

13 November 2018

Circular 489

TO ALL SASRIA AGENTS, INTERMEDIARIES AND THEIR EXTERNAL AUDITORS

Dear All,

This circular references to the following circulars:

- 485 – relating to the audit of Agent and Intermediary premiums for the half year ending 30 September 2018 and
- 483 - relating to the increase in VAT rates from 14% to 15%,

Following the budget speech announcement by the Minister of Finance, to increase VAT by 1% (from 14% to 15%), the short-term insurance industry has had some issues in implementing the 1% increase.

It is in this regard, that we require in your half year audit reports, for the period ending 30 September 2018 a section on the VAT review from 1 April 2018 to 30 September 2018 highlighting the following items:

1. Has the agent company, intermediary increased / decreased or left the same the sum insured to cater for the 1% increase in the VAT rate and at what date was this done?
2. Does the sum insured include or exclude VAT?
3. When did the agent company or intermediary start to use the new Sasria rates as per circular 483 and what are these rates?
4. Has the agent company or intermediary applied for dispensation from Sasria and what period was given?

Bajabulile Luthuli
Finance Director