](#)
- More information on the GMT legislation can be found [here](#).
- More information on the GloBE framework can be [found here on the OECD website](#).

Please contact the SARS GloBE support Team at LBqueries.Globe@sars.gov.za for queries pertaining to the global minimum tax and framework.

Trust Tax Season: Key Dates and Updates

The 2025 Trust Filing Season officially opens on 20 September 2025. Trustees and tax practitioners are reminded to prepare for the upcoming deadlines to ensure timely compliance:

- 20 Sep 2025: ITR12T submissions open
- 30 Sep 2025: IT3(t) third party data & top-up provisional payments due (2025 year)
- 19 Jan 2026: Final deadline for ITR12T submissions
- 28 Feb 2026: Second provisional tax payment (2026 year)

SARS has confirmed that no penalties will be imposed this year for the late submission of IT3(t) returns. However, penalties and interest will still apply where ITR12T returns are not submitted on time.

SARS's 2025 guidance also makes it clear that a trust can never be regarded as "dormant." Fiduciary obligations continue to exist even if a trust has no trading activity or distributions. Accordingly, trustees and their appointed tax practitioners are encouraged to file nil ITR12T and nil IT3(t) returns to remain compliant.

Registration Requirements:

All trusts, both resident and non-resident, active or passive, must be registered for Income Tax. Trustees or their appointed tax practitioners are responsible for ensuring compliance.

How to Register and File

1. Submit the trust registration form and supporting documents via the [SARS Online Query System \(SOQS\)](#)
2. Register the trust on eFiling and ensure all details are up to date.
3. Customise and file the ITR12T return online, attaching all relevant supporting documents.

With the Trust Tax Season quickly approaching, SARS has published a comprehensive list of legislative and ITR12T form changes that trustees and appointed representatives should take note of when submitting the trust return.

Below is an overview of changes to stay apprised of.

Legislative Changes

Definition of a Trust	<p>The definition of a trust has been updated to include the underlined words below. Please note that this amendment does not affect the ITR12T.</p> <p>“trust” means any trust fund consisting of cash or other assets which are administered and controlled by a person acting in a fiduciary capacity, where such person is appointed under a deed of trust or by agreement or under the will of a deceased person, <u>and includes a portfolio of a collective investment scheme and a portfolio of a hedge fund collective investment scheme.</u></p>
Section 6quat	<p>Effective 1 March 2025, SARS has amended section 6quat of the Income Tax Act to allow taxpayers to fully utilise foreign tax credits for capital gains tax paid in a foreign jurisdiction, matching the relief available for similar taxes paid in South Africa.</p> <p>Key highlights:</p> <ul style="list-style-type: none"> • Unused foreign tax credits can now be automatically carried forward for up to six years. • The amendment helps prevent double taxation on foreign-sourced capital gains for South African residents.
Section 12H Learnership Agreement	<p>The section 12H (of the ITA) Learnership Agreement termination date has been extended from 1 April 2024 to 31 March 2027.</p>
Section 25B	<p>Section 25B was amended to align it to paragraph 80 of the Eighth Schedule to the ITA by limiting the “flow-through” principle only to resident beneficiaries. This means that all amounts vested to non-resident beneficiaries are subject to tax in the hands of the trust.</p> <p>Note: This amendment will also affect the submission requirements for provisional tax (IRP6).</p>

Return Changes

ITR12T Farming and Partnership Farming Auto-Calculator	<p>SARS has enhanced the farming income and expense declaration process for trusts, making it easier and more accurate:</p> <ul style="list-style-type: none"> • Streamlined Input: Taxpayers can now declare farming income and expenses with fewer manual entries. • Improved Detection: Previously, manual data capture limited SARS’s ability to identify under-declarations. The new system addresses this gap. • Auto-Calculation: The form now automatically calculates amounts, which will be stored and used to prepopulate future returns. • Pre-Population Feature: Assessed information from prior IT48 and IT48V submissions will be extracted and prefilled in the current year’s return. • Enhanced Reporting: Reporting for trusts involved in local farming operations and partnerships has been significantly improved.
--	--

