

VAT RULING: VR xxx [or VAT CLASS RULING: VCR: XXX]

DATE: Xxxx

ACT : VALUE-ADDED TAX ACT, 1991 (the VAT Act)

SECTION : [SECTION XX](#_top)

List the main sections of the VAT Act here, that are being considered in relation to your application.

SUBJECT : [XXX](#_top)

Include a very concise statement here which can serve as a topic heading. The heading should be sufficient to communicate to the reader, the essence of what the ruling is about. (Limit the subject heading to 80 characters.)

**PreambleApplicant**

Use the exact wording as below for this part, modified only based on whether it is a class or private ruling.

This VAT [class/ruling] is published with the consent of the Applicant(s) to which it has been issued and is binding only upon SARS and applies only to the Applicant and any Co-applicant(s). This ruling is published for general information and does not constitute a practice generally prevailing.

1. [Summary](#_top)

This part should explain very briefly in a few sentences and on a high level, what this ruling is about as indicated in the subject heading.

2. Relevant tax laws

Use the exact wording as below, followed by a list of the relevant provisions which apply as set out in the example below.

In this ruling, references to sections are to sections of the VAT Act applicable as at date of the ruling of which this is the sanitised version. Unless the context indicates otherwise, any word or expression in this ruling bears the meaning ascribed to it in the VAT Act.

This is a ruling based on the Commissioner’s interpretation of the application of the following sections of the VAT Act:

* Section x(x) definition of “xxx” in section 1(1)
* Section xxx
* Paragraph xx of the [insert name] Schedule.

3. [Parties to the application](#_top)

Under section 87(1) of the Tax Administration Act 28 of 2011, SARS must publish binding rulings for informational purposes to the general public in order to ensure a level playing field for all taxpayers. The ruling must be published in a form that does not reveal the identity of the Applicant or other parties to the transaction (confidential information). Therefore, exclude any confidential information from parts 3 and 4 of this template which may reveal the identity of the Applicant(s).

The relevant industry is required for internal purposes but will not be published if it reveals the identities of the parties.

Set out the information as per the example below to describe the Applicant(s) and mention the relevant industry concerned.

[The Applicant:](#_top" \o "The ruling must be published in a form that does not reveal the identity of the applicant or other parties to the proposed transaction (confidential information).) A listed company incorporated in and a resident of the Republic trading in the [insert industry].

In the case of a class, include a description of the class, e.g. a group of companies, incorporated and resident in the Republic, members of an association etc.

Usually there will only be one Applicant, but where there are Co-applicants, provide the details as indicated in the example below.

Company A: A company incorporated in and a resident of the Republic that is a wholly owned subsidiary of the Applicant trading in the xxx industry.

Company B: A company that is incorporated outside the Republic, is not a resident of the Republic and is a wholly owned subsidiary of the Applicant trading in the [insert industry].

4. [Background and facts](#_top)

The background should provide sufficient contextual and factual information in a summarised form so that the reader can understand the situation of the vendor and the facts and circumstances concerning why there is a need for the ruling.

For example, include ‑

* the **pertinent facts** of the matter to allow the reader to understand the circumstances of the vendor(s) and the transaction(s) and the reason why the ruling is required;
* the **necessary context**. You do not need to mention specifics likes dates, places, descriptive details, amounts, etc. except where necessary and only insofar as it relates to the outcome or to provide the necessary context.
* the **industry** of the vendor/class should be mentioned.

As per paragraph 3 above, do not include any confidential information in Part 4 of this template which may reveal the identity of the Applicant(s).

5. [Conditions and assumptions](http://teamsites2/sites/LAPD/IR/IT/Initiatives/2024/Rulings%20publication/Templates/General/The#_top)

Use the below statement if there are no additional conditions and assumptions. If there are any additional conditions or assumptions, then you can say *“The following additional conditions/assumptions apply:”* and then list them. You may have to include additional conditions or assumptions, for example, when the VAT treatment of a particular income stream is unclear or does not form part of the decision/ruling.

This VAT [ruling/class ruling] is subject to the Standard Terms, Conditions and Assumptions issued by the Commissioner, and the provisions of Chapter 7 of the Tax Administration Act, 28 of 2011 (the TA Act), excluding sections 79(4)(*f*), (*k*), (6) and 81(1)(*b*).

6. Ruling

Set the ruling out as per the items on which you have requested confirmation in the background and facts in the format indicated below.

The binding private/binding class ruling issued to the Applicant is as follows:

6.1 XXX

6.2 XXX

6.3 XXX

7. Period for which this ruling is valid

Use the wording and format indicated below.

This VAT [class/ruling] applies only in respect of the transaction(s) set out above and is –

7.1 valid from date of issue;

7.2 applicable to tax periods commencing on or after xxx; and

7.3 valid until xxx.

Generally, rulings are issued for a period of three years.

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