
GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

NATIONAL TREASURY

NO. 5993

14 March 2025

**REGULATIONS PRESCRIBING ELECTRONIC SERVICES FOR THE PURPOSE OF THE
DEFINITION OF “ELECTRONIC SERVICES” IN SECTION 1(1) OF THE VALUE-ADDED
TAX ACT, 1991**

I, Enoch Godongwana, Minister of Finance, hereby make, in the Schedule hereto, the regulations prescribing electronic services for purposes of the definition of “electronic services” in section 1(1) of the Value-Added Tax Act, 1991 (Act No. 89 of 1991).

These Regulations will come into effect on 1 April 2025 and will repeal all prior Regulations published for this purpose, from that date.



E Godongwana
MINISTER OF FINANCE

Schedule

Definitions

1. In these Regulations, unless otherwise indicated, any word or expression to which a meaning has been assigned in the Value-Added Tax Act, 1991 (Act No. 89 of 1991) (“the Act”), bears the meaning so assigned, and—

“content” means the signals, writing, images, sounds or information of any kind that are transmitted, emitted or received by a telecommunications service;

“electronic agent” means any electronic agent as defined in section 1 of the Electronic Communications and Transactions Act;

“electronic communication” means electronic communication as defined in section 1 of the Electronic Communications and Transactions Act;

“Electronic Communications and Transactions Act” means the Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002);

“group of companies” means two or more companies in which one company (the **“controlling group company”**) directly or indirectly holds shares in at least one other company (the **“controlled group company”**), to the extent that—

- a. 70 per cent of the equity shares in each controlled group company are directly held by the controlling group company, one or more other controlled group companies or any combination thereof; and
- b. the controlling group company directly holds 70 per cent of the equity shares in at least one controlled group company;

“internet” means the internet as defined in section 1 of the Electronic Communications and Transactions Act; and

“telecommunications services” means the transmission, emission or reception, and the transfer or assignment of the right to use capacity for the transmission, emission or reception, of signals, writing, images, sounds or information of any kind by wire, cable, radio, optical or other electromagnetic system, or by a similar technical system, and includes access to global information networks but does not include the content of the telecommunication.

Services prescribed as electronic services

2. For the purposes of the definition of “electronic services” in section 1(1) of the Act “electronic services” means any services supplied by means of an electronic agent, electronic communication or the internet for any consideration, other than—
- a. educational services supplied from a place in an export country and regulated by an educational authority in terms of the laws of that export country;
 - b. telecommunications services; or
 - c. services supplied from a place in an export country by a company that is not a resident of the Republic to a company that is a resident of the Republic if—
 - i. both those companies form part of the same group of companies; and
 - ii. the company that is not a resident of the Republic itself supplies Electronic services it exclusively discovered, devised, developed, created or produced for the purposes of consumption of those services by the company that is resident of the Republic;
 - d. services supplied from a place in an export country by a person that is not a resident of the Republic where such services are supplied solely to vendors registered in the Republic in terms of section 23 of the Act.