

SOUTH AFRICAN REVENUE SERVICE

BINDING GENERAL RULING (VAT) NO: 1

DATE: 30 November 2006

ACT : VALUE-ADDED TAX ACT, NO. 89 OF 1991 ("the VAT Act")
SECTION : SECTION 41(c)
SUBJECT : VAT RULINGS

1. Purpose

The purpose of this ruling is to provide clarity on the binding status of written decisions, regarding the interpretation and application of the VAT Act, issued by the Commissioner.

2. Ruling

Any written decision issued in terms of section 41(c) of the VAT Act, regarding the interpretation and application of the VAT Act, will continue to be binding until further notice, to the extent that such decision was accepted by the vendor and all the material facts were known to the Commissioner when the decision was given.

This ruling does not apply to any binding private ruling issued in accordance with section 76Q of the Income Tax Act, 1962, as made applicable, *mutatis mutandis*, to the VAT Act by section 41A of the VAT Act, as inserted by section 12(1) of the Taxation Laws Second Amendment Act, No. 10 of 2005 which is effective from 1 October 2006 (see Government Gazette No 29263 dated 29 September 2006).

This ruling is a binding general ruling issued in accordance with section 76P of the Income Tax Act, 1962 as made applicable to the VAT Act by section 41A of the VAT Act. This binding general ruling is effective until 31 December 2006.

The Commissioner will provide further guidance, through a separate binding general ruling, in respect of the procedures vendors must follow if they wish to obtain confirmation of these written decisions.