

BINDING PRIVATE RULING: BPR xxx [or BINDING CLASS RULING: BCR: XXX]

DATE: xxx

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

SECTION : [SECTION 72](#_top)

Also list the main sections of the VAT Act here, that are being considered in relation to your application for a decision and a ruling under section 72.

SUBJECT : [XXX](#_top)

Include a very concise statement here which can serve as a topic heading which adequately describes the difficulties, anomalies or incongruities that are experienced in support of your application under section 72. (Limit 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 binding [private/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 (in addition to quoting section 72) 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
* Section 72

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 identify 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The relevant industry is required for internal purposes but will not be published if it reveals the identities of the parties.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 [insert 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 what the section 72 decision is about and why it is necessary.

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) concerned;
* the **necessary context**. You do not need to mention specifics likes dates, places, descriptive details, etc. except where necessary insofar as it relates to the outcome or to provide necessary context. The context must clearly illustrate the difficulty, anomaly or incongruity that arose in applying specific sections of the VAT Act because of the manner in which the vendor or class of vendors conducts business; and
* the **industry** of the vendor/class should be mentioned and indicate how similar difficulties etc. arise or may arise for other vendors/class of vendors in the industry concerned.

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 binding [private/class] ruling is –](#_top)

* issued on the basis that the decision –
  + does not have the effect of reducing or increasing the liability for tax levied under the VAT Act; and
  + is not contrary to the construct and policy intent of the VAT Act as a whole or any specific provision of the VAT Act;
* subject to sections 75, 81, 83 to 87, 89 and 90 of the Tax Administration Act 28 of 2011 (the TA Act) and the Standard Terms and Conditions issued by the Commissioner.

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/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 binding [private/class] 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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