



*South African Revenue Service*

## **VALUE-ADDED TAX**

**DOMESTIC REVERSE CHARGE: VALUABLE METAL  
OPERATIONAL REQUIREMENTS**

# DOMESTIC REVERSE CHARGE: VALUABLE METAL

## Operational requirements

- ✔ The re-validation process will be published on the SARS web site
- ✔ Existing registered vendors involved in buying and selling valuable metals, must apply within 21 business days to re-validate their registration. The application should indicate:
  - ✔ Participation in the DRC, or
  - ✔ Notify if the business ceased to operate, or
  - ✔ Notify if the business permanently ceased to make supplies of valuables
- ✔ Under certain circumstances, SARS will contact affected vendors to implement the re-validation
- ✔ It is however important to note that if a vendor is not contacted, the onus remains on the vendor to re-validate.

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## Operational requirements

- ✔ Re-validation requests must be sent to the dedicated mailbox including the following information and supporting documents:
  - ✔ VAT registration number in subject line and related VAT certificate
  - ✔ Latest 3 months bank statements
  - ✔ A copy of the permit issued by the South African Diamond & Precious Metals Regulator (SADMPR), and
  - ✔ A list of suppliers; where applicable, including their VAT reference numbers in a worksheet format with as optional, tax invoices from suppliers
- ✔ SARS will validate the registration and send an outcome letter, either a confirmation of validation or an unsuccessful notification
- ✔ If re-validation is unsuccessful, a re-application should be sent to the dedicated DRC email address in response to issues raised in the outcome letter.

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## Background

- ✔ Regulations were gazetted on the 8<sup>th</sup> June 2022
- ✔ Public notice was gazetted on the 24<sup>th</sup> June 2022
- ✔ Effective date is 1<sup>st</sup> July 2022

## Next steps

- ✔ A web page publication will be available from the 2<sup>nd</sup> July 2022 explaining the DRC, with access to the legislation, explanatory memorandum, public notice and the process to request re-validation
- ✔ A VATConnect is scheduled to provide additional information on the DRC, this will be released by 8 July 2022
- ✔ An additional month is provisioned for vendor system readiness by the 1<sup>st</sup> August 2022 as means to enable transacting in line with the stipulated DRC regulations.

*Thank you*  
*Re a leboha*  
*Re a leboga*  
*Ndza Khensa*  
*Dankie*  
*Ndi a livhuwa*  
*Ngiyabonga*  
*Enkosi*  
*Ngiyathokoza*