

**DRAFT TAXATION LAWS AMENDMENT BILL, 2025**

**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.
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**BILL**

**To—**

- **amend the Income Tax Act, 1962, so as to amend certain definitions;  
amend certain provisions; to insert new provisions; to repeal a provision; to  
amend certain Schedules;**
- **amend the Customs and Excise Act, 1964, to amend certain Schedules;**
- **to make provision for continuation of changes to Schedules to the Customs and  
Excise Act, 1964;**
- **amend the Value-Added Tax Act, 1991, so as to amend certain provisions; to  
amend a Schedule; and to make provision for continuations;**
- **amend the Taxation Laws Amendment Act, 2013, so as to amend certain  
effective dates;**
- **amend the Carbon Tax Act, 2019, so as to amend certain provisions; and to  
amend certain Schedules;**
- **amend the Global Minimum Tax Act, 2024, so as to amend a definition; so as to  
amend a certain provision; and**
- **to make provision for continuation of a notice issued under the Global Minimum  
Tax Act, 2024.**

**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 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 and section 1 of Revenue Laws Second Amendment Act of 2024, Act 44 of 2024**

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1.(1) Section 1(1) of the Income Tax Act, 1962, is hereby amended—

(a) by the substitution for the definition of “equity share” of the following definition:

“**equity share**’ means any share in a company, excluding any share that, neither as respects dividends or foreign dividends nor as respects returns of capital or foreign returns of capital, carries any right to participate beyond a specified amount in a distribution;”;

(b) by the insertion after the definition of “financial year” of the following definition:

“**flac instrument**’ means an instrument contemplated in the Prudential Standard RA03 regulations issued in terms of section 105(2)(c) read with sections 30(1A) and 42(b)(vi) of the Financial Sector Regulation Act;”;

(c) by the substitution for paragraph (a) of the definition of “member’s interest in the savings component” for the following paragraph:

“(a) any amount allocated to that savings component as contemplated in paragraph (a), (b)[, (c)] or (d) of the proviso to the definition of “savings component”;”;

(d) by the substitution in the definition of “pension preservation fund” in paragraph (c) of the proviso for item (A) of paragraph (ii)(bb) of the proviso to that paragraph of the following item:

“(A) is a person who is not a resident for an uninterrupted period of three years or longer on or after 1 March 2021, if—

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(AA) the member has withdrawn the amount referred to in paragraph (c) of the definition of pension preservation fund; or

(BB) the member has transferred an amount in terms of paragraph 2(1)(c) of the Second Schedule to the pension preservation fund; or”;

(e) the substitution in the definition of “provident preservation fund” in paragraph (c) of the proviso for item (A) of paragraph (ii)(bb) of the proviso to that paragraph of the following item:

“(A) is a person who is not a resident for an uninterrupted period of three years or longer on or after 1 March 2021, if–

(AA) the member has withdrawn the amount referred to in paragraph (c) of the definition of provident preservation fund; or

(BB) the member has transferred an amount in terms of paragraph 2(1)(c) of the Second Schedule to the provident preservation fund; or”;

(f) by the addition in the definition of "remuneration proxy" of the following further proviso:

“Provided further that an amount of remuneration referred to in this definition must be increased by the amount that is exempt from tax under section 10(1)(o) during the relevant period in the previous year of assessment;”;

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(g) by the substitution in subparagraph (ii) of paragraph (b) of the proviso to the definition of “retirement annuity fund” for the words of the proviso preceding paragraph (a) of the following words:

“Provided that in determining the value of two-thirds of the total member’s **[retirement]** interest in the vested component an amount calculated as follows must not be taken into account:”;

(h) by the substitution for the words of paragraph (g) of the proviso to the definition of “savings component” preceding subparagraph (i) of the following words:

“the member’s interest in this component may, on election of the member, **[or]** nominee or dependant —”;

(i) by the substitution for paragraph (c) of the proviso to the definition of “savings withdrawal benefit” of the following paragraph—

“(c) the value of each withdrawal, before taking into account any charges or transaction costs, may not be less than R2 000: Provided that where a member terminates their membership in **[their respective funds]** that fund within any year of assessment **[and the value of the member’s interest in the savings component is less than R2 000]**, such member may be allowed a withdrawal of the total balance in the savings component whether or not such member has made a withdrawal from that fund as contemplated in paragraph (a) or (b) during that same year of assessment;”;

(j) by the substitution for the words before paragraph (a) of the definition of “severance benefit” of the following words:

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**“severance benefit”** means any amount (other than a lump sum benefit or an amount contemplated in paragraph (d) (ii) or (iii) of the definition of “gross income”) received by or accrued to a person by way of a lump sum from or by arrangement with the person’s employer or an associated institution, as defined in paragraph 1 of the Seventh Schedule, in relation to that employer in respect of the relinquishment, termination, loss, repudiation, cancellation or variation of the person’s office or employment or of the person’s appointment (or right or claim to be appointed) to any office or employment, if—”.

(2) Paragraphs (g) and (h) of subsection (1) are deemed to have come into operation on 1 September 2024.

(3) Paragraphs (a) and (b) of subsection (1) come into operation on 1 January 2026.

(4) Paragraphs (c), (d), (e), (f), (i) and (j) of subsection (1) come into operation on 1 March 2026 and apply in respect of years of assessment commencing on or after that date.

**Amendment of section 6***quat* **of Act 58 of 1962, as inserted by section 9 of Act 89 of 1969, repealed by section 5 of Act 94 of 1983, inserted by section 5 of Act 85 of 1987 and amended by section 5 of Act 28 of 1997, section 12 of Act 53 of 1999, section 16 of Act 30 of 2000, section 4 of Act 59 of 2000, section 8 of Act 5 of 2001, section 20 of Act 60 of 2001, section 8 of Act 5 of 2001, sections 9 and 125 of Act 74 of 2002, section 16 of Act 45 of 2003, section 4 of Act 32 of 2004, section 8 of Act 31 of 2005, section 7 of Act 35 of 2007, section 9 of Act 17 of**

**2009, section 7 of Act 18 of 2009, section 11 of Act 24 of 2011, section 271 of Act 28 of 2011, read with paragraph 29 of Schedule 1, section 3 of Act 22 of 2012, section 3 of Act 39 of 2013, section 6 of Act 25 of 2015, section 10 of Act 15 of 2016, section 4 of Act 17 of 2017, section 7 of Act 23 of 2018, section 2 of Act 18 of 2023 and section 2 of Act 42 of 2024**

2. Section 6~~quat~~ of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (1A) for subparagraph *(bb)* of paragraph (ii) of the proviso of the following subparagraph:

“(bb) by replacing the percentages in paragraph 10(1)(a), (b)(i), (iii) and (iv), and (c) of the Eighth Schedule **[by] with** 100 per cent.”.

**Amendment of section 7 of Act 58 of 1962, as amended by section 5 of Act 90 of 1962, section 8 of Act 88 of 1965, section 5 of Act 55 of 1966, section 7 of Act 94 of 1983, section 2 of Act 30 of 1984, section 5 of Act 90 of 1988, section 5 of Act 70 of 1989, section 4 of Act 101 of 1990, section 7 of Act 129 of 1991, section 5 of Act 141 of 1992, section 6 of Act 21 of 1995, section 23 of Act 30 of 1998, section 13 of Act 53 of 1999, section 5 of Act 59 of 2000, section 10 of Act 74 of 2002, section 17 of Act 45 of 2003, section 5 of Act 32 of 2004, section 9 of Act 31 of 2005, section 8 of Act 35 of 2007, section 4 of Act 3 of 2008, section 8 of Act 60 of 2008, section 10 of Act 17 of 2009, section 15 of Act 24 of 2011, section 8 of Act 31 of 2013, section 4 of Act 43 of 2014 and section 3 of Act 42 of 2024**

3.(1) Section 7 of the Income Tax Act, 1962, is hereby amended by the substitution for subsection (5) of the following subsection:



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"(5) If any person who is a resident has made any donation, settlement or other disposition which is subject to a stipulation or condition, whether made or imposed by such person or anybody else, to the effect that **[the beneficiaries thereof or some of them shall not receive]** the income or some portion of the income thereunder shall not be received by or accrue to the beneficiaries thereof or some of them until the happening of some event, whether fixed or contingent, so much of any income as would, but for such stipulation or condition, in consequence of the donation, settlement or other disposition be received by or accrue to or in favour of the beneficiaries, shall, until the happening of that event, **[or]** the death of that person or the change in residence of that person, whichever first takes place, be deemed to be the income of that person."

(2) Subsection (1) comes into operation on 1 March 2026 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 8 of Act 58 of 1962, as amended by section 6 of Act 90 of 1962, section 6 of Act 90 of 1964, section 9 of Act 88 of 1965, section 10 of Act 55 of 1966, section 10 of Act 89 of 1969, section 6 of Act 90 of 1972, section 8 of Act 85 of 1974, section 7 of Act 69 of 1975, section 7 of Act 113 of 1977, section 8 of Act 94 of 1983, section 5 of Act 121 of 1984, section 4 of Act 96 of 1985, section 5 of Act 65 of 1986, section 6 of Act 85 of 1987, section 6 of Act 90 of 1988, section 5 of Act 101 of 1990, section 9 of Act 129 of 1991, section 6 of Act 141 of 1992, section 4 of Act 113 of 1993, section 6 of Act 21 of 1994, section 8 of Act 21 of 1995, section 6 of Act 36 of 1996, section 6 of Act 28 of 1997, section 24 of Act 30 of 1998, section 14 of Act 53 of 1999, section 17 of Act 30 of 2000, section 6 of Act 59 of 2000, section 7 of Act 19 of 2001, section 21 of Act 60 of**

**2001, section 12 of Act 30 of 2002, section 11 of Act 74 of 2002, section 18 of Act 45 of 2003, section 6 of Act 32 of 2004, section 4 of Act 9 of 2005, section 21 of Act 9 of 2006, section 5 of Act 20 of 2006, section 6 of Act 8 of 2007, section 9 of Act 35 of 2007, sections 1 and 5 of Act 3 of 2008, section 9 of Act 60 of 2008, section 11 of Act 17 of 2009, section 10 of Act 7 of 2010, section 16 of Act 24 of 2011, section 271 of Act 28 of 2011, read with item 30 of Schedule 1 to that Act, section 9 of Act 22 of 2012, section 9 of Act 31 of 2013, section 5 of Act 42 of 2014, section 5 of Act 43 of 2014, section 8 of Act 25 of 2015, section 6 of Act 14 of 2017, section 5 of Act 22 of 2020, section 5 of Act 19 of 2023 and section 5 of Act 42 of 2024**

4.(1) Section 8 of the Income Tax Act, 1962, is hereby amended by the substitution for subparagraph (iv) of subsection (1)(b) of the following subparagraph:

“(iv) where any motor vehicle which is owned or leased by an employee, his spouse or his child, whether directly or indirectly by virtue of an interest in a company or trust or otherwise, has been let to the employer or any associated institution, as defined in paragraph (1) of the Seventh Schedule, in relation to the employer, the sum of the rental paid by **[the]** that employer or associated institution and any expenditure defrayed by **[the]** that employer or associated institution in respect of the vehicle, shall be deemed to be an allowance paid to the employee in respect of transport expenses, and in such case the said rental shall for the purposes of this Act (excluding this paragraph) be deemed not to have been received by or to have accrued to the lessor of such motor vehicle, and for the purposes of paragraph 2(b) of the Seventh Schedule such employee shall be deemed not to have been granted the right to use such motor vehicle.”.

(2) Subsection (1) comes into operation on 1 March 2026 and applies in respect of years of assessment commencing on or after that date.

