



Synopsis

Tax today

September 2025



A monthly journal, published by PwC South Africa, that gives informed commentary on current developments in the tax arena, both locally and internationally.

Through analysis of and comment on new laws and judicial decisions of interest, Synopsis helps executives to identify developments and trends in tax law and revenue practice that may affect their business.

Editor: Al-Marie Chaffey
Simangaliso Manyumwa

Navigating the enhanced section 11D R&D incentive

Introduction

The section 11D of the Income Tax Act, No. 58 of 1962 (“the Act”) Research and Development (“R&D”) tax incentive is and has been a strategic policy instrument introduced by the South African government to promote private sector investment in scientific and technological innovation. This incentive recognised the critical role of research and development in driving industrial competitiveness, economic growth, and job creation, and provides tax relief to companies undertaking qualifying R&D activities within South Africa.

Section 11D has been in place since 2006, but in 2023, the incentive underwent significant legislative refinement, effective from 01 January 2024. These changes were driven by the need to simplify the application process, enhance clarity around qualifying activities, and align the incentive with international best practices – particularly the principles outlined in the OECD Frascati Manual. More specifically, according to the Frascati Manual, R&D is defined as “*Creative and systematic work undertaken in order to increase the stock of knowledge – including knowledge of humankind, culture and society – and to devise new applications of available*

knowledge”. It further categorises R&D into three types:

1. Basic research: Experimental or theoretical work undertaken primarily to acquire new knowledge, without any particular application in view.
2. Applied research: Original investigation directed primarily towards a specific practical aim or objective.
3. Experimental development: Systematic work drawing on existing knowledge gained from research and practical experience, aimed at producing new products, processes, or services, or improving existing ones.

Prior to these amendments, the incentive was often criticised for being administratively burdensome and conceptually vague, especially around the definition of R&D and the requirement for innovation. The OECD Frascati Manual principles are now embedded in South Africa's section 11D R&D tax incentive as a result of the 2023 amendments. The revised framework ensures that South Africa's definition of R&D is internationally benchmarked, making it easier for companies to understand and apply for the incentive. Moreover, it now provides a clearer, more inclusive, and practical approach to determining eligibility, thereby improving accessibility for companies of varying sizes and sectors.

Key legislative enhancements (2023)

To improve the effectiveness and accessibility of the section 11D R&D tax incentive, several legislative enhancements were introduced in 2023. As indicated, these changes were designed to simplify the definition of qualifying R&D, align the incentive with international standards, and broaden its scope to include a wider range of activities and business models. Below are the key legislative enhancements that companies should be aware of:

- The definition of R&D was simplified to focus on activities aimed at resolving scientific or technological uncertainty. If a skilled professional could resolve the uncertainty without engaging in systematic investigative or experimental activities, the incentive does not apply.
- The previous “end result” approach – where R&D had to lead to outcomes such as patentable inventions – was replaced with a more flexible framework. Activities must now be novel, uncertain, systematic, and transferable or reproducible, in line with the OECD Frascati Manual.
- Internal business processes are no longer excluded. If such processes involve qualifying R&D activities, they are eligible for the incentive regardless of whether the outcome is intended for sale or internal use.
- In the context of software development, only those software development activities that are systematic investigative or systematic experimental ones of which the result is uncertain may be eligible.
- A six-month grace period was introduced, allowing taxpayers to submit their application within six months of commencing the R&D project.

- The SARS Commissioner is now permitted to share certain taxpayer information with the Minister of Higher Education, Science and Innovation to support improved monitoring and evaluation of the incentive.

Tax benefits

Companies approved in terms of section 11D are entitled to a **150% income tax deduction** for qualifying R&D expenditure. This applies to costs directly and solely incurred in the production of income and in the carrying on of a trade. Additionally, taxpayers may claim an **accelerated capital allowance** on capital assets used in approved R&D activities, following a 50:30:20 schedule over three years.

It is important to note that SARS' Interpretation Note 50, which previously provided guidance on the incentive, was withdrawn in July 2024. Companies should now refer directly to the legislation and updated guidelines issued by the Department of Science and Innovation (“DSI”).

Eligibility criteria

To qualify, the taxpayer/applicant must be a company as defined in the Act. The company must either conduct the R&D itself or fund R&D carried out by another party on its behalf, subject to specific conditions outlined in subsections 11D(4) to (6).

