

TAXPRACTICE

WEEKLY HIGHLIGHTS

WEEK OF 09 - 15 October 2025
(Issue 39 -2025)

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TOP STORIES

Deadline Reminder for Non-Provisional Taxpayers

Non-provisional taxpayers are reminded that the deadline to submit their 2025 Personal Income Tax returns is 20 October 2025.

With only a few days remaining before the deadline, SARS encourages taxpayers to take advantage of the remaining time to file their returns.

SARS Commissioner Edward Kieswetter emphasised the legal obligation to file returns accurately and on time, noting that failure to do so constitutes a serious offence. Taxpayers are reminded that non-compliance could lead to administrative penalties and interest charges.

The Commissioner also expressed appreciation to the 80% of taxpayers who have already filed before the deadline. This includes taxpayers who were successfully auto assessed and received their refunds within 72 hours.

SARS cautions taxpayers against waiting until the last minute to file. Rushed submissions often lead to errors, misjudgements, and unnecessary stress, as well as long queues at SARS branches. Filing early allows taxpayers time to review their information carefully and ensures prompt refunds which are typically processed within 72 hours where due.

As of today, 7.9 million non-provisional taxpayers have already filed their tax returns, with 854 408 still outstanding. For more information on the [Filing Season](#), read [here](#).

Expedited Rapid Compromise Mechanism Unveiled to Fast-Track Tax Regularisation

Members are reminded that SARS, in collaboration with RCBs, has launched the Expedited Tax-Debt Compromise Process – a major relief initiative aimed at helping taxpayers settle non-disputed tax debts older than 12 months.

The process officially opened on Wednesday, 1 October

2025, and is available to tax practitioners registered with SAIT. SARS has committed to resolving qualifying applications within just four weeks, thanks to dedicated teams and upgraded workflow systems.

To help you fully understand what this means in practice – who qualifies, how to apply, and how to maximise this opportunity for your clients – we are excited to announce a special engagement in collaboration with SARS. SAIT will host a joint webinar with SARS' Head of Specialised Debt Management, Mr. Clement Manyapelo as we unpack the intricacies of this Expedited Compromise Process. Join us on Friday, 17 October 2025 at 10:00 – 11:00.

Do not miss this opportunity to get firsthand insights, ask your burning questions, and hear directly from the Head of Specialised Debt Management on how this game-changing process can support your debt relief and compliance efforts. Read more [below](#) regarding the criteria of eligibility and additional information.

#StayAbreastOfTheTaxWave

MEMBERS' DIGEST

Passive Income

Written by: Conrad Viljoen,
CEO of CTV & Associates



These days with the struggling and staggering economy, we can no longer only rely on one stream of income. Yes, it is not always possible, but whether the option arrives we should all jump on the passive income train.

Passive income is defined as income from a source that does not require much effort unlike working a 9 to 5 and receiving a monthly salary that is loosely based on your daily efforts. Passive income can basically be anything that generates an extra income other than your monthly salary like returns on investments, property rentals, digital workings, etc.

Now when we only look at the positive side of having extra income, it all seems glorious in the sense of things, but unfortunately, we have to place this in a TAX angle.

Tax is quite a complex, law driven concept spanning over many branches of today's life, but for now let's keep it simple by using the rental of property and the tax effects it has in a passive income scenario.

Let us first get an understanding of normal tax on our salary. Your employer calculates and deducts PAYE on your salary every month. The PAYE is calculated by assuming your salary is your only income for the year and is deducted to be exactly enough according to SARS.



Mr. Viljoen, CEO at CTV & Associates describes this principle as follows:

If you look at this picture, all the eggs in the basket are your yearly salary and the two eggs placed outside of the basket, that is your tax that was deducted to be perfectly enough for eggs in the basket.

