

- (i) gold, in any form, being gold of a fineness of not less than 99.5 percent;
  - (ii) silver, in any form, being silver of a fineness of not less than 99.9 percent;
  - (iii) platinum, in any form, being platinum of a fineness of not less than 99.0 percent;
  - (iv) any other metal that the Commissioner-general prescribes to be a precious metal for the purposes of this definition;
- (b) goods that are, or to the extent that they are, manufactured or made from precious metals or from any substance which would, if it were of the required fineness, be precious metal;
  - (c) diamonds, rubies, emeralds, or sapphires that are not mounted, set, or strung; or
  - (d) animals or plants;

**180. Insurance**

(1) An insurer, for purposes of the Insurance Act, 2003, is allowed an input tax credit if the insurer makes a payment to another person under a contract of short-term insurance and all of the following conditions are met—

- (a) the supply of the insurance was a taxable supply;
- (b) the payment is not made in respect of a supply to the insurer or an import by the insurer;
- (c) the payment is not made in respect of a supply to another person, unless that supply is a taxable supply, on which VAT is imposed at a rate other than zero; and
- (d) the person to whom the payment is made is—
  - (i) a resident person; or
  - (ii) a non-resident person who is a registered person.

(2) The amount of the input tax credit is equal to the tax fraction of the payment made and is allowed for the tax period in which the payment is made.

(3) Output tax arises for an insurer if—

- (a) the insurer recovers an amount (other than aggravated or exemplary damages) as a result of the exercise of rights acquired by subrogation under a contract of insurance; and
- (b) an input tax credit was allowed to the insurer for the payment to which the recovered amount relates.

(4) The amount of the output tax under subsection (3) is equal to the tax fraction of the amount recovered and arises in the tax period in which the amount is received.

(5) Output tax arises for a registered person if—

- (a) the person receives a payment under a contract of insurance, whether or not the person is a party to the contract; and
- (b) the payment relates to a loss incurred—
  - (i) in the course of the person's economic activity; or
  - (ii) in relation to an asset used wholly or partly in the person's economic activity; and
- (c) the supply of the contract of insurance was a taxable supply.

(6) Output tax under subsection (5) is taken into account in the tax period in which the payment is received and its amount is equal to the tax fraction of the amount received, reduced to the extent that—

- (a) the economic activity in which the loss was incurred involves the making of exempt supplies; or
- (b) the asset to which the loss relates was used in making exempt supplies or for a private use; and
- (c) if both paragraph (a) and paragraph (b) apply, whichever is most appropriate in the context of the payment received.