

TAX PRACTICE

WEEKLY HIGHLIGHTS

WEEK OF 29 Jan - 04 Feb 2026
(Issue 4 -2026)

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TOP STORIES

Latest SARS Debt-Collection Figures Published Amid Year-End Focus

The National Treasury has released its latest dataset on the SARS' debt and credit books, providing an updated snapshot of outstanding tax owed, refunds due, and actual cash recovered across various tax types. This monthly release is part of Treasury's ongoing transparency initiative on revenue performance, aimed at tracking SARS' efforts to recover outstanding taxes and manage refunds efficiently.

Key observations from the latest October to December figures include:

- VAT dominates collections: In all three months, the largest portion of cash collected from debt is VAT, ranging from approximately R3.17 billion to R4.72 billion.
- Corporate income tax: Also significant, fluctuating between R879 million and R1.16 billion.
- Personal income tax & PAYE: Steady collections in the R1–1.2 billion range.
- Total collections: Monthly totals vary. October peaked at R9.32 billion, November dipped to R7.12 billion, and December rebounded to R8.69 billion.

With the financial year-end approaching, there is anticipation that SARS will intensify collection efforts, seeking to close the year strongly in recovering owed revenues and ensuring fiscal targets are met. Taxpayers and tax practitioners are urged to remain compliant and settle outstanding obligations promptly to avoid penalties and interest. The latest SARS debt-collection figures can be accessed [here](#).

SARS Invests in Transfer Pricing Benchmarking Tool, Signalling Data-Driven Enforcement

SARS has awarded a five-year contract worth R19 558 505 to Moody's Analytics (BVD) for a transfer pricing benchmarking tool. While a routine procurement on the surface, this move signals a significant shift in SARS' approach to transfer pricing compliance.

Benchmarking has always been important, but it is now central to how SARS will identify and challenge risks. With access to the same analytical tools used by advisers and multinationals, weak or poorly supported benchmarks will be easier to detect and harder to defend.

The benchmarking tool may also encourage SARS to accept a broader range of comparables while reducing disputes over questionable selections. For companies, it's a timely reminder to ensure transfer pricing studies are robust, defensible, and aligned with current market data.

Alongside this, SARS is building internal capacity by hiring subject-matter experts in the Advanced Pricing Agreement (APA) unit. These steps suggest the authority is gearing up to deliver a coordinated, robust response to transfer pricing risks.

SARS' investment and capacity-building efforts underscore that data-driven, coordinated enforcement is now the standard. Businesses should review their benchmarks proactively to avoid challenges in this evolving audit environment.

#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

VAT/PAYE Registration Process and Troubleshooting

In 2025, SARS implemented Phase 2 of the Biometric Verification process, extending biometric authentication to VAT and PAYE registrations submitted via eFiling.

When submitting VAT or PAYE registration requests, individuals and registered representatives are now required to complete facial biometric authentication using a camera-enabled device. If the biometric match fails, a verification case is automatically created, requiring the submission of supporting documents or, in some instances, a visit to a SARS branch.

For practitioners, clients must authorise the registration biometrically on the SARS website using the instructions and unique code sent to them via email. Practitioners are encouraged to ensure that clients' eFiling contact details are accurate and up to date so they can receive these notifications without delay.

SARS provided an informative update on common challenges relating to VAT and PAYE product registrations and biometric verification during our regional engagements late last year. The SARS eFiling team highlighted fixes and shared general troubleshooting guidance for recurring issues.

1. Errors when registering:

SARS implemented system fixes during November 2025 to address the errors listed below. Taxpayers and practitioners who continue to experience these issues should contact support@sarsefiling.co.za.

- Error: "An error has occurred submitting your information. Please try again later."
- Error: "This functionality is currently unavailable, please try again later."
- Error: "Unauthorised change is being attempted and may not be allowed. BIOAUTH."

2. Message: "A request for authorisation is already pending, please come back to submit the form once approved."

This message indicates that the registration request is awaiting authorisation from the individual or registered representative. Practitioners must wait for the approval before attempting to resubmit. At present, no notification is sent to the practitioner once authorisation is completed, so they must rely on the individual or representative for confirmation once done.

3. Error Type: "Your tax request could not be sent for approval; approver's contact details could not be found."

SARS has identified several common reasons for this error:

- Contact details updated, but security contact details not updated.
Ensure that both contact and security contact details are correctly updated on eFiling.
- Registered representative not updated.
Confirm that the organisation's registered representative is correctly appointed and that their details are accurate.
- Registered representative not registered on eFiling.
The representative must have their own active eFiling profile. This will ensure that the registered representative has security details.

