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PROPERTY SOLUTIONS

# Foreign Nationals & South African Non-Tax Residents:

## Key Changes to 2026 Tax Returns Explained

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Confirmed Process to Cease Tax Residency with SARS

# AGENDA

1. INTRODUCTION
2. MEET THE SPEAKERS
3. NEW TICK-BOX QUESTIONS FOR FOREIGN NATIONALS
4. THE NON-RESIDENT VERIFICATION JOURNEY
5. 2026 eFILING SYSTEM POSITIVE CHANGES
6. 2026 eFILING SYSTEM CHALLENGES
7. Q&A

# INTRODUCTION

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MEET THE SPEAKERS
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# Meet The Speaker

## Nicolas Botha

### Tax Compliance & Processing Manager

Nicolas Botha, Tax Compliance & Processing Manager, brings extensive expertise in expatriate tax compliance, with a focus on South African tax residency and individual income tax profile analysis.

His daily interactions with SARS have honed his deep understanding of their requirements and technical processes, particularly in the context of South Africans working abroad.

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# Meet The Speaker

## Robyn Gilbert

### Individual Tax Team Lead

Robyn Gilbert leads the Individual Tax team at Tax Consulting South Africa, specialising in compliance and filings for high-net-worth individuals and expatriates. She combines technical expertise in South African tax residency, individual income tax planning, and SARS compliance with practical experience in complex, high-value financial matters.

Robyn advises a broad range of clients, including South African tax residents, financially emigrated individuals, expatriates, and seafarers, supporting them in meeting their South African tax obligations efficiently and accurately.

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# NEW TICK-BOX QUESTIONS FOR FOREIGN NATIONALS

# Two New Options

## Tick-Box 1: Never an RSA Tax Resident

- Mark with an "X" if you are not and never were an RSA tax resident
- Directed at foreign nationals who have never held SA tax residency status

> Mark with an "X" if you are not and never were an RSA tax resident. ☐

## Tick-Box 2: Became an RSA Tax Resident

- Mark with an "X" if you were previously a non-resident and subsequently became an RSA tax resident
- Relevant to taxpayers who have transitioned into SA residency

> Mark with an "X" if you were previously a non-resident and became an RSA tax resident. ☐

**NB: Tick Box Appears Linked to Passport Numbers – i.e. options available only if no RSA ID**

# Residency Tests

**Ordinarily Resident test** – intention considered in view of objective factors.

- This test is applied first, <u>before</u> the physical presence test (below).
- Documentary evidence to support the permanent intention.

**Physical Presence test** – considers the time spent in SA.

- More than 91 days in relevant year of assessment;
- More than 91 days in each of the previous 5 years of assessment; and
- 915 days in aggregate over the previous 5 years of assessment.

# The Impact

## Tick-Box 1: Never an RSA Tax Resident

Non-Resident Return Issued

**Form Wizard For Non-Resident**
INFORMATION TO CREATE YOUR PERSONAL INCOME TAX RETURN

Mark with an "X" if you are completing the return as a Tax Practitioner. ☐

Mark with an "X" if you are not and never were an RSA tax resident. ☒

## Tick-Box 2: Became an RSA Tax Resident

Resident Return Issued & Date Confirmation

**Form Wizard**
INFORMATION TO CREATE YOUR PERSONAL INCOME TAX RETURN

This page allows you to personalize your ITR12 return in order to accommodate your individual tax requirements.

**Standard Questions**

Mark with an "X" if you are completing the return as a Tax Practitioner. ☐

Mark with an "X" if you are not and never were an RSA tax resident. ☐

Mark with an "X" if you were previously a non-resident and became an RSA tax resident. ☒

Please ensure that you capture the correct "Date on which you became an RSA tax resident" as SARS will regard you as an RSA Tax Resident from this date onwards until you cease RSA Tax Residency.

