



health

Department:
Health
REPUBLIC OF SOUTH AFRICA

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To: All Licensed Pharmaceutical Manufacturers and/or Importers of Medicines in South Africa (Applicants) and Price File Managers

VAT INCREASE ON 01 APRIL 2018 (15%): THE CLOSING OFF OF RECEIPT OF THE SINGLE EXIT PRICES (SEP) SUBMISSIONS/APPLICATIONS MADE IN TERMS OF THE REGULATIONS RELATING TO A TRANSPARENT PRICING SYSTEM FOR MEDICINES AND SCHEDULED SUBSTANCES

1. The above matter refers-
- 1.1 The National Department of Health's Pharmaceutical Economic Evaluations (PEE) Directorate hereby informs all stakeholders that there will be no receipt or processing of any SEP updates submissions in terms of the Regulations Relating to a Transparent Pricing System for Medicines and Scheduled Substances for the period 7th March 2018 to 2nd April 2018 (including both dates). This close off period is to accommodate the implementation of the mandate announced in Parliament to increase the Value Added Tax (VAT) from 14% to 15 %.
- 1.2 All medicines supplied within South Africa and particularly those allocated with an official SEP, shall be affected by the contents of this notice. The close-off period shall therefore affect the following categories of medicines:
 - (a) New medicine launches;
 - (b) Re-introduction of a medicine previously available in the market;
 - (c) Introduction of the SEP for a new pack size of an existing medicine;
 - (d) Permanent and non-permanent SEP reductions;
 - (e) Increase post SEP reduction (non-permanent);
 - (f) Medicine SEP discontinuation;

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(g) Existing medicine details amendment(s);

(h) Regulation 9 applications, and

(i) Post Regulation 9 SEP approval.

2. **NB:** All stakeholders must note that from 01 April 2018 all medicines prices must be calculated at 15% VAT.
3. Further information regarding the implementation of 15% VAT will be announced and published on www.mpr.gov.za in due course.
4. For any further enquiries on this matter, please contact the Directorate: Pharmaceutical Economic Evaluations on the email sepupdates@health.gov.za.

Yours faithfully



NM MPANZA

DIRECTOR: PHARMACEUTICAL ECONOMIC EVALUATIONS

DATE:

22/02/2018

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