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Government Gazette

REPUBLIC OF SOUTH AFRICA

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THE PRESIDENCY

No. 1923

15 July 1992

It is hereby notified that the President has assented to the following Act, which is hereby published for general information:—

No. 136 of 1992: Taxation Laws Amendment Act, 1992.



AIDS HELPLINE: 0800-123-22 Prevention is the cure

GENERAL EXPLANATORY NOTE:

- I** Words in bold type in square brackets indicate omissions from existing enactments.
- I** Words underlined with a solid line indicate insertions in existing enactments.

(English text signed by the State President.)
(Assented to 2 July 1992.)

ACT

To amend the Marketable Securities Tax Act, 1948, so as to provide for an exemption; to amend the Transfer Duty Act, 1949, so as to vary the rates of transfer duty; to provide for a reduction of the value of property on which transfer duty is payable where the property is acquired in terms of Item 8 of Schedule 1 to the Share Blocks Control Act, 1980; and to withdraw an exemption and to provide for certain exemptions; to amend the Stamp Duties Act, 1968, so as to provide for certain exemptions and to increase the duty on debit entries; to amend the Self-governing Territories Constitution Act, 1971, so as to make provision for payments into the Revenue Fund of an area in respect of sales tax and value-added tax; to amend the Regional Services Councils Act, 1985, so as to provide further for the manner of payment under that Act of regional services and regional establishment levies; to amend the KwaZulu and Natal Joint Services Act, 1990, so as to provide further for the manner of payment under that Act of regional services and regional establishment levies; to amend the Value-Added Tax Act, 1991, so as to further define certain expressions; to exclude certain activities from "financial services"; to fix a tax rate; to deem certain supplies of goods to be made or not made; to provide for exemptions in respect of certain supplies; to apply a zero rate of tax in respect of certain supplies; to make further provision in respect of returnable containers, the supply of shares in a share block company, the supply of services by an insurer, the value of supplies of certain goods or services, the basis of accounting for tax, the information required in tax invoices, credit notes and debit notes, the importation of goods, the calculation of the deduction in respect of input tax, the adjustments to be made in respect of goods or services applied otherwise than for the purposes of making taxable supplies, the recovery of tax written off by a vendor as irrecoverable, the tax periods applicable to vendors, the payment of tax by electronic transfer, the recovery of tax, interest and penalty, the payment of interest on delayed refunds, the duties of agents, the prices charged by vendors, the prevention of or relief from double taxation by international agreement and transitional matters; so as to provide for exemptions in respect of certain importations of goods; and to effect certain textual alterations; and to provide for matters connected therewith.

BE IT ENACTED by the State President and the Parliament of the Republic of South Africa, as follows:—

Amendment of section 3 of Act 32 of 1948, as amended by section 12 of Act 64 of 1960, section 36 of Act 77 of 1968, section 2 of Act 88 of 1974, section 2 of Act 114 of 1977, section 1 of Act 95 of 1978, section 2 of Act 106 of 1980, section 1 of Act 87 of 1982, section 1 of Act 92 of 1983, section 1 of Act 118 of 1984, section 1 of Act 81 of 1985 and section 1 of Act 87 of 1988

1. Section 3 of the Marketable Securities Tax Act, 1948, is hereby amended by the substitution for subparagraph (v) of paragraph (c) of the following subparagraph:

“(v) a water board established under Chapter VII or a body established under Chapter VIIA of the Water Act, 1956 (Act No. 54 of 1956);”.

Amendment of section 2 of Act 40 of 1949, as substituted by section 2 of Act 77 of 1964 and amended by section 1 of Act 56 of 1966, section 2 of Act 66 of 1973, section 3 of Act 88 of 1974, section 5 of Act 106 of 1980 and section 3 of Act 87 of 1988

2. (1) Section 2 of the Transfer Duty Act, 1949, is hereby amended by the substitution in subsection (1) for paragraphs (a) and (b) of the following paragraphs, respectively:

“(a) **[five]** seven per cent of the said value or the said amount, as the case may be, if the person by whom the property is acquired or in whose favour or for whose benefit the said interest or restriction is renounced is a person other than a natural person; or

(b) subject to the provisions of subsection (5)—

(i) one per cent of so much of the said value or the said amount, as the case may be, as does not exceed **[R30 000]** R50 000; and

(ii) **[three]** five per cent of so much of the said value or the said amount, as the case may be, as exceeds **[R30 000]** R50 000, if the person by whom the property is acquired or in whose favour or for whose benefit the said interest or restriction is renounced is a natural person.”.

(2) Subsection (1) of this section shall be deemed to have come into operation on 19 March 1992 and shall apply in respect of any acquisition of property or any renunciation of an interest in or restriction upon the use or disposal of property on or after that date.

Amendment of section 5 of Act 40 of 1949, as amended by section 2 of Act 31 of 1953, section 6 of Act 103 of 1969 and section 2 of Act 86 of 1987

3. Section 5 of the Transfer Duty Act, 1949, is hereby amended by the addition of the following subsection:

“(10) In the case of the acquisition of property in terms of Item 8 of Schedule 1 to the Share Blocks Control Act, 1980 (Act No. 59 of 1980), the value of that property shall be reduced by an amount equal to the value of any supply made to the person acquiring that property, of a share mentioned in section 8(17) of the Value-Added Tax Act, 1991 (Act No. 89 of 1991), where—

(i) tax in respect of such supply has been paid in terms of that Act; or
(ii) such supply is in terms of that Act subject to tax at the rate of zero per cent.

if the value of such share wholly or partly constitutes consideration for the acquisition of that property.”.

Amendment of section 9 of Act 40 of 1949, as amended by section 3 of Act 31 of 1953, section 12 of Act 80 of 1959, section 3 of Act 70 of 1963, section 3 of Act 77 of 1964, section 1 of Act 81 of 1965, section 7 of Act 103 of 1969, section 2 of Act 89 of 1972, section 3 of Act 66 of 1973, section 5 of Act 88 of 1974, section 77 of Act 54 of 1976, section 2 of Act 95 of 1978, section 6 of Act 106 of 1980, section 2 of Act 99 of 1981, section 2 of Act 118 of 1984, section 3 of Act 81 of 1985, section 3 of Act 86 of 1987, section 4 of Act 87 of 1988, section 1 of Act 69 of 1989 and section 79 of Act 89 of 1991

4. (1) Section 9 of the Transfer Duty Act, 1949, is hereby amended—
- 10 (a) by the substitution in subsection (1) for paragraph (bB) of the following paragraph:
- “(bB) any **[water board or]** irrigation board **[constituted]** established under Chapter VI, any water board established under Chapter VII or any body established under Chapter VIIA of the Water Act, 1956 (Act No. 54 of 1956), and any regional water services corporation constituted under section 7 of the Water Services Ordinance, 1963 (Ordinance No. 27 of 1963), of Natal;”
- 15 (b) by the deletion of subsection (5);
- (c) by the insertion after subsection (12) of the following subsection:
- 20 “(12A) No duty shall be payable in respect of the acquisition by way of a transaction concluded on or after 19 March 1992 by a natural person of the full ownership in—
- (a) any property consisting of land and any dwelling-house thereon or of a residential apartment and an undivided share in common property held under a sectional title deed contemplated in the Sectional Titles Act, 1986, if the value of such property, determined in accordance with the provisions of sections 5, 6, 7 and 8, does not exceed R50 000; or
- 25 (b) any unimproved land acquired for the purpose of erecting a dwelling-house thereon, if the value of such land, determined in accordance with the provisions of sections 5, 6, 7 and 8, does not exceed R20 000.”; and
- 30 (d) by the substitution for subsection (13) of the following subsection:
- “(13)(a) No duty shall be payable in respect of the acquisition of any property by a housing utility company from another housing utility company—
- (i) under a transaction concluded on or after 1 October 1983, if that property was acquired under a scheme approved by the Director-General: Community Development for the merger of the interests and activities of those companies and under that scheme the first-mentioned company acquired all the assets and assumed all the liabilities of the other company; or
- 40 (ii) if that property was acquired under an agreement in terms of which the first-mentioned company acquired the property from its ‘holding company’ or ‘subsidiary’, as defined in section 1 of the Companies Act, 1973 (Act No. 61 of 1973), or a fellow subsidiary of the first-mentioned company.
- (b) For the purposes of this subsection ‘housing utility company’ means an association the receipts and accruals of which are exempt from normal tax under section 10(1)(cC) or (cI) of the Income Tax Act, 1962 (Act No. 58 of 1962).”.
- 45 (2)(a) Subsection (1)(a) of this section shall be deemed to have come into operation on 12 December 1986.
- (b) Subsection (1)(c) of this section shall be deemed to have come into
- 50 operation on 19 March 1992.
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Amendment of section 4 of Act 77 of 1968, as amended by section 17 of Act 103 of 1969, section 5 of Act 72 of 1970, section 6 of Act 66 of 1973, section 8 of Act 88 of 1974, section 4 of Act 95 of 1978, section 7 of Act 99 of 1981, section 4 of Act 87 of 1982, section 4 of Act 118 of 1984, section 10 of Act 81 of 1985, section 18 of Act 87 of 1988 and section 4 of Act 69 of 1989

5. (1) Section 4 of the Stamp Duties Act, 1968, is hereby amended—
- (a) by the substitution in subsection (1) for subparagraph (iii) of paragraph (b) of the following subparagraph:
- 10 “(iii) the Rand Water Board, or any regional water services corporation constituted under section 7 of the Water Services Ordinance, 1963 (Ordinance No. 27 of 1963), of Natal, or any water board established under Chapter VII or any body established under Chapter VIIA of the Water Act, 1956 (Act No. 54 of 1956); or”;
- 15 (b) by the substitution in subsection (1) for subparagraph (iii) of paragraph (f) of the following subparagraph:
- “ (iii) any company, society, trust or other association within the Republic which is exempt from tax in terms of section 10(1)(cF), (cI) or (cJ), as the case may be, of the said Act;”;
- 20 (c) by the substitution in subsection (1) for the words following upon subparagraph (iii) of paragraph (f) of the following words:
- “if the duty thereon would be legally payable and borne by such institution, fund, company, society, trust or other association, as the case may be.”; and
- 25 (d) by the addition to subsection (1) of the following paragraph:
- “(g) any instrument if the duty thereon would be legally payable and borne by the Lesotho Highlands Development Authority established by section 4 of the Lesotho Highlands Development Authority Order, 1986 (Order No. 23 of 1986), of Lesotho;”.
- 30 (2)(a) Subsection (1)(a) of this section shall be deemed to have come into operation on 12 December 1986.
- (b) Subsection (1)(b) and (c) of this section shall be deemed to have come into operation on 1 March 1991.
- (c) Subsection (1)(d) of this section shall be deemed to have come into
- 35 operation on 24 October 1986.