Date on which you became an RSA tax resident:
2023 / 03 / 01

Do you confirm that the date captured is true and correct? Y ◉ N ◯

# ALIGNING TO CEASED TAX-RESIDENTS

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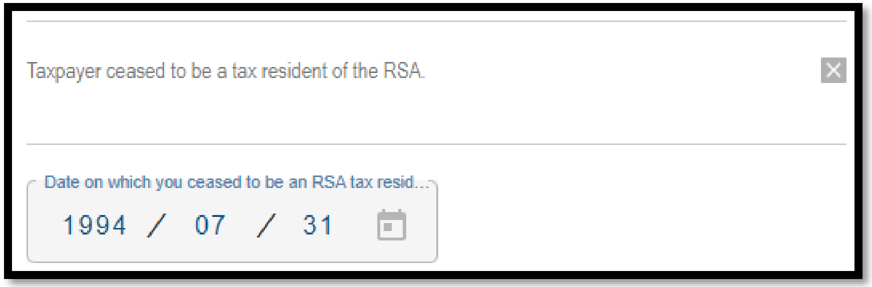
# South African Non-Residents

## Non-Resident Tick-Box Linked to Registration, Amendments and Verification Form (RAV01)

- Ceased Tax Resident do not get the benefit of an optional Tick-Box rather this was linked to the RAV01 form and pre-populates into the ITR12
- This has remained unchanged for the 2026 year of assessment



# HISTORY REPEATING
# -
# THE NON-RESIDENT VERIFICATION JOURNEY

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# NON-RESIDENT DECLARATION PROCESS | TIMELINE

**1999**
SARB Emigration MP336(b).

**1 Mar 2001**
Tax Residency (worldwide tax)

FE Two-part process through SARB/SARS. Bank & tax status changes to non-resident.

**Nov 2019**
SARS Emigration Tax Clearance Status Pin.

**1 Mar 2021**
SARB financial emigration changes. No MP336(b). SARS Emigration Tax Clearance Status pin expires after 1 year.

