



Finance minister Enoch Godongwana

Sars offers more time for VAT hike reversals

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all products were taxed at 15% as “per guidance from the Treasury”.

Gerhard Ackermann, national merchandise executive at the Spar Group, said the retailer was continuing with its pricing structures as per the existing regulations.

Consumer Goods Council of South Africa CEO Zinhle Tyikwe said compliance readiness came at a huge cost to businesses that had been working to apply the VAT increase.

Court case

South African Institute of Taxation tax specialist Keitumetse Sesana said the VAT increase reversal was good news for businesses, as many were considering absorbing the increase to cushion consumers. But she warned that there needed to be certainty about the court case brought by the DA and EFF challenging the original VAT increase – which was still continuing.

Finance minister Enoch Godongwana has tabled the Rates and Monetary Amounts and Amendment of Revenue Laws Bill, which legislates tax rates and is the first step towards reversing his earlier decision. He has also withdrawn the Appropriations Bill and the Division of Revenue Bill, but has yet to present a new fiscal framework and retable both these measures.

Nontobeko Mbava, chair of the Financial and Fiscal Commission – the statutory body advising the government on fiscal matters – told Business Times the minister would have to go back to parliament with a new report to change the fiscal framework.

“The National Assembly must sit again, receive the report, and adopt it through a vote. So it will be another process,” she said.

By Friday, it was unclear when the Treasury would submit the amended fiscal framework to parliament, or whether its two finance committees were planning an emergency meeting to debate and adopt it.