

SOUTH AFRICAN REVENUE SERVICE

INTERPRETATION NOTE NO. 30

DATE : 31 MARCH 2005

ACT : VALUE-ADDED TAX ACT, 1991, (No. 89 OF 1991) (THE VAT ACT)

SECTION : SECTION 11(1)(a)(i), READ WITH PARAGRAPH (a) OF THE DEFINITION OF "EXPORTED" IN SECTION 1 OF THE VAT ACT - ZERO RATING OF *MOVABLE GOODS* EXPORTED

SUBJECT : *DOCUMENTARY PROOF* REQUIRED ON CONSIGNMENT OR DELIVERY OF *MOVABLE GOODS* TO A *RECIPIENT* AT AN ADDRESS IN AN EXPORT COUNTRY

VAT Practice Note No. 2 of 1998, published as General Notice No. 2762 of 1998 (published in Government Gazette No. 19471 dated 13 November 1998), is hereby withdrawn and replaced by Interpretation Note No. 30 as from 1 April 2005. All rulings issued in terms of VAT Practice Note No. 2 of 1998 are also withdrawn as from 1 April 2005.

1. Purpose

VAT is levied on the supply of goods and services at the standard rate in terms of section 7(1)(a) of the *VAT Act*. However, where a supplying vendor exports *movable goods*, the zero rate may be applied to the supply of the *movable goods* in terms of section 11(1)(a)(i), read with paragraph (a) of the definition of "exported" in section 1 of the *VAT Act*, provided that the supplying vendor furnishes *documentary proof* as envisaged in section 11(3) of the *VAT Act*, to the satisfaction of the Commissioner that the *movable goods* have been exported.

The purpose of this Interpretation Note is to:

- explain what requirements must be met to comply with the export requirements; and
- prescribe the *documentary proof* that is acceptable to the Commissioner where a supplying vendor *consigns or delivers movable goods* in terms of a sale or instalment credit agreement to a *recipient* at an address in an export country and, accordingly VAT is levied on the supply at the rate of zero percent.

2. Background

In order for a supplying vendor to supply *movable goods* (excluding second-hand *movable goods* where *notional input tax* was claimed) in terms of a sale or instalment credit agreement at the VAT rate of zero percent in terms of section 11(1)(a)(i), read with paragraph (a) of the definition of "exported" in section 1 of the *VAT Act*, the supplying vendor must —

- consign or deliver the *movable goods* to the *recipient*
- at an address in an export country
- as substantiated by *documentary proof* acceptable to the Commissioner.

As the supplying vendor is in control of the export and ensures that the *movable goods* are exported from the Republic, this is known as a "**direct export**".

Other instances where the supply of *movable goods* is considered to be a direct export are as follows:

- the supplying vendor exports *movable goods* to be installed outside the Republic;
- the supplying vendor exports *movable goods* as consignment stock to be supplied outside the Republic;
- the supplying vendor exports *movable goods* temporarily for exhibition purposes and subsequently supplies all or part of the *movable goods* outside the Republic, or
- the supplying vendor sells *movable goods* situated outside the Republic to a *recipient* before the *movable goods* are imported into the Republic, for example a sale on the high seas.

The supply of vouchers entitling the purchaser to a service, for example a phone recharge voucher, a pre-paid card, etc. constitutes the supply of a service and consequently cannot be regarded as a supply of *movable goods* that can be subject to a direct export.

3. The law

The relevant sections of the VAT Act are quoted below.

