

REPUBLIC OF SOUTH AFRICA

TAX ADMINISTRATION LAWS AMENDMENT BILL, 2025

*(As introduced in the National Assembly (proposed section 75); explanatory
summary of Bill published in Government Gazette No. of) (The English text
is the official text of the Bill)*

(MINISTER OF FINANCE)

GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

BILL

To—

- amend the Income Tax Act, 1962, so as to amend a definition; to make a technical correction; to insert a cross-reference to a relevant section; to clarify the meaning of a certificate required for purposes of deductions of donations made to certain organisations and to make technical corrections;
- amend the Customs and Excise Act, 1964, so as to provide for the Commissioner to delegate a function to be performed by an officer or other person under his control or direction, to a person in the service of another organ of state or institution with whom an agreement has been concluded in terms of the Act, or to designate such person as a customs officer for a specific purpose; to enable a simplified regime for the entry of goods imported or exported for purposes of express delivery on a door-to-door basis in accordance with simplified customs procedures as determined by the Commissioner by rule as well as for the determination of the upper limit on the value of such goods that may be entered in accordance with simplified procedures; to enable the Commissioner to prescribe the timeframe for

- adjustment of a bill of entry in a manner other than by the submission of a voucher of correction; to enable the transfer, under rebate of customs duties, of waste or scrap remaining after the manufacturing from any goods entered under of any item specified in Schedule No. 3 to another person registered under another item of Schedule No. 3 for use subject to compliance with such item; to insert a Chapter providing for voluntary disclosure relief for customs and excise; and to make technical corrections;
- amend the Value-Added Tax Act, 1991, so as to insert definitions relating to the implementation of a voluntary e-Reporting system; to make technical corrections; to extend the regulatory powers of the Minister to make regulations prescribing the requirements for participation by a vendor in a voluntary e-Reporting system;
 - amend the Tax Administration Act, 2011, so as to make a textual correction; to expand a provision to enable SARS to confirm whether the physical address of an applicant for registration, such as registration of an enterprise for VAT, exists and the premises is suitable for conducting the activities reflected in the application; to make a consequential amendment; to clarify that a taxpayer can apply for the suspension of a tax debt pending the outcome of a request for a reduced assessment, in certain circumstances; to correct and incorrect cross-reference; to clarify the scope of bona fide inadvertent error by explicitly linking it with a substantial understatement; to make a consequential amendment to exclude matters that fall within the voluntary disclosure framework in the Customs and Excise Act, from the voluntary disclosure programme under the Act; to make a consequential

amendment to include failure by a company to provide an address of service as a criminal offence; to make technical corrections, and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

Amendment of section 1 of Act 58 of 1962, as amended by section 3 of Act 90 of 1962, section 1 of Act 6 of 1963, section 4 of Act 72 of 1963, section 4 of Act 90 of 1964, section 5 of Act 88 of 1965, section 5 of Act 55 of 1966, section 5 of Act 76 of 1968, section 6 of Act 89 of 1969, section 6 of Act 52 of 1970, section 4 of Act 88 of 1971, section 4 of Act 90 of 1972, section 4 of Act 65 of 1973, section 4 of Act 85 of 1974, section 4 of Act 69 of 1975, section 4 of Act 103 of 1976, section 4 of Act 113 of 1977, section 3 of Act 101 of 1978, section 3 of Act 104 of 1979, section 2 of Act 104 of 1980, section 2 of Act 96 of 1981, section 3 of Act 91 of 1982, section 2 of Act 94 of 1983, section 1 of Act 30 of 1984, section 2 of Act 121 of 1984, section 2 of Act 96 of 1985, section 2 of Act 65 of 1986, section 1 of Act 108 of 1986, section 2 of Act 85 of 1987, section 2 of Act 90 of 1988, section 1 of Act 99 of 1988, Government Notice R780 of 1989, section 2 of Act 70 of 1989, section 2 of Act 101 of 1990, section 2 of Act 129 of 1991, section 2 of Act 141 of 1992, section 2 of Act 113 of 1993, section 2 of Act 21 of 1994, section 2 of Act 21 of 1995, section 2 of Act 36 of 1996, section 2 of Act 28 of 1997, section 19 of Act 30 of 1998, Government Notice 1503 of 1998, section 10 of Act 53 of 1999, section 13 of Act 30 of 2000, section 2 of Act 59 of 2000, section 5 of Act 5 of 2001, section 3 of Act 19 of 2001, section 17 of Act 60 of 2001, section 9 of Act

30 of 2002, section 6 of Act 74 of 2002, section 33 of Act 12 of 2003, section 12 of Act 45 of 2003, section 3 of Act 16 of 2004, section 3 of Act 32 of 2004, section 3 of Act 32 of 2005, section 19 of Act 9 of 2006, section 3 of Act 20 of 2006, section 3 of Act 8 of 2007, section 5 of Act 35 of 2007, section 2 of Act 3 of 2008, section 4 of Act 60 of 2008, section 7 of Act 17 of 2009, section 6 of Act 7 of 2010, section 7 of Act 24 of 2011, section 271 of Act 28 of 2011, read with item 23 of Schedule 1 to that Act, section 2 of Act 22 of 2012, section 4 of Act 31 of 2013, section 1 of Act 43 of 2014, section 3 of Act 25 of 2015, section 5 of Act 15 of 2016, section 2 of Act 17 of 2017, section 1 of Act 23 of 2018, section 34 of Act 34 of 2019, section 2 of Act 23 of 2020, section 4 of Act 20 of 2021, section 1 of Act 20 of 2022, section 1 of Act 17 of 2023, section 1 of Act 12 of 2024, section 1 of Act 42 of 2024, and section 1 of Act 44 of 2024

1. Section 1 of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (1) for paragraph (f) of the definition of “representative taxpayer” of the following paragraph:

“(f) in respect of the income received by or accrued to any insolvent person prior to the date of sequestration of the insolvent person’s estate and the income received by or accrued to an insolvent estate, the trustee or administrator of such insolvent estate:”.

