

BINDING GENERAL RULING (VAT) 52

DATE: 26 March 2020

ACT : VALUE-ADDED TAX ACT 89 OF 1991
SECTION : SECTIONS 1(1) DEFINITION OF “EXPORTED”, 11(1)(a) AND 11(3)
SUBJECT : TIMEFRAME FOR THE EXPORT OF GOODS BY VENDORS AND QUALIFYING PURCHASERS AFFECTED BY THE GLOBAL COVID-19 PANDEMIC

Preamble

For purposes of this ruling –

- **“BGR”** means a binding general ruling issued under section 89 of the Tax Administration Act 28 of 2011; and
- **“Export Regulations”** means the regulations published in GN R.316 *Government Gazette* 37580 of 2 May 2014;
- **“IN 30”** means Interpretation Note 30 (Issue 3) dated 5 May 2014;
- **“direct exports”** means an export in terms of which any vendor consigns or delivers the movable goods to the recipient in an export country, as contemplated in paragraph (a) of the definition of “exported” in section 1(1), read with section 11(1)(a)(i) and (3) and IN 30;
- **“indirect exports”** means an export in terms of which the qualifying purchaser or the qualifying purchaser’s agent is responsible for exporting the movable goods from the Republic as contemplated in paragraph (d) of the definition of “exported” in section 1(1), read with section 11(1)(a)(ii) and (3) and the Export Regulations;
- **“Part One”** refers to procedures prescribed under the Export Regulations for granting refunds to qualifying purchasers residing in, or conducting business in, export countries;
- **“Part Two Section A”** refers to procedures prescribed under the Export Regulations for any vendor that elects to supply movable goods to a qualifying purchaser at the zero rate, when the goods are initially delivered to a harbour or airport, being a designated commercial port, or supplied by means of a pipeline or electrical transmission line in the Republic, before being exported;
- **“Part Two Section B”** refers to procedures prescribed under the Export Regulations for any vendor that elects to supply movable goods to a qualifying purchaser at the zero rate, when the goods are to be exported by way of road or rail;
- **“qualifying purchaser”** is as defined in the Export Regulations and generally refers to a person that is not a resident;
- **“section”** means a section of the VAT Act;
- **“VAT”** means value-added tax;

- “**VAT Act**” means the Value-Added Tax Act 89 of 1991; and
- any other word or expression bears the meaning ascribed to it in the VAT Act.

1. Purpose

This BGR extends, under the circumstances in **3**, the prescribed periods to –

- export movable goods;
- apply for a refund from the VAT Refund Administrator; and
- obtain the relevant documentary proof of export,

stipulated in the Export Regulations and IN 30 respectively.

2. Background

The Export Regulations and IN 30 respectively prescribe the time periods to export movable goods, apply for a refund from the VAT Refund Administrator and obtain the relevant documentary proof of export.

The Export Regulations and IN 30 respectively allow for an extension of the aforementioned time periods,¹ where these periods cannot be met, because of circumstances beyond the control of the qualifying purchaser or the vendor. These circumstances include a natural or human-made disaster, and a serious illness of the vendor, qualifying purchaser, or the person duly authorised to represent the qualifying purchaser.

In light of the COVID-19 pandemic, and the measures put in place by the President of the Republic, regarding the pandemic, qualifying purchasers and vendors will have a difficulty in meeting the aforementioned prescribed time periods set out in the Export Regulations and IN 30 respectively. This situation is considered to be beyond the control of the vendor, qualifying purchaser, or the person duly authorised to represent the qualifying person, as contemplated in the Export Regulations and IN 30 respectively.

3. Ruling

This ruling constitutes a BGR issued under section 89 of the Tax Administration Act 28 of 2011 insofar as it relates to the items listed in **3.1** to **3.2**, and only applies to supplies of movable goods in respect of which, at the date of issue of this BGR, the original prescribed timelines referred to in the Export Regulations and IN 30 respectively, have not yet been exceeded.

3.1 Indirect exports

3.1.1 Time period to export movable goods under Part One

The time period prescribed under Regulation 3(a) of the Export Regulations to export movable goods is extended by an additional three months.

¹ Regulation 6(a) of the Export Regulations, Regulation 15(2)(f)(i) of the Export Regulations and paragraph 5.2(d) of IN 30.

3.1.2 Time period to apply for a refund under Part One

The time period to apply for a refund prescribed in Regulation 3 of the Export Regulations, is extended to six months from the date of export, in respect of the circumstances contemplated in Regulation 6(a) of the Export Regulations.

3.1.3 Time period to export movable goods under Part Two Sections A and B

The time period to export movable goods prescribed under Regulation 15(1) and (2)(a) to (e) of the Export Regulations, is extended by an additional three months.

3.2 Direct exports

3.2.1 Time period to export movable goods under direct exports

The time period prescribed in paragraph 5 of IN 30, to export movable goods, is extended by an additional three months.

4. Period for which this ruling is valid

This BGR applies from date of issue and will apply until it is withdrawn, amended or the relevant legislation is amended.

To the extent that this BGR does not provide for a specific scenario in respect of the export of movable goods, vendors or qualifying purchasers may apply for a VAT ruling or VAT class ruling in writing by sending an e-mail to VATRulings@sars.gov.za or by facsimile to 086 540 9390. The application should consist of a completed VAT301 form and must comply with the provisions of section 79 of the Tax Administration Act 28 of 2011, excluding section 79(4)(f), (k) and (6).

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