Crucially, the company must obtain pre-approval for the R&D project from the DSI. Only expenditure incurred within six months prior to or on or after the date of receipt of the application will be considered for the incentive.



Qualifying R&D activities

Eligible R&D activities must involve systematic investigative or experimental efforts aimed at resolving scientific or technological uncertainty. The resolution must not be readily deducible by a person skilled in the relevant field. The activities should be undertaken for one or more of the following purposes:

- Discovering new scientific or technological knowledge
- Creating or significantly improving products, processes, or services

- Developing multisource pharmaceutical products in accordance with World Health Organisation guidelines and South African regulations
- Conducting clinical trials as defined by the Department of Health's guidelines and relevant regulations

Excluded activities

Whilst section 11D offers generous tax benefits for qualifying R&D activities, it is equally important to understand which activities are explicitly excluded from the incentive. These exclusions are intended to ensure that only genuine scientific or technological research – characterised by uncertainty, novelty, and systematic investigation – receives support. The following activities do not qualify for the R&D tax incentive under section 11D:

- Routine testing, analysis, and quality control conducted in the normal course of business
- Market research, market testing, and sales promotion
- Research in the social sciences, arts, and humanities
- Oil, gas, or mineral exploration (unless developing technology for such exploration)
- Creation or development of financial instruments or products
- Creation or enhancement of trademarks or goodwill
- Expenditure related to the registration of intellectual property (e.g., patents, designs, trademarks)

Application and review process

To benefit from the section 11D R&D tax incentive, companies must follow a formal application and approval process administered by the DSI. The process ensures that

only qualifying R&D activities receive approval and that the incentive is applied consistently and transparently. Below is a summary of the key steps involved in the application and review process:

1. Pre-approval applications must be submitted via the DSI's online portal.
2. The Minister of Science and Innovation is responsible for approving or rejecting applications.
3. If an application is declined or approval is withdrawn, the Minister must provide adequate reasons.
4. Applicants dissatisfied with the Minister's decision may seek judicial review under the Promotion of Administrative Justice Act ("PAJA") by approaching the High Court.
5. The R&D tax incentive has a sunset clause of 31 December 2033.

Takeaway

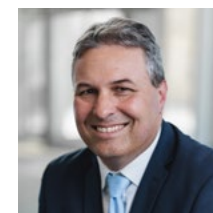
The enhancements to section 11D mark a significant step forward in making South Africa's R&D tax incentive more accessible, transparent, and aligned with global standards. By adopting the principles of the OECD Frascati Manual and removing previous administrative and definitional barriers, the revised framework empowers companies to invest confidently in innovation. However, whilst the incentive is now clearer and more inclusive, navigating the technical definitions, eligibility criteria, and application process still requires careful planning and strategic insight.

How PwC can assist

At PwC, we understand the complexities of applying tax incentives within a business – especially when it comes to R&D. Whether you're exploring section 11D for the first time or looking to optimise existing claims, our **Tax Consulting** specialists can *inter alia*:

- help you identify qualifying activities,
- navigate the pre-approval application process, and
- ensure compliance with legislative requirements.

We offer practical, tailored support to help you unlock the full value of the incentive.



Stevie Coetzee
Director
+27 (0) 82 446 9224



Mphoti Chilwane
Senior Manager
+27 (0) 66 028 1882



What National Treasury's renewable energy survey reveals about effective incentive design

Background

In 2023, National Treasury introduced two major fiscal policy interventions in response to South Africa's loadshedding challenge in the form of renewable energy tax incentives. One targeted household rooftop solar panel installation, while the other was aimed at encouraging businesses to expedite investment in renewable energy generation by offering an enhanced incentive to the already existing renewable energy incentive for businesses. These incentives had sunset dates of 29 February 2024 and 28 February 2025, respectively, and National Treasury confirmed that they would not be extended.

To assess the impact these incentives had on taxpayers, National Treasury released the results of a survey conducted in December 2024. The survey results provide a rare, data-driven look at the outcomes of the incentives. For one, the enhanced renewable energy incentive for businesses showed some success in altering investment behaviour, while the solar energy incentive for households largely functioned as an inefficient subsidy.