Amendment of section 11D of Act 58 of 1962, as inserted by section 13 of Act 20 of 2006 and amended by sections 13 and 99 of Act 8 of 2007, section 3 of Act 9 of 2007, section 19 of Act 35 of 2007, section 11 of Act 3 of 2008, section 19 of Act 60 of 2008, section 16 of Act 17 of 2009, section 20 of Act 7 of 2010, section

32 of Act 24 of 2011, section 1 of Act 25 of 2011, section 271 of Act 28 of 2011, read with item 34 of Schedule 1 to that Act, sections 5 and 35 of Act 21 of 2012, section 68 of Act 22 of 2012, section 29 of Act 31 of 2013, section 18 of Act 43 of 2014, section 27 of Act 15 of 2016 and section 12 of Act 17 of 2023

2. Section 11D of the Income Tax Act, 1962, is hereby amended—

(a) by the substitution for subsection (19) of the following subsection:

“(19) The Commissioner may, notwithstanding the provisions of sections 99(1) and 100 of the Tax Administration Act, raise an additional assessment for any year of assessment with respect to a deduction in respect of scientific or technological research and development which has been allowed, where approval has been withdrawn in terms of subsection (10).”;

(b) by the substitution in subsection (20) for the words in paragraph (a) that precede subparagraph (i) of the following words:

“A taxpayer may, notwithstanding **[Chapter 8]** the provisions of sections 93, 99(1) and 100 of the Tax Administration Act, apply to the Commissioner to allow all deductions provided for under this section in respect of scientific or technological research and development if—”; and

(c) by the substitution in subsection (20) for paragraph (b) of the following paragraph:

“(b) The Commissioner may, notwithstanding the provisions of sections 93, 99(1) and 100 of the Tax Administration Act, make a reduced assessment for a year of assessment where expenditure incurred during that year in respect of scientific or technological research and development would have been allowable as a deduction in terms of this

section had the approval in terms of subsection (9) been granted during that year of assessment.”.

Amendment of section 18A of Act 58 of 1962, as substituted by section 24 of Act 30 of 2000 and amended by section 72 of Act 59 of 2000, section 20 of Act 30 of 2002, section 34 of Act 45 of 2003, section 26 of Act 31 of 2005, section 16 of Act 20 of 2006, section 18 of Act 8 of 2007, section 31 of Act 35 of 2007, section 1 of Act 3 of 2008, section 6 of Act 4 of 2008, section 34 of Act 60 of 2008, section 37 of Act 7 of 2010, section 44 of Act 24 of 2011, section 7 of Act 21 of 2012, section 52 of Act 31 of 2013, section 29 of Act 43 of 2014, section 3 of Act 44 of 2014, section 34 of Act 15 of 2015, section 31 of Act 17 of 2017, section 35 of Act 23 of 2018 and section 2 of Act 21 of 2021

3. Section 18A of the Income Tax Act, 1962, is hereby amended—

(a) by the substitution for subsections (2B) and (2C) of the following subsection:

“(2B) A public benefit organisation, institution, board or body contemplated in subsection (2A), must obtain and retain **[an audit]** a certificate of examination, containing such information as the Commissioner may prescribe by public notice, and issued by a person independent from the public benefit organisation, institution, board or body, confirming that all donations received or accrued in that year of assessment in respect of which receipts were issued in terms of subsection (2), were utilised in the manner contemplated in subsection (2A).

(2C) The accounting officer or accounting authority contemplated in the Public Finance Management Act or an accounting officer contemplated in the

Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), as the case may be, for the department which issued any receipts in terms of subsection (2), must on an annual basis submit **[an audit]** a certificate of examination, containing such information as the Commissioner may prescribe by public notice, to the Commissioner confirming that all donations received or accrued in the financial year in respect of which receipts were so issued were utilised in the manner contemplated in subsection (2A).”;

- (b) by the insertion in subsection (5) of the word “or” after paragraph (c);
- (c) by the substitution in subsection (5) for paragraphs (d) of the following paragraph:

“(d) failed to obtain and retain **[an audit]** a certificate of examination as contemplated in subsection (2B)**]; or]**.”;
- (d) by the deletion in subsection (5) for paragraph (e); and
- (e) by the substitution in subsection (5B) for the words that precede paragraph (a) of the following words:

“If the Commissioner has reasonable grounds for believing that any accounting officer or accounting authority contemplated in the Public Finance Management Act or an accounting officer contemplated in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), as the case may be, for any institution, board, body or department in respect of which **[that Act applies]** those Acts apply, has issued or allowed a receipt to be issued in contravention of subsection (2A) or utilised a donation in respect of which a receipt was issued for any purpose other than the purpose contemplated in that subsection, and in the case of a department has not submitted a certificate of examination contemplated in subsection (2C), the Commissioner—”.

