

## Withholding Tax on Royalties: Summary of withholding tax rates per South African Double Taxation Agreements currently in force

Version: 1

**Note:**

- A summary of the rates and the relevant provisions relating thereto, are reflected in the table below – the full text of these Double Taxation Agreements (DTAs) is available on the SARS website ([www.sars.gov.za](http://www.sars.gov.za) > Legal & Policy).
- Only DTAs which are currently in force are listed below.
- The South African domestic rate is applicable to all countries which are not listed in the table below or where the DTA does not deal with the allocation of taxing rights with regard to royalties.
- Where South Africa is in the process of negotiating/renegotiating DTAs or Protocols with certain countries (see SARS website) either the present DTA rate (where there is a DTA in force dealing with royalties) or the South African domestic rate (where there is no DTA in force or the DTA does not deal with royalties) is applicable until such time as the new/renegotiated DTA or Protocol enters into force (or the specified effective date, whichever is applicable).
- Kindly refer to the provisions of the relevant DTA for the meaning of the term "royalties".

Country	Entry into force	Rate in DTA	Summary of requirements to qualify for a particular rate	Extract from DTA Article on Royalties	
<b>REST OF THE WORLD</b>					
1	Australia (Government of)	12-Nov-08	5%	All beneficial owners	12(2) However, those royalties may also be taxed in the Contracting State in which they arise, and according to the law of that State, but the tax so charged shall not exceed 5 per cent of the gross amount of the royalties.
2	Austria (Republic of)	06-Feb-97	See note 1 below	No right to tax royalties in source state	12(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed only in that other State.
3	Belarus (Republic of)	29-Dec-03	5%	Industrial, commercial or scientific equipment, or transport vehicles (use of, or right to use)	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 5 per cent of the gross amount of the royalties paid for the use of, or the right to use, industrial, commercial or scientific equipment, or transport vehicles; (b) 10 per cent of the gross amount of the royalties in all other cases. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of these limitations.
			10%	All other cases	
4	Belgium (Kingdom of)	09-Oct-98	See note 1 below	No right to tax royalties in source state if paid to beneficial owner	12(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State if such resident is the beneficial owner of the royalties.
5	Brazil (Federative Republic of)	24-Jul-06	15%	Trade marks (use of, or right to use)	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed: (a) 15 per cent of the gross amount of the royalties arising from the use of, or the right to use, trade marks; (b) 10 per cent of the gross amount of the royalties in all other cases.
			10%	All other cases	
6	Bulgaria (Republic of)	27-Oct-04	5%	Cultural, dramatic, musical or other artistic work, excluding motion picture films and works for use in connection with television (production or reproduction of)	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed: a) 5 per cent of the gross amount of: i) copyright royalties and other similar payments in respect of the production or reproduction of any cultural, dramatic, musical or other artistic work (but not including royalties in respect of motion picture films and works on film or videotape or other means of reproduction for use in connection with television); ii) royalties paid for the use of industrial, commercial or scientific equipment; b) 10 per cent of the gross amount of the royalties in all other cases.
				Industrial, commercial or scientific equipment (use of)	
			10%	All other cases	