This article takes a closer look at these incentives, why they produced such different outcomes and, importantly, the valuable lessons they hold for future green tax policy in South Africa as the global movement towards sustainable energy investment continues to gain momentum.

Tax policy principles for efficient tax incentives

Before delving deeper into the performance of these incentives, it is important to understand a few established principles of effective tax policy in the context of tax incentives.

Any good tax system is judged on the core principles of efficiency, equity, certainty, and simplicity, as coined by Adam Smith. Additionally, the Platform for Collaboration on Tax ("PCT")¹ states that incentives should be structured in a manner that encourages the desired behaviour, avoids negative impacts on other activities, and limits the cost to the fiscus.

¹ a joint initiative of the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the United Nations (UN), and the World Bank Group (WBG)

Therefore, the performance of incentives must be measured against the following:

- **Efficiency:** whether the incentive achieves its policy goal with minimal economic distortion and cost to the fiscus.
- **Equity:** whether the incentive is fair and benefits the intended group, or produces unintended regressive outcomes.
- **Certainty and simplicity:** whether the rules are clear, stable, and predictable, allowing taxpayers to easily understand, claim, and make long-term decisions.

South Africa's renewable energy incentives and key survey results

Solar panel tax incentive for individuals

Individuals who pay personal income tax ("PIT") were able to claim a rebate of 25% of the cost of new and unused solar photovoltaic ("PV") panels, up to a maximum of R15,000. Only solar PV panels with a minimum capacity of 275W per panel qualified, and other components of the system, such as batteries and inverters, were not included. The rebate applied to panels brought into use for the first time from 1 March 2023 to 29 February 2024.

The survey found that uptake of this incentive was low, with only 27% of eligible individual respondents claiming the incentive. Of those who claimed, 78% stated that they would have installed solar panels even in the absence of the incentive. This means that for every five individuals that received the tax credit, roughly four were being rewarded for an action they were already committed to taking. This

points to a high degree of deadweight loss; i.e., tax revenue was forgone to reward decisions already made or that would have been made notwithstanding the incentive.

The survey also found that the benefits of the incentive flowed overwhelmingly to higher income households. Claimants were concentrated in the top two PIT brackets and primarily located in South Africa's two wealthiest provinces, Gauteng (47%) and the Western Cape (33%). The incentive did not broaden access to solar power but rather subsidised those who already had the means and motivation to invest.

Enhanced renewable energy incentive for businesses

While there is a long-standing incentive for renewable energy investment for businesses in the form of an accelerated capital allowance, the temporary enhancement of that incentive was introduced to encourage more rapid investment in renewable energy. Under the enhanced incentive, businesses were able to claim an upfront deduction of 125% of the cost of qualifying assets used in generating electricity from renewable sources, for example solar PV, wind, and hydropower. Assets must have been new and unused, and brought into use for the first time from 1 March 2023 to 28 February 2025. Importantly, there were no thresholds on generation capacity, unlike the normal renewable energy incentive for businesses.

Though the survey shows the business incentive saw much stronger engagement, with 49% of eligible business respondents claiming the deduction, this remains disappointing, as the majority did not claim. For both incentives, most respondents did not claim largely due to



lack of awareness about the incentives. Crucially, more businesses, i.e., 43% of business claimants, stated that they were induced to invest because of the incentive. However, the true success of the enhanced incentive is perhaps its scaling effect, being its ability to amplify investment. The survey found that 65% of businesses that would have invested regardless were prompted by the incentive to install larger systems than originally planned. This additionality, that is, the extent to which an incentive causes an investment or action that would not have happened otherwise, proved critical in maximising the generation capacity added to the grid for every rand of tax revenue forgone.

The survey highlights a wide performance gap between the two incentives which can, in part, be attributed to the manner in which each incentive was designed.

Critiques of the legislative design of each incentive

As a start, both incentives have been criticised by stakeholders for their short-term nature. For individuals, the strict one-year window led to much uncertainty, as the legislation giving effect to the incentive was only enacted and promulgated well into this window. On the other hand, businesses raised concerns over large renewable energy projects generally needing more than two years to complete.

The R15,000 limit of the solar panel tax incentive created a regressive subsidy. For example, a small system of solar panels costing R60,000 would represent the maximum available rebate at 25%. But for a more meaningful R200,000 system, the effective subsidy would fall to a negligible 7.5%, actively discouraging larger investments. In addition, limiting the rebate to solar PV panels and excluding essential components such as inverters and batteries further diluted the benefits of the incentive, especially for smaller systems, where these components would generally make up a greater proportion of the total system cost.