Amendment of section 5 of Act 77 of 1968, as amended by section 9 of Act 89 of 1972, section 7 of Act 66 of 1973, section 9 of Act 114 of 1977, section 5 of Act 118 of 1984, section 19 of Act 87 of 1988 and section 6 of Act 136 of 1991

6. (1) Section 5 of the Stamp Duties Act, 1968, is hereby amended by the
- 40 deletion in subsection (4) of paragraph (a).
- (2) Subsection (1) of this section shall be deemed to have come into operation on 1 January 1992.

Amendment of Item 6 of Schedule 1 to Act 77 of 1968, as inserted by section 10 of Act 118 of 1984 and amended by section 4 of Act 71 of 1986 and section 32 of

45 **Act 87 of 1988**

7. (1) Item 6 of Schedule 1 to the Stamp Duties Act, 1968, is hereby amended by the substitution in the column “Amount of Duty” for the amount “0 10” of the amount “0 15”.
- (2) Subsection (1) of this section shall be deemed to have come into operation
- 50 on 1 May 1992.

Amendment of Item 15 of Schedule 1 to Act 77 of 1968, as substituted by section 13 of Act 89 of 1972 and amended by section 16 of Act 66 of 1973, section 21 of Act 88 of 1974, section 3 of Act 104 of 1976, section 20 of Act 114 of 1977, section 8 of Act 95 of 1978, section 8 of Act 102 of 1979, section 21 of Act 106 of 1980, section 9 of Act 99 of 1981, section 7 of Act 87 of 1982, section 14 of Act 92 of 1983, section 11 of Act 118 of 1984, section 11 of Act 82 of 1985, section 5 of Act 71 of 1986, section 13 of Act 108 of 1986, section 11 of Act 86 of 1987, section 33 of Act 87 of 1988, section 14 of Act 69 of 1989 and section 9 of Act 136 of 1991

8. Item 15 of Schedule 1 to the Stamp Duties Act, 1968, is hereby amended by the substitution for subparagraph (viii) of the following subparagraph:

“(viii) a water board established under Chapter VII or any body established under Chapter VIIA of the Water Act, 1956 (Act No. 54 of 1956);”.

Amendment of section 6 of Act 21 of 1971, as amended by section 7 of Act 9 of 1975, section 11 of Act 98 of 1979, section 9 of Act 30 of 1984 and section 29 of Act 108 of 1991

9. (1) Section 6 of the Self-governing Territories Constitution Act, 1971, is hereby amended—

(a) by the substitution in subsection (2) for the words in subparagraph (iv) of paragraph (a) which precede item (aa) of the following words:

“as tax during any financial year ended on or before 31 March 1992 in terms of the provisions of the Sales Tax Act, 1978 (Act No. 103 of 1978)—”;

(b) by the insertion in subsection (2) after paragraph (a) of the following paragraph:

“(aA) an amount allocated for the financial year ended on 31 March

1992 or a succeeding financial year from sales tax paid under the Sales Tax Act, 1978, and value-added tax paid under the Value-Added Tax Act, 1991 (Act No. 89 of 1991), such amount, as determined for the relevant financial year (hereinafter referred to as the current financial year), to be the greater of—

(i) the sum of the amounts of sales tax paid into the Revenue Fund of an area under paragraph (a)(iv) in respect of the financial year ended on 31 March 1990 or the sum of the amounts of sales tax paid into that Fund under the said paragraph in respect of the financial year ended on 31 March 1991, whichever sum is the greater; or

(ii) an amount determined in accordance with the formula—

$$Y = A + \frac{A(B - C)}{C},$$

or, where in applying that formula C exceeds B, in accordance with the formula—

$$Y = A - \frac{A(C - B)}{C},$$

in which formulae—

‘Y’ represents the amount to be determined under this paragraph for the current financial year;

‘A’ represents an amount equal to—

(aa) where the current financial year is the financial year ended on 31 March 1992, the sum referred to in subparagraph (i); or

(bb) where the current financial year ends after 31 March 1992, the amount determined in terms of this subparagraph in respect of the financial year immediately preceding that current financial year;

‘B’ represents an amount equal to the aggregate of the

5 amounts paid in the Republic during the current financial year in respect of sales tax paid in terms of the Sales Tax Act, 1978, and value-added tax paid in terms of the Value-Added Tax Act, 1991, less the aggregate of the amounts (if any) refunded during the current financial year in respect of such taxes and the aggregate of the amounts paid to specified countries in terms of the latter Act in respect of that year; and

10 'C' represents the amount represented by the symbol 'B' in this formula as determined in respect of the financial year immediately preceding the current financial year:

15 Provided that any amount of sales tax paid into the Revenue Fund of an area under paragraph (a)(iv) in respect of the financial year ended on 31 March 1992 shall for the purposes of this paragraph be deemed to be a payment in respect of the amount allocated under this paragraph for that financial year;"; and

(c) by the substitution for subsection (5) of the following subsection:

20 "(5) In **[subsection (2)]** paragraphs (a)(iv) and (aA) of subsection (2) any word or expression to which a meaning has been assigned in the Sales Tax Act, 1978, or the Value-Added Tax Act, 1991, shall have a corresponding meaning."

(2) Subsection (1) of this section shall be deemed to have come into operation on 1 April 1992.

25 **Amendment of section 12 of Act 109 of 1985, as amended by section 8 of Act 78 of 1986, section 14 of Act 49 of 1988, section 16 of Act 69 of 1989 and section 5 of Act 75 of 1991**

10. Section 12 of the Regional Services Councils Act, 1985, is hereby amended by the substitution in subsection (1A) for paragraph (dC) of the following paragraph:

30 "(dC) authorize a council, **[if it appears to the council that the total monthly amount for which an employer or person in respect of the payment of a regional services levy and a regional establishment levy shall be liable, is less than the amount determined from time to time by the**
35 **said Minister]** upon written application by an employer or person and subject to such conditions as the council may determine, to permit that employer or person to pay the total amount of **[such levies]** the regional services levy and regional establishment levy for which he is liable within a period of 20 days after the end of every
40 period of a year or such shorter period as the council may determine;".

Amendment of section 16 of Act 84 of 1990

11. Section 16 of the KwaZulu and Natal Joint Services Act, 1990, is hereby amended by the substitution in subsection (2) for paragraph (g) of the following paragraph:

45 "(g) authorize a board **[if it appears to the board that the total monthly amount for which an employer or person in respect of the payment of a regional services levy and a regional establishment levy shall be liable, is less than the amount determined from time to time by the**
50 **said Minister]**, upon written application by an employer or person and subject to such conditions as the board may determine, to permit that employer or person to pay the total amount of **[such levies once per annum at the time determined in the permission]** the regional services levy and regional establishment levy for which he is liable
55 within a period of 20 days after the end of every period of a year or such shorter period as the board may determine;".

Amendment of section 1 of Act 89 of 1991, as amended by section 21 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

12. (1) Section 1 of the Value-Added Tax Act, 1991 (hereinafter referred to as the principal Act), is hereby amended—

5 (a) by the substitution for the definition of “commercial rental establishment” of the following definition:

“‘commercial rental establishment’ means—

10 (a) **[the business of] accommodation** in any hotel, motel, inn, boarding house, hostel or similar establishment in which lodging is regularly or normally provided to five or more persons at a daily, weekly, monthly or other periodic charge; or

15 (b) **[any business undertaking (not being any business referred to in paragraph (a)) in the course of which]** accommodation in any house, flat, apartment or room **[caravan or houseboat or on any caravan or camping site]** (other than accommodation in respect of which the provisions of paragraph (a) or (bA) apply) which is regularly or systematically let or held for letting **[by that undertaking]** as residential accommodation for continuous periods not exceeding 45 days in the case of each occupant of such house, flat, apartment or room, if the total annual receipts and accruals from the **[supply of domestic goods and services in the course of carrying on such business undertaking]** letting thereof have exceeded R24 000 or there are reasonable grounds for believing that such total annual receipts and accruals will exceed that amount; or

25 (bA) accommodation in any house, flat, apartment, room, caravan, houseboat, caravan or camping site which constitutes an asset (including a leased asset) of a business undertaking or a separately identifiable part of a business undertaking carried on by any person who—

30 (i) lets or holds for letting as residential accommodation five or more houses, flats, apartments, rooms, caravans, houseboats, caravan or camping sites in the course of such business undertaking;

35 (ii) derives total annual receipts and accruals from the letting of all such houses, flats, apartments, rooms, caravans, houseboats, caravan and camping sites which exceed R24 000 or there are reasonable grounds for believing that such total annual receipts and accruals will exceed that amount; and

40 (iii) regularly or normally lets or holds for letting as residential accommodation such houses, flats, apartments, rooms, caravans, houseboats, caravan or camping sites for continuous periods not exceeding 45 days in the case of each occupant; or

