

TABLE 3

The term “official rate of interest” is defined in section 1(1) of the Income Tax Act 58 of 1962 (the Act). A taxable benefit (fringe benefit) arises if an employee incurs a debt in favour of the employer, any other person by arrangement with the employer, or an associated institution in relation to the employer, if no interest is payable or if the interest payable is less than the “official rate of interest”. The difference between the amount which would have been payable if the debt had incurred interest at the official rate, and the interest actually paid by the employee, is taxed as a fringe benefit.

DATE FROM	DATE TO	RATE
01.08.2017	31.03.2018	7.75%
01.04.2018	30.11.2018	7.50%
01.12.2018	31.07.2019	7.75%
01.08.2019	31.01.2020	7.50%
01.02.2020	31.03.2020	7.25%
01.04.2020	30.04.2020	6.25%
01.05.2020	31.05.2020	5.25%
01.06.2020	31.07.2020	4.75%
01.08.2020	31.11.2021	4.50%
01.12.2021	31.01.2022	4.75%
01.02.2022	31.03.2022	5.00%
01.04.2022	31.05.2022	5.25%
01.06.2022	31.07.2022	5.75%
01.08.2022	30.09.2022	6.50%
01.10.2022	30.11.2022	7.25%
01.12.2022	Until change in Repo* rate	8.00%

* Repurchase rate as announced by the Reserve Bank

Note: The “official rate” as defined in section 1(1) of the Act is linked to the repurchase rate plus one per cent. The official rate is adjusted at the beginning of the month following the month during which the Reserve Bank changes the repurchase rate.