**Mid 2021**
SARS Non-Resident Tax Status Confirmation Letter.

**Early 2022**
SARS rejection of Non-Resident applications; increased audit activity.

**Feb 2022**
Additional RAV01 status update & verification requirements introduced by SARS.

**July 2022**
Removal of the 'tick-box' for tax non-residency declaration on annual ITR12 tax return.

# WHAT THIS COULD MEAN FOR FOREIGN NATIONALS

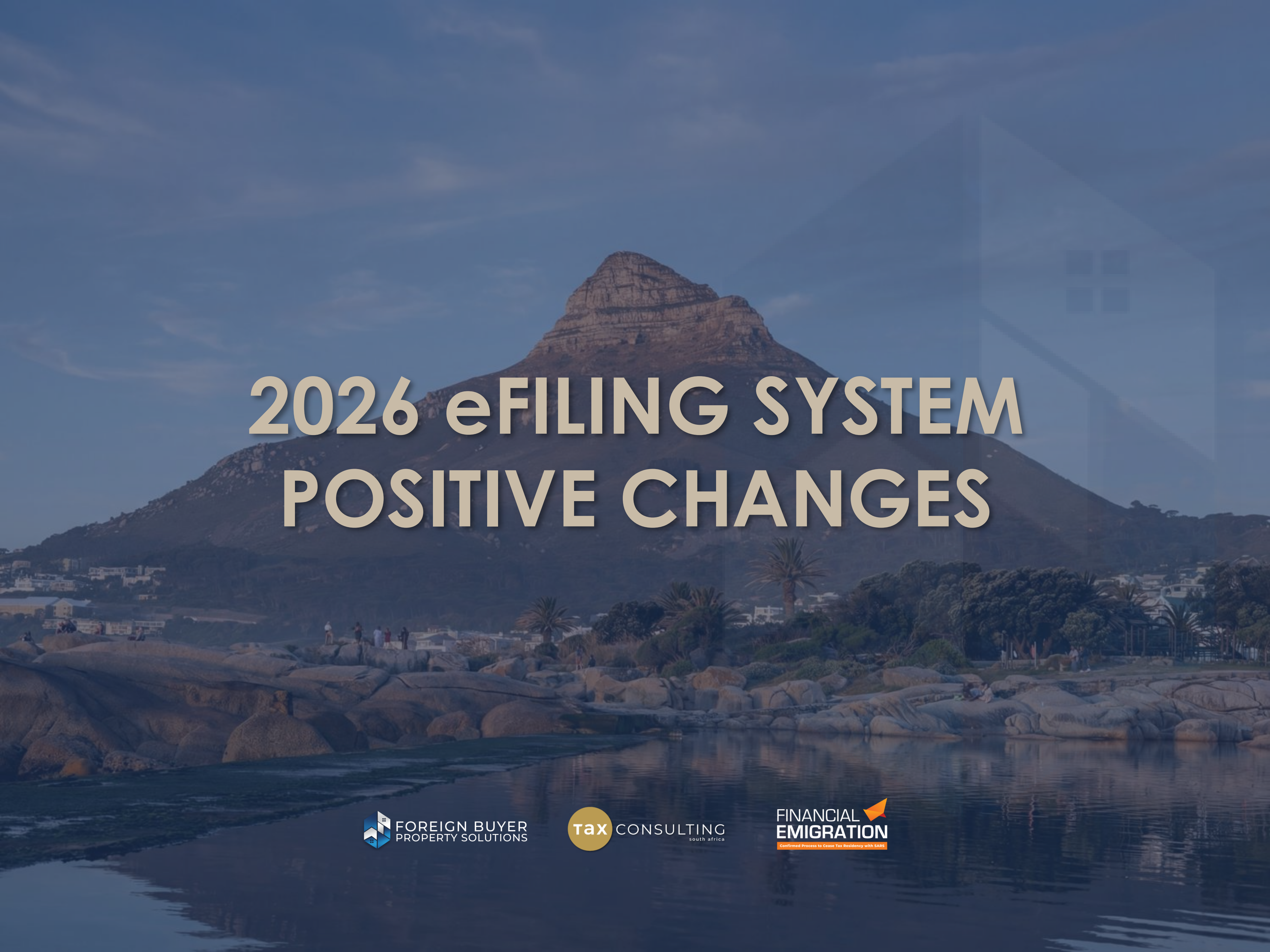
## Is The Pattern Repeating

- New SARS indicators are consistently followed by increased scrutiny and verification drives
- The introduction of the foreign national tick-boxes mirrors the non-resident indicator rollout
- Foreign nationals should anticipate the possibility of a similar RAV-type process in the near future

## Proactive Steps

- Confirm and document your tax status before completing the 2026 ITR12
- Gather supporting documents: passport, visa/work permit, SA income records
- Obtain a foreign tax residency certificate from your country of residency if applicable

# 2026 eFILING SYSTEM POSITIVE CHANGES



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# POSITIVE SYSTEM IMPROVEMENTS – REFRESH DATA

## Refresh Data – Items Added

**REFRESH DATA**

**Please note that the latest data from SARS may potentially overwrite the last set of data which you may have already captured in your current tax return. Click on the 'OK' button to continue refreshing your data or click on the 'Cancel' button to retain the data you may have already captured in your return.**

- ☐ IRP5 Data
- ☐ Medical Data
- ☐ Retirement Annuity Data
- ☐ Investment Income
- ☐ Tax Free Investment
- ☐ Income from local farming operations (IT48)
- ☐ Income from local partnership and farming operations (IT48V)
- ☐ Partnership Details
- ☐ Trust Income
- ☐ Return Type
- ☐ Refresh All - This function may overwrite your prepopulated data and update your return type (i.e., Resident or Non-Resident section of the return).

