

**BINDING GENERAL RULING (VAT) NO: 14**

DATE : 22 March 2013

**ACT : VALUE-ADDED TAX ACT NO. 89 OF 1991 (the VAT Act),**  
**SECTION : SECTIONS 1, 7, 8, 9, 11, 16, 20 AND 21**  
**SUBJECT : VAT TREATMENT OF SPECIFIC SUPPLIES IN THE SHORT-TERM INSURANCE INDUSTRY**

***Preamble***

For the purposes of this ruling unless the context indicates otherwise –

- “**BGR**” means a binding general ruling issued under section 89 of the Tax Administration Act No. 28 of 2011;
- “**section**” means a section of the VAT Act; and
- “**VAT**” means value-added tax; and
- any word or expression bears the meaning ascribed to it in the Act.

**1. Purpose**

This BGR sets out the VAT treatment of the issues listed below which have been highlighted during discussions with the short-term insurance industry:

- The time of supply in relation to the supply of short-term insurance and the related intermediary services
- Alternative documents to be used as a tax invoice in respect of the supply of short-term insurance and the related intermediary services
- Approval to issue recipient-created tax invoices, debit or credit notes
- International transport policies including stock through-put, goods in transit, marine insurance policies and travel coupons
- Hull and associated liability insurance
- Insurance cover provided to South African residents in respect of fixed property and movable property
- Excess payments
- Indemnity payments
- Third party payments
- Recoveries
- Group accident claims
- Reinsurance

## **2. Ruling**

### **2.1 Time of supply**

#### **(a) Supply of short-term insurance**

Short-term insurers are, in terms of section 9(1) read with section 16(4), required to account for output tax in respect of the supply of short-term insurance in the tax period during which the premium is received by the insurer or its intermediaries. This is based on the assumption that the short-term insurance policy document (that is, policy, renewal notice or endorsement) is not an “invoice” as defined in section 1(1).

#### **(b) Supply of related intermediary services**

Intermediaries are, in terms of section 9(1) read with section 16(4), required to account for output tax in respect of the supply of intermediary services (which include the maintenance and servicing of a short-term insurance policy, collecting or accounting for premiums payable as well as receiving, submitting or processing claims under such a policy) in the tax period during which payment in respect of the intermediary services is received.

The issuing of an invoice or tax invoice by the –

- short-term insurer, other than the policy document envisaged in paragraph 4.2(a), in respect of the supply of short-term insurance; or
- short-term insurer or the intermediary in respect of the supply of intermediary services;

which precedes the payment of the premium will result in the short-term insurer or the intermediary being required to account for output tax in the tax period during which the invoice or tax invoice is issued.

### **2.2 Tax invoices, credit or debit notes**

#### **(a) Supply of short-term insurance**

The Commissioner directs, in terms of sections 20(7) and 21(5), that the short-term insurer does not have to issue a tax invoice, credit or debit note, as the case may be, in respect of the supply of short-term insurance subject to the condition that the policy documents –

- contain the short-term insurer’s and insured’s name, address and VAT registration number (the insured’s VAT registration where applicable) and the policy number;
- stipulate the premium amount, indicating either the value of the supply, amount of tax charged and the consideration for the supply, or where the amount of tax charged is calculated by applying the tax fraction to the consideration for the supply, the consideration and either the amount of tax charged, or a statement that it includes a charge in respect of tax and the rate at which the tax was charged;
- contain a statement confirming the Commissioner’s direction in terms of section 20(7) or 21(5), as the case may be; and
- contain a statement informing the insured (being a vendor seeking to deduct the VAT paid as input tax) that for purposes of deducting input tax, the

insured must be in possession of the policy document together with proof that the premium has been paid (for example, bank statements).

#### **(b) Supply of related intermediary services**

The Commissioner directs, in terms of sections 20(7) and 21(5), that the bordereau or commission statement<sup>1</sup> issued by the intermediary to the short-term insurer in respect of the supply of intermediary services does not have to contain the words “tax invoice”, “credit note” or “debit note”, as the case may be.

