

Applying for an Advance Tax Ruling (ATR)

The Advance Tax Ruling (ATR) Unit provides a service to taxpayers to promote clarity, consistency, and certainty in respect of the interpretation and application of the tax laws to which it applies. A Binding Private Ruling (BPR) or a Binding Class Ruling (BCR) allows you to obtain both clarity and certainty on the Commissioner's interpretation and application of the tax laws on proposed transactions. Provided that you have fully and accurately disclosed the facts in connection with your proposed transaction and actually carry it out as described in your application, the ruling will generally be binding upon the Commissioner when you are assessed on that proposed transaction.

The scope and limits of this binding effect are discussed in further detail in the guides.

In general, prior to the introduction of the ATR System, the Commissioner did not have the authority to issue binding rulings in respect of the application or interpretation of the tax laws. The only exception to this rule concerned certain rulings issued under Section 41 of the VAT Act.

A binding ruling application can only be accepted if the proposed transaction is dated in the future. There are no exceptions to this rule.

The ATR Unit issues three types of rulings as well as reconfirmations and ruling extensions

- *Binding Private Ruling (BPR):* A "binding private ruling" is an advance tax ruling, issued in response to an application that states how the Commissioner would interpret and apply the provisions of the tax laws to a specific proposed transaction.
- *Binding Class Ruling (BCR):* A "binding class ruling" is an advance tax ruling, issued in response to an application, which states how the Commissioner would interpret and apply the provisions of the tax laws to affected class members in relation to a proposed transaction.
- *Status Rulings:* A Status Ruling provides clarity on the impact of a subsequent change in the tax laws upon your binding ruling, or a court decision. A status ruling gives the Commissioner's view as to whether or not those changes affect your binding ruling. Status Rulings are applications for binding rulings and all terms and conditions relevant to applications are applicable to status rulings which include application fees.
- *Reconfirmations:* A Reconfirmation is a re-application for a prior binding ruling issued by the ATR Unit, the validity period of which has expired. Provided the facts remain the same, the applicant may request that the ruling should be reconfirmed for a further period. Reconfirmations are applications for binding rulings and all terms and conditions relevant to applications are applicable to reconfirmations which include application fees.

- *Ruling Extensions*: Ruling Extensions refers to an extension of the validity period of a binding ruling previously issued by ATR on a once-off transaction which has not occurred during the validity period. Status Rulings are applications for binding rulings and all terms and conditions relevant to applications are applicable to ruling extensions which include application fees.

To protect the confidentiality of the applicants, Binding Private Rulings and Binding Class Rulings will be published in edited form. Prior to publication, applicants will review and approve the draft version of the sanitised (edited) ruling to protect their privacy.

Sanitised (edited) rulings are published on this website as general information and a third party may not rely upon an ATR under any circumstances. In addition, a third party may not cite a BPR or BCR in any proceeding before the Commissioner or the courts.

The ATR process is not appropriate for general questions about tax laws or questions about administrative or procedural matters. General taxation information can be obtained from the SARS Call Centre on 0800 00 7277.