
Hello...
Can I help you?
Ask Lwazi,
the SARS AI Assistant

Capital Gains Tax

What's New?

20 March 2026 – Budget 2026 Frequently Asked Questions
Key Capital Gains Tax changes from Budget 2026: FAQs on the CGT changes (https://www.sars.gov.za/about/sars-tax-and-customs-system/budget/budget-2026-frequently-asked-questions/)

Capital Gains Tax

The relevant legislation is contained in the Eighth Schedule to the Income Tax Act 58 of 1962.

Capital gains are taxed at a lower effective tax rate than ordinary income. Pre- 1 October 2001 CGT capital gains and losses are not taken into account. Not all assets attract CGT and certain capital gains and losses are disregarded.

A withholding tax applies to non-resident sellers of immovable property (section 35A). The amount withheld by the buyer serves as an advance payment towards the seller's final income tax liability.

Who is it for?

CGT applies to individuals, trusts and companies.

A resident, as defined in the Income Tax Act 58 of 1962, is liable for CGT on assets located both in and outside South Africa.

A non-resident is liable to CGT only on immovable property in South Africa or assets of a "permanent establishment" (branch) in South Africa. Certain indirect interests in immovable property such as shares in a property company are deemed to be immovable property.

Some persons such as retirement funds are fully exempt from CGT. Public benefit organisations may be fully or partially exempt.

How does CGT work in relation to an inheritance?, click here for more information (https://www.sars.gov.za/types-of-tax/estate-duty/).

To access this page in different languages click on the links below:

- Afrikaans (/wp-content/uploads/Docs/Translations/2018/Afr20180383T-Website_Capital-Gains-Tax.pdf)
- Sepedi (/wp-content/uploads/Docs/Translations/2018/Capital-Gains-Tax-Sepedi.pdf)
- Sesotho (/wp-content/uploads/Docs/Translations/2018/Capital-Gains-Tax-Sesotho.pdf)
- Xitsonga (/wp-content/uploads/Docs/Translations/2018/Capital-Gains-Tax-Xitsonga.pdf)

Related Documents

🗎	Legal-Pub-Guide-IT11 – Tax guide for share owners	→	(/wp-content/uploads/Ops/Guides/Legal-Pub-Guide-IT11-Tax-guide-for-share-owners.pdf)
🗎	Legal-Pub-Guide-Gen02 – Guide for Tax Rates Duties Levies	→	(/wp-content/uploads/Ops/Guides/Legal-Pub-Guide-Gen02-Guide-for-Tax-Rates-Duties-Levies.pdf)
🗎	IT-PP-02-G01 – Amounts to be Withheld When a Non-Resident Sells Immovable Property in South Africa (SA) – External Guide	→	(/wp-content/uploads/Ops/Guides/IT-PP-02-G01-Amounts-to-be-Withheld-When-a-Non-Resident-Sells-Immovable-Property-in-South-AfricaSA-External-Guide.pdf)
🗎	IT-AE-36-G02 – Comprehensive Guide to the Income Tax return for Trusts – External Guide	→	(/wp-content/uploads/Ops/Guides/IT-AE-36-G02-Comprehensive-Guide-to-the-Income-Tax-return-for-Trusts-External-Guide.pdf)
🗎	Legal-Pub-Guide-IT12 – Guide to the Urban Development Zone Allowance	→	(/wp-content/uploads/Ops/Guides/Legal-Pub-Guide-IT12-Guide-to-the-Urban-Development-Zone-Allowance.pdf)
🗎	Legal-Pub-Guide-CGT03 – ABC Guide on CGT for Companies	→	(/wp-content/ … Pub- Guide-CGT0 … Companies.pdf)

Legal-Pub-Guide-CGT02 – ABC Guide on CGT for Individuals → (/wp-content/uploads/Ops/Guides/Legal-Pub-Guide-CGT02-ABC-Guide-on-CGT-for-Individuals.pdf)

GEN-GEN-56-G02 – Submit Request for Reduced Assessment RRA02 via eFiling for Company or Trust – External Guide → (/wp-content/uploads/Ops/Guides/GEN-GEN-56-G02-Submit-Request-for-Reduced-Assessment-RRA02-via-eFiling-for-Company-or-Trust-External-Guide.pdf)

LAPD-CGT-G01 – Comprehensive Guide to Capital Gains Tax → (/wp-content/uploads/Ops/Guides/LAPD-CGT-G01-Comprehensive-Guide-to-Capital-Gains-Tax.pdf)

CGT2L – Valuation for Capital Gains Tax Purposes – External Form → (/wp-content/uploads/Ops/Forms/CGT2L-Valuation-for-Capital-Gains-Tax-Purposes-External-Form.pdf)

LAPD-IT-G24 – Guide on Mutual Agreement Procedures → (/wp-content/uploads/Ops/Guides/LAPD-IT-G24-Guide-on-Mutual-Agreement-Procedures.pdf)

