



# **national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## **BAHWITI INVESTMENTS VAT INCREASE**

**CONTRACT RT69-2016: SUPPLY, DELIVERY, FITMENT AND BALANCING OF TYRES AND TUBES TO THE STATE FOR PERIOD ENDING 30 JUNE 2018**

**VALUE ADDED TAX (VAT) ADJUSTMENT TO 15%**

**The effective date is 01 April 2018**

The Minister of Finance in his 2018 budget speech has introduced tax proposals designed to generate additional tax revenue for 2018/19 financial year. One of the tax proposals is an increase in the value-added tax (VAT) rate from 14% to 15%.

The National Treasury has therefore adjusted contract prices with the latest VAT value of 15% accordingly.

In the event that an incorrect price adjustment was made during the calculation of the contract price adjustment to take into account the new rate of 15%, the state reserves the right to adjust the price in accordance with the correct calculation. Recovery of any over or under payment as a result of the application of an incorrect adjustment will be dealt with by the supplier and the relevant end-user department.

Yours faithfully

**NGWATO NKUNA**  
**For CHIEF DIRECTOR: TRANSVERSAL CONTRACTING**  
**OFFICE OF THE CHIEF PROCUREMENT OFFICER**  
DATE: 2018-04-24

**BAHWITI INVESTMENTS VAT INCREASE RT69-2016**

<b>Item Code</b>	<b>Item Description</b>	<b>Quantity</b>	<b>End-user</b>	<b>Old Price</b>	<b>New Price</b>
25172502-00007	TUBE, PASSENGER, 15/20	1	Eastern Cape Province	R 97.47	R 98.33
25172509-00018	TUBE, COMMERCIAL, 9/20 TR175A	1	Free State Province	R 123.22	R 124.30