- Registered representative has multiple profiles (multi-party ID). Merge duplicate profiles on eFiling before submitting the registration request.

Practitioners who continue to experience challenges after applying the steps above are encouraged to contact the SARS eFiling support team at support@sarsefiling.co.za for further assistance.

New email address for Third-Party Data Support

The email address for Third-Party Data Support has changed. Previously, all third-party data-related queries were submitted to Bus_Sys_CDsupport@sars.gov.za. Please note that, with effect from 1 January 2026, queries sent to this address will no longer be attended to.

Taxpayers and tax practitioners are kindly requested to submit all third-party data queries to SARS's dedicated support email address: SARS_ThirdPartyData_Support@sars.gov.za. This address has been active since 12 December 2025, and all new third-party data-related enquiries must be directed to this mailbox.

To enable SARS to resolve queries efficiently, please ensure that your email subject line includes the relevant Third-Party Data Return, Product, Data Type, or System.

Example subject line:

IT3(b) / IT3(c) / IT3(d) / IT3(e) / IT3(s) / IT3(t) / INS / MED / FTI / eFiling / Connect Direct / HTTPS – Response files not received.

SARS Withholding Tax Refunds for Certain Expatriate Taxpayers

SARS has increasingly placed income tax refunds on hold for South African taxpayers residing abroad. This practice arises from enhanced verification and anti-fraud measures and reflects SARS's obligation under section 190(2) of the Tax Administration Act to ensure that refunds are properly due and fully verified before payment.

The primary cause of these delays is outdated or invalid banking and contact information. Many expatriates close their South African bank accounts when relocating but fail to update their details on SARS systems. As a result, when a refund becomes payable, SARS is unable to process the payment and places the refund on hold pending verification.

In many cases, taxpayers only become aware of the issue once SARS advises that the refund cannot be released due to invalid banking details.

While SARS permits refunds to be paid into foreign bank accounts, this process is subject to strict requirements. [[Adding or Changing Banking Details | South African Revenue Service](#)] These payments are processed manually and may therefore be subject to extended delays where documentation is incomplete.

Expatriate taxpayers often experience administrative challenges in resolving refund holds, particularly where access to eFiling is limited or additional verification is required. SARS also does not permit refunds to be paid into certain account types, further restricting payment options.

A refund placed on hold does not indicate that it has been denied. Rather, it reflects outstanding verification requirements that must be satisfied before payment can be made. Taxpayers residing abroad are advised to ensure that their banking, contact, and residency details are kept up to date with SARS.

Reminder: Modernisation of Exempt Institutions

As part of its Modernisation Project for Tax-Exempt Institutions (TEIs), SARS is introducing an online registration and application system. Phase one of the project is currently being rolled out, with the pilot having commenced on 8 December 2025. The pilot phase will conclude on 26 February 2026 and includes the migration and take-on of existing records, as well as pilot trade testing.

During this transitional period, taxpayers can expect the following:

1. **Discontinuation of Manual Applications**
SARS discontinued the manual application submission process (E11 form) with effect from 12 December 2025. All applications submitted before this date will be finalised in line with existing turnaround times.
2. **New Applications**
From 27 February 2026, SARS will accept new TEI applications through the new online registration and application platform.
3. **Transition Period**
Between 8 December 2025 and 26 February 2026, no new TEI applications may be submitted. Representatives must wait for the launch of the online platform before submitting applications on behalf of their entities.

During this period, entities intending to apply for income tax exemption are encouraged to prepare by ensuring that they:

- Have appointed a registered representative
- Are registered for Income Tax (if not already registered)
- Are registered for eFiling
- Have all required supporting documents in place
- Have up-to-date bank account information available for the application process

Further information on the modernisation project is available in [Issue 42 \(2025\)](#) of Tax Practice Weekly Highlights and on the [SARS website](#).

Reminder: Guidance on Provisional Tax

Provisional tax is not a separate tax from income tax. Rather, it is a system that allows taxpayers to pay their income tax liability in advance, thereby reducing the risk of a large tax debt on assessment.

Under this system, taxpayers are generally required to make at least two advance payments during the year of assessment, based on their estimated taxable income. A third, voluntary payment may be made after the end of the tax year but before SARS issues the final assessment.

