



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**

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## **MEDIA STATEMENT**

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### **PUBLICATION OF GAZETTED MULTILATERAL CONVENTION TO IMPLEMENT THE TAX TREATY RELATED MEASURES TO PREVENT BASE EROSION AND PROFIT SHIFTING (BEPS MLI)**

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The Base Erosion Profit Shifting (BEPS) MLI has been published in Government Gazette 47559 of 25 November 2022. The BEPS MLI was approved and ratified by Parliament in terms of section 231(2) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), subject to notifications and reservations.

The overall goal of the BEPS MLI is to swiftly update the existing network of bilateral tax treaties to reduce opportunities for tax avoidance and base erosion by multinational enterprises. The BEPS MLI will be applied alongside existing tax treaties. South Africa currently has 79 bilateral tax treaties in force. In addition, a now defunct bilateral tax treaty with the United Kingdom was extended to Granada and Sierra Leone. 76 of these tax treaty countries have been listed by South Africa in the notifications and/or reservations to be covered by the BEPS MLI. These 76 tax treaties will, after all these countries have ratified the BEPS MLI, meet the tax related BEPS measures without the need to renegotiate these existing bilateral tax treaties.

Out of the above-mentioned 81 tax treaties, only five tax treaties will not be covered by the BEPS MLI, namely, Germany, Zambia, Malawi, Grenada and Sierra Leone. South Africa did not include its tax treaties with Germany, Malawi and Zambia in the list of the tax treaties that must be covered by the BEPS MLI because these tax treaties are currently under bilateral renegotiations and BEPS recommendations have been incorporated in the renegotiated agreements. South Africa did not include its tax treaties with Grenada and Sierra Leone as these tax treaties are incompatible with the provisions of BEPS MLI.

The BEPS MLI will come into force for the Republic of South Africa on 1 January 2023.

The BEPS MLI and notifications and/or reservations can be found on the National Treasury ([www.treasury.gov.za](http://www.treasury.gov.za)) and SARS ([www.sars.gov.za](http://www.sars.gov.za)) websites.



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## MEDIA STATEMENT

Beginning in January 2023, SARS will publish non-binding synthesised texts that summarise the impact of the BEPS MLI on individual tax treaties. Although non-binding, the synthesised texts are the product of consultations between the competent authorities of South Africa and its treaty partners in order to reduce the likelihood of error.

**Issued by National Treasury**

**Date: 01 December 2022**