You are now also earning rental income from the letting of fixed property. When you are earning rental income you will earn a monthly rental income, before any other expenses are disbursed. There are certain expenses that we can deduct from the gross rental income such as agent commission, electricity, finance on the bond and other expenses, depending on your specific scenario. This whole exercise will give you a yearly net profit (gross income minus applicable expenses) that must now be included in your total yearly income. Your **total yearly income** will now consist of your yearly salary as well as the net rental profit. Let us now compare that to the previous image of the eggs in the basket:



As we now can clearly see that the amount of eggs in the basket (income) has increased significantly, but the eggs outside of the basket (PAYE tax) has remained the same. This is a common misconception that all new passive earning taxpayers' encounter.

We, as taxpayers, are taxed on a cumulative yearly basis considering all our income for that specific year. When earning any passive income, you must keep in mind that the income received is usually before any tax has been calculated and taken out of the basket.

This can cause some major and sudden cashflow problems when it comes down to submitting your yearly taxes. If this situation applies to you, it's important to seek professional guidance to ensure the correct approach is followed.

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

Selected SARS Branches to Open on Saturday 18 October 2025

Selected SARS branches will be open to assist taxpayers with filing their income tax returns this Saturday, 18 October 2025, ahead of the Individual Filing Season deadline of 20 October 2025.

See the following open branches per region:

Region	Branch Name	Opening Times
Free State and Northern Cape	Kimberly	08h00 – 13h00
	Bethlehem	
	Bloemfontein	
	Welkom	
Western Cape	Cape Town	08h00 – 13h00
	Belville	
	Mitchells Plain	
	George	
	Paarl	
Eastern Cape	Gqeberha	08h00 – 13h00
	East London	
	Mthatha	
KwaZulu Natal	Durban	08h00 – 13h00
	Pinetown	
	Pietermaritzburg	
	Port Shepstone	
	Richards Bay	
	Newcastle	
Mpumalanga	Mbombela	08h00 – 12h00
	Emalahleni	
North West	Rustenburg	08h00 – 13h00
	Klerksdorp	
	Mmabatho	
Limpopo	Sibasa	08h00 – 12h00
	Giyani	
	Polokwane	
	Lebowakgomo	

Gauteng	Ashley Gardens	08h00 – 13h00
	Pretoria CBD	
	Randburg	
	Rissik Street	
	Roodepoort	
	Alberton	
	Edenvale	
	Krugersdorp	
	Springs	
	Doringkloof	

Latest Scam: Settlement Notification

SARS has identified a fraudulent email circulating with the subject line: "Settlement Notification – Action Required by 13 October 2025." The message states that "Settlement is due on or before 13 October 2025. Failure to settle this amount by the due date may result in legal actions." Recipients are prompted to open a PDF attachment containing fraudulent banking details.

Taxpayers and tax practitioners are strongly advised not to click on any suspicious links or attachments, nor to make payments to any bank accounts not officially authorised by SARS. For guidance on legitimate payment procedures, please refer to the official [SARS payment channels](#).

If you are uncertain about the authenticity of any communication, consult the [Scams & Phishing webpage](#) or contact the SARS Anti-Phishing team directly at phishing@sars.gov.za.

Preview of this scam:



Reminder that SARS Published Educational Video on Deregistration of Non-Compliant Tax Practitioners

SARS has released an educational video aimed at informing taxpayers and tax practitioners about the deregistration process for non-compliant tax practitioners. The video provides clear guidance on the procedures and requirements involved.

Tax practitioners are encouraged to watch the video to gain a better understanding of compliance expectations and the deregistration process.

The video is available for viewing on the SARS YouTube channel [here](#).

Reminder on Enhanced Security of SARS Email Correspondence

SARS has introduced enhanced encryption and identification measures, effective 3 October 2025. These changes apply to emails containing PDF attachments, such as the Notice of Registration (IT150) and Statement of Account (SOA) in respect of Personal Income Tax (PIT).

Key Enhancements

- The PDF file names will partially mask the Tax Reference Number.
- The body of the email will include the taxpayer's initial/s and surname.
- The Statement of Account PDF attachment will now be password protected.

Members can read more about the enhancements [here](#).