Once the assessment is issued, all provisional tax payments are offset against the taxpayer's normal tax liability for the relevant year of assessment.

Definition of a Provisional Taxpayer

The term "*provisional taxpayer*" is defined in Part III of the Fourth Schedule to the Income Tax Act and includes the following:

Included as provisional taxpayers:

- Persons (other than companies) who receive income:
That does not constitute remuneration, or an allowance or advance contemplated in

section 8(1); or

That qualifies as remuneration but is paid by an employer not registered for employees' tax purposes

- All companies
- Labour brokers holding a certificate of exemption issued under paragraph 2(5)(a)
- Any person notified by the Commissioner that they are a provisional taxpayer

Excluded from the definition:

- Public benefit organisations
- Recreational clubs
- Body corporates, share block companies, and income tax-exempt associations
- Non-resident owners or charterers of ships or aircraft
- Natural persons who do not carry on a business and whose taxable income does not exceed the tax threshold
- Natural persons who do not carry on a business and whose taxable income (from interest, dividends, foreign dividends, rental income, and certain remuneration) does not exceed R30,000
- Small business funding entities
- Deceased estates

Registration and Status

- There is no formal registration or deregistration process for provisional tax.
- Activating the provisional tax type on eFiling does not constitute registration.
- Submitting an IRP6 return does not equate to registration.
- Provisional tax status is not permanent and may change from year to year depending on a taxpayer's circumstances.

Calculation of Provisional Tax Liabilities

Provisional tax is calculated based on estimated taxable income for the relevant year of assessment.

First Provisional Period

- Half of the estimated total tax for the year
- Less employees' tax for the first six months
- Less allowable foreign tax credits for six months
- Less applicable rebates and medical tax credits

Second Provisional Period

- Total estimated tax for the year
- Less employees' tax for the full year
- Less allowable foreign tax credits for the full year
- Less applicable rebates and medical tax credits
- Less the first provisional payment

Third Provisional Period (Voluntary)

- Total estimated tax for the year
- Less employees' tax for the full year
- Less allowable foreign tax credits for the full year
- Less applicable rebates and medical tax credits
- Less the first and second provisional payments

Key Considerations for the Upcoming Deadline

- The second provisional tax return and payment should be submitted before 27 February to allow sufficient time for interbank payment processing.
- If a provisional taxpayer fails to submit the final IRP6 return within four months after the end of the year of assessment, the taxpayer is deemed to have submitted an estimate of nil taxable income.
- If SARS is not satisfied with a taxpayer's estimate, the Commissioner may adjust the estimate.
- Where no estimate is submitted, SARS may determine the taxable income.
- Underestimation of taxable income and insufficient payments may result in penalties and interest.

More information about Provisional Tax can be accessed here: [Provisional Tax | South African Revenue Service](#). Additionally, members are encouraged to watch our Provisional Tax [webinars](#) to enhance their understanding of the requirements and implications of provisional tax.

Reminder: Fixed Percentage Directives Explained

A Fixed Percentage Tax Directive issued by SARS provides employers with instructions to deduct employees' tax (PAYE) from remuneration at a fixed percentage each month. This mechanism is designed to assist individuals with variable monthly income, including commission earners, personal service companies, trusts, and freelance workers, in effectively managing their tax obligations.

Qualification Criteria

Fixed Percentage Tax Directives are applicable to:

- Commission earners whose remuneration fluctuates monthly
- Personal service companies and trusts
- Freelancers or independent contractors

Application Process

Applications must be submitted to SARS using the IRP3(B) form. Submissions may be made electronically via SARS eFiling.

Applicants are required to provide the following information:

- Personal details
- Income tax reference number
- Annual income
- Expected expenses
- Employer details

Application Turnaround Time

SARS typically processes electronic applications submitted via eFiling within two business days. It is essential that all information is provided accurately and completely to prevent delays.

Validity and Compliance

A Fixed Percentage Tax Directive is valid only for the tax year or period specified. Employers are required to strictly adhere to the prescribed tax rate and may not deviate from the directive's instructions.

It is important to note that while the directive standardises monthly PAYE deductions, the final tax liability is determined upon assessment at the end of the tax year. Consequently, individuals may either qualify for a refund or be required to pay additional tax, depending on their total income and allowable deductions.

For further information or to apply for a Fixed Percentage Tax Directive, please consult the [SARS website](#).

