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MEDIA STATEMENT

PUBLICATION OF THE 2026 DRAFT TAX BILLS FOR COMMENT

The National Treasury and the South African Revenue Service (SARS) today publish, for public comment, the 2026 draft Taxation Laws Amendment Bill (2026 draft TLAB) and the 2026 draft Tax Administration Laws Amendment Bill (2026 draft TALAB). These draft tax bills contain the tax proposals that were made in the 2026 Budget on 25 February 2026.

2026 Draft TLAB

The 2026 draft TLAB provides the necessary legislative amendments required to implement the tax announcements made in Chapter 4 and Annexure C of the 2026 Budget Review, as well as technical corrections. Key tax proposals contained in the 2026 draft TLAB include the following:

- Determining the application of the *de minimis* limit for multiple living annuities
  - To expressly provide that the prescribed *de minimis* limit must be determined on a cumulative basis where an annuitant holds multiple living annuities with the same insurer or fund. This ensures consistent application of the rule and supports the broader policy objective of protecting retirement income.

- Limiting the donations tax exemption rules where a spouse is a non-resident
  - It is proposed that a limitation be introduced on the inter-spousal donations tax exemption. Specifically, the exemption will apply only to donations made to a spouse who is a South African tax resident. This proposal aims to stop spouses from deliberately staggering their cessation of tax residence to avoid paying donations and capital gains tax.

- Special economic zones: introduction of domestic transfer pricing rules
  - It is proposed that the anti-profit shifting rule be replaced with the arm's length principle in respect of domestic transactions between SEZ companies qualifying for the 15 per cent corporate income tax rate and related companies outside the SEZ.

- Leasehold improvements
  - It is proposed that the VAT Act be amended to extend the claw-back mechanism to lessors who are not registered vendors. This would be achieved through a specific declaration process designed to close the current gap that arises when a landlord is not registered for VAT.
- Refunds for carbon budget compliance
  - It is proposed that the current reference to the immediately preceding tax period be deleted. To add clarity, it is proposed that refunds for the first two tax periods can be claimed in the third year. For the remaining tax periods (years three to five), a refund can be claimed in the sixth year, which will also accommodate any technical adjustments needed for the initial two tax periods.

2026 Draft TALAB

The 2026 draft TALAB provides legislative amendments dealing with tax administration announcements made in Annexure C of the 2026 Budget Review, as well as technical corrections. Key tax proposals contained in the 2026 draft TALAB include the following:

- Providing an enabling provision relating to Admission Temporaire/Temporary Admission carnets (ATA Carnets)
  - The ATA Carnet system, established under the ATA and Istanbul Conventions, enables the temporary admission of certain goods without the payment of duties or taxes. The World Customs Organisation and the International Chamber of Commerce launched an electronic ATA Carnet Project which mandates fully digitised carnets. Carnets were historically issued in paper format and manually processed at border posts. This amendment is proposed to ensure that South Africa can implement the new electronic requirements.
- Expanding documentary requirements for second-hand goods
  - To mitigate the risk of fraudulent notional input tax claims, it is proposed that the documentation requirements for second-hand goods vendors be extended to align to those prescribed under the Second-Hand Goods Act and its regulations.
- Permitting pre- or post-deposit screening of refunds by banks

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  - Banks are required to report suspicious tax refunds to SARS and hold the refunds for up to two business days while SARS investigates. The proposed amendment aims to explicitly permit pre- or post-deposit screening of refunds by banks to enable a smoother refund process.

- Interest relief on defaults disclosed during voluntary disclosure application

  - To assist potential applicants, it is proposed that provision be made to specifically permit applicants for voluntary disclosure relief to simultaneously apply for the separate remission of interest in respect of the defaults disclosed in the voluntary disclosure application.

Proposals listed in Annexure C but excluded from the 2026 Draft Tax Bills

The proposal relating to the "Supply of gold to banks", as announced in the 2026 Budget Review, has not been included in the 2026 draft TLAB as it requires further consultation and consideration.

Locating the 2026 draft tax bills and accompanying draft explanatory memoranda

The 2026 draft tax bills and the accompanying draft explanatory memoranda containing a comprehensive description of the proposed tax amendments contained in the draft tax bills can be found on the National Treasury (www.treasury.gov.za) and SARS (www.sars.gov.za) websites.

More general information underlying the changes in rates, thresholds or any other tax amendments can be found in the 2026 Budget Review, available on the National Treasury website.

Due date for public comments on the 2026 draft tax bills

National Treasury and SARS hereby invite comments in writing on the 2026 draft TLAB and 2026 draft TALAB. Please forward written comments to the National Treasury's tax policy depository at AnnexCProposals@zatreasury.onmicrosoft.com and SARS at acollins@sars.gov.za by close of business on **28 August 2026.**

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