**Deletion of section 8A of Act 58 of 1962, as inserted by section 11 of Act 89 of 1969 and amended by section 8 of Act 88 of 1971, section 7 of Act 32 of 2004, section 10 of Act 31 of 2005 and section 17 of Act 24 of 2011**

5. Section 8A of the Income Tax Act, 1962, is hereby repealed.

**Amendment of section 8E of Act 58 of 1962, as inserted by section 6 of Act 70 of 1989 and amended by section 19 of Act 45 of 2003, section 9 of Act 32 of 2004, section 7 of Act 8 of 2007, section 13 of Act 7 of 2010, section 20 of Act 24 of 2011, section 10 of Act 22 of 2012, section 14 of Act 15 of 2016, section 12 of Act 23 of 2018, section 8 of Act 34 of 2019 and section 7 of Act 20 of 2021**

6.(1) Section 8E of the Income Tax Act, 1962, is hereby amended—

- (a) by the deletion in subsection (1) of the definitions of “date of issue” and “equity instrument”;
- (b) by the substitution in subsection (1) for the definition of “financial instrument” of the following definition:

**“‘financial instrument’ means any—**

- (a) interest-bearing arrangement; **[or]**
- (b) financial arrangement based on or determined with reference to a specified rate of interest or the time value of money;
- (c) any arrangement that gives rise to a financial asset of an entity and a financial liability of another entity, in accordance with IFRS; or
- (d) any financial arrangement which has unknown or unspecified terms of repayment;”;
- (c) by the substitution in subsection (1) for the definition of “hybrid equity instrument” of the following definition:

**“‘hybrid equity instrument’ means any share or financial instrument that**

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is or would be classified as a financial liability in the annual financial statements of the issuer, in accordance with IFRS;”;

- (d) by the deletion in subsection (1) of the definitions of “issue price” and “qualifying purpose”; and
- (e) by the substitution for subsection (2) of the following subsection:

“(2) Any dividend or foreign dividend received by or accrued to a person during any year of assessment in respect of a share or **[equity instrument]** financial instrument must be deemed in relation to that person to be an amount of income accrued to that person if that share or **[equity instrument]** financial instrument constitutes a hybrid equity instrument at any time during that year of assessment.”.

- (2) Subsection (1) comes into operation on 1 January 2026 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 8EA of Act 58 of 1962, as inserted by section 12 of Act 22 of 2012 and amended by section 11 of Act 31 of 2013, section 7 of Act 43 of 2014, section 15 of Act 15 of 2016, section 10 of Act 17 of 2017, section 13 of Act 23 of 2018, section 9 of Act 24 of 2019 and section 5 of Act 17 of 2023**

7.(1) Section 8EA of the Income Tax Act, 1962, is hereby amended by—

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

“(2) Any dividend or foreign dividend received by or accrued to a person during any year of assessment in respect of a share or equity instrument must be deemed in relation to that person to be an

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amount of income accrued to that person if that share or equity instrument constitutes a third-party backed share at any time during that year of assessment or during any previous year of assessment."; and

(b) by the substitution for paragraph (a) of the proviso to subsection (3) of the following paragraph:

“(a) that equity share in the operating company was disposed of and to the extent the funds derived from that disposal are used by the issuer of the preference share for the redemption of that preference share **[and the settlement of an amount of dividends or foreign dividends, if, any, in respect of that preference share]**, within 90 days of that disposal; or”.

(2) Subsection (1) comes into operation on 1 January 2026 and applies to years of assessment commencing on or after that date.

**Amendment of section 8F of Act 58 of 1962, as substituted by section 12 of Act 31 of 2013 and amended by section 8 of Act 43 of 2014, section 9 of Act 25 of 2015, section 16 of Act 15 of 2016, section 11 of Act 17 of 2017, section 14 of Act 23 of 2018 and section 8 of Act 20 of 2021**

8.(1) Subsection (3) of section 8F of the Income Tax Act, 1962, is hereby amended—

(a) by the substitution for paragraphs (e) and (f) of the following paragraphs:

“(e) that constitutes a third-party backed instrument; **[or]**

(f) that constitutes a hybrid debt instrument solely in terms of paragraph

(b) of the definition of hybrid debt instrument if a registered auditor, as contemplated in the Auditing Profession Act, 2005 (Act No. 26 of 2005), has certified that the payment, by a company, of an amount owed in

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respect of that instrument has been or is to be deferred by reason of the market value of the assets of that company being less than the amount of the liabilities of that company[.]; or"; and

(b) by the addition after paragraph (f) of the following paragraph:

"(g) that constitutes a flac instrument issued—

(i) by a bank as defined in section 1 of that Act; or

(ii) by a controlling company in relation to that bank."

(2) Subsection (1) comes into operation on 1 January 2026.

**Amendment of section 8FA of Act 58 of 1962, as inserted by section 14 of Act 31 of 2013 and amended by section 15 of that Act, section 9 of Act 43 of 2014, section 10 of Act 25 of 2015, section 17 of Act 15 of 2016, section 12 of Act 17 of 2017, section 15 of Act 23 of 2018 and section 9 of Act 20 of 2021**

9.(1) Subsection (3) of section 8FA of the Income Tax Act, 1962, is hereby amended—

(a) by the deletion of "or" at the end of paragraph (c);

(b) by the substitution for "." at the end of paragraph (e) of "; or"; and

(c) by the addition after paragraph (e) of the following paragraph:

"(f) an instrument that constitutes a flac instrument issued—

(i) by a bank as defined in section 1 of that Act; or

(ii) by a controlling company in relation to that bank."

(2) Subsection (1) comes into operation on 1 January 2026.

**Amendment of section 8G of Act 58 of 1962, as inserted by section 13 of Act 17 of 2017**

10.(1) Section 8G of the Income Tax Act, 1962, is hereby amended by the deletion of a full stop and the addition of the following proviso at the end of subsection (2):

“: Provided that this subsection does not apply to any shares acquired in the target company, from a shareholder in that target company, and that shareholder—

(a) is not a connected person; and

(b) does not form part of a group of companies,

in relation to the subscribing company, at the time of the transaction.”.

(2) Subsection (1) comes into operation on 1 January 2026 and applies in respect of shares acquired on or after that date.

**Amendment of section 9D of Act 58 of 1962, as inserted by section 9 of Act 28 of 1997 and amended by section 28 of Act 30 of 1998, section 17 of Act 53 of 1999, section 19 of Act 30 of 2000, section 10 of Act 59 of 2000, section 9 of Act 5 of 2001, section 22 of Act 60 of 2001, section 14 of Act 74 of 2002, section 22 of Act 45 of 2003, section 13 of Act 32 of 2004, section 14 of Act 31 of 2005, section 9 of Act 20 of 2006, sections 9 and 96 of Act 8 of 2007, section 15 of Act 35 of 2007, section 8 of Act 3 of 2008, section 13 of Act 60 of 2008, section 12 of Act 17 of 2009, sections 16 and 146 of Act 7 of 2010, section 25 of Act 24 of 2011, sections 14 and 156 of Act 22 of 2012, section 19 of Act 31 of 2013, section 12 of Act 43 of 2014, section 13 of Act 25 of 2015, section 20 of Act 15 of 2016, section 15 of Act 17 of 2017, section 18 of Act 23 of 2018, section 10 of Act 34 of 2019, section 6 of Act 23 of 2020, section 10 of Act 20 of 2021, section 4 of Act 20 of 2022, section 7 of Act 17 of 2023 and section 7 of Act 42 of 2024**

11.(1) Section 9D of the Income Tax Act, 1962, is hereby amended—

- (a) by the substitution in paragraph (i) of the further proviso to subsection (2A) for subparagraph (aa) of the following subparagraph:

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"(aa) aggregate amount of taxes on income payable to all spheres of government of any country other than the Republic by the controlled foreign company in respect of the foreign tax year of that controlled foreign company is at least 67,5 per cent of the amount of normal tax that would have been payable in respect of any taxable income of the controlled foreign company had the controlled foreign company been a resident for that foreign tax year: Provided that the taxable income of the controlled foreign company must be increased by the taxable income resulting from the application of section 9H(3)(b); or"; and

(b) by the insertion in paragraph (ii) of the further proviso to subsection (2A) after subparagraph (bb) of the following subparagraph:

"(cc) by taking into account any refund of tax to a shareholder of the controlled foreign company in respect of a foreign dividend paid or payable by that controlled foreign company; and".

(2) Subsection (1) comes into operation on 31 December 2025 and applies in respect of foreign tax years of controlled foreign companies ending on or after that date.

**Amendment of section 10 of Act 58 of 1962, as amended by section 8 of Act 90 of 1962, section 7 of Act 72 of 1963, section 8 of Act 90 of 1964, section 10 of Act 88 of 1965, section 11 of Act 55 of 1966, section 10 of Act 95 of 1967, section 8 of Act 76 of 1968, section 13 of Act 89 of 1969, section 9 of Act 52 of 1970, section 9 of Act 88 of 1971, section 7 of Act 90 of 1972, section 7 of Act 65 of 1973, section 10 of Act 85 of 1974, section 8 of Act 69 of 1975, section 9 of Act 103 of 1976, section 8 of Act 113 of 1977, section 4 of Act 101 of 1978, section 7 of Act**



104 of 1979, section 7 of Act 104 of 1980, section 8 of Act 96 of 1981, section 6 of Act 91 of 1982, section 9 of Act 94 of 1983, section 10 of Act 121 of 1984, section 6 of Act 96 of 1985, section 7 of Act 65 of 1986, section 3 of Act 108 of 1986, section 9 of Act 85 of 1987, section 7 of Act 90 of 1988, section 36 of Act 9 of 1989, section 7 of Act 70 of 1989, section 10 of Act 101 of 1990, section 12 of Act 129 of 1991, section 10 of Act 141 of 1992, section 7 of Act 113 of 1993, section 4 of Act 140 of 1993, section 9 of Act 21 of 1994, section 10 of Act 21 of 1995, section 8 of Act 36 of 1996, section 9 of Act 46 of 1996, section 1 of Act 49 of 1996, section 10 of Act 28 of 1997, section 29 of Act 30 of 1998, section 18 of Act 53 of 1999, section 21 of Act 30 of 2000, section 13 of Act 59 of 2000, sections 9 and 78 of Act 19 of 2001, section 26 of Act 60 of 2001, section 13 of Act 30 of 2002, section 18 of Act 74 of 2002, section 36 of Act 12 of 2003, section 26 of Act 45 of 2003, sections 8 and 62 of Act 16 of 2004, section 14 of Act 32 of 2004, section 5 of Act 9 of 2005, section 16 of Act 31 of 2005, section 23 of Act 9 of 2006, sections 10 and 101 of Act 20 of 2006, sections 2, 10, 88 and 97 of Act 8 of 2007, section 2 of Act 9 of 2007, section 16 of Act 35 of 2007, sections 1 and 9 of Act 3 of 2008, section 2 of Act 4 of 2008, section 16 of Act 60 of 2008, sections 13 and 95 of Act 17 of 2009, section 18 of Act 7 of 2010, sections 28 and 160 of Act 24 of 2011, section 271 of Act 28 of 2011, read with item 31 of Schedule 1 to that Act, sections 19, 144, 157 and 166 of Act 22 of 2012, section 23 of Act 31 of 2013, section 14 of Act 43 of 2014, section 16 of Act 25 of 2015, section 23 of Act 15 of 2016, section 16 of Act 17 of 2017, section 22 of Act 23 of 2018, section 13 of Act 34 of 2019, section 10 of Act 23 of 2020, section 5 of Act 20 of 2022 and section 9 of Act 17 of 2023

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12.(1) Section 10 of the Income Tax Act, 1962, is hereby amended—

(a) by the substitution in subsection (1)(e)(i) for item (aa) of the following item:

“(aa) any body corporate established in terms of the Sectional Titles  
Schemes Management Act, [1986 (Act No. 95 of 1986)] 2011  
(Act No. 8 of 2011), from its members;”;

(b) by the substitution for paragraph (gC) of subsection (1) of the following paragraph:

“(gC) any[–

(i)] amount received by or accrued to any resident under the social  
security system of any other country; **[or**

**(ii) lump sum, pension or annuity received by or accrued to any  
resident from a source outside the Republic as consideration  
for past employment outside the Republic other than from  
any pension fund, pension preservation fund, provident  
fund, provident preservation fund or retirement annuity fund  
as defined in section 1 (1) or a company that is a resident and  
that is registered in terms of the Long-term Insurance Act as  
a person carrying on long-term insurance business  
excluding any amount transferred to that fund or that insurer  
from a source outside the Republic in respect of that  
member;]**”;

(c) by the insertion in subsection (1)(u) after subparagraph (i) of the following subparagraph:

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"(ii) any amount referred to in subparagraph (ii) of paragraph (b) of the definition of "gross income", other than any amount deemed to accrue to that person in terms of section 7(11); or"; and

(d) by the deletion of paragraph (y) of subsection (1).

(2) Paragraphs (b) and (c) of subsection (1) come into operation on 1 March 2026 and apply in respect of years of assessment commencing on or after that date.