Amendment of paragraph 1 of the First Schedule to the Income Tax Act, as amended by section 15 of Act 72 of 1963 and section 78 of Act 45 of 2003

4. Paragraph 1 of the First Schedule to the Income Tax Act, 1962, is hereby amended by the substitution for subparagraph (a) of the following subparagraph:

“(a) a reference to a year of assessment shall in the case of any taxpayer who has under the provisions of section 66(13A) or (13C) of this Act been permitted to furnish accounts in respect of the income derived by him from pastoral, agricultural or other farming operations made up to a date other than the last day of the relevant year of assessment, be construed as a reference to the period covered by such accounts; and”.

Amendment of section 1 of Act 91 of 1964, as amended by section 1 of Act 95 of 1965, section 1 of Act 57 of 1966, section 1 of Act 105 of 1969, section 1 of Act 98 of 1970, section 1 of Act 71 of 1975, section 1 of Act 112 of 1977, section 1 of Act 110 of 1979, sections 1 and 15 of Act 98 of 1980, section 1 of Act 89 of 1984, section 1 of Act 84 of 1987, section 32 of Act 60 of 1989, section 51 of Act 68 of 1989, section 1 of Act 59 of 1990, section 1 of Act 19 of 1994, section 34 of Act 34 of 1997, section 57 of Act 30 of 1998, section 46 of Act 53 of 1999, section 58 of Act 30 of 2000, section 60 of Act 59 of 2000, section 113 of Act 60 of 2001, section 131 of Act 45 of 2003, section 66 of Act 32 of 2004, section 85 of Act 31 of 2005, section 7 of Act 21 of 2006, section 10 of Act 9 of 2007, section 4 of Act 36 of 2007, section 22 of Act 61 of 2008, section 1 of Act 32 of 2014, section 20

of Act 23 of 2015, section 11 of Act 33 of 2019, section 9 of Act 24 of 2020, section 11 of Act 21 of 2021 and section 7 of Act 16 of 2022

5. Section 1 of the Customs and Excise Act, 1964, is hereby amended by the substitution for the definition of **“illicit goods”** of the following definition:

“illicit goods”, in relation to imported or excisable goods, surcharge goods or fuel levy goods, environmental levy goods, Road Accident Fund levy goods or health promotion levy goods, means any such goods in respect of which any contravention under this Act has been committed, and includes any preparation or other product made wholly or in part from spirits or other materials which were illicit goods;”.

Amendment of section 3 of Act 91 of 1964, as amended by section 114 of Act 60 of 2001, section 42 of Act 30 of 2002, section 132 of Act 45 of 2003, section 25 of Act 18 of 2009, section 27 of Act 21 of 2012 and section 3 of Act 32 of 2014

6. Section 3 of the Customs and Excise Act, 1964, is hereby amended by the substitution for subsection (1) of the following subsection:

“(1)(a) Any duty imposed or power conferred on the Commissioner may be performed or exercised by the Commissioner personally or by an officer or any other person under a delegation from or under the control or direction of the Commissioner.

(b) The Commissioner may—

(i) with the concurrence of an organ of state or other institution with whom the Commissioner has concluded an agreement in terms of

section 2(1A), delegate a function to be performed by an officer or other person under his control or direction, to a person in the service of such organ of state or institution; or

(ii) designate a person in the service of an organ of state or institution referred to in subparagraph (i) to act as an officer for a specific purpose, and may at any time withdraw or suspend the designation.”.

Amendment of section 38 of Act 91 of 1964, as amended by section 3 of Act 44 of 1969, section 13 of Act 105 of 1969, section 5 of Act 71 of 1975, section 4 of Act 105 of 1976, section 2 of Act 89 of 1983, section 9 of Act 84 of 1987, section 18 of Act 59 of 1990, section 28 of Act 45 of 1995, section 123 of Act 60 of 2001, sections 32 and 91 of Act 61 of 2008, section 25 of Act 32 of 2014, section 9 of Act 16 of 2022 and section 6 of Act 43 of 2024

7.(1) Section 38 of the Customs and Excise Act, 1964, is hereby amended—

- (a) by the insertion in subsection (1)(a) of “and” at the end of subparagraph (iii);
- (b) by the deletion in subsection (1)(a) of “and” at the end of subparagraph (iv);
- (c) by the deletion in subsection (1)(a) of subparagraph (v); and
- (d) by the addition of the following subsection after subsection (6):

“(7)(a) Notwithstanding any regular procedures for the entry of goods contemplated in this section, goods imported or exported for purposes of express delivery on a door-to-door basis of which the customs value does not exceed an amount determined by the Minister in consultation with the Minister of Trade and Industry by Notice in the Gazette, may be entered for import or

export in accordance with simplified customs procedures as determined by the Commissioner by rule in terms of paragraph (b).

(b) The Commissioner may for purposes of paragraph (a) prescribe rules determining—

- (i) the activities for which persons participating in the international transportation of goods on an express door-to-door delivery basis must licence or register in terms of this Act in order to enter such goods in accordance with simplified customs procedures;
- (ii) the requirements and conditions for making use of simplified procedures for entry contemplated in paragraph (a);
- (iii) the documents to be used for purposes of entry, which may include a bill of entry that differs from a regular bill of entry, a transport document or another type of document as may be prescribed, or a combination of documents; and
- (iv) in relation to a document referred to in subparagraph (iii), the information to be reflected, the timeframes for submission, the manner of submission and any supporting documentation required.”.

