

November 2025 – Tax Alert

## **Key changes affecting non-resident entities and private individuals who have ceased their South African tax residency**

This document is intended for informational purposes only and does not provide technical advice that can be relied upon. It is advisable to consult with qualified professionals about specific tax-related inquiries or compliance matters.

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### **Background**

On 3 November 2025, the South African Reserve Bank (“SARB”) published the latest *Currency and Exchanges Manual for Authorised Dealers* (“the Manual”).

Recent amendments to the Manual have introduced significant changes to the process of transferring income out of South Africa (“SA”) to non-residents of the common monetary area (“CMA”) and private individuals who have ceased to be residents for tax purposes in SA.

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### **Previous Manual**

Previously, transfers of dividends, profits, and current income were permitted subject to certain conditions, with Authorised Dealers responsible for ensuring the legitimacy of the amounts and that any local liabilities could be settled. In addition, a Tax Compliance Certificate (“TCS”) – Approval for International Transfer (AIT) PIN was also required by non-residents.

Income was interpreted as net income, and while compliance documentation from SARS was sometimes required, the requirements were not always explicit or consistent across income types.

### **Current Manual**

Under the new regime, there is now a clear and mandatory requirement for SARS documentation for all types of income transfers. For each transfer (whether it relates to dividends, profits, directors' fees, trust income, rentals, or members' fees), Authorised Dealers must obtain either:

- A **Manual Letter of Compliance – International Transfer** (for beneficiaries not registered on the SARS database), or
- A **TCS – AIT PIN** (for registered beneficiaries).

This applies to income from companies, trusts, rental agreements, close corporations, and retirement funds.

The process for transferring compulsory annuities and pensions has been streamlined, as private individuals who are non-residents can now transfer these amounts offshore without the annual requirement for a TCS of good standing, provided the transfer is supported by the appropriate IRP5/IT3(a) tax certificate or payment advice reflecting the correct tax codes.

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### **Key takeaways and our view**

Practically, these changes mean that individuals must provide the necessary SARS documentation, which is to be submitted as part of the application to remit funds by the Authorised Dealer before any transfer can be processed. The new compliance requirement may lead to delays if beneficiaries are not registered for tax, are non-tax compliant, or if their documentation is incomplete.

Authorised Dealers must also continue to verify the legitimacy of transfers and ensure that all local liabilities are or can be settled. While the new requirements add administrative complexity, they are designed to strengthen tax compliance and reduce the risk of illicit transfers.

Furthermore, non-residents who earn income from SA sources may be required to submit tax returns to the South African Revenue Service (“SARS”), even if they are no longer considered tax residents. The obligation to file a tax return depends on the nature and amount of income received, as well as specific SARS requirements. It is important for non-residents to assess their SA tax filing obligations annually to ensure compliance and avoid potential penalties.

A Manual Letter of Compliance from SARS will be issued only if the applicant's tax affairs are fully up to date. Applicants must ensure that all tax returns have been submitted, and any outstanding tax liabilities have been settled prior to requesting this letter. Not meeting these requirements may cause delays or prevent obtaining the necessary documentation for fund transfers.

SA tax residents temporarily living abroad must still follow the current process where funds are remitted either through the single discretionary allowance (for amounts R1 million or less) or the foreign capital allowance (AIT) (for amounts in excess of R1 million).

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These changes highlight the importance of engaging early and proactively with SARS and Authorised Dealers. Individuals who have ceased SA tax residency or plan to transfer income offshore should ensure that all compliance requirements are met well in advance to avoid unnecessary delays.

We recommend seeking professional advice for complex income streams, such as trusts, to navigate the new rules effectively. Overall, these amendments promote greater transparency and control, benefiting both taxpayers and the integrity of the SA financial system.

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### How EY can assist

EY is well equipped to assist clients with these changes, offering comprehensive support, including compliance and advisory services to help assess tax residency status and understand the implications of the new rules. We guide clients through the preparation and submission of all required SARS documentation, including the Manual Letter of Compliance and the TCS – AIT PIN, ensuring that paperwork is complete and accurate to facilitate seamless transfers. Additionally, we can also assist with any compliance-related matters, including personal income tax returns.

Below are the contact details of the Private Tax Advisory team, should you have any queries, require assistance, or need more information on the support we can provide:

- **Emile du Toit | Partner**  
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- **De Waal Van Blerk | Snr Manager**  
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- **Prajna Hiralall | Assistant Manager**  
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