



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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**CONSOLIDATED REGULATIONS AFTER AMENDMENTS TO REGULATIONS:  
ELECTRONIC SERVICES FOR THE PURPOSE OF THE DEFINITION OF “ELECTRONIC  
SERVICES” IN SECTION 1(1) OF THE VALUE-ADDED TAX ACT**

**18 March 2019**

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Consolidated regulations after Amendments to Regulations prescribing electronic services for the purpose of the definition of “electronic services” in section 1(1) of the Value-Added Tax Act, 1991, are hereby published for purposes of notice.

## Schedule

### Definitions

1. 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—

“**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 per cent 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;

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

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

## **Services prescribed as electronic services**

2. 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.

## **Short title and commencement**

3. These regulations are called the Regulations prescribing electronic services for the purpose of the definition of “electronic services” in section 1(1) of the Value-Added Tax Act, 1991, and come into operation on 1 April 2019.