



Below, please find issue 165 of ENS' tax in brief, a snapshot of the latest tax developments in South Africa.

case law

- High Court (full bench) | *BASF South Africa (Pty) Ltd v Commissioner for the South African Revenue Service* (A2024 024644) [2026]
 - The dispute related to whether:
 - the Commissioner for the South African Revenue Service (“**SARS**”) was entitled, under Rule 31(3) of the Tax Court rules, to amend its grounds of assessment by introducing three new benchmarking studies and a Multinational Enterprise Group Synergies adjustment; and
 - BASF South Africa (Pty) Ltd (“**BASF**”) could amend its Rule 32 statement to include additional grounds relating to the computation of EBIT and compensation received from Original Equipment Manufacturers.
 - The High Court held that SARS’ proposed amendments did not result in the mere amplification of its existing case, but rather a novation, i.e. an entirely new case based on new facts and new legal contentions and therefore held that SARS was not entitled to amend its grounds of assessment.
 - The High Court further held that the Tax Court erred in refusing BASF’s amendments as BASF objected to the entire transfer pricing adjustment and was therefore entitled to advance new or alternative grounds attacking the correctness of that amount.
 - Find a copy of the judgment [here](#).
- Tax Court (Johannesburg) | *Taxpayer EV (Pty) Ltd v Commissioner for the South African Revenue Service* (IT 25180) [2025] ZATC 16
 - The Tax Court dismissed an application by Taxpayer EV (Pty) Ltd (“**Taxpayer EV**”) for condonation for the late filing of its Rule 37 notice to call an expert witness and the corresponding expert summary in a dispute concerning the 2014 year of assessment.
 - The Tax Court held that Taxpayer EV failed to provide a full, reasonable, and acceptable explanation for its delay, finding that the delay was largely tactical and reactive.
 - The Tax Court further held that the proposed expert evidence was largely inadmissible. It did not provide the Tax Court with independent, specialised accounting evidence that would assist it; instead, it would offer a layperson’s legal interpretation disguised as an expert accounting opinion. Therefore, allowing such evidence would not help the Tax Court and would be prejudicial to the proper conduct of the proceedings.
 - In the absence of a satisfactory explanation, bona fides, and reasonable prospects of success, the application for condonation was refused, with the costs of the application to be determined at the conclusion of the main appeal.
 - Find a copy of the judgment [here](#).

- Tax Court (Johannesburg) | *Taxpayer SX (Pty) Ltd v Commissioner for the South African Revenue Service* (2023/47) [2025] ZATC 17 (9 December 2025)
 - The dispute concerned whether Taxpayer SX (Pty) Ltd's ("**Taxpayer SX**") appeal, relating to allegedly improper Employment Tax Incentive claims under the Employment Tax Incentive Act, No. 26 of 2013, should be stayed on the basis that the issues raised were materially similar to those in a SARS designated test case affecting more than 330 taxpayers.
 - The Tax Court held that the legal and substantive factual issues raised in Taxpayer SX's appeal were sufficiently similar to those in the test case, such that the outcome of the test case was likely to be determinative of the issues in its appeal.
 - The Tax Court further held that Taxpayer SX was not entitled to conditionally agree to the stay of its appeal while simultaneously seeking a right of participation in the test case, as Rule 12(3) of the Tax Court rules requires an unequivocal election.
 - Accordingly, the Tax Court ordered that Taxpayer SX's appeal be stayed pending the finalisation of the test case, dismissed its application for a right of participation, and ordered it to pay the costs of the application.
 - Find a copy of the judgment [here](#).

legislation and draft legislation

- **Primary Legislation | Taxation Amendment Acts for 2026**
 - The following Amendment Acts have been published in Government Gazettes 54446, 54447 and 54448 respectively on 1 April 2026:
 - [Rates and Monetary Amounts and Amendment of Revenue Laws Act 3 of 2026](#);
 - [Tax Administration Laws Amendment Act 4 of 2026](#); and
 - [Taxation Laws Amendment Act 5 of 2026](#).
- **Secondary Legislation | Publication of Public Notice 7314**
 - SARS has published Public Notice 7314 in Government Gazette 54417 on 27 March 2027, in terms of section 210(2) of the Tax Administration Act, 2011 ("**TAA**"), listing an additional incidence of non-compliance that are subject to a fixed amount penalty in accordance with section 210(1) and 211 of the TAA (being the non-submission of income tax returns by Trust).
 - From 4 May 2026, SARS will issue penalty assessment notices (AP34) to notify taxpayers of administrative non-compliance penalties that have been imposed for non-compliance with regard to outstanding trust income tax returns. The penalty assessment notices will reflect imposed penalties, outstanding income tax returns for which tax periods, and corrective measure to be followed to prevent recurring penalties. This penalty will apply to trusts with outstanding income tax returns (ITR12T) for tax periods from 2024 onwards.
 - Find a copy of the Public Notice [here](#).