Wizard Question on ITA Section 25B (4)-(6) — Limitation of Losses	A new question is introduced in the wizard to ascertain if any amounts vested are subject to section 25B(4)-(6). This information will help SARS design future iterations of the return that may provide for these scenarios.
Flow-through of Capital Losses	<p>Under paragraph 80 of the Eighth Schedule to the Income Tax Act, the flow-through of capital losses is generally not permitted. However, exceptions may apply in certain trust structure, such as bewind or vesting trusts.</p> <p>To accommodate these scenarios, the ITR12T form has been updated. A new wizard question now enables trustees to declare whether the trust qualifies as a bewind or vesting trust, ensuring accurate treatment of capital losses where applicable.</p>
Type (b) Special Trusts (Only when a Trust Is Classified as Such)	<p>A new question has been added to the ITR12T wizard, requiring trustees to confirm whether the youngest beneficiary is under 18 years of age on the last day of the assessment year.</p> <p>Based on the trustee's response, the system will either:</p> <ul style="list-style-type: none"> • Redirect the user if the criteria are not met, or • Allow continuation with the completion of the return if the trust qualifies.
Beneficial Ownership	<ul style="list-style-type: none"> • Deceased founders: the form is amended to provide for scenarios where the founder is deceased. <ul style="list-style-type: none"> - A tick-box is included for this purpose. • Unnamed beneficial owners: the form is amended to provide for scenarios where the beneficial owners —usually beneficiaries — are unnamed or a class of beneficiaries. <ul style="list-style-type: none"> - A free text box is included to provide for the details of these unnamed beneficiaries.

More of these updates can be read [here](#).

An updated version of *The Comprehensive Guide to the Income Tax Return for Trusts* will be available on the SARS website from 20 September 2025.

Reminder that SARS Expanded Its Taxpayer Segmentation

SARS continues to refine its approach to taxpayer engagement by expanding its segmentation model. In addition to its existing categories, such as Standard Taxpayers, High-Wealth Individuals, Employers, and Tax Practitioners, the following new groups have now been added: National and Provincial Government, Social Influencers, and the Gig Economy.

The inclusion of social influencers as a distinct segment reflects their growing economic role. These individuals, often technologically savvy and operating as sole proprietors or independent contractors, monetise their online presence through activities like brand endorsements, sponsored content, product reviews, and affiliate marketing.

The expectations for social influencers are as follows:

1. Declaration of all income: SARS is clarifying that all forms of income, whether it is cash, services, goods, travel, or other non-cash benefits, are considered taxable, as per the Gross Income definition of the Income Tax Act.
2. Possible Provisional Tax Implications: Many social influencers may fall under the provisional taxpayer category and must manage estimated tax payments accordingly.
3. Education & Support: SARS will support this segment by offering educational material,

webinars, rulings, and other resources to help influencers understand and fulfil their tax obligations.

As traditional marketing strategies evolve, more brands are partnering directly with individuals who have a sizeable social media following. Although the social-influencer segment has its own nuances, it is no different to other taxpayer segments in that income earned must be disclosed and taxed. SARS recognises the need to keep pace with the changing digital economy, ensuring its systems are responsive and its messaging clear. The full press release can be accessed [here](#).

Reminder on the Proper Use of SARS Trademarks: Important Reminder for Tax Practitioners

SARS holds exclusive rights to its trademarks, including its logos, names, and official insignia. These trademarks are valuable assets that represent the trust, authority, and integrity of SARS's services.

It is important to note that the use of the name "SARS" or the SARS logo is restricted, even by registered tax practitioners. Section 30 of the SARS Act sets out these limitations:

- 30(1): No person may apply to any company, business, or undertaking a name or description that signifies or implies a connection with SARS.
- 30(2): Any person who contravenes this provision commits an offence and, upon conviction, may face a fine, imprisonment of up to 10 years, or both.