Section 1

“Customs and Excise Act” means the Customs and Excise Act, 1964 (Act No. 91 of 1964);

“export country” means any country other than the Republic and includes any place which is not situated in the Republic: Provided that the President may by notice in the Gazette determine that a specific country or territory shall from a date and to the extent indicated in the notice, be deemed not to be an export country;

“exported” in relation to any movable goods supplied by any vendor under a sale or an instalment credit agreement, means-

- a) consigned or delivered by the vendor to the recipient at an address in an export country as evidenced by documentary proof acceptable to the Commissioner;

“goods” means corporeal movable things, fixed property and any real right in any such thing or fixed property, but excluding—

- (a) money;
- (b) any right under a mortgage bond or pledge of any such thing or fixed property; and
- (c) any stamp, form or card which has a money value and has been sold or issued by the State for the payment of any tax or duty levied under any Act of Parliament, except when subsequent to its original sale or issue it is disposed of or imported as a collector’s piece or investment article;

Section 11(1)(a)(i)

Where, but for this section, a supply of goods would be charged with tax at the rate referred to in section 7(1), such supply of goods shall, subject to compliance with subsection (3) of this section, be charged with tax at the rate of zero per cent where-

- a) the supplier has supplied the goods (being movable goods) in terms of a sale or instalment credit agreement and--*
- i) the supplier has exported the goods in the circumstances contemplated in paragraph (a), (b) or (c) of the definition of 'exported' in section 1; or*

Section 11(3)

Where a rate of zero per cent has been applied by any vendor under a provision of this section or section 13(1)(ii), the vendor shall obtain and retain such documentary proof substantiating the vendor's entitlement to apply the said rate under those provisions as is acceptable to the Commissioner.

4. Meanings attached to words and phrases used in this Interpretation Note

For the purposes of this Interpretation Note, the following words and phrases have the meaning as described below-

"consigned or delivered" means —

- (i) where the supplying vendor engages a cartage contractor, (i.e. a "supplier's cartage contractor"), to deliver the movable goods on the supplying vendor's behalf to the recipient at an address in an export country, only if the supplier's cartage contractor is engaged by and is contractually liable to the supplying vendor to effect delivery of the movable goods and the supplying vendor is invoiced and liable for the full cost relating to such delivery; or*
- (ii) physically delivered by the supplying vendor to the recipient at an address in the export country, for example:*
 - the supplying vendor exports the movable goods in the supplying vendor's baggage; or*
 - the supplying vendor exports the movable goods by means of the supplying vendor's own transport;*

"designated commercial port" means a place of exit from the Republic which has been designated by the Commissioner for the South African Revenue Service as an exit point from the Republic, (see paragraph 7.7.1 below);

"documentary proof" means the documentation prescribed in paragraphs 5 and 6;

"export depot" means the premises of a "supplier's cartage contractor";

"movable goods" means goods as defined in section 1 of the VAT Act, excluding immovable goods;

"notional input tax" means input tax claimed on second-hand movable goods as referred to in paragraph (b) of the definition of "input tax" in section 1 of the VAT Act;

"recipient" means the person to whom the supply of movable goods in terms of a sale or instalment credit agreement is made; including a VAT registered vendor and a South African resident;

"supplier's cartage contractor" means a person who is registered under the VAT Act as a vendor, transport being the main activity, and who has been engaged by the supplying vendor to transport and deliver movable goods to the recipient at an address in an export country. For the purposes of this VAT Interpretation Note, supplier's cartage contractor includes couriers, the Post Office Limited and freight forwarders if so registered for VAT purposes; and

"VAT Act" means the Value-Added Tax Act, 1991 (Act No. 89 of 1991).

[The above-mentioned words and phrases are printed in *italics* in this Interpretation Note.]

5. Application of the law

In order for the supplying vendor to apply VAT at the zero rate to the supply of *movable goods* in respect of a direct export, the supplying vendor must obtain and retain *documentary proof* as is acceptable to the Commissioner in terms of section 11(3) of the VAT Act.

5.1 Documentary proof

The proof required by the Commissioner for direct exports includes official and commercial documentation.

- (i) **Official documentation** is the export documentation that is prescribed under the Customs and Excise Act; by Government departments or other government controlled entities, for example DA550, CCA1, Single Administrative Document (SAD), permits, etc.
- (ii) **Commercial documentation** is the documentation that is issued by freight haulers, business and other organisations that provides proof of the transaction and the transportation, for example a tax invoice, air waybill, bill of lading, *recipient's* order, etc.