**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, section 12 of Act 17 of 2023, section 66 of Act 42 of 2024**

**13.** Section 11D of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (4) for paragraph (b) of the following paragraph:

**"(b) if that expenditure is incurred in respect of scientific or technological research and development [carried on by that taxpayer];".**

**Amendment of section 11G of Act 58 of 1962, as inserted by section 14 of Act 17 of 2023 and substituted by section 67 of Act 42 of 2024**

14.(1) Section 11G of the Income Tax Act, 1962, is hereby amended by the substitution for the words of subsection (2) preceding paragraph (a) of the following words:

"Notwithstanding section 23(b), [For] for purposes of determining the taxable income derived by any person, there shall be allowed as a deduction from the income of that person, interest incurred by that person to the extent that the interest—".

(2) Subsection (1) comes into operation on 1 March 2026 and applies to years of assessment commencing on or after that date.

**Amendment of section 12C of Act 58 of 1962, as inserted by section 14 of Act 101 of 1990 and amended by section 11 of Act 113 of 1993, section 7 of Act 140 of 1993, section 11 of Act 21 of 1994, section 13 of Act 21 of 1995, section 10 of Act 46 of 1996, section 18 of Act 59 of 2000, section 11 of Act 19 of 2001, section 15 of Act 30 of 2002, section 30 of Act 45 of 2003, section 8 of Act 9 of 2005, section 20 of Act 31 of 2005, section 14 of Act 8 of 2007, section 22 of Act 35 of 2007, section 20 of Act 60 of 2008, section 19 of Act 17 of 2009, section 33 of Act 24 of 2011, section 24 of Act 22 of 2012, section 32 of Act 31 of 2013, section 20 of Act 25 of 2015, section 23 of Act 17 of 2017, section 27 of Act 23 of 2018, section 14 of Act 23 of 2020 and section 10 of Act 42 of 2024**

15. Section 12C of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (1) for paragraph (g) of the following paragraph:

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"(g) ship owned by the taxpayer or acquired by the taxpayer as purchaser in terms of an agreement contemplated in paragraph (a) of the definition of "instalment credit agreement" in section 1 of the Value-Added Tax Act and which was or is brought into use for the first time by the taxpayer for the purposes of his or her trade (other than a South African ship mainly engaged in international traffic as contemplated in section 12Q(1));".

**Amendment of section 12L of Act 58 of 1962, as inserted by section 27 of Act 17 of 2009, substituted by section 29 of Act 22 of 2012, amended by section 38 of Act 31 of 2013, section 24 of Act 25 of 2015, section 19 of Act 34 of 2019 and section 9 of Act 20 of 2022**

**16.(1)** Section 12L of the Income Tax Act, 1962, is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) For the purpose of determining the taxable income derived by any person from carrying on any trade in respect of any year of assessment ending before 1 January **[2026]** 2031, there must be allowed as a deduction from the income of that person an amount in respect of energy efficiency savings by that person in respect of that year of assessment determined in accordance with subsection (2), subject to subsection (3).".

(2) Subsection (1) comes into operation on 1 January 2026.

**Amendment of section 12V of Act 58 of 1962, as inserted by section 12 of Act 42 of 2024**

17.(1) Section 12V of the Income Tax Act, 1962, is hereby amended by the insertion after subsection (4) of the following subsection:

"(5) For the purpose of this section—

**‘motor vehicle manufacturer’** means the manufacturer—

(a) as determined by applying the criteria in paragraph (i) of the definition of “final manufacturer” as defined in the regulations issued in terms of section 59 of the International Trade Administration Act, 2002 (Act No. 71 of 2002), contained in Government Notice No. R.80 as published in Government Gazette No. 44144 of 11 February 2021); or

(b) of a ‘heavy motor vehicle’ as referred to in item 317.07 in Part I of Schedule No.3 to the Customs and Excise Act, 1964 (Act No. 91 of 1964), to the extent of assembly provided for in Note 5 to Chapter 98 of Part 1 of Schedule No.1 to that Act.”.

(2) Subsection (1) comes into operation on 1 March 2026 and applies in respect of assets brought into use on or after that date.

**Amendment of section 13quat of Act 58 of 1962, as inserted by section 33 of Act 45 of 2003 and amended by section 12 of Act 16 of 2004, section 19 of Act 32 of 2004, section 23 of Act 31 of 2005, section 16 of Act 8 of 2007, section 5 of Act 4 of 2008, section 29 of Act 60 of 2008, sections 29 and 106 of Act 17 of 2009, section 33 of Act 7 of 2010, section 41 of Act 24 of 2011, section 34 of Act 22 of 2012, section 48 of Act 31 of 2013, section 32 of Act 25 of 2015, section 38 of Act**

**15 of 2016, section 34 of Act 23 of 2018, section 20 of Act 23 of 2020, section 16 of Act 20 of 2021, section 21 of Act 17 of 2023 and section 15 of Act 42 of 2024**

**18.**(1) Section 13*quat* of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (5) for paragraph (c) of the following paragraph:

“(c) which is brought into use by the taxpayer after 31 March **[2025]**  
2030.”.

(2) Subsection (1) is deemed to have come into operation on 1 April 2025 and applies in respect of any building, part thereof or improvement that is brought into use on or after that date.

**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, section 22 of Act 34 of 2019, section 22 of Act 23 of 2020, section 4 of Act 24 of 2020 and section 2 of Act 21 of 2021**

**19.** Section 18A of the Income Tax Act, 1962, is hereby amended by the substitution for paragraph (B) of subsection (1) of the following paragraph:

"(B) in any other case, ten per cent of the taxable income (excluding any retirement fund lump sum benefit, retirement fund lump sum withdrawal benefit and severance benefit) of the taxpayer as calculated before allowing any deduction under section or section 6quat(1C) or setting off a balance of assessed loss under section 20(1)(a)(i):".

**Amendment of section 20A of Act 58 of 1962, as inserted by section 36 of Act 45 of 2003 and amended by section 27 of Act 31 of 2005, section 33 of Act 17 of 2009, section 37 of Act 23 of 2018 and section 22 of Act 23 of 2020**

**20.(1)** Section 20A of the Income Tax Act, 1962, is hereby amended by—

(a) the substitution for the words in subsection (2) preceding paragraph (a) of the following words:

"Subsection (1) applies where **[the sum of]** the taxable income of a person for a year of assessment, **[([determined without having regard to the other provisions of this section])]** and before setting off any assessed loss and balance of assessed loss **[which were set off]** in terms of section 20 **[in determining that taxable income]**, equals or exceeds the amount at which the **[maximum]** marginal rate of tax of 39 per cent chargeable in respect of the taxable income of individuals becomes applicable, and where—"; and

(b) the substitution in subsection (2)(b) for subparagraph (iv) of the following paragraph:

"(vi) farming or animal breeding, unless that person carries on farming~~[,]~~ or animal breeding **[or activities of a similar nature]** on a full-time basis;"



(2) Subsection (1) comes into operation on 1 March 2026 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 23 of Act 58 of 1962, as amended by section 18 of Act 65 of 1973, section 20 of Act 121 of 1984, section 23 of Act 129 of 1991, section 20 of Act 141 of 1992, section 18 of Act 113 of 1993, section 15 of Act 21 of 1994, section 28 of Act 30 of 2000, section 21 of Act 30 of 2002, section 38 of Act 45 of 2003, section 13 of Act 16 of 2004, section 28 of Act 31 of 2005, section 17 of Act 20 of 2006, section 20 of Act 8 of 2007, section 37 of Act 60 of 2008, section 41 of Act 7 of 2010, sections 47 and 162 of Act 24 of 2011, section 271 of Act 28 of 2011, read with item 38 of Schedule 1 to that Act, section 42 of Act 22 of 2012, section 56 of Act 31 of 2013, section 33 of Act 43 of 2014, section 35 of Act 17 of 2017, section 39 of Act 23 of 2018, section 24 of Act 23 of 2020, section 11 of Act 20 of 2022 and 17 of Act 42 of 2024**

**21.**Section 23 of the Income Tax Act, 1962, is hereby amended–

- (a) by the deletion of the word “and” at the end of paragraph (m)(iiA);
- (b) by the addition of the word “and” at the end of paragraph (m)(iv); and
- (c) by the insertion in paragraph (m) after subparagraph (iv) of the following subparagraph:

“(v) any deduction which is allowable under section 6quat(1C);”.

**Amendment of section 23M of Act 58 of 1962, as inserted by section 16 of Act 31 of 2013 and amended by section 37 of Act 43 of 2014, section 41 of Act 15 of 2016, section 39 of Act 17 of 2017, section 41 of Act 23 of 2018, section 28 of Act**

**34 of 2019, section 19 of Act 20 of 2021, section 12 of Act 20 of 2022, section 26 of Act 17 of 2023 and section 18 of Act 42 of 2024**

**22.** Section 23M of the Income Tax Act, 1962, is hereby amended—

(a) by the substitution in subsection (1) in the definition of “adjusted taxable income” for subparagraph (i) of paragraph (a) of the following subparagraph:

“(i) any amount of interest contemplated in section 24J received or accrued that forms part of taxable income;”;

(b) by the substitution in subsection (1) in the definition of “adjusted taxable income” for subparagraph (i) of paragraph (b) of the following subparagraph:

“(i) any amount of interest contemplated in section 24J incurred that has been allowed as a deduction from income;”;

(c) by the substitution for the words in subsection (2) preceding paragraph (a) of the following words:

“Where an amount of interest, other than interest contemplated in paragraph (c) of the definition of interest in subsection (1), is incurred by a debtor during a year of assessment in respect of a debt owed to—”;

(d) by the substitution in subsection (2) for subparagraph (aa) of paragraph (i) of the following subparagraph:

“(aa) subject to tax in the hands of the person, creditor or other creditor referred to in paragraphs (a), (b), (c) or (d), to which the interest, other than interest contemplated in paragraph (c) of the definition of interest in subsection (1), or related interest accrues; or”;

(e) by the substitution for the words of the proviso to subsection (2) preceding the formula of the following words:

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"Provided that where any amount of interest, other than interest contemplated in paragraph (c) of the definition of interest in subsection (1), incurred or related interest is not included in the income of the person referred to in paragraph (i)(aa), and withholding tax on interest was or will be levied on that amount of interest, on payment thereof, under the provisions of Part IVB of this Chapter, the amount of interest to be regarded as not subject to tax as contemplated in paragraph (i)(aa) will be determined in accordance with the formula:";

- (f) by the substitution in subsection (3) for paragraph (a) of the following paragraph:

"(a) the amount of interest contemplated in section 24J received by or accrued to the debtor; and";

- (g) by the substitution in subsection (3) for the words following paragraph (b) of the following words:

"reduced by so much of any amount of deductible interest contemplated in section 24J incurred by the debtor in respect of debts other than debts contemplated in subsection (2) as exceeds any amount not allowed to be deducted in terms of section 23N.";

- (h) by the substitution for subsection (4) of the following subsection:

"(4) So much of any amount of interest as exceeds the amount determined in terms of subsection (3) **[may] must** be carried forward to the immediately succeeding year of assessment, and **[subject to subsection (2),]** must be deemed to be an amount of interest incurred in that succeeding year of assessment in respect of a debt **[owed to a creditor that is not subject to**

**tax on that interest]** that qualifies for a deduction subject to the limitation in subsection (2).”;

- (i) by the substitution in subsection (6) for the words in paragraph (a) preceding subparagraph (i) of the following words:

“to so much of the interest contemplated in section 24J as is incurred by a debtor in respect of a debt owed to a creditor as contemplated in subsection (2) where—”; and

- (j) by the substitution in subsection (6) for subparagraph (i) of paragraph (a) of the following subparagraph:

“(i) that creditor directly or indirectly funded that debt amount advanced to that debtor with funding granted by a lending institution that is not in a controlling relationship with that debtor; and”.