tax rulings

- **Binding Private Rulings ("BPR")**
 - **BPR 425 | Rehabilitation of mining property**

- This ruling determines the income, donations and value-added tax consequences arising from the development of a sporting and recreational facility as part of the ongoing rehabilitation of mining property by the Applicant.
 - This is a ruling on the interpretation and application of:
 - sections 11(a), 23(g), 55, and 58 of the Income Tax Act, 1962 (“ITA”); and
 - sections 1, definition of “enterprise” and “entertainment” and 17(2)(a) of the Value-Added Tax Act, 1991 (“VAT Act”).
 - This BPR is valid for a period of three years from 26 January 2026.
 - Find a copy of the ruling [here](#).
- **BPR 426 | Residential accommodation**
 - This ruling considers the application of paragraph 9(7) of the Seventh Schedule to the ITA to residential accommodation to be provided by the Applicant to qualifying employees.
 - This is a ruling on the interpretation and application of:
 - section 1(1) – definition of “gross income” and definition of “remuneration” and “employer” in the Fourth Schedule to the ITA; and
 - paragraphs 2(d), 9(3), 9(3)(c) and 9(7) of the Seventh Schedule to the ITA;
 - This BPR is valid for a period of five years from 18 February 2026.
 - Find a copy of the ruling [here](#).
- **BPR 427 | Premium paid for right of use**
 - This ruling determines whether an operator of a solar farm qualifies for a capital allowance in relation to the payment of a lease premium to secure access to the electricity grid.
 - This is a ruling on the interpretation and application of sections 11(f)(i), (ii) and (v) of the ITA.
 - This BPR is valid for a period of five years from 11 March 2026.
 - Find a copy of the ruling [here](#).

SARS publications

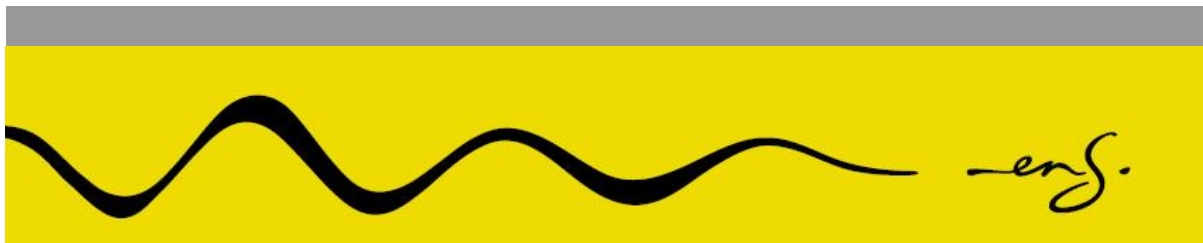
- **Interpretation notes (“IN”)**
 - **IN 122 (Issue 2) | Public Benefit Activity: Bid to host or hosting of any international event**
 - SARS has published an updated Interpretation Note 122 providing guidance on the interpretation of the public benefit activity relating to the bid to host or hosting of any international event approved by the Minister having regard to the specified prescribed criteria in terms of paragraph 11(b) of Part 1 of the Ninth Schedule to the ITA.
 - Find a copy of Interpretation Note 122 (Issue 2) [here](#).
- **IN 78 (Issue 2) | Allowance for Future Expenditure on Contracts**
 - SARS has published an updated Interpretation Note 78 providing guidance on the interpretation of section 24C of the ITA, relating to when income is received in advance, but the expenditure under the contract will be incurred only in a subsequent year of assessment.
 - Find a copy of Interpretation Note 78 (Issue 2) [here](#).
- **Appointment of Dr Makhubu as SARS Commissioner**
 - The President has appointed Dr Ngobani Johnstone Makhubu as the new Commissioner for SARS from 1 May 2026, for a period of five years in terms of section 6 of the South African Revenue Service Act, 1997.