(2) Subsection (1) comes into effect on a date determined by the Minister by notice in the *Government Gazette*.

Amendment of section 40 of Act 91 of 1964, as amended by section 9 of Act 95 of 1965, section 6 of Act 71 of 1975, section 5 of Act 105 of 1976, section 2 of Act 93 of 1978, section 4 of Act 86 of 1982, section 3 of Act 89 of 1983, section 11 of Act 84 of 1987, section 30 of Act 45 of 1995, section 35 of Act 61 of 2008, section

29 of Act 32 of 2014, section 12 of Act 24 of 2020, section 11 of Act 16 of 2022 and section 7 of Act 43 of 2024

8. Section 40 of the Customs and Excise Act, 1964, is hereby amended by the substitution in paragraph (a) of subsection (3) for subparagraph (i) of the following subparagraph:

“(i) an importer or exporter or a manufacturer of goods shall on discovering that a bill of entry delivered by him or her—

(aa) does not in every respect comply with section 39; or

(bb) is invalid in terms of subsection (1) of this section,

adjust that bill of entry **[without delay by means of]**—

(A) by means of a voucher of correction, submitted without delay; or

(C) in such other manner and in accordance with such timeframe as the Commissioner may prescribe by rule; or”.

Amendment of section 75 of Act 91 of 1964, as amended by section 13 of Act 95 of 1965, section 10 of Act 57 of 1966, section 8 of Act 85 of 1968, section 24 of Act 105 of 1969, section 8 of Act 103 of 1972, section 2 of Act 68 of 1973, section 9 of Act 71 of 1975, section 27 of Act 112 of 1977, section 8 of Act 93 of 1978, section 10 of Act 110 of 1979, section 19 of Act 86 of 1982, section 6 of Act 89 of 1984, section 11 of Act 101 of 1985, section 9 of Act 52 of 1986, section 23 of Act 84 of 1987, section 8 of Act 69 of 1988, section 13 of Act 68 of 1989, section 29 of Act 59 of 1990, section 13 of Act 61 of 1992, section 7 of Act 98 of 1993, section 10 of Act 19 of 1994, section 53 of Act 45 of 1995, section 61 of Act 30 of 2000,

section 50 of Act 19 of 2001, section 130 of Act 60 of 2001, section 109 of Act 74 of 2002, section 146 of Act 45 of 2003, section 27 of Act 34 of 2004, section 92 of Act 31 of 2005, section 70 of Act 20 of 2006, section 95 of Act 35 of 2007, section 99 of Act 60 of 2008, section 63 of Act 32 of 2014, section 16 of Act 13 of 2017 and section 16 of Act 21 of 2021

9.(1) Section 75 of the Customs and Excise Act, 1964, is hereby amended by the insertion of the following subsection after subsection (21):

“(21A)(a)(i) Any waste or scrap remaining after the manufacturing from any goods entered under the provisions of any item specified in Schedule No.3 or 4 that can be sold or used to produce something that has a commercial value shall be—

(A) entered for home consumption and payment of any duty due thereon;

(B) entered for export; or

(C) destroyed in terms of any item that provides for a rebate of duty in respect of imported goods destroyed.

(ii) For the purposes of paragraph (a)(i)(A) and (B), the quantity of waste or scrap entered for home consumption or export, must be excluded by way of a voucher of correction from the bill of entry on which the goods were entered under rebate of duty prior to entry for home use or export.

(b) In relation to waste or scrap contemplated in paragraph (a) remaining after the manufacturing from goods entered under the provisions of any item specified in Schedule No. 3, such waste or scrap may in addition to

the actions referred to in items (A) to (C) of paragraph (a)(i), be transferred under rebate of customs duties—

(i) to another person registered under the provisions of any other item in Schedule No. 3 in which the relevant waste or scrap are described; and

(ii) subject to compliance with the provisions of such item.”.

(2) Subsection (1) comes into effect on a date determined by the Minister by notice in the *Government Gazette*.

Insertion of Chapter XB of Act 91 of 1964

10. (1) The following Chapter is hereby inserted after Chapter XA of the Customs and Excise Act, 1964:

“Chapter XB

VOLUNTARY DISCLOSURE RELIEF

Definitions

77Z. For purposes of this Chapter—

“duty” means –

(a) a customs duty;

(b) an excise duty;

(c) any other duty or levy in terms of the Act including –

(i) air passenger tax leviable under section 47B;

(ii) environmental levy leviable under Chapter VA; and

- (iii) health promotion levy leviable under Chapter VB; or
- (d) any value-added tax levied—
 - (i) in terms of section 7(1)(b) of the Value-Added Tax Act, 1991 on the importation of goods into the Republic; or
 - (ii) on any goods manufactured in the Republic subject to excise duty, environmental levy or health promotion levy in terms of section 7(1)(a) read with section 7(3)(a) of that Act;

“enforcement action” means the performance of any inspection, examination, enquiry or a search in relation to goods, premises or records contemplated in section 4; and

“underpayment” means a non-payment or underpayment of duty, due to the submission of inaccurate or incomplete information or the non-submission of information to the Commissioner, and includes the claiming of any rebate, drawback, refund or payment or the setting off of any amount in terms of the provisions of section 77(a) to which the claimant was knowingly not entitled under this Act, and
“underpay” has a corresponding meaning.

