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South Africa’s Proposed 20% Online Gambling Tax Heads for a February 2027 Decision: What It Means for Players

Our Friends · Tuesday, November 10th, 2026

Treasury’s national levy on online betting revenue survives the mini-budget, with the final design due in next year’s Budget. Operators face a sharply higher tax bill, and players should expect the effects to show up in odds, bonuses and the choice of where to bet.

JOHANNESBURG, 9 November 2026 — South Africa’s online gambling market is heading into its most significant tax change in two decades. Finance Minister Enoch Godongwana confirmed in his Medium-Term Budget Policy Statement on 21 October 2026 that National Treasury is still working on a proposed national tax on online gambling, and that the final design will be announced in the February 2027 Budget. The proposal now on the table is a 20% levy on the gross gambling revenue (GGR) of online betting and interactive gambling operators, charged on top of the taxes they already pay.

Background: how the proposal came about

National Treasury first set out the idea in a discussion paper, The Case for a National Online Gambling Tax, published on 25 November 2025. The paper argued that online gambling has grown faster than the current tax and regulatory framework was built to handle, and that the social costs of problem gambling should be reflected in what the sector pays. Treasury framed the levy as a “sin tax” along the lines of the excise duties on alcohol and tobacco.

The numbers behind the proposal are substantial. National Gambling Board figures show that around R1.5 trillion was wagered in South Africa in the 2024/25 financial year, an increase of about 31% on the year before. Gross gambling revenue, the amount bet minus winnings paid out, reached R74.5 billion, up 25.6%. Online betting now accounts for more than 85% of betting GGR, driven by smartphone access and aggressive marketing.

Treasury chose the 20% rate with reference to international practice, noting that 11 jurisdictions already charge 20% on GGR and a further 16 charge more. At current revenue levels, it estimates the tax would raise over R10 billion a year for national government.

The public comment period was extended twice and closed on 27 February 2026, followed by workshops with affected parties. The 2026 Budget in February gave the tax only a passing mention, which tax advisers had expected given the length of a new tax’s consultation process.

The latest update: still alive, not yet law

The October mini-budget kept the proposal on track but did not confirm a rate or a start date. Godongwana told Parliament that “the submissions received generally recognised the need to address the growth of online gambling and its associated harm,” and that consultations are continuing on three points: the design of the tax, how it fits with the existing regulatory framework, and what it means for provincial governments and the regulated market.

In practical terms, this means:

- The tax is not in force. Nothing changes for operators or players until the February 2027 Budget sets out the final design and Parliament passes the legislation.
- 20% is the proposed rate, not the confirmed one. Treasury could adjust it, phase it in, or change how it interacts with provincial levies.
- It would sit on top of existing taxes. Provinces currently tax **online betting** at roughly 6% to 9% of GGR, and licensed bookmakers also pay VAT. Industry estimates put the current combined burden at about 18% to 19% of GGR. Adding a 20% national levy would push the effective rate to around 38% to 39%, among the highest in the world.
- The constitutional question is open. Gambling is a concurrent national and provincial competence, and provinces collect gambling taxes. Critics, including the South African Online Gambling Association (SAROGA), argue that a national levy reshapes the regulatory settlement through tax rather than through law. Treasury’s paper also proposes taxing revenue from interactive (online casino) **online gambling**, which remains unlawful nationally.

Licensed operators have pushed back hard. Their central warning is that a heavy additional levy on the legal market could drive bettors toward offshore and unlicensed sites that pay no South African tax and offer none of its consumer protections.

What it means for players in practice

The proposed tax is levied on operators’ revenue, not on players’ winnings. South African punters would not be filling in a new tax return or seeing 20% deducted from a payout. The impact, if the tax goes ahead as proposed, is more likely to be indirect:

- Tighter odds and margins. Operators facing a near-doubling of their tax bill are likely to recover part of it through the margin built into their odds. Small differences in odds add up over hundreds of bets, so comparing prices across licensed bookmakers will matter more.
- Fewer and leaner promotions. Welcome bonuses, free bets, **free spins no deposit** and loyalty rewards are among the first costs operators trim when margins shrink. Players should expect smaller offers and stricter wagering requirements.
- Higher minimums and fees. Some operators may raise minimum deposits or withdrawals, or pass on payment processing costs that they currently absorb.
- Market consolidation. Smaller licensed brands may merge, exit or scale back, leaving players with fewer choices. Anyone holding a balance with a smaller operator should keep an eye on announcements.
- More pressure from offshore sites. Unlicensed operators may use the tax as a marketing angle, promising better odds and bigger bonuses. Betting with them carries real risk: no provincial license, no local dispute resolution, and little recourse if winnings are withheld. Only provincially licensed operators offer the protections of **South African online gambling law**.

- Stronger responsible gambling measures. Because the tax is explicitly aimed at gambling harm, the final package may come alongside tighter rules on advertising, affordability checks or deposit limits.

None of these effects are automatic, and the timing depends on the final design announced in February. Operators are unlikely to change their pricing significantly before the rules are known.

Staying informed

With the final design due in February 2027 and implementation details still to follow, the picture will keep moving over the coming months. Players can follow the latest developments, including Budget-day analysis and how individual operators respond, at **southafricancasinos.co.za**, our leading site for South African gambling news and updates as the market develops.

What to watch next

- February 2027 Budget: the final rate, the tax base, the start date, and whether the levy replaces or sits alongside provincial taxes.
- Draft legislation: the bill that would give the tax legal effect, and any further public comment window.
- Provincial response: how provincial gambling boards and treasuries adjust their own levies.
- Operator announcements: changes to odds, promotions and product ranges in the weeks after the Budget.

If gambling is causing you or someone close to you harm, free and confidential support is available through the National Responsible Gambling Programme.

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