[OK] [Cancel]

# POSITIVE SYSTEM IMPROVEMENTS – DIRECTED QUERIES

## Differentiated Non-Resident Returns Fields & Wizard Questions

**Form Wizard For Non-Resident**

**Taxpayer** Information

**Tax Practitioner** Details (If applicable)

**Bank** Details

**Employee Tax Certificate Information [IRP5/IT3(a)] For Non-Resident**

Taxpayer Information - **Income For Non-Resident**



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# NON-RESIDENT ACTIVATION: THIRD-PARTY DATA IMPACT

**The Challenge**

- Activating the non-resident indicator on the ITR12 removes all pre-populated third-party data
- This includes IRP5 certificates, IT3 certificates, and all other third-party submissions
- Once removed, the data cannot always be manually recaptured

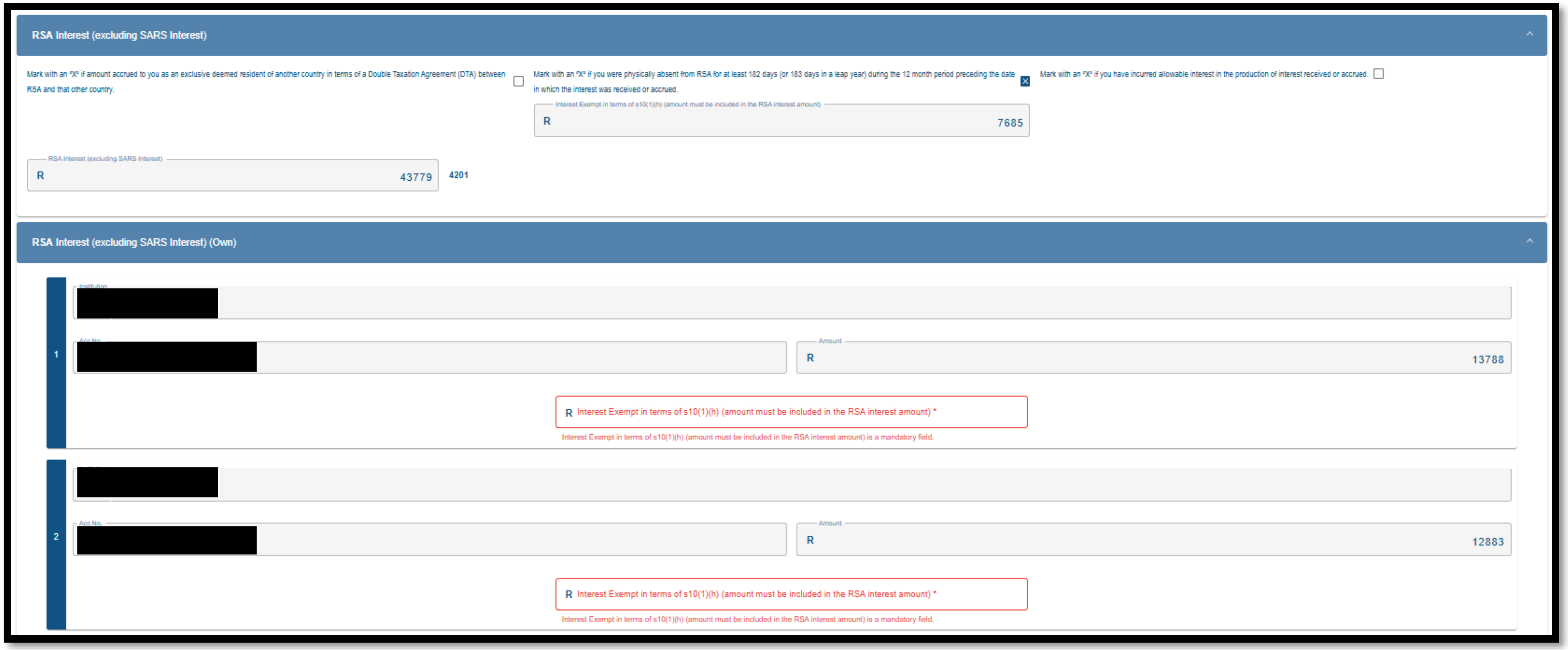
**Impact on Compliance**

- Difficulty reconciling SARS third-party data once the indicator has been activated
- Increased risk of income omissions and resulting assessment variances
- Additional verification requirements triggered where data cannot be matched