Circumstances in which persons subject to audit, investigation or enforcement actions qualify to apply for voluntary disclosure relief

77ZA.(1) A person who has underpaid may apply for voluntary disclosure relief.

(2) Voluntary disclosure relief in terms of subsection (1) is not available to a person who has been notified of an audit or investigation, related to such underpayment, under this Act or under Chapter V of the Tax Administration Act in respect of value-added tax referred to in paragraph (d) of the definition of “duty” in

section 77Z, or of enforcement action that has commenced, but has not yet been concluded.

(3) An applicant must be regarded to have been notified of the commencement of an audit, investigation or enforcement action contemplated in subsection (2) if any of the following persons was notified of such audit, investigation or enforcement action:

(a) A representative of the applicant;

(b) an officer, shareholder or member of the applicant, if the applicant is a company;

(c) a partner in a partnership with the applicant;

(d) a trustee or beneficiary of the applicant, if the applicant is a trust;

(e) a person acting for or on behalf of or as an agent or fiduciary of the applicant, including a clearing agent or registered agent; or

(f) any licensee or registrant involved in the handling of any imported or locally manufactured goods of the applicant.

(4) The Commissioner may, despite subsections (2) and (3), allow a person to apply for voluntary disclosure relief if the Commissioner is of the view, having regard to the circumstances and ambit of the audit, investigation or enforcement action, that—

(a) the underpayment on which the proposed application for voluntary disclosure relief is based would not otherwise have been detected in the ordinary course of the audit, investigation or enforcement action; and

(b) the application would be in the interest of good customs and excise administration and the best use of the Commissioner's resources.

(5) An application referred to in this section must be submitted in accordance with any rules prescribed in terms of section 77ZH(a).

(6) An applicant must when submitting an application in terms of this subsection, simultaneously submit an application for a tariff, value or origin determination depending on the circumstances, in a manner and containing the information as may be prescribed by the Commissioner by rule.

Requirements for valid voluntary disclosure

77ZB. Voluntary disclosure is valid and relief may be granted only if the disclosure—

- (a) is voluntary;
- (b) involves an underpayment which has not occurred within five years of a previous disclosure of a similar underpayment by the applicant;
- (c) is full and complete in all material respects;
- (d) will not result in the Commissioner being obliged to pay a refund or drawback or additional refund or drawback; and
- (e) complies with any requirements referred to in section 77ZH.

Procedure following receipt of voluntary disclosure application

77ZC. When a person applies for voluntary disclosure relief, the Commissioner must—

- (a) evaluate the disclosure; and
- (b) either grant relief as set out in section 77ZD(2)(d) or determine that the application is not valid.

Voluntary disclosure relief agreement following granting of relief

77ZD.(1)(a) Upon granting voluntary disclosure relief the Commissioner must—

(i) make a duty assessment or re-assessment in relation to the relevant goods on the basis of the disclosed facts as well as on the outcome of an application referred to in section 77ZA(6); and

(ii) determine the amount of—

(aa) duty and interest, as may be applicable, outstanding as a result of the underpayment; or

(bb) the refund or drawback paid by the Commissioner as a result of the underpayment that was not payable;

(b) An assessment, a re-assessment and a determination of the amount owing in terms of subsection (1)(a) is not subject to an administrative appeal in terms of Chapter XA.

(2) The Commissioner and the applicant must, despite the other provisions of this Act, but subject to section 77ZE, conclude an agreement in writing—

(a) setting out details of the underpayment on which the voluntary disclosure relief is based;

(b) stating the amount owing to the Commissioner as determined in terms of subsection (1)(a)(i) and (ii);

(c) containing an undertaking by the applicant to pay to the Commissioner the amount owing in accordance with any arrangements as may be agreed;

(d) containing an undertaking by the Commissioner that, should the applicant comply with the undertaking given in terms of paragraph (c), the Commissioner will—

- (i) not institute criminal proceedings against the applicant for any offence in terms of this Act or the common law arising from the underpayment;
- (ii) not impose any administrative penalty in terms of this Act on the applicant for any breach of this Act arising from the underpayment, excluding a penalty imposed for late payment; or
- (iii) grant relief as contemplated in section 229(b) and (c) of the Tax Administration Act in relation to any duty referred to in paragraph (d) of the definition of “duty” in section 77Z; and
- (iv) not impose any forfeiture amount contemplated in section 88(2)(a); and
- (e) setting out that the agreement will be void if voluntary disclosure relief is withdrawn in terms of section 77ZE.

Withdrawal of voluntary disclosure relief

77ZE.(1) If an applicant failed to disclose a matter that was material for purposes of making a valid voluntary disclosure as set out in section 77ZB, the Commissioner may—

- (a) withdraw any relief provided for in the agreement;
- (b) recover the amount owing as determined in terms of section 77ZD(1)(a)(i) and (ii) in accordance with the Act; and
- (c) retain any amount paid to the Commissioner in terms of the agreement as a part payment on the full amount owed to the Commissioner.

(2) A withdrawal contemplated in subsection (1) is subject to internal appeal in terms of Chapter XA.

Reporting

77ZF.(1) The Commissioner must annually, at a time as may be agreed between the Commissioner, the Auditor-General and the Minister, report to the Auditor-General and the Minister particulars of all voluntary disclosure agreements concluded in terms of this Chapter in respect of applications received during the period reported on.

