

## South Africa hits avoidance

Published: January 13, 2026, 9:41 am

---

[News reports](#) suggest that South Africa will publish its long awaited new anti-avoidance legislation next week.

This is good news. The legislation should be a full blown general anti-avoidance principle. Reports suggest that:

*Transactions will need to have intrinsic "commercial substance" to pass muster with SARS and must be aligned with the spirit of the legislation or have "statutory purpose".*

If South Africa can get the wording of this right it's another great story from there this week - because they'll then be blazing a path for others to follow, including, one hopes those who are seeking to create the objective tests on controlled foreign companies that are needed in the wake of the [Cadbury Schweppes decision](#).