

BINDING GENERAL RULING (VAT) 49

DATE: 15 March 2019

ACT : VALUE-ADDED TAX ACT 89 OF 1991
SECTION : SECTION 11(1)(j) TOGETHER WITH ITEM 22 OF PART B OF SCHEDULE 2 AND SECTION 13(3) READ WITH PARAGRAPH 7(a) OF SCHEDULE 1
SUBJECT : SUPPLY AND IMPORTATION OF SANITARY TOWELS (PADS)

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 28 of 2011;
- “**Item 22**” means Item 22 of Part B of Schedule 2 to the VAT Act;
- “**Part B**” means Part B of Schedule 2 to the VAT Act;
- “**Schedule**” means a Schedule to the VAT Act;
- “**section**” means a section of the VAT Act;
- “**VAT**” means value-added tax;
- “**VAT Act**” means the Value-Added Tax Act 89 of 1991; and
- any other word or expression bears the meaning ascribed to it in the VAT Act.

1. Purpose

This BGR sets out the general VAT treatment of the supply and importation of sanitary towels (pads) under Item 22.

2. Background

Section 11(1)(j) provides for the zero-rate of the supply of goods listed in Part B. Section 13(3) read with paragraph 7(a) of Schedule 1, provides for an exemption from the VAT levied under section 7(1)(b), on goods listed in Part B. In terms of the Rates and Monetary Amounts and Amendment of Revenue Laws Act 21 of 2018, Item 22 being sanitary towels (pads) was introduced to the list of goods under Part B which provides for the zero-rating of sanitary towels (pads).

3. Ruling

This ruling constitutes a BGR issued under section 89 of the Tax Administration Act 28 of 2011 insofar as it relates to the items listed in **3.1** to **3.2**.

3.1 VAT treatment of the supply of goods under Item 22

The supply of sanitary towels (pads) under Item 22 is zero-rated under section 11(1)(j). A sanitary towel (pad) is a female hygiene product specifically designed to absorb menstrual or vaginal blood. Absorption is by means of a towel or pad, which may be scented, unscented, disposable or reusable.

3.1.1 Products falling under Item 22

The following products fall under Item 22:

- Menstrual pads (all types – for example, light, medium and heavy flow, mini, super, sports, overnight, wings and no wings)
- Maternity pads designed for use in pre and post birth bleeding
- Panty liners which are similar to menstrual pads and are lighter and thinner

3.1.2 Products not falling under Item 22

The following products do not fall under Item 22:

- Tampons (all types, with or without an applicator)
- Menstrual cups
- Feminine sanitary wipes
- Period or leak-proof underwear
- Any incontinence towels or pads

3.2 VAT treatment of the importation of goods under Item 22

The importation of goods listed in **3.1.1** falling within the ambit of Item 22 is, under section 13(3) read with paragraph 7(a) of Schedule 1, exempt from the VAT levied under section 7(1)(b).

The importation of goods listed in **3.1.2** not falling within the ambit of Item 22 is subject to VAT at the standard rate of 15% under section 7(1)(b).

4. Period for which this ruling is valid

This BGR applies from 1 April 2019 until it is withdrawn, amended or the relevant legislation is amended.

Any ruling that would, but for this BGR, continue to be effective on or after the effective date of this BGR is withdrawn from the effective date of this BGR.

To the extent that this BGR does not provide for a specific scenario in respect of the supply of sanitary towels (pads), vendors may apply for a VAT ruling or VAT class ruling in writing by sending an e-mail to **VATRulings@sars.gov.za** or by facsimile to 086 540 9390. The application should consist of a completed VAT301 form and must comply with the provisions of section 79 of the Tax Administration Act, excluding section 79(4)(f), (k) and (6).

Executive: Legal Advisory
Legal Counsel
SOUTH AFRICAN REVENUE SERVICE