- (2) Subsection (1) comes into operation on 1 January 2026 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 24I of Act 58 of 1962, as inserted by section 21 of Act 113 of 1993 and amended by section 11 of Act 140 of 1993, section 18 of Act 21 of 1994, section 13 of Act 36 of 1996, section 18 of Act 28 of 1997, section 35 of Act 30 of 1998, section 26 of Act 53 of 1999, section 31 of Act 59 of 2000, section 36 of Act 60 of 2001, section 27 of Act 74 of 2002, section 42 of Act 45 of 2003, section 23 of Act 32 of 2004, section 33 of Act 31 of 2005, section 26 of Act 9 of 2006, section 19 of Act 20 of 2006, section 23 of Act 8 of 2007, section 40 of Act 35 of 2007, section 20 of Act 3 of 2008, section 38 of Act 17 of 2009, section 47 of Act 7 of 2010, section 52 of Act 24 of 2011, section 53 of Act 22 of 2012, section 68 of Act 31 of 2013, section 40 of Act 43 of 2014, section 44 of Act 25 of 2015,**

**section 44 of Act 15 of 2016, section 42 of Act 17 of 2017, section 43 of Act 23 of 2018, section 30 of Act 34 of 2019, section 27 of Act 17 of 2023 and section 20 of Act 42 of 2024**

**23.(1)** Section 24I of the Income Tax Act, 1962, is hereby amended—

- (a) by the deletion of the word “or” at the end of paragraph (c) of the definition of “realised” and the addition of the word “or” at the end of paragraph (d) of that definition;
- (b) by the insertion in the definition of “realised” after paragraph (d) of the following paragraph:

“(e) a preference share, when the share is cancelled or disposed of;”;

- (c) by the substitution for the words of paragraph (a) of the definition of “ruling exchange rate” preceding subparagraph (i) of the following words:

“a debt or a preference share in a foreign currency on—”;

- (d) by the substitution for the proviso to paragraph (a) of the definition of “ruling exchange rate” of the following proviso:

“Provided that where the rate prescribed in respect of a debt or a preference share in terms of this definition is the spot rate on transaction date or the spot rate on the date on which such debt is realised, and any consideration paid or incurred or received or accrued in respect of the acquisition or disposal of such debt or preference share was determined by applying a rate other than such spot rate on transaction date or date realised, such spot rate shall be deemed to be the acquisition rate or disposal rate, as the case may be;”;

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- (e) by the insertion in the definition of “transaction date” after paragraph (b) of the following paragraph:

“(c) a preference share, the date on which the preference share was issued or acquired;”;

- (f) by the substitution for the words in subsection (4) preceding paragraph (a) of the following words:

“Subject to section 11, in determining the taxable income of any person contemplated in subsection (2) in respect of a debt owing to that person as referred to in paragraph (b) of the definition of “exchange item, to the extent—”;

- (g) by the substitution in subsection (4) for paragraph (a) of the following paragraph:

“(a) **[to the extent that]** on realisation the debt was irrecoverable by reason of becoming bad;”;

- (h) by the substitution in subsection (10A) for item (aa) of paragraph (a)(ii) of the following item:

“(aa) or any portion thereof does not represent for that person an asset other than a current asset or liability other than a current liability for the purposes of financial reporting pursuant to IFRS; and”;

- (i) by the substitution in subsection (10A) for subparagraph (ii) of paragraph (b) of the following subparagraph:

“(ii) during any year of assessment—

(aa) subsequent to that year of assessment, paragraph

(a) no longer applies to that exchange difference; or

(bb) that exchange item is realised,

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an amount in respect of that exchange item must be included in or deducted from the income of that person under subsection (3) or taken into account under subsection (3A) in that subsequent year of assessment or in the year of assessment during which the exchange item is realised, which amount shall be determined by multiplying that exchange item by the difference between the ruling exchange rate on the last day of the year of assessment immediately preceding that subsequent year of assessment and the ruling exchange rate on transaction date, **[less any amount of the exchange differences included in or deducted from the income]** appropriately adjusted for any exchange differences included in or deducted from the income of that person in terms of this section or taken into account under **[subsection]** subsections (3) and (3A) in respect of that exchange item for all years of assessment preceding that subsequent year of assessment during which the person was a party to the contractual provisions of the exchange item.”; and

- (j) by the insertion in subsection (10A) after paragraph (b) of the following paragraph:

“(c) Where paragraph (a) was applied during any year of assessment to any exchange difference in respect of an exchange item and that exchange difference was not included in nor deducted from the income of a person in that year of assessment under subsection (3) or taken into account under

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subsection (3A) and during any year of assessment that exchange item is realised in part, an amount in respect of that exchange item must be included in (in the case that symbol “D” is a positive amount) or deducted from (in the case that symbol “D” is a negative amount) the income of that person under subsection (3) or taken into account under subsection (3A)(a) or (b), as the case may be, in that subsequent year of assessment, which amount must be determined in accordance with the formula:

$$\text{ER} = \frac{(\text{DG} - \text{DL} - \text{G} + \text{L}) \times \text{R}}{\text{E}}$$

in which formula—

- (i) “ER” represents the amount to be determined;
- (ii) “DG” represents the aggregate amount of exchange gains that were not included in income as a result of the application of paragraph (a);
- (iii) “DL” represents the aggregate amount of exchange losses that were not deducted from income as a result of the application of paragraph (a);
- (iv) “E” represents the amount of the exchange item in foreign currency immediately before it is partly realised;
- (v) “G” represents the aggregate amount of the exchange gains included in the income of that person in terms of subsection (3) or taken into account under subsection (3A), which were previously not included in income under paragraph (a) in respect of that exchange item for all years of assessment preceding that



subsequent year of assessment during which the person was a party to the contractual provisions of the exchange item;

- (vi) “L” represents the aggregate amount of the exchange losses deducted from the income of that person in terms of subsection (3) or taken into account under subsection (3A), which were previously not deducted from income under paragraph (a) in respect of that exchange item for all years of assessment preceding that subsequent year of assessment during which the person was a party to the contractual provisions of the exchange item; and
- (vii) “R” represents the amount that is partly realised of the exchange item in foreign currency.”.

(2) Subsection (1)(a) to (e) is deemed to have come into operation on 1 January 2025 and applies in respect of years of assessment commencing on or after that date.

(3) Subsection (1)(f) to (j) comes into operation on 1 January 2026 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 24JB of Act 58 of 1962, as inserted by section 56 of Act 22 of 2012, as substituted by section 71 of Act 31 of 2013 and amended by section 43 of Act 43 of 2014, section 46 of Act 15 of 2016, section 44 of Act 17 of 2017, section 44 of Act 23 of 2018, section 27 of Act 23 of 2020 and section 21 of Act 42 of 2024**

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**24.**(1) Section 24JB of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (2) for paragraph (b) of the following paragraph:

"(b) a dividend or foreign dividend received by or accrued to a covered person, other than a dividend or foreign dividend in respect of a hedging instrument that is measured at fair value in profit or loss in terms of IFRS 9.".

(2) Subsection (1) comes into operation on 1 January 2026 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 25B of Act 58 of 1962, as substituted by section 27 of Act 32 of 2004 and amended by section 48 of Act 23 of 2018, section 28 of Act 23 of 2020 and section 29 of Act 17 of 2023**

**25.**(1) Section 25B of the Income Tax Act, 1962, is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) Any amount (other than an amount of a capital nature which is not included in gross income or an amount contemplated in paragraph 3B of the Second Schedule) received by or accrued to or in favour of any person during any year of assessment in his or her capacity as the trustee of a trust, shall, **[subject to the provisions of section 7,]** to the extent to which that amount has been derived for the immediate or future benefit of any ascertained beneficiary, who is a resident and has a vested right to that amount during that year, be deemed to be an amount which has accrued to that beneficiary, and to the extent to which that amount is not so derived, be deemed to be an amount which has accrued to that trust."

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(2) Subsection (1) comes into operation on 1 March 2026 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 29A of Act 58 of 1962, as inserted by section 30 of Act 53 of 1999 and amended by section 36 of Act 59 of 2000, section 15 of Act 5 of 2001, section 15 of Act 19 of 2001, section 39 of Act 60 of 2001, section 30 of Act 74 of 2002, section 16 of Act 16 of 2004, section 23 of Act 20 of 2006, section 21 of Act 3 of 2008, section 52 of Act 7 of 2010, section 62 of Act 22 of 2012, section 77 of Act 31 of 2013, section 47 of Act 43 of 2014, section 53 of Act 25 of 2015, section 50 of Act 15 of 2016, section 46 of Act 17 of 2017, section 51 of Act 23 of 2018, section 34 of Act 34 of 2019, section 30 of Act 23 of 2020, section 22 of Act 20 of 2021, section 15 of Act 20 of 2022, section 32 of Act 17 of 2023 and section 25 of Act 42 of 2024**

**26.** Section 29A of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (11)(a)(iii) for the proviso of the following proviso:

“Provided that the amount of the deduction in terms of this subparagraph shall not exceed the taxable income of the policyholder fund before deducting an amount in terms of this subparagraph or section 18A, or setting off a balance of assessed loss under section 20(1)(a)(i);”.

**Amendment of section 41 of Act 58 of 1962, as substituted by section 34 of Act 74 of 2002 and amended by section 49 of Act 45 of 2003, section 32 of Act 32 of 2004, section 37 of Act 31 of 2005, section 28 of Act 20 of 2006, sections 32 and 103 of Act 8 of 2007, section 52 of Act 35 of 2007, section 25 of Act 3 of 2008,**

section 48 of Act 60 of 2008, section 47 of Act 17 of 2009, section 61 of Act 7 of 2010, section 67 of Act 24 of 2011, section 73 of Act 22 of 2012, section 90 of Act 31 of 2013, section 54 of Act 43 of 2014, section 61 of Act 25 of 2015, section 54 of Act 15 of 2016, section 50 of Act 17 of 2017, section 54 of Act 23 of 2018, section 39 of Act 34 of 2019 and section 24 of Act 20 of 2021

27.(1) Section 41 of the Income Tax Act, 1962, is hereby amended—

- (a) by the deletion in subsection (1) of the definition of ‘equity share’; and
- (b) by the substitution in subsection (1) of the definition of ‘company’ of the following definition:

“**“company”** does not include a headquarter company **[and, for the purposes of sections 42 and 44, includes any portfolio of a collective investment scheme in securities or any portfolio of a hedge fund collective investment scheme];**”.

(2) Subsection (1) comes into operation on 1 March 2026 and applies to years of assessments commencing on or after that date.

**Amendment of section 42 of Act 58 of 1962, as substituted by section 34 of Act 74 of 2002 and amended by section 50 of Act 45 of 2003, section 33 of Act 32 of 2004, section 38 of Act 31 of 2005, section 29 of Act 20 of 2006, section 33 of Act 8 of 2007, section 53 of Act 35 of 2007, section 26 of Act 3 of 2008, section 49 of Act 60 of 2008, section 48 of Act 17 of 2009, section 62 of Act 7 of 2010, section 68 of Act 24 of 2011, section 74 of Act 22 of 2012, section 91 of Act 31 of 2013, section 55 of Act 43 of 2014, section 62 of Act 25 of 2015, section 51 of Act 17 of 2017, section 55 of Act 23 of 2018, section 40 of Act 34 of 2019, section 25 of Act 20 of 2021 and section 36 of Act 17 of 2023**

**28.** Section 42 of the Income Tax Act, 1962, is hereby amended—

- (a) by the substitution in subsection (1) in the definition of “asset-for-share transaction” for the proviso to paragraph (a)(ii) of following proviso:

“: Provided that this subparagraph does not apply in respect of any transaction which meets the requirements of subparagraph (i) in terms of which a person holding less than 20 per cent of the **[disposes of—**

- (i) **an] equity [share] shares in a listed company [or in a portfolio of a collective investment scheme in securities or in a portfolio of a hedge fund collective investment scheme] disposes of an equity share in that company to any other company and after that disposal, together with any other transaction that is concluded—**

(aa) on the same terms as that transaction; and

(bb) within a period of 90 days after that disposal, that other company holds—

(A) at least 35 per cent of the equity shares of that listed company **[or portfolio]; or**

(B) at least 25 per cent of the equity shares of that listed company **[or portfolio]** if no person other than that other company holds an equal or greater amount of equity shares in the listed company **[or portfolio; or**

- (ii) **an asset to a portfolio of a hedge fund collective investment scheme]; or”;**

- (b) by the deletion of paragraphs (b) and (e) of the definition of “qualifying interest”;

- (c) by the substitution in subsection (2) for the proviso to paragraph (b) of following proviso:

"Provided that this paragraph does not apply in respect of any asset-for-share transaction in terms of which a person holding less than 20 per cent of the [disposes of an] equity [share] shares in a listed company **[or in a portfolio of a collective investment scheme in securities]** disposes of an equity share in that company to any other company and after that disposal, together with any other asset-for-share transaction that is concluded—";

(d) by substitution for the proviso to subsection (3A) of the following proviso:

“: Provided that this subsection does not apply in respect of any asset-for-share transaction in terms of which a person holding less than 20 per cent of the equity shares in a listed company disposes of[—

(i) ] an equity share in **[a listed]** that company **[or in a portfolio of a collective investment scheme in securities or in a portfolio of a hedge fund collective investment scheme]** to any other company and after that disposal, together with any other transaction that is concluded—

(aa) on the same terms as that transaction; and

(bb) within a period of 90 days after that disposal, that other company holds—

(A) at least 35 per cent of the equity shares of that listed company **[or portfolio];** or

(B) at least 25 per cent of the equity shares of that listed company **[or portfolio]** if no person other than that other company holds an equal or greater amount of equity shares in the listed company **[or portfolio; or**

(ii) **an asset to a portfolio of a hedge fund collective investment scheme]."**

- (2) Subsection (1) comes into operation on 1 January 2026 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 44 of Act 58 of 1962, as substituted by section 34 of Act 74 of 2002 and amended by section 52 of Act 45 of 2003, section 40 of Act 31 of 2005, section 34 of Act 8 of 2007, section 55 of Act 35 of 2007, section 27 of Act 3 of 2008, section 50 of Act 60 of 2008, section 49 of Act 17 of 2009, section 63 of Act 7 of 2010, section 69 of Act 24 of 2011, section 76 of Act 22 of 2012, section 93 of Act 31 of 2013, section 57 of Act 43 of 2014, section 63 of Act 25 of 2015, section 55 of Act 15 of 2016, section 52 of Act 17 of 2017, section 56 of Act 23 of 2018, section 41 of Act 34 of 2019 and section 29 of Act 42 of 2024**

**29.(1)** Section 44 of the Income Tax Act, 1962, is hereby amended—

- (a) by the deletion in subsection (4A) of the proviso;
- (b) by the deletion in subsection (14) of paragraph (bA); and
- (c) by the deletion in subsection (14) of paragraph (bB).

