

## VAT PRACTICE NOTE: NO 15

7 August 1995

### Value-Added Tax (VAT): Treatment of supplies of dried maize and maize products

In consequence of amendments to the Summer Grain Scheme by Government Notices published in Government Gazette No 16363 of 13 April 1995 and the termination of the single channel marketing of maize through the Maize Board, it has become necessary to withdraw Practice Note No 6 issued on 13 December 1991, which is replaced by this Practice Note.

For the purposes of this practice note maize means the dried seed of the plants *zea mays indurata* and *zea mays indentata* or any one or more crossings thereof or a mixture of the dried seeds of such plants, but excluding pop corn (*zea mays everta*) or green mealies for human consumption.

As from 1 September 1995 the following guidelines will apply in connection with the supply of dried maize and maize products :

- (1) The supply of dried maize to VAT registered vendors is subject to VAT at the rate of zero per cent, provided the VAT registration number of the purchaser is entered on the tax invoice of the supplier. This arrangement is made in terms of section 72 of the Value-Added Tax Act, 1991.
- (2) The supply of maize meal, samp, mealie rice and dried silo screened mealies or dried mealies for human consumption is in terms of the provisions of section 11(1)(j) of the Act, read with the relevant items of PART B of Schedule 2 of the Act, chargeable with VAT at the rate of zero per cent.
- (3) The supply for agricultural, pastoral or other farming purposes of any maize and maize product intended for use by farmers as animal feed or seed in a form used for cultivation, which farmers must produce a notice of registration containing the necessary authorisation, is in terms of section 11(1)(g) of the Act, read with the provisions of items 1(a)(iv) and 6 of paragraph 1 of PART A of Schedule 2 to the Act and paragraph 2 of PART A of the aforementioned schedule, chargeable with VAT at the rate of zero per cent.
- (4) The supply of dried maize and maize products not falling within any of the above-mentioned paragraphs, is chargeable with VAT at the standard rate.