These restrictions also extend to domain names. Neither tax practitioners nor any other persons may register a domain name that incorporates "South African Revenue Service," "SARS," or the name of any of its subsidiaries.

Some examples of non-compliance include:

- Using the word "SARS" in an email address, e.g., SARS@taxadvisors.co.za
- Displaying the SARS or eFiling logo in email signatures, websites, marketing material, or office signage

The use of SARS's name or imagery in any way that could imply a formal connection with the organisation is prohibited.

Tax practitioners are encouraged to watch SARS's [latest educational video](#) on the topic. Respecting SARS's intellectual property not only protects the organisation but also safeguards the integrity of interactions between SARS, practitioners, and taxpayers.

Reminder on Managing Taxpayer Deletions on eFiling.

It is important to note that practitioners are not responsible for receiving or managing communications once a client is no longer under their care.

In cases where tax practitioners encounter an error when trying to delete a taxpayer from their profile, they are required to send an email to support@sarsefiling.co.za.

Email format:

- Notes/Subject line: Login name – Tax number being deleted – Screenshot of error.
- Body of the email: Organisation – Delete taxpayer (select the option on the left menu)

By following this process, tax practitioners can ensure that their request is escalated for resolution.

Additionally, SAIT has noted a concern regarding deleting individual taxpayer profiles. In some instances, after deletion, their history disappears from the individual profile. Furthermore, any history generated after deletion does not transfer back to the individual profile, should the client later decide not to be represented by a practitioner. This gap creates a risk of incomplete taxpayer records. SARS is expected to strengthen its systems to ensure taxpayer history is preserved, and the matter will be addressed to SARS at a national level.

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 tax number reactivations.
2. Delays in finalising and payment of refunds.
3. Delays in finalising requests for remission.
4. Delays in finalising notice of objections.

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 8th and 9th of September 2025, the SARS Free State and Northern Cape region and the SARS Limpopo region held their quarterly regional meetings. Feedback from the meetings can be accessed below:

- [Free State and Northern region](#) feedback
- [Limpopo region](#) feedback

Upcoming RCB/SARS regional and national meetings

1. North West Region – 18 September 2025
2. Northern Region – 29 September 2025
3. KZN Region – 29 September 2025
4. Free State and Northern Cape – 10 November 2025 and
5. Eastern Cape – Gqeberha and Kariega – 12 November 2025
6. Western Cape – 19 November 2025
7. Gauteng – 20 November 2025.

Other meetings of interest

1. RCB Forum meeting – 11 November 2025;
2. SARS National Operational Forum – tentatively scheduled for October 2025; and
3. SARS National Operational Forum – 20 November 2025.

DAILY COMPLIANCE AND ADMINISTRATION

Due dates for reporting and payments: September 2025

Month	Date	Tax Type	Notification
September 2025	05/09/2025	Employment Taxes	EMP201 - Submissions and payments
	20/09/2025	Income Tax	ITR12T - Opening of Trust Filing Season
	22/09/2025	Employment Taxes	EMP501 - Start of employer interim reconciliation submissions
	25/09/2025	Value-Added Tax	VAT201 - Manual submissions and payments
	30/09/2025	Value-Added Tax	VAT201 - Electronic submissions and payments
	30/09/2025	Income Tax	3rd provisional (2025) payments for individuals, trusts and companies with a February year-end period
	30/09/2025	Other	Third-Party Data IT3(t) - 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 (unchanged).
- [SAIT SARS contact map](#) – links service requirements to SARS channels (unchanged).

Key operational news

No key operational news was identified during the week of 11 – 17 September 2025.

Other SARS and related operational publications and announcements

No other SARS and related operational publications and announcements were noted during the week of 11 – 17 September 2025.

