

Vision

To be recognized as competent in customs and tax administrations

Mission

For the good of Vanuatu, collect revenue, protect our borders and facilitate legitimate trade

Values

- Effective leadership
- Result focus
- Continuous improvement & learning
- Design in quality & prevention
- Partnership improvement
- Valuing employees
- One organization

For further information contact Inland Revenue office using the details below:

Department of Customs & Inland Revenue

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V A N U A T U
CUSTOMS & INLAND REVENUE
SERVICE DE LA DOUANE ET DES
CONTRIBUTIONS INDIRECTES

Do you need to register
for VAT?

Value Added Tax

VAT
Registration

Do you need to Register ?



Section 12 of the VAT ACT No 12, 1998 [CAP 247], requires any person carrying on a taxable activity to be registered for VAT if either of the following conditions is satisfied:

- (a) The total value of all taxable supplies made by the person in any 12-month period has exceeded 4 million vatu; or
- (b) There are reasonable grounds for believing that the total value of taxable supplies to be made by the person in the next 12 months will exceed 4 million vatu.

For VAT purposes, "person" includes not only a natural person, but also a company, an unincorporated body of persons and an instrument of the State.

Therefore registration applies to any entity likely to be carrying on a taxable activity, such as an individual, company, partnership, trust, club, association, co-operative, government department, or local authority

Taxable activity - A taxable activity is any activity carried on continuously or regularly. It must supply, or intend to supply, goods or services to someone else for a consideration (money, compensation, reward or barter) but not necessarily for profit.

A taxable activity includes any activity carried on by a business, trade, manufacturer, professional, association, or club.

Taxable activities **do not** include:

- working for salary or wages
- being a company director
- hobbies or any private recreational pursuit
- private transactions such as the occasional sale of household or domestic items
- making exempt supplies

Taxable supplies - Taxable supplies are goods and services supplied in the course of conducting a taxable activity. Suppliers charge VAT by adding it to the price of their goods and services.

Exempt supplies - VAT cannot be charged on some goods and services. These are called exempt supplies.

The most common exempt supplies are:

- the sale of donated goods and services by a non-profit body
- financial services
- educational institutions (including school fees)

Calculating turnover

To work out whether you are obliged to register for VAT, you need to calculate your turnover.

Turnover is the total value of taxable supplies made, excluding VAT. In a normal business it will be the total value of your sales and income in 12 months period.

Who must register for VAT?

If you are conducting a taxable activity in Vanuatu you must register with Department of Customs and Inland Revenue, VAT Office if either of the following applies to you:

- Your turnover for this month and the last 11 months has exceeded VT 4 Million
- Your turnover for this month and the next 11 months is expected to exceed VT 4 Million.

Example

Turnover for the twelve months ending 31 December 2016 = VT 3.5 million **Not required to register/Voluntary register**

Expected turnover 1 April 2016 to

31 March 2017 – VT 4.5 million

Required to register within 21 days

Voluntary Registration

Any person carrying on a taxable activity may voluntarily register for VAT, even if the total value of taxable supplies they make is less than the registration threshold in any 12 months period.

Refer to Registering for VAT brochure if need to register