

Tax bulletin:

Global, indirect tax
and mobility updates





Executive summary:

This edition of the Tax Bulletin highlights important developments in global tax, indirect tax, customs and global mobility that may affect multinational groups, cross-border traders, treasury structures, employers and businesses operating in or through Southern Africa. The updates point to a common trend: tax and regulatory compliance is becoming more data-driven, more operational and more dependent on coordinated input from tax, finance, legal, HR, systems and business teams. Organisations should use the implementation windows to strengthen governance, test data readiness, review contractual protections and ensure that decision-makers understand the commercial impact of emerging tax obligations.

At a glance:

This bulletin covers South Africa's first Global Minimum Tax filing season, proposed refinements to the CFC and DTMC currency translation rules, SARS' Advance Pricing Agreement pilot programme, indirect tax and carbon tax proposals, Botswana's Customs Amendment Act, 2026 and Phase II of South Africa's Trusted Employer Scheme.



Global tax updates



WhatsApp chat with Nicole Wunfo:

Nicole, 12:54 PM
Me being unavailable to reply to messages did not mean you weren't allowed to send anything. And there were some of you that did send through their invoices, even though I was on leave so those have been processed. Thanks

Nicole Wunfo, Wednesday at 12:53 PM
Ah that was unclear
if this month has already been processed, could we submit both this month's invoice and the next month's invoice together for next month's processing?

Nicole, 12:39 PM
No, we are not doing back payments.
It is your responsibility to send the invoices on time, regardless of whether I am available on Skype or not

Nicole, 12:42 PM
I am not comfortable covering the company's expenses because the communication was unclear - especially when my intent was to respect leave time and not message on Skype

Nicole, 12:45 PM
I am not comfortable covering the company's expenses because the communication was unclear - especially when my intent was to respect leave time and not message on Skype

Nicole Wunfo, Wednesday at 12:38 PM
I agree

Nicole, 12:46 PM
No communication was clear, and let's say, there were several people that sent their invoices on time regardless of my leave. Because it is a deadline and we are sticking to it. I have confirmed this with Rene.



South Africa's first Global Minimum Tax filing season: key lessons for multinational groups

South Africa's first Global Minimum Tax (GMT) filing season closed on 31 July 2026. Multinational enterprise groups within scope were required to submit the GMT01 return and GMT02 declaration to the South African Revenue Service (SARS). For many groups, this was their first practical experience of GMT compliance, and the process highlighted how different GMT is from a routine annual tax return.

The filing process showed that GMT depends on accurate group-wide data, consistent interpretation of the rules and close coordination between tax, finance, legal, systems and international teams. Groups that treated GMT as a year-end compliance exercise generally experienced more pressure than those that started early, assigned clear ownership and agreed internal review timelines.

Who should be involved in preparing and submitting the GMT return?

GMT compliance is not only a tax department responsibility. CFOs need assurance that the data used in the return is complete, reliable and reconciled. In-house legal and regulatory teams need to understand how the rules interact with group structures, intercompany arrangements, ownership of intangibles and governance documents. Where local and group teams had different views on these matters, the filing process was delayed.

The first filing season also showed the importance of documenting roles, responsibilities and escalation routes before the filing process starts. Where organisations did not have clear procedures for collecting information, resolving technical questions and approving submissions, more time was spent by all stakeholders. In addition, taxpayers had to navigate the practical challenges of a new SARS filing system.

Practical challenges experienced during the first filing season



System errors and technical difficulties:

A key challenge was the implementation of the new GMT functionality on SARS eFiling. Taxpayers and SARS both experienced practical difficulties during the filing period. For taxpayers, common issues included configuring profiles correctly, merging existing profiles and ensuring that the profile was “clean” before GMT registration.



Intermittent eFiling issues:

Taxpayers experienced validation errors, interrupted submissions and slow system performance. These issues often resulted in repeated submission attempts, additional checks and further verification before returns could be finalised.



Slow response times:

During the initial stages, SARS responses to queries were sometimes slow, particularly where matters involved complex registration issues, profile errors or areas where SARS guidance was still developing. Encouragingly, response times and resolution of complex matters appeared to improve as implementation progressed.



