



# ASSOCIATION OF MUSLIM ACCOUNTANTS & LAWYERS OF SOUTH AFRICA

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**FOR IMMEDIATE RELEASE**

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## **INCREASE IN VAT REGISTRATION THRESHOLD TO R2.3 MILLION WELCOMED AS RELIEF FOR SMALL BUSINESSES**

The Association of Muslim Accountants and Lawyers South Africa (AMAL) welcome's the recent announcement in the Budget Speech by the Minister of Finance, Honorable Enoch Godongwana, confirming that the turnover threshold for mandatory VAT registration will be increased from R1 million to R2.3 million.

AMAL is particularly thrilled at this announcement considering the fact AMAL had, amongst several others, submitted a proposal to National Treasury and the Parliamentary Standing Committee of Finance advocating for an increase in the VAT registration threshold. Our submission was based on the experience of our members in practice, where our members have seen first-hand the negative impact of the R1M vat threshold on smaller businesses.

In our submission we highlighted the fact that the threshold has not increased with inflation over the years and in fact stifles small business growth. We also provided examples of other countries that have increased their VAT threshold to align with inflation whilst we remained unchanged. Our submission was supported by Minara Chamber of Commerce, for which we are grateful. AMAL expresses its sincere gratitude to National Treasury for their consideration of our recommendation together with others who also have appealed for this review.

This review aligns with Government's broader objective of promoting inclusive economic growth and easing the compliance burden on developing businesses. It is expected to provide meaningful relief to small and medium-sized enterprises by reducing the administrative burden and compliance costs associated with VAT registration. The increased threshold will enable many growing businesses to focus on operational sustainability, job creation, and expansion without the immediate pressure of complex tax compliance requirements.

This milestone signals a move by Government towards a more business-friendly regulatory framework that recognises and addresses the challenges faced by smaller enterprises. It will undoubtedly create an environment that promotes inclusive economic growth.

AMAL, as the Association of Muslim Accountants and Lawyers South Africa remains committed to supporting its members and the public with a view of addressing their concerns.

We look forward, with renewed optimism, to our efforts to support ethical business growth and job creation.

Issued by:

The Executive Board of Association of Muslim Accountants and Lawyers South Africa (AMAL)

**Office Bearers:** Chairman: Shabir Chohan | Vice Chairman: Zain Fakroodeen | Executive Secretary: Imraan Subrathie  
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