- (2) Subsection (1) comes into operation on 1 January 2026 and applies in respect of years of assessment commencing on or after that date.

**Amendment of section 64E of Act 58 of 1962, as substituted by section 53 of Act 17 of 2009 and amended by section 71 of Act 7 of 2010, section 76 of Act 24 of 2011, section 6 of Act 13 of 2012 and section 83 of Act 22 of 2012**

**30.** Section 64E of the Income Tax Act, 1962, is hereby amended by the substitution in subsection (4)(a) for the words following subparagraph (ii)(cc) of the following words:

“in respect of a debt, that company must, for the purposes of this Part, be deemed to have paid a dividend if that debt arises by virtue of any share held directly or indirectly in that company by a person contemplated in subparagraph (i).”.

**Amendment of paragraph 2 of Second Schedule to Act 58 of 1962, as substituted by section 57 of Act 17 of 2009 and amended by section 80 of Act 7 of 2010, section 92 of Act 22 of 2012, section 62 of Act 17 of 2017, section 48 of Act 34 of 2019, section 3 of Act 12 of 2024 and section 2 of Revenue Laws Second Amendment Act, Act 44 of 2024**

**31.** (1) Paragraph 2(1) of the Second Schedule to the Income Tax Act, 1962, is hereby amended by the substitution in item (b) for subitem (iA) of the following subitem:

"(iA) assigned in terms of a divorce order granted on or after 13 September 2007 under section 7(8)(a) of the Divorce Act, 1979 (Act No. 70 of 1979) or in terms of any order made by a court in respect of the division of assets of a marriage according to the tenets of a religion pursuant to its dissolution, to the extent that the amount so assigned—".

(2) Subsection (1) comes into operation on 1 March 2026 and applies in respect of years of assessment commencing on or after that date.

**Amendment of paragraph 6B of Second Schedule to Act 58 of 1962, as inserted**



**by section 4 of Act 12 of 2024 and amended by section 3 of Act 44 of 2024**

**32.** Paragraph 6B of the Second Schedule to the Income Tax Act, 1962, is hereby amended by substituting the proviso of the following proviso:

“Provided that subparagraphs (a), (b) or (c) only applies to an amount transferred on termination of membership in the transferor fund or an amount contemplated in paragraph 2 (1) (b) (iA), and only if all the remaining components are transferred to the same transferee fund or if all the components are transferred on an **[individual contract policy basis]** individual policy contract basis to the same transferee fund”.

**Amendment of paragraph 9 of Seventh Schedule to Act 58 of 1962, as amended by section 31 of Act 96 of 1985, section 34 of Act 65 of 1986, section 29 of Act 85 of 1987, section 59 of Act 101 of 1990, section 53 of Act 113 of 1993, section 33 of Act 21 of 1994, section 51 of Act 28 of 1997, section 55 of Act 30 of 1998, section 55 of Act 30 of 2000, section 57 of Act 31 of 2005, section 29 of Act 9 of 2006, section 2 of Act 8 of 2007, section 68 of Act 35 of 2007, sections 1 and 48 of Act 3 of 2008, section 65 of Act 17 of 2009, section 104 of Act 24 of 2011, section 7 of Act 13 of 2012, section 121 of Act 31 of 2013, section 97 of Act 25 of 2015 and section 68 of Act 15 of 2016**

**33.** Paragraph 9 of the Seventh Schedule to the Income Tax Act, 1962, is hereby amended by the substitution for subparagraph (2) of the following subparagraph:

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“(2) The cash equivalent of the value of the taxable benefit derived from the occupation of residential accommodation as contemplated in paragraph 2 (d) shall be the rental value of such accommodation (as determined under subparagraph (3), (3C), (4) or (5) of this paragraph in respect of the year of assessment) less any rental consideration given by the employee for such accommodation in respect of such year[. **Any**], any rental consideration given by him in respect of household goods supplied with such accommodation and any charge made to the employee by the employer in respect of power or fuel provided with the accommodation.”.

**Amendment of paragraph 5 of Eighth Schedule to Act 58 of 1962, as amended by section 32 of Act 9 of 2006, section 2 of Act 8 of 2007, section 1 of Act 3 of 2008, section 67 of Act 17 of 2009, section 107 of Act 24 of 2011, section 8 of Act 13 of 2012, section 11 of Act 13 of 2016, section 75 of Act 23 of 2018, section 22 of Act 20 of 2022 and section 34 of Act 42 of 2024**

**34.** Paragraph 5 of the Eighth Schedule to the Income Tax Act, 1962, is hereby amended by the substitution in subparagraph (1) for the proviso of the following proviso:

"Provided that where any person's year of assessment is less than a period of 12 months, the sum of the annual exclusions for years of **[assessments]** assessment ending during the period of 12 months commencing on 1 March and ending on the last day of February of the immediately following calendar year must per year of assessment and in aggregate not exceed R40 000."

**Amendment of paragraph 61 of Eighth Schedule to Act 58 of 1962, as amended by section 102 of Act 60 of 2001, section 90 of Act 74 of 2002, section 75 of Act 17 of 2009, section 106 of Act 7 of 2010, section 120 of Act 22 of 2012 and section 141 of Act 31 of 2013**

**35.** (1) Paragraph 61 of the Eighth Schedule to the Income Tax Act, 1962, is hereby amended by the substitution for subparagraph (1) of the following subparagraph:

"(1) Subject to paragraph 82A, [A] a holder of a participatory interest in a portfolio of a collective investment scheme, other than a portfolio of a collective investment scheme in property, must determine a capital gain or capital loss in respect of the participatory interest only upon the disposal of that participatory interest."

(2) Subsection (1) comes into operation on 1 March 2026 and applies in respect of disposals made on or after that date.

**Insertion of paragraph 82A in Eighth Schedule to Act 58 of 1962**

**36.**(1) The following paragraph is hereby inserted in the Eighth Schedule to the Income Tax Act, 1962, after paragraph 82:

**“Capital distributions by collective investment schemes**

**82A** The amount of any distribution by a portfolio of a collective investment scheme, other than the distribution of an amount of gross income or income, to a holder of a participatory interest in that portfolio is treated as a capital gain for that holder of a participatory interest.”.

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(2) Subsection (1) comes into operation on 1 March 2026 and applies in respect of distributions made on or after that date.

**Amendment of Eleventh Schedule to Act 58 of 1962, as added by section 140 of Act 22 of 2012, amended by section 161 of Act 31 of 2013 and substituted by section 125 of Act 25 of 2015, section 56 of Act 23 of 2020, section 47 of Act 20 of 2021, section 23 of Act 20 of 2022 and section 39 of Act of 42 of 2024**

**37.** (1) The Eleventh Schedule to the Income Tax Act, 1962, is hereby amended by the substitution for Item 7 of the following Item:

"7. **[Business Process Services]** Global Business Services received or accrued from the Department of Trade, Industry and Competition;".

(2) Subsection (1) is, in respect of any grant, deemed to have come into operation on the date on which that grant was awarded to the recipient thereof and applies in respect of any amount received or accrued in respect of that grant on or after that date.

### **Continuation of certain changes in terms of section 23 of Act 46 of 2024**

**38.** Changes to "Administrative Guidance to the GloBE Model Rules" and "Commentary to the GloBE Model Rules" as contemplated in the Global Minimum Tax Act, 2024, made by Government Notice No. 6461, published in Government Gazette 53096 of 31 July 2025 shall not lapse by virtue of section 23(2) of that Act.

### **Continuation of certain amendments of Schedules to Act 91 of 1964 and Act 89 of 1991**

**39.** Every amendment or withdrawal of or insertion in Schedules No. 1 to 6, 8 and 10 to the Customs and Excise Act, 1964, made under section 48, 49, 56, 56A, 57, 60 or 75(15) of that Act during the period 1 October 2023 up to and including 31 October 2024, shall not lapse by virtue of section 48(6), 49(5A), 56(3), 56A(3), 57(3), 60(4) or 75(16) of that Act and in Schedule No.1 to the Value Added Tax Act, 1991, made under section 74(3)(a) of that Act during the period 1 October 2024 up to and including 31 October 2025, shall not lapse by virtue of section 74(3)(b) of that Act.

**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**

**40.** (1) Section 1(1) of the Value-Added Tax Act, 1991, is hereby amended by the substitution to the definition of “insurance” of the following definition:

“**insurance**” means insurance or guarantee against loss, damage, injury or risk of any kind whatever, whether pursuant to any contract or law, and includes reinsurance; and “contract of insurance” includes a policy of insurance, an insurance cover, and a renewal of a contract of insurance: Provided that a premium is paid in respect of such insurance, guarantee or reinsurance: Provided further that nothing in this definition shall apply to any insurance specified in section 2;”.

(2) Subsection (1) comes into operation on 1 April 2026.

**Amendment of section 8 of Act 89 of 1991, as amended by section 24 of Act 136 of 1991, paragraph 4 of Government Notice 2695 of 8 November 1991, section 15 of Act 136 of 1992, section 24 of Act 97 of 1993, section 11 of Act 20 of 1994, section 20 of Act 46 of 1996, section 25 of Act 27 of 1997, section 83 of Act 53 of 1999, section 67 of Act 19 of 2001, section 151 of Act 60 of 2001, section 166 of Act 45 of 2003, section 95 of Act 32 of 2004, section 102 of Act 31 of 2005, section 172 of Act 34 of 2005, section 42 of Act 9 of 2006, section 79 of Act 20 of 2006, section 27 of Act 36 of 2007, section 106 of Act 60 of 2008, section 91 of Act 17 of 2009, section 120 of Act 7 of 2010, section 131 of Act 24 of 2011, section 146 of Act 22 of 2012, section 166 of Act 31 of 2013, section 21 of Act 44 of 2014, section 129 of Act 25 of 2015, section 24 of Act 16 of 2016, section 78 of Act 17**

of 2017, section 10 of Act 21 of 2018, section 68 of Act 34 of 2019, section 62 of Act 23 of 2020, section 48 of Act 17 of 2023 and section 46 of 42 of 2024

41. (1) Section 8 of the Value-Added Tax Act, 1991, is hereby amended—

(a) by the insertion of the following subsection after subsection (2G):

"(2H) Subject to section 24(3), where a supply is deemed to have been made by a vendor in terms of subsection (2) and that vendor ceases to be a vendor on 1 January 2026 for the sole reason of the exemption contemplated in section 12(h)(ii), the tax payable in respect of the deemed supply shall be paid in 12 equal monthly instalments or in so many monthly instalments as the Commissioner may allow;"

(b) by the substitution for subsection (23) of the following subsection:

"(23) For the purposes of this Act a vendor shall be deemed to supply services to any public authority or municipality to the extent of any payment made [to or on behalf of that vendor in terms of a national housing programme contemplated] in terms of the Housing Subsidy Scheme referred to in section 3(5)(a) of the Housing Act, 1997 (Act No. 107 of 1997), to or on behalf of that vendor in respect of the taxable supply of goods and services by the vendor."; and

(c) by the addition after subsection (30) of the following subsection:

"(31) For the purposes of this Act, where a registered vendor supplies an airtime voucher that can only be used to obtain telecommunications

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services outside the Republic as provided by an International Telecommunications Service Provider that is not a resident of the Republic and not a vendor, to any person in the Republic, such supply shall, notwithstanding section 10(18) or 10(19) be disregarded for the purposes of this Act: Provided that any amount retained by such vendor will be deemed to be consideration contemplated in section 10(30) in respect of a supply of distribution services subject to tax at the standard rate under section 7(1)(a)."

