

**RT25-2016**

# **Integrated Financial Management and Internal Control System for Local Government**

## **VAT INCREASE ON PRODUCTS AND SERVICES**



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

# PRICES OFFERED FOR AWARDED SYSTEM ON RT25-2016

- ❑ Government has made significant changes to the fiscal framework to support and strengthened the growth outlook in stabilizing public finances. The 2018 budget speech has introduced tax proposals designed to generate additional R36 billion in tax revenue for 2018/19 financial year. One of the tax proposals is an increase in the value-added tax (VAT) rate from 14 per cent to 15 per cent.
- ❑ It is on the premise of the above that ALL Service Provider's latest commercial proposal or contracted (prices) on all RT25-2016 goods and services will be revised to align to the VAT increase effective 1 April 2018.