



SSKPMG AEOI Updates & Tracking Service CRS Alert



Date:	23 June 2025	Alert Type:	Document
Country:	South Africa	Regime:	CRS
Document Type	Consultation Paper		

South Africa: Issued Draft Notice for Public Comment on Revised CRS Penalty Framework

On 11 June 2025, the South African Revenue Service (SARS) issued a draft new penalty notice for public comment, set to be published under section 210(2) of the Tax Administration Act, 2011 (TA Act), implementing a stricter enforcement framework for Common Reporting Standard (CRS) compliance.

The new penalty notice will replace Public Notice No. 193 (the current CRS penalty notice) of 03 March 2017 (found [here](#)). Under the current framework, SARS is required to notify a defaulting Financial Institution (FI) of its non-compliance with due diligence requirements once identified during reviews. The FI is then given a remedial period of 60 business days before a penalty is imposed. This penalty is a fixed amount that increases monthly by the same amount for up to 36 months until the non-compliance is resolved. Feedback from the OECD's AEOI Peer Reviews of 2023 (found [here](#)) and 2025 (to be published in July 2025), along with internal analysis by SARS, reveals that the current penalty framework is not an effective deterrent for CRS non-compliance, as it allows FIs to delay compliance until notified by SARS.

Once in force, the new penalty framework will eliminate the issuance of prior notice and the remedial period of 60 business days, ensuring the immediate imposition of administrative penalties upon detection of any CRS non-compliance. This approach aligns with the frameworks followed for other administrative penalties under the TA Act. However, the framework will still allow FIs to submit remittance requests, objections, or appeals against penalties.

South Africa Contacts:



Finn Elliot
Partner, Tax
Finn.Elliot@kpmg.co.za



Beulah Simpson
Associate Director
beulah.simpson@kpmg.co.za

SARS encourages relevant stakeholders to submit comments by Friday, 27 June 2025, to acollins@sars.gov.za.

Reference: [Draft Penalty Notice](#) [PDF 139KB], and [Explanatory Note to the Draft Penalty Notice](#) [PDF 73KB]

For information on KPMG's global AEOI network professionals, please email [GO-FM AEOI Program Support](#).

For more information on KPMG AEOI Updates & Tracking Service, please see [here](#).

For additional summaries of the latest AEOI developments, please visit KPMG's TaxNewsFlash-FATCA/IGA/CRS Insights page, [here](#).

Contact us.



Laurie Hatten-Boyd
Principal

T: +1 206 213 4001
E: lhattenboyd@kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

kpmg.com/socialmedia



Kelli Wooten
Principal

T: +1 404 739 5888
E: kwooten@KPMG.com

Learn about us:



kpmg.com

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS010555-1A

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.