(2) Paragraph (a) of subsection (1) comes into operation on 1 January 2026.

(3) Paragraphs (b) and (c) of subsection (1) come into operation on 1 April 2026.

**Amendment of section 9 of Act 89 of 1991, as amended by section 25 of Act 136 of 1991, section 25 of Act 97 of 1993, section 21 of Act 46 of 1996, section 26 of Act 27 of 1997, section 167 of Act 45 of 2003, section 96 of Act 32 of 2004, section 103 of Act 31 of 2005, section 172 of Act 34 of 2005, section 28 of Act 36 of 2007, section 27 of Act 8 of 2010, section 167 of Act 39 of 2013, section 130 of Act 25 of 2015, section 79 of Act 17 of 2017, section 50 of Act 20 of 2021 and section 28 of Act 20 of 2022**

**42.** (1) Section 9 of the Value-Added Tax Act, 1991, is hereby amended by the insertion after subsection (13) of the following subsection:

"(14) The supply of goods or services which is deemed to be made by any vendor as contemplated in section 8(2E) or 8(2H) shall be deemed to take place when and to the extent that any payment in terms of the agreement or



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regulation, as prescribed in section 8(2E) or 8(2H), is due, prescribed or is received, whichever is the earliest.”.

- (2) Subsection (1) comes into operation on 1 January 2026.

**Amendment of section 10 of Act 89 of 1991, as amended by section 26 of Act 136 of 1991, paragraph 5 of Government Notice 2695 of 8 November 1991, section 16 of Act 136 of 1992, section 26 of Act 97 of 1993, section 12 of Act 20 of 1994, section 21 of Act 37 of 1996, section 22 of Act 46 of 1996, section 27 of Act 27 of 1997, section 84 of Act 53 of 1999, section 68 of Act 19 of 2001, section 152 of Act 60 of 2001, section 168 of Act 45 of 2003, section 97 of Act 32 of 2004, section 104 of Act 31 of 2005, section 43 of Act 9 of 2006, section 80 of Act 20 of 2006, section 82 of Act 8 of 2007, section 107 of Act 60 of 2008, section 122 of Act 7 of 2010, section 133 of Act 24 of 2011, section 168 of Act 39 of 2013, section 131 of Act 25 of 2015, section 80 of Act 17 of 2017, section 63 of Act 23 of 2020, section 51 of Act 20 of 2021 and section 49 of Act 17 of 2023**

- 43.** (1) Section 10 of the Value-Added Tax Act, 1991, is hereby amended by the addition after subsection (29) of the following subsection:

“(30) Where services are deemed to be supplied by a vendor in terms of section 8(31), the value of the supply shall be deemed to be made for a consideration in money equal to the difference between the purchase price and selling price of the airtime voucher.”.

- (2) Subsection (1) comes into operation on 1 April 2026.

**Amendment of section 11 of Act 89 of 1991, as amended by section 27 of Act 136 of 1991, Government Notice 2695 of 8 November 1991, section 17 of Act 136 of 1992, section 27 of Act 97 of 1993, section 13 of Act 20 of 1994, section 28 of Act 27 of 1997, section 89 of Act 30 of 1998, section 85 of Act 53 of 1999, section 77 of Act 30 of 2000, section 43 of Act 5 of 2001, section 153 of Act 60 of 2001, section 169 of Act 45 of 2003, section 46 of Act 16 of 2004, section 98 of Act 32 of 2004, section 21 of Act 9 of 2005, section 105 of Act 31 of 2005, section 44 of Act 9 of 2006, section 81 of Act 20 of 2006, section 105 of Act 35 of 2007, section 29 of Act 36 of 2007, Government Notice R.1024 in Government Gazette 32664 of 30 October 2009, section 134 of Act 24 of 2011, section 169 of Act 31 of 2013, section 96 of Act 43 of 2014, section 132 of Act 25 of 2015, section 81 of Act 17 of 2017, section 54 of Act 34 of 2019, section 64 of Act 23 of 2020, section 52 of Act 20 of 2021 and section 48 of Act 42 of 2024**

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

(a) by the insertion in subsection (1) after paragraph (w) of the following paragraph:

"(x) The goods have been supplied in the course of supplying testing services referred to in section 11(2)(z) and the goods supplied, being consumable goods —

(i) become unusable or have no commercial value as a direct result of being used in the supply of that testing services; and

(ii) are necessary for the supply of the testing services;"

(b) by the insertion in subsection (2) after paragraph (y) of the following paragraph:

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- "(z) the services comprise of testing services supplied to a person who is not a resident of the Republic and that is not a vendor, not being testing services that are supplied directly—
- (i) in connection with moveable property situated in the Republic at the time the services are rendered, except moveable property that is—
- (aa) referred to in section 11(1)(x); or
- (bb) exported to the said person subsequent to the supply of such services;
- (ii) to the said person if the said person is in the Republic at the time of the services are rendered."
- (2) Subsection (1) comes into operation on 1 April 2026.

**Amendment of section 12 of Act 89 of 1991, as amended by section 18 of Act 136 of 1992, section 14 of Act 20 of 1994, section 22 of Act 37 of 1996, section 69 of Act 19 of 2001 section 154 of Act 60 of 2001, section 117 of Act 74 of 2002, section 99 of Act 32 of 2004, section 45 of Act 9 of 2006, section 82 of Act 20 of 2006, section 109 of Act 60 of 2008, section 147 of Act 22 of 2012, section 170 of Act 31 of 2013 and section 97 of Act 43 of 2014**

**45.(1)** Section 12 of the Value-Added Tax Act, 1991, is hereby amended—

(a) by the substitution in paragraph (h)(i) for item (aa) of the following item:

**"(aa) provided by [the State or a school registered or provisionally registered under the South African Schools Act, 1996 (Act No. 84 of 1996), or] a public college or private college established, declared,**

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**[or]** registered or provisionally registered as such under the **[Further Education and Training Colleges Act,]** Continuous Education and Training Act, 2006 (Act No.16 of 2006);”;

(b) by the substitution in paragraph (h)(i) for item (bb) of the following item:

"(bb) by an institution that provides higher education on a full time, part-time or distance basis and which is established or deemed to be established as a public higher education institution under the Higher Education Act, 1997 (Act No. 101 of 1997), or is declared as a public higher education institution under that Act, or is registered or **[conditionally]** provisionally registered as a private higher education institution under that Act; or”;

(c) by the substitution in paragraph (h) for subparagraph (ii) of the following paragraph:

"(ii) the supply by a **[school,]** university, technikon or college solely or mainly for the benefit of its learners or students of goods or services (including domestic goods and services) necessary for **[and]** or subordinate and incidental to the supply of services referred to in subparagraph (i) of this paragraph, if such goods or services are supplied for a consideration in the form of **[school fees,]** tuition fees or payment for lodging or board and lodging; or”;

(d) by the insertion in paragraph (h) after subparagraph (iii) of the following subparagraph:

"(iv) the supply of any goods or services by a school registered or provisionally registered under the South African Schools Act, 1996 (Act No. 84 of 1996);”.

(2) Subsection (1) comes into operation on 1 January 2026.

**Amendment of section 18D of Act 89 of 1991, as inserted by section 54 of Act 20 of 2021 and section 50 of Act 17 of 2023**

**46.(1)** Section 18D of the Value-Added Tax Act, 1991, is hereby amended—

(a) by the substitution in subsection (3) of the following subsection:

"(3) Where a vendor who is a developer subsequently supplies fixed property contemplated in subsection (2) **[(b)]** by way of a sale within the period that the fixed property is temporarily applied, such supply shall be a taxable supply in the course or furtherance of the vendor's enterprise and shall take place in accordance with section 9 (3) (d).";

(b) by the substitution in subsection (5) for paragraph (b) of the following paragraph:

"(b) is temporarily applied as contemplated in subsection (2) **[(b)]** and is no longer applied in supplying accommodation in a dwelling immediately after the expiry of the "temporarily applied" period;"

(c) by the addition in subsection (5) of "or" at the end of paragraph (b) and the following paragraph after paragraph (c):

"(d) is deemed to have been supplied under section 18(1) in circumstances contemplated in subsection (6)."; and

(d) by the substitution in subsection (6) of the following subsection:

"(6) The fixed property contemplated in subsection (2) **[(b)]** shall be deemed to have been supplied by the developer by way of a taxable supply under section 18 (1) for a consideration as

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contemplated in section 10 (7) in the course or furtherance of that vendor's enterprise at the earlier of—”.

(2) Subsection (1) comes into operation on 1 April 2026.

**Amendment of section 21 of Act 89 of 1991, as amended by section 26 of Act 136 of 1992, section 34 of Act 97 of 1993, section 176 of Act 45 of 2003, section 48 of Act 16 of 2004, section 36 of Act 18 of 2009, section 150 of Act 22 of 2012, section 27 of Act 23 of 2015, section 136 of Act 25 of 2015, section 2 of Act 22 of 2018 and section 51 of Act 17 of 2023**

**47.**(1) Section 21 of the Value-Added Tax Act, 1991, is hereby amended by the substitution in subsection (1)(d) for subparagraph (ii) of the following subparagraph:

"(ii) a vendor, where a supply of an enterprise as a going concern, contemplated in section 11(1)(e) or section 8(25) of this Act, was made to that vendor, the vendor in such case being deemed for purposes of this Act to have made the supply of the goods or services to the recipient, whether the supply was made by him or the other vendor that made the supply of that enterprise as a going concern.”.

(2) Subsection (1) comes into operation on 1 April 2026.

**Insertion of section 40E in Act 89 of 1991**

**48.**(1) The Value-Added Tax Act, 1991, is hereby amended by the insertion after section 40D of the following section:

**"Liability for tax and limitation of refunds in respect of supplies by a school, university, technikon or college**

**40E.** (1) This section applies in respect of the supply of services contemplated in section 12(h)(ii) made by the vendor before 1 January 2026.

(2) Where the Commissioner issued any assessment relating to tax periods ending before 1 January 2026 for an amount of tax or penalty in respect of any supply of services as contemplated in subsection (1) in respect of the application of the provisions as contemplated in section 12(h)(ii) in respect of that supply, the Commissioner must, on written application by the vendor, amend that assessment to the extent that the amount of tax, penalty or interest that arose as a result of that assessment, has not yet been paid on that date: Provided that the assessment does not result in a refund to the vendor.

(3) The Commissioner may not make any assessment for tax periods ending before 1 January 2026 in respect of the supply of services contemplated in subsection (1).

(4) If the vendor has charged tax at the rate referred to in section 7(1) in respect of the supply contemplated in subsection (1), the Commissioner may not refund any such tax, penalty or interest that arose as a result of the late payment to such tax, paid by the vendor to the Commissioner.”;

(2) Subsection (1) comes into operation on 1 January 2026.

