

# tax happy hour



## Value-Added Tax: Refresher, Pitfalls and Opportunities

16 February 2022

PRESENTED BY

Kreston South Africa

Johan Heydenrych: Director Tax Services



## **RCB STATUS**

SAIBA is a registered  
Recognised Controlling  
body (RCB) with SARS



## **APPLY**

Submit application,  
qualification and  
experience



## **LICENSE**

Perform an  
assessment.



## **BENEFITS**

> 12 unique benefits

Read more here

<https://saiba.org.za/licenses/tax-practitioner>

- 1 Access to Tax Knowledge Base
- 2 eFiling Operational Support
- 3 SARS Representation
- 4 Free Tax Webinars
- 5 Professional Insurance
- 6 Practice Legal Support
- 7 SARS Updates
- 8 Access to Tax Library
- 9 Tax LinkedIn Support Group
- 10 Discounted Tax Practice Software
- 11 Discounted Tax Textbook
- 12 SARS Webinars

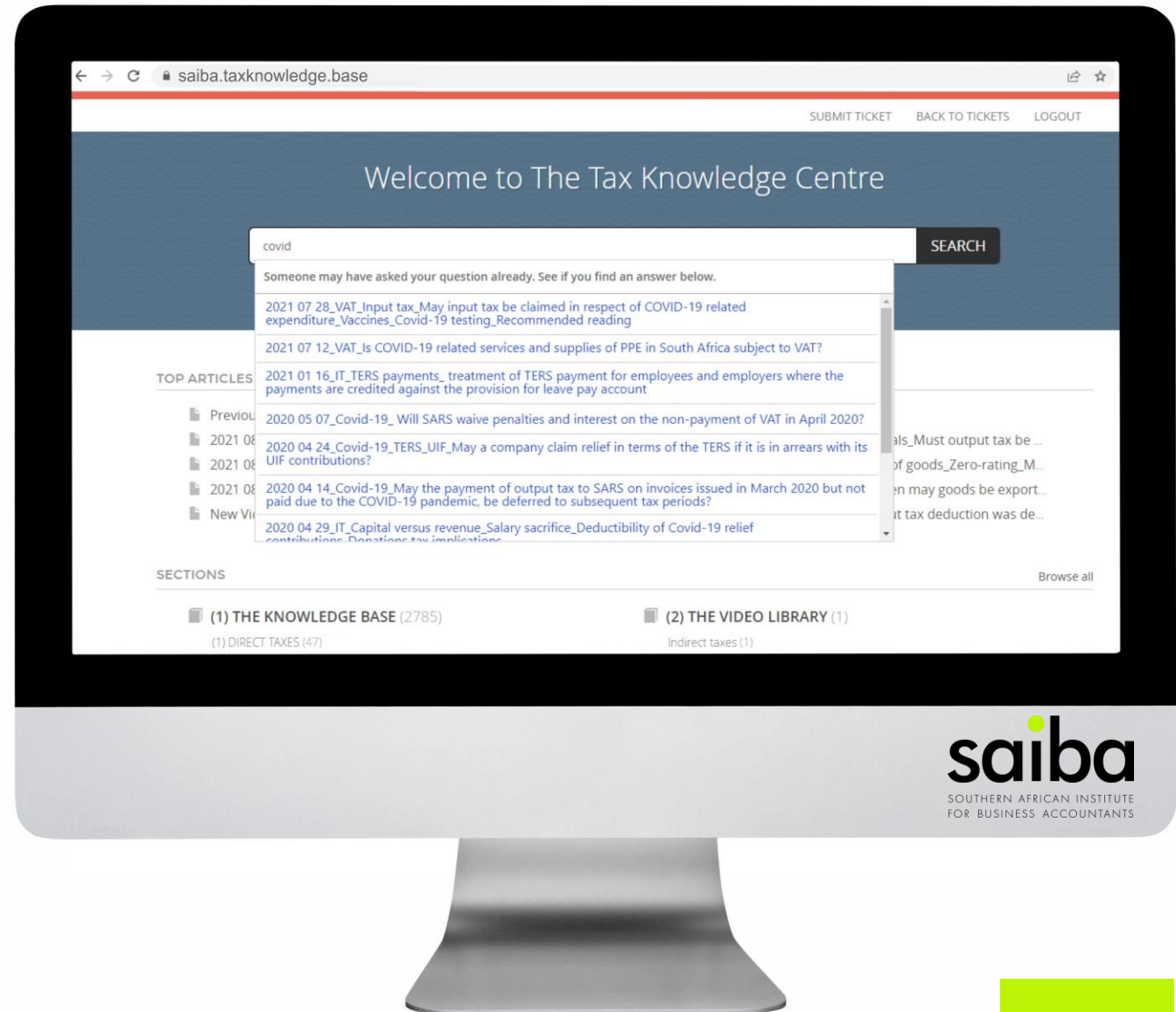
Support Tools to make your work easier

# THE TAX KNOWLEDGE CENTRE: BECOME A TAX BRANIAC

Tax Knowledge Database at your fingertips

Updated weekly, keeping you at the cutting edge of the tax world

- 1 Become a SAIBA Tax Practitioner
- 2 Gain free access to database
- 3 Grow your practice or Impress your superiors



# REPRESENTING YOU

A member can belong to multiple RCB's,  
but can only submit queries through the primary RCB.

SAIBA is proud of our track record to resolve member queries  
within a short timeline.

SAIBA representatives hands are tied  
to tackle issues on your behalf if you  
haven't listed SAIBA as your primary  
RCB on your eFiling profile.

# TAX WORKING GROUP

Krigan Naicker



Siphethuxolo Didiza  
BAP(SA)



Barend van der Westhuizen  
BAP(SA)



Marius Kotze  
BAP (SA)



Tania Lee  
SAIBA



Ilana de Jager  
SAIBA Academy





# 2022 BUDGET SPEECH

28 FEBRUARY - 11:00 - 12:30



IN PARTNERSHIP WITH



## MEET OUR SPEAKERS



**DAWIE  
ROODT**

Chief Economist  
@Efficient Group &  
Chairman at Efficient  
Private Clients (Pty) Ltd



**JOHAN  
HEYDENRYCH**

Tax Director  
@Kreston Pretoria



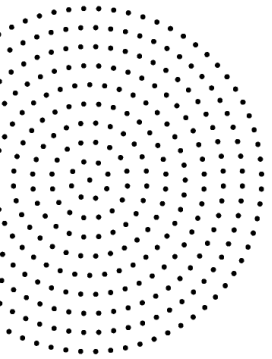
**JACQUES  
DE VILLIERS**

Managing Director  
@Kreston JHB &  
Kreston SA CEO



**NICOLAAS  
VAN WYK**

SAIBA CEO



# ABOUT THE PRESENTER

Johan Heydenrych

Kreston South Africa

Johan is a Chartered Accountant who specialised in taxation since 1991. He holds the following qualifications:

- B. Com (Accounting) (Cum Laude)
- B. Com (Accounting) (Hons) (Cum Laude) (Award: "Best student in Audit 700")
- Certificate in the Theory of Accounting
- M. Com (Taxation) (Cum Laude) (Award: "Best M. Com (Tax) student")
- Chartered Accountant (Specialising in Taxation)
- Member of SAICA
- Registered Tax Practitioner

Johan was a tax partner at KPMG from 1997 to 2020 and is currently a partner in the Kreston SA network specialising in taxation.

He provides a wide range of tax services to various clients across industries. These include but are not limited to the following:

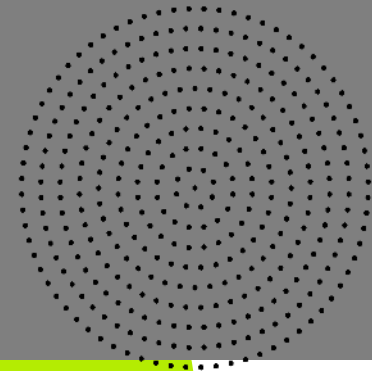
- Advice on Tax Risk Management and Tax Governance.
- Tax compliance services including but not limited to ITR 14 and IT 14SD
- Dealing with tax disputes including representing clients at Alternative Dispute Resolution (ADR) hearings.
- Submission of documentation and revised returns under the Voluntary Disclosure Programme.
- Issuing of tax technical opinions on Income Tax, VAT and PAYE. This include preparing briefs to Senior Counsel and submissions of requests for Binding Opinions from SARS.
- Audit support services that includes Normal Tax and Deferred Tax disclosure and disclosure of uncertain tax positions.
- Assistance with implementation of tax reporting for new accounting standards such as IFRIC 23, IFRS 9, IFRS 15 and IFRS 16.
- Facilitation of tax diagnostic sessions with existing and prospective clients.
- Advice on mergers, acquisitions and reorganizations.
- Tax due diligences
- Advice on tax implications of recapitalization transactions, debt restructures, liquidations and deregistration's





# TAX HAPPY HOUR INDEX

1. Mechanics of VAT
2. Supplies made by a vendor
3. Link between the type of supplies and the treatment of input tax
4. Supplies made to a vendor
5. Apportionment of input tax
6. Denial of input tax
7. Tax Invoices, Debit Notes, Credit Notes



1.

Mechanics of VAT

**tax happy hour**

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# How does VAT work?

Person	Input VAT	Output VAT	Net VAT
Kumba mine extracts iron from soil. Sells iron to steel manufacturer (ArcelorMittal) for R1 150 000	0	R150 000	R150 000
ArcelorMittal buys the steel and manufactures stainless steel. Sells the steel to Bosal for R1 725 000	R150 000	R225 000	R75 000

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Bosal manufactures Exhausts and sells exhausts to KwikFit for R2 530 000	R225 000	R330 000	R105 000



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Kwikfit sells the exhausts to various final private customers for R3 220 000	R330 000	R420 000	R90 000

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Total collective position of VAT from SARS perspective	R705 000	R1 125 000	R420 000

# How does VAT work?

Where can things go wrong for the taxpayer?

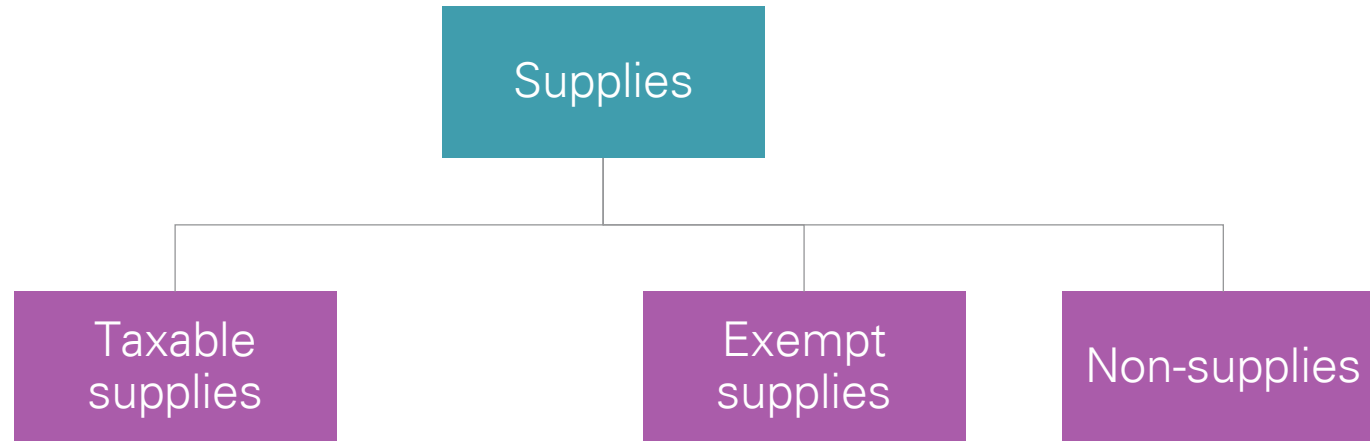
Where can things go wrong for SARS?

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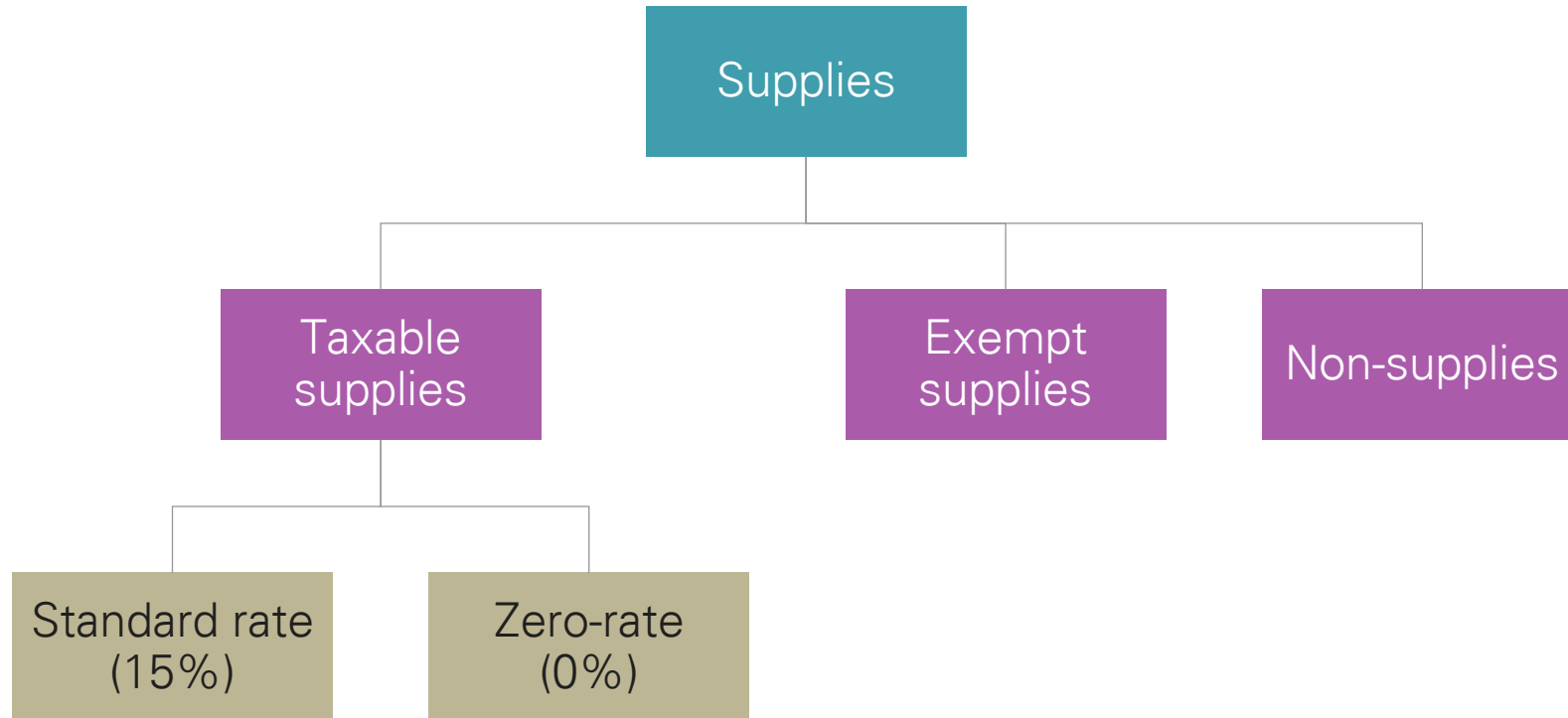
# Mechanics of VAT