What CFOs and in-house legal teams should do now

Businesses should treat GMT as an ongoing compliance programme, not a once-off annual filing. The first filing season provides a useful baseline for identifying gaps in data, documentation, approval processes and governance.

CFOs should prioritise data readiness, reconciliation and internal reporting timelines. In-house legal teams should review group structures, intercompany agreements, ownership documentation and governance records to ensure they support the GMT analysis. Tax teams should confirm that the appropriate SARS eFiling access rights are in place well before the next filing deadline.

Early preparation and remediation will reduce the risk of late submissions, inconsistent reporting, duplicated effort and avoidable disputes in future years.

Proposed CFC and DTMC currency translation amendment: removing artificial foreign exchange distortions

The 2026 Draft Taxation Laws Amendment Bill proposes a technical amendment to address an unintended consequence in the interaction between the controlled foreign company (CFC) and domestic treasury management company (DTMC) rules.

Currently, where a domestic treasury management company (DTMC) and its controlled foreign company (CFC) use the same functional currency, the CFC's net income is first translated into South African rand under section 9D(6), before being translated back into the DTMC's functional currency and ultimately into rand again. This "round-trip" conversion can create artificial foreign exchange gains or losses where different average exchange rates apply, despite there being no underlying economic currency exposure.

The proposed amendment will allow the CFC's net income to remain in the shared functional currency where the DTMC and CFC have the same functional currency, with the amount translated into rand only when determining the DTMC's taxable income. This should simplify CFC calculations, reduce administrative complexity and better align the tax outcome with the commercial reality of the structure.

The amendment is proposed to take effect from 1 January 2027 and apply to foreign tax years of CFCs ending on or after that date.

SNG Grant Thornton perspective: We welcome this proposed amendment as a practical refinement that addresses an unintended consequence of the existing CFC and DTMC rules, rather than introducing a new tax policy.

Taxpayers should assess whether the proposal affects existing treasury structures, CFC calculations and compliance processes before implementation.



South Africa’s Advance Pricing Agreement pilot programme: a new route to transfer pricing certainty

SARS has taken an important step in developing South Africa’s transfer pricing framework by implementing an advance pricing agreement (APA) pilot programme. An APA is a binding agreement between SARS and a taxpayer, often involving a foreign tax authority, that confirms in advance the transfer pricing method, key assumptions and terms that will apply to covered transactions for an agreed period.

The programme is intended to give qualifying taxpayers upfront certainty on specified cross-border related-party transactions. In practice, this can reduce uncertainty, help prevent future disputes and support more predictable tax outcomes for multinational groups.





Why this matters

Transfer pricing remains one of the most significant tax risk areas for multinational groups. Traditional transfer pricing audits often take place years after the transaction, when facts are harder to support and dispute resolution can be costly. A bilateral APA changes the dynamic by allowing the taxpayer, SARS and the relevant foreign tax authority to agree the pricing basis in advance.

For CFOs and finance teams, the benefit is improved forecasting and reduced tax volatility. For legal and regulatory teams, it provides a clearer framework for managing cross-border arrangements. For audit partners, it creates stronger support for transfer pricing positions where the agreed terms are followed. For entrepreneurs scaling internationally, the programme signals the direction of travel: transfer pricing governance must be built into cross-border growth plans early.

Who can apply during the pilot phase?

The pilot programme is deliberately limited. SARS has indicated that applications will be restricted to South African tax-resident taxpayers that are tax compliant and involved in qualifying cross-border related-party transactions. The current SARS guidance indicates that the applicant must have standalone turnover exceeding ZAR 10 billion in the year of assessment preceding the request for a pre-application consultation.

In addition, the transaction values must be significant. For distribution or manufacturing arrangements, the expected annual transaction value for each year covered by the APA must exceed ZAR 1 billion. For intragroup services, the expected annual transaction value must exceed ZAR 300 million.



What transactions are covered?

During the pilot phase, SARS will focus on specific categories of affected transactions, namely distribution, manufacturing and intragroup services. This narrow scope suggests that SARS is taking a controlled implementation approach while it builds specialist capability and tests the programme in practice.

