



UBUNTU  
*(n.) "I am what I am because of who we all are"  
compassion, kindness and humanity that connect  
us together by sharing ourselves with others  
and caring for those around us*

# South Africa's Experience in Taxing the Cross-Border Supply of Services and Intangibles

26 January 2026

# Overview of South Africa's e-services VAT evolution

- **Digital economy Tax challenges**
  - Remote delivery of digital services complicates VAT enforcement due to lack of physical presence
- **Regulatory evolution - an All Inclusive regime**
  - Enabling legislation and regulations were enacted in 2014, 2019 and 2025
  - 2019 – All services supplied electronically where the threshold was exceeded would require registration as a VAT vendor
  - The activities of an intermediary (who facilitates invoicing and payment) were included in the “enterprise” definition

# Overview of South Africa's e-services VAT evolution

- A form of a B2B exclusion was introduced under the 2025 Regulations. This means that supplies by a foreign supplier that makes supplies **only** to VAT registered vendors is not required to register as a VAT vendor
- A foreign electronic services supplier that makes supplies to both VAT registered vendors and non-vendors is liable to register and account for VAT on all supplies.
- The exclusion of certain supplies made within the same group of companies has been in effect from 2019.

# Current challenges

Access to 3<sup>rd</sup> party payments data is key in identifying transactions

Challenge is engaging with non-resident e-services suppliers who fail to respond

Foreign online gambling operators – substantial revenue identified

Reliance on the Convention on Mutual Administrative Assistance in Tax Matters to engage with Competent Authorities in the relevant jurisdiction

# Current challenges cont.

## Platforms

No 'one size fits all'

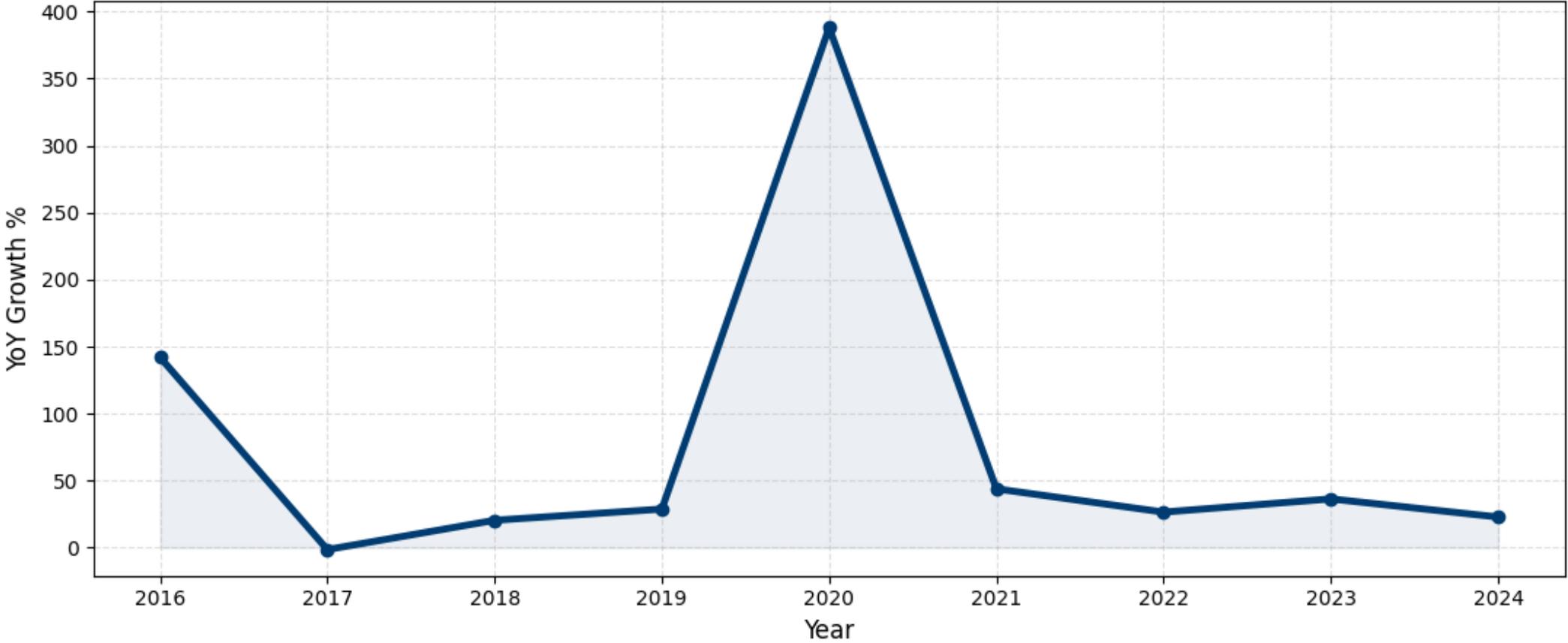
More efficient for a tax administration to engage with a single 'large' taxpayer than a multitude of individual suppliers

- Reduces the cost of compliance particularly for small businesses
- Makes it easy for taxpayers to comply

Platforms offering accommodation remains a challenge

Engagement with BIAC has been beneficial

eCommerce YoY Growth % (2015 to PY)



Thank you

Siyabulela

Siyabonga

Siyathokoza

Dankie

Re a leboga

Re a leboha

Ro livhuwa

Ha khensa