Supplies

# Mechanics of VAT

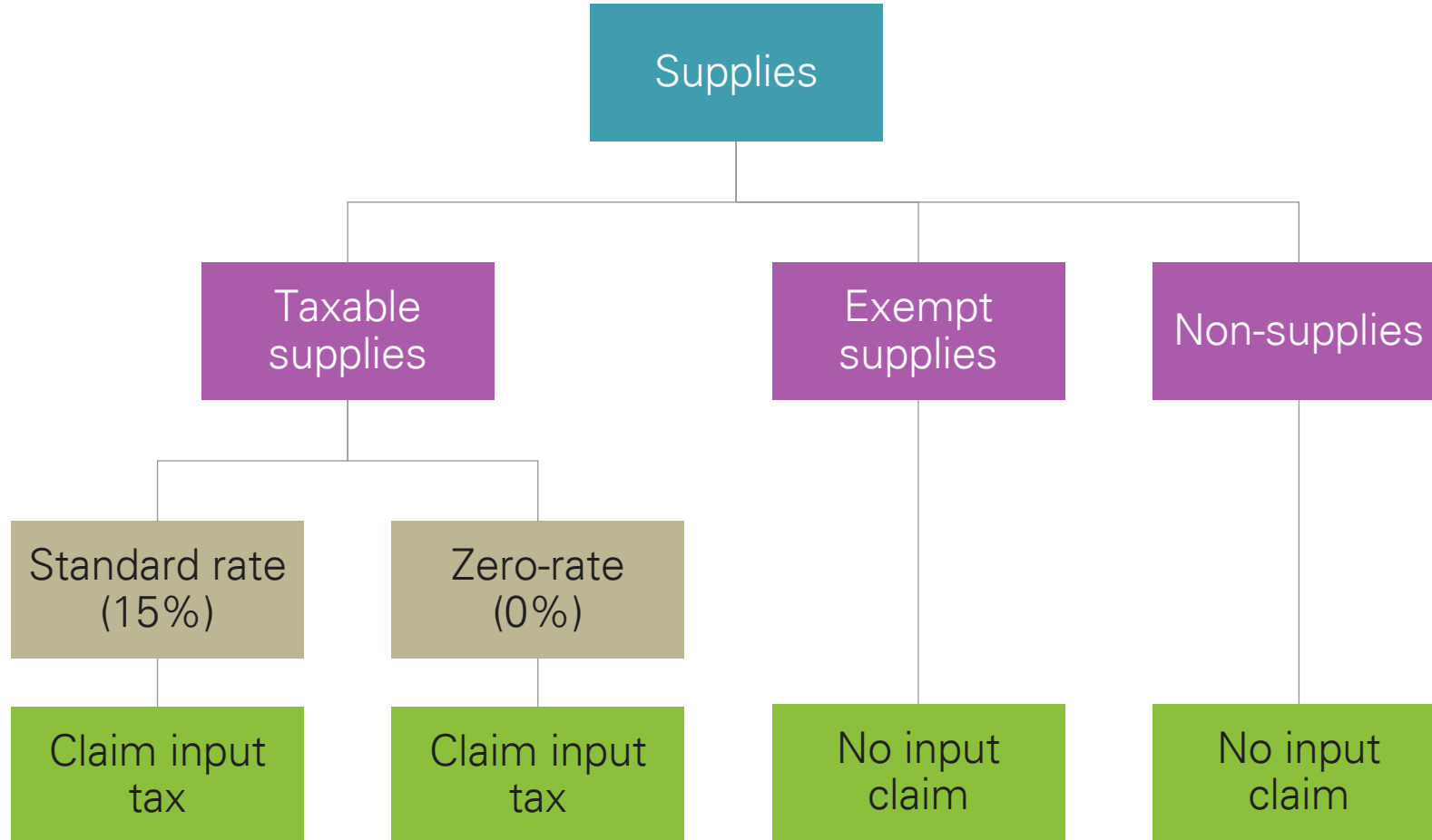


# Mechanics of VAT





# Mechanics of VAT

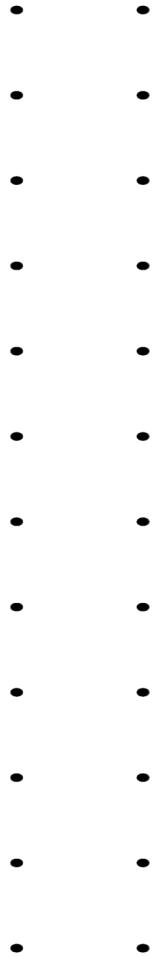


2.

Supplies made by a vendor

**tax happy hour**

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Was there a "supply" of "goods" or "services"?

- General Section 7(1)(a)
- Goods imported (S7(1)(b) and S13 )
- Services imported (S7(1)(c) & S14)

Was there a "supply" of "goods" or "services"?

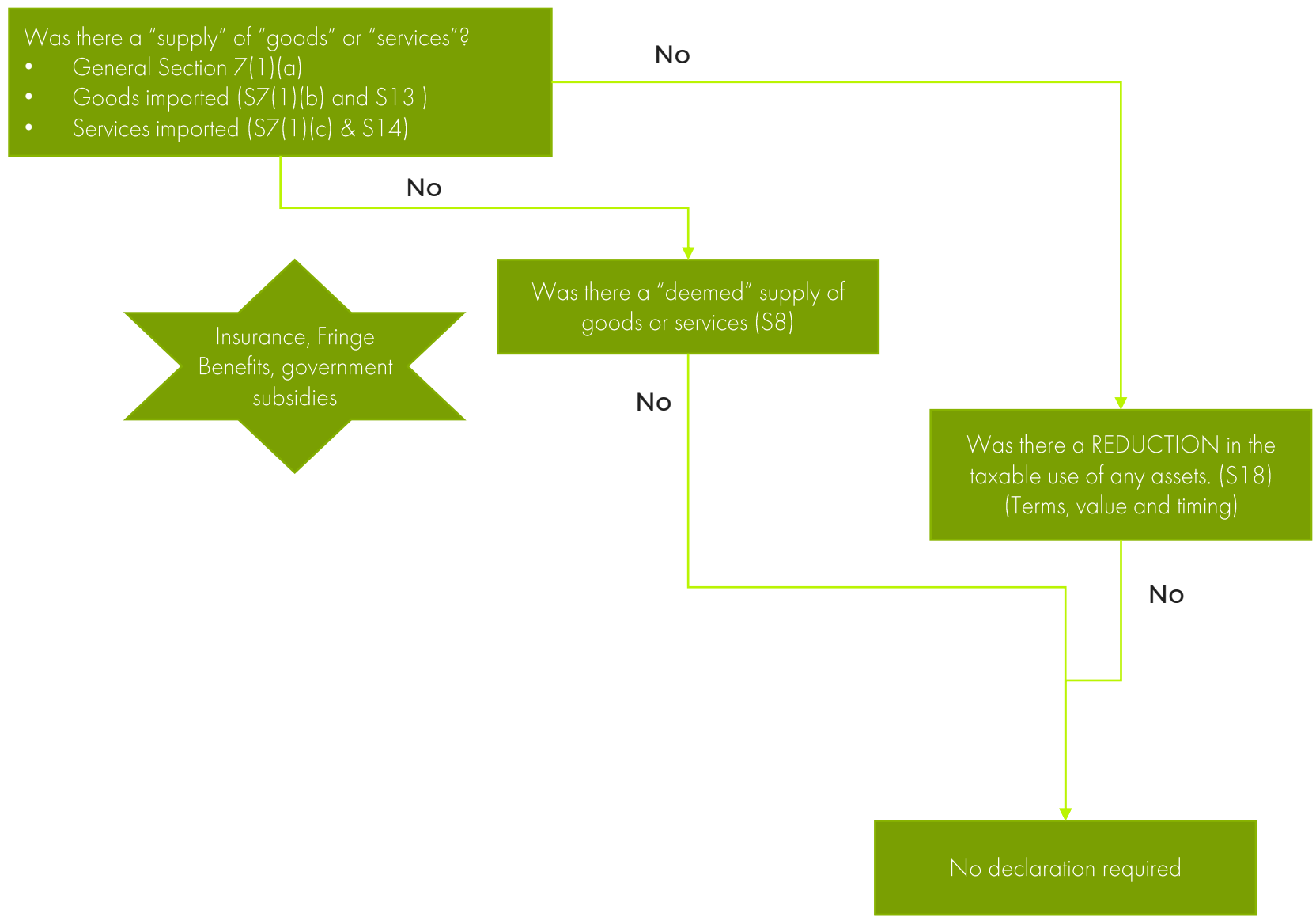
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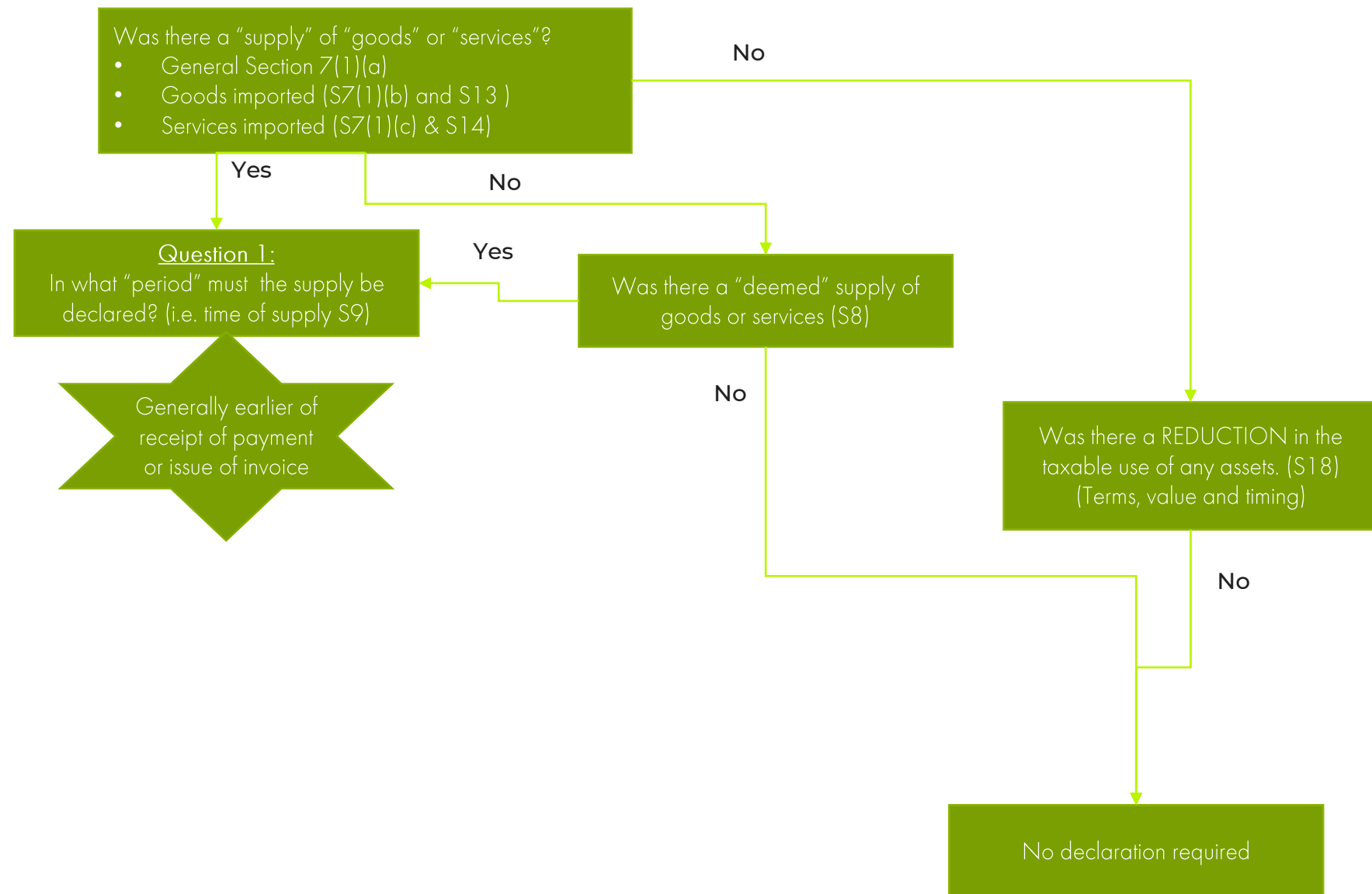
No

Was there a REDUCTION in the taxable use of any assets. (S18)  
(Terms, value and timing)

No

No declaration required







Was there a "supply" of "goods" or "services"?

- General Section 7(1)(a)
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- Services imported (S7(1)(c) & S14)

No

Yes

No

Yes

No

No

Question 1:  
In what "period" must the supply be declared? (i.e. time of supply S9)

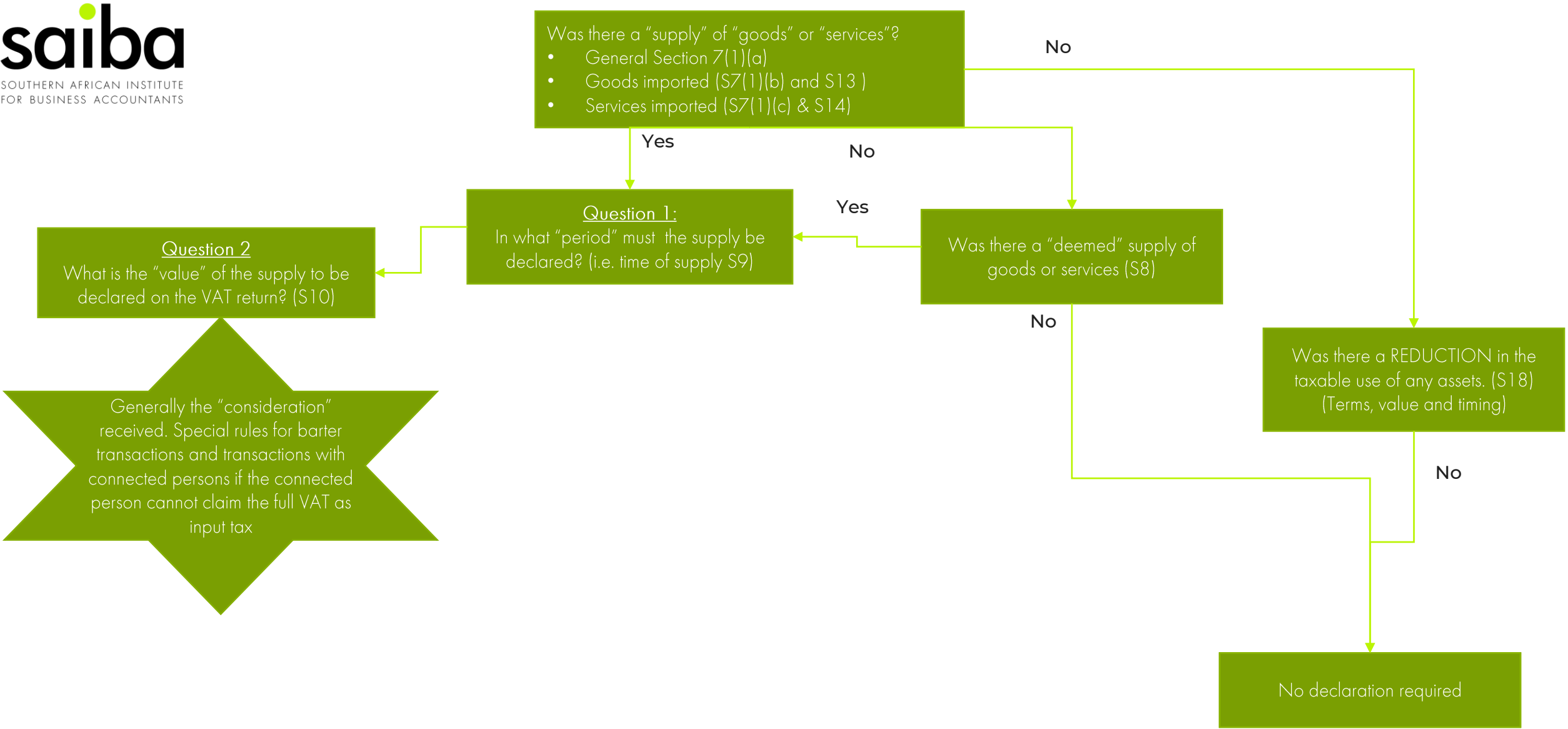
Was there a "deemed" supply of goods or services (S8)

Question 2  
What is the "value" of the supply to be declared on the VAT return? (S10)

Was there a REDUCTION in the taxable use of any assets. (S18)  
(Terms, value and timing)

Generally the "consideration" received. Special rules for barter transactions and transactions with connected persons if the connected person cannot claim the full VAT as input tax

No declaration required



Was there a "supply" of "goods" or "services"?