Documents required substantiating proof of export where *movable goods* are *consigned or delivered* by the supplying vendor are set out under the following headings:

- (i) *Movable goods* physically delivered by the supplying vendor (paragraph 5.1.1)
- (ii) *Movable goods* conveyed by the supplying vendor's cartage contractor (paragraph 5.1.2)
- (iii) Where *movable goods* are supplied by pipeline or electrical transmission line (paragraph 5.1.3)

In addition to the tax invoice, the supplying vendor must obtain the required export documentation **within a period of three months** of the date of any invoice and retain these documents as required in section 55 of the *VAT Act*.

It must be noted that where export documentation is pre-cleared at a Customs office, which is not the *designated commercial port* through which the *movable goods* are exported, proof must be provided that the export documentation was also endorsed by the Customs office at the *designated commercial port*.

Furthermore, where the *movable goods* of more than one person are *exported* in one consignment and only one transport document is issued, the transport document must be accompanied by an annexure containing a full description of the *movable goods* supplied by each supplying vendor. This description must specify the quantity or mass, as well as the value of the relevant *movable goods*.

5.1.1 *Movable goods* physically delivered by the supplying vendor

Where the supplying vendor physically delivers *movable goods* to a *recipient* at an address in an export country, either

- in the supplying vendor's accompanied baggage; or
- by means of the supplying vendor's own transport,

the supplying vendor must obtain and retain all of the following documentation:

- (i) The *recipient's* order or the contract between the *recipient* and the supplying vendor;
- (ii) either:
 - (a) a copy of the export documentation prescribed under the Customs and Excise Act, bearing an original SARS Customs stamp; **or**
 - (b) where a customs export entry is processed as an "Electronic Data Interchange" entry, a copy of the customs release notification, bearing an original SARS Customs stamp;
- (iii) a copy of the import documentation declaring the importation of the *movable goods* into the export country, (i.e. the relevant Customs import declaration form);
- (iv) proof that the *movable goods* have been received by the *recipient* in the export country, e.g. a delivery note signed by the *recipient*; and

- (v) proof of payment.

5.1.2 **Movable goods conveyed by the supplying vendor's cartage contractor**

Where the supplying vendor delivers *movable goods* to an *export depot*, a railway station, a harbour, an airport, a postal service or a courier service in the Republic or the *supplier's cartage contractor* takes possession of the *movable goods* at the premises of the supplying vendor, from where the *movable goods* are exported to the *recipient* at an address in an export country, the supplying vendor must obtain and retain all of the following documentation:

5.1.2.1 **By road**

- (i) The *recipient's* order or the contract between the *recipient* and the supplying vendor;
- (ii) proof that the supplying vendor paid the transport costs;
- (iii) a copy of the road manifest;
- (iv) proof that the *movable goods* have been received by the *recipient* in the export country, e.g. a delivery note signed by the *recipient*;
- (v) either:
 - (a) a copy of the export documentation prescribed under the Customs and Excise Act, bearing an original SARS Customs stamp; **or**
 - (b) where a customs export entry is processed as an "Electronic Data Interchange" entry, a copy of the customs release notification, bearing an original SARS Customs stamp;
- (vi) a copy of the import documentation declaring the importation of the *movable goods* into the export country, (i.e. the relevant Customs import declaration form); and
- (vii) proof of payment.

