

Reminder 2021, N° 2 (February 2021)

We are committing to provide email reminder on a regular basis.

If you want to be on our emailing list for these reminders please tell us at irtps@vanuatu.gov.vu

These reminders will be also available on our web-site.



Mission

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

Vision

*We are Capable and
Committed Customs &
Revenue Administration
for a modern Vanuatu*

REMINDERS

FROM OUR TAXPAYER SERVICES SECTION

1. JANUARY VAT RETURN



The January 2021 VAT return needs to be filed by Monday 1st March 2021.

If VAT is payable, then it also needs to be paid by Monday 1st March 2021.

2. PENALTIES

We prefer you to file and pay on time. However, please be aware that penalties will be charged if you don't.



3. USE OUR DROP-BOX

When our Vila counter is busy, save time - use our drop-box to safely file your VAT return and cheque payment.



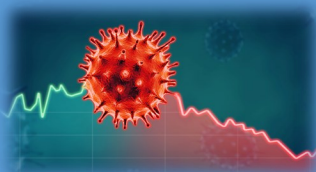
4. PAYMENTS BY CHEQUE



If your cheque is dishonoured by the bank a fee of VT7,500 is payable.

Late payment penalties may also apply.

5. VAT ON COVID-19 STIMULUS PACKAGE PAYMENTS



Employee Stabilization Payments and the Small and Medium Enterprise grants that have been paid under the Covid-19 stimulus package of 2020 are NOT subject to VAT.

A person or entity who has included these payments in their VAT returns can request a reassessment by writing to, or by contacting our Taxpayer Services Section.



For further information,
please contact the Taxpayer
Services Office in Port Vila
on telephone number 33091,
Luganville office 33760 and
Tanna office 88058.

6. ROAD TAX



Every motor vehicle owner using a public road is required to have an annual road tax sticker.

A vehicle owner that paid road tax on a vehicle for the 2020 year (before 1 April 2020), is exempted from paying 2021 road tax fees. To get the 2021 annual road tax sticker they are still required to present the roadworthy inspection certification at our public counter.

A vehicle owner that did NOT make a road tax payment in 2020, is liable for a 2021 payment. Road tax is due on or before the 31st of March. Therefore, payments made in April will attract a penalty of 25% and May, 50%.

7. BUSINESS LICENCE FEES

A person or entity that paid the business licence fee (in part or in whole) in the period 1 January to 31 March 2020, and is renewing that licence, is exempted from paying a business licence fee for year ended 31 December 2021.

You still need a licence, but no fee is required.

A person or entity that did NOT pay a licence fee in 2020, needs to apply for a 2021 licence and pay the appropriate fee.

Due to the delay in clarifying this matter, the due date for applying and paying the fee (if required) was extended to Monday 1st March 2021. For now, 10% will be charged every month on the principal fee.

Business licence fees for Commercial Banks are reduced. The rate of fee for Commercial Banks (Category F1 business licence) is reduced from 7% to 5% in respect of the 2020 and 2021 years.

Commercial Banks will be contacted by our Taxpayer Services Section to determine how prior overpayments will be treated.





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8. TURNOVER TAX

Turnover tax is not payable in respect of the 2020 and 2021 years. No returns are required.

Those persons and entities that have paid turnover tax in 2020 and 2021 will be contacted by our Taxpayer Services Section to determine how those payments will be treated.



9. LIQUOR LICENCES



All 2021 applications are expected to be lodged before 31st January. Late payment penalty may apply after this date.

10. RENT TAX

Rent Tax is payable this year 2021. You have to file a rent tax return and make payment in 2021.

Rent tax is due twice a year.

The 1st chargeable period is 1 December to 31 May. Due date is 28th June.

The 2nd chargeable period is 1 June to 30 November. Due date is 28th December.



11. TAXPAYER IDENTIFICATION NUMBER (TIN)



We are moving from CT numbers to TIN's.

If you have a CT number it becomes your TIN.

During 2021, we expect you to have in your receipting, tax invoices the word TIN. This is a legal requirement.



For further information,
please contact the Taxpayer
Services Office in Port Vila
on telephone number 33091,
Luganville office 33760 and
Tanna office 88058.

REMINDERS FROM INLAND REVENUE AUDIT SECTION

Record Keeping



All registered business and property investors must keep records that correctly explain all transactions they enter as a business or investor.

it is important to keep sufficient records so that the Inland Revenue Audit Office can readily assess your TAX liability.

You must hold these records in English, French or Bislama for a five (5) years period. The records can be maintained in Vanuatu or overseas and it is your obligation to make it available upon our request as outlined by Section 8 of the Tax Administration Act (TA Act) No. 37 of 2018.

For VAT purposes, your records may include: - books of account (on paper or in computer) - till tapes - receipts - tax invoices - credit and debit notes - bank statements - invoices - motor