In contrast, the enhanced incentive for businesses' upfront deduction of 125%, and the inclusion of foundations and supporting structures, served as a useful tool to improve a renewable energy project's internal rate of return and shorten its payback period, thereby encouraging larger investments. The absence of a capacity cap was also a critical design choice, as it was a key enabler of the scaling effect.

When viewed through the lens of established tax policy principles, the divergent outcomes of the two incentives

became clearer. Both suffered from poor taxpayer awareness, undermining their effectiveness. Yet, the household incentive fell short across all dimensions – its structure led to a high degree of deadweight loss, regressive outcomes, and limited certainty due to its narrow scope and late enactment. In contrast, the business incentive aligned more closely with the principles of efficiency, equity, and simplicity, successfully driving scaled investment and offering a clearer, more predictable framework, as it was largely based on the existing incentive. These differences underscore the importance of not only sound legislative design but also robust communication and administrative support to ensure incentives achieve their intended impact.

Global context and emerging policy trends

South Africa's experience with these incentives reflects a broader global conversation about the most effective ways to use fiscal policy to drive the renewable energy transition. 195 countries have committed to achieving net-zero emissions by 2050 under the Paris Agreement, and each jurisdiction will need to act to meet targets.

A significant global trend, highlighted in the OECD's recent tax policy reforms analysis, is the strategic use of value-added tax ("VAT") as a tool for environmental policy. Increasingly, countries are applying reduced VAT rates or exemptions to lower the upfront cost of goods and services that support the transition to a low-carbon economy. This approach has been used for a wide range of products, including solar panels, heat pumps, energy-efficient appliances, and the installation of renewable energy systems.

Government should consider whether any of the tax policy trends identified in the OECD's analysis could be implemented in South Africa as effective means to drive the renewable energy transition in the country, while taking into account the unique factors that affect the South African landscape.

Lessons learnt for future green tax policy

From the performance of South Africa's temporary incentives, it is clear that crafting a durable green fiscal strategy requires a multipronged approach. Below are some considerations for policymakers.

1. Prioritise longevity and predictability

South Africa must move away from short-term, 'shock' policies. A stable, long-term policy environment is a prerequisite for attracting the sustained capital investment needed to build a robust green economy. Policymakers may also consider making the most successful elements of the enhanced incentive permanent by integrating them into the existing standard incentive framework.



2. Design for holistic solutions

Future incentives should encourage integrated energy solutions, not just standalone components. This means promoting complete systems that include energy storage (batteries) to reflect how renewable energy systems function in practice. To achieve this, effective policy design must be underpinned by strong coordination across government departments. When fiscal, energy, and environmental policies are aligned around shared objectives, government can deploy a mix of complementary tools, avoid policy contradictions, and maximise the overall impact of incentives. This means establishing clear, common goals for the renewable energy transition, supported by joint planning, shared data, and regular interdepartmental collaboration. A designated convening authority can help maintain momentum, resolve conflicts, and ensure that lessons from past incentives – such as the need to improve public awareness and engagement – are incorporated in future policy. Ultimately, a whole-of-government approach fosters policy coherence that strengthens impact, efficiency, and public trust.

3. Embed equity and target true additionality

The regressive outcome of the solar panel tax incentive demonstrates that income tax credits may not be the right tool for driving widespread household adoption, or at

least not in the way that it was designed. A VAT reduction or exemption on residential solar and battery systems as adopted in some countries may be a more equitable alternative. Alternatively, using a portion of the revenues collected from carbon tax to recycle into targeted subsidies for low-income households may be more effective than a tax incentive.

Key takeaways

South Africa's two temporary renewable energy incentives offer a powerful lesson in tax policy design. One was a blunt instrument that resulted in inefficient and inequitable outcomes; the other successfully accelerated private investment at scale. The path forward should be to embrace the principles that drove success, learn from the failures, and build a green fiscal strategy that is not just reactive, but resilient, equitable, and effective.