- General Section 7(1)(a)
- Goods imported (S7(1)(b) and S13 )
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No

Question 1:  
In what "period" must the supply be declared? (i.e. time of supply S9)

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Question 2  
What is the "value" of the supply to be declared on the VAT return? (S10)

Is the supply "exempt" from VAT? S12

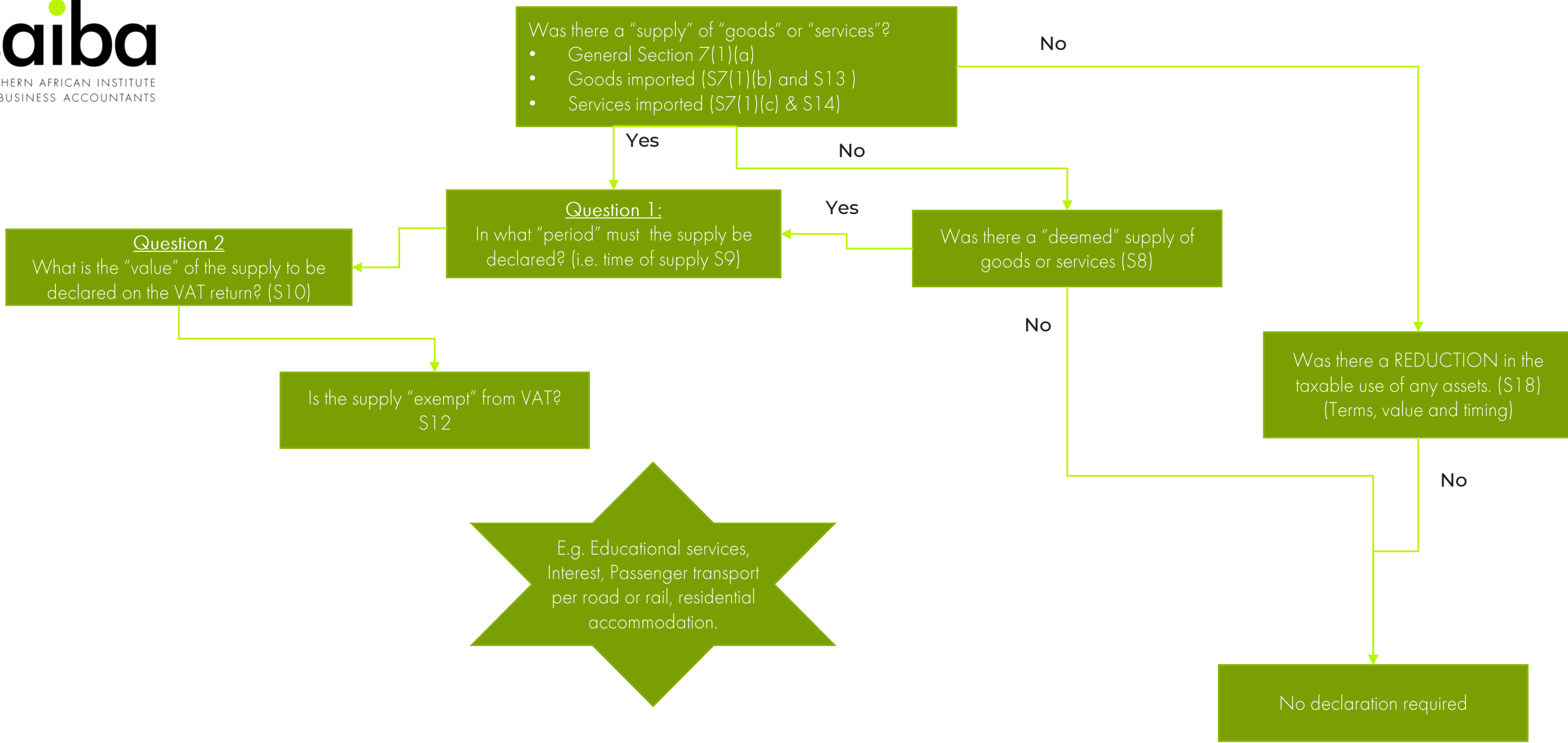
E.g. Educational services, Interest, Passenger transport per road or rail, residential accommodation.

No

Was there a REDUCTION in the taxable use of any assets. (S18) (Terms, value and timing)

