



Tax & Legal Flash



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South Africa Supplementary Budget 2020:

SARS to focus on international tax and transfer pricing

In his Supplementary Budget on 24 June 2020, Finance Minister Tito Mboweni reported on the COVID-19 fiscal measures, and the resulting adjustments to the division of revenue and departmental allocations. In addition, the Finance Minister also set out government's commitment to strengthen the public finances, and to position the economy for faster and inclusive growth.

The Minister specifically mentioned that improved tax collection and administration will be an important element achieving fiscal stabilisation. As part of the measures announced to achieve this, the Minister indicated that the South African Revenue Service will focus on increasing *inter alia* international tax collections, and the one area highlighted is transfer pricing.

Therefore, all taxpayers involved in cross-border transactions with connected persons should ensure that their compliance with South African transfer pricing rules is up to standard and that all transfer pricing policies are correctly implemented and aligned with legal agreements.

If you have any questions regarding the above, please contact one of our transfer pricing specialists.



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