Taxpayers considering an APA should expect a rigorous substance review. SARS is likely to focus on where value is created, where key decisions are made, which entity controls the relevant risks, and whether the proposed pricing method aligns with the commercial reality of the group's operating model.

Cost and administrative commitment

The APA process will require a meaningful investment of time and cost. SARS' framework includes consultation, application, cost-recovery and ongoing maintenance requirements. Businesses should therefore assess whether the expected certainty justifies the cost, internal effort and disclosure involved.



Practical considerations before applying

An APA application should not be approached as a routine filing. Before engaging SARS, taxpayers should test whether the transaction is suitable for an APA, whether the supporting transfer pricing documentation is robust, and whether the group can provide reliable financial, legal and operational evidence for the proposed pricing position.

Businesses should also consider whether the relevant treaty partner is likely to have the capacity and willingness to engage in a bilateral process. The success of a bilateral APA depends not only on SARS, but also on the cooperation of the foreign tax authority involved.

Key actions for taxpayers



Identify high-value cross-border related-party transactions that may fall within the pilot scope.



Assess whether the facts, substance and pricing methodology are stable enough to support a multi-year APA.



Confirm whether the South African applicant meets the turnover, residence and tax-compliance requirements.



Consider the cost-benefit case, including expected certainty, audit-risk reduction and internal resource requirements.



Review transfer pricing documentation, functional analyses, benchmarking and intercompany agreements.



Engage early with tax, finance, legal, operational and overseas group stakeholders.

SNG Grant Thornton perspective: South Africa's APA pilot programme is a welcome development for transfer pricing certainty, but it is not yet a broad-based solution for all taxpayers. The high transaction thresholds, narrow pilot scope and expected documentation burden mean that only a limited number of large taxpayers are likely to qualify initially. Groups that may qualify should begin readiness assessments now, while other taxpayers should view the programme as a signal to strengthen transfer pricing governance, documentation and dispute-prevention processes.



Sector-specific updates

South African indirect tax amendments: Customs & Excise, VAT and Carbon Tax

2026 Draft Taxation Amendment Bill includes several indirect tax proposals with practical implications for importers, exporters, special economic zone participants and businesses exposed to carbon tax. Although the proposals are still subject to the legislative process, affected businesses should assess their likely impact on pricing, contracts, systems, compliance processes and financial forecasts.

1 Continuation of Customs, Excise, and VAT schedule amendments

2026 Draft Taxation Amendment Bill provides for the continued validity of specific amendments to the schedules of the Customs and Excise Act, 1964 and the VAT Act, 1991, including tariff, customs duty, excise duty, environmental levy, fuel levy, diesel refund and VAT-related schedule amendments that were implemented through the annual Budget process or another prescribed effective date. The continuation provisions ensure that schedule amendments remain legally effective while completing the parliamentary approval process, thereby providing certainty for taxpayers and traders.

In addition, ongoing reforms to the diesel refund regime include the modernisation of the diesel refund administration system, the separation of diesel refund registration from VAT registration, the introduction of a dedicated Diesel Refund Registration platform and enhanced relationship management requirements between diesel users and suppliers. SARS has also implemented amendments affecting diesel refund calculations arising from fuel levy changes and continues to reform diesel refund administration and compliance processes.

Business impact: Importers, exporters, manufacturers, warehouse operators, fuel users and finance teams should review the specific Customs, Excise and VAT schedules affected by recent amendments and ensure that tariff classifications, customs duties, excise duties, fuel levies, diesel refund entitlements, rebates, VAT treatments, import processes and export procedures remain aligned with the effective legislation and schedules. Particular attention should be paid to changes implemented from Budget Day or another specified effective date, as incorrect application may result in customs declaration errors, underpayments or overpayments of duty and VAT, diesel refund exposures, non-compliance with customs procedures, inaccurate landed costs, pricing impacts and potential difficulties recovering amounts from customers. Organisations that claim diesel refunds should also assess whether their registration, record-keeping, logbooks, supplier relationships and internal controls are aligned with SARS' revised diesel refund framework and modernisation initiatives.

2 VAT zero-rating for services supplied to special economic zone operators

A proposed amendment to section 11(2)(k) of the VAT Act revises the wording governing the zero-rating of qualifying services physically rendered to a special economic zone (SEZ) operator. The amendment appears intended to clarify the circumstances in which the zero rate applies.