**Amendment of section 50 of Act 89 of 1991, as amended by section 38 of Act 136 of 1991, section 271 of Act 28 of 2011, section 13 of Act 22 of 2018, section 72 of Act 34 of 2019 and section 50 of Act 42 of 2024**

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**49.(1)** Section 50 of the Value-Added Tax Act, 1991, is hereby amended by the substitution in subsection (2A) for the proviso of the following proviso:

"(2A) The implementing agency—

- (a) shall be required to make an application to the Commissioner to register the activities referred to in the proviso to subsection (1) as part of a single separate branch of the vendor in respect of such project registered in terms of section 23 on or after 01 January 2025; or
- (b) may, in respect of any of the activities referred to in the proviso to subsection (1) registered with the Commissioner on or before 31 December 2024— (i) retain an existing and separate branch registration; or (ii) make an application to the Commissioner to register the foreign donor funded project that has been registered separately as a single separate branch of the vendor:

Provided that such implementing agency shall maintain and retain (in addition to the other requirements under this Act)—

- (i) an independent system of accounting for each foreign donor funded project;
- (ii) an annual list of all the registered projects along with the respective foreign donor funded project reference numbers, their commencement and end dates, that are accounted for under such separately registered single branch during the financial year;



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- (iii) a reconciliation of the values submitted for each tax period of the separately registered branch with the values of each foreign donor funded project respectively; and
  - (iv) written confirmation from the Minister that the foreign donor funded project is a project established in terms of an official development assistance agreement, as contemplated in the definition of “foreign donor funded project” in section 1 (1) for each foreign donor funded project accounted for under the separately registered branch.”.
- (2) Subsection (1) comes into operation on 1 April 2026.

**Amendment of section 54 of Act 89 of 1991, as amended by section 40 of Act 136 of 1991, section 34 of Act 136 of 1992, section 25 of Act 20 of 1994, section 46 of Act 27 of 1997, section 100 of Act 53 of 1999, section 51 of Act 16 of 2004, section 102 of Act 43 of 2014, section 34 of Act 44 of 2014, section 12 of Act 21 of 2018, section 52 of Act 17 of 2023 and section 51 of Act 42 of 2024**

**50.** (1) Section 54 of the Value-Added Tax Act, 1991, is hereby amended—

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

"(2B)(a) For the purposes of this Act, where electronic services are supplied by an intermediary, who is acting on behalf of another person who is the principal for the purposes of that supply, and—

(i) the intermediary is a vendor;

**[(ii) the principal is not a resident of the Republic;] and**

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(iii) the electronic services are supplied or to be supplied by the principal to a person in the Republic,

that supply shall be deemed to be made by such intermediary and not by that principal where the principal and intermediary agree, in writing, to treat that supply as if made by the intermediary.”; and

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

"(2C) For the purpose of this Act, where an agent who is acting on behalf of another person who is the principal for the purposes of that supply, makes a supply of –

(a) gold as contemplated in section 11(1)(f); or

(b) gold or silver which is exported from the Republic in the circumstances contemplated in paragraph (a) or (d) of the definition of ‘exported’ in section 1(1): Provided that in the case of gold, the requirements of section 12 of the Precious Metals Act, 2005 (Act No. 37 of 2005) must be complied with; and—

(i) the agent is a registered vendor; and

(ii) the principal is a resident of the Republic and registered vendor,

the agent must obtain and retain the documentary proof as acceptable to the Commissioner: Provided that the agent will—

(aa) not be required to provide the principal with copies of the documentary evidence as prescribed; and

(bb) be liable to account for output tax in the event that the agent is not in possession of the requisite documents, other

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than zero-rated tax invoices in circumstances where the principal supplied its gold and/or silver directly to the purchaser, to substantiate the application of the zero rate in respect of supplies made by the agent on behalf of a principal.”.

(2) Subsection (1) comes into operation on 1 April 2026.

**Amendment of Schedule 1 to Act 89 of 1991, as amended by section 48 of Act 136 of 1991, section 43 of Act 136 of 1992, Government Notice No. 2244 of 31 July 1992, section 44 of Act 97 of 1993, Government Notice No. 1955 of 7 October 1993, section 32 of Act 20 of 1994, section 32 of Act 37 of 1996, section 53 of Act 27 of 1997, substituted by section 177 of Act 60 of 2001, amended by section 58 of Act 30 of 2002, section 121 of Act 74 of 2002, Government Notice No. R.111 in Government Gazette 24274 of 17 January 2003, section 189 of Act 45 of 2003, sections 52 to 55 of Act 16 of 2004, section 108 of Act 32 of 2004, sections 111 to 123 of Act 31 of 2005, sections 52 to 53 of Act 9 of 2006, section 89 of Act 20 of 2006, section 109 of Act 8 of 2007, section 85 of Act 8 of 2007, Government Notice No. R.958 in Government Gazette 30370 of 12 October 2007, section 107 of Act 35 of 2007, Government Notice No. R.766 in Government Gazette 32416 of 24 July 2009, Government Notices Nos. R.154 and R.157 in Government Gazette 34046 of 1 March 2011, section 143 of Act 24 of 2011, Government Notice No. R.187 in Government Gazette 35102 of 2 March 2012, Government Notice No. R.506 in Government Gazette 35481 of 6 July 2012, Government Notice No. 995 in Government Gazette 35932 of 7 December 2012, Government Notice No. R.1072 in Government Gazette 36002 of 14 December 2012, section 181 of Act 31 of 2013, Government Notice No. R.288 in Government Gazette 37554 of 17**

**April 2014, section 107 of Act 43 of 2014, Government Notice No. R.723 in Government Gazette 39100 of 14 August 2015, Government Notice No. R.558 in Government Gazette 40004 of 20 May 2016, section 87 of Act 15 of 2016, section 31 of Act 16 of 2016, section 74 of Act 34 of 2019, Government Notice No. R.226 in Government Gazette 43051 of 28 February 2020, Government Notice No. R.1069 in Government Gazette 43781 of 9 October 2020, section 25 of Act 16 of 2022, Government Notice No. R.3780 in Government Gazette 49104 of 11 August 2023, section 53 of Act 17 of 2023 and section 52 of Act 42 of 2024**

**51.(1)** Schedule 1 of the Value-Added Tax Act, 1991, is hereby amended as follows—

(a) by the substitution in paragraph 1 for subparagraphs (iii), (iv) and (v) of the following subparagraphs:

“(iii) goods which in the opinion of the Commissioner are of no commercial value; and

(iv) goods imported under an international carnet; **[and]**

**[(v) goods of a value for customs duty purposes not exceeding R500, and on which no such duty is payable in terms of Schedule No. 1 to the said Act.]”**; and

(b) by the deletion of paragraph 2.

(2) Subsection (1) comes into operation on a date to be determined by the Minister.

**Amendment of section 13 of Act 31 of 2013, as amended by section 144 of Act 25 of 2015, section 98 of Act 15 of 2016, section 93 of Act 17 of 2017, section 98**

**of Act 23 of 2018, section 82 of Act 34 of 2019, section 71 of Act 23 of 2020, section 60 of Act 20 of 2021, section 35 of Act 20 of 2022 and section 60 of Act 17 of 2023**

**52.**(1) Section 13 of the Taxation Laws Amendment Act, 2013, is hereby amended by the substitution for subsection (2) of the following subsection:

"(2) Subsection (1) comes into operation on 1 January **[2026]** 2027 and applies in respect of amounts incurred on or after that date."

(2) Subsection (1) is deemed to have come into operation on 12 December 2013.

**Amendment of section 15 of Act 31 of 2013, as amended by section 145 of Act 25 of 2015, section 99 of Act 15 of 2016, section 94 of Act 17 of 2017, section 99 of Act 23 of 2018, section 83 of Act 34 of 2019, section 72 of Act 23 of 2020, section 61 of Act 20 of 2021, section 36 of Act 20 of 2022 and section 61 of Act 17 of 2023**

**53.**(1) Section 15 of the Taxation Laws Amendment Act, 2013, is hereby amended by the substitution for subsection (2) of the following subsection:

"(2) Subsection (1) comes into operation on 1 January **[2026]** 2027 and applies in respect of amounts incurred on or after that date."

(2) Subsection (1) is deemed to have come into operation on 12 December 2013.

**Amendment of section 62 of Act 31 of 2013, as amended by section 148 of Act 25 of 2015, section 100 of Act 15 of 2016, section 100 of Act 23 of 2018, section 84 of Act 34 of 2019, section 73 of Act 23 of 2020, section 62 of Act 20 of 2021, section 37 of Act 20 of 2022 and section 63 of Act 17 of 2023**

54.(1) Section 62 of the Taxation Laws Amendment Act, 2013, is hereby amended by the substitution for subsection (2) of the following subsection:

"(2) Subsection (1) comes into operation on 1 January **[2026]** 2027 and applies in respect of amounts of interest incurred on or after that date."

(2) Subsection (1) is deemed to have come into operation on 12 December 2013.

**Amendment of section 1 of Act 15 of 2019, as amended by section 89 of Act 34 of 2019**

55. (1) Section 1 of the Carbon Tax Act, 2019, is hereby amended by the substitution in subsection (1) for the definition of "carbon budget" of the following definition:

" **carbon budget**" means an assigned amount of greenhouse gas emissions **[permitted, against which]** allocated to a person, as contemplated in section 27 of the Climate Change Act, 2024 (Act No. 22 of 2024), for direct emissions arising from the operations of **[a]** that person **[during]** over a defined time period **[will be accounted for]**."

(2) Subsection (1) comes into operation with effect from a date determined by the Minister of Finance by notice in the *Gazette*.

**Amendment of section 4 of Act 15 of 2019, as amended by section 91 of Act 34 of 2019**

**56.**(1) Section 4 of the Carbon Tax Act, 2019, is hereby amended—

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

$$F = (N \times Q)$$

in which formula—

- (i) “F” represents the number to be determined;
- (ii) “N” represents the mass expressed in tonne in the case of solid fuels or the volume of each type of fuel expressed in cubic metres in the case of fuels other than solid fuels~~[,]~~ or the amount of syngas produced in (TJ) with respect to coal to liquids or total amount of natural gas input with respect to gas to liquids; or mass of product produced expressed in tonne in respect of which the greenhouse gas is emitted, mass of fuel wood expressed in tonne that is the source of greenhouse gas emission, in respect of the greenhouse gas emission; and
- (iii) “Q” represents the greenhouse gas emission factor in carbon dioxide equivalent per tonne, ~~[or] cubic metres or product produced—~~.”;

(b) by the substitution in subsection (2)(b)(iii) for item (aa) of the following item:

“(aa) in the case of oil and natural gas, biochar, coke and charcoal production (per charcoal produced), that must be determined in accordance with the formula:”; and

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- (c) by the insertion in subsection (2)(b)(iii) after item (bb) of the following items:  
“(cc) in the case of charcoal production (fuelwood input), that must be determined in accordance with the formula:

$$\mathbf{X = [(C \times 1) + (M \times 23) + (N \times 296) \times D] / Y}$$

in which formula—

- (a) “X” represents the number to be determined;
- (b) “C” represents carbon dioxide emissions of a fuel type determined by matching the fuel type listed in the column “fuel type” in Table 2 of Schedule 1 with the number in the corresponding line of the column “CO<sub>2</sub>” of that table;
- (c) “M” represents methane emissions of a fuel type determined by matching the fuel type listed in the column “fuel type” in Table 2 of Schedule 1 with the number in the corresponding line of the column “CH<sub>4</sub>” of that table;
- (d) “N” represents Nitrous Oxide emissions of a fuel type determined by matching the fuel type listed in the column “fuel type” in Table 2 of Schedule 1 with the number in the corresponding line of the column “N<sub>2</sub>O” of that table;
- (e) “D” represents Net Calorific Value in the range of 0.0149 to 0.058 (TJ/TONNE); and
- (f) “Y” represents the number 1000; and;

(dd) in the case of coal and gas to liquids and other solid fuel transformation activities, that must be determined in accordance with the formula:

$$\mathbf{X = [(C \times 1) + (M \times 23) + (N \times 296)}$$

in which formula—



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- (a)    “X” represents the number to be determined;
  - (b)    “C” represents carbon dioxide emissions of a fuel type determined by matching the fuel type listed in the column “fuel type” in Table 2 of Schedule 1 with the number in the corresponding line of the column “CO<sub>2</sub>” of that table;
  - (c)    “M” represents methane emissions of a fuel type determined by matching the fuel type listed in the column “fuel type” in Table 2 of Schedule 1 with the number in the corresponding line of the column “CH<sub>4</sub>” of that table; and
  - (d)    “N” represents Nitrous Oxide emissions of a fuel type determined by matching the fuel type listed in the column “fuel type” in Table 2 of Schedule 1 with the number in the corresponding line of the column “N<sub>2</sub>O” of that table; and”.
- (2)    Subsection (1) is deemed to have come into operation on 1 January 2024.