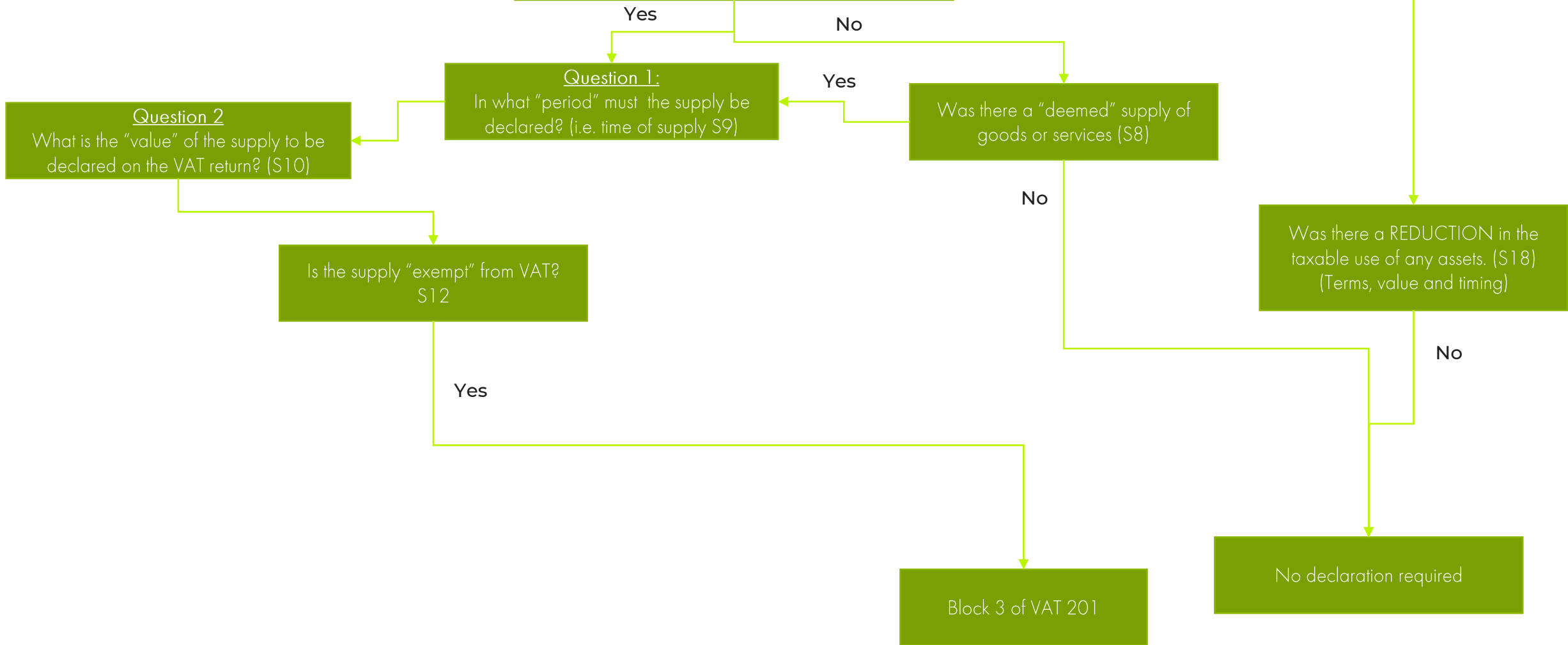
No

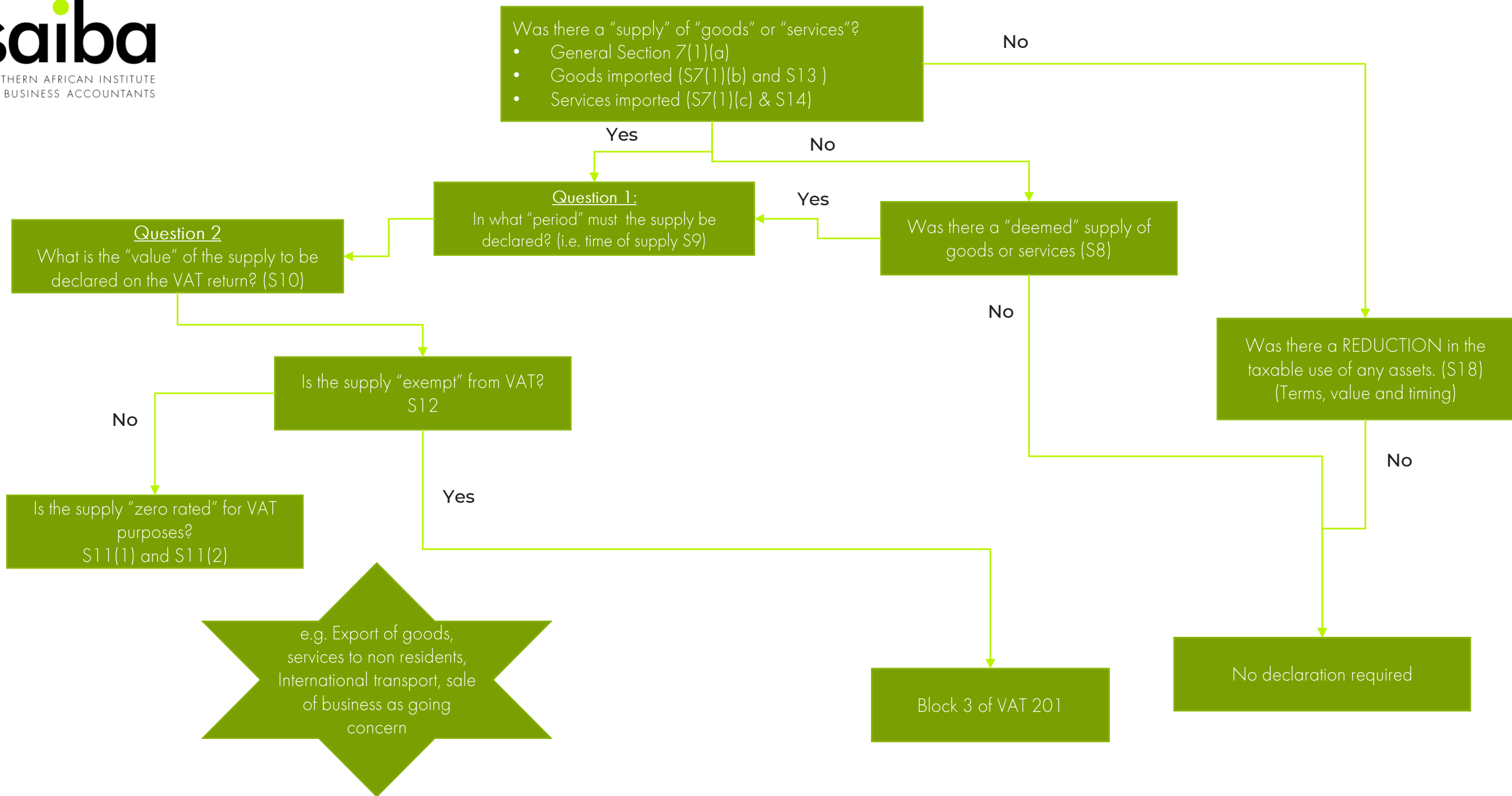
No declaration required

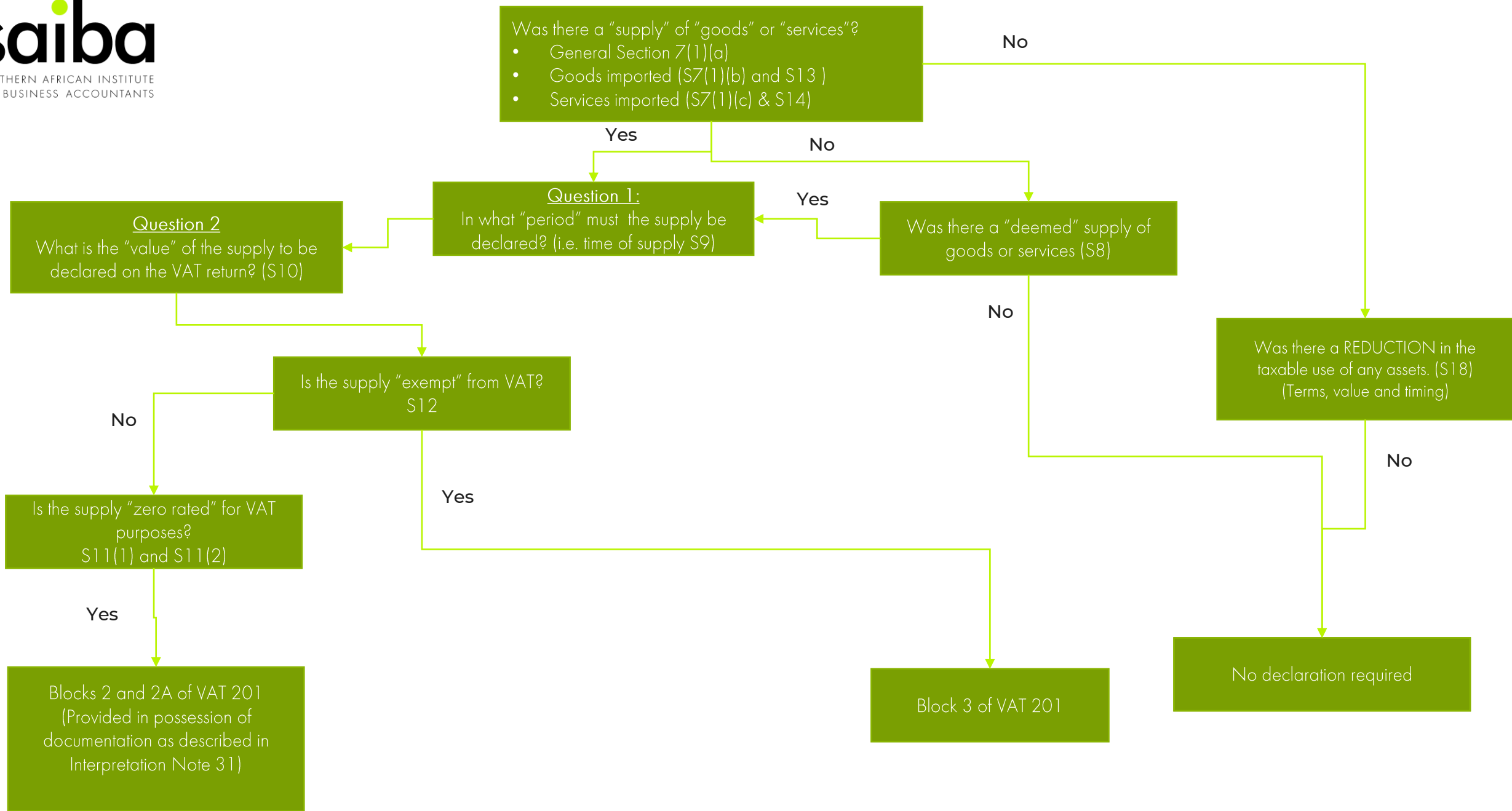


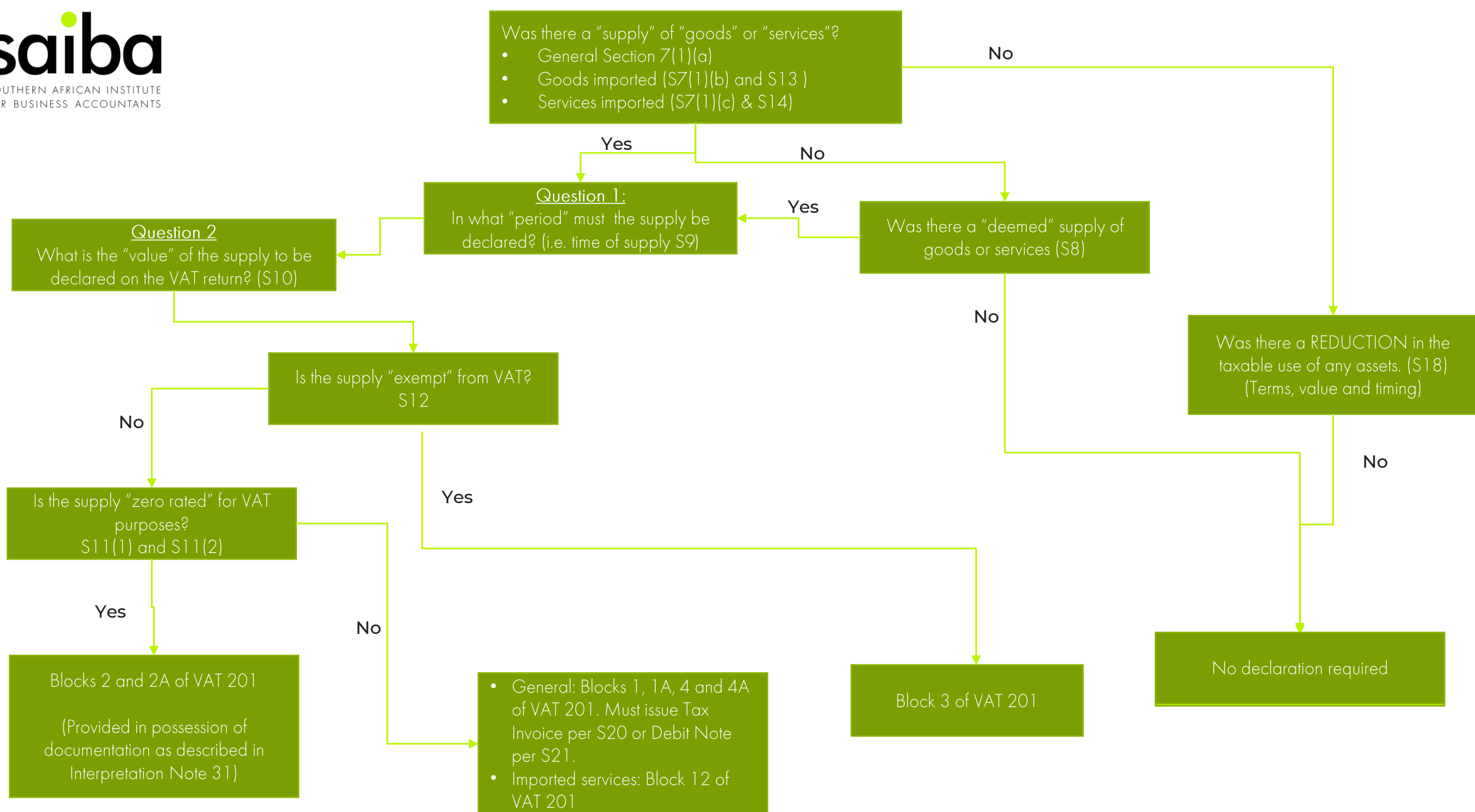
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Question 2  
What is the "value" of the supply to be declared on the VAT return? (S10)

Question 1:  
In what "period" must the supply be declared? (i.e. time of supply S9)

Was there a "deemed" supply of goods or services (S8)

Is the supply "exempt" from VAT? S12

Is the supply "zero rated" for VAT purposes? S11(1) and S11(2)

Was there a REDUCTION in the taxable use of any assets. (S18) (Terms, value and timing)

Blocks 2 and 2A of VAT 201  
(Provided in possession of documentation as described in Interpretation Note 31)

- General: Blocks 1, 1A, 4 and 4A of VAT 201. Must issue Tax Invoice per S20 or Debit Note per S21.
- Imported services: Block 12 of VAT 201

Block 3 of VAT 201

No declaration required



**A. Calculation of Output Tax and Imported Services**

**Supply of Goods and/or Services By You**

Standard rate (excluding capital goods and/or services and accommodation)

1 R

$\times \frac{r}{100+r}$

4 R

Standard rate (only capital goods and/or services)

1A R

$\times \frac{r}{100+r}$

4A R

Zero rate (excluding goods exported)

2 R

Zero rate (only exported goods)

2A R

Exempt and non-supplies

3 R

**Supply of accommodation:**

Exceeding 28 days

5 R  X  %

6

Value Not exceeding 28 days

7 R

**Total: (6 + 7)**

8 R

$\times \frac{r}{100}$

9 R

**Adjustments:**

Change in use and export of second-hand goods

10 R

$\times \frac{r}{100+r}$

11 R

Other and imported services

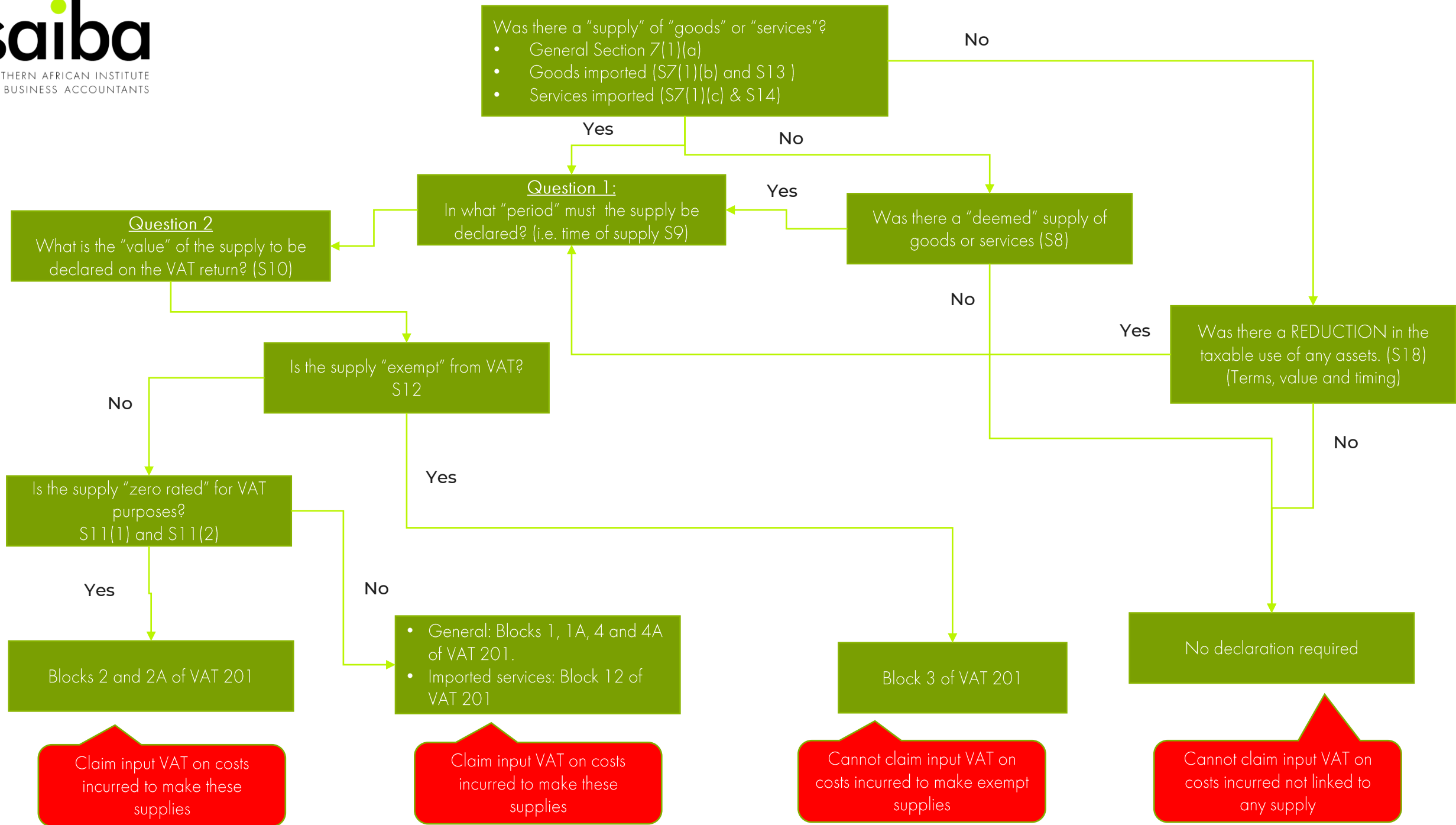
$\times$

12 R

**Total A: TOTAL OUTPUT TAX (4+4A+9+11+12)**

13 R





Supply	Type of supply?	Impact on costs incurred to provide goods/services
Interest is charged by a bank to a local customer.		

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A fee is charged for passenger transported by Bus from Gauteng to Nelspruit		

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Timber is sold by a sawmill to a customer in Gabarone. Goods are delivered in Gabarone by sawmill		

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Timber is sold by a sawmill to a customer in Gabarone. Goods are collected in Pretoria by customer in Gabarone who then exports the goods		
An estate agent receives commission for the sale of land to a non-resident		

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The University of Pretoria charges a fee to a student for a B.Com degree		

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PRASA charges a fee to the same passenger for the carriage of his car on the same train from Johannesburg to Cape Town		

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PRASA charges a fee to the same passenger for the carriage of his car on the same train from Johannesburg to Cape Town		
PRASA charges a rental fee to shops at the Johannesburg station.		



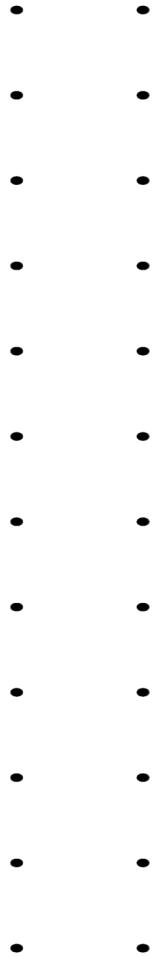
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PRASA charges a fee to shops at the Johannesburg station.		
A large listed Bank has a shared service centre that owns the buildings and charges a rent to group companies		

4.

Supplies made to a vendor

**tax happy hour**

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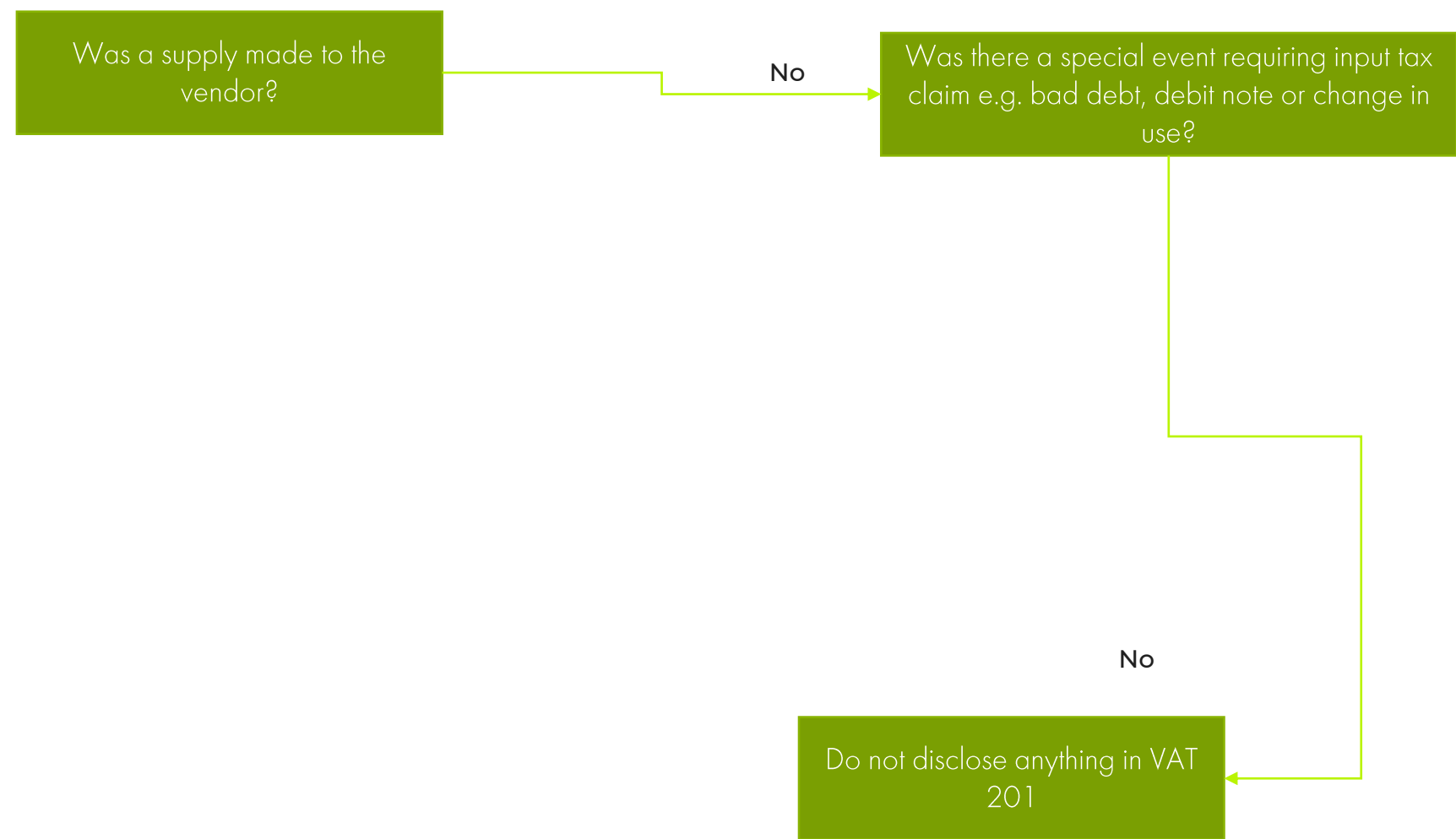