### **2.3 Recipient-created tax invoices, credit and debit notes**

Short-term insurers who are required to determine the consideration payable in respect of intermediary services may, in terms of sections 20(2) and 21(4), issue recipient-created tax invoices, credit or debit notes in respect of the supply of intermediary services. This is conditional on –

- the recipient-created tax invoice, credit or debit note issued must comply with sections 20(4), (5) or 21(3) as applicable. However, if **2.2(b)** of this BGR is applicable, the bordereau or commission statement issued by the short-term insurer in respect of intermediary services does not have to contain the word “tax invoice”, “credit note” or “debit note”, as the case may be; and
- short-term insurers complying with all other requirements listed in Interpretation Note No. 56 “Recipient-Created Tax Invoices; Credit and Debit Notes”.

### **2.4 International transport policies**

The supply of short-term insurance in respect of international transport services<sup>2</sup> [that is, transport services that are zero-rated in terms of section 11(2)(a), (b) or (c)] may be zero-rated in terms of section 11(2)(d).

Short-term insurers may zero rate the supply of short-term insurance in respect of international transport services in instances where the short-term insurance agreement is entered into before the supply of international transport services. The zero-rating is conditional on the short-term insurer –

- obtaining proof confirming, within 90 days of the date the supply of international transport services occurs, that these services were zero-rated;
- accounting for output tax (that is the provisions of section 64 are applicable) if the short-term insurer fails to obtain the aforementioned proof within the said 90 day period in the tax period during which the 90 day period ends; and
- include as an adjustment in field 18 of its VAT201 the amount declared as output tax in sub-paragraph (ii), in the tax period during which the documentation is received. This is only applicable if the required documentation is received within 5 years calculated from the date of the time of supply of the short-term insurance.

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<sup>1</sup> A bordereau or commission statement is a document which stipulates the amounts collected on behalf of the short-term insurer as well as the fees payable in respect of intermediary services supplied.

<sup>2</sup> International transport policies include stock through-put, goods in transit and travel coupon cover risk policies.

The aforementioned is equally applicable to the supply of arranging short-term insurance in respect of international transport services.

## **2.5 Marine insurance**

Marine insurance supplied directly to a person, and not through an agent or other person, who is not a resident of South Africa and not a vendor may be zero-rated in terms of section 11(2)(h)(ii) to the extent the insurance policy covers the loss to a “foreign-going ship” as defined in section 1(1).

To the extent that marine insurance includes insurance cover in respect of goods transported from a point in South Africa to a destination in an export country or *vice versa*, the supply of such short-term insurance is zero-rated in terms of section 11(2)(d) [refer to paragraph 2.4].

## **2.6 Hull and associated liability**

The supply of short-term insurance, being hull insurance, falls within the ambit of the operation or management of a “foreign-going aircraft” or “foreign-going ship” as defined in section 1(1). As a result, the supply of hull insurance directly to a person, not through an agent or other person, who is not a resident of South Africa and not a vendor may be zero-rated in terms of section 11(2)(h)(ii) to the extent the insurance policy covers the loss to a “foreign-going aircraft” or “foreign-going ship”.

The temporary presence of the “foreign-going aircraft” or “foreign-going ship” in South Africa will not impact on the zero-rating of the supply.

Short-term hull insurance supplied to a resident of South Africa does not fall within the ambit of section 11(2)(h)(ii) and is therefore subject to VAT at the standard rate in terms of section 7(1)(a).

## **2.7 Policies issued in respect of fixed property situated in an export country**

Short-term insurance supplied directly in connection with land, or any improvement thereto, situated in an export country, is subject to VAT at the zero rate in terms of section 11(2)(f).

## **2.8 Policies issued in respect of movable property situated in an export country**

Short-term insurance supplied directly in respect of movable property situated in an export country at the time the short-term insurance service is rendered, is subject to VAT at the zero rate in terms of section 11(2)(g)(i) [that is, the movable property must be situated in an export country during the period for which the insurance cover is provided].

## 2.9 Excess payments

### (a) Insured pays excess directly to third party supplier

The third party supplier,<sup>3</sup> in making a taxable supply of goods or services, is liable to issue a valid tax invoice in respect of this supply.

The third party supplier must issue two tax invoices, that is, one to the insured to the extent of the excess payment and one to the insurer to the extent of the trade payment.

