

Datacentrix (Pty) Ltd
Reg no. 1996/015808/07

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15 March 2018

Dear Valued Supplier

RE: VAT Transition from 14% to 15%

The Minister announced that the standard rate of VAT will increase from the current 14% to 15% with effect from 1 April 2018. In terms of s7(4) of the Value-Added Tax Act, No 89 of 1991 (the VAT Act), the increased rate will apply from the effective date as announced by the Minister and the rate in s7(1) of the VAT Act must be amended by Parliament to 15% before 31 March 2019 to give effect to the rate in the Minister's announcement.

In line with that, Datacentrix and its subsidiaries, (eNetworks and Infrasol), have embarked on a project to understand the impact of this change in order to minimise the impact to business operations and ensure all parties comply with updated legislation.

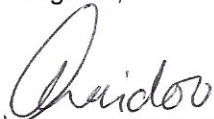
As a valued supplier, we would appreciate your assistance in the following areas:

- **Supplies before 1 April 2018**
 - Any goods or services supplied before 1 April 2018, will be invoiced at a VAT rate of 14%.
 - Kindly ensure that invoices are raised timeously to ensure that there are no payment delays.
- **Supplies made on or after 1 April 2018**
 - Any goods or services supplied by you on 1 April or thereafter must be invoiced at a VAT rate of 15%.
 - The VAT rate on open orders not yet fulfilled before 1 April must be amended to 15%.
Should you require a new order to be issued by us reflecting a VAT rate of 15%, kindly advise us as soon as possible. The above should not affect the value excluding VAT.
 - After 1 April, any invoices received at a VAT rate of 14% will be analysed and should this need to be changed to 15% in line with legislation, we will notify you of this.
This may mean a delay in payments being processed and as such we urge you to ensure the correct VAT rate is included on invoices.

Where applicable, contractual terms and conditions refer to amounts exclusive of VAT and will therefore not require immediate amendments thereto.

Please contact Elizabeth Naidoo (enaidoo@datacentrix.co.za) or Yackshna Singh (yasingh@datacentrix.co.za) should you have any questions regarding the transition.

Regards,



Elizabeth Naidoo
Chief Financial Officer



Yackshna Singh
Group Financial Manager