Reminder that SARS Enhanced Digital Services with Upgraded Lwazi AI Assistant

SARS has expanded the reach of its *Lwazi Artificial Intelligence (AI) Assistant*, now accessible via both the SARS website and the SARS MobiApp. The upgraded AI assistant is designed to provide taxpayers with immediate support on a range of services, including the retrieval of tax reference numbers, statements of account, notices of assessment, and the status of audits or refunds.

The enhanced Lwazi AI Assistant places a strong emphasis on accessibility, ensuring that services are easier to use for all taxpayers, including those with visual impairments. This development reflects SARS's ongoing commitment to delivering efficient, secure, and user-friendly digital services.

The deployment of the upgraded Lwazi AI Assistant is expected to streamline taxpayer interactions, enabling users to obtain accurate information without delay and reducing the need for in-person service visits.

Reminder on the SARS Online Query System Functionality

SARS has released a comprehensive [step-by-step video](#) demonstrating the capabilities of the SARS Online Query System (SOQS). The system enables taxpayers to submit and manage their queries digitally, offering a convenient alternative to visiting branch offices.

Reminder: Expedited Rapid Compromise Mechanism unveiled to fast-track tax regularisation

As mentioned above, in a move to support greater voluntary compliance, SARS is rolling out a more accessible Compromise Process under the Tax Administration Act.

This streamlined approach is designed to help taxpayers settle outstanding debts in a manageable way — and SARS is working closely with Recognised Controlling Bodies (RCBs) and tax practitioners to make it happen.

Phase 1 kicked off on 26 September 2025, with tax practitioners invited to express interest on behalf of qualifying clients.

Formal applications opened from 1 October and close on 31 December 2025. This is a crucial opportunity for individuals and businesses to get their tax affairs in order — before enforcement catches up.

Key Features of the Initiative are as follows:

- The requirements of Part D of Chapter 14 of the TA Act must be met.
- The expedited compromise process will only be available in respect of tax debts -
 - o that have been outstanding for more than 12 months at the time of application.
 - o that are not subject to active dispute resolution processes.
 - o that are not as a result of a criminal investigation process contemplated in section 43 of the TA Act; and
 - o where the relevant taxpayer is not subject to business rescue and where applicable, liquidation procedures.
- All required supporting documentation must be submitted at the time of submission.

SARS commits has indicated that it aims to resolve qualifying applications within four weeks of receipt of a complete application.

Should you wish to take part in this programme and regularise your tax affairs the correct channel to express your interest in the expedited debt compromise process should be sent exclusively to the dedicated email address: Compromisecampaign@sars.gov.za. Alternatively, you are welcome to contact SAIT directly at ksesana@thesait.org.za, and your request will be redirected accordingly.

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 and payment of refunds.
2. Delays in finalising bank verifications.
3. Delays in finalising income tax objections.
4. Delays in finalising income tax verifications.

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

No regional or national meetings were held during the week of 2 – 8 October 2025.

Upcoming RCB/SARS regional and national meetings

1. Free State and Northern Cape – 10 November 2025 and
2. Eastern Cape – Gqeberha and Kariega – 12 November 2025
3. North West – 17 November 2025
4. Western Cape – 19 November 2025
5. Gauteng – 20 November 2025
6. Northern Region – 1 December 2025

Other meetings of interest

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

DAILY COMPLIANCE AND ADMINISTRATION

Due dates for reporting and payments: October 2025

Month	Date	Tax Type	Notification
October 2025	07/10/2025	Employment Taxes	EMP201 - Submissions and payments
	20/10/2025	Income Tax	ITR12T - Opening of Trust Filing Season
	24/10/2025	Value-Added Tax	VAT201 - Electronic submissions and payments
	31/10/2025	Other	Third-Party Data IT3 - End of third-party annual submissions for Trusts
	31/10/2025	Employment Taxes	EMP501 - End of employer interim reconciliation submissions
	31/10/2025	Value-Added Tax	VAT201 - Electronic submissions and payments

SAIT member resources

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

Key operational news

No key operational news was identified during the week of 9 - 15 October 2025.

Other SARS and related operational publications and announcements

No other SARS and related operational publications and announcements were noted during the week of 9 - 15 October 2025.