The short-term insurer is, in terms of section 16(3)(a), entitled to deduct input tax on the goods or services acquired from the third party supplier and is therefore not entitled to a section 16(3)(c) deduction in respect of this supply.

The insured (being a vendor) is, in terms of section 16(3)(a) and being in possession of the tax invoice, entitled to deduct input tax on the goods or services acquired from the third party supplier to the extent that those goods or services are acquired for the purposes of making taxable supplies.

The short-term insurer issuing a notice to an insured which informs the insured of the potential output tax liability, as envisaged in section 8(8), that arises as a result of a trade payment made in terms of a contract of insurance.

### (b) Short-term insurer pays full amount to third party service provider and recovers excess from insured

Excess payments received by short-term insurers from the insured do not constitute “consideration” as defined in section 1(1) and as a result fall outside the scope of the VAT Act. These payments are therefore not subject to VAT in the hands of the short-term insurer.

The short-term insurer is, in terms of section 16(3)(a), entitled to deduct input tax on the goods or services acquired from the third party supplier limited to the trade payment made in terms of the contract of insurance.

Where the short-term insurer, acts as an agent of the insured when contracting with the third party supplier for the portion of the excess payment, the short-term insurer will be required to issue a statement contemplated in section 54(3) to the principal where the third party supplier issued the tax invoice in the name of the short-term insurer.

The insured (being a vendor) is, in terms of section 16(3)(a), entitled to deduct input tax on the goods or services acquired from the third party supplier to the extent that goods or services are acquired for the purposes of making taxable supplies, provided the insured obtains and retains the tax invoice or statement contemplated in section 54(3), whichever is applicable.

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<sup>3</sup> Third party suppliers are suppliers of goods or services receiving trade payments from short-term insurers which are in respect of goods or services supplied to the short-term insurer as a result of the short-term insurer being liable, in terms of a short-term insurance policy, to replace or repair goods or services of the insured which are lost, damaged or destroyed.

## 2.10 Indemnity payments

A short-term insurer may, in terms of section 16(3)(c), deduct an amount equal to the tax fraction (14/114) of any amount paid to indemnify another person under an insurance contract, including payments made to a third party, subject to the proviso to section 16(3)(c).

This deduction will not be permissible where the payment was made in respect of –

- (a) a supply of short-term insurance that was not a taxable supply;
- (b) trade payments [that is, a deduction is permitted under section 16(3)(a)];
- (c) the supply of short-term insurance which was zero-rated in terms of section 11(2) and the insured, at the time of the payment, is not a vendor and not a resident of South Africa; or
- (d) a supply of goods or services to the insured where the goods are physically situated outside South Africa or the services are physically performed outside South Africa at the time of the supply.

The input tax deduction envisaged in terms of section 16(3)(c) is not limited purely to indemnity payments as a result of “indemnity insurance” cover, but also includes payouts in respect of “non-indemnity insurance” such as personal accident and third party liability cover which may be included in a short-term insurance policy.

The insured, being a vendor, is required to account for output tax in respect of the indemnity payment received [that is, a deemed supply of services in terms of section 8(8)], including payments made to a third party, to the extent the payment relates to a loss incurred in the course of carrying on the insured’s enterprise. This service is deemed to be supplied on the day the indemnity payment is received or an indemnity payment is made to a third party to indemnify the insured. The provisions of section 8(8) will not apply to a vendor where –

- (i) the services supplied in terms of the insurance contract did not constitute taxable supplies in terms of section 7(1)(a); or
- (ii) the payment received relates to the total reinstatement of goods which were stolen or damaged beyond economic repair where the input tax on those goods are denied in terms of section 17(2), for example motor cars, was denied.

The third party is not required to account for output tax in respect of the indemnity payment received from the short-term insurer.

## 2.11 Recoveries

A short-term insurer is not liable to account for output tax on amounts recovered from a third party or the third party’s short-term insurer. These amounts are not payment in respect of a supply to the third party or the third party’s short-term insurer.

## 2.12 Group personal accident claims

### (a) Employer acting as principal

The employer, being a vendor, may deduct input tax in respect of short-term insurance acquired to the extent that it is acquired for the purposes of making taxable supplies and subject to the provisions of section 20 read with sections 16 and 17.