TAX PRACTITIONER MANAGEMENT

SAIT TaxHelpline – Tax practitioner access and functionality (eFiling)

Reminder of the E@syFile Updates: Interim Filing Season and System Changes

During the Mpumalanga regional meeting, SARS announced key updates that employers should take note of for the upcoming filing season.

1. Interim EMP501 Reconciliation Submissions

The interim employer filing season will run from 22 September to 31 October 2025. Employers are required to submit their EMP501 reconciliations within this period to ensure compliance and avoid penalties.

2. Release of E@syFile Replatform Version 8.0.0_265

SARS has released the latest version of the E@syFile Replatform application (version 8.0.0_265). Employers are encouraged to update to this version to access the most recent functionality and enhancements.

3. Decommissioning of Older E@syFile

The old E@syFile application will officially be decommissioned. It will no longer provide any functionality, and employers must transition fully to the new E@syFile Replatform system.

Employers are urged to prepare early for the filing season and ensure that their payroll systems and processes are aligned with these updates.

Key tax practitioner news

Government & stakeholder newsletters

SARS Publishes September Editions of Monthly Publications

On 12 and 16 of September 2025, SARS released Issue 30 of the [Government Connect](#), Issue 66 of the [Tax Practitioner Connect](#) and the September Issue of the [Monthly Tax Digest](#).

These publications emphasise the ongoing Individual Tax Season and the importance of filing on time to avoid penalties and interest. Filing deadlines are:

- 20 October 2025 for non-provisional taxpayers, and
- 19 January 2026 for provisional taxpayers.

SARS also announced the opening of the Trust Tax Season from 20 September 2025 to 19 January 2026, applicable to both provisional and non-provisional trusts. Trusts are reminded to file their ITR12T returns timeously to prevent administrative penalties.

Further updates include:

- Enhancements to the Tax Return Status Dashboard, allowing taxpayers to track the progress of their Personal Income Tax returns in real time via the [SARS Online Query System](#), [eFiling](#), and the SARS MobiApp.
- A new process for updating eFiling security details directly from the SARS homepage, removing the need to contact SARS.

In addition, employers and tax practitioners are reminded that Interim Employer Reconciliation submissions (EMP501) are open from 22 September to 31 October 2025, to be submitted via eFiling or e@syFile™ Employer.

The Tax Practitioner Connect also highlights the importance of using registered tax practitioners and notes the outcomes of a recent RCB–SARS meeting, where both parties reaffirmed their commitment to strengthening voluntary compliance.

All these topics have been covered in either the current and/or past editions of Tax Practice Weekly Highlights. Members are encouraged to read the SARS publications to remain up to date on key tax developments.

Other tax practitioner access and functionality publications and announcements

16 September 2025 – The KZN [mobile tax unit](#) schedule for October 2025 is now available.

PART B – LEGISLATION & POLICY

LEGISLATION, INTERNATIONAL AGREEMENTS & POLICY

Tax policy & international agreements

National Legislation

SAIT and Work Groups Submit Comments on Draft Tax Bill Amendments

On 12 September 2025, SAIT, together with the various technical workgroups, submitted commentary to National Treasury and SARS in response to the 2025 Draft Tax Bills and Draft Regulations that were issued for public comment on 16 August 2025.

Brief excerpts from the prepared commentary are set out below:

Corporate tax:

Extending the anti-avoidance rules dealing with third-party backed shares

The commentary highlights concern that extending the anti-avoidance rules on third-party backed shares may be too broad as the DTLAB now references “the year of assessment or previous years of assessment,” meaning a share remains tainted even if a guarantee is later removed, and therefore recommends carve-outs for legitimate commercial transactions, including intra-group disposals, with no retrospective application.

Clarifying the determination of Contributed Tax Capital

Notwithstanding the proposals made, the WG has noted that the proposed amendment remains too narrow and continues to create challenges in tiered group structures where equity injections flow through multiple entities, calling for broader concessions.