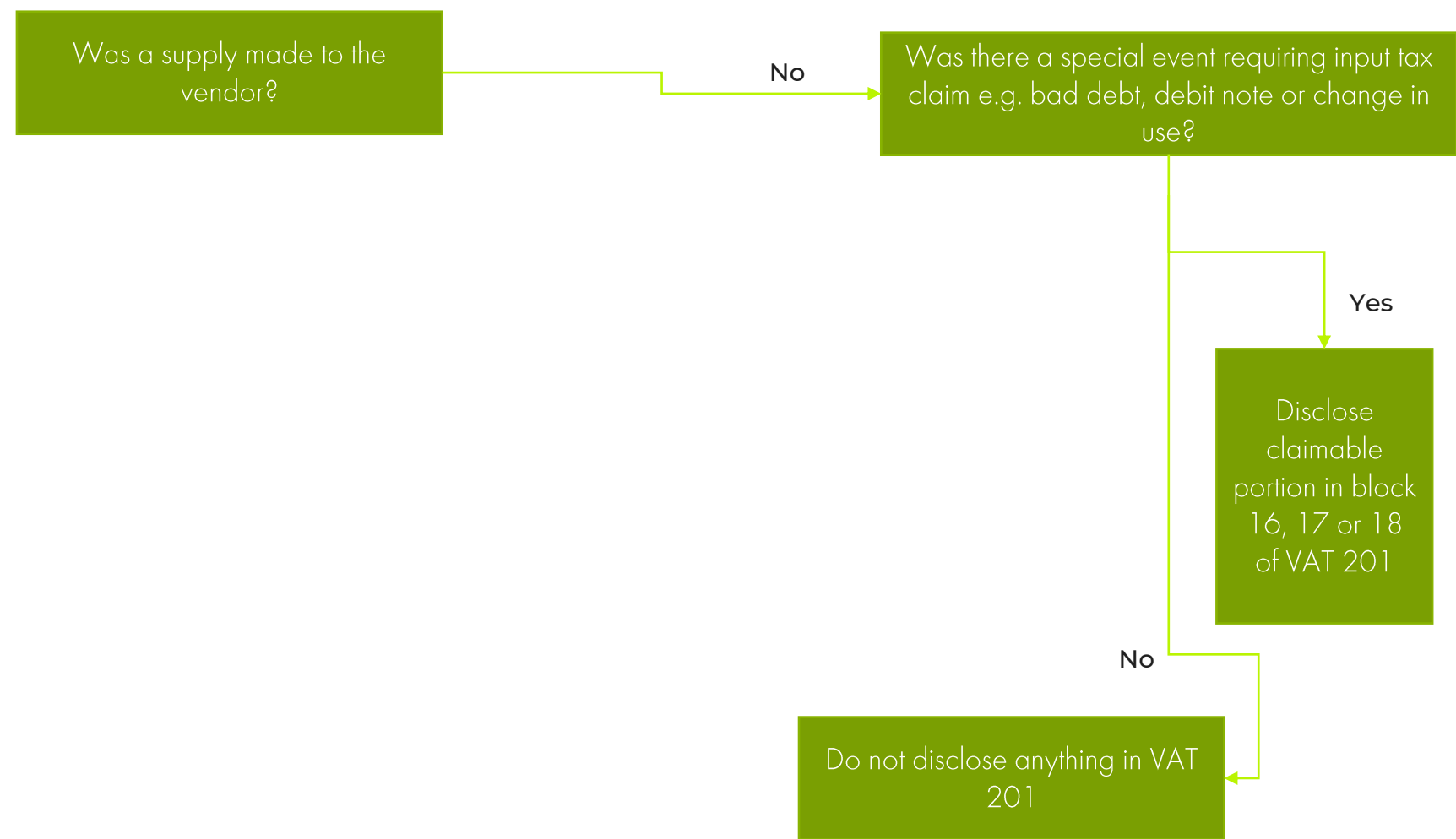
Was a supply made to the  
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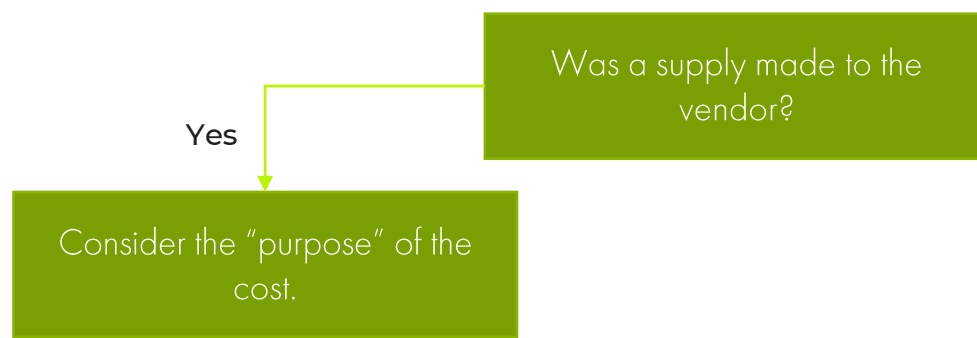
Was a supply made to the vendor?

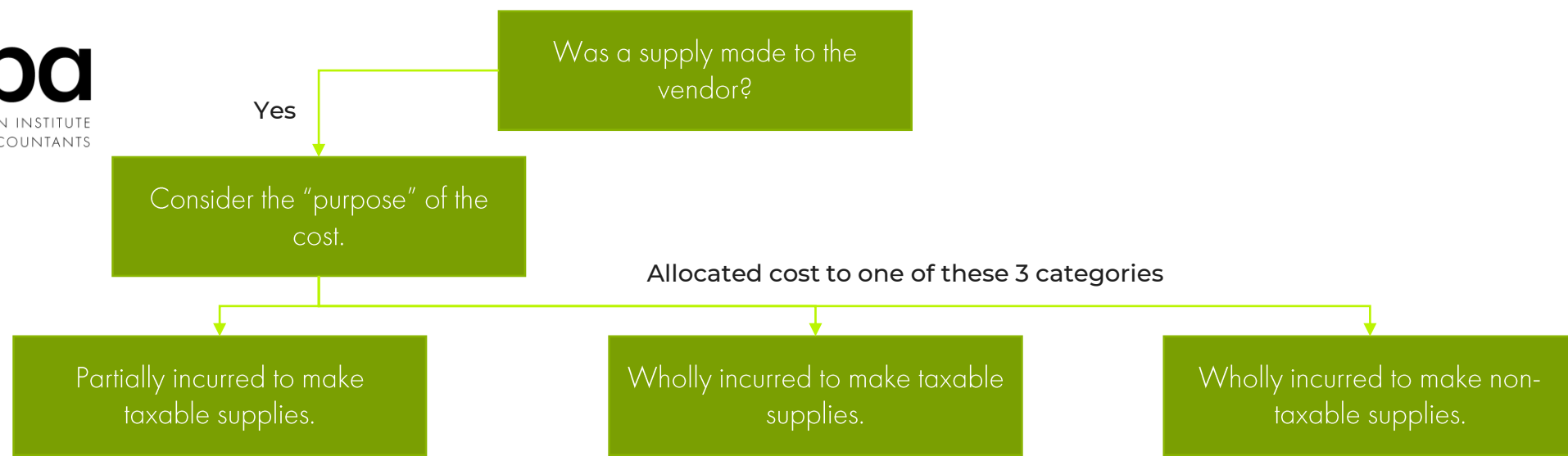
No

Was there a special event requiring input tax claim e.g. bad debt, debit note or change in use?