(2) A report in terms of subsection (1) may not disclose the identity of the persons concerned and must contain particulars in summarised form of the number of voluntary disclosure agreements and the amount owing to the Commissioner as determined in terms of section 77ZD(1)(a)(i) and (ii) in respect of each voluntary disclosure.

Non-binding private opinions on eligibility for voluntary disclosure of persons who wish to remain anonymous

77ZG.(1) The Commissioner may on request by a person who wishes to remain anonymous issue a non-binding private opinion as to that person's eligibility for voluntary disclosure relief in terms of this Chapter.

(2) A request in terms of subsection (1) must provide sufficient information to enable the Commissioner to comply with the request but need not identify any person responsible for causing the underpayment.

Rules to facilitate implementation of this Chapter

77ZH. The Commissioner may make rules to facilitate the implementation of this Chapter including rules prescribing—

(a) the form and format and contents of applications for voluntary disclosure relief;

(b) any documents that must accompany such applications;

(c) the manner and time within which such applications must be lodged; and

(d) the form and format of voluntary disclosure relief agreements.”.

(2) Subsection (1) comes into effect on a date to be determined by the Minister by notice in the *Government Gazette*.

Amendment of section 1 of Act 89 of 1991, as amended by section 21 of Act 136 of 1991, paragraph 1 of Government Notice 2695 of 8 November 1991, section 12 of Act 136 of 1992, section 1 of Act 61 of 1993, section 22 of Act 97 of 1993, section 9 of Act 20 of 1994, section 18 of Act 37 of 1996, section 23 of Act 27 of 1997, section 34 of Act 34 of 1997, section 81 of Act 53 of 1999, section 76 of Act 30 of 2000, section 64 of Act 59 of 2000, section 65 of Act 19 of 2001, section 148 of Act 60 of 2001, section 114 of Act 74 of 2002, section 47 of Act 12 of 2003, section 164 of Act 45 of 2003, section 43 of Act 16 of 2004, section 92 of Act 32 of 2004, section 8 of Act 10 of 2005, section 101 of Act 31 of 2005, section 40 of Act 9 of 2006, section 77 of Act 20 of 2006, sections 81 and 108 of Act 8 of 2007, section 104 of Act 35 of 2007, section 68 of Act 3 of 2008, section 104 of Act 60 of 2008, section 33 of Act 18 of 2009, section 119 of Act 7 of 2010, section 26 of Act 8 of 2010, section 129 of Act 24 of 2011, section 271 of Act 28 of 2011, read with item 108 of Schedule 1 to that Act, section 145 of Act 22 of 2012, section 165 of Act 31 of 2013, section 95 of Act 43 of 2014, section 128 of Act 25 of 2015, section 83 of Act 15 of 2016, section 77 of Act 17 of 2017, section 89 of Act 28 of

2018, section 66 of Act 34 of 2019, section 61 of Act 23 of 2020, section 27 of Act 20 of 2022, section 46 of Act 17 of 2023 and section 45 of Act 42 of 2024

11.(1) Section 1 of the Value-Added Tax Act, 1991, is hereby amended—

(a) by the insertion after the definition of “**dwelling**” of the following definitions:

“**e-credit note**” means a credit note as contemplated in section 21, that—

- (a) is issued, transmitted and received in a structured electronic format which allows for its automatic and electronic processing; and
- (b) complies with such further requirements as the Minister may prescribe by Regulation;

“**e-debit note**”, means a debit note as contemplated in section 21, that—

- (a) is issued, transmitted and received in a structured electronic format which allows for its automatic and electronic processing; and
- (b) complies with such further requirements as the Minister may prescribe by Regulation;

“**e-invoice**” means a tax invoice that—

- (a) is issued, transmitted and received in a structured electronic format which allows for its automatic and electronic processing; and
- (b) complies with such further requirements as the Minister may prescribe by Regulation.

“**e-reporting**” means the process of electronically submitting tax data, for purposes of this Act, and extracted from an e-invoice, e-debit note and e-credit note to—

- (a) SARS;
- (b) a supplier or service provider of the supplier; and

(c) a recipient or service provider of the recipient (where applicable), within the interoperability framework in the form and manner as the Minister may prescribe by Regulation;; and

(b) by the insertion after the definition of “**international journey**” of the following definition:

“**Interoperability framework**” means the use of a network of service providers, where decentralised exchange of e-invoices, e-debit notes and e-credit notes occur, and that can facilitate clearance and interoperability between supplier and recipient, and complies with such further requirements as the Minister may prescribe by Regulation;”.

Amendment of section 44 of Act 89 of 1991, as amended by section 37 of Act 97 of 1993, section 27 of Act 37 of 1996, section 42 of Act 27 of 1997, section 100 of Act 30 of 1998, section 98 of Act 53 of 1999, section 168 of Act 60 of 2001, section 88 of Act 20 of 2006, section 36 of Act 36 of 2007, section 43 of Act 61 of 2008, section 271 of Act 28 of 2011, read with paragraphs 133 and 180 of Schedule 1 to Act, section 180 of Act 31 of 2013, section 31 of Act 44 of 2014, section 28 of Act 16 of 2016, section 12 of Act 22 of 2018 and section 12 of Act 43 of 2024

12. Section 44 of the Value-Added Tax Act, 1991, is hereby amended—

(a) by the deletion of the full stop after paragraph (d) and the insertion of a semi-colon;

(b) by the addition in subsection (3) after paragraph (d) of the following paragraph:

“(e) in the case of the cancellation of the registration of a vendor under section 24 of the Act, and that vendor—

- (i) is not a resident of the Republic; and
- (ii) did not or was not, on or after 24 December 2024, required to, open a banking account with any bank, mutual bank or other similar institution, registered in terms of the Banks Act, 1990 (Act No. 94 of 1990), for the purposes of his or her enterprise under section 23(2) or 23(2B).

the vendor has furnished the Commissioner in writing with particulars of that enterprise's banking account to enable the Commissioner to transfer a refund or other amount due to the vendor to such account."

