## Annexure 1 – Example of a binding ruling application

The South African Revenue Service
Legal Counsel: Advance Tax Rulings
271 Bronkhorst Street
Nieuw Muckleneuk
Pretoria


Dear Sir / Madam

**[Full name of Applicant] – ATR reference number: xxxxxxxxxx**

**Binding [Private] [Class] Ruling Application**

**1.     Introduction**

**1.1     Ruling request**

On behalf of the Applicant we hereby request a binding [private] [class] ruling in the following terms:

- Xxxxx xxxx xxxx.

- Xxxxx xxxx xxxx.

**1.2     Sections of the Act referred to in the application**

The relevant provisions of [insert short title and citation of the applicable act] referred to in this application are:

- Section x(x) definition of "xxxxx xxxxxx".

- Section xx

- Paragraph x(x) of the [insert name] Schedule.

The relevant provisions of [insert short title and citation of the applicable act] referred to in this application are:

- Section x(x) definition of "xxxxx xxxxxx".

- Section xx

- Paragraph x(x) of the [insert name] Schedule.

**1.3     Documents**

Please find attached the following supporting documentation:

- **Annexure A** – Disclosure of the information required to be submitted in accordance with section 79 of the Tax Administration Act 28 of 2011 (TA Act).

- **Annexure B** – A letter of consent as required by section 87 of the TA Act.

- **Annexure C** – The draft ruling letter.

**2.      Factual background**

**2.1      Background**

This section should provide a complete description of the proposed transaction in respect of which the ruling is sought (section 79(4)(c) of the TA Act). This should include as much information as possible about the applicant and the transaction to ensure SARS's understanding of the proposed transaction.

**2.2      Detailed description of the transaction**

This section should set out the transaction step-by-step.

**2.3      Effective date of the transaction**

The implementation date of the transaction must be stated and all suspensive conditions that may have an impact on the effective date of the transaction.

**3.      Interpretation of the relevant provisions of the Act**

This item should set out a submission providing the interpretation of the relevant provisions applicable to the proposed transaction, together with relevant case law and other applicable authorities, irrespective of whether they favour or undermine the case the applicant seeks to make.

**4.      Tax implications**

This item should set out a comprehensive description of the impact the proposed transaction may have upon the tax liability of the applicant or co-applicant, and where relevant, any connected person in relation to the applicant, including any and all relevant information regarding the financial or tax implications of the proposed transaction (section 79(4)(d) of the TA Act).

*NOTE: PLEASE ENSURE THAT ALL FINANCIAL INFORMATION APPLICABLE TO THE PROPOSED TRANSACTION IS PROVIDED AND THE RESULTING TAX CONSEQUENCES.*

**Example:**

The market value of the shares is RXX and the base cost of the shares is Ryy. Should the profit be taxable as gross income, the amount to be included in taxable income will be Rzz.  If on capital account, the CGT gain will be Raa.

**5.      Conclusion**

**Example:**

We request SARS to make a ruling that, for the reasons outlined above, xxxxxxxxxx.

Should you require any additional information or have any questions regarding this application please contact me on xxx-xxx-xxxx.

Yours sincerely


X
Director
Tax Practitioner Reg No PR-xxxxxxx