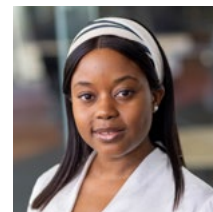
National Treasury advised that further insights and detailed analysis of these incentives will be conducted once administrative data from SARS becomes available, which will be used to inform future tax policies.



Kyle Mandy
Director
+27 (0) 83 701 1202



Adelheid Reyneke
Senior Manager
+27 (0) 83 557 2526



Simangaliso Manyumwa
Senior Associate
+27 (0) 73 411 1777



SARS Watch:

SARS Watch 26 August 2025 – 25 September 2025

Legislation

16 September 2025	Table 1 – Interest rates on outstanding taxes and interest rates payable on certain refunds of tax	The prescribed rate will decrease to 10.50% (currently 10.75%) from 1 November 2025.
16 September 2025	Table 2 – Interest rates payable on credit amounts	The prescribed rate will decrease to 6.50% (currently 6.75%) from 1 November 2025.
15 September 2025	- Draft Crypto-Asset Reporting Framework (CARF) Regulations - Explanatory Note on Publication of draft CARF Regulations	Comments were due to SARS by Friday, 3 October 2025.
15 September 2025	- Draft Revised Common Reporting Standard (CRS) Regulations - Explanatory Note on Publication of Draft Revised CRS Regulations	Comments were due to SARS by Friday, 3 October 2025.

3 September 2025

Retraction of the Proposal in Respect of the Definition of a Hybrid Equity Instrument in the 2025 Taxation Laws Amendment Bill

The 2025 draft Taxation Laws Amendment Bill proposed that the definition of a “hybrid equity instrument” contained in section 8E of the Income Tax Act be refined. Commentators raised concerns that the proposed wording would effectively eliminate preference shares as a viable means of financing. National Treasury and SARS decided to retract the proposal from the draft TLAB and will follow a consultative process with all stakeholders to identify a balanced tax approach that takes into consideration the concerns of both stakeholders and government.

Interpretation

27 August 2025

Draft Interpretation Note 64 (Issue 5) – Income tax exemption: Bodies corporate, share block companies, and associations of persons managing the collective interests common to all members

Comments are due to SARS by Friday, 10 October 2025.

27 August 2025

Interpretation Note 44 (Issue 4) – Capital gains tax: Public benefit organisations

This Note provides guidance on the interpretation and application of paragraph 63A dealing with the disregarding of a capital gain or capital loss on the disposal of an asset by a PBO.

27 August 2025

Interpretation Note 10 (Issue 5) – Skills development levy (SDL) exemption: Public benefit organisations

This Note provides guidance on the interpretation and application of section 4(c) of the Skills Development Levies Act, 9 of 1999, which exempts any PBO contemplated in section 10(1)(cN) from the payment of SDL, provided the PBO solely –

- carries on qualifying PBAs; or
- provides funds to PBOs solely carrying on qualifying PBAs.

Customs and excise

18 September 2025

Updated Facilities Code List

The facility codes used in Box 30 on the Customs Clearance Declaration (CCD) have been updated to include details of the following companies:

- Degrouping Facility Tri Ridge Freight and Logistics (Pty) Ltd, located at O. R. Tambo International Airport; and
- Container Depot Safcor Freight (Pty) Ltd, located in Pretoria.

This addition enables Customs to transmit electronic messages communicating the status of the consignment to these facilities.

12 September 2025

Draft amendments to rules under sections 40, 41 and 120 – Insertion of rules under sections 40 and 41 relating to the manner in which bills of entry may be adjusted where customs value declared is affected by transfer pricing adjustments

Comments were due to SARS by Friday, 3 October 2025.

