

# THE VAT CHANGE AND HOW IT WILL IMPACT YOU AT AMROD

Dear Valued Amrod Client

During his February budget speech, the Minister of Finance announced an increase in the VAT rate to 15% effective 1 April 2018.

This announcement has implications for all businesses and necessitate that changes be made to accounting systems and websites to comply with the new VAT rate.

In order to ensure that we implement the new VAT rate correctly and per the law, the following will need to take place:

1. **At 4:30pm on the 29th of March 2018**, we will stop processing sales orders. Therefore any orders not received by us by 4:30pm will only be invoiced in April and your invoice will therefore reflect a VAT charge of 15%.
2. **At 6pm on the 29th of March 2018**, we will temporarily halt online ordering on our website. Clients will still be able to view stock availability during this time.
3. During the course of the long weekend, from the 30th of March 2018 to the 2nd of April 2018 (inclusive), our IT consultants will be updating the configuration settings in our ERP System, Website and Accounting Software in order to ensure that when we resume trade on Tuesday the 3rd of April 2018, the correct VAT rate (15%) will be charged.
4. At 8am on the 3rd of April 2018, our systems will be back online, and trading will resume.

Where stock has been reserved but not yet invoiced by the 3rd of April, the VAT amount on the reservation will be re-calculated at the new VAT rate and the reservation document will be e-mailed to you once the changes to our systems have been finalised. **Please note that we cannot hold the 14% VAT rate post 29 March 2018.**

**It should be noted that any credit notes issued after the new VAT rate comes into effect, relating to invoices prior to 1 April 2018, will be credited at the original 14% VAT rate.**

If you have any questions arising from the above, please feel free to email [finance@amrod.co.za](mailto:finance@amrod.co.za)

Regards,

*The Amrod Finance Department*