5.1.2.2 **By rail**

- (i) The *recipient's* order or the contract between the *recipient* and the supplying vendor;
- (ii) proof that the supplying vendor paid the transport costs;
- (iii) **by wagon:** a copy of the combined consignment note and wagon label issued by the rail operator; **or**
by container: a copy of the freight transit order issued by the rail operator;
- (iv) either:
 - (a) a copy of the export documentation prescribed under the Customs and Excise Act, bearing an original SARS Customs stamp; **or**

- (b) where a customs export entry is processed as an “Electronic Data Interchange” entry, a copy of the customs release notification, bearing an original SARS Customs stamp;
- (v) a copy of the import documentation declaring the importation of the *movable goods* into the export country, (i.e. the relevant Customs import declaration form); and
- (vi) proof of payment.

5.1.2.3 By sea

- (i) The *recipient's* order or the contract between the *recipient* and the supplying vendor;
- (ii) proof that the supplying vendor paid the transport costs;
- (iii) a copy of the sea freight transport document, e.g. a bill of lading, manifest bill; house bill; etc.;
- (iv) either:
 - (a) a copy of the export documentation prescribed under the Customs and Excise Act, bearing an original SARS Customs stamp; **or**
 - (b) where a customs export entry is processed as an “Electronic Data Interchange” entry, a copy of the customs release notification, bearing an original SARS Customs stamp;
- (v) a copy of the import documentation declaring the importation of the *movable goods* into the export country, (i.e. the relevant Customs import declaration form); and
- (vi) proof of payment.

5.1.2.4 By air

- (i) The *recipient's* order or the contract between the *recipient* and the supplying vendor;
- (ii) proof that the supplying vendor paid the transport costs;
- (iii) a copy of the airfreight transport document, e.g. a master airway bill; house airway bill; etc., which must reflect the flight number, the date and the place of departure;
- (iv) either:
 - (a) a copy of the export documentation prescribed under the Customs and Excise Act, bearing an original SARS Customs stamp; **or**
 - (b) where a customs export entry is processed as an “Electronic Data Interchange” entry, a copy of the customs release notification, bearing an original SARS Customs stamp;

- (v) a copy of the import documentation declaring the importation of the *movable goods* into the export country, (i.e. the relevant Customs import declaration form); and
- (vi) proof of payment.

5.1.2.5 By post

- (i) The *recipient's* order or the contract between the *recipient* and the supplying vendor;
- (ii) proof that the supplying vendor paid the postage costs;
- (iii) proof of receipt of the *movable goods* by the postal service;
- (iv) either:
 - (a) a copy of the export documentation prescribed under the Customs and Excise Act, bearing an original SARS Customs stamp; **or**
 - (b) any form or label affixed to or completed in respect of a postal item, reflecting a description of the contents and the value; **or**
 - (c) where a customs export entry is processed as an "Electronic Data Interchange" entry, a copy of the customs release notification, bearing an original SARS Customs stamp; and
- (v) proof of payment.

5.1.2.6 Other (e.g. by conveyor belt or cableway)

- (i) The *recipient's* order or the contract between the *recipient* and the supplying vendor;
- (ii) proof that the supplying vendor paid the transport costs;
- (iii) either:
 - (a) a copy of the export documentation prescribed under the Customs and Excise Act, bearing an original SARS Customs stamp; **or**
 - (b) where a customs export entry is processed as an "Electronic Data Interchange" entry, a copy of the customs release notification, bearing an original SARS Customs stamp;
- (iv) a copy of the import documentation declaring the importation of the *movable goods* into the export country, (i.e. the relevant Customs import declaration form); and
- (v) proof of payment.

5.1.3 Where *movable goods* are supplied by pipeline or electrical transmission line

Where *movable goods* are exported by means of a pipeline or electrical transmission line and the vendor supplying such *movable goods* is the owner of such line or is contractually liable for the full cost relating to the use of such line, the supply must be zero-rated.

