

## Scientific and Technological Research and Development Tax Incentive in South Africa

**Effective 01 October 2012**

The Taxation Laws Amendment Act 2011 introduced specific enhancements to the existing scientific and or technological research and development (R&D) tax incentive provided under Section 11D of the Income Tax Act. These changes are effective from 1 October 2012.

A company undertaking R&D in the Republic of South Africa qualifies for a 150% tax deduction of its operational R&D expenditure. This incentive is available to businesses of all sizes in all sectors of the economy that are registered in South Africa.

All the eligible R&D expenditure will qualify for an automatic 100% tax deduction. An additional 50% uplift applies to expenditures on R&D activities that have been approved by the Minister of Science and Technology, based on the provisions of Section 11D of the Income Tax Act.

The incentive is aimed at encouraging businesses to undertake and invest in R&D in South Africa. The objective is to help companies build capabilities to create new products, processes, devices and techniques, and /or significantly improve existing ones. This incentive is part of a package of measures that the government of South Africa has introduced to support R&D led innovation, industrial development and competitiveness.

### Application process

To access the programme, a company must submit an application to the Department of Science and Technology (DST), which is responsible for the administration of the process. The application form must be completed, sent and received by the DST before commencing with the R&D, as only the expenditure incurred on or after the date on which the DST received the application will be considered.

The application form for the R&D tax incentive can be downloaded from the DST website [www.dst.gov.za/r-d](http://www.dst.gov.za/r-d). DST officials can provide information and assistance regarding completing the application form. [Read more](#)

For more information, please contact Ms Dimakatso Mokone at +27 12 843 6560 /

012 843 6829 or e-mail [dimakatso.mokone@dst.gov.za](mailto:dimakatso.mokone@dst.gov.za).

# [Tax Incentive Application Form \(01 October 2012\)](#)

# [Guide for filing 2012 R&D Tax Incentive form](#)

# [Tax Incentive Form Part 3 duplicated](#)

# [Progress Report](#)

# [Notification of Changes form](#)

1. R&D Tax Incentive Documentation (2006 - 30 Sept 2012)

- [R&D Tax Incentive Form](#)
- [Guide to Tax Incentives](#)

2. Other Document

- [Interpretation Note No 50](#)
- [Service Delivery Charter and Feedback Form](#)

3. Reports

- [2007/2008](#)
- [2009/2010](#)
- [National Survey of Research and Experimental Development 2009/10](#)
- [2011/2012](#)

[http://www.dst.gov.za/images/RD\\_Tax\\_Incentive\\_App.pdf](http://www.dst.gov.za/images/RD_Tax_Incentive_App.pdf)[app:adobe