

# VAT Alert

15 October 2009

## Withdrawal of General Rulings Register

**With effect 1 December 2009, the last of the general VAT rulings published on The South African Revenue Service's (SARS) website in the *General Rulings Register* are to be withdrawn. This has already been indicated by SARS in its newsletter "VAT NEWS 33" of February 2009.**

The effect of the withdrawal of these rulings is that SARS is no longer bound by the content of the rulings and may, consequently, take a completely different approach in its interpretation and application of the legal provisions contained in the withdrawn rulings. Should this be the case, vendors will not be protected in the event that they continue relying on rulings previously published in the General Rulings Register.

On the other hand, SARS may still interpret and apply the law in exactly the same manner as it has done in the past in relation to certain of the withdrawn rulings, in which case vendors will not be obliged to change the way they do business.

This will undoubtedly lead to some uncertainty in terms of whether the correct VAT treatment is being applied by the tax payer.

It appears that SARS does not intend publishing an updated General Rulings Register. Rather, the principles contained in the old rulings may be incorporated in Interpretation Notes and other Guides. Alternatively, SARS may issue *Binding General Rulings* or rely on the sanitised *Binding Private Rulings* published on its website. Of these, however, only a "*Binding General Ruling*", issued in terms of section 41A of the Value-Added Tax Act, 1991 and a ruling issued to



a specific vendor is binding on SARS. Therefore, if taxpayers rely on any of the rulings contained in the old Rulings Register, they will not be protected in the event that SARS changes its interpretation.

The General Rulings Register contains more than 400 published rulings and as such it is not feasible to reproduce the withdrawn rulings here. However, in the event that you are relying on any ruling issued by SARS, be it in the Rulings Register or otherwise, we urge you to contact any one of our specialists listed below to discuss whether you are protected in the event that SARS changes its interpretation or whether it is prudent to obtain a new ruling from SARS.

Contact one of our VAT specialists if you require further information or any assistance with regard to submitting ruling applications.

Region	Contact	Telephone	Email
Eastern Cape	Mornay Schafer	(041) 391 4403	mornay.schafer@za.pwc.com
Free State, North West, Northern Cape	Hettie Koekemoer	(051) 503 4207	hettie.koekemoer@za.pwc.com
Gauteng	Gerard Soverall	(011) 797 5004	gerard.soverall@za.pwc.com
Kwazulu Natal, Mpumalanga, Limpopo	Chaya Lakhani	(031) 250 3766	chaya.lakhani@za.pwc.com
Western Cape	Charles de Wet	(021) 529 2377	charles.de.wet@za.pwc.com

The VAT Alert is designed to keep you abreast of developments and is not intended to be a comprehensive statement of the law. It should not be relied upon as a substitute for specific advice in considering the tax effects of particular transactions. No liability is accepted for errors or opinions contained herein.