**Amendment of section 5 of Act 15 of 2019, as amended by section 92 of Act 34 of 2019, section 10 of Act 22 of 2020, section 6 of Act 19 of 2021, section 38 of Act 20 of 2022**

**57.**    (1)    Section 5 of the Carbon Tax Act, 2019, is hereby amended by the insertion after subsection (4) of the following subsection:

“(5)    The carbon tax rate of R640/tCO<sub>2e</sub> will apply to greenhouse gas emissions above the carbon budget as approved by the Department of Forestry, Fisheries and the Environment.”.

(2) Subsection (1) comes into operation with effect from a date determined by the Minister of Finance by notice in the *Gazette*.

**Amendment of section 6 of Act 15 of 2019, as amended by section 93 of Act 34 of 2019, section 77 of Act 23 of 2020, section 63 of Act 20 of 2021, section 39 of Act 2022 and section 62 of Act 42 of 2024**

**58.(1)** Section 6 of the Carbon Tax Act, 2019, is hereby amended—

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

$$"X = A - B$$

in which formula—

(a) “X” represents the amount to be determined that must not be less than zero;

(b) “A” represents the amount of tax payable in respect of a tax period determined in terms of subsection (1);

(c) “B” represents an amount equal to the quantity of renewable electricity (kWh) purchased under a power purchase agreement multiplied by the renewable energy premium determined by the Minister by notice in the *Gazette* in respect of a tax period, until 31 December **[2025]** 2030, which may not exceed Bmax, and;

Formula for the maximum allowable renewable energy premium deduction (Bmax):

$$\mathbf{B_{max} = A1A1 - (E_{gen} \times R_x)}$$

in which formula—

(i) Bmax represents the maximum value of B (from the first formula);

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(ii) A1A1 represents carbon tax liability specifically for electricity generators under IPCC code 1A1;

(iii) Egen represents amount of electricity generated by that entity/taxpayer (in kWh) from coal, petroleum-based liquid fuels and natural gas; and

(iv) Rx represents an amount of R0.035/kWh (3.5 cents per kWh);

(d) **["C" represents an amount equal to the environmental levy contemplated in respect of electricity generated in the Republic in Section B of Part 3 of Schedule 1 to the Customs and Excise Act, 1964 (Act No. 91 of 1964), paid in respect of a tax year, until 31 December 2025.]";**

(b) by the deletion in subsection (2) of paragraph (d);

(c) by the substitution for subsection (4) of the following subsection:

"(4) For the purposes of this section **"sequesterate"** means—

(a) the process of storing a greenhouse gas in forestry plantations and harvested wood products within the operational control of the taxpayer and third-party timber production in respect of fuel combustion emissions declared in terms of IPCC codes 1A2d for pulp, paper and print and 1A2j for wood and wood products in terms of section 4(1); or

(b) the process of storing a greenhouse gas in forestry plantations and harvested wood products within the operational control of the taxpayer and third-party timber production in respect of fuel combustion emissions declared in terms of IPCC codes 1A2d for pulp, paper and print and 1A2j for wood and wood products or

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increasing the carbon content of a carbon reservoir other than the atmosphere in respect of fuel combustion emissions declared in terms of section 4(2)(a).”; and

(d) by the insertion after subsection (5) of the following subsection:

**"(6)  $TP = (E_{\text{actual}} - E_{\text{budget}}) \times R_{\text{tax}}$**

**in which formula—**

**(a) “TP” represents the tax payable;**

**(b) “E actual” represents the greenhouse gas emissions reported to the Department of Forestry, Fisheries and the Environment as contemplated in section 30(2)(a)(i) of the Climate Change Act, 2024;**

**(c) “E budget” represents an amount of carbon budget contemplated in section 27 of the Climate Change Act, 2024 and determined in accordance with section 30(2)(a)(i) of that Act; and**

**(d) R tax represents a rate of tax of (R640/tCO<sub>2e</sub>).”**

(2) Paragraphs (a) to (c) come into operation on 1 January 2026.

(3) Paragraph (d) comes into operation with effect from a date determined by the Minister of Finance by notice in the *Gazette*.

### **Amendment of section 12 of Act 15 of 2019, as amended by section 64 of Act 20 of 2021 and section 66 of Act 17 of 2023**

**59.(1)** Section 12 of the Carbon Tax Act, 2019, is hereby amended by the substitution for subsection (1) of the following subsection:

“(1) Subject to subsection (2), a taxpayer that conducts an activity that is listed in Schedule 2 in the column ‘Activity/Sector’ and participates in the carbon budget

system from 1 January 2021 to 31 December ~~[2024]~~ 2025, must receive an additional allowance of five per cent of the total greenhouse gas emissions in respect of a tax period.”.

(2) Subsection (1) is deemed to have come into operation on 1 January 2025.

**Amendment of section 14 of Act 15 of 2019**

**60.**(1) Section 14 of the Carbon Tax Act, 2019, is hereby amended by the insertion after section 14 of the following section:

“14A. Where emissions are above the carbon budget as approved by the Department of Forestry, Fisheries and the Environment, no allowances contemplated in Part II in respect of a tax period will apply.”.

(2) Subsection (1) comes into operation with effect from a date determined by the Minister of Finance by notice in the *Gazette*.

**Amendment of Schedule 1 to Act 15 of 2019, as amended by section 98 of Act 34 of 2019, section 67 of Act 17 of 2023 and section 62 of Act 42 of 2024**

**61.** (1) Schedule 1 to the Carbon Tax Act, 2019, is hereby amended—

(a) by the substitution in the line corresponding to Fuel Type “Methane Rich Gas” for the Greenhouse Gas in the column “CO<sub>2</sub> (KGCO<sub>2</sub>/TJ)” of the following value:

~~“[54 888] 54 891”~~;

(b) by the substitution in the line corresponding to Fuel Type “Methane Rich Gas” for the expression “Net Calorific Value” of the following value:

~~“[0.048] 0.033141”~~;

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- (c) by the substitution in the line corresponding to Fuel Type “Natural Gas” for the Greenhouse Gas in the column “CO<sub>2</sub> (KGCO<sub>2</sub>/TJ)” of the following value:

“**[56 100]** 55 709”;

- (d) by the substitution in the line corresponding to Fuel Type “Natural Gas” for the expression “Net Calorific Value” of the following value:

“**[0.048]** 0.03701”;

- (e) by the substitution in the line corresponding to Fuel Type “Sub-bituminous coal” for the Greenhouse Gas in the column “CO<sub>2</sub> (KGCO<sub>2</sub>/TJ)” of the following value:

“**[96 100]** 96 777”;

- (f) by the substitution in the line corresponding to Fuel Type “Sub-bituminous coal” for the expression “Net Calorific Value” of the following value:

“**[0.0192]** 0.01914”;

- (g) by the substitution in the line corresponding to Fuel Type “Other bituminous coal” for the Greenhouse Gas in the column “CO<sub>2</sub> (KGCO<sub>2</sub>/TJ)” of the following value:

“**[94 600]** 82 912”; and

- (h) by the substitution in the line corresponding to Fuel Type “Other bituminous coal” for the expression “Net Calorific Value” of the following value:

“**[0.0192]** 0.02651”.

- (2) Subsection (1) comes into operation on 1 January 2026.

**Amendment of Schedule 2 to Act 15 of 2019, as amended by section 99 of Act 34 of 2019, section 65 of Act 20 of 2021 and section 64 of Act 42 of 2024**

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**62.**(1) Schedule 2 to the Carbon Tax Act, 2019, is hereby amended—

- (a) by the substitution in the line corresponding to IPCC Code “1A” and Activity/Sector “Fuel Combustion Activities” for the allowance in the column “Offsets allowance %” of the following allowance:

“**[10]** 15 except for 1AB Residential (100% tax free allowance)”;

- (b) by the substitution in the line corresponding to in the line corresponding to IPCC Code “1B” and Activity / Sector “Fugitive Emissions from Fuels” for the allowance in the column “Offsets allowance %” of the following allowance:

“**[5]** 10 except 1B1b uncontrolled combustion, and burning coal dumps (100% tax free allowance)”;

- (c) by the substitution in the line corresponding to IPCC Code “1C” and Activity / Sector “Carbon Dioxide Transport and Storage” for the allowance in the column “Offsets allowance %” of the following allowance:

“**[5]** 10”;

- (d) by the substitution in the line corresponding to IPCC Code “2A” and Activity / Sector “Mineral Industry” for the allowance in the column “Offsets allowance %” of the following allowance:

“**[5]** 10”;\*except for 2A5 below;

- (e) by the substitution in the line corresponding to IPCC Code “2A5” and Activity / Sector “Other (please specify)” for the allowance in the column “Offsets allowance %” of the following allowance:

“**[10]** 15”;

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- (f) by the substitution in the line corresponding to IPCC Code “2B” and Activity / Sector “Chemical Industry” for the allowance in the column “Offsets allowance %” of the following allowance:  
“**[5]** 10”;
- (g) by the substitution in the line corresponding to IPCC Code “2C” and Activity / Sector “Metal Industry” for the allowance in the column “Offsets allowance %” of the following allowance:  
“**[5]** 10” except for 2C7 Other;
- (h) by the substitution in the line corresponding to IPCC Code “2C7” and Activity / Sector “Other (please specify)” for the allowance in the column “Offsets allowance %” of the following allowance:  
“**[10]** 15”;
- (i) by the substitution in the line corresponding to IPCC Code “2D” and Activity / Sector “Non-Energy Products from Fuels and Solvent Use” for the allowance in the column “Offsets allowance %” of the following allowance:  
“**[10]** 15”;
- (j) by the substitution in the line corresponding to IPCC Code “2E” and Activity / Sector “Electronics Industry” for the allowance in the column “Offsets allowance %” of the following allowance:  
“**[10]** 15”;
- (k) by the substitution in the line corresponding to IPCC Code “2F” and Activity / Sector “Product Uses as Substitutes for Ozone Depleting Substances” for the allowance in the column “Offsets allowance %” of the following allowance:  
“**[10]** 15”;



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- (l) by the substitution in the line corresponding to IPCC Code “2G” and Activity / Sector “Other Product Manufacture and Use” for the allowance in the column “Offsets allowance %” of the following allowance:  
“~~[10]~~ 15”;
- (m) by the substitution in the line corresponding to IPCC Code “2H” and Activity / Sector “Other” for the allowance in the column “Offsets allowance %” of the following allowance:  
“~~[10]~~ 15”;
- (n) by the substitution in the line corresponding to IPCC Code “4C1” and Activity / Sector “Waste Incineration” for the allowance in the column “Offsets allowance %” of the following allowance:  
“~~[10]~~ 15”;and
- (o) by the substitution in the line corresponding to IPCC Code “5” and Activity / Sector “Other” for the allowance in the column “Offsets allowance %” of the following allowance:  
“~~[10]~~ 15”.

(2) Subsection (1) comes into operation on 1 January 2026.

### **Amendment of section 46 of Act 42 of 2024**

**63.** Section 46 of the Taxation Laws Amendment Act, 2024, is hereby amended by—

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

“(2) Paragraph (a) of subsection (1) comes into operation on 1 January ~~[2023]~~ 2025.”; and

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(b) the addition after subsection (3) of the following subsection:

"(4) Paragraph (c) of subsection (1) comes into operation on 1 January 2025."

### **Amendment of section 1 of Act 46 of 2024**

**64.**(1) Section 1 of the Global Minimum Tax Act, 2024, is hereby amended by the substitution for paragraph (b) of the definition of “Global Anti-Base Erosion Model Rules” or “GloBE Model Rules” of the following paragraph:

“(b) as amended and released from time to time, except any amendments to the definition of minimum rate in Article 10.1.1 of the GloBE Model Rules referred to in paragraph (a), as specified under section 23;”.

(2) Subsection (1) is deemed to have come into operation on 1 January 2024.

### **Amendment of section 2 of Act 46 of 2024**

**65.**(1) Section 2 of the Global Minimum Tax Act, 2024, is hereby substituted by the following section:

“2. For purposes of this Act, the GloBE Model Rules apply for a Fiscal Year on the basis of the—

(a) GLoBE Model Rules as amended and released before the start of the Fiscal Year;

(b) Commentary to the GloBE Model Rules released before the start of the Fiscal Year;

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**[(b)](c)** Administrative Guidance to the GloBE Model Rules released before the start of the Fiscal Year; and

**[(c)](d)** Safe Harbours released before the start of the Fiscal Year.”.

(2) Subsection (1) is deemed to have come into operation on 1 January 2024.

### Short title

**66.** This Act is called the Taxation Laws Amendment Act, 2025.