TAX PRACTITIONER MANAGEMENT

SAIT TaxHelpline – Tax practitioner access and functionality (eFiling)

SARS Training on the Employer Interim Reconciliation

On 15 October 2025, the Free State and Northern Cape region hosted an e@syFile Interim Reconciliation training session, providing payroll officers with an opportunity to share their experiences and raise questions about challenges encountered on e@syFile.

Practitioners who were unable to attend, as well as those from other regions, can access key insights and takeaways from the session [here](#).

Additionally, employers and practitioners who were unable to join the webinar, can access the [slideshow presentation](#) that were presented during the e@syfile webinar on 02 October, [e@syfile version 8 Installation presentation](#) and recording of said webinar on the [SARS TV YouTube Channel](#) for insights from SARS.

Reminder: Updated e@syFile™ Employer version 8.0.1_325

On 8 October 2025, SARS published the e@syFile™ Employer version 8.0.1_325 release notes which specify the following changes:

- Correction made for users experiencing 'Packet loss' popup during submission.
- Correction made for users experiencing 'An error occurred' pop-up when requesting pre-pop data.
- Enhancements made to AA88 processing.
- Enhancement made to large import files, resulting in a time-out pop-up.
- Correction made to restrict the option to only generate all PDF certificates for the 02 Reconciliation.

See more detail in the [release notes](#).

Key tax practitioner news

Government & stakeholder newsletters

Monthly Tax Digest – October Issue

SARS has released the October edition of its monthly Tax Digest, featuring key filing deadlines for taxpayers. This issue highlights:

- Employers' Interim Reconciliation Declarations, which are due by 31 October 2025.
- Individual Taxpayer Filing Season, with returns due by 20 October 2025 for non-provisional taxpayers and 19 January 2026 for provisional taxpayers.
- Trust Filing Periods for both provisional and non-provisional taxpayers, currently open until 19 January 2026.

Members can read the full edition of the newsletter [here](#).

VAT Connect Issue 20

SARS has published Issue 20 of the VAT Connect.

This issue provides an overview of proposed amendments arising from the national budget, a notable Supreme Court of Appeal decision involving Woolworths Holdings and the South African Revenue Service (SARS), the regulations on exporting second-hand goods, taxpayers' rights regarding SARS-approved apportionment methods, and the determination of liability dates for Value-Added Tax (VAT) collection.

Members can read the full edition of the newsletter [here](#).

Other tax practitioner access and functionality publications and announcements

10 October 2025 – The Limpopo [mobile tax unit schedule](#) for October and November 2025 is now available.

PART B – LEGISLATION & POLICY

LEGISLATION, INTERNATIONAL AGREEMENTS & POLICY

Tax policy & international agreements

National Legislation

LEGISLATIVE INTERPRETATION

Legislative calls for comment

No legislative calls for comments were noted during the week of 9 - 15 October 2025.

Submissions made to SARS and current calls for comment

No submissions were made to SARS during the week of 9 - 15 October 2025.

Legislative counsel publications

Reminder: SARS Released Updated Binding General Ruling (VAT) 4 (Issue 5)

SARS has issued [Binding General Ruling \(VAT\) 4 \(Issue 5\)](#), which provides updated guidance on the apportionment methodology to be applied by municipalities under section 17(1) of the Value-Added Tax Act, 1991. This latest issue sets out the prescribed formula that municipalities must use to determine the extent to which input tax on mixed expenses may be deducted, ensuring a consistent and equitable approach to VAT recovery.

The ruling clarifies how municipalities should apply the apportionment ratio when dealing with multiple income streams, such as taxable, exempt, and out-of-scope supplies, and outlines the specific exclusions and adjustments to be considered when applying the formula. These include exclusions for capital assets, extraordinary income, certain foreign exchange differences, and municipal bond issues, as well as adjustments for investment interest, dividends, and foreign exchange hedging transactions.