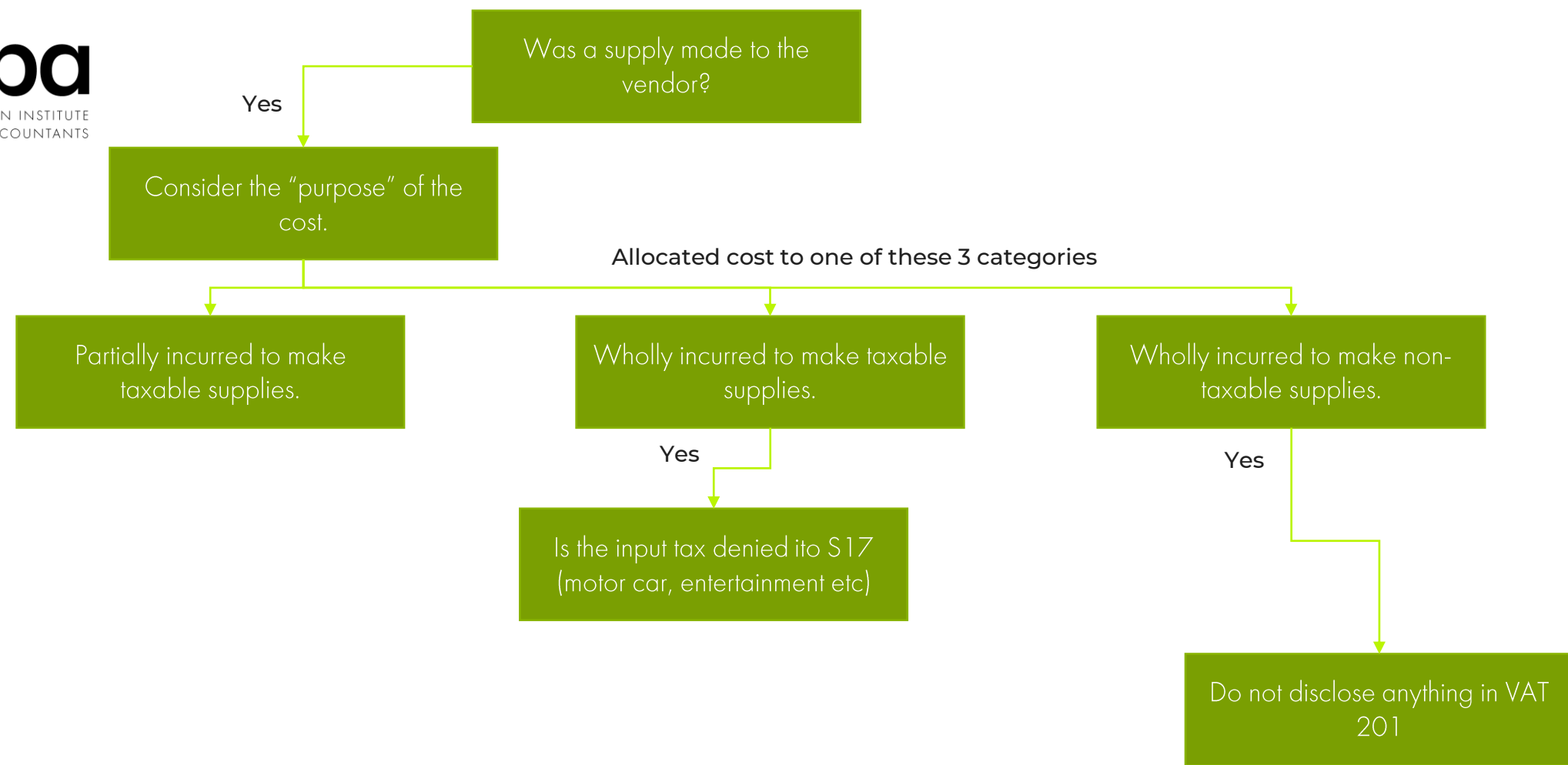


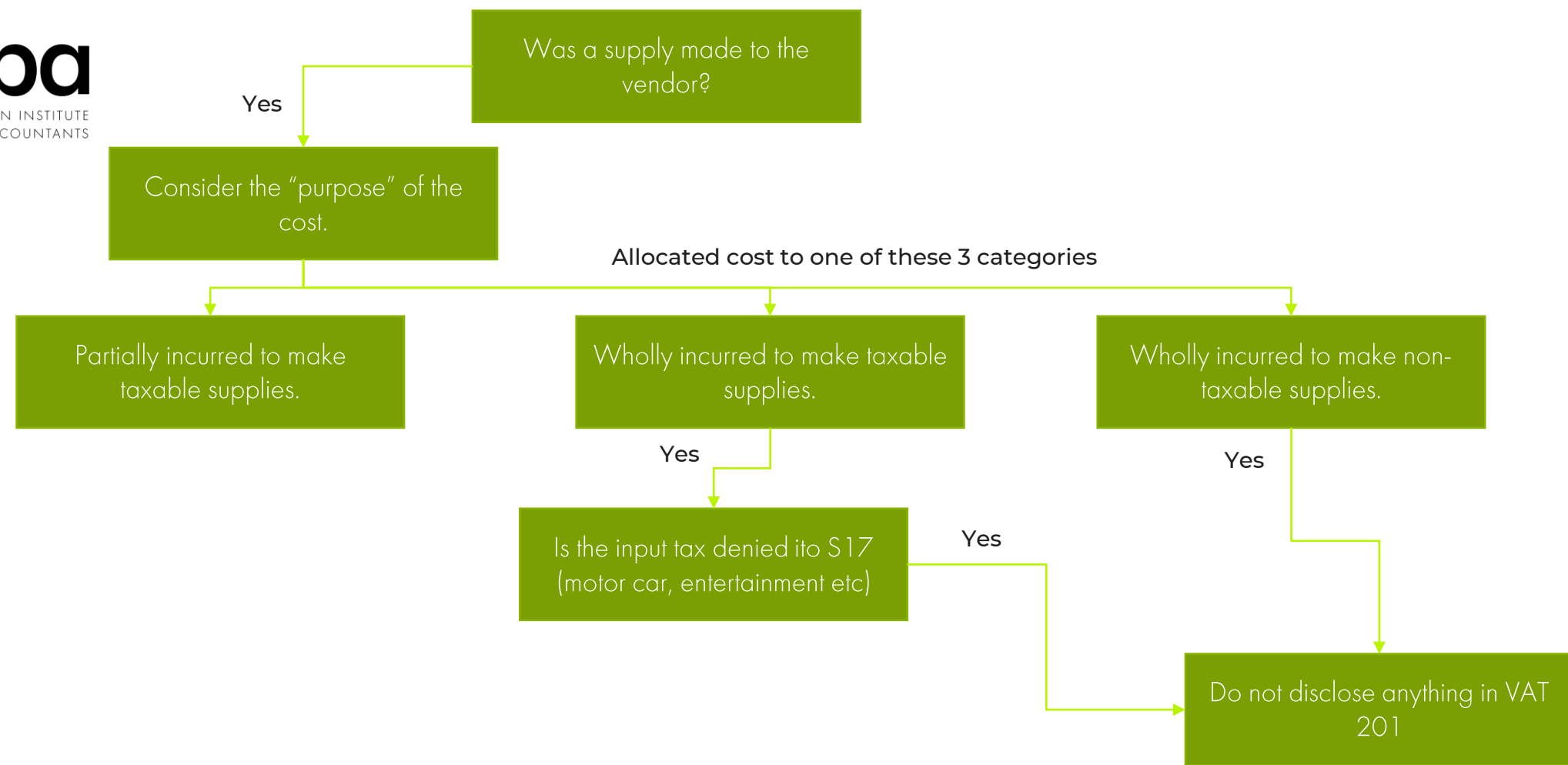




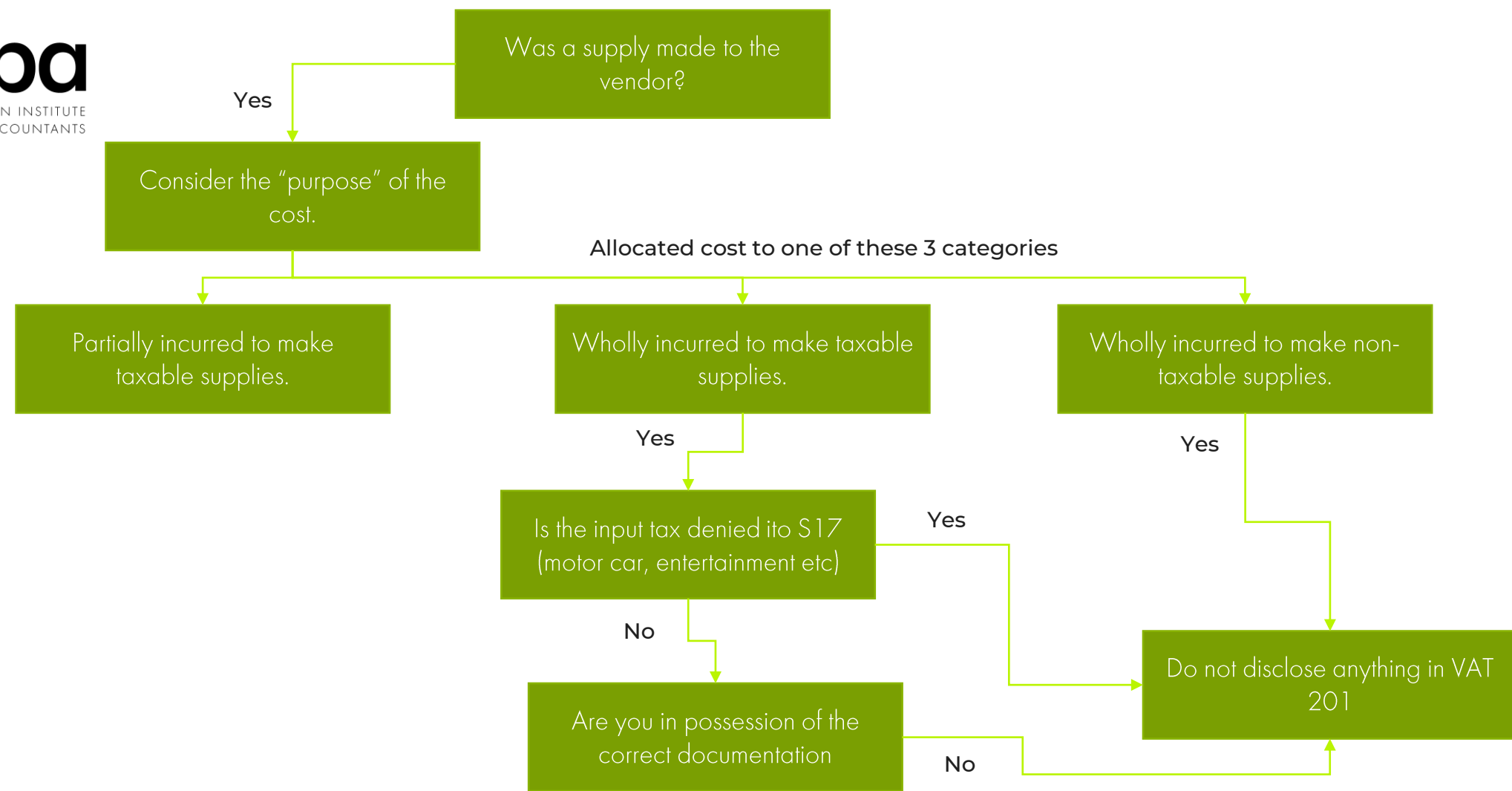


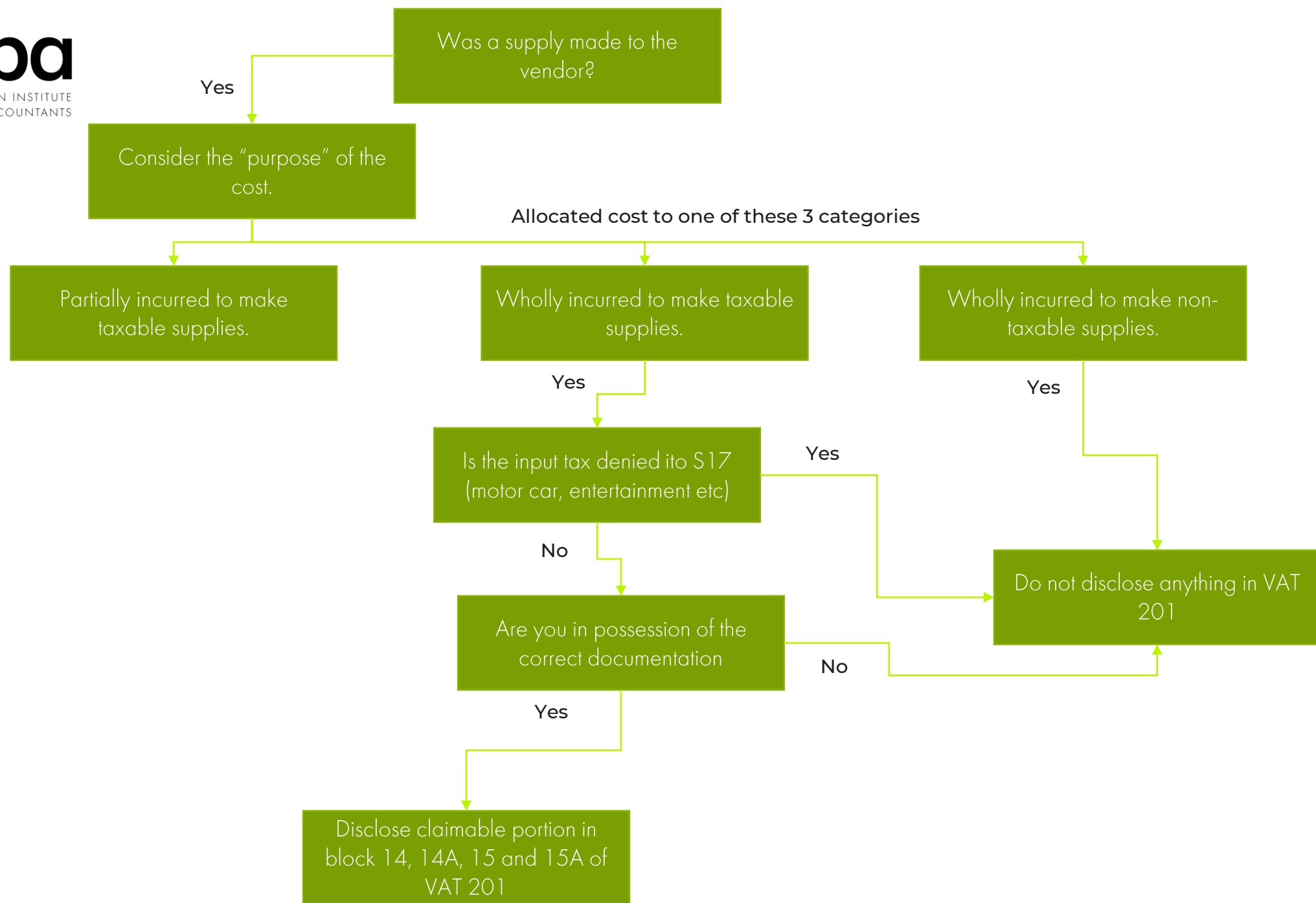


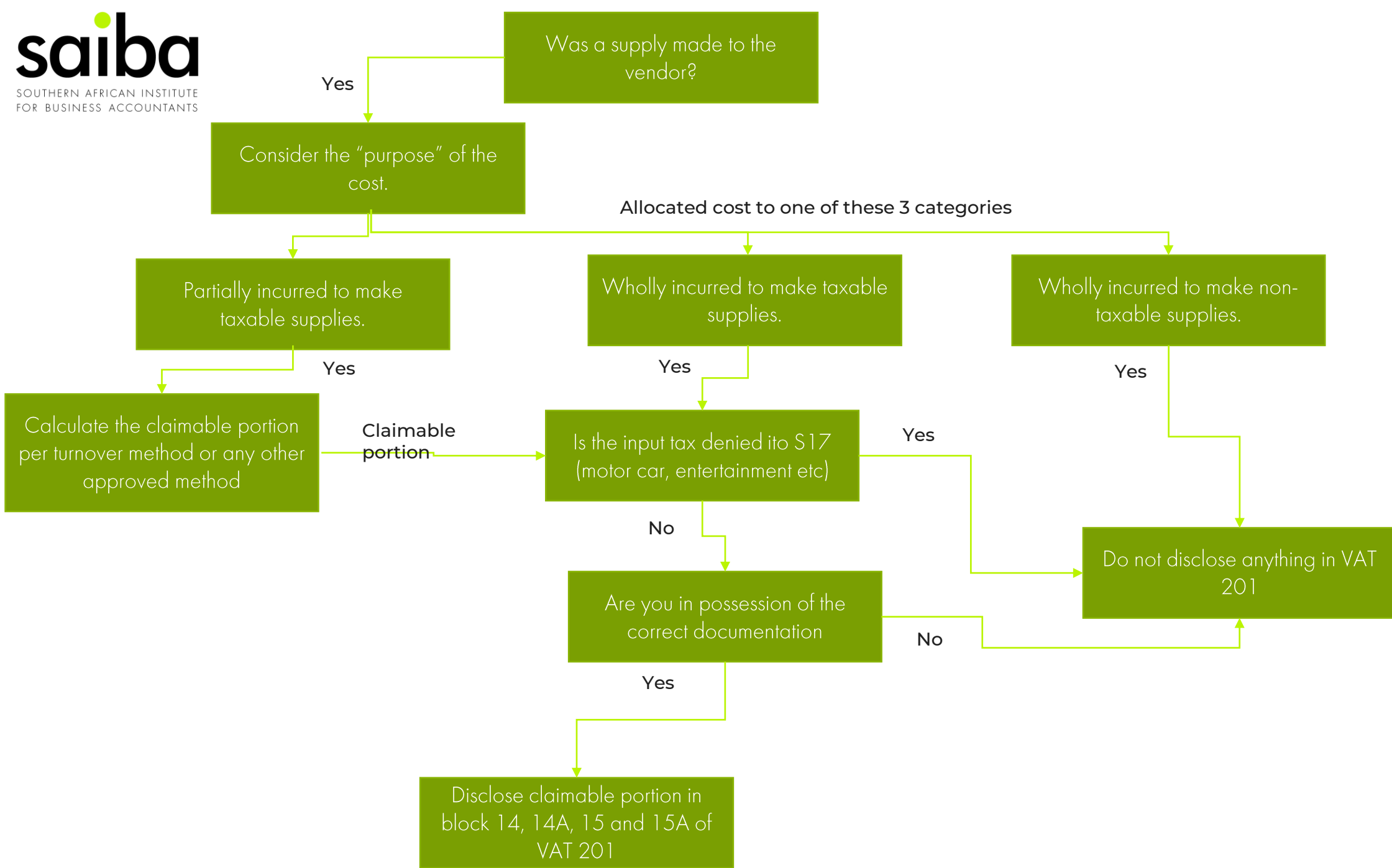


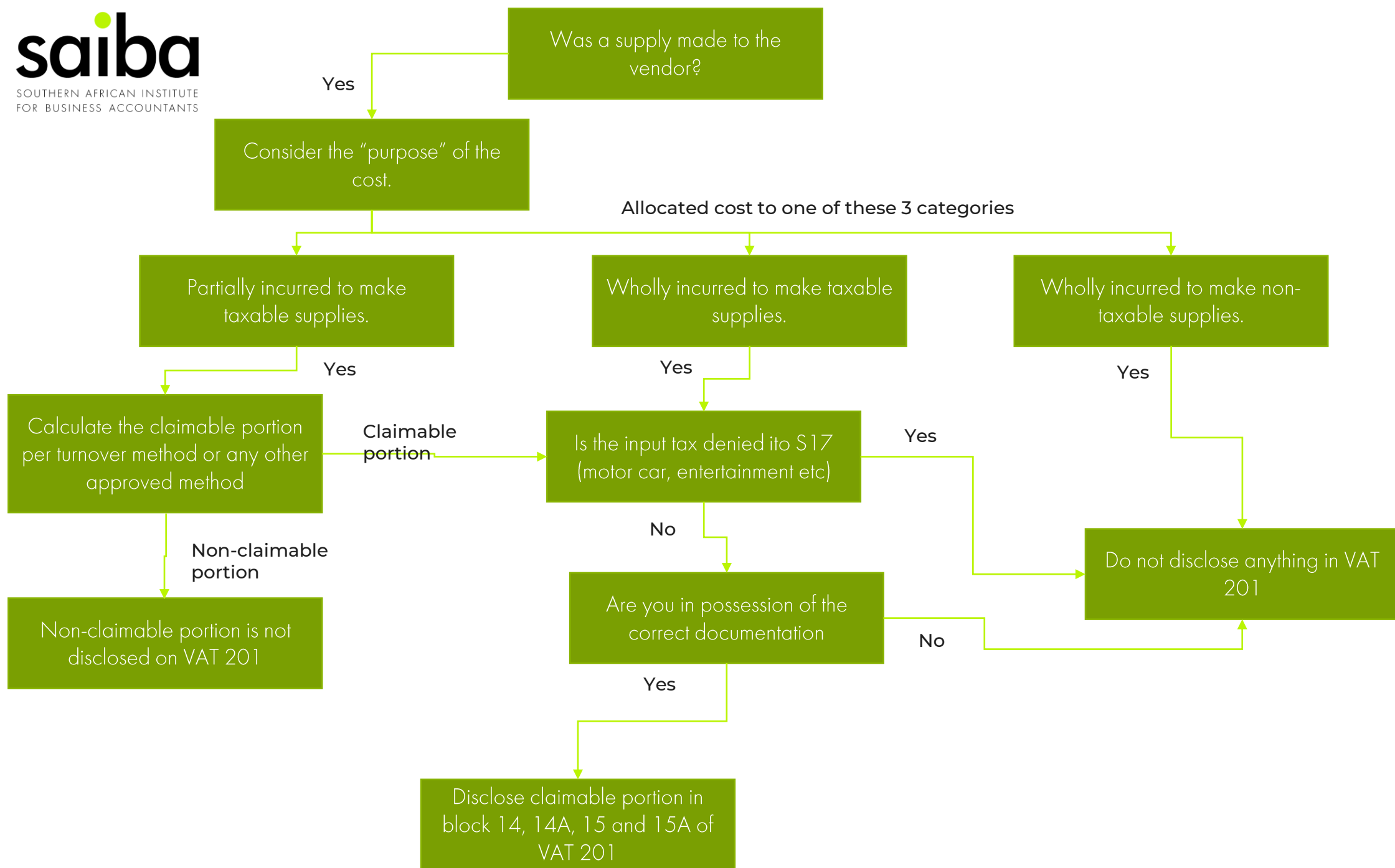




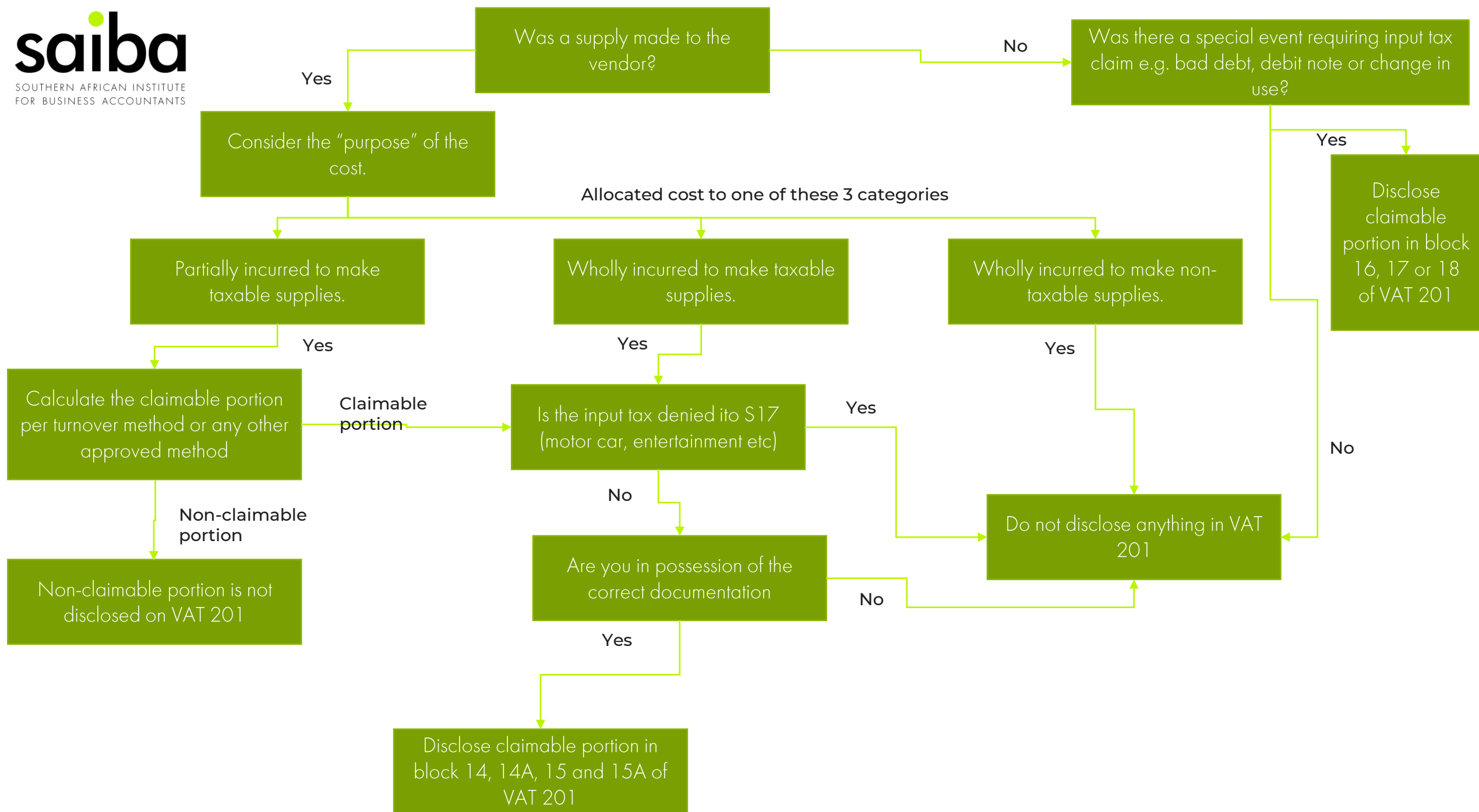












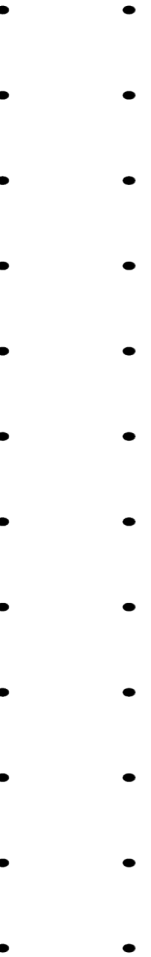


5.

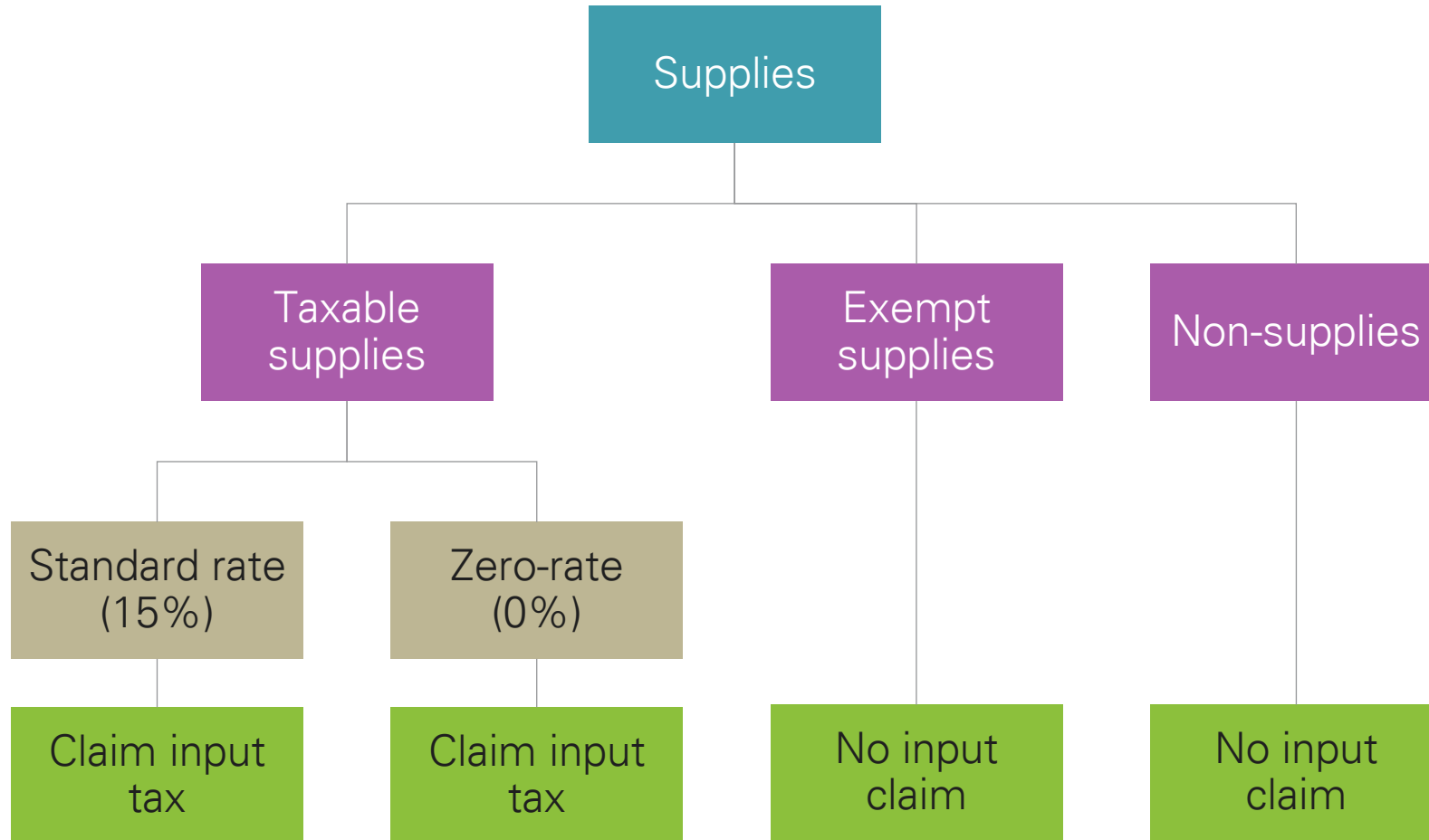
Apportionment of input tax

**tax happy hour**

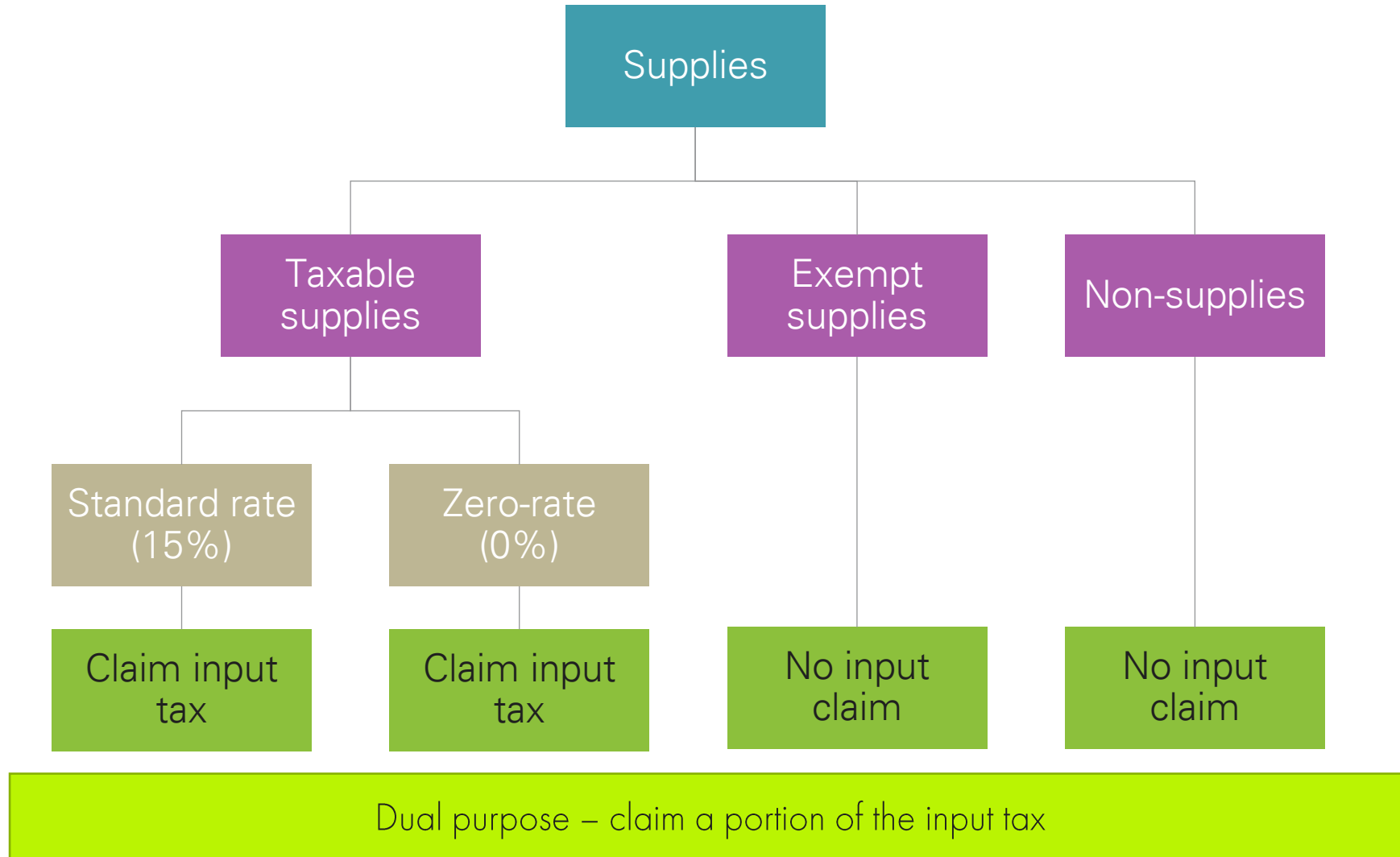
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# Mechanics of VAT



# Mechanics of VAT



**Identify** the goods or services acquired as principal

Determine how the goods or services are applied

**Wholly** for making taxable supplies

**Wholly** for making exempt supplies

**Wholly** for other non-taxable activities

**Partly** for making taxable supplies and partly for exempt or other non-taxable purposes

**Wholly applied**

**Partially applied**

Deduct the full amount of VAT incurred as input tax

No input tax may be deducted

No input tax may be deducted

Deduct input tax as per the apportionment ratio (the extent of taxable supplies)

**DIRECT ATTRIBUTION**

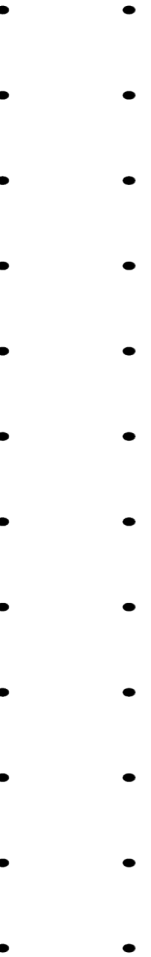
**APPORTIONMENT**

6.

Denial of input tax

**tax happy hour**

---



# General rule - entertainment

- (2) Notwithstanding anything in this Act to the contrary, a vendor, shall not be entitled to deduct from the sum of the amounts of output tax and refunds contemplated in section 16 (3), any amount of input tax—
- (a) in respect of goods or services acquired by such vendor to the extent that such goods or services are acquired for the purposes of **entertainment...**

**“entertainment”** means the provision of any food, beverages, accommodation, entertainment, amusement, recreation or hospitality of any kind by a vendor whether directly or indirectly to anyone in connection with an enterprise carried on by him;



# Exclusion for Restaurants etc.

(2) Notwithstanding anything in this Act to the contrary, a vendor, shall not be entitled to deduct from the sum of the amounts of output tax and refunds contemplated in section 16(3), any amount of input tax—

(a) in respect of goods or services acquired by such vendor to the extent that such goods or services are acquired for the purposes of **entertainment**.

Provided that this paragraph shall not apply where—

(i) such goods or services are acquired by the vendor for making taxable supplies of entertainment in the ordinary course of an enterprise which—