45 (c) any hospital, nursing home, hospice, convalescent home or rest home,

but does not include—

50 (i) accommodation in any boarding establishment or hostel operated by any employer solely or mainly for the benefit of the employees of such employer or of a connected person in relation to such employer or of their dependants, provided such establishment or hostel is not operated for the purpose of making profits from such establishment or hostel for the employer or such connected person;

55 (ii) accommodation in any boarding establishment or hostel operated by any local authority otherwise than for the purpose of making profits from such establishment or hostel;”;

60 (b) by the substitution for the definition of “dwelling” of the following definition:

“‘dwelling’ means any building, premises, structure or any other place, or any part thereof, used predominantly as a place of residence or abode of any natural person or which is intended for use as a place of residence or abode of any natural person, together with any appurte-

nances belonging thereto and enjoyed therewith, but does not include **[any accommodation in or intended to be used in]** a commercial rental establishment;”;

- 5 (c) by the insertion after the definition of “dwelling” of the following definition:
- “‘employee organization’ means an organization in which a number of employees in any particular undertaking, industry, trade, occupation or profession are associated together for the purpose of regulating relations between themselves or some of them and their employers or some of their employers or mainly for that purpose, disregarding the provision of sickness, accident or unemployment benefits for the members of the organization or for the widows, children, dependants or nominees of deceased members;”;
- 10 (d) by the addition in the definition of “enterprise” of the following subparagraph to paragraph (b):
- “(iii) the activities of any share block company (other than the services in respect of which section 12(f) applies) where such company has applied for registration as a vendor under the provisions of section 23(3) and has been registered as such;”;
- 15 (e) by the addition in the definition of “enterprise” of the following paragraph to the proviso:
- “(vi) the activity of underwriting insurance business by Underwriting Members of Lloyd’s of London shall be deemed not to be the carrying on of an enterprise;”;
- 20 (f) by the substitution for the definition of “export country” of the following definition:
- “‘export country’ means any country other than the Republic and any specified country and includes any place which is not situated in the Republic or in any specified country;”;
- 25 (g) by the substitution for the definition of “fixed property” of the following definition:
- “‘fixed property’ means land (together with improvements affixed thereto), any unit as defined in section 1 of the Sectional Titles Act, 1986 (Act No. 95 of 1986), any share in a share block company **[as defined in section 1 of the Share Blocks Control Act, 1980 (Act No. 59 of 1980)]** which confers a right to or an interest in the use of immovable property, and, in relation to a property time-sharing scheme, any time-sharing interest as defined in section 1 of the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), and any real right in any such land, unit, share or time-sharing interest;”;
- 30 (h) by the substitution in the definition of “input tax” for paragraph (b) of the following paragraph:
- “(b) an amount equal to the tax fraction (being the tax fraction applicable at the time of payment) of any amount paid in respect of any consideration in money given by the vendor for the supply (not being a taxable supply) to him by way of a sale on or after the commencement date by a resident of the Republic or a specified country of any second-hand goods situated in the Republic or a specified country: Provided that where, in relation to such supply, the parties are connected persons, such consideration in money shall be deemed to be the amount paid for the goods to the extent that it does not exceed the open market value of such goods; and”;
- 35 (i) by the substitution for the definition of “residential rental establishment” of the following definition:
- “‘residential rental establishment’ means any commercial rental establishment contemplated in paragraph (a) or (c) of the definition of ‘commercial rental establishment’ in which not less than 70 per cent of the persons to whom domestic goods and services are supplied reside, or are expected to reside, for a period of 45 days or longer;”;
- 40 (j) by the substitution for the definition of “second-hand goods” of the following definition:
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- “second-hand goods’ means goods which were previously owned and used, excluding livestock and gold coins contemplated in section 11(1)(k);”;
- 5 (k) by the substitution for the definition of “services” of the following definition:
 “services’ means anything done or to be done, including the granting, assignment, cession or surrender of any right or the making available of any facility or advantage, but excluding a supply of goods, **[or]** money or any stamp, form or card contemplated in paragraph (c) of the definition of ‘goods’;”;
- 10 (l) by the insertion after the definition of “services” of the following definition:
 “share block company’ means a share block company as defined in section 1 of the Share Blocks Control Act, 1980 (Act No. 59 of 1980);”;
- 15 (m) by the substitution for the definition of “tax” of the following definition:
 “tax’ means the tax **[leviable under section 7]** chargeable under this Act;”;
- 20 (n) by the insertion after the definition of “this Act” of the following definition:
 “transfer payment’ means a transfer payment as contemplated in paragraph A2.9 of the Manual on the Financial Planning and Budgeting System of the State published in terms of section 39 of the Exchequer Act, 1975 (Act No. 66 of 1975);”;
- 25 (o) by the substitution for the definition of “welfare organization” of the following definition:
 “welfare organization’ means any association not for gain which is registered **[as a welfare organization]** under the Fund-raising Act, 1978 (Act No. 107 of 1978), if it carries on or intends to carry on activities consisting of the provision of food, meals, board, lodging, clothing or other necessities, comforts or amenities to aged or indigent persons, children or physically or mentally handicapped persons.”
- 30 (2) Subsection (1)(d) of this section shall come into operation on a date fixed by the Minister of Finance by notice in the *Gazette*.

35 **Amendment of section 2 of Act 89 of 1991, as amended by section 22 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991**

13. (1) Section 2 of the principal Act is hereby amended—
- (a) by the substitution in subsection (1) for paragraph (k) of the following paragraph:
- 40 “(k) **[the provision or assignment of a futures contract through a futures exchange] the buying or selling of futures contracts or option contracts as defined in section 1 of the Financial Markets Control Act, 1989 (Act No. 55 of 1989);”;**
- (b) by the deletion in paragraph (c) of subsection (3) of the expression “as defined in section 1 of the Share Blocks Control Act, 1980 (Act No. 59 of 1980);”;
- 45 (c) by the addition of the following subsection:
 “(4) Notwithstanding anything in this section, the term ‘financial services’ does not include—
- 50 (a) the cession, assignment or other transfer of any right to receive payment in relation to any taxable supply where, as a result of any such cession, assignment or transfer, output tax in relation to that taxable supply would not be or become attributable to any tax period for the purposes of section 16(3); or
- 55 (b) the transfer of any interest in or a right to be paid money that is, or is to be, owing by any person under a rental agreement; or
- (c) the transfer of any interest in or right to be paid money that is, or is to be, owing by a share block company under its loan obligation,

as defined in section 1 of the Share Blocks Control Act, 1980 (Act No. 59 of 1980), to any person who is or will be a shareholder of such share block company.”

(2) Paragraph (c) of subsection (4) of section 2 of the principal Act shall come into operation on a date fixed by the Minister of Finance by notice in the Gazette.

Amendment of section 7 of Act 89 of 1991, as amended by section 23 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

14. Section 7 of the principal Act is hereby amended—

- 10 (a) by the substitution in subsection (1) for the expression “12” of the expression “10”; and
(b) by the substitution in paragraph (a) of subsection (3) for the expression “12” of the expression “10”.

Amendment of section 8 of Act 89 of 1991, as amended by section 24 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

15. (1) Section 8 of the principal Act is hereby amended—

- (a) by the substitution in subsection (2) for the words preceding the proviso of the following words:
20 “For the purposes of this Act, where a person ceases to be a vendor, any goods (other than any goods in respect of the acquisition of which by the vendor a deduction of input tax under section 16(3) was denied in terms of section 17(2) or would have been denied if those sections had been applicable prior to the commencement date) or right capable of assignment, cession or surrender which in either case then forms part of the assets of his enterprise, shall be deemed to be supplied by him in the course of his enterprise immediately before he ceased to be a vendor, unless the enterprise is carried on by another person who in terms of section 53 is deemed to be a vendor.”;
- 25 (b) by the addition to subsection (2) of the following further proviso:
30 “Provided further that this subsection shall not apply to any such goods or right in respect of the acquisition of which by such vendor a deduction in terms of section 16(3) has not been allowed or will not be allowed, where such vendor—
35 (i) was registered pursuant to an application for registration under section 23 due to a *bona fide* error on the part of any person; and
(ii) has on or before 30 June 1992 requested the Commissioner in writing to cancel his registration and such request is granted by the Commissioner.”;
- 40 (c) by the substitution in paragraph (a) of subsection (4) for the words “lay-bye sale” of the words “lay-by agreement”;
- (d) by the substitution in paragraph (b) of subsection (4) in the Afrikaans text for the word “bêrekoop”, wherever it occurs, of the word “ooreenkoms”;
- 45 (e) by the substitution for subsection (8) of the following subsection:
50 “(8) For the purposes of this Act, except section 16(3), where a vendor receives any indemnity payment under a contract of insurance or is indemnified under a contract of insurance by the payment of an amount of money to another person, that payment or indemnification, as the case may be, shall, to the extent that it relates to a loss incurred in the course of carrying on an enterprise, be deemed to be consideration received for a supply of services performed on the day of receipt of that payment or on the date of payment to such other person, as the case may be, by that vendor in the course or furtherance of his enterprise: Provided that this subsection shall not apply in respect of

any indemnity payment received or indemnification under a contract of insurance where the supply of services contemplated by that contract is not a supply subject to tax under section 7(1)(a).”;

(f) by the deletion of subsection (12);

5 (g) by the substitution for subsection (16) of the following subsection:

“(16)(a) The supply by a vendor—

10 **[(a)] (i)** of any goods (other than fixed property acquired prior to the commencement date by a vendor who is a natural person if such property was used by him mainly as his private residence and no deduction of any amount has been made by him under section 16(3) in respect of such property); or

15 **[(b)] (ii)** of services, where such goods or services were acquired or imported by him partly for the purpose of consumption, use or supply in the course of making taxable supplies (including supplies which would have been taxable supplies if section 7 of this Act had been applicable prior to the commencement date) and were held or utilized by him partly for the said purpose immediately prior to the supply by him of such goods or services, shall be deemed to be made wholly in the course or furtherance of his enterprise.