12 September 2025	Updated Facilities Code List	The facility codes used in Box 30 on the Customs Clearance Declaration (CCD) have been updated to include details of the newly approved terminal Transnet SOC Ltd, located in Port Elizabeth. This addition enables Customs to transmit electronic messages communicating the status of the consignment to these facilities.
12 September 2025	Notice R.6597 – Amendment to Part 2 of Schedule No. 4, by the insertion of rebate item 460.06/1516.20.90/01.08 in order to provide for a temporary rebate provision on palm oil, not fractionated, partly or wholly hydrogenated, whether or not refined, but not further prepared, for use in the manufacture of soaps and organic surface-active products and preparations, in the form of bars, cakes, moulded pieces or shapes, classifiable under tariff subheading 3401.1 (ITAC Report No. 739)	Published in Government Gazette No. 53334 with an implementation date of 12 September 2025.
12 September 2025	Notice R.6596 – Amendment to Part 2 of Schedule No. 4, by the insertion of rebate item 460.15/7306.40/01.06 in order to provide for a temporary rebate provision on stainless-steel tubing used in the manufacture and maintenance of state-of-the-art processing plants for the hygienic and liquid food industries (ITAC Report No. 742)	Published in Government Gazette No. 53334 with an implementation date of 12 September 2025.
12 September 2025	Notice R.6595 – Amendment to Schedule No. 1, by the substitution of paragraph 1 of General Note O, to include Nigeria as part of the State Parties in the African Continental Free Trade Area (AfCFTA) Agreement	Published in Government Gazette No. 53334 with retrospective effect from 30 May 2025.
12 September 2025	Notice R.6594 – Amendment to Schedule No.1, by the substitution of General Note O.8 as well as the insertion of General Note O.9 in order to suspend the preferential treatment on products classifiable under tariff subheading 0902.40 imported from Kenya under the AfCFTA	Published in Government Gazette No. 53334 with an implementation date of 12 September 2025.
10 September 2025	Updated Prohibited and Restricted Imports and Exports list	Tariff headings 9201, 9202, 9205, 9206, 9207, 9208, and 9209 do not require an ITAC import permit.
29 August 2025	Notice R.6550 – Amendment to Part 2 of Schedule No. 4, by the insertion of rebate item 460.06/1511.90.90/01.08 in order to provide for a temporary rebate provision on palm oil, not fractionated, refined, bleached and deodorised, and not chemically modified, for use in the manufacture of soap and organic surface-active products and preparations, in the form of bars, cakes, moulded pieces or shapes, classifiable in tariff subheading 3401.1 (ITAC Report No. 738)	Published in Government Gazette No. 53241 with an implementation date of 29 August 2025.
27 August 2025	Updated Prohibited and Restricted Imports and Exports list	Amendments were made for Non-Proliferation Council.

Case law

In accordance with the date of judgment

29 August 2025	Prinsloo and Others v CSARS and Another (020214/2023) [2025] ZAGPJHC	Whether SARS is able to assess the individual companies and entities collapsed under section 20(9) of the Companies Act, 2008.
29 August 2025	Assmang (Pty) Ltd v CSARS and Others (311/2024) [2025] ZASCA 121	This appeal concerns an entitlement to tax refunds for fuel levies and Road Accident Fund levies in terms of the Customs and Excise Act 91 of 1964.
20 August 2025	CSARS v HR Focus CC (CA 118/2024) [2025] ZAECKMHC	Whether the taxpayer is the employer of the 4 500 personnel that were outsourced to the taxpayer's retail clients.

Guides and forms

19 September 2025	Updated Guides for Trust Filing Season 2025 from 20 September 2025: - Comprehensive Guide to the Income Tax Return for Trusts – External Guide - Step-by-Step Guide to complete your Trust return via eFiling – External Guide	Several legislative and form changes have been introduced to the Income Tax Return for trusts (ITR12T), and the guides were updated accordingly.
19 September 2025	Updated Guides for Employer Interim Declarations from 22 September 2025: - Guide for Codes Applicable to Employees Tax Certificate 2026 – External Guide - Guide for Validation Rules Applicable to Reconciliation Declarations 2026 – External Guide - Guide for Employers in respect of Employment Tax Incentive – External Guide - A Guide to the Employer Reconciliation Process – External Guide - Guide for Completion and Submission of Employees Tax Certificates 2026 – External Guide - Guide to submit a dispute via eFiling – External Guide - e@syfile™TC Employer Guide – External Guide	The following updates have been made: - New source codes have been added to the IRP5/IT3(a) certificate - Changes to field types and validations - Enhancements to EMP501 reconciliation process - Re-introduction of pro forma EMP501 reconciliation - Updates to employment tax incentive (ETI) account - Enhancements to e@syFile software - Validation of ITREG eFiling registration - Changes to SARS letters and forms
26 August 2025	Guide to Section 18A Approval for Specific United Nations Entities	This guide considers the requirements for obtaining and retaining approval for purposes of section 18A of the Income Tax Act 58 of 1962 (the Act) by the eligible United Nations entities, namely, specialised agencies, and the programmes, funds, High Commissioners, offices, entities or organisations listed in section 18A(1)(bA) of the Act.