7	Canada	30-Apr-97	6%	Literary, dramatic, musical or other artistic work, excluding motion picture films and works for use in connection with television broadcasting (production or reproduction of)	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if a resident of the other Contracting State is the beneficial owner of the royalties the tax so charged shall not exceed: (a) 6 per cent of the gross amount of the royalties if they are: (i) copyright royalties and other like payments in respect of the production or reproduction of any literary, dramatic, musical or other artistic work (but not including royalties in respect of motion picture films nor royalties in respect of works on film or videotape or other means of reproduction for use in connection with television broadcasting); or (ii) royalties for the use of, or the right to use, computer software; or (iii) royalties for the use of, or the right to use, any patent or any information concerning industrial, commercial or scientific experience (but not including any such information provided in connection with a rental or franchise agreement); (b) 10 per cent of the gross amount of the royalties in all other cases.
				Computer software (use of, or right to use) Patent or information concerning industrial, commercial or scientific experience, excluding information provided in connection with rental or franchise agreements (use of, or right to use)	
			10%	All other cases	
8	China (People's Republic of)	07-Jan-01	10%	Literary, artistic or scientific work, including cinematograph films, and films, tapes or discs for radio or television broadcasting, or any patent, know-how, trade mark, design or model, plan, secret formula or process (use of, or right to use)	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed: a) in the case of royalties referred to in subparagraph a) of paragraph 3 of this Article, 10 per cent of the gross amount of the royalties; b) in the case of royalties referred to in subparagraph b) of paragraph 3 of this Article, 10 per cent of the adjusted amount of the royalties. For the purpose of this subparagraph "the adjusted amount" means 70 per cent of the gross amount of the royalties. 12(3) The term "royalties" as used in this Article comprises: a) payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work, including cinematograph films, and films, tapes or discs for radio or television broadcasting, or any patent, know-how, trade mark, design or model, plan, secret formula or process; and b) payments of any kind received as a consideration for the use of, or the right to use, any industrial, commercial or scientific equipment.
			7% (10% of the adjusted amount, which is 70% of the gross amount of the royalties)	Industrial, commercial or scientific equipment (use of, or right to use)	
9	Croatia (Republic of)	07-Nov-97	5%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 5 per cent of the gross amount of the royalties.
10	Cyprus (Republic of)	08-Dec-98	See note 1 below	No right to tax royalties in source state if paid to beneficial owner	12(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State, provided such resident is the beneficial owner of the royalties.
11	Czech Republic	03-Dec-97	10%	No right to tax royalties in source state if paid to beneficial owner	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of the State, but if the recipient is the beneficial owner of the royalties the tax so charged shall not exceed 10 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
12	Denmark (Kingdom of)	21-Dec-95	See note 1 below	No right to tax royalties in source state if paid to beneficial owner	12(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State if such resident is the beneficial owner of the royalties.
13	Finland (Republic of)	12-Dec-95	See note 1 below	No right to tax royalties in source state if paid to beneficial owner	12(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State if such resident is the beneficial owner of the royalties.
14	France (French Republic)	01-Nov-95	See note 1 below	No right to tax royalties in source state if paid to beneficial owner who is subject to tax on that royalty in other state	12(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State, if such resident is the beneficial owner of the royalties and if such royalties are subject to tax in that other State.
15	Germany (Federal Republic of)	28-Feb-75	See note 1 below	No right to tax royalties in source state if subject to tax on that royalty in other state	9(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State, if such royalties are subject to tax in such other State.

16	Greece (Hellenic Republic)	14-Feb-03	5%	Literary, artistic or scientific work including cinematograph films and films, tapes or discs or any other media for television or radio broadcasting (use of, or right to use)	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed: a) 5 per cent of the gross amount of the payments referred to in paragraph 3a), b) 7 per cent of the gross amount of the payments referred to in paragraph 3b). 3. The term "royalties" as used in this Article means: a) payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films and films, tapes or discs or any other media for television or radio broadcasting, b) payments of any kind received as a consideration for the use of, or the right to use, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.
			7%	Patent, trade mark, design or model, plan, secret formula or process (use of, or right to use)	
				Industrial, commercial or scientific equipment (use of, or right to use)	
				Information concerning industrial, commercial or scientific experience	
17	Hungary (Republic of)	05-May-96	See note 1 below	No right to tax royalties in source state if paid to beneficial owner	12(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State if such resident is the beneficial owner of the royalties.
18	India (Republic of)	28-Nov-97	10%	All beneficial owners	12(2) However, such royalties or fees for technical services may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the recipient is the beneficial owner of the royalties or fees for technical services, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties or fees for technical services.
19	Indonesia (Republic of)	23-Nov-98	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
20	Iran (Islamic Republic of)	23-Nov-98	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
21	Ireland (Government of)	05-Dec-97	See note 1 below	No right to tax royalties in source state if paid to beneficial owner	12(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State, provided such resident is the beneficial owner of the royalties.
22	Israel (State of)	27-May-80	4.2% [28% x 15%]	Cinematograph or television films	12(1) Any royalty derived from sources within one of the Contracting States by a resident of the other Contracting State who is subject to tax in that other State in respect thereof shall be exempt from tax in that first-mentioned State: Provided that where any such royalty is in respect of cinematograph or television films, tax may be imposed thereon in the State from which the royalty is derived, but the tax so imposed shall not exceed tax at the rate applicable to companies on 15 per cent of the gross amount
			See note 1 below	All other cases: No right to tax royalties in source state if subject to tax in other state	
23	Italy (Republic of)	02-Mar-99	6%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but, if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 6 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
24	Japan (Government of)	05-Nov-97	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that Contracting State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
25	Korea (Republic of Korea)	07-Jan-96	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
26	Kuwait (State of)	25-Apr-06	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that Contracting State, but if the beneficial owner of the royalties is a resident of the other Contracting State the tax so charged shall not exceed ten per cent of the gross amount of such royalties.

