

CHANGE IN THE RATE OF VAT

We wish to inform you of the change in the rate of VAT - 16.0% (previously 16.5%). The effective date is January 1st 2010.(Friday).This was announced today by the Ministry of Finance.

Do note the following:

1. On the sale of goods/products, the date of transfer (viz. handing over) is the determining date.
2. Property deals - determining date is the date of transfer of rights (viz. generally ownership).
3. Rentals - On receipt of income.
4. Services on cash basis - determining date is date of receipt of the money.
5. Services not on cash basis - date service is provided.

We will be glad to discuss and plan.

Tevet 5770
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