26 August 2025	Taxation in South Africa 2025	This is a general guide providing a high-level overview of the most significant tax legislation administered in South Africa by the Commissioner for SARS.
26 August 2025	Tax Guide for Small Businesses (2024/2025)	This guide is a general guide dealing with the taxation of small businesses such as sole proprietors, partnerships, and companies not part of large groups. Some of the considerations in this guide could, however, be applicable to any type of taxpayer. The aim is to consider the typical taxation issues of an average business trading in South Africa.

Other publications

23 September 2025	OECD: Albania signs multilateral treaty to facilitate the implementation of the Subject to Tax Rule, further strengthening international tax co-operation	Albania has signed the Multilateral Convention to Facilitate the Implementation of the Pillar Two Subject to Tax Rule (the STTR MLI), becoming the 10th jurisdiction to join the agreement.
23 September 2025	ATAF: ATAF and UNU-WIDER renew MoU to strengthen tax systems in Africa	The African Tax Administration Forum (ATAF) and the United Nations University World Institute for Development Economics Research (UNU-WIDER) have renewed their Memorandum of Understanding (MoU), reaffirming their shared commitment to advancing equitable and effective tax systems across Africa.
23 September 2025	OECD: Progress continues in strengthening tax transparency through country-by-country reporting	The OECD released the latest annual peer review results on the implementation of BEPS Action 13 on country-by-country (CbC) reporting, covering 142 Inclusive Framework on BEPS members. This press release provides a summary.
23 September 2025	OECD: country-by-country reporting – compilation of 2025 peer review reports	Since 2018, seven annual peer reviews have been conducted, covering three key areas: the domestic legal and administrative framework, the exchange of information framework, and the confidentiality and appropriate use of CbC reports. This eighth annual peer review report presents the findings of the 2024/25 peer review.
22 September 2025	National Treasury media statement: Medium-Term Budget Policy Statement (MTBPS) to be tabled on 12 November 2025	The Minister of Finance, Mr Enoch Godongwana, will table the MTBPS on 12 November 2025.
18 September 2025	OECD: Sri Lanka joins Global Forum as 173rd member	Sri Lanka becomes the 173rd member – and the 23rd Asian member – of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum).
15 September 2025	SARS: Key changes for Employer Interim Declarations (EMP501) – 22 September 2025 to 31 October 2025	The period for employer interim reconciliation submissions is from 22 September to 31 October 2025. During this time, all employers in the private and public sectors must reconcile their declarations for the first six months of the reconciliation year (1 March 2025 to 31 August 2025) and submit these on eFiling or e@syFile™ Employer. SARS outlines some key changes for 2025.

12 September 2025	SARS: SARS gears up for GloBE implementation	SARS is readying systems and teams to implement the Global Anti-Base Erosion (GloBE) Model Rules, introducing a global minimum tax for large multinationals. The initiative promotes fair taxation, voluntary compliance, and streamlined reporting through eFiling.
11 September 2025	OECD: Governments increased tax revenues in 2024 to meet rising spending needs	The tenth annual edition of <i>Tax Policy Reforms: OECD and Selected Partner Economies</i> provides a comprehensive overview of tax reform trends, offering cross-country comparisons and tracking policy developments over time. The report finds that governments have increasingly implemented reforms to raise revenues for specific spending needs – most notably through measures aimed at funding current and future expenditures linked to population ageing.
11 September 2025	OECD: Tax Policy Reforms 2025	This report covers the tax policy reforms introduced or announced in 2024 in 86 member jurisdictions of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS), including all OECD countries. The publication also provides an overview of the macroeconomic environment and tax revenue context in which these tax reforms were made, highlighting how governments used tax policy to respond to short- and long-run structural challenges.
11 September 2025	SARS media release: Trusts Filing 2025/2026	SARS reminds trustees and the public of the official filing season for trusts that runs from 20 September 2025 to 19 January 2026.
10 September 2025	SARS: Trust Tax Compliance for 2025	The trust tax season opened on 20 September 2025. Income Tax Returns for Trusts (ITR12T) must be filed on eFiling by 19 January 2026. Returns for trusts which declare amounts vested to beneficiaries' income (IT3(t)) were due by 30 September 2025.
8 September 2025	OECD: OECD releases revised BEPS Action 5 Transparency Framework and Exchange on Tax Rulings XML Schema	The OECD released a set of revisions to the BEPS Action 5 minimum standard on the spontaneous exchange of information on tax rulings (the 'transparency framework').
8 September 2025	OECD: Revised BEPS Action 5 Transparency Framework on Tax Rulings	As part of its ongoing monitoring efforts, the Inclusive Framework has completed a review of the transparency framework's effectiveness, in line with the mandate set out in the <i>Revised BEPS Action 5 Transparency Framework on Tax Rulings</i> . The first part of this report contains the outcomes of that review. In addition, the report contains revised terms of reference applicable from the 2025 review year, as well as the revised assessment methodology for peer reviews starting in 2026. The second part of the report sets out the revised Exchange on Tax Rulings (ETR) XML Schema and the related User Guide, which will be used for all exchanges from 1 January 2027.