20 **(b)** The supply by any vendor of fixed property acquired prior to the commencement date by such vendor, being a natural person, shall be deemed to be made otherwise than in the course or furtherance of his enterprise provided—

25 (i) such property was used by him prior to such supply mainly as his private residence; and

(ii) no deduction of any amount has been made by him under section 16(3) in respect of such property.”; and

30 (h) by the addition of the following subsections:

“(17)(a) For the purposes of this Act, where, together with the supply of a share referred to in the definition of ‘fixed property’ in section 1, any amount of the loan obligation, as defined in section 1 of the Share Blocks Control Act, 1980 (Act No. 59 of 1980), of the share block company is allocated as contemplated in section 14 of that Act, or any amount of the loan obligation thus allocated is delegated, or any interest in or right to be paid money that is, or is to be, owing by the share block company under its loan obligation is transferred to any person who is or will be a shareholder of such share block company, such allocation, delegation or transfer, as the case may be, shall be deemed to form part of the supply of such share.

35 (b) For the purposes of this Act, where any allocation, delegation or transfer as contemplated in paragraph (a) is made without the supply of a share referred to in the definition of ‘fixed property’ in section 1 and otherwise than in the circumstances contemplated in that paragraph, such allocation, delegation or transfer shall be deemed to constitute the supply of a share referred to in the said definition.

40 (18) For the purposes of the definition of ‘input tax’ in section 1 and section 18(4) and (5), as applicable to any share block company, any taxable supply of a share referred to in subsection (17) made on or after a date fixed by the Minister by notice in the *Gazette* by a share block developer where such share is a share in a share block scheme in respect of which that developer is a share block developer as contemplated in section 1 of the Share Blocks Control Act, 1980, shall be deemed to have been made by the share block company in relation to which that developer is a share block developer, to the extent that the supply of such share was not a taxable supply by such company to such developer.”.

(2) Subsection (1)(h) of this section shall come into operation on a date fixed by the Minister of Finance by notice in the *Gazette*.

Amendment of section 10 of Act 89 of 1991, as amended by section 26 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

5 16. (1) Section 10 of the principal Act is hereby amended—

(a) by the insertion after subsection (4) of the following subsection:

“(4A) For the purposes of this Act, where any share in a share block company is supplied, the consideration in money for that supply shall include the amount of any allocation, delegation or transfer referred to in section 8(17).”;

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(b) by the substitution in subsection (13) for the proviso of the following proviso:

“Provided that where [—

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(i) such benefit or advantage consists of the right to use a motor **[car]** vehicle as contemplated in paragraph 2(b) of the Seventh Schedule to the Income Tax Act **[and**

(ii) **the vendor was in terms of section 17(2) not entitled to deduct the full amount of input tax in terms of section 16(3) in respect of the acquisition of such motor car]**,

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the consideration in money for the supply shall be deemed to be the amount determined in the manner prescribed by the Minister in the *Gazette* for the category of motor **[car]** vehicle used **[in respect of repairs, maintenance and insurance]**.”; and

(c) by the insertion after subsection (21) of the following subsection:

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“(21A) Where any supply of medical or dental services or other goods or services is made as contemplated in section 17(2)(d) by a fund referred to in that section, the value of such supply shall be deemed to be nil.”.

(2) Subsection (1)(a) of this section shall come into operation on a date fixed by the Minister of Finance by notice in the *Gazette*.

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Amendment of section 11 of Act 89 of 1991, as amended by section 27 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

17. Section 11 of the principal Act is hereby amended—

(a) by the substitution in subsection (1) for paragraph (e) of the following paragraph:

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“(e) the supply is to a registered vendor of an enterprise **[as a going concern]** or of a part of an enterprise **[where that part]** which is capable of separate operation, where such enterprise or part, as the case may be, is disposed of as a going concern; or”;

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(b) by the substitution in subsection (1) for paragraph (f) of the following paragraph:

“(f) the supply is to the South African Reserve Bank, the South African Mint Company (Proprietary) Limited or any deposit-taking institution registered under the Deposit-taking Institutions Act, 1990 (Act No. 94 of 1990), of gold in the form of bars, blank coins, ingots, buttons, wire, plate or granules or in solution, which has not undergone any manufacturing process other than the refining thereof or the manufacture or production of such bars, blank coins, ingots, buttons, wire, plate, granules or solution; or”;

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(c) by the substitution in subsection (1) for paragraph (g) of the following paragraph:

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“(g) the supply is of such goods used or consumed for agricultural, pastoral or other farming purposes as are set forth in Part A of Schedule 2, provided such supply is made in compliance with such conditions as may be prescribed in [that Schedule] the said Part; or”;

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- (d) by the substitution in subsection (1) for paragraph (j) of the following paragraph:
- “(j) **the goods consist of—**
- 5 (i) **brown bread as defined in Regulation 1 of the Regulations in terms of Government Notice No. R.577 published in *Government Gazette* No. 13074 of 15 March 1991; or**
- 10 (ii) **maize meal graded as super maize meal, special maize meal, sifted maize meal or unsifted maize meal] the goods consist of such foodstuffs as are set forth in Part B of Schedule 2, but subject to such conditions as may be prescribed in the said Part; or”;**
- (e) by the insertion in subsection (1) after paragraph (j) of the following paragraph:
- 15 “(k) the goods are gold coins supplied as such and which the Reserve Bank has issued in the Republic in accordance with the provisions of section 14 of the South African Reserve Bank Act, 1989 (Act No. 90 of 1989), or which remain in circulation as contemplated in the proviso to subsection (1) of that section:”;
- 20 (f) by the addition in subsection (2) at the end of subparagraph (ii) of paragraph (h) of the word “or”;
- (g) by the insertion in subsection (2) after subparagraph (ii) of paragraph (h) of the following subparagraph:
- 25 “(iii) the storage, repair, maintenance, cleaning, management or arranging the provision of a container referred to in paragraph 2(i) of Part A of Schedule 1 or the arranging of such services,”;
- (h) by the addition in subsection (2) at the end of paragraph (o) of the word “or”; and
- (i) by the addition to subsection (2) of the following paragraph:
- 30 “(p) the services are in terms of section 8(5) deemed to be supplied to a public authority to the extent that the payment contemplated in that section consists of a transfer payment.”.

Amendment of section 12 of Act 89 of 1991, as amended by section 28 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

18. Section 12 of the principal Act is hereby amended—
- 35 (a) by the substitution for paragraph (a) of the following paragraph:
- “(a) The supply of any financial services, including the supply of any other goods or services supplied by the supplier of those financial services where the supply of such other goods or services is necessary for the supply of those financial services but
- 40 **[not being]** excluding a supply of financial services which, but for this paragraph, would be charged with tax at the rate of zero per cent under section 11(2);”;
- (b) by the deletion in subparagraph (ii) of paragraph (f) of the expression “as defined in section 1 of the Share Blocks Control Act, 1980 (Act No. 59 of 1980)”;
- 45 (c) by the substitution in paragraph (f) for subparagraph (iii) of the following subparagraph:
- “(iii) any housing development scheme as defined in the Housing Development Schemes for **[Aged] Retired** Persons Act, 1988 (Act No. 65 of 1988);”;
- 50 (d) by the substitution in paragraph (h) for item (dd) of subparagraph (i) of the following item:
- “(dd) in any university established by an Act of Parliament or in any university college established under the **[Extension of University Education Act, 1959 (Act No. 45 of 1959)] Tertiary Education Act, 1988 (Act No. 66 of 1988); or**”;
- 55 (e) by the addition of the following paragraph:
- “(i) the supply of any goods or services by an employee organization to any of its members to the extent that the consideration for such supply consists of membership contributions.”.
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Amendment of section 13 of Act 89 of 1991, as amended by section 29 of Act 136 of 1991

19. Section 13 of the principal Act is hereby amended by the substitution in subsection (4) for the proviso of the following proviso:

- 5 “Provided that this subsection shall not apply in respect of the importation by a vendor in the circumstances contemplated in this subsection, if the tax payable would be allowable as a deduction in terms of section 16(3)(a)(iii) or section 16(3)(b)(ii) except if provided otherwise in any regulation made by the Minister under section 74.”.

10 Amendment of section 15 of Act 89 of 1991, as amended by Government Notice 2695 of 8 November 1991

20. Section 15 of the principal Act is hereby amended by the substitution in subsection (2) for subparagraph (i) of paragraph (b) of the following subparagraph:

- 15 “(i) the total value of the vendor’s taxable supplies in the period of 12 months ending at the end of any tax period has not exceeded **[R1 R2,5 million; or**”.

Amendment of section 16 of Act 89 of 1991, as amended by section 30 of Act 136 of 1991

20 21. Section 16 of the principal Act is hereby amended—

- (a) by the substitution in subsection (2) for the words preceding paragraph (a) of the following words:

“No deduction of input tax shall be made in terms of this Act in respect of a supply or the importation of any goods into the Republic, unless—”;

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- (b) by the addition in subsection (2) at the end of paragraph (c) of the word “or”;

- (c) by the insertion in subsection (2) after paragraph (c) of the following paragraph:

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“(d) a bill of entry or other document prescribed in terms of the Customs and Excise Act in relation to the said importation has been delivered in accordance with that Act and is held by the vendor making that deduction, or by his agent as contemplated in section 54(3), at the time that any return in respect of that importation is furnished;”;

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- (d) by the substitution in subsection (2) for the proviso of the following proviso:

“Provided that where a tax invoice or debit note or credit note in relation to that supply has been provided in accordance with this Act, or a bill of entry or other document has been delivered in accordance with the Customs and Excise Act, as the case may be, the Commissioner may determine that no deduction for input tax in relation to that supply or importation shall be made unless that tax invoice or debit note or credit note or that bill of entry or other document is retained in accordance with the provisions of section 55~~(2)~~(3).”;

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- (e) by the substitution in subsection (3) for the words in paragraph (h) defining the meaning of the symbol “C” of the following words:

“ ‘C’ represents the percentage that, immediately before **[the time contemplated in section 9(6)] the time of the supply**, the use or application of the goods or services for the purpose other than that of making taxable supplies was of the total use or application of the goods or services:”.