(aa) continuously or regularly supplies entertainment to clients or customers (other than in the circumstances contemplated in item (bb)) for a consideration to the extent that such taxable supplies of entertainment are made for a charge which—

(A) covers all direct and indirect costs of such entertainment; or

(B) is equal to the open market value of such supply of entertainment,

unless—

(i) such costs or open market value is for *bona fide* promotion purposes not charged by the vendor in respect of the supply to recipients who are clients or customers in the ordinary course of the enterprise, of entertainment which is in all respects similar to the entertainment continuously or regularly supplied to clients or customers for consideration; or

(ii) the goods or services were acquired by the vendor for purposes of making taxable supplies to such clients or customers of entertainment which consists of the provision of any food and a supply of any portion of such food is subsequently made to any employee of the vendor or to any welfare organization as all such food was not consumed in the course of making such taxable supplies;

(bb) supplies entertainment to any employee or office holder of the vendor or any connected person in relation to the vendor, to the extent that such taxable supplies of entertainment are made for a charge which covers all direct and indirect costs of such entertainment;

# Personal subsistence exclusion

(2) Notwithstanding anything in this Act to the contrary, a vendor, shall not be entitled to deduct from the sum of the amounts of output tax and refunds contemplated in section 16 (3), any amount of input tax—

(a) in respect of goods or services acquired by such vendor to the extent that such goods or services are acquired for the purposes of **entertainment**:

Provided that this paragraph shall not apply where— (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), an employee, office holder of such vendor, or a self-employed natural person in respect of a meal, refreshment or accommodation,
- in respect of any night that such vendor or member is by reason of the vendor's enterprise or, in the case of such employee, office holder or self-employed natural person,
- he or she is by reason of the duties of his or her employment, office or contractual relationship,
- obliged to spend away from his or her usual place of residence and from his or her usual working-place.