Further, the BGR provides detailed interpretive notes on the treatment of grants, principal-agent relationships, and accounting basis requirements, ensuring alignment with the Standards of Generally Recognised Accounting Practice (GRAP). It also reinforces the requirement that municipalities must use a method that is both fair and reasonable, and where this is not the case, an alternative method must be approved by the Commissioner. The ruling applies to all financial years commencing on or after 1 July 2025, replacing the methodology outlined in Issue 3. Transitional provisions have been included to assist municipalities in adjusting from the prior formula.

Members are encouraged to review [BGR 4 \(Issue 5\)](#) in detail to ensure correct application of the updated apportionment methodology, accurate VAT reporting, and compliance with SARS's requirements.

Consequently, the previous version of this ruling has been archived, and municipalities may consult the archived BGR 4 (Issue 4) to analyse the amendments implemented in this latest issue.

Reminder that SARS Released Updated Binding General Ruling (VAT) 4 (Issue 4)

SARS has issued [Binding General Ruling \(VAT\) 4 \(Issue 4\)](#), effective for all financial years commencing on or after 1 July 2025. This updated ruling prescribes the apportionment methodology to be applied by municipalities under section 17(1) of the Value-Added Tax Act, 1991, to determine the portion of input tax that may be deducted in respect of mixed expenses.

The ruling provides a detailed formula that municipalities must apply when calculating the apportionment ratio between taxable, exempt, and out-of-scope supplies. It also introduces specific exclusions (such as capital assets, extraordinary income, municipal bond issues, and certain foreign exchange differences) and adjustments (for example, for investment interest and dividend income) to ensure a fair and accurate reflection of VAT recoverability. The BGR further outlines general notes on the application of the formula, including guidance on the treatment of grants, unfunded mandates, agency arrangements, and the use of financial data on an invoice basis in line with GRAP standards.

Importantly, municipalities must ensure that the chosen method remains fair and reasonable for their operations. If not, they are required to apply to the Commissioner for approval of an alternative apportionment method. The ruling also provides transitional rules, clarifying that Issue 3 of BGR 4 has been withdrawn and replaced by the new formula for financial years beginning on or after 1 July 2025.

Members are encouraged to review [BGR 4 \(Issue 4\)](#) carefully to ensure correct application of the VAT apportionment methodology, compliance with SARS requirements, and timely adjustments and reporting in their VAT201 returns.

Published court cases

The following Tax court case was published by SARS:

Date of delivery	Case	Relevant Legislation
30/09/2025	IT 24502	• Income Tax Act, 1962
Keywords: Royalty liability and calculation Secondary tax on companies and General anti-avoidance rule: Whether the avoidance arrangement was entered into or carried out by means or in a manner which would not normally be employed for bona fide business purposes, other than obtaining a tax benefit.		

Other SARS publications and announcements

Reminder: Access to Information

On 8 October 2025, SARS published that the following changes were made to the [Promotion of Access to Information Act, 2000 \(PAIA\)](#) page:

- Updated to, amongst others, include the Protection of Personal Information Act, 2013
- Publication of Issue 8 of the Manual on the Promotion of Access to Information Act, 2000, and Protection of Personal Information Act, 2013

OTHER MATTERS OF INTEREST FOR A TAX PRACTICE

OTO Published Fair Play Issue 38

The latest edition of Fair Play highlights the unique challenges faced by women in the South African tax landscape. It features insights from the Tax Ombud and other female tax professionals, shedding light on issues such as gender disparities in tax compliance and the need for more inclusive tax policies. The publication also underscores the importance of empowering women with the knowledge and tools to navigate the tax system effectively.

Members can read the full newsletter [here](#).

OTO Western Cape Activation

The Office of the Tax Ombud will be hosting an activation at the N1 City Shopping Mall in Cape Town in the Western Cape. During the activation, members of the public will be assisted with their complaints against SARS.

The in-person engagement will be taking place on:

- Friday, 17 October 2025 | 09h00 – 19h00
- Saturday, 18 October 2025 | 09h00 – 17h00

Taxpayers are reminded to bring their IDs for immediate assistance with their tax complaint/s against SARS.