

16 April 2025

Communique 117

To Sasria Agents and Intermediaries

Additional clarity on the VAT-Adjustment 0.5%-point increase.

The purpose of the communication is to provide clarity and enable agent companies to make the necessary system adjustments in line with the VAT increase. There are currently three operational approaches among our outsource partners:

VAT-Inclusive Rate Application:

Some partners apply Sasria's VAT-inclusive rates directly to the sum insured. The circulated rates are specifically designed for these partners.

VAT-Exclusive Rate with System-Added VAT:

Other partners use VAT-exclusive rates, and their systems are configured to add VAT automatically afterward. These partners have already adjusted their systems to account for the 0.5%-point increase, applying it to the previous 15% rate.

VAT-Neutral Rate with Sum Insured Adjustment:

A third group of partners operates on a VAT-neutral basis. These companies are required to adjust their clients' insured values to reflect the VAT increase. No rate change is needed, only a recalculation of the insured amounts.

The intention of the communication is not to introduce complexity or risk any over- or under-recovery of the additional VAT. In the case of the VAT-Neutral Rate with Sum Insured Adjustment, adjusting the sums insured will be sufficient to meet the regulator's requirement and will achieve the intended effect of accommodating the 0.5% VAT increase.

Please feel free to contact us should you require any further clarity.

Kind regards,

Muzi Dladla
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Sasria SOC Limited