Why this matters: The wording could affect whether services supplied to SEZ operators qualify for zero-rating and whether the benefit remains limited to services physically performed within a customs-controlled area. Vendors should not assume that every service supplied to an SEZ operator qualifies for the zero rate.

Recommended action: Review service agreements, the location where services are physically performed, the status of the recipient and the documentary evidence supporting zero-rating. Where the treatment is uncertain, businesses should consider obtaining advice before issuing invoices or claiming adjustments.

3 Carbon budget tax refunds

The proposed amendment to section 17A of the Carbon Tax Act clarifies when taxpayers may claim refunds for compliance with an approved carbon budget. Under the proposal, refunds relating to the first two tax periods may be claimed in the third year, while refunds relating to years three to five may be claimed in the sixth year.

Business impact: The proposal gives taxpayers a clearer timetable for refund claims, but it may delay the cash-flow benefit. Companies should align carbon-budget monitoring, verification records and refund forecasts with the revised claim periods.

Recommended action: Model the timing and value of expected refunds, confirm that emissions data can be reconciled to carbon tax returns, and retain evidence demonstrating performance against the approved carbon budget.

4 Proposed emissions-based threshold for commercial and institutional activities

The proposed amendment replaces the existing 10 MW(th) threshold with an emissions-based threshold of 25,000 tonnes of carbon dioxide equivalent. This would link the threshold more directly to actual greenhouse-gas emissions rather than installed thermal capacity.

Business impact: Some commercial and institutional facilities that were previously outside the carbon tax net may become subject to registration, measurement, reporting and payment obligations. Groups with multiple facilities should also consider whether emissions are monitored consistently across the organisation.



Key actions for affected businesses



SNG Grant Thornton perspective:

The proposals reinforce the need for indirect tax and environmental tax compliance to be managed as operational risks, not only as tax-return obligations. Businesses should use the legislative lead time to validate system settings, clarify uncertain VAT treatments, improve emissions data governance and quantify the financial impact before the amendments are enacted.



Botswana Customs Amendment Act, 2026: executive summary for CFOs and in-house legal teams

Botswana's Customs Amendment Act, 2026 materially increases customs compliance, enforcement and debt-recovery risk for businesses involved in cross-border trade. CFOs should assess the impact on landed cost, working capital, customs debt, penalties and provisioning. In-house legal teams should review contracts, delegation frameworks, customs records and escalation procedures to ensure the business can respond quickly to BURS audits, third-party recovery notices, seizures and disputes.

Botswana Customs Amendment Act, 2026: concise client alert

Botswana's Customs Amendment Act, 2026 introduces significant changes to the country's customs framework. The amendments modernise customs administration, expand BURS enforcement powers, strengthen debt-recovery mechanisms and introduce clearer rules for valuation, origin, Special Economic Zones and customs assessments.

The Act is relevant to importers, exporters, logistics providers, SEZ participants, businesses using preferential trade arrangements and companies that may hold money for, or trade with, customs debtors. The reforms are effective from 1 July 2026, giving affected organisations limited time to strengthen customs governance and readiness.



What has changed?

The key changes affect importer and exporter responsibilities, advance binding rulings, BURS enforcement powers, departure and aircraft reporting, customs valuation, customs debt, third-party recovery, seizure powers, intellectual property border protection, SEZs, rules of origin and the period within which customs assessments may be raised.

Key implications for business

Broader customs responsibility: The expanded definitions of “importer”, “exporter” and “goods” may extend responsibility to persons acting on behalf of, representing or having a beneficial interest in goods. Businesses should confirm who bears customs responsibility under logistics, agency, financing and sale agreements.

Greater certainty, but higher scrutiny: Advance binding rulings may help reduce disputes on classification, valuation and origin. At the same time, customs valuation rules are being updated, which may increase scrutiny of related-party pricing, royalties, licence fees, transport costs and supporting documentation.

Confirm customs responsibility across import, export, agency and freight-forwarding arrangements.

Review valuation support for related-party imports, royalties, licence fees and transport or insurance charges.