SAIT TaxHelpline – Escalations

As part of our ongoing commitment to serving our members, SAIT escalates appropriate cases within SARS structures on their behalf. For assistance with this, members may submit their queries via the [TaxHelpline](#).

The most urgent escalations this week include:

1. Delays in finalising and issuing deceased estate compliance letters.
2. Delays in finalising tax type deregistrations.
3. Delays in finalising bank detail update and lifting of special stopper requests.
4. Delays in finalising and payment of refunds.

SAIT continues to engage with SARS at both regional and national levels and on a case-by-case basis, regarding the escalations mentioned above. Feedback is communicated directly to 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 20 November 2025, the Gauteng region held their final regional meeting for 2025. Minutes of the meeting will be available in the next edition of the Weekly.

Upcoming RCB/SARS regional and national meetings

1. Eastern Cape [Tax Practitioners Meeting] – 17 February 2026
2. Gauteng – 19 February 2026
3. Eastern Cape – 27 February 2026
4. Western Cape – 04 March 2026
5. Free State and Northern Cape – 09 March 2026
6. Gauteng – 21 May 2026
7. Western Cape – 03 June 2026
8. Free State and Northern Cape – 08 June 2026
9. Gauteng – 20 August 2026
10. Western Cape – 02 September 2026
11. Free State and Northern Cape – 07 September 2026
12. Free State and Northern Cape – 09 November 2026

13. Western Cape – 18 November 2026
14. Gauteng – 19 November 2026
15. Western Cape – 03 March 2027

Other meetings of interest

1. SARS National Operational Forum – 10 February 2026
2. RCB Forum Meeting – 03 March 2026
3. RCB Forum Meeting – 02 June 2026
4. RCB Forum Meeting – 15 September 2026
5. RCB Forum Meeting – 10 November 2026

DAILY COMPLIANCE AND ADMINISTRATION

Due dates for reporting and payments: January 2026

Month	Date	Tax Type	Notification
February 2026	06/02/2025	Employment Taxes	EMP201 - Submissions and payments
	25/02/2025	Value-Added Tax	VAT201 - Manual submissions and payments
	27/02/2025	Value-Added Tax	VAT201 - Electronic submissions and payments
	27/02/2025	Income Tax	ITR14 - Submission deadline for the 2024 returns for companies with a February year-end
	27/02/2025	Income Tax	2nd provisional (2025) - Submissions and payments for individuals, trusts and companies with a February year-end
	27/02/2025	Turnover Tax	2nd TT02 (2025) - Payments for micro-businesses registered for turnover tax
	27/02/2025	Income Tax	TEI – Launch of online registration and application platform
	28/02/2025	Income Tax	2026 closing odometer reading for logbook purposes

SAIT member resources

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

Key operational news

No key tax operational news was noted during the week of 29 January – 04 February 2026.

Other SARS and related operational publications and announcements

No other SARS and related operational publications and announcements were noted during the week of 29 January – 04 February 2026.

TAX PRACTITIONER MANAGEMENT

SAIT TaxHelpline – Tax practitioner access and functionality (eFiling)

Updated Tax Directive Software: Trade Testing Dates

SARS has issued an updated [version 6.902 of the interface specification IBIR-006](#), due to certain errors that were identified.

These included:

- The maximum record length (increase from 5000 to 6000 characters)
- The number of occurrences of the values of the amounts pertaining to Two Pot transfers, when transferring before retirement on Form A&D (decrease from 4 to 1).

Trade testing dates remain as communicated. This commences on 09 February 2026 and will run until 12 March 2026.

Please follow these steps to submit test files:

Step 1: Before testing can commence, you will need to email 10 taxpayer reference numbers to ncts@sars.gov.za to ensure the numbers are active. In the email subject line, use “Tax reference numbers for Trade Testing”. A maximum of 10 taxpayer reference numbers will be allowed.

Step 2: You will be notified via the same email address to confirm when testing may commence.

For trade testing queries, please email ncts@sars.gov.za.

Government & stakeholder newsletters

No government and stakeholder newsletters were noted during the week of 29 January – 04 February 2026.

Other tax practitioner access and functionality publications and announcements

No other tax practitioner access and functionality publications and announcements were made during the week the week of 29 January – 04 February 2026.

PART B – LEGISLATION & POLICY

LEGISLATION, INTERNATIONAL AGREEMENTS & POLICY

Tax policy & international agreements

National Legislation

Reminder: Call for 2026 Budget Suggestions

The Minister of Finance, Mr Enoch Godongwana, will be delivering the 2026 National Budget Speech on 25 February 2026. The 2026 budget allocation aims to strike a balance between growing the economy and supporting the vulnerable amid limited resources.

