11 August 2026

Tax Alert

Advance Pricing Agreement programme in operation from September 2026

In brief

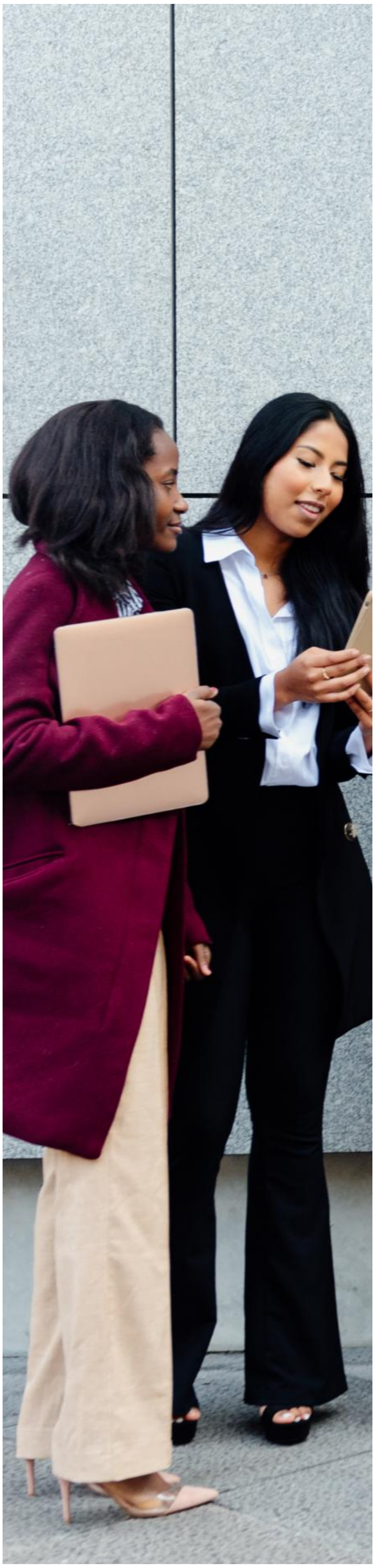
Taxpayers may submit requests, from 1 September 2026, to participate in South Africa's highly anticipated Advance Pricing Agreement ("APA") programme. On 7 August 2026, the South Africa Revenue Service ("SARS") published the final Public Notices establishing the APA programme, accompanied by a comprehensive APA External Guide.

The pilot APA programme will be limited to bilateral APAs. Notable changes from the initial draft versions of the Public Notices include a significantly reduced turnover threshold of ZAR10Bn (reduced from R50Bn), and an expanded scope of qualifying intragroup services —to cover all services (rather than only imported services).

Key information

Who is eligible, and what is in scope?

- The applicant must be a SA tax resident, maintain full tax compliance, and have standalone turnover exceeding ZAR10Bn in the year preceding the pre-application consultation request.
- The APA must be a "DTA" APA (i.e., bilateral APA) covering distribution, manufacturing, or intra-group services transactions.
- The expected annual value of the affected transaction must exceed R1.0Bn for distribution or manufacturing arrangements, or R300 million for intra-group services.



- Financial assistance arrangements and transactions involving the creation of intangible property fall outside the pilot scope.
- SARS retains discretion to accept or reject requests based on transaction complexity, industry considerations, and available resources.

What are the fees?

- **Pre-application fee:** R100,000, non-refundable and payable within seven days of invoice.
- **Application processing fee:** R1.0 million, comprising a R200,000 deposit and the R800,000 balance invoiced in eight equal instalments at 90-day intervals.
- **Ongoing annual fees:** R100,000 annual maintenance fee once an APA is concluded or extended.
- **Extension fees:** The fee for extending an APA is case-specific, but capped at the cost-recovery fee for initial applications (R1.0 million).
- SARS may also recover ancillary costs, such as expert, travel, or accommodation costs.
- All SARS APA administration fees are non-refundable, and late payments attract interest at the official rate.

What is the process, in short?

- The taxpayer submits a pre-application request to SARS, together with the required information, presentation, and pre-application fee.
- SARS holds a pre-application consultation with the taxpayer, discusses any limitation-period and rollback issues, consults the foreign Competent Authority, and confirms whether the taxpayer may apply.
- If invited, the taxpayer submits the APA application, and SARS agrees a project plan with the applicant and the foreign Competent Authority.
- SARS gathers information, prepares its position, and negotiates with the foreign Competent Authority. If the preliminary APA is accepted, it applies for up to five years, with rollback of up to three earlier years upon request and agreement.

SARS notices and guide

The relevant SARS materials are listed below. The Public Notices should be read together with the APA External Guide.

Document	Link
APA External Guide	SARS guidance on the APA pilot programme, including eligibility, process, fees, compliance, extensions and terminations.
Notice 7787	Fees payable by an applicant in an application for a DTA APA.
Notice 7788	Persons eligible to apply to SARS for a DTA APA.
Notice 7789	Additional circumstances in which SARS will reject a DTA APA application.
Notice 7790	Requirements for processing an application for a DTA APA.
Notice 7791	Information to be contained in a preliminary DTA APA.
Notice 7792	Procedures and guidelines for implementing and operating the DTA APA system.

Key takeaway

SA's APA programme will go live on 1 September 2026. For qualifying taxpayers, the pilot programme presents a valuable opportunity to secure upfront transfer pricing certainty on significant cross-border transactions. Given the APA programme's scope and SARS' discretionary acceptance criteria, thorough preparation and strategic positioning will be essential to maximising the likelihood of a successful application.

How PwC can help

PwC's global network of transfer pricing and international tax specialists, including former government and tax officials, can help prospective applicants engage effectively with SARS and foreign Competent Authorities. In South Africa, this capability is supported by a leading tax controversy practice with extensive SARS experience across transfer pricing audits, dispute resolution, and the voluntary disclosure programme. We can assist prospective applicants across the full APA lifecycle: assessing pilot eligibility, identifying and scoping suitable transactions, preparing comprehensive pre-application requests and supporting presentations, conducting transfer pricing analysis and benchmarking, and managing strategic engagement with SARS and the relevant foreign Competent Authority. Following APA conclusion, PwC can also support implementation, compliance reporting, and extension planning to ensure ongoing adherence to agreed terms.

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