27	Luxembourg (Grand Duchy of)	08-Sep-00	See note 1 below	No right to tax royalties in source state if paid to beneficial owner	12(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State if such resident is the beneficial owner of the royalties.
28	Malaysia (Government of)	17-Mar-06	5%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 5 per cent of the gross amount of the royalties.
29	Malta (Government of)	12-Nov-97	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
30	Mexico (United Mexican States)	22-Jul-10	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
31	Netherlands (Kingdom of the)	28-Dec-08	See note 1 below	No right to tax royalties in source state	12(1) Royalties arising in a Contracting State and beneficially owned by a resident of the other Contracting State shall be taxable only in that other State. (2) The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of paragraph 1.
32	New Zealand (Government of)	23-Jul-04	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
33	Noway (Kingdom of)	12-Sep-96	See note 1 below	No right to tax royalties in source state if paid to beneficial owner	12(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State provided such resident is the beneficial owner of the royalties.
34	Oman (Sultanate of)	29-Dec-03	8%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that Contracting State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed eight per cent of the gross amount of the royalties.
35	Pakistan (Islamic Republic of)	09-Mar-99	10%	All beneficial owners	12(2) However, such royalties or fees for technical services may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties or fees for technical services is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties or fees for technical services.
36	Poland (Republic of)	05-Dec-95	10%	All beneficial owners	12(2) However, the royalties referred to in paragraph 1 of this Article may also be taxed in the Contracting State in which they arise and according to the laws of that State, but the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
37	Portugal (Portuguese Republic)	22-Oct-08	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
38	Romania (Government of)	21-Oct-95	15%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the recipient who is a resident of the other Contracting State beneficially owns the royalties, the tax so charged shall not exceed 15 per cent of the gross amount of the royalties.
39	Russia (Russian Federation)	26-Jun-00	See note 1 below	No right to tax royalties in source state	12(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed only in that other State.
40	Saudi Arabia (Kingdom of)	01-May-08	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that Contracting State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.

41	Singapore (Republic of)	05-Dec-97	5%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 5 per cent of the gross amount of the royalties.
42	Slovak Republic	30-Jun-99	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of the State, but if the recipient is the beneficial owner of the royalties the tax so charged shall not exceed 10 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
43	Spain (Kingdom of)	28-Dec-07	5%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 5 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.
44	Sweden (Kingdom of)	25-Dec-95	See note 1 below	No right to tax royalties in source state if paid to beneficial owner who is subject to tax on that royalty in other state	12(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State if such resident is the beneficial owner of the royalties and is subject to tax thereon in that other State.
45	Switzerland (Swiss Confederation)	27-Jan-09	See note 1 below	No right to tax royalties in source state if paid to beneficial owner	12(1) Royalties arising in a Contracting State and beneficially owned by a resident of the other Contracting State shall be taxable only in that other State.
46	Taiwan (Republic of China)	12-Sep-96	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the recipient who is a resident of the other Contracting State beneficially owns the royalties, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation. (3) The provisions of paragraph 2 of this Article shall likewise apply to proceeds arising from the alienation of any copyright of scientific work, any patent, trade mark, design or model, plan, or secret formula or process.
47	Thailand (Kingdom of)	27-Aug-96	15%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise, and according to the laws of that State, but if the recipient is the beneficial owner of the royalties, the tax so charged shall not exceed 15 per cent of the gross amount of the royalties.
48	Turkey (Republic of)	06-Dec-06	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
49	Ukraine (Republic of)	29-Dec-04	10%	All beneficial owners	12(2) However, such royalties may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed 10 per cent of the gross amount of the royalties.
50	United Kingdom of Great Britain & Northern Ireland	17-Dec-02	See note 1 below	No right to tax royalties in source state if paid to beneficial owner	12(1) Royalties arising in a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State, if such resident is the beneficial owner of the royalties.
51	United States of America	28-Dec-97	See note 1 below	No right to tax royalties in source state if paid to beneficial owner	12(1) Royalties derived and beneficially owned by a resident of a Contracting State shall be taxable only in that State.

Notes:

1 The source State may not impose a withholding tax. The amount is only taxable in the recipient's State of residence, subject to certain requirements (including beneficial ownership).