Subject to the exceptions set out in **2.10** above:

- Any indemnity payments received by the employer in terms of a contract of insurance will result in the employer being liable to account for output tax in terms of section 8(8).
- The short-term insurer may deduct VAT in terms of section 16(3)(c) in respect of the indemnity payment made.

The employer will not be entitled to deduct any VAT in respect of amounts subsequently paid to the employee.

**(b) Employer acting as agent on behalf of employees**

The employer, acting as agent of its employees, entering into a contract of insurance with the short-term insurer will not be entitled to deduct input tax in respect of short-term group personal accident insurance.

**2.13 Reinsurance**

The supply of reinsurance is treated in the same manner as insurance and therefore paragraphs 2.1 to 2.10 of this BGR will apply.

**2.14 Documentary proof in respect of zero-rating**

The zero-rating of supplies contained in this BGR are conditional upon the insurer obtaining and retaining the documentary proof as provided for in terms of section 11(3) read with Interpretation Note No. 31 "Documentary Proof Required for the Zero-Rating of Goods and Services" as updated. Failure to obtain and retain the required documentary proof will result in the vendor effecting the relevant adjustments as stipulated in Interpretation Note No. 31.

**2.15 Documentary proof in respect of input tax**

The statements contained in this BGR regarding input tax deductions are conditional upon the vendor obtaining and retaining the documentary proof as provided for in Interpretation Note No. 49 "Documentary Proof Required to Substantiate a Vendor's Entitlement to "Input Tax" or a Deduction as Contemplated in Section 16(2)" as updated. Failure to obtain and retain the required documentary proof will result in the vendor effecting the relevant adjustments as stipulated in Interpretation Note No. 49.

**3. Period for which this ruling is valid**

This BGR is issued in accordance Chapter 7 of the Tax Administration Act No. 28 of 2011 as made applicable to the VAT Act by section 41B. It is effective from 1 July 2013 and will apply for an indefinite period.

## Annexure – The law

For ease of reference the following sections of the VAT Act are quoted:

### Section 1(1) – Definitions

“**consideration**”, in relation to the supply of goods or services to any person, includes any payment made or to be made (including any deposit on any returnable container and tax), whether in money or otherwise, or any act or forbearance, whether or not voluntary, in respect of, in response to, or for the inducement of, the supply of any goods or services, whether by that person or by any other person, but does not include any payment made by any person as a donation to any association not for gain: Provided that a deposit (other than a deposit on a returnable container), whether refundable or not, given in respect of a supply of goods or services shall not be considered as payment made for the supply unless and until the supplier applies the deposit as consideration for the supply or such deposit is forfeited;

“**invoice**” means a document notifying an obligation to make payment;

### Section 7(1)(a) – Imposition of value-added tax

(1) Subject to the exemptions, exceptions, deductions and adjustments provided for in this Act, there shall be levied and paid for the benefit of the National Revenue Fund a tax, to be known as the value-added tax—

- (a) on the supply by any vendor of goods or services supplied by him on or after the commencement date in the course or furtherance of any enterprise carried on by him;

...

...

calculated at the rate of 14 per cent on the value of the supply concerned or the importation, as the case may be.

### Section 8 – Certain supplies of goods or services deemed to be made or not made

(8) For the purposes of this Act, except section 16(3), where a vendor receives any indemnity payment under a contract of insurance or is indemnified under a contract of insurance by the payment of an amount of money to another person, that payment or indemnification, as the case may be, shall, to the extent that it relates to a loss incurred in the course of carrying on an enterprise, be deemed to be consideration received for a supply of services performed on the day of receipt of that payment or on the date of payment to such other person, as the case may be, by that vendor in the course or furtherance of his enterprise: Provided that this subsection shall not apply in respect of any indemnity payment received or indemnification under a contract of insurance where the supply of services contemplated by that contract is not a supply subject to tax under section 7(1)(a): Provided further that this subsection shall not apply in respect of any indemnity payment received by a vendor under a contract of insurance to the extent that such payment relates to the total reinstatement of goods, stolen or damaged beyond economic repair, in respect of the acquisition of which by the vendor a deduction of input tax under section 16(3) was denied in terms of section 17(2) or would have been denied if these sections had been applicable prior to the commencement date...