Amendment of section 45 of Act 89 of 1991, as amended by section 33 of Act 136 of 1992, section 4 of Act 61 of 1993, section 19 of Act 140 of 1993, section 24 of Act 20 of 1994, section 33 of Act 37 of 1996, section 43 of Act 27 of 1997, section 101 of Act 30 of 1998, section 169 of Act 60 of 2001, section 44 of Act 61 of 2008, section 271 read with paragraph 34 of Schedule 1 to Act 28 of 2011, section 32 of Act 44 of 2014, section 136 of Act 23 of 2015, and section 23 of Act 18 of 2023

13. Section 45 of the Value-Added Tax Act, 1991, is hereby amended—

(a) by the substitution in subsection (1) for paragraph (iii) of the following paragraph:

“(iii) where the vendor is not a resident of the Republic and—

- (aa) has not appointed a representative vendor as contemplated in section **[48(1) in the Republic]** 46 or has not furnished the Commissioner with the particulars of such representative vendor;
[or]

- (bb) has not opened a banking account in the Republic as required by **[paragraph (ii)(bb) of the proviso to]** section 23(2) and (2B) or has not furnished the Commissioner with the particulars of such banking account;
- (cc) is a company, the vendor has not complied with the requirements as laid down in terms of the proviso to section 44(3)(d); or
- (dd) has not furnished the Commissioner in writing with particulars of the enterprise's banking account as required in terms of section 44(3)(e),

the said period of 21 business days shall be reckoned from the date the vendor furnishes the Commissioner with the particulars of such representative vendor, **[or]** banking account or notification and indemnity, as the case may be.”; and

(b) by the substitution for subsection (2) of the following subsection:

“(2) Where the amount of any interest paid to a person in terms of subsection (1) is in excess of the current amount, the Commissioner may recover the amount of the excess **[under section 40(2)(a)]** as if it were tax payable by such person.”.

Amendment of section 74 of Act 89 of 1991, as amended by section 188 of Act 45 of 2003, section 105 of Act 43 of 2014, and section 20 of Act 14 of 2017

14. Section 74 of the Value-Added Tax Act, 1991, is hereby amended by the addition after subsection (1B) of the following subsection:

“(1C) The Minister may make regulations prescribing the requirements for participation by a vendor in a voluntary e-Reporting system, including

any matters connected therewith that is necessary to prescribe for the proper implementation or administration of this system.”.

Amendment of section 11 of Act 28 of 2011, as amended by section 40 of Act 21 of 2012, section 33 of Act 39 of 2013, section 36 of Act 23 of 2015, section 48 of Act 16 of 2016, and section 27 of Act 33 of 2019

15. Section 11 of the Tax Administration Act, 2011, is hereby amended by the substitution for subsection (5) of the following subsection:

“(5) The notice or any process by which the legal proceedings referred to in subsection (4) are instituted, must be served **[at the address specified by]** in the form and manner as the Commissioner may prescribe by public notice.”.

Amendment of section 45 of Act 28 of 2011

16. Section 45 of the Tax Administration Act, 2011, is hereby amended by the substitution for subsection (1) of the following subsection:

“(1) A SARS official may, for the purposes of the administration of a tax Act and without prior notice, arrive at a premises where the SARS official has a reasonable belief that a trade or enterprise is being carried on and conduct an inspection to determine only—

- (a) the identity of the person occupying the premises;
- (b) whether the person occupying the premises is registered for tax;

[or]

- (c) whether the physical address of an applicant, as reflected on the application for registration or approval, exists and the premises at the address are suitable for conducting the activities reflected in the application; or
- (d) whether the person is complying with sections 29 and 30.”.

Amendment of section 68 as amended by section 46 of Act 23 of 2015

17. Section 68 of the Tax Administration Act, 2011, is hereby amended by the substitution in subsection (1) for paragraph (g) of the following paragraph:

“(g) information, the disclosure of which could reasonably be expected to prejudice the economic interests or financial welfare of the Republic or the ability of the government to manage the economy of the Republic effectively in the best interests of the Republic, including a contemplated change or decision to change a tax or a duty, levy, penalty, interest and similar moneys imposed under a tax Act or the **[Customs and Excise Act]** customs and excise legislation;”.

Amendment of section 93 of Act 28 of 2011, as amended by section 49 of Act 23 of 2015, section 28 of Act 24 of 2020, and section 18 of Act 21 of 2021

18. Section 93 of the Tax Administration Act, 2011, is hereby amended by the substitution in subsection (1) for paragraph (d) of the following paragraph:

“(d) SARS is satisfied that there is a readily apparent undisputed error in the assessment **[by]**—

- (i) by SARS; or
- (ii) resulting from the completion of a return by the taxpayer **[in a return];”**.

