

## South Africa

### Summary of CbC Reporting and Transfer Pricing Documentation Rules

For more detailed guidance and the latest updates, please see the [Bloomberg Tax BEPS Tracker](#).

#### Country-by-Country Report

- Effective Date: Fiscal years beginning on or after January 1, 2016.
- Filing Threshold: South African MNEs with annual consolidated group revenue of at least ZAR 10 billion in the preceding fiscal year.
- Local Filing: A South African resident constituent entity must file a CbC report if certain conditions are met.
- Information Reported: Consistent with OECD guidance.
- Language: English
- Forms/Filing Instructions (see Bloomberg Tax International Tax Forms database):
  - CbC Notification of Reporting Entity: Filed via email to [Bus\\_Sys\\_CDsupport@sars.gov.za](mailto:Bus_Sys_CDsupport@sars.gov.za). The notification is also included in the corporate income tax return (Form ITR14).
  - CbC Report: Form CbC01 – filed electronically via the SARS eFiling platform.
- Deadline for Filing Notification of Reporting Entity: Within 12 months after the last day of the reporting fiscal year.
- Deadline for Filing CbC Report: Within 12 months after the last day of the reporting fiscal year.
- Penalties: Non-compliance penalties ranging from ZAR 250 to ZAR 16,000 per month may apply.
- Exchange of Information:
  - MCAA CbC: signed.
  - U.S. CAA CbC: signed.

For a schedule of CbC report and CbC notification deadlines (by country), please see [CbC Reporting Deadlines](#).

#### Master File

- Effective Date:
  - Fiscal years beginning on or after October 1, 2016 (if the South African entity is not responsible for filing the CbC report).
  - Fiscal years beginning on or after January 1, 2016 (if the entity responsible for filing the CbC report is a South African resident).
- Filing Threshold: South African entities with total “potentially affected transactions” (i.e., cross-border transactions with connected persons) that exceed or are reasonably expected to exceed ZAR 100 million for the year of assessment (without offsets). South African entities required to file a CbC report in South Africa must also file a Master File.
- Information Reported: Generally in line with OECD guidance (details of the content are provided in the Business Requirements Specifications (BRS) issued by the tax authorities).
- Language: English

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- Deadline for Filing: Filed electronically within 12 months from the end of the entity's financial year via the SARS eFiling platform.
- Penalties: Non-compliance penalties may apply.

## **Local File**

- Effective Date:
  - Fiscal years beginning on or after October 1, 2016 (if the South African entity is not responsible for filing the CbC report).
  - Fiscal years beginning on or after January 1, 2016 (if the entity responsible for filing the CbC report is a South African resident).
- Filing Threshold: South African entities with total “potentially affected transactions” (i.e., cross-border transactions with connected persons) that exceed or are reasonably expected to exceed ZAR 100 million for the year of assessment (without offsets). South African entities required to file a CbC report in South Africa must also file a Local File.
- Information Reported: Generally in line with OECD guidance (details of the content are provided in the Business Requirements Specifications (BRS) issued by the tax authorities).
- Language: English
- Deadline for Filing: Filed electronically within 12 months from the end of the entity's financial year via the SARS eFiling platform.
- Penalties: Non-compliance penalties may apply.

## **Transfer Pricing Recordkeeping**

Transfer pricing recordkeeping requirements apply to entities with total “potentially affected transactions” (i.e., cross-border transactions with connected persons) that exceed or are reasonably expected to exceed ZAR 100 million for the year of assessment. The recordkeeping requirements include records and documents related to (i) business structure and operations and (ii) cross-border intercompany transactions that exceed or are reasonably expected to exceed ZAR 5 million for the year of assessment. The records must be submitted within 21 days of a request of the tax authorities during a transfer pricing audit.

*For more detailed guidance, please see Portfolio 7350-1<sup>st</sup>: [Business Operations in South Africa, Section XIII.C](#). – Intercompany Pricing: Scope of Intercompany Pricing Provision: Documentation Requirements.*

## **Transfer Pricing Disclosure**

Taxpayers must disclose on the corporate income tax return (Form ITR14) certain information regarding cross-border related party transactions during the year, including the value of the transactions by country; certain financial ratios; and whether transfer pricing documentation exists.