



## Tax and Legal News



January 2022

# Electronic Services: Tax Invoice Updated

Over the past few years, foreign electronic services providers were required to and have registered for VAT in South Africa.

Up to December 2021 the tax invoice requirements for VAT registered electronic services suppliers have been prescribed in Binding General Ruling 28 (BGR28). The requirements set out in BGR28 are slightly less stringent than the general tax invoice requirements as per the VAT Act.

In line with the VAT legislation, the Commissioner for the South African Revenue Service (SARS) has now issued a Regulation which stipulates the details that should be included on tax invoices issued by VAT registered electronic services providers. For some reason, these requirements are more comprehensive and we have noted **the changes** between BGR28 and the newly issued Regulation in the table below.

BGR28	Regulation
Name and VAT registration number of the electronic services supplier	Name and VAT registration number of the electronic services supplier
Name and address (physical, postal or email) of the recipient	Name and address ( <b>business, residential or postal</b> ) of the recipient <b>and VAT registration number if the recipient is registered</b> (note that the email address is no longer sufficient)
Individual serialised number	Individual serialised number
Date of issue	Date of issue
A description of the electronic services supplied	A <b>full and proper</b> description of the electronic services supplied
The consideration in money for the supply in the currency of any	The consideration in money for the supply in the currency of any country

country. If the consideration is reflected in the currency of –

- *the Republic*: The amount of the VAT charged or a statement that it includes a charge for the VAT and the rate at which the VAT was charged; or
- *any country other than the Republic*: The amount of the tax charged in the currency of the Republic or a separate document issued by the electronic services supplier to the electronic services recipient reflecting the amount of the tax charged in the currency of the Republic.

The exchange rate used

and if the consideration is reflected in the currency of –

- *the Republic*: **The value of the supply** and the amount of tax charged or a statement that the consideration includes a charge in respect of the tax and the rate at which the tax was charged; or
- *any country other than the Republic*: The amount of the tax charged in the currency of the Republic or a separate document issued by the electronic services supplier to the electronic services recipient reflecting the amount of the tax charged in the currency of the Republic **and the exchange rate used.**

In line with BGR28, the Regulation stipulates the exchange rate that must be applied where the consideration is in a currency of any country other than that of the Republic, to be the rate published by –

- the South African Reserve Bank;
- Bloomberg; or
- the European Central Bank.

The Regulation is effective from 10 December 2021 and it is therefore important that tax invoices include the additional information to enable VAT registered clients to claim the VAT charged by the electronic services provider as input tax.

If you require any assistance or advice in this regard please contact us.

Contact us



**Andre Meyburgh**  
Director: Indirect Tax  
KPMG South Africa  
Email: [andre.meyburgh@kpmg.co.za](mailto:andre.meyburgh@kpmg.co.za)  
M: +27828516587



**Erina Cooper**  
Director: Indirect Tax (VAT)

KPMG South Africa  
Email: [erina.cooper@kpmg.co.za](mailto:erina.cooper@kpmg.co.za)  
M: +27827195758



**Anzuette Bezuidenhout**  
Associate Director: Indirect Tax (VAT)  
KPMG South Africa  
Email: [anzuette.bezuidenhout@kpmg.co.za](mailto:anzuette.bezuidenhout@kpmg.co.za)  
M: +27827162690



**Martin Delpont**  
Associate Director: Indirect Tax (VAT) – Cape Town  
KPMG South Africa  
Email: [martin.delpont@kpmg.co.za](mailto:martin.delpont@kpmg.co.za)  
M: +27827191948



**Corle Davel**  
Associate Director, International Tax  
Email: [corle.davel@kpmg.co.za](mailto:corle.davel@kpmg.co.za)  
M: +27827195762

Regards  
KPMG Tax and Legal

---

[Privacy](#) | [Legal](#)

[kpmg.co.za](http://kpmg.co.za)

© 2022 KPMG Services Proprietary Limited, a South African company with registration number 1999/012876/07 and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

