

When must VAT, transfer duty and capital gains tax be paid to SARS on the sale of immovable property?

VAT is payable to SARS by the seller together with any other VAT payable to SARS for the cycle in which the purchase price was received by the seller irrespective of when the contract of sale was signed.

Transfer duty is payable within 6 months from the date of signing of the agreement, failing which penalty interest will be charged, irrespective of when the purchase price is received by the seller.

Capital gains tax is payable as part of the income tax for the income tax year during which the contract is signed or becomes unconditional, whichever is the latest, irrespective of when the purchase price is received by the seller.

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