Consider advance binding rulings where classification, valuation or origin positions are uncertain.

Customs debt, enforcement and third-party exposure

The Act gives customs debt clearer legal status and allows BURS to pursue recovery through partial-payment arrangements, continued enforcement and third-party recovery notices. BURS may recover unpaid customs debts from persons who hold money for, bank, employ or owe money to a customs debtor. procurement bodies and regulators regarding gender balance in leadership structures.

Business impact: CFOs should treat customs debt as a live financial risk and review cash-flow forecasts, provisioning, settlement authority and exposure to third-party recovery notices. Legal teams should ensure there is a clear process for validating and responding to BURS notices.



Operational border risks

BURS and customs officers have broader powers to detain goods, seize goods and transport, retain electronic records and devices, and forfeit property used in customs violations. The Act also introduces additional departure-reporting obligations and advance reporting requirements for aircraft operators.

Business impact: Border delays, detention or seizure can quickly affect supply chains, customer commitments and cash flow. Companies should brief customs brokers, logistics providers, border staff and internal legal, tax and finance teams on escalation steps.

SEZs, origin and intellectual property

The Act introduces dedicated rules for SEZs, more detailed origin provisions and border protection measures for intellectual property rights. These changes affect companies operating in SEZs, claiming preferential duty treatment, importing branded goods or managing regional supply chains.

Business impact: SEZ procedures, inventory controls, duty treatments, supplier declarations, certificates of origin and licence documentation should be reviewed before the effective date. Incorrect origin claims or inadequate product-authenticity records may result in duty exposure, delays or disputes.

Assessment period and document retention

The amendments introduce a five-year limitation period for customs assessments and reassessments, with exceptions for fraud, misrepresentation, material non-disclosure, certain court-ordered reassessments and settlement agreements.

Business impact: The limitation period provides greater certainty, but businesses still need robust records. Customs documentation, valuation evidence, origin support, contracts and BURS correspondence should be retained for at least the assessment period and longer where audits or disputes are ongoing.



Key actions for CFOs and in-house legal teams

Affected businesses should use the period before implementation to confirm customs responsibilities, test valuation and origin support, review contractual protections and strengthen procedures for managing BURS audits, seizures, settlement discussions and recovery notices.

Map customs responsibilities across importers, exporters, agents, freight forwarders, SEZ operators and group companies.

Review customs valuation positions, especially related-party transactions, royalties, licence fees and transport or insurance charges.

Confirm controls over customs debt, provisioning, partial-payment arrangements and settlement authority.

Update procedures for responding to BURS audits, seizure notices, garnishee notices and information requests.

Review SEZ operating procedures, inventory controls, customs declarations and duty treatment.

Strengthen rules-of-origin documentation for goods traded under preferential trade arrangements.

Ensure customs records are retained for the limitation period and are readily available during audits or disputes.

SNG Grant Thornton perspective: The Botswana Customs Amendment Act, 2026 should be treated as a governance and risk-management issue, not only as a customs technical update. CFOs should assess the potential impact on landed cost, cash flow, penalties, customs debt and provisioning. In-house legal teams should review contracts, delegation frameworks, documentation standards and escalation processes. Businesses that prepare early will be better placed to manage BURS queries, defend customs positions and avoid operational disruption at the border.



Global mobility updates

Trusted Employer Scheme Phase II: what employers need to know

The Department of Home Affairs has launched Phase II of the Trusted Employer Scheme (TES). The initiative is designed to make it easier and faster for approved businesses to recruit foreign workers with critical skills. It forms part of South Africa's efforts to reduce administrative delays, attract investment, support economic growth and promote job creation.



Key developments

The scheme has been expanded to include employers that can demonstrate meaningful economic contribution and a clear need for critical foreign skills in priority areas, including:

- ✓ Companies involved in strategic infrastructure projects, including large-scale projects that support national logistics, energy, water, transport, digital connectivity or other public-interest infrastructure priorities.
- ✓ Multinational businesses that have established, or intend to establish, regional or global headquarters in South Africa and can show local presence, financial contribution and employment impact.
- ✓ Qualifying entities in the financial sector, including financial institutions or financial-centre structures that support South Africa's role as a regional financial hub.