Amendment of section 164 of Act 28 of 2011, as amended by section 64 of Act 21 of 2012, section 58 of Act 39 of 2013 and section 50 of Act 44 of 2014

19. Section 164 of the Tax Administration Act, 2011, is hereby amended—

(a) by the substitution for subsection (2) of the following subsection:

“(2) A taxpayer may request a senior SARS official to suspend the payment of tax or a portion thereof due under an assessment if the taxpayer—

(a) intends to dispute or disputes the liability to pay that tax under Chapter 9;

or

(b) requested SARS to make a reduced assessment in terms of section 95(6).”; and

(b) by the substitution for subsection (3) of the following subsection:

“(3) A senior SARS official may suspend payment of the **[disputed]** tax under subsection (2) or a portion thereof having regard to relevant factors, including—

(a) whether the recovery of the **[disputed]** tax will be in jeopardy or there will be a risk of dissipation of assets;

(b) the compliance history of the taxpayer with SARS;

(c) whether fraud is prima facie involved in the origin of the dispute or the return referred to in section 95(6);

(d) whether payment will result in irreparable hardship to the taxpayer not justified by the prejudice to SARS or the fiscus if the **[disputed]** tax is

not paid or recovered; or

- (e) whether the taxpayer has tendered adequate security for the payment of the **[disputed]** tax and accepting it is in the interest of SARS or the fiscus.”.

Amendment of section 187 of Act 28 of 2011, as amended by section 66 of Act 21 of 2012, pending amendment by section 52 of Act 44 of 2014, as amended by section 59 and 137 of Act 23 of 2015 and section 31 of Act 24 of 2020

20. Section 187 of the Tax Administration Act, 2011, is hereby amended by the substitution in subsection (3) for paragraph (e) of the following paragraph:

- “(e) a percentage based penalty referred to in section **[214]** 213, is the date by which tax for the tax period should have been paid;”.

Amendment of section 222 of Act 28 of 2011, as amended by section 75 of Act 39 of 2013, section 23 of Act 22 of 2018 and section 27 of Act 16 of 2022

21. Section 222 of the Tax Administration Act, 2011, is hereby amended by the substitution for subsection (1) of the following subsection:

- “(1) In the event of an ‘understatement’ by a taxpayer, the taxpayer must pay, in addition to the ‘tax’ payable for the relevant tax period, the understatement penalty determined under subsection (2) **[unless the ‘understatement’ results from a bona fide inadvertent error]**.”.

Amendment of section 223 of Act 28 of 2011, as amended by section 73 of Act

21 of 2012, section 76 of Act 39 of 2013, section 62 of Act 16 of 2016, and section 42 of Act 33 of 2019

22. Section 223 of the Tax Administration Act, 2011, is hereby amended by the substitution for subsection (3) of the following subsection:

“(3) SARS must remit a ‘penalty’ imposed for a ‘substantial understatement’ if SARS is satisfied that **[the taxpayer]**—

(a) the ‘understatement’ results from a bona fide inadvertent error; or

(b) the taxpayer—

(i) made full disclosure to SARS of the arrangement, as defined in section 34, that gave rise to the prejudice to SARS or the *fiscus* by no later than the date that the relevant return was due; and

[(b)](ii) was in possession of an opinion by an independent registered tax practitioner that—

[(i)](aa) was issued by no later than the date that the relevant return was due;

[(ii)](bb) was based upon full disclosure of the specific facts and circumstances of the arrangement and, in the case of any opinion regarding the applicability of the substance over form doctrine or the anti-avoidance provisions of a tax Act, this requirement cannot be met unless the taxpayer is able to demonstrate that all of the steps in or parts of the arrangement were fully disclosed to the tax practitioner, whether or not

the taxpayer was a direct party to the steps or parts in question; and

~~[(iii)]~~(cc) confirmed that the taxpayer's position is more likely than not to be upheld if the matter proceeds to court.”.

Amendment of section 227 of Act 28 of 2011, as amended by section 66 of Act 23 of 2015

23. Section 227 of the Tax Administration Act, 2011, is hereby amended—

- (a) by the deletion of the word “and” at the end of paragraph (e);
- (b) by the addition of the words “; and” after paragraph (f);
- (c) by the addition after paragraph (f) of the following paragraph:

“(g) not constitute an ‘underpayment’ as defined in section 77Z of the Customs and Excise Act, 1964.”.

Amendment of section 247 of Act 28 of 2011, as amended by section 32 of Act 43 of 2024

24. Section 247 of the Tax Administration Act, 2011, is hereby amended by the substitution for subsection (1) of the following subsection:

“(1) SARS may serve, deliver or send the company a notice or other document provided for under a tax Act to an address provided by the company as referred to in section 23 or 249.”.

Amendment of section 249 of Act 29 of 2011

25. Section 249 of the Tax Administration Act, 2011, is hereby amended by the substitution for subsection (2) of the following subsection:

“(2) A company must—

- (a) keep the office of public officer constantly filled and must at all times maintain a place for the service or delivery of notices **[in accordance with section 247(1)]**in the Republic; and
- (b) notify SARS of every change of public officer or the place for the service or delivery of notices within 21 business days of the change taking effect.”.

Short title and commencement

26.(1) This Act is called the Tax Administration Laws Amendment Act, 2025.

(2) Save in so far as is otherwise provided for in this Act, or the context otherwise indicates, the amendments effected by this Act come into operation on the date of promulgation of this Act.