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Amendment of section 17 of Act 89 of 1991, as amended by section 31 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

55 22. Section 17 of the principal Act is hereby amended—

- (a) by the substitution in subsection (1) for the words preceding the proviso of the following words:

- 5 “Where goods or services are acquired or imported by a vendor partly for consumption, use or supply (hereinafter referred to as the intended use) in the course of making taxable supplies and partly for another intended use and tax has become payable in respect of the supply to him or the importation by him, as the case may be, of such goods or services or in respect of such goods under section 7(3) or where tax is the tax fraction of an amount or consideration in respect of a supply contemplated in paragraph (b) or (c) of the definition of ‘input tax’ in section 1, the extent to which **[such]** the tax concerned is input tax, as contemplated in the definition of ‘input tax’ in section 1, shall be an amount which bears to the full amount of such tax the same ratio as the intended use of such goods or services in the course of making taxable supplies bears to the total intended use of such goods or services.”;
- 10 (b) by the substitution in subsection (2) for paragraph (ii) of the proviso to paragraph (a) of the following paragraph:
- 15 “(ii) such goods or services are acquired by the vendor for the consumption or enjoyment by that vendor (including, where the vendor is a partnership, a member of such partnership) or an employee or office holder of such vendor in respect of personal subsistence in respect of any night that such **[employee or office holder]** vendor or member is by reason of the vendor’s enterprise or, in the case of such employee or office holder, he is by reason of the duties of his employment or office, obliged to spend away from his usual place of residence and, in respect of an absence on or after the date of promulgation of the Taxation Laws Amendment Act, 1992, from his working-place **[in the Republic]**.”;
- 20 (c) by the substitution in subsection (2) for paragraph (iv) of the proviso to paragraph (a) of the following paragraph:
- 25 “(iv) such goods or services consist of a meal or refreshment supplied by the vendor as organizer of a **[meeting]** seminar or similar event to a participant in such **[meeting]** seminar or similar event, the supply of such meal or refreshment is made during the course of or immediately before or after such **[meeting]** seminar or similar event and a charge which covers the cost of such meal or refreshment is made by the vendor to the recipient.”;
- 30 (d) by the addition in subsection (2) at the end of paragraph (c) of the word “or”; and
- 35 (e) by the addition to subsection (2) of the following paragraph:
- 40 “(d) in respect of any goods or services acquired by a fund referred to in paragraph (c) of the definition of ‘benefit fund’ in section 1 of the Income Tax Act, for the purposes of the supply by such fund of any medical or dental services or services directly connected with such medical or dental services or of any goods necessary for or subordinate or incidental to the supply of any such services.”.
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Amendment of section 18 of Act 89 of 1991, as amended by section 32 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

- 50 23. Section 18 of the principal Act is hereby amended—
- (a) by the substitution in subsection (2) for paragraphs (a), (b) and (c) of the following paragraphs, respectively:
- 55 “(a) capital goods or services have been supplied to or imported by a vendor; or
- (b) capital goods have been manufactured, assembled, constructed or produced by him; or

- (c) capital goods or services were deemed by subsection (4) to have been supplied to him,”;
- (b) by the substitution in subsection (4) for the words preceding the formula of the following words:

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“Where—

- (a) (i) goods or services have been supplied to or imported by a person prior to the commencement date; or
- (ii) goods have been manufactured, assembled, constructed or produced by him prior to the commencement date,
- (not being goods or services in respect of the acquisition of which by a person a deduction of input tax would have been denied by section 17(2) if that section had been applicable prior to the commencement date) and such goods or services were acquired, manufactured, assembled, constructed or produced or applied by such person wholly for purposes other than that of consumption, use or supply in the course of making supplies in the course of an activity which was an enterprise or would have been an enterprise if section 1 had been applicable prior to the date of promulgation of this Act; or
- (b) (i) goods or services have been supplied to or imported by a person after the commencement date; or
- (ii) goods have been manufactured, assembled, constructed or produced by him after the commencement date; or
- (iii) goods or services are deemed by subsection (1) or section 8(2) to have been supplied to him,
- (not being goods or services in respect of the acquisition of which by a person a deduction of input tax was denied by section 17(2) or would have been denied by that section if that person had been a vendor) and no deduction has been made in terms of section 16(3) in respect of or in relation to such goods or services; and
- such goods or services are subsequent to the commencement date applied in any tax period by that person or, where he is a member of a partnership, by the partnership, wholly or partly for consumption, use or supply in the course of making taxable supplies, those goods or services shall be deemed to be supplied in that tax period to that person or the partnership, as the case may be, and the Commissioner shall allow that person or the partnership, as the case may be, to make a deduction in terms of section 16(3) of an amount determined in accordance with the formula”;

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- (c) by the substitution in subsection (5) for the words preceding the formula of the following words:

“Where—

- (a) capital goods or services have been supplied to or imported by a vendor; or
- (b) capital goods have been manufactured, assembled, constructed or produced by him; or
- (c) capital goods or services are deemed by subsection (4) to have been supplied to him,

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(not being goods or services in respect of the acquisition of which by the vendor a deduction of input tax was denied by section 17(2) or would have been denied if that section had been applicable prior to the commencement date) and such goods or services were acquired, manufactured, assembled, constructed or produced or applied by such vendor partly for the purpose of consumption, use or supply in the course of making taxable supplies or of making supplies in the course of an activity which was an enterprise or would have been an enterprise if section 1 had been applicable prior to the date of promulgation of this Act, such goods or services shall, if the extent of the application or use of such goods or services in the course of making taxable supplies is subsequent to the commencement date increased in relation to their total application or use, be deemed to be supplied to him, and the

Commissioner shall allow the vendor to make a deduction in terms of section 16(3), in the tax period during which such increase is deemed by subsection (6) to take place, of an amount determined in accordance with the formula”.

5 Insertion of section 18A in Act 89 of 1991

24. The following section is hereby inserted in the principal Act after section 18:

“Adjustments in consequence of acquisition of going concern wholly or partly for purposes other than making taxable supplies

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18A. (1) Where—

(a) an enterprise or part of an enterprise has been supplied to any vendor; and

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(b) the supply of such enterprise or part was charged with tax at the rate of zero per cent in terms of section 11(1)(e); and

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(c) such enterprise or part, as the case may be, or any goods or services which formed part of such enterprise or part are acquired by such vendor wholly or partly for a purpose other than for consumption, use or supply in the course of making taxable supplies,

such enterprise, part, goods or services, as the case may be, shall be deemed to have been supplied by him by way of a taxable supply by him in the course of his enterprise.

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(2) Notwithstanding anything in this Act, the value of the supply deemed by subsection (1) to have been made by the vendor, shall be the full cost to such vendor of acquiring such enterprise, part, goods or services, as the case may be, reduced by an amount which bears to the amount of such full cost the same ratio as the intended use or application of the enterprise, part, goods or services in the course of making taxable supplies bears to the total intended use or application of the enterprise, part, goods or services: Provided that the cost to such vendor of acquiring such enterprise, part, goods or services may be reduced by any amount which represents an appropriate allocation of such full cost to the acquisition of any goods or services which form part of such enterprise or part of an enterprise and in respect of the acquisition of which by the vendor a deduction of input tax would be denied by section 17(2).

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(3) Notwithstanding anything in this Act, the supply deemed by subsection (1) to have been made by the vendor shall be deemed to be made in the tax period in which the supply of the enterprise or part of an enterprise is made.

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(4) For the purposes of this section and sections 10(9), 18(4) and (5), the cost to the vendor of any goods or services acquired by a vendor in the circumstances contemplated in subsection (1) shall be deemed to be an amount equal to the aggregate of an amount which represents an appropriate allocation of the full cost to the vendor of the enterprise or part of an enterprise to those specific goods or services and an amount determined by applying the rate of tax applicable at the time of supply contemplated in subsection (3) to the amount of such appropriate allocation.”.

50 Amendment of section 20 of Act 89 of 1991, as amended by Government Notice 2695 of 8 November 1991

25. (1) Section 20 of the principal Act is hereby amended—

(a) by the substitution in subsection (4) for paragraph (g) of the following paragraph:

“(g) either—

(i) the value of the supply, the amount of tax charged and the consideration for the supply; or

(ii) where the amount of tax charged is calculated by applying the tax fraction to the consideration, the consideration for the supply and either the amount of the tax charged, or a statement that it includes a charge in respect of the tax and the rate at which the tax was charged.”; and

(b) by the substitution in subsection (5) for paragraph (e) of the following paragraph:

“(e) either—

(i) the value of the supply, the amount of tax charged and the consideration for the supply; or

(ii) where the amount of tax charged is calculated by applying the tax fraction to the consideration, the consideration for the supply and either the amount of the tax charged, or a statement that it includes a charge in respect of the tax and the rate at which the tax was charged.”.

(2) Subsection (1)(a) of this section shall be deemed to have come into operation on 1 April 1992.

