

## Withholding Tax on Royalties: Summary of withholding tax rates per South African Double Taxation Agreements currently in force

Version: 2

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**Note:**

- A summary of the rates and the relevant provisions relating thereto, are reflected in the table below – the full text of these Double Taxation Agreements (DTAs) is available on the SARS website ([www.sars.gov.za](http://www.sars.gov.za) > Legal Counsel).
- Only DTAs which are currently in force are listed below.
- The South African domestic rules are applicable to all countries which are not listed in the table below or where the DTA does not deal with the allocation of taxing rights with regard to royalties.
- Where South Africa is in the process of negotiating/renegotiating DTAs or Protocols with certain countries (see SARS website) either the present DTA rate (where there is a DTA in force dealing with royalties) or the South African domestic rules (where there is no DTA in force or the DTA does not deal with royalties) are applicable until such time as the new/renegotiated DTA or Protocol enters into force (or the specified effective date, whichever is applicable).
- Kindly refer to the provisions of the relevant DTA for the meaning of the term "royalties".

Country	Entry into force	Rate in DTA	Summary of requirements to qualify for a particular rate	Extract from DTA Article on Royalties	
<b>AFRICA</b>					
1	Algeria (Democratic People's Republic of)	12 June 2000	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
2	Botswana (Republic of)	20 April 2004	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
3	Cameroon (Republic of)	13 July 2017	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
4	Congo (Democratic Republic of)	18 July 2012 [Effective date iro royalties: see Article 28]	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
5	Egypt (Arab Republic of)	16 December 1998	15%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 15 per cent of the gross amount of the royalties.
6	Ethiopia (Federal Democratic Republic of)	04 January 2006	20%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 20 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
7	Ghana (Republic of)	23 April 2007	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
8	Kenya (Republic of)	19 June 2015	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
9	Lesotho (Kingdom of)	27 May 2016	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

10	Malawi (Republic of)	02 September 1971	See note 1 below	Exempt in resident State if taxed in source State.	6(1) Any royalty or rent including royalty or rent in respect of cinematograph or television films, or any sound recording or advertising matter connected with such films, or any other consideration received by or accrued to a resident of one of the Contracting States by virtue of the use in the other Contracting State of, or the grant of permission to use in that other Contracting State any patent, design, model, plan, trade mark, copyright, secret process, formula or other property of a similar nature, including any amount received or accrued for the imparting of or the undertaking to impart any knowledge directly or indirectly connected with the use of any such films, sound recording, advertising matter, patent, design, model, plan, trade mark, copyright, secret process, formula or other property of a similar nature, shall be exempt from tax in that first-mentioned Contracting State if such royalty, rent or other consideration is subject to tax in the other Contracting State.
11	Mauritius (Republic of)	28 May 2015	5%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 5 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
12	Mozambique (Republic of)	19 February 2009	5%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 5 per cent of the gross amount of the royalties.
13	Namibia (Republic of)	11 April 1999	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the recipient who is a resident of the other Contracting State beneficially owns the royalties, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
14	Nigeria (Federal Republic of)	05 July 2008	7.5%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 7,5 per cent of the gross amount of the royalties.
15	Rwanda (Republic of)	03 August 2010	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
16	Seychelles (Republic of)	29 July 2002	0%	No right to tax royalties in source state if paid to beneficial owner - see note 1.	12(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State, provided such resident is the beneficial owner of the royalties.
17	Sierra Leone	05 October 1960	15%	No provision made for royalties in DTA	South African domestic rules apply.
18	Swaziland (Kingdom of)	08 February 2005	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall settle the mode of application of this limitation by mutual agreement.
19	Tanzania (United Republic of)	15 June 2007	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall settle the mode of application of this limitation by mutual agreement.
20	Tunisia (Republic of)	10 December 1999	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
21	Uganda (Republic of)	09 April 2001	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
22	Zambia (Federation of Rhodesia & Nyasaland - with the Union of SA)	31 August 1956	See note 1 below	Exempt in resident State if taxed in source State.	VI. Any royalty, rent (including rent or royalties of cinematograph films) or other consideration received by or accrued to a resident of one of the territories by virtue of the use in the other territory of, or the grant of permission to use in that other territory any patent, design, trade mark, copyright, secret process, formula or other property of a similar nature shall be exempt from tax in that first-mentioned territory if such royalty, rent or other consideration is subject to tax in the other territory.

23	Zimbabwe	01 December 2016	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
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- 1 The source State may impose tax without restriction, whilst the State of residence must provide an exemption on the basis that the amount is subject to tax in the source State.