

## NOTICE

### WITHDRAWAL OF PRACTICE NOTES

The South African Revenue Service has embarked on a process to review and either withdraw or replace the existing Practice Notes.

As part of this process notice is hereby given under section 5(2)(c) of the of the Tax Administration Act, No. 28 of 2011, that the value-added tax (VAT) Practice Notes listed in the schedule below will be withdrawn with effect from 1 April 2016, except where otherwise indicated.

Special requests to issue Interpretation Notes on specific topics can be forwarded to [policycomments@sars.gov.za](mailto:policycomments@sars.gov.za). Should you require further clarification in respect of the issues dealt with in the practice notes referred to below, you may apply for a VAT ruling or VAT class ruling in writing by sending an e-mail to [VATRulings@sars.gov.za](mailto:VATRulings@sars.gov.za) or by facsimile to 086 540 9390. In this regard a clearly motivated application complying with the provisions of section 79 of the TA Act, excluding section 79(4)(f) and (k) and (6), must be submitted.

### SCHEDULE

PRACTICE NOTE	DATE ISSUED	SUBJECT	REASON
1	31 July 2001	Section 8(8) of the Value-Added Tax Act, No. 89 of 1991 (the VAT Act) <sup>1</sup> : Insurance indemnity payments	Specific supplies in the short-term insurance industry, including deemed supplies in respect of insurance indemnity payments are dealt with in the <i>VAT 421 - Guide for Short-Term Insurance</i> and Binding General Ruling No. 14 - VAT Treatment of Specific Supplies in the Short-Term Insurance Industry.
3	25 September 1991	Section 65: Prices advertised or quoted to include tax, including transitional rules for the change over from Sales Tax to VAT	(1) The transitional rules for the change over from Sales Tax to VAT are obsolete. (2) Should there be a need to approve alternative methods of displaying

<sup>1</sup> All references to sections, are to sections of the VAT Act, unless otherwise stated.

			prices, approval may be granted to a vendor or class of vendors on request under <i>proviso</i> (iii) to section 65.
4	25 September 1991	Section 9: Time of Supply: Determination of time of supply in respect of certain fixed property transactions	<p>(1) References to section 9(3)(d)(i) are obsolete.</p> <p>(2) Explanations relating to the conclusion of agreements before the VAT Act commenced, as well as retention money received after 30 September 1991 relating to services performed before that date, are outdated.</p> <p>(3) Normal time of supply rules apply to agent's commission. The time of supply rules relating to fixed property are covered in the <i>VAT 409 - Guide for Fixed Property and Construction</i>.</p>
10	1 October 1991	Sections 11(2)(a), 11(2)(c) and 11(2)(e): Zero-rating of the supply of international transportation services of goods and related activities	<p>(1) The legislation was amended.</p> <p>(2) The normal requirements of sections 11(2)(a), (c) and (e) must be met for the zero-rating to apply.</p>
11	10 February 1992	Sections 11(2)(g)(iv) and 11(2)(h): Zero-rating of the supply of certain transport-related services	<p>(1) The legislation was amended.</p> <p>(2) The normal requirements of sections 11(2)(a), (c) and (e) must be met for the zero-</p>

			rating to apply.
12	24 November 1993	Section 11(1)(j): Zero-rating of the supply of brown bread	The term "brown bread" in Item 1 of paragraph 1, under Part B of Schedule 2 to the VAT Act is defined with reference to Regulation 1 of the Regulations in terms of Government Notice R3.577, published in <i>Government Gazette</i> No. 13074 of 15 March 1991. Therefore, the details in the Practice Notice are not necessary. Note however that these regulations have been repealed and replaced by the Regulations contained in Government Notice No. 186 of 22 February 2008, published in <i>Government Gazette</i> No. 30782.