

(1 April 2019 – to date)

## VALUE-ADDED TAX ACT 89 OF 1991

*(Government Notice 1342 in Government Gazette 13307 dated 12 June 1991. Commencement date:  
30 September 1991 [see section 21(a) of the Taxation Laws Amendment Act 136 of 1991])*

### REGULATIONS PRESCRIBING ELECTRONIC SERVICES FOR THE PURPOSE OF THE DEFINITION OF "ELECTRONIC SERVICES" IN SECTION 1 OF THE VALUE-ADDED TAX ACT, 1991

*Government Notice R221 in Government Gazette 37489 dated 28 March 2014. Commencement date:  
1 June 2014.*

**As amended by:**

*Government Notice 429 in Government Gazette 42316 dated 18 March 2019. Commencement date:  
1 April 2019.*

I Pravin Jamnadas Gordhan, Minister of Finance, by virtue of the definition of "electronic services" in section 1(1) of the Value-Added Tax Act, 1991 (Act No. 89 of 1991), hereby make the regulation set out in the Schedule hereto.

(Signed)

**PJ Gordhan**

**Minister of Finance**

#### **Schedule**

1. Definitions
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8. Short title and commencement

#### **1. Definitions**

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), bears the meaning so assigned, and–

*(Words preceding the definition of "electronic agent" substituted by regulation 2(a) of Government Notice 429 in Government Gazette 42316 dated 18 March 2019)*

Prepared by:

**"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 percent 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;

*(Definition of "group of companies" inserted by regulation 2(b) of Government Notice 429 in Government Gazette 42316 dated 18 March 2019)*

**"internet"** means the internet as defined in section 1 of the Electronic Communications and Transactions Act;

**"internet-based auction service"** .....

*(Definition of "internet-based auction service" deleted by regulation 2(c) of Government Notice 429 in Government Gazette 42316 dated 18 March 2019)*

**"telecommunications services"** means telecommunications services as defined in section 1 of the Electronic Communications and Transactions Act.

*(Definition of "telecommunications services" inserted by regulation 2(d) of Government Notice 429 in Government Gazette 42316 dated 18 March 2019)*

**"the Act"** .....

*(Definition of "the Act" deleted by regulation 2(c) of Government Notice 429 in Government Gazette 42316 dated 18 March 2019)*

**"web site"** .....

*(Definition of "web site" deleted by regulation 2(c) of Government Notice 429 in Government Gazette 42316 dated 18 March 2019)*

## 2. Services prescribed as electronic services

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; or
- (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 those services exclusively for the purposes of consumption of those services by the company that is a resident of the Republic.

*(Regulation 2 substituted by regulation 3 of Government Notice 429 in Government Gazette 42316 dated 18 March 2019)*

## 3. ....

*(Regulation 3 repealed by regulation 4 of Government Notice 429 in Government Gazette 42316 dated 18 March 2019)*

## 4. ....

*(Regulation 4 repealed by regulation 4 of Government Notice 429 in Government Gazette 42316 dated 18 March 2019)*

## 5. ....

*(Regulation 5 repealed by regulation 4 of Government Notice 429 in Government Gazette 42316 dated 18 March 2019)*

## 6. ....

*(Regulation 6 repealed by regulation 4 of Government Notice 429 in Government Gazette 42316 dated 18 March 2019)*

## 7. ....

*(Regulation 7 repealed by regulation 4 of Government Notice 429 in Government Gazette 42316 dated 18 March 2019)*

**8. Short title and commencement**

These regulations are called the Electronic Services Regulations and come into operation on 1 June 2014.