Roll-Over Relief for Listed Shares in Asset-For-Share and Review of Asset-for-Share and Amalgamation Transactions Involving Collective Investment Schemes

The denial of roll-over relief for listed shares and CIS transactions is flagged as potentially undermining legitimate commercial deals and discouraging investment, with a recommendation to distinguish between closely held and widely held CIS's and to retain relief for widely held schemes under regulatory oversight.

Refining and clarifying the meaning of “interest” to enhance certainty.

We are of the view that the use of inconsistent definitions of “interest” creates uncertainty, with a call for either removing the definition entirely or ensuring parity to achieve clarity and predictability.

Amending the definition of “remuneration proxy”

Amending the definition of “remuneration proxy” to include exempt foreign income from the previous year could increase taxable values for fringe benefits, though no significant concerns beyond this were raised.

Reducing the threshold for ring-fencing of assessed losses

In response to the proposal to reduce the threshold for ring-fencing assessed losses, the group expressed strong concerns that such a measure would disproportionately affect middle-income taxpayers, create excessive verification burdens, and penalise genuine entrepreneurial activity. The group recommended instead that carve-outs, safe harbours, and a more targeted application be considered.

Cross-border tax treatment of retirement funds

The proposed repeal of the exemption for foreign retirement fund benefits, could result in double taxation, discourage repatriation of skilled professionals and deter foreign retirees. We therefore recommend that transitional relief, carve-outs and a deferred effective date be considered.

Proposed amendments to the Fourth Schedule regarding employer registration for groups of companies

We noted the amendment requiring non-resident employers with a South African permanent establishment to register for and deduct PAYE. However, the misalignment between the SDL and UIF provisions and the Fourth Schedule remains unresolved, and in our view, the issue still lacks clarity. Consequently, clarification was requested on proposals for group employer registration under the Fourth Schedule.

Refining the definition of “equity share” to cater for transfers by foreign companies

The proposed revision of the definition of “equity share” to explicitly include foreign shares could create unintended consequences, as it implies that since 2012 such shares were not regarded as equity shares, thereby disqualifying them from important exemptions and reliefs. Resultantly, the WG has proposed that the amendment apply retrospectively or be framed as a clarification, with further adjustment to limit the “return of capital” reference to foreign returns only.

Interaction of Controlled Foreign Company (CFC) rules in section 9D with section 9H

The proposal is acknowledged as a correction of a legislative gap but raises concerns that this amendment may penalise taxpayers with CFCs in high-tax jurisdictions, suggesting instead that foreign taxes be recalculated on a comparable basis to avoid unfair outcomes.

Refining deferral of exchange difference rules on debt between related companies

The proposed amendment to refine deferral of exchange difference rules on related-party debt was found to be ambiguous and at risk of reversing the intended treatment, with a recommendation to clarify the language by referencing non-current assets or liabilities directly.

Request for clarification over growing dependence on IFRS in tax legislation

The WG's have expressed concern regarding the growing dependence on IFRS in tax legislation, as reliance on accounting standards that can change without tax authority input may shift tax outcomes away from legislative certainty. We will seek clarity on this policy direction from both National Treasury and SARS.

Amendment to Section 164 – Suspension of Payment and Reduced Assessments

The proposed amendment to Section 164 recognises the interplay between reduced assessments and suspension of payment provisions, which is welcomed as a positive development. However, several concerns are raised regarding the practical misalignment

between the timelines for reduced assessments, objections, and suspension of payment requests. The WG therefore recommends leveraging SARS's recent eFiling enhancements to automate and align these processes, ensure reduced assessment applications are integrated with suspension of payment requests, and provide clear guidance on how these provisions will apply in practice.