- (i) The *recipient's* order or the contract between the *recipient* and the supplying vendor;
- (ii) proof that the supplying vendor is the owner of such line or is contractually liable for the full cost relating to the use of such line;
- (iii) proof of the meter reading, which is provided on a monthly basis or per transaction and details the quantity, volume or mass of the *movable goods* supplied;
- (iv) either:
 - (a) a copy of the export documentation prescribed under the Customs and Excise Act, bearing an original SARS Customs stamp; **or**
 - (b) where a customs export entry is processed as an "Electronic Data Interchange" entry, a copy of the customs release notification, bearing an original SARS Customs stamp;
- (v) a copy of the import documentation declaring the importation of the *movable goods* into the export country, (i.e. the relevant Customs import declaration form); and
- (vi) proof of payment.

6. Special types of supplies of *movable goods*:

Certain specific scenarios are described below. The general *documentary proof* requirements as set out in paragraph 5 above apply, except where specifically indicated to the contrary.

6.1 Second-hand *movable goods*

The zero rate is not applicable in respect of supplies of second-hand *movable goods* if *notional input tax*, (as provided for in paragraph (b) of the definition of "input tax" in section 1 of the *VAT Act*), was claimed by the supplying vendor or any other person who is a connected person in relation to the supplying vendor, when the second-hand *movable goods* were acquired. In terms of the proviso to section 11(1), read with section 10(12) of the *VAT Act*, tax is levied to the extent of the *notional input tax* claimed by the supplying vendor. Such VAT may not be refunded by the supplying vendor to the *recipient*. In effect, it is only the VAT charged on the difference between the purchase price and the zero-rated selling price.

Example:

A motor dealer purchases second-hand *movable goods* from a non-vendor for R11 400 and subsequently exports the second-hand *movable goods* to a *recipient* at an address in an export country.

Calculation of *notional input tax* on acquisition of second-hand *movable goods*:

Purchase price paid by the supplying vendor	R11 400
<i>Notional input tax</i> (R11 400 x 14/114)	<u>R 1 400</u>
Net purchase price paid by the supplying vendor	<u>R10 000</u>

Calculation of selling price for export of second-hand *movable goods*:

Selling price exclusive of VAT	R15 000
Add <i>notional input tax</i> claimed	<u>R 1 400</u>
Gross selling price including VAT	<u>R16 400</u>

Effectively, the zero rate applies ONLY to the R5 000 mark-up.

Tax invoice issued by the supplying vendor:

The consideration for the supply must be reflected on the tax invoice as follows, either:

i) Selling price exclusive of VAT	R15 000
VAT	<u>R 1 400</u>
Selling price inclusive of VAT	<u>R16 400</u>

OR

ii) Selling price (inclusive of VAT of R1 400)	<u>R16 400</u>
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6.2. *Movable goods* exported from the Republic to be installed or supplied outside the Republic

6.2.1 Where an invoice is issued or payment is received by the supplying vendor prior to the *movable goods* being exported, the time of supply is triggered. The supplying vendor must export the *movable goods* within one month of the date of the invoice (as set out in paragraph 7.1) and must comply with the *documentary proof* set out in paragraph 5.

6.2.2 Where the supplying vendor exports the *movable goods* prior to an invoice being issued or payment being received, the time of supply is triggered only when an invoice is issued or any payment in respect of the supply is received by the supplying vendor. The supplying vendor must comply with the *documentary proof* set out in paragraph 5.

6.3 *Movable goods* temporarily exported from the Republic for exhibition purposes which are subsequently supplied outside the Republic

Where a supplying vendor temporarily exports *movable goods*, for example for exhibition, demonstration or display purposes, the ownership of the *movable goods* does not change at the time of the export. In the event that the *movable goods* are sold by the supplying vendor before the re-importation into the Republic, the zero rate may be applied on the supply of the *movable goods*. The documentation

required to prove exportation is listed in paragraph 5. It is accepted that in these circumstances, the *recipient's* order or a contract between the parties may not be relevant and that the *documentary proof* of export may pre-date the tax invoice and proof of payment. The supplying vendor must ensure that the original temporary export declaration is acquitted accordingly.