The minister has invited members of the public, to share their suggestions on the 2026 Budget. People may submit views on the following:

- Government spending priorities
- Addressing a large budget deficit
- Stabilising State-Owned Entity finances
- Energy and water investments
- Tax policies
- Debt sustainability
- Municipal finances
- Any other economy-related topics

Submissions can be sent to the National Treasury using this link: [Budget Tips](#). South Africans are kindly reminded to keep their contributions concise and not longer than 300 words.

The closing date for submissions is 16 February 2026. The full media advisory can be accessed [here](#).

LEGISLATIVE INTERPRETATION

Legislative calls for comment

No legislative calls for comment were published during the week of 29 January – 04 February 2026.

Submissions made to SARS and current calls for comment

No submissions made to SARS during the week of 29 January – 04 February 2026.

Legislative counsel publication

President proclaims key tax and customs legislation that is to be administered by the Commissioner

The President has recently assented to and proclaimed several key pieces of legislation, further strengthening the legal framework that the Commissioner of SARS is mandated to administer. By way of [Proclamation Notice 308 of 2026, published in Government Gazette No. 54036](#), dated 30 January 2026, the proclamation amends inter alia Schedule 1 to the

South African Revenue Service Act, 1997 (Act No. 34 of 1997) in terms of section 33 of the Act.

These Acts cover a wide range of areas, from customs and excise to taxation and global minimum tax measures.

The proclaimed legislation includes:

- Customs Duty Act, 2014 (Act No. 30 of 2014);
- Customs Control Act, 2014 (Act No. 31 of 2014);
- Customs and Excise Amendment Act, 2014 (Act No. 32 of 2014); Rates and Monetary Amounts and Amendment of Revenue Laws Act, 2016 (Act No. 13 of 2016);
- Rates and Monetary Amounts and Amendment of Revenue Laws (Administration) Act, 2016 (Act No. 14 of 2016);
- Taxation Laws Amendment Act, 2017 (Act No. 17 of 2017);
- Customs and Excise Amendment Act, 2019 (Act No. 13 of 2019);
- Carbon Tax Act, 2019 (Act No. 15 of 2019);
- Global Minimum Tax Act, 2024 (Act No. 46 of 2024);
- Global Minimum Tax Administration Act, 2024 (Act No. 47 of 2024).

These updates ensure that SARS continues to operate with a clear legislative mandate, confirming its administrative authority over a broad range of fiscal statutes and supporting the effective administration of income tax, value-added tax, customs duties, excise taxes, estate duty, skills development levies, unemployment insurance contributions, carbon taxation, and global minimum tax measures.

The updated Government Gazette, which contains the full text of these proclamations, can be accessed [here](#).

Reminder: Updated Table of Interest Rates

SARS has published updated interest rate tables under the Income Tax Act, which are effective from 1 March 2026. These [interest rate tables](#) are updated regularly to reflect changes in the market. Taxpayers and practitioners should ensure that the latest interest rates are used for compliance and financial planning purposes.

- [Table 1](#) – Interest rates on outstanding taxes and interest rates payable on certain refunds of tax
- [Table 2](#) – Interest rates payable on credit amounts

Published court cases

No court cases were published during the week of 29 January – 04 February 2026.

Other SARS publications and announcements

No other SARS publications and announcements during the week of 29 January – 04 February 2026.

President Ramaphosa to Visit SARS National Command Centre

President Cyril Ramaphosa will on Thursday, 5 February 2026 undertake an oversight visit to the SARS National Command Centre in Brooklyn, Pretoria. The engagement is part of a broader government interaction with key institutions, including the Ministry of Finance and National Treasury, aimed at highlighting SARS' progress and its modernisation efforts.

The National Command Centre plays a central role in SARS' operations, offering real-time monitoring of tax compliance, revenue collection, and other key operational metrics. During the visit, the President will tour exhibitions from various SARS business units such as Customs, Taxpayer Engagement, and the Modernisation and Innovation Hub to gain insights into their work and innovations.

President Ramaphosa is also scheduled to deliver a keynote address and interact with SARS staff, underscoring the importance of the revenue service's mandate in administering South Africa's tax and customs systems. The keynote address will be streamed live on SARS and Presidency social media channels at 10h30. Members can watch here: [Presidential Visit to SARS Head Office](#)