



TRANSFER DUTY IN SOUTH AFRICA

AN OVERVIEW FOR 2023

Transfer duty is a tax that is levied on the sale or transfer of immovable property in South Africa. In this article, we will provide an overview of transfer duty in South Africa, focusing on the latest changes that have come into effect for the year 2023.

Transfer duty rates

Scale	%
R0 – R1 100 000	0%
R1 100 001 – R1 512 000	3%
R1 512 001 – R2 117 500	6%
R2 117 501 – R2 722 500	8%
R2 722 501 – R12 100 000	11%
R12 100 001 <	13%

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It is important to note that transfer duty is payable by the buyer and is calculated on the purchase price or the fair market value of the property, whichever is the higher amount.

Exemptions and deductions

Certain exemptions and deductions are available to reduce the amount of transfer duty payable.

These include but are not limited to:

- Transfers between spouses or companies within the same group are exempt from transfer duty.
- If the transferor is a VAT vendor and the property is sold as part of the transferor's VAT enterprise, transfer duty is not payable.
- If the transferor is insolvent and the transfer is made as part of the transferor's liquidation proceedings, transfer duty is not payable.

Filing and payment

Transfer duty must be paid and filed within six months after the date of sale of the property. Failure to file or pay transfer duty on time will result in penalties and interest being charged by SARS.

In conclusion, Transfer duty is an important aspect of property transactions in South Africa. It is crucial for buyers to be aware of the latest transfer duty rates, exemptions, and deductions, and to ensure that all necessary payments and filings are made within the relevant timeframes. By doing so, buyers can avoid unnecessary costs and penalties and ensure a smooth and successful property transaction.



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