- ✓ A new online application system has been introduced.
- ✓ The system will eventually be integrated into South Africa's Electronic Travel Authorisation (ETA) platform.
- ✓ Companies approved under TES will benefit from a simplified visa application process for skilled foreign employees.

✓ **Applicants must show that they:**

- Make a meaningful investment or financial contribution in South Africa, assessed by reference to matters such as proven or pledged investment, local presence, financial strength and the scale of the employer's South African operations.
- Employ mostly South African citizens or permanent residents.
- Invest in skills development for South African citizens or permanent residents through structured training, bursary, learnership, knowledge-transfer or similar programmes.
- Operate in priority sectors for TES Phase II purposes, including strategic infrastructure, regional or global headquarters activities, qualifying financial-sector activities and other sectors considered important for investment, economic growth and job creation.

- ✓ Applications will be evaluated by an independent interdepartmental committee.
- ✓ Applications for Phase II opened on 20 July 2026 and close on 4 September 2026.

What this means for employers

- 1 Faster access to critical skills: TES allows approved employers to bring in scarce skills more quickly by reducing administrative delays in the visa process.
- 2 Encouraging investment: The government is signalling that South Africa is open to qualifying investment, particularly in strategic infrastructure, multinational headquarters and financial services.

Supporting local employment: Although TES facilitates the recruitment of foreign specialists, participating employers must still demonstrate a commitment to employing South African citizens or permanent residents and investing in skills development.



Tax residency of foreign employees

South Africa follows a residence-based tax system. South African tax residents are generally taxed on worldwide income, while non-residents are taxed only on South African-source income.

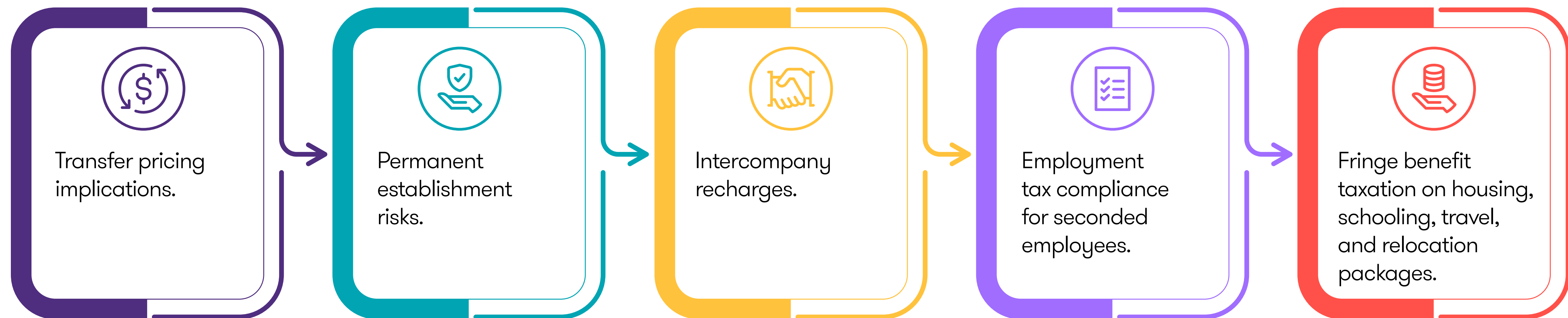
Because different countries may seek to tax the same income, there is a risk of double taxation. To address this, South Africa has entered into Double Taxation Agreements (DTAs) with various countries. These agreements allocate taxing rights between countries and provide relief from double taxation.

Under certain double taxation agreement provisions, a non-resident's employment income earned in South Africa may be exempt from South African income tax if the relevant treaty requirements are met. TES does not change these tax-residency rules; it only facilitates the visa process.



Expatriate assignment structures

For multinational companies establishing regional or global headquarters in South Africa under TES Phase II, additional tax considerations may arise:



SNG Grant Thornton perspective: TES Phase II may help qualifying employers access critical skills more efficiently, but it should be managed alongside tax, immigration, employment, transfer pricing and permanent-establishment considerations. Employers should involve tax, legal, HR and mobility teams early when planning assignments or regional headquarters structures.

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