6.4 Sale of *movable goods* situated outside the Republic

Where a supplying vendor sells *movable goods* situated outside the Republic, for example a sale on the high seas, and delivers the *movable goods* to the purchaser at an address in an export country, the supply of the *movable goods* is subject to the VAT rate of zero percent in terms of section 11(1)(a)(i), read with paragraph (a) of the definition of “exported” in section 1 of the *VAT Act*. In this case, “exported” means supplied to the *recipient* at an address outside the Republic and not the usual meaning of the term “exported”.

In addition to the tax invoice, the supplying vendor must obtain the required export documentation **within a period of three months** of the date of the any invoice and retain these documents as required in section 55 of the *VAT Act*, being as follows:

- (i) The *recipient's* order or the contract between the *recipient* and the supplying vendor;
- (ii) proof that the *movable goods* are situated outside the Republic at the time of supply, e.g. a negotiable bill of lading;
- (iii) where applicable, a copy of the import documentation declaring the importation of the *movable goods* into the export country, (i.e. the relevant Customs import declaration form); and
- (iv) proof of payment.

However, if the *movable goods* are subsequently imported into the Republic, VAT will be levied on importation.

6.5 Sale of consignment stock in an export country

Where *movable goods* are transferred to a *recipient* at an address in an export country on a consignment basis, the supply of the *movable goods* in the export country is subject to VAT at the zero rate as the *movable goods* are located outside the Republic at the time that they are supplied. This type of supply of *movable goods* falls within the ambit of “delivered” at an address in an export country as contemplated in paragraph (a) of the definition of “exported” in section 1 of the *VAT Act*. The documentation required to prove exportation is listed in paragraph 5. It is accepted that in these circumstances, the *recipient's* order or a contract between the parties may not be relevant and that the *documentary proof* of export may pre-date the tax invoice and proof of payment.

6.6 Supplies of *movable goods* by a supplying vendor to a *recipient*, being a VAT registered vendor, where the *movable goods* are exported to the *recipient* or the *recipient's* client

Where a supplying vendor supplies *movable goods* to a *recipient*, being a VAT registered vendor, and exports the *movable goods* to either the *recipient* or to the *recipient's* client (including the *recipient's* representative), the supply must be zero-rated.

Two supplies of *movable goods* take place:

1. The supplying vendor's supply to the VAT registered *recipient*:

The supplying vendor must zero rate the supply and must ensure that the *documentary proof* as set out in paragraph 5 above is obtained **within a period of three months** of the date of any invoice and retain these documents as required in section 55 of the *VAT Act*. The *documentary proof* must reflect the delivery address in the export country and may reflect the supplying vendor's name, the VAT registered *recipient's* name or the VAT registered *recipient's* client's name.