### Section 9(1) – Time of supply

For the purposes of this Act a supply of goods or services shall, except as otherwise provided in this Act, be deemed to take place at the time an invoice is issued by the supplier or the recipient in respect of that supply or the time any payment of consideration is received by the supplier in respect of that supply, whichever time is earlier.

## Section 11 – Zero-rating

(2) Where, but for this section, a supply of services would be charged with tax at the rate referred to in section 7(1), such supply of services shall, subject to compliance with subsection (3) of this section, be charged with tax at the rate of zero per cent where—

- (a) the services (not being ancillary transport services) comprise the transport of passengers or goods—
  - (i) from a place outside the Republic to another place outside the Republic; or
  - (ii) from a place in the Republic to a place in an export country; or
  - (iii) from a place in an export country to a place in the Republic; or
- (b) the services comprise the transport of passengers from a place in the Republic to another place in the Republic to the extent that that transport is by aircraft and constitutes “international carriage” as defined in Article 1 of the Convention set out in the Schedule to the Carriage by Air Act, 1946 (Act No. 17 of 1946); or
- (c) the services (including any ancillary transport services) comprise the transport of goods from a place in the Republic to another place in the Republic to the extent that those services are supplied by the same supplier as part of the supply of services to which paragraph (a) applies; or
- (d) the services comprise the insuring or the arranging of the insurance or the arranging of the transport of passengers or goods to which any provision of paragraph (a), (b) or (c) applies; or
- ...
- (f) the services are supplied directly in connection with land, or any improvement thereto, situated in any export country; or
- (g) the services are supplied directly in respect of—
  - (i) movable property situated in any export country at the time the services are rendered; or
  - ...
- (h) the services comprise—
  - ...
  - (ii) services provided in connection with the operation or management of any foreign-going ship or foreign-going aircraft; or
  - ...

where the services are supplied directly to a person who is not a resident of the Republic and is not a vendor, otherwise than through an agent or other person; or

...

(3) Where a rate of zero per cent has been applied by any vendor under the provisions of this section, the vendor shall obtain and retain such documentary proof substantiating the vendor's entitlement to apply the said rate under those provisions as is acceptable to the Commissioner.

## Section 16 – Calculation of tax payable

(3) Subject to the provisions of subsection (2) of this section and the provisions of sections 15 and 17, the amount of tax payable in respect of a tax period shall be calculated by deducting from the sum of the amounts of output tax of the vendor which are attributable to that period, as determined under subsection (4), and the amounts (if any) received by the vendor during that period by way of refunds of tax charged under section 7(1)(b) and (c) and 7(3)(a), the following amounts, namely—

(a) in the case of a vendor who is in terms of section 15 required to account for tax payable on an invoice basis, the amounts of input tax—

(i) in respect of supplies of goods and services (not being supplies of second-hand goods to which paragraph (b) of the definition of “input tax” in section 1 applies and supplies referred to in subparagraph (iiA)) made to the vendor during that tax period;

...

(v) calculated in accordance with section 21(2)(b) or 21(7) or section 22(1), 22(1A) or 22(4), as applicable to the vendor:

Provided that this paragraph does not apply where a vendor acquires goods or services that are to be awarded as a prize or winnings and in respect of which that vendor qualifies or will qualify for a deduction in terms of paragraph (d);

...

(c) an amount equal to the tax fraction of any payment made during the tax period by the vendor to indemnify another person in terms of any contract of insurance: Provided that this paragraph—

(i) shall only apply where the supply of that contract of insurance is a taxable supply or where the supply of that contract of insurance would have been a taxable supply if the time of performance of that supply had been on or after the commencement date;

(ii) shall not apply where that payment is in respect of the supply of goods or services to the vendor or the importation of any goods by the vendor;

(iii) shall not apply where the supply of that contract of insurance is a supply charged with tax at the rate of zero per cent under section 11 and that other person is, at the time that that payment is made, not a vendor and not a resident of the Republic;

(iv) shall not apply where that payment results from a supply of goods or services to that other person where those goods are situated outside the Republic or those services are physically performed elsewhere than in the Republic at the time of that supply;

...