LAPD-IT-G19 – Comprehensive Guide to Dividends Tax → (/wp-content/uploads/Ops/Guides/LAPD-IT-G19-Comprehensive-Guide-to-Dividends-Tax.pdf)

LAPD-IT-G20 – Guide to the Taxation of Special Trusts → (/wp-content/uploads/Ops/Guides/LAPD-IT-G20-Guide-to-the-Taxation-of-Special-Trusts.pdf)

LAPD-IT-G02 – Guide on the Residence Basis of Taxation for Individuals → (/wp-content/uploads/Ops/Guides/LAPD-IT-G02-Guide-on-the-Residence-Basis-of-Taxation-for-Individuals.pdf)

LAPD-Gen-G08 – Guide on the Taxation of Professional Sports → (/wp-conten -Gen-G08-Guide-on-the-Taxation-of-Professional-

Clubs and Players | Sports-Clubs-and-Players.pdf)

NR02 – Declaration by Purchaser for Sale of Immovable Property in SA by Non Resident – External Form → (/wp-content/uploads/Ops/Forms/NR02-Declaration-by-Purchaser-for-Sale-of-Immovable-Property-in-SA-by-Non-Resident-External-Form.pdf)

NR03 – Tax Directive Application by Non Resident Seller of Immovable Property in SA – External Form → (/wp-content/uploads/Ops/Forms/NR03-Tax-Directive-Application-by-Non-Resident-Seller-of-Immovable-Property-in-SA-External-Form.pdf)

Frequently Asked Questions

FAQ: Who should have done the valuation? By what date should my property have been valued? Who must hold the valuation certificates? When must valuations be submitted and to whom? (https://www.sars.gov.za/faq/faq-who-should-have-done-the-valuation-by-what-date-should-my-property-have-been-valued-who-must-hold-the-valuation-certificates-when-must-valuations-be-submitted-and-to-whom/)

5.1 The taxpayer disposing of the asset was responsible for...

Read More (https://www.sars.gov.za/faq/faq-who-should-have-done-the-valuation-by-what-date-should-my-property-have-been-valued-who-must-hold-the-valuation-certificates-when-must-valuations-be-submitted-and-to-whom/)

FAQ: How must I value my shares on valuation date and can I use the time-apportionment basis? (https://www.sars.gov.za/faq/faq-how-must-i-value-my-shares-on-valuation-date-and-can-i-use-the-time-apportionment-basis/)

South African-listed shares The following valuation date values may be...

Read More (https://www.sars.gov.za/faq/faq-how-must-i-value-my-shares-on-valuation-date-and-can-i-use-the-time-apportionment-basis/)

[FAQ: In the case of a couple married in community of property, will a capital gain on an investment in the name of one of the partners be regarded as a capital gain accruing to both partners? (https://www.sars.gov.za/faq/faq-in-the-case-of-a-couple-married-in-community-of-property-will-a-capital-gain-on-an-investment-in-the-name-of-one-of-the-partners-be-regarded-as-a-capital-gain-accruing-to-both-partners/)]

Under paragraph 14 of the Eighth Schedule a disposal of...

Read More (https://www.sars.gov.za/faq/faq-in-the-case-of-a-couple-married-in-community-of-property-will-a-capital-gain-on-an-investment-in-the-name-of-one-of-the-partners-be-regarded-as-a-capital-gain-accruing-to-both-partners/)

FAQ: What is base cost? (https://www.sars.gov.za/faq/faq-what-is-base-cost/)

Base cost is the amount against which any proceeds upon...

Read More (https://www.sars.gov.za/faq/faq-what-is-base-cost/)

FAQ: I own a flat through shares in a share block company. I reside in the flat when on holiday, and rent it out the rest of the year. What will the CGT implications be if I sell my shares in the share block company? (https://www.sars.gov.za/faq/faq-i-own-a-flat-through-shares-in-a-share-block-company-i-reside-in-the-flat-when-on-holiday-and-rent-it-out-the-rest-of-the-year-what-will-the-cgt-implications-be-if-i-sell-my-shares-in-the-shar/)

The definition of “an interest” in paragraph 44 of the...

Read More (https://www.sars.gov.za/faq/faq-i-own-a-flat-through-shares-in-a-share-block-company-i-reside-in-the-flat-when-on-holiday-and-rent-it-out-the-rest-of-the-year-what-will-the-cgt-implications-be-if-i-sell-my-shares-in-the-shar/)

See More

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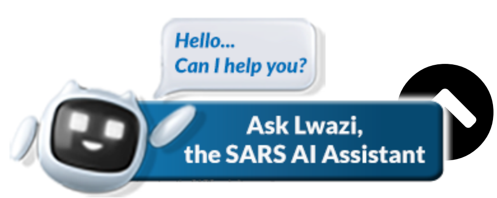
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