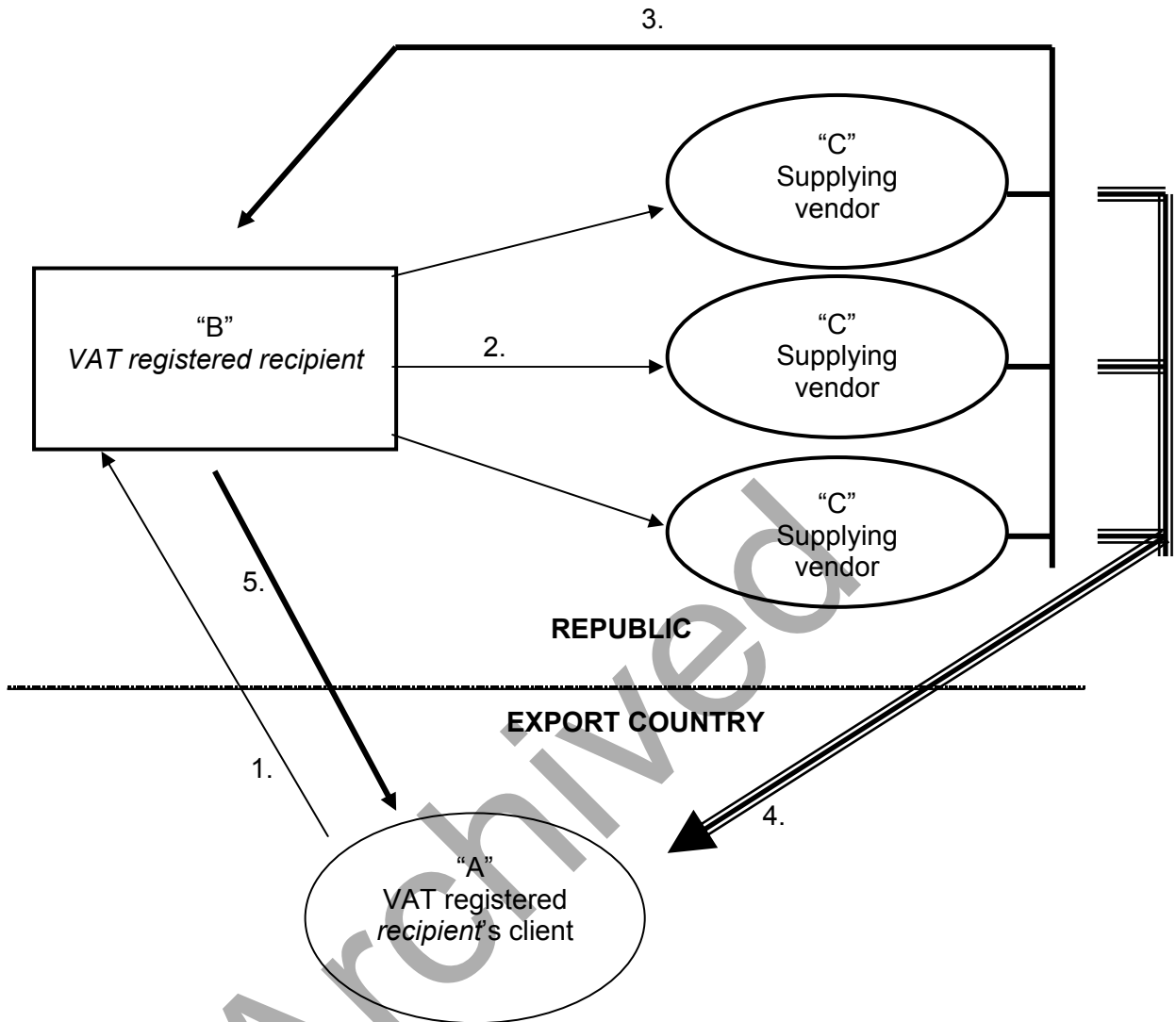
2. The VAT registered *recipient's* supply to the VAT registered *recipient's* client:

The VAT registered *recipient's* supply of the *movable goods* that are situated outside the Republic at the time of the supply to the VAT registered *recipient's* client is at the zero rate. Paragraph (a) of the definition of "exported" in section 1 of the *VAT Act* does not require that the *movable goods* be exported from the Republic, but stipulates that the supplying vendor must consign or deliver the *movable goods* to the *recipient* at an address in an export country.

The following *documentary proof* is required:

- (i) The order or the contract between the parties;
- (ii) a copy of the zero-rated tax invoice;
- (iii) proof that the *movable goods* are exported (or are already situated outside the Republic) at the time of supply. Copies of the documents mentioned in paragraph 1 above will constitute proof;
- (iv) proof that the *movable goods* have been received by the VAT registered *recipient's client* in the export country; and
- (v) proof of payment for the *movable goods*.

Diagram representing the transactions as discussed above:



Notes:

- 1) "A" places an order with "B".
- 2) "B" places orders with "C" with the instruction that the goods are to be exported by "C" to "A".
- 3) "C" invoices "B" at the zero rate.
- 4) "C" exports the *movable goods* to "A".
- 5) "B" invoices "A" at the zero rate.