Amendment of section 21 of Act 89 of 1991, as amended by Government Notice 2695 of 8 November 1991

25 26. (1) Section 21 of the principal Act is hereby amended—

(a) by the substitution in subsection (1) for paragraph (d) of the following paragraph:

“(d) the goods or services or part of the goods or services supplied **[(excluding a returnable container)]** have been returned to the supplier, including the return to a vendor of a returnable container, the vendor in such case being deemed for the purposes of this Act to have made the supply of the container in respect of which the deposit was charged, whether the supply was made by him or any other person.”;

(b) by the substitution in subsection (3) for subparagraph (iii) of paragraph (a) of the following subparagraph:

“(iii) the name and address of the recipient, except where the credit note relates to a supply in respect of which a tax invoice contemplated in section 20(5) was issued;”;

(c) by the substitution in subsection (3) for subparagraph (v) of paragraph (a) of the following subparagraph:

“(v) either—

(aa) the amount by which the value of the said supply shown on the tax invoice has been reduced and the amount of the excess tax; or

(bb) where the tax charged in respect of the supply is calculated by applying the tax fraction to the consideration, the amount by which the consideration has been reduced and either the amount of the excess tax or a statement that the reduction includes an amount of tax and the rate of the tax included.”;

(d) by the substitution in subsection (3) for subparagraph (iii) of paragraph (b) of the following subparagraph:

“(iii) the name and address of the recipient, except where the debit note relates to a supply in respect of which a tax invoice contemplated in section 20(5) was issued;”;

(e) by the substitution in subsection (3) for subparagraph (v) of paragraph (b) of the following subparagraph:

“(v) either—

(aa) the amount by which the value of the said supply shown on the tax invoice has been increased and the amount of the additional tax; or

5 (bb) where the tax charged in respect of the supply is calculated by applying the tax fraction to the consideration, the amount by which the consideration has been increased and either the amount of the additional tax or a statement that the increase includes an amount of tax and
10 the rate of the tax included;”;

(f) by the substitution in subsection (3) for paragraph (C) of the proviso in the Afrikaans text of the following paragraph:

15 “(C) daar nie van ’n leweraar vereis word nie om ’n ontvanger te voorsien van ’n kreditnota beoog in paragraaf (a) van hierdie subartikel in ’n geval waar en vir sover die bedrag van die daardie paragraaf bedoelde oorskot ontstaan as gevolg daarvan dat die ontvanger gebruik maak van ’n diskonto vir stipte betaling wat deur die leweraar aangebied is, indien die **[aanbod]**
20 voorwaardes van die diskonto-aanbod vir stipte betaling duidelik op die voorkant van die belastingfaktuur vermeld is.”

(2) Subsection (1)(c) and (e) of this section shall be deemed to have come into operation on 1 April 1992.

Amendment of section 22 of Act 89 of 1991, as amended by section 33 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

25 27. Section 22 of the principal Act is hereby amended—

(a) by the substitution in subsection (1) for paragraph (iii) of the first proviso of the following paragraph:

30 “(iii) the said tax content shall be an amount calculated by applying the tax fraction, as applicable at the time the supply under the said instalment credit agreement was **[entered into]** in terms of section 9(3)(c) deemed to have taken place, to the amount deemed as aforesaid to be irrecoverable in respect of such cash value.”; and

(b) by the substitution for subsection (2) of the following subsection:

35 “(2) Where any amount in respect of which a deduction has been made in accordance with subsection (1) is at any time wholly or partly recovered by the vendor, or becomes recoverable by him by virtue of the reassignment to him of the underlying debt, that portion of the amount of such deduction as bears to the full amount of such deduction
40 the same ratio as the amount of the irrecoverable debt recovered or reassigned bears to the debt written off shall be deemed to be tax charged in relation to a taxable supply made during the tax period in which the debt is wholly or partly recovered or reassigned to such vendor.”

45 **Amendment of section 27 of Act 89 of 1991, as amended by section 34 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991**

28. Section 27 of the principal Act is hereby amended by the substitution in subsection (6) for paragraph (ii) of the proviso of the following paragraph:

50 “(ii) any tax period ending on the last day of a month, as applicable in respect of the relevant Category, may, instead of ending on such last day, end within **[seven]** 10 days before or after such last day;”

Amendment of section 28 of Act 89 of 1991, as amended by Government Notice 2695 of 8 November 1991

29. Section 28 of the principal Act is hereby amended by the substitution in subsection (1) for the proviso of the following proviso:

- 5 “Provided that where payment of the full amount of the tax is effected by the Commissioner by means of an electronic transfer and the requirements for the transfer of the tax have been met by the vendor, such electronic transfer shall not be effected prior to the last business day of the month during which the said twenty-fifth day falls and the period within which the tax is required to be paid shall be deemed to end on the last business day of
10 such month.”.

Amendment of section 39 of Act 89 of 1991, as amended by section 37 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

30. Section 39 of the principal Act is hereby amended by the substitution in
15 paragraph (b) of subsection (1) for the expression “44(4)” of the expression “44(6)”.

Amendment of section 40 of Act 89 of 1991, as amended by Government Notice 2695 of 8 November 1991

31. Section 40 of the principal Act is hereby amended by the substitution in
20 subsection (4) for paragraphs (a), (b) and (c) of the following paragraphs, respectively:

- “(a) in respect of such **[interest]** penalty; and
 (b) to the extent that such payment exceeds the amount of such
 [interest] penalty, in respect of such **[penalty]** interest; and
25 (c) to the extent that such payment exceeds the sum of the amounts of such **[interest and penalty]** penalty and interest, in respect of such tax or additional tax.”.

Amendment of section 41 of Act 89 of 1991, as amended by Government Notice 2695 of 8 November 1991

32. Section 41 of the principal Act is hereby amended—
30 (a) by the substitution in paragraph (d) for subparagraph (ii) of the following subparagraph:

- “(ii) any amount of tax chargeable under this Act in respect of the importation of goods was not paid—
35 (A) **[when such goods were entered for home consumption]** if such goods were required to be entered in terms of the Customs and Excise Act, on the relevant date for payment contemplated in section 39(4); or
 (B) **[as required under]** if payment of such amount was
40 required to be made within the period allowed in terms of section 13(4), within that period; or”;

- (b) by the insertion in paragraph (d) after subparagraph (ii) of the following subparagraph:

- 45 “(iiA) any amount of tax chargeable under section 7(3)(a) was not paid on the date on which liability arose for the payment of the excise duty referred to in that section; or”;

- (c) by the substitution in paragraph (d) for the words following upon subparagraph (iv) and preceding subparagraph (aa) of the following words:

- 50 “and in consequence thereof an amount of tax which should have been paid to the Commissioner, the Commissioner for Customs and Excise or the Postmaster-General in terms of this Act has not been paid, that amount shall not be recoverable by the Commissioner after the expiration of a period of five years **[after the date of the supply referred to in subparagraph (i) or the importation referred to in subparagraph (ii) or the supply referred to in subparagraph (iii) or the supply or importation referred to in subparagraph (iv), as the case may be]** reckoned from the date on which that amount became payable in terms
55 of this Act, if it is shown—”; and

(d) by the substitution in paragraph (d) for subparagraph (bb) of the following subparagraph:

5 “(bb) that the person responsible for the payment of the amount which should have been paid acted in good faith and on an assumption that an exemption or a rate of zero per cent was in fact applicable in respect of the supply referred to in subparagraph (i) or the importation referred to in subparagraph (ii) or the supply referred to in subparagraph (iii) or that any such supply was not subject to tax under this Act, or that the amount of tax referred to in subparagraph (iiA) was not payable, or that
10 a deduction in respect of the amount referred to in subparagraph (iv) was in fact applicable, as the case may be; and”.

Amendment of section 45 of Act 89 of 1991

33. Section 45 of the principal Act is hereby amended by the substitution in
15 subsection (1) for paragraph (ii) of the proviso of the following paragraph:

“(ii) the vendor is in default in respect of any of his obligations under this Act to **[render]** furnish a return **[as contemplated in section 44(7)]** for any tax period preceding the said tax period as required by this Act.”.

20 Amendment of section 54 of Act 89 of 1991, as amended by section 40 of Act 136 of 1991

34. Section 54 of the principal Act is hereby amended—

(a) by the insertion after subsection (2) of the following subsection:

25 “(2A) For the purposes of this Act, where any goods are imported into the Republic by an agent who is acting on behalf of another person who is the principal for the purposes of that importation, that importation shall be deemed to be made by that principal and not by such agent: Provided that a bill of entry or other document prescribed in terms of the Customs and Excise Act in relation to that importation
30 may nevertheless be held by such agent.”; and

(b) by the substitution for subsection (3) of the following subsection:

30 “(3) Where—
(a) a tax invoice or a credit note or debit note in relation to a supply has been issued—
35 **[(a)]** (i) by an agent as contemplated in subsection (1); or
[(b)] (ii) to an agent as contemplated in subsection (2); or
(b) a bill of entry or other document prescribed in terms of the
40 Customs and Excise Act in relation to the importation of goods is held by an agent as contemplated in subsection (2A),
the agent shall maintain sufficient records to enable the name and address and registration number of the principal to be ascertained.”.

Amendment of section 55 of Act 89 of 1991

35. Section 55 of the principal Act is hereby amended by the insertion in subsection (1) after paragraph (a) of the following paragraph:

45 “(aA) a record of all importations of goods and documents relating thereto as contemplated in section 16(2)(d);”.

Amendment of section 64 of Act 89 of 1991, as amended by Government Notice 2695 of 8 November 1991

36. The following section is hereby substituted for section 64 of the principal Act:

50 “64. (1) Any price charged by any vendor in respect of any taxable supply of goods or services shall for the purposes of this Act be deemed to include

any tax payable in terms of section 7(1)(a) in respect of such supply, whether or not the vendor has included tax in such price.

(2) The amount of any deposit payable to or refundable by a vendor in respect of a returnable container shall be deemed to include tax."