- Find more information [here](#).
- **Employer Annual Reconciliation (“EMP501”)**
 - The Employer Annual Declaration season will run from 1 April to 31 May 2026.
 - During this time, employers are legally required to submit their EMP501 with accurate and up to date payroll and tax information for their employees, including valid Income Tax Reference Numbers where applicable.
 - Find more information [here](#).
- **Update on the modernisation of the Diesel refunds system**
 - Following the earlier communication dated 12 December 2025 (reference number 7/6/1/1/2/PQ/DRS/2025/Dec-1), SARS informs stakeholders that the new Diesel Refund Registration System will open later than initially communicated.
 - For more information see the [Letter to the External Stakeholders](#).

customs and excise

- **Customs and Excise Act, 1964 | Tariff Amendments**
 - [Notice R.7340](#)
 - Part 5A of Schedule No. 1, to provide for a reduction of 300c/li in the rate of the general fuel levy from 410c/li to 110c/li on petrol and a reduction of 300c/li from 393c/li to 93c/li on diesel in order to give effect to the announcement by the Minister of Finance on 31 March 2026.
 - The tariff amendment will be with effect from 1 April 2026 up to and including 5 May 2026.
 - [Notice R.7341](#)
 - Part 3 of Schedule No. 6, as a consequence of the reduction in the general fuel levy as announced by the Minister of Finance on 31 March 2026; the diesel refund provisions are adjusted accordingly.
 - The tariff amendment will be with effect from 1 April 2026 up to and including 5 May 2026.
 - [Notice R.7301](#)
 - Amendment to Schedule No. 1, to implement the revised Tariff Rate Quota in terms of the Economic Partnership Agreement (SADC-EU EPA).
 - With effect from 1 September 2025 up to and including 31 December 2025.
 - [Notice R.7303](#)
 - Amendment to Schedule No. 1, to implement the revised Tariff Rate Quota in terms of the Economic Partnership Agreement (SADC-EU EPA).
 - With retrospective effect from 1 January 2026.
 - [Notice R.7302](#)
 - Amendment to Schedule No. 1, to implement the revised Tariff Rate Quota in terms of the Economic Partnership Agreement (SACUM-UK EPA).
 - With retrospective effect from 1 September 2025 up to and including 31 December 2025.
 - [Notice R.7304](#)
 - Amendment to Schedule No. 1, to implement the revised Tariff Rate Quota in terms of the Economic Partnership Agreement (SACUM-UK EPA).
 - With retrospective effect from 1 January 2026

- [Notice R.7297](#)
 - Amendment to Part 3F of Schedule No. 1, by an increase of R72 per tonne in the rate of environmental levy on carbon dioxide equivalent from R236 to R308 per tonne to give effect to the Budget proposals announced by the Minister of Finance on 25 February 2026.
 - With retrospective effect from 1 January 2026.
- [Notice R.7298](#)
- Amendment to Part 5A of Schedule No. 1, to provide for:
 - an increase of 9c/li in the rate of the general fuel levy from 401c/li to 410c/li on petrol and an increase of 8c/li from 385c/li to 393c/li on diesel;
 - the substitution to Note 8; and
 - an increase of 5c/li in the carbon fuel levy from 14c/li to 19c/li for petrol and an increase of 6c/li from 17c/li to 23c/li for diesel, respectively, in order to give effect to the Budget proposals announced by the Minister of Finance on 25 February 2026.
- With retrospective effect from 1 April 2026.
- [Notice R.7299](#)
 - Amendment to Part 5B of Schedule No. 1, by an increase of 7c/li in the RAF levy from 218c/li to 225c/li on both petrol and diesel, to give effect to the Budget proposals announced by the Minister of Finance on 25 February 2026.
 - With effect from 1 April 2026.
- [Notice R.7300](#)
 - Amendment to Part 3 of Schedule No. 6, as a consequence of the increase in the general fuel levy and RAF levy as announced by the Minister of Finance in his budget speech of 25 February 2026; the diesel refund provisions are adjusted accordingly.
 - With effect from 1 April 2026.



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