7. General

- 7.1 The *movable goods* must be exported from the Republic within **one month** of the date of any invoice issued in respect of the supply of the *movable goods*.
- 7.2 In the event that any of the documentation referred to in paragraphs 5 and 6 above is not obtained by the supplying vendor within **three months** of the date of the relevant invoice, the supply will be deemed to be at the standard rate in the tax period within which the period of three months ends. **The supplying vendor must** consequently calculate output tax by applying the tax fraction to the consideration (in terms of section 64(1) of the *VAT Act*, the selling price is deemed to include tax), and declare an output tax adjustment in the VAT return rendered for the tax period in which the period of three months ends. However, where the documents are received after the expiry of three months but before the earlier of the VAT return's submission date or the due date, an output tax adjustment is not required.
- 7.3 Should the supplying vendor receive the documentation in respect of which output tax was calculated in terms of paragraph 7.2 above within **one year** from the date of the original invoice, the output tax adjustment previously declared in the VAT return may be claimed as an input tax adjustment in the tax period in which this documentation is received.
- 7.4 The rate of tax applicable for purposes of paragraphs 7.2 and 7.3 above is the rate of tax in force at the date of issue of the tax invoice.
- 7.5 The documentary requirement of proof of payment does not require that payment be effected in foreign currency. Payment should, however, be in compliance with Reserve Bank foreign exchange regulations.
- 7.6 Should the supplying vendor experience difficulties in obtaining the required **proof of payment**, for example as a result of extended credit terms granted to foreign importers, both the periods referred to above in paragraphs 7.2 and 7.3 may be extended on application in writing:
- (i) with a maximum period of **four months** by the local SARS Branch Office where the supplying vendor is on register; or
 - (ii) **in excess of four months**, with a maximum period as approved in writing by either a commercial bank, authorised as a dealer in foreign exchange by the South African Reserve Bank or by Exchange Control, by SARS Head Office.

This is only applicable with regard to the proof of payment requirement in respect of the *movable goods* supplied.

7.7 **Designated commercial ports:**

Movable goods must be exported via a *designated commercial port* in order to obtain the *documentary proof* substantiating proof of export. Should none of the *designated commercial ports*, as listed below be used, the supply does not qualify to be charged with VAT at the rate of zero percent.

The export of *ip*, as well as, the declaration of such *movable goods* at ports other than those ports listed below, may be allowed in exceptional circumstances on application to the Controller of Customs for a concession to export *movable goods* through a *non-designated commercial port* between the Republic, Botswana, Lesotho, Namibia, Swaziland and Mozambique.

7.7.1 Designated commercial ports:

- International Airports:

Bloemfontein; Cape Town; Durban; Johannesburg; Gateway (Polokwane); Lanseria; Kruger Park ; Pilanesberg; Port Elizabeth and Upington.

- Land Border Posts:

Beit Bridge; Caledonspoort; Ficksburg Bridge; Golela; Groblers Bridge; Jeppes Reef; Kopfontein; Lebombo; Mahamba; Mananga; Maseru Bridge; Nakop; Nerston; Oshoek; Qacha's Nek; Ramatlabama; Skilpadshek; Van Rooyenshek; and Vioolsdrift.

- Harbours:

Cape Town; Durban; East London; Mossel Bay; Port Elizabeth; Richards Bay; and Saldanha.

- Railway Stations:

Germiston; Golela; Johannesburg; Maseru Bridge; Mafikeng and Upington.

8. Conclusion

While this Interpretation Note may not describe all situations that a supplying vendor exporting *movable goods* may experience, it is necessary for the supplying vendor to be in a position to substantiate the application of the zero rate. A supplying vendor is allowed the periods as described in paragraphs 7.2 and 7.3 above to obtain adequate *documentary proof*. However, where the Commissioner is not satisfied that there is adequate proof of export, the supply is deemed to include VAT at the standard rate.