5 September 2025	Global Tax Policy Alert: Status of UN negotiations on a Framework Convention on International Tax Cooperation	The UN is developing a comprehensive Framework Convention on International Tax Cooperation to address global tax challenges. The work is led by an Intergovernmental Negotiating Committee, with participation that includes developing and developed countries. There were substantive negotiations in August 2025 on the Convention and two early protocols covering cross-border services taxation and dispute resolution. The final text is expected to be submitted to the General Assembly by 2027. Discussions so far reflect differences between developed and developing countries. This Alert provides more information.
5 September 2025	SARS media release: SARS clarifies issues around social influencers	In this media release, SARS clarifies its position with respect to the taxation of social influencers. A new segment has been added within SARS to specifically serve this group of taxpayers and ensure compliance.
4 September 2025	OECD: How much tax do workers pay? OECD's Taxing Wages knows the answer	The 2025 edition of <i>Taxing Wages</i> offers a snapshot of how labour taxation is evolving in the turbulent post-COVID period, as real wages recover and inflation eases but the need for higher revenues – for example in response to population ageing – weighs ever heavier. This blog provides some insights into the publication's findings.
3 September 2025	National Treasury: Renewable Energy Tax Incentives Survey Report	To gather preliminary results on the effectiveness of the renewable tax incentive schemes in achieving their intended objectives and assess taxpayers' experiences with the incentives, National Treasury published an online survey on 4 December 2024. This report provides the results from the survey.
29 August 2025	SARS media release: Trade Statistics for July 2025	South Africa recorded a preliminary trade balance surplus of R20.3 billion in July 2025. This surplus was attributable to exports of R184.3 billion and imports of R164.0 billion, inclusive of trade with Botswana, Eswatini, Lesotho, and Namibia (BELN). This media release provides more information.
29 August 2025	Global Tax Policy Bulletin: State of play of digital services taxes (DSTs) and other similar measures	In the absence of a multilaterally agreed approach to taxing the digital economy, many countries have adopted unilateral tax measures, including digital services taxes (DSTs), to address the perceived shortfall in tax revenues. This has prompted international tensions and policy responses, notably from the United States. This Alert provides more details.
28 August 2025	Tax Alert: Draft legislation released — Carbon tax- and customs-related proposals	The draft tax legislation was published on 16 August 2025 while the draft National Greenhouse Gas Carbon Budget and Mitigation Plan Regulations were published on 1 August 2025. We summarise some of the main proposals in this publication.
27 August 2025	SARS media release: SARS works with the tax practitioners segment to strengthen voluntary compliance	SARS and recognised controlling bodies (RCBs) met to engage on crucial matters affecting them. It was agreed that SARS must provide practitioners with clarity and certainty of their obligations, and make it easy for them to comply, especially when it comes to their registration to practice and their ongoing renewal verification. SARS encouraged RCBs to obtain their members' consent for compliance-status sharing. This media release provides more information.

At PwC, we help clients build trust and reinvent so they can turn complexity into competitive advantage. We're a tech-forward, people-empowered network with more than 370,000 people in 149 countries. Across audit and assurance, tax and legal, deals and consulting we help clients build, accelerate and sustain momentum. Find out more at www.pwc.com.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

© 2025 PwC. All rights reserved (2025-400-05)