

Deferral of payment arrangements with SARS:

What you need to know



Deferral of payment arrangements with SARS:

The Tax Administration Act provides that a person who wilfully or negligently fails to pay tax when due commits an offence. However, in practice, SARS generally treats ordinary non-payment as a debt matter rather than a criminal one. Once the payment due date and any applicable grace period have lapsed, late payment interest will begin to accrue and SARS may initiate debt collection steps, unless there is evidence of fraud, dishonesty, or intentional non-compliance.



When can you request a payment arrangement?

If a taxpayer is unable to settle their tax liability in full after an assessment has been issued, they may request to enter into a payment arrangement with SARS. Importantly, a taxpayer does not need to wait for debt collection action to commence before applying. It is often advisable to engage SARS proactively where financial constraints exist.

What is a payment arrangement?

A payment arrangement is a formal agreement with SARS that allows a taxpayer to settle outstanding tax in one future lump sum or in instalments over an agreed period. The arrangement covers the full outstanding amount, including any applicable interest. Meaning when the agreement is concluded, the repayment amount includes interest that will accrue over the agreed payment term.

When will SARS approve a payment arrangement?

SARS will only approve a payment arrangement if it is satisfied that the request is justified and reasonable in the circumstances. This includes situations where:

- ✓ You cannot afford to pay the full amount right now due to lack of assets or cash flow constraints. However, your financial situation is expected to improve in the future.
- ✓ You have future income that can be used to pay the debt, as you anticipate receiving an income or other receipts which can be used to settle the tax debt.
- ✓ Collecting the debt immediately would be difficult, costly, or unrealistic but are likely to improve in the future.
- ✓ A payment plan would be fair in your circumstances and will not harm SARS' ability to collect the tax debt.
- ✓ You can provide security if SARS requests it.
- ✓ You have submitted all outstanding tax returns. You are otherwise compliant with SARS, apart from the outstanding tax debt.



The payment period

A payment arrangement may be structured over a period of between 1 and 36 months. Where the proposed repayment period is between 1 and 6 months, SARS generally does not require supporting documentation. However, where the repayment period exceeds 6 months, SARS will require supporting documentation before approving the arrangement.

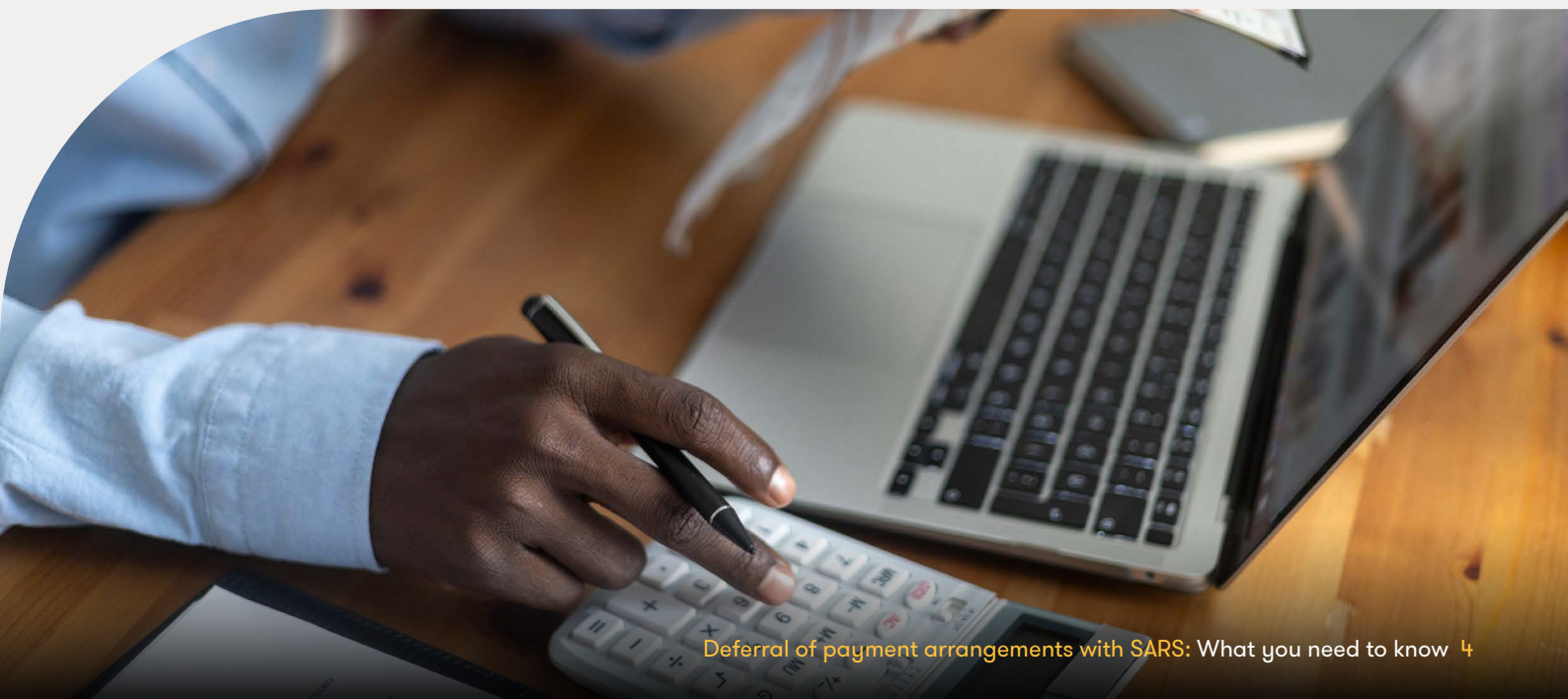
Supporting documents required

For Company / Close Corporation / Trust / Sole Proprietor/ Partnership:

- ✓ Bank statements for the past three months
- ✓ A 12-month cash flow projection
- ✓ Financial statements for the previous three years (where applicable)
- ✓ Management accounts from the last financial year-end to date
- ✓ A detailed asset register, including disposals for the past three years
- ✓ A detailed debtor and creditor analysis

For individuals (salary earners):

- ✓ Bank statements for the past six months
- ✓ Most recent payslip
- ✓ Proof of outstanding monthly expenses



How to apply

A taxpayer may apply for a payment arrangement through one of the following channels:

SARS eFiling: Log into your SARS eFiling profile and select the option to apply for a payment arrangement.

SARS Contact Centre: Contact the SARS Contact Centre on 0800 00 7277 and request assistance with submitting a payment arrangement application. SARS will provide the necessary documentation for signature in order to formalise the arrangement after the process has been initiated on the call.

SARS Branch Office: Visit a SARS branch office for in-person assistance or book a virtual appointment to obtain guidance and submit your application.

If you are currently engaging with SARS or anticipating a dispute, early structuring of your response can materially affect the outcome.

For general enquiries please contact us at info@sng.gt.com

Contributor to this article:



Phumla Taho

Senior Tax Consultant

Phumla.Taho@sng.gt.com



© 2026 SNG Grant Thornton - All rights reserved.

“Grant Thornton” refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. SNG Grant Thornton is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another’s acts or omissions.