Example	Commentary
Company incurs lease cost of hospitality suite at Wanderers Cricket Stadium	No VAT claimable

Example	Commentary
Company incurs lease cost of hospitality suite at Wanderers Cricket Stadium	No VAT claimable
Company buys furniture for hospitality suite	No VAT claimable

Example	Commentary
Company incurs lease cost of hospitality suite at Wanderers Cricket Stadium	No VAT claimable
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Company buys a kettle, teaspoons, cups for coffee and tea for employees	No VAT claimable
Company revamp a canteen in the building – the canteen is subsidised	No VAT claimable

Example	Commentary
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Company buys furniture for hospitality suite	No VAT claimable
Company buys a kettle, teaspoons, cups for coffee and tea for employees	No VAT claimable
Company revamp a canteen in the building – the canteen is subsidised	No VAT claimable
Company revamp a canteen in the building – the canteen is not subsidised and charges recovers cost	VAT claimable

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Company incurs lease cost of hospitality suite at Wanderers Cricket Stadium	No VAT claimable
Company buys furniture for hospitality suite	No VAT claimable
Company buys a kettle, teaspoons, cups for coffee and tea for employees	No VAT claimable
Company revamp a canteen in the building – the canteen is subsidised	No VAT claimable
Company revamp a canteen in the building – the canteen is not subsidised and charges recovers cost	VAT claimable
Company buys toilet paper	VAT claimable



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Company buys toilet paper	VAT claimable
Hotel has special canteen for employees - subsidised	No VAT claimable

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Company provides creche at premises for employees	No VAT claimable (exempt)

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Employee based in Jhb travels to Durban for the day - return on same day. Incurs VAT on lunch, coffee and refreshments	No VAT claimable

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Company provides creche at premises for employees	No VAT claimable (exempt)
Employee based in Jhb travels to Durban for the day - return on same day. Incurs VAT on lunch, coffee and refreshments	No VAT claimable
Employee based in Jhb travels to Durban and stay over for one night. Incurs VAT on lunch, dinner, coffee, wine, accommodation and refreshments	VAT claimable

Example	Commentary
Company incurs lease cost of hospitality suite at Wanderers Cricket Stadium	No VAT claimable
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Company provides a gym on the facilities for employees at no charge	No VAT claimable
Company provides creche at premises for employees	No VAT claimable (exempt)
Employee based in Jhb travels to Durban for the day - return on same day. Incurs VAT on lunch, coffee and refreshments	No VAT claimable
Employee based in Jhb travels to Durban and stay over for one night. Incurs VAT on lunch, dinner, coffee, wine, accommodation and refreshments	VAT claimable
Employee based in Jhb travels to Durban and stay over for one night. Incurs VAT on dinner for herself and the Durban based manager.	VAT only claimed on Jhb based employee – none on Dbn based employee

Example	Commentary
<p>Company sponsors a golf day for marketing purposes for existing and target clients and incur the following costs:</p> <ul style="list-style-type: none"> <li>• Rent of golf course</li> <li>• Drinks, meals, water</li> <li>• Marketing banners</li> <li>• Branded Golf Shirts for each participant</li> <li>• Fee for event planner</li> </ul>	<p>No VAT claimable            No VAT claimable            VAT claimable            VAT claimable            No VAT claimable (uncertain)</p>

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<p>Company runs a canteen at its office. The canteen is outsourced to an external services provider and the company pays a management fee to this company.</p>	<p>VAT may not be claimed on the management fee.</p>



Example	Commentary
<p>Company sponsors a golf day for marketing purposes for existing and target clients and incur the following costs:</p> <ul style="list-style-type: none"> <li>• Rent of golf course</li> <li>• Drinks, meals, water</li> <li>• Marketing banners</li> <li>• Branded Golf Shirts for each participant</li> <li>• Fee for event planner</li> </ul>	<p>No VAT claimable No VAT claimable VAT claimable VAT claimable No VAT claimable (uncertain)</p>
<p>Company runs a canteen at its office. The canteen is outsourced to an external services provider and the company pays a management fee to this company.</p>	<p>VAT may not be claimed on the management fee.</p>
<p>An audit firm based in Pretoria has a client in Nelspruit. The accommodation cost of the audit team is incurred by the client.</p>	<p>VAT not claimable by the audit client</p>

Example	Commentary
<p>Company sponsors a golf day for marketing purposes for existing and target clients and incur the following costs:</p> <ul style="list-style-type: none"> <li>• Rent of golf course</li> <li>• Drinks, meals, water</li> <li>• Marketing banners</li> <li>• Branded Golf Shirts for each participant</li> <li>• Fee for event planner</li> </ul>	<p>No VAT claimable No VAT claimable VAT claimable VAT claimable No VAT claimable (uncertain)</p>
<p>Company runs a canteen at its office. The canteen is outsourced to an external services provider and the company pays a management fee to this company.</p>	<p>VAT may not be claimed on the management fee.</p>
<p>An audit firm based in Pretoria has a client in Nelspruit. The accommodation cost of the audit team is incurred by the client.</p>	<p>VAT not claimable by the audit client</p>
<p>An audit firm based in Pretoria has a client in Nelspruit. The accommodation cost of the audit team is incurred by the audit firm.</p>	<p>VAT is claimable by the audit firm.</p>



## Recreational and sport clubs

*(2) Notwithstanding anything in this Act to the contrary, a vendor, shall not be entitled to deduct from the sum of the amounts of output tax and refunds contemplated in section 16 (3), any amount of input tax—*

*(b) in respect of any fees or subscriptions paid by the vendor in respect of membership of any club, association or society of a sporting, social or recreational nature;*





# Motor Cars: General Rule

*(2) Notwithstanding anything in this Act to the contrary, a vendor, shall not be entitled to deduct from the sum of the amounts of output tax and refunds contemplated in section 16 (3), any amount of input tax—*

*(c) in respect of any motor car supplied to or imported by the vendor...*



*“motor car” includes a motor car, station wagon, minibus, double cab light delivery vehicle and any other motor vehicle of a kind normally used on public roads, which has three or more wheels and is constructed or converted wholly or mainly for the carriage of passengers,*

*but does not include—*

- (a) vehicles capable of accommodating only one person or suitable for carrying more than 16 persons, or*
- (b) vehicles of an unladen mass of 3 500 kilograms or more; or*
- (c) caravans and ambulances;*
- (d) vehicles constructed for a special purpose other than the carriage of persons and having no accommodation for carrying persons other than such as is incidental to that purpose;*
- (e) game viewing vehicles (other than sedans, station wagons, mini-buses or double cab light delivery vehicles) constructed or permanently converted for the carriage of seven or more passengers for game viewing in national parks, game reserves, sanctuaries or safari areas and used exclusively for that purpose, other than use which is merely incidental and subordinate to that use; or*
- (f) vehicles, constructed as or permanently converted into hearses for the transport of deceased persons and used exclusively for that purpose*

# Motor Car: Exclusions

*Provided that—*

- (i) this paragraph shall not apply where that motor car is acquired by the vendor exclusively for the purpose of making a taxable supply of that motor car in the ordinary course of an enterprise which continuously or regularly supplies motor cars, whether that supply is made by way of sale or under an instalment credit agreement or by way of rental agreement at an economic rental consideration;*
- (ii) for the purposes of this paragraph a motor car acquired by such vendor for demonstration purposes or for temporary use prior to a taxable supply by such vendor shall be deemed to be acquired exclusively for the purpose of making a taxable supply;*

Example	Commentary
A Jhb based employee is required to travel to Cape Town for business purposes. He rents a Renault Duster from Imperial Car Rental for 2 days in Cape Town.	No VAT on car rental component. VAT is claimable in insurance component.

Example	Commentary
<p>A Jhb based employee is required to travel to Cape Town for business purposes. He rents a Renault Duster from Imperial Car Rental for 2 days in Cape Town.</p>	<p>No VAT on car rental component.            VAT is claimable in insurance component.</p>
<p>A motor car dealer buys a Mercedes Benz GLE. It is used by the Dealer Principal as a company car for 6 months after which it is sold by the Dealer.</p>	<p>Input VAT claimable            VAT on fringe benefit – 0.6% x determined value</p>



Example	Commentary
<p>A Jhb based employee is required to travel to Cape Town for business purposes. He rents a Renault Duster from Imperial Car Rental for 2 days in Cape Town.</p>	<p>No VAT on car rental component. VAT is claimable in insurance component.</p>
<p>A motor car dealer buys a Mercedes Benz GLE. It is used by the Dealer Principal as a company car for 6 months after which it is sold by the Dealer.</p>	<p>Input VAT claimable VAT in fringe benefit – 0.6% x determined value</p>
<p>A motor car manufacturer sells vehicles with a warranty. Whenever extended repairs under warranty is required, the motor car manufacturer rents a car from AVIS car rental and provides it to the customer.</p>	<p>No VAT claimable on car rental unless it is a bakkie.</p>

Example	Commentary
<p>A Jhb based employee is required to travel to Cape Town for business purposes. He rents a Renault Duster from Imperial Car Rental for 2 days in Cape Town.</p>	<p>No VAT on car rental component. VAT is claimable in insurance component.</p>
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<p>A motor car manufacturer sells vehicles with a warranty. Whenever extended repairs under warranty is required, the motor car manufacturer rents a car from AVIS car rental and provides it to the customer.</p>	<p>No VAT claimable on car rental unless it is a bakkie.</p>
<p>An Insurance Company provides insurance to the public. Whenever extended repairs under insurance contract is required, the Insurance Company rents a car from Tempest car rental and provides it to the customer.</p>	<p>No VAT claimable on car rental unless it is a bakkie.</p>

# What about subsequent supply of items for which deduction was denied?

## Section 17(3)

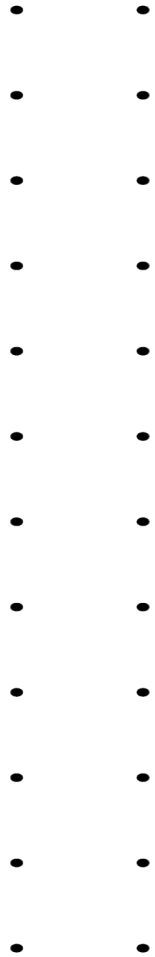
*Notwithstanding anything in section 16 (4), where a vendor has made a supply of goods as contemplated in section 8 (10) and in respect of the acquisition thereof by the vendor a deduction of input tax under section 16 (3) was denied in terms of [subsection \(2\)](#) of this section, the vendor shall not be required to account for output tax in relation to such supply.*

7.

Tax Invoices

**tax happy hour**

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# Tax Invoices – Section 20(4)

## Example 39 – Full tax invoice (consideration more than R5 000)

**RM Vehicles**  
**t/a NZ Motors**  
**RiversEdge Road**  
**Mount Edgescombe**  
**Movember Hills**  
**VAT No.: 4111252081**

**Invoice No.:** 2019/ 510  
**DATE:** 30 April 2019

**TAX INVOICE**

**To : DC**  
**456 Pale water Drive**  
**Glen Fields**  
**Johannesburg**  
**VAT No. : 4740123987**

Date	Quantity	Description	VAT	R
30/04/2019	1	2009 BMW motorbike (second-hand goods)	28 000,00	228 000,00
	1	Alarm System	420,00	3 420,00
			Total	<b>231 420,00</b>
			VAT included @ 15%	<b>30 185,00</b>

Name, address and VAT registration number of the supplier.

Serialised tax invoice number and date of the invoice.

The words "tax invoice" or "VAT invoice" or "invoice" must appear on the document.

Name, address and VAT registration number of the recipient.

Proper description of the goods or services supplied.

Total selling price charged including VAT. The VAT amount must either be separately quoted or the tax invoice must contain a statement that the total consideration includes VAT @ 15%.

Quantity of goods or services supplied.

# Tax Invoices – Section 20(4)

(4) Except as the Commissioner may otherwise allow, and subject to this section, a tax invoice (full tax invoice) shall be in the currency of the Republic and shall contain the following particulars:

- (a) The words “tax invoice”, “VAT invoice” or “invoice”;
- (b) the name, address and VAT registration number of the supplier;
- (c) the name, address and, where the recipient is a registered vendor, the VAT registration number of the recipient;
- (d) an individual serialized number and the date upon which the tax invoice is issued;
- (e) full and proper description of the goods (indicating, where applicable, that the goods are second-hand goods) or services supplied;
- (f) the quantity or volume of the goods or services supplied;
- (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:

Provided that the requirement that the consideration or the value of the supply, as the case may be, shall be in the currency of the Republic shall not apply to a supply that is charged with tax under section 11.

# Abridged tax Invoices – Section 20(5)

(5) Notwithstanding anything in subsection (4), where the consideration in money for a supply does not exceed R5 000, a tax invoice (abridged tax invoice) shall be in the currency of the Republic and shall contain the particulars specified in that subsection or the following particulars:

- (a) The words “tax invoice”, “VAT invoice” or “invoice”;
- (b) the name, address and VAT registration number of the supplier;
- (c) an individual serialized number and the date upon which the tax invoice is issued;
- (d) a description of the goods (indicating, where applicable, that the goods are second-hand goods) or services supplied;
- (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:

Provided that this subsection shall not apply to a supply that is charged with tax under section 11.

**Example 40 – Abridged tax invoice (Consideration less than R5 000)**

**TAX INVOICE**

**BD (Pty) Ltd  
Highfield Building  
80 Club Avenue  
Norwood  
2192**

**Tax Invoice No: 2016/1235  
VAT Registration No: 4321123450**

**Date: 15 February 2019**

<b>DATE</b>	<b>DESCRIPTION OF GOODS / SERVICES</b>	<b>R</b>
15/02/2019	6 pack of soda x 200	3 000
	<b>VAT @ 15%</b>	450
	<b>Total</b>	<b>3 450</b>

(6) Notwithstanding any other provision of this Act, a supplier shall not be required to provide a tax invoice if the total consideration for a supply is in money and does not exceed R50

# Debit Notes and Credit Notes

- Similar requirements as for tax invoices
- When can it be issued?
- What about early settlement discounts?



# 2022 BUDGET SPEECH

28 FEBRUARY - 11:00 - 12:30



IN PARTNERSHIP WITH



## MEET OUR SPEAKERS



**DAWIE  
ROODT**

Chief Economist  
@Efficient Group &  
Chairman at Efficient  
Private Clients (Pty) Ltd



**JOHAN  
HEYDENRYCH**

Tax Director  
@Kreston Pretoria



**JACQUES  
DE VILLIERS**

Managing Director  
@Kreston JHB &  
Kreston SA CEO

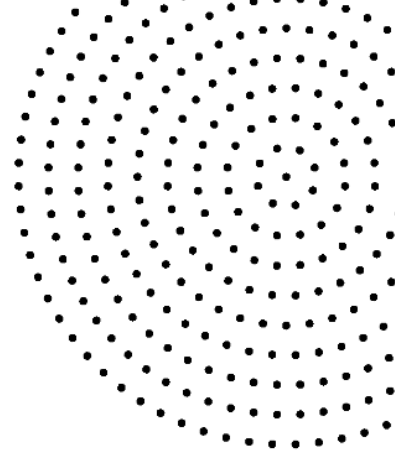


**NICOLAAS  
VAN WYK**

SAIBA CEO

Please insert this code into the quiz section to gain your CPD certificate.

py44c



THANK YOU

For joining us.  
Stay In touch.  
[www.saiba.org.za](http://www.saiba.org.za)

SEE YOU AGAIN

30 Mar 2022  
Wednesday

**tax happy hour**