Amendment to Section 222/223 – Bona Fide Inadvertent Error and Substantial Understatement

We recommend retaining the current provisions of section 223 and upholding the judicial interpretations from the Coronation and Thistle Trust cases, which provide a fair and balanced framework for applying understatement penalties by recognising taxpayer intent and reliance on professional advice. Further points include that the defence of bona fide inadvertent error should be uncoupled from the “substantial understatement” category. A formal tax opinion should not be mandatory for all errors, particularly minor or clerical ones. Given the complexity of tax legislation, the proposed amendments risk eliminating access to meaningful defences—even in cases of good-faith errors—leaving taxpayers unfairly exposed.

Reviewing the VAT treatment of testing services supplied to non-residents who are outside the Republic at the time of the supply, where services are supplied directly in connection with movable property situated in the Republic.

We have reviewed the VAT treatment of testing services supplied to non-residents who are outside South Africa at the time of supply, particularly where such services relate to movable property. Concerns were raised regarding the current zero-rating criteria—specifically the exclusion where the foreign recipient is a vendor. This may unintentionally disqualify legitimate zero-rated services, even where there is no link to goods sold. We recommend that the legislation clarify the underlying intent of this provision to address the perceived mischief more clearly. Further concerns relate to the linkage between zero-rating and the supply of goods, particularly where goods are destroyed during testing or are not owned by the service provider. These scenarios could give rise to technical challenges, and greater clarity is needed. Finally, we recommend introducing a definition of “testing services” in the VAT Act to avoid interpretational ambiguity and prevent misuse by vendors attempting to include unrelated services under this category.

Reviewing the definition of “insurance”

We recommend aligning the VAT definition of “insurance” with that in the Insurance Act, limiting it to contracts issued by registered insurers. This would enhance legal certainty, prevent abuse, and exclude unregulated arrangements such as indemnities or guarantees that do not meet regulatory standards. We support the policy objective of clarifying the definition but stress the importance of consulting industry stakeholders to ensure it remains practical and does not unintentionally exclude legitimate products.

Members may access the full submissions (including Carbon Tax and extensive commentary on Customs) made by each workgroup, [here](#).

LEGISLATIVE INTERPRETATION

Legislative calls for comment

Draft Regulations Published: CARF and Revised CRS

On 15 September 2025, SARS released for public comment a package of draft regulations and explanatory notes relating to international tax reporting frameworks:

- [Draft Crypto-Asset Reporting Framework \(CARF\) Regulations](#)
- [Explanatory Note on Publication of Draft CARF Regulations](#)
- [Draft Revised Common Reporting Standard \(CRS\) Regulations](#)
- [Explanatory Note on Publication of Draft Revised CRS Regulations](#)

These proposals are part of South Africa's alignment with the OECD's global tax transparency standards, expanding reporting obligations to cover crypto assets while updating the existing CRS regime to close gaps and strengthen compliance.

Stakeholders are invited to review the draft regulations and explanatory notes. Comments and submissions should be directed to A Collins at ACollins@sars.gov.za no later than 03 October 2025.

Submissions made to SARS and current calls for comment

No current calls for comment were noted during the week of 11 – 17 September 2025.

Legislative counsel publications

Updated SARS Interest Rate Tables Effective 16 September 2025

SARS has published the updated interest rate tables under the Income Tax Act, which are effective from 16 September 2025.

- [Table 1](#): outlines interest rates applicable to outstanding taxes and refunds due to taxpayers under specific conditions.
- [Table 2](#): lists the interest rates payable on credit balances.
- [Table 3](#): outlines the rates at which interest-free or low interest loans are subject to income tax [Last updated 06 August 2025]

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. More information on the updated Interest Rate Tables can be accessed [here](#).

Published court cases

No court cases were published by SARS during the week of 11 – 17 September 2025.

Other SARS publications and announcements

No other legislative publications or announcements were issued by SARS during the week of 11 – 17 September 2025.

OTHER MATTERS OF INTEREST FOR A TAX PRACTICE

No other matters of interest for a tax practice were noted during the week of 11 – 17 September 2025.