(4) For the purposes of subsection (3), output tax in relation to a supply made by a vendor shall be attributable to a tax period—

(a) in the case of a vendor who is in terms of section 15 required to account for tax payable on an invoice basis—

(i) subject to the provisions of subparagraph (ii), where a supply is made or is deemed to be made by him during that tax period;

...

## Section 20 – Tax invoices

(2) Where a recipient, being a registered vendor, creates a document containing the particulars specified in this section and purporting to be a tax invoice in respect of a taxable supply of goods or services made to the recipient by a supplier, being a registered vendor, that document shall be deemed to be a tax invoice provided by the supplier under subsection (1) of this section where—

- (a) the Commissioner has granted prior approval for the issue of such documents by a recipient or recipients of a specified class in relation to the taxable supplies or taxable supplies of a specified category to which the documents relate; and
- (b) the supplier and the recipient agree that the supplier shall not issue a tax invoice in respect of any taxable supply to which this subsection applies; and
- (c) such document is provided to the supplier and a copy thereof is retained by the recipient:

Provided that where a tax invoice is issued in accordance with this subsection, any tax invoice issued by the supplier in respect of that taxable supply shall be deemed not to be a tax invoice for the purposes of this Act.

...

(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” in a prominent place;
- (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.

(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” in a prominent place;
- (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.

...

(7) Where the Commissioner is satisfied that there are or will be sufficient records available to establish the particulars of any supply or category of supplies, and that it would be impractical to require that a full tax invoice be issued in terms of this section, the Commissioner may, subject to such conditions as the Commissioner may consider necessary, direct—

- (a) that any one or more of the particulars specified in subsection (4) or (5) shall not be contained in a tax invoice; or
- (b) that a tax invoice is not required to be issued; or
- (c) that the particulars specified in subsection (4) or (5) be furnished in any other manner.

## Section 21 – Credit and debit notes

(4) Where a recipient, being a registered vendor, creates a document containing the particulars specified in this section and purporting to be a credit note or a debit note in respect of a supply of goods or services made to the recipient by a supplier, being a registered vendor, the document shall be deemed to be a credit note or, as the case may be, a debit note provided by the supplier under subsection (3) where—

- (a) the Commissioner has granted prior approval for the issue of such documents by a recipient or recipients of a specified class in relation to the supplies or supplies of a specified category to which the documents relate; and
- (b) the supplier and the recipient agree that the supplier shall not issue a credit note or, as the case may be, a debit note in respect of any supply to which this subsection applies; and
- (c) a copy of any such document is provided to the supplier and another copy is retained by the recipient:

Provided that—

- (i) where a credit note is issued in accordance with this subsection, any credit note issued by the supplier in respect of that supply shall be deemed not to be a credit note for the purposes of this Act;
- (ii) where a debit note is issued in accordance with this subsection, any debit note issued by the supplier in respect of that supply shall be deemed not to be a debit note for the purposes of this Act.

(5) Where the Commissioner is satisfied that there are or will be sufficient records available to establish the particulars of any supply or category of supplies and that it would be impractical to require that a full credit note or debit note be issued in terms of this section, the Commissioner may, subject to any conditions that the Commissioner may consider necessary, direct—

- (a) that any one or more of the particulars specified in paragraph (a) or, as the case may be, paragraph (b) of subsection (3) shall not be contained in a credit note or, as the case may be, a debit note; or

(b) that a credit note or, as the case may be, a debit note is not required to be issued.

### **Section 54 – Agents and auctioneers**

(3) Where—

- (a) a tax invoice or a credit note or debit note in relation to a supply has been issued—
- (i) by an agent as contemplated in subsection (1); or
  - (ii) to an agent as contemplated in subsection (2); or

...

the agent shall maintain sufficient records to enable the name and address and VAT registration number of the principal to be ascertained and in respect of all supplies made on or after 1 January 2000 by or to the agent on behalf of the principal, the agent shall notify the principal in writing within 21 days of the end of the calendar month during which the supply was made or received, of the particulars contemplated in paragraphs (e), (f) and (g) of section 20(4) in relation to such supplies.