# SECTION 10(1)(h): MANUAL CAPTURE

## What Is Section 10(1)(h)?

- Section 10(1)(h) provides an exemption for interest payments received by non-residents from SA sources
- Non-resident taxpayers claiming this exemption face a significant change in 2026


RSA Interest (excluding SARS Interest)

Mark with an "X" if amount accrued to you as an exclusive deemed resident of another country in terms of a Double Taxation Agreement (DTA) between RSA and that other country.

Mark with an "X" if you were physically absent from RSA for at least 182 days (or 183 days in a leap year) during the 12 month period preceding the date in which the interest was received or accrued. X

Mark with an "X" if you have incurred allowable interest in the production of interest received or accrued.

Interest Exempt in terms of s10(1)(h) (amount must be included in the RSA interest amount): R 7685

RSA Interest (excluding SARS Interest): R 43779 4201

RSA Interest (excluding SARS Interest) (Own)

1

Institution: [redacted]

Acc No.: [redacted]

Amount: R 13788

R Interest Exempt in terms of s10(1)(h) (amount must be included in the RSA interest amount) *

Interest Exempt in terms of s10(1)(h) (amount must be included in the RSA interest amount) is a mandatory field.

2

[redacted]

Acc No.: [redacted]

Amount: R 12883

R Interest Exempt in terms of s10(1)(h) (amount must be included in the RSA interest amount) *

Interest Exempt in terms of s10(1)(h) (amount must be included in the RSA interest amount) is a mandatory field.



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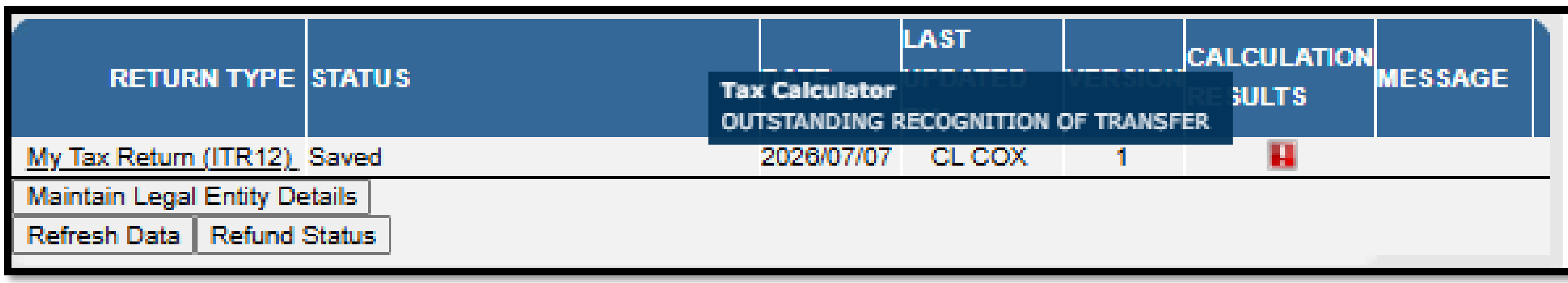
# ROT VALIDATION INTRODUCTION

**Recognition of Transfer (ROT) Assessment Validation**

- SARS is requesting additional verification on ROT transactions during assessment
- Assessment validation is not always aligning with the available supporting documentation
- Relates to Transfer of Pension Funds



# THANK YOU

Contact Us for More Information:

**contact@foreignbuyerpropertysolutions.com**

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