5 Amendment of section 65 of Act 89 of 1991, as amended by Government Notice 2695 of 8 November 1991

37. Section 65 of the principal Act is hereby amended by the substitution for the provisos of the following proviso:

"Provided that—

- 10 (i) where the price inclusive of tax and the price excluding tax for a supply are advertised or quoted, both prices shall be advertised or quoted with equal prominence and impact;
- (ii) price tickets on goods need not state that the prices include tax if this is stated by way of a notice prominently displayed at all entrances to the premises in which the enterprise is carried on and at all points in such premises where payments are effected;
- 15 (iii) **[Provided further that]** the Commissioner may in the case of any vendor or class of vendors approve any other method of displaying prices of goods or services by such vendor or class of vendors during a period approved by the Commissioner which commences before and ends after the commencement date or, where the rate of tax is increased or reduced, the date on which the increased or reduced rate of tax takes effect."
- 20

25 Amendment of section 67 of Act 89 of 1991, as amended by section 43 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

38. Section 67 of the principal Act is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

30 "(1) Whenever the value-added tax is imposed or increased in respect of the supply of goods or services in relation to which any agreement was entered into by the acceptance of an offer made before the tax was imposed or increased, as the case may be, the vendor may, notwithstanding anything to the contrary in any agreement or law, recover from the recipient, as an addition to the amounts payable by the recipient to the vendor, a sum equal to any amount payable by the vendor by way of the said tax or increase, as the case may be, and any amount so recoverable by the vendor shall, whether or not it is recovered, be accounted for by the vendor under the provisions of this Act as part of the consideration in respect of the said supply."; and

35

(b) by the addition to subsection (3) of the following further proviso:

40 "Provided further that this subsection shall not be construed so as to permit any further increase or require a further decrease, as the case may be, in a fee, charge or other amount referred to in this subsection, where such fee, charge or other amount is calculated as a percentage or fraction of another amount which represents the consideration in money for a taxable supply of goods or services, other than a taxable supply charged with tax at the rate of zero per cent or a supply which is an exempt supply."

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Amendment of section 68 of Act 89 of 1991

39. Section 68 of the principal Act is hereby amended by the substitution in subsection (1) for paragraph (a) of the following paragraph:

"(a) by any person enjoying full or limited immunity, rights or privileges

under section [2] 3 of the [Diplomatic Privileges Act, 1951 (Act No. 71 of 1951)] Diplomatic Immunities and Privileges Act, 1989 (Act No. 74 of 1989, or under an agreement or otherwise as contemplated in section [2A] 4 of that Act [or a proclamation contemplated in section 2B of that Act] or under the recognized principles of international law, provided similar or equivalent relief is granted in the country by which such person is employed to any representative or employee of the Government of the Republic stationed in such country who enjoys full or limited immunity, rights or privileges in that country; or”.

Amendment of section 69 of Act 89 of 1991, as amended by section 44 of Act 136 of 1991

40. Section 69 of the principal Act is hereby amended by the substitution in subsection (1) for paragraph (a) of the following paragraph:

15 “(a) any person who enjoys full or limited immunity, rights or privileges under section [2] 3 of the [Diplomatic Privileges Act, 1951 (Act No. 71 of 1951)] Diplomatic Immunities and Privileges Act, 1989 (Act No. 74 of 1989), or under an agreement or otherwise as contemplated in section [2A] 4 of that Act [or a proclamation contemplated in section 2B of that Act] or under the recognized principles of international law; or”.

Amendment of section 75 of Act 89 of 1991, as amended by section 45 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

41. Section 75 of the principal Act is hereby amended by the addition in subsection (2) at the end of paragraph (a), preceding the word “and”, of the following proviso:

30 “Provided that payments made by the government of a specified country to the Government of the Republic in terms of any such agreement, shall accrue to the State Revenue Fund and payments by the Government of the Republic to the government of a specified country in terms of any such agreement shall be made as a drawback of revenue charged to the State Revenue Fund;”.

Amendment of section 78 of Act 89 of 1991, as amended by section 47 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

42. Section 78 of the principal Act is hereby amended—

(a) by the addition in subsection (9) of the following proviso to paragraph (a):

40 “Provided that where an agreement for the construction of improvements on such property has been concluded before the said date and the consideration payable under such agreement is in terms of section 6(1)(c) of the Transfer Duty Act, 1949 (Act No. 40 of 1949), required for the purpose of the payment of transfer duty to be added to the consideration payable in respect of the acquisition of such property, such agreement and the agreement for the sale of the property shall for the purposes of this paragraph be deemed to be one agreement for the sale of the property.”;

(b) by the insertion in subsection (9) after paragraph (a) of the following paragraphs:

50 “(aA) Where an agreement for the sale of fixed property consisting of any dwelling together with land on which it is erected, or of any real right conferring a right of occupation of a dwelling or of any unit as defined in section 1 of the Sectional Titles Act, 1986 (Act No. 95 of 1986), such unit being a dwelling, or of any share in a share block company which confers a right to or an interest in the use of a dwelling, was concluded on or before 31 March 1992 by a vendor who at the time of such sale holds such fixed property as trading stock, such sale shall, if the dwelling concerned was completed within 12 months before the commencement date, be deemed not to be a supply of goods for the purposes of this Act.”

(aB) Where an agreement (other than an agreement referred to in paragraph (aC)) for the sale of fixed property consisting of land, or of any real right conferring a right of occupation of land, was concluded on or after the commencement date and on or before 31 March 1992 for the sole or principal purpose of the erection by or for the purchaser of a dwelling or dwellings on the land, as confirmed by the purchaser in writing, the tax chargeable under section 7(1)(a) in respect of the supply of the land or real right under such sale shall be reduced to an amount equal to 6 per cent of the value of the supply.

(aC) Where fixed property includes a dwelling, and—

(i) the erection of the dwelling was completed on or after 30 September 1991 and on or before 31 December 1991 and an agreement for the sale of such fixed property was concluded on or after 22 August 1991 and on or before 31 December 1991, the tax chargeable under section 7(1)(a) in respect of the supply of the fixed property under such sale shall be reduced to an amount equal to 3 per cent of the value of the supply; or

(ii) the erection of the dwelling was completed on or after 30 September 1991 and on or before 31 March 1992 and an agreement for the sale of such fixed property was concluded on or after 22 August 1991 and on or before 31 March 1992, the tax chargeable under section 7(1)(a) in respect of the supply of the fixed property under such sale shall, subject to the provisions of subparagraph (i), be reduced to an amount equal to 6 per cent of the value of the supply:

Provided that—

(i) where an agreement has been concluded for the erection of a dwelling on land supplied under a sale and the consideration payable under such agreement would in terms of section 6(1)(c) of the Transfer Duty Act, 1949, if that Act were applicable, be required for the purpose of the payment of transfer duty to be added to the consideration payable in respect of the acquisition of the property, such agreement and the sale shall, subject to the provisions of paragraph (ii) of this proviso, for the purposes of this paragraph be deemed to be one agreement for the sale of the property;

(ii) the tax payable in respect of the supply of the land and the supply of the construction services in respect of the erection of a dwelling as contemplated in paragraph (i), shall be separately payable in respect of each supply in accordance with the provisions of this Act;

(iii) where the agreement for the sale of such fixed property was concluded before the commencement date, the provisions of paragraph (a) of this subsection shall apply unless the seller and the purchaser under the sale agree in writing that that paragraph shall not apply and that this paragraph shall apply.

(aD) Where any agreement (other than an agreement referred to in paragraph (i) of the proviso to paragraph (aC)) for the construction by any vendor carrying on a construction enterprise of any new dwelling was concluded on or before 31 March 1992 and the dwelling was to be erected in the course of such enterprise, the tax chargeable under section 7(1)(a) in respect of the supply of the construction service, including any construction service supplied to the vendor by a subcontractor, shall to the extent that such services were performed on or before 31 March 1992 be reduced to 6 per cent of the value of the supply.”;

(c) by the substitution in subsection (10) for paragraph (b) of the following paragraph:

“(b) has on hand a stock of consumable goods or maintenance spares acquired under sales concluded by him or the importation by him

- prior to that date for the purpose of consumption or use in the course of his enterprise, and sales tax has been borne by him in respect of such sales or importation,”;
- 5 (d) by the substitution in subsection (10A) in the Afrikaans text for the words preceding the proviso of the following words:
 “Waar verkoopbelasting gedra is deur ’n ondernemer (synde ’n persoon wat op of met ingang van die aanvangsdatum kragtens artikel 23 geregistreer is) ten opsigte van die verkryging van goed (behalwe vasgoed of goed daarby ingelyf) kragtens ’n verkoop of die invoer van goed en bedoelde goed op die aanvangsdatum deur hom gehou word as handelsvoorraad soos omskryf in artikel 1 van die Inkomstebelastingwet, hetsy die ondernemer aanspreeklik is vir normale belasting kragtens daardie Wet of nie, kan die ondernemer, mits hy ’n opname van daardie voorraad gedoen het en voorraadyste wat behoorlik opgestel is ten opsigte van genoemde voorraadopname behou, die bedrag van daardie belasting by die bedrae aan insetbelasting wat kragtens artikel 16(3) deur hom afgetrek word, insluit ten opsigte van die belastingtydperk waarin daardie goed in die loop of ter bevordering van sy onderneming deur hom gelewer word.”; and
- 20 (e) by the substitution in subsection (11) in paragraph (b) for the expression “12” of the expression “10”.

Amendment of Schedule 1 to Act 89 of 1991, as amended by section 48 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

43. (1) Schedule 1 to the principal Act is hereby amended—
- 25 (a) by the substitution in paragraph 1 of PART A for the words preceding the expression “Item No.” of the following words:
 “Goods imported into the Republic which fall under any heading and description mentioned below, to the extent indicated, **[and in respect of which either no]** regardless of whether or not customs duty is payable or a rebate of customs duty is granted in terms of the Customs and Excise Act.”;
- 30 (b) by the insertion after Item No. 470.02 of paragraph 1 of PART A of the following Item:
 “470.03 Goods cleared in terms of a permit issued by the Director-
 35 General: Trade and Industry, on the recommendation of the Board on Tariffs and Trade, for use in the manufacturing, processing, finishing, equipping or packing of goods exclusively for export.”;
- 40 (c) by the insertion in paragraph 1 of PART A, before Heading No. 27.09.00, of the following Heading:
 “10.05 Maize (corn)”;
- (d) by the insertion in paragraph 1 of PART A, after Heading No. 27.09.00, of the following Headings:
 “27.10/2710.00.12 Petrol.
 45 27.10/2710.00.16 Distillate fuels.
 38.11.11.20 Anti-knock preparations (other, for mineral oils).”;
- (e) by the addition to PART A of the following paragraph:
 50 “4. Goods, being gold coins imported as such and which the Reserve Bank has issued in the Republic in accordance with the provisions of section 14 of the South African Reserve Bank Act, 1989 (Act No. 90 of 1989), or which remain in circulation as contemplated in the proviso to subsection (1) of that section.”;
- (f) by the insertion in subparagraph (a) of paragraph 1 of PART B after the expression “470.02” of the expression “470.03”;
- 55 (g) by the insertion in subparagraph (a) of paragraph 1 of PART B after the expression “Headings Nos.” of the expression “10.05.”;
- (h) by the insertion in subparagraph (a) of paragraph 1 of PART B after the expression “27.09.00” of the expressions “, 27.10/2710.00.12, 27.10/2710.00.16, 38.11.11.20”;
- 60

- (i) by the substitution for subparagraph (b) of paragraph 1 of PART B of the following subparagraph:
“(b) Goods or items referred to in paragraphs 2, **[and]** 3 and 4 of Part A of this Schedule, to the extent indicated.”;
- 5 (j) by the substitution for subparagraph (c) of paragraph 1 of PART B in the Afrikaans text of the following subparagraph:
“(c) ’n Motorvoertuig wat ’n bate uitmaak van ’n onderneming of van ’n ander *bona fide*-handels-, finansiële, nywerheids-, mynbou-, steengroef-, boerdery-, boshou- of vissery-onderneming of van ’n *bona fide*-professionele praktyk wat aktief in ’n bepaalde land bedryf word en wat vanaf so ’n land die Republiek tydelik binnebring word vir gebruik tydens die loop van sy diens deur ’n werknemer van bedoelde onderneming, saak of praktyk waar so ’n **[werkgewer]** werknemer gewoonlik in die Republiek woonagtig is en nie ’n regstreekse of onregstreekse finansiële belang of aandeel in bedoelde onderneming, saak of praktyk het nie.”;
- 10 (k) by the substitution in paragraph 1 of PART C for the words preceding subparagraph (a) in the Afrikaans text of the following words:
“Goed in die Republiek ingevoer **[van ’n bepaalde land soos in artikel 1 omskryf]**, naamlik—”;
- 20 (l) by the insertion in subparagraph (a) of paragraph 1 of PART C after the expression “470.02” of the expression “470.03”;
- 25 (m) by the insertion in subparagraph (a) of paragraph 1 of PART C after the expression “Headings Nos.” of the expression “10.05.”;
- (n) by the insertion in subparagraph (a) of paragraph 1 of PART C after the expression “27.09.00” of the expressions “, 27.10/2710.00.12, 27.10/2710.00.16, 38.11.11.20”;
- 30 (o) by the substitution for subparagraphs (b) and (c) of paragraph 1 of PART C of the following subparagraphs, respectively:
“(b) Goods or items referred to in paragraphs 2, **[and]** 3 and 4 of Part A of this Schedule, to the extent indicated.
(c) Any motor vehicle constituting an asset of any enterprise or of any other *bona fide* commercial, financial, industrial, mining, quarrying, farming, forestry or fishing concern or of any *bona fide* professional practice actively carried on in **[any specified country]** Botswana, Lesotho, Namibia or Swaziland, and which is brought temporarily into the Republic from such country for the use during the course of his employment by any employee of such enterprise, concern or practice where such an employee is ordinarily resident in the Republic and does not have any direct or indirect financial interest or share in such enterprise, concern or practice.”; and
- 35 (p) by the addition to PART C of the following paragraph:
45 “3. Goods imported into or produced or manufactured in the Republic, exported therefrom to Botswana, Lesotho, Namibia or Swaziland, and thereafter directly returned to or brought back by the exporter without having been subjected to any manufacturing process, manipulation or modification and without a change in ownership, if such goods were acquired in the Republic before the commencement date or, where such goods were so acquired on or after that date, tax under this Act was paid in respect of the acquisition thereof and has not been refunded.”
- 50 (2) Subsection (1)(c), (g) and (m) of this section shall be deemed to have come
55 into operation on 1 April 1992.

Amendment of Schedule 2 to Act 89 of 1991, as amended by section 49 of Act 136 of 1991 and Government Notice 2695 of 8 November 1991

- 60 44. (1) Schedule 2 to the principal Act is hereby amended—
(a) by the insertion immediately under the heading “Schedule 2” of the expression “PART A”;

(b) by the substitution for paragraphs 1 and 2 of the following paragraphs, respectively:

"1. The goods in respect of the supply of which the rate of zero per cent shall apply under the provisions of section 11(1)(g) of this Act shall, subject to the provisions of paragraph 2, be as hereinafter set forth:

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[Item 1 Stock feed

„ 2 fertiliser

„ 3 foliar nutrition

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„ 4 herbicide

„ 5 insecticide

„ 6 fungicide

„ 7 dosage agent

„ 8 dips

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„ 9 licks

„ 10 veterinary vaccines prepared for use wholly or mainly in respect of farm livestock

„ 11 seed in a form used for cultivation

„ 13 plant material in a form used for cultivation]

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Item 1 *Animal feed*, i.e. goods consisting of—

(a) (i) any substance obtained by a process of crushing, gristing or grinding, or by addition to any substance or the removal therefrom of any ingredient; or

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(ii) any condimental food, vitamin or mineral substance or other substance which possesses or is alleged to possess nutritive properties; or

(iii) any bone product; or

(iv) any maize product,

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intended or sold for the feeding of livestock, poultry, fish or wild animals (including wild birds); or

(b) any stock lick or substance which is of a kind which can be and is in fact used as a stock lick, whether or not such stock lick or substance possesses medicinal properties

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Item 2 *Animal remedy*, i.e. goods consisting of a substance intended or offered for use in respect of livestock, poultry, fish or wild animals (including wild birds), for the diagnosis, prevention, treatment or cure of any disease, infection or other unhealthy condition, or for the maintenance or improvement of health, growth, production or working capacity

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Item 3 *Fertilizer*, i.e. goods consisting of a substance in its final form which is intended or offered for use in order to improve or maintain the growth of plants or the productivity of the soil

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Item 4 *Pesticide*, i.e. goods consisting of any chemical substance or biological remedy, or any mixture or combination of any such substance or remedy, intended or offered for use—

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(a) in the destruction, control, repelling, attraction, disturbance or prevention of any undesired microbe, alga, bacterium, nematode, fungus, insect, plant, vertebrate or invertebrate; or

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(b) as a plant growth regulator, defoliant, desiccant, adjuvant or legume inoculant, and anything else which the Minister of Agriculture has by notice in the *Gazette* declared to be a pesticide

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Item 5 *Plants*, i.e. goods consisting of living trees and other plants, bulbs, roots, cuttings and similar plant products in a form used for cultivation

Item 6 *Seed* in a form used for cultivation

2. The provisions of paragraph 1 shall apply only if—
- (a) **[the goods concerned are supplied to a vendor who is registered under this Act in quantities the consideration for which is not less than R500 per item for each supply; and]** the Commissioner, in respect of a vendor registered under this Act, or a Commissioner for Inland Revenue of a specified country, in respect of a vendor registered in that country, is satisfied that that vendor, being the recipient of any such goods, carries on agricultural, pastoral or other farming operations and has issued to him a notice of registration in which authorization is granted whereby the goods concerned may be supplied to him at the rate of zero per cent: Provided that where a vendor to whom such notice of registration has been issued is in default in respect of his obligation under this Act to furnish any return or to pay tax or he has ceased to carry on the said operations or he has utilized such notice of registration for purposes other than the carrying on of such operations, the Commissioner concerned may, by notice in writing to the vendor, cancel such authorization with immediate effect or with effect from a date determined by that Commissioner and require the vendor to surrender such notice of registration in order that an amended notice of registration, excluding the said authorization, may if necessary be issued to the vendor;
- (b) the goods concerned are supplied to a vendor who is in possession of a valid notice of registration as a vendor and an authorization contemplated in paragraph (a);
- [(b)]** (c) a tax invoice in respect of the relevant supply is issued **[containing]** which, in addition to the particulars required by section 20(4) of this Act, states the registration number of the recipient;
- (d) the acquisition, disposal, sale or use of the said goods is not prohibited in terms of section 7bis of the Fertilizers, Farm Feed, Agricultural Remedies and Stock Remedies Act, 1947 (Act No. 36 of 1947).”; and
- (c) by the addition of the following Part:

“PART B

(SECTION 11(1)(j) OF THIS ACT)

ZERO RATE: SUPPLY OF GOODS CONSISTING OF CERTAIN FOODSTUFFS

1. The goods in respect of the supply of which the rate of zero per cent shall apply under the provisions of section 11(1)(j) of this Act shall, subject to the provisions of paragraphs 2 and 3, be as hereunder set forth:
- Item 1 Brown bread as defined in Regulation 1 of the Regulations in terms of Government Notice No. R.577 published in *Government Gazette* No. 13074 of 15 March 1991
- Item 2 maize meal graded as super maize meal, special maize meal, sifted maize meal or unsifted maize meal
- Item 3 samp, not further prepared or processed
- Item 4 mealie rice, not further prepared or processed
- Item 5 dried silo screened mealies or dried mealies for human consumption not further prepared or processed or packaged as seed, but excluding pop corn (*zea mays everta*)
- Item 6 dried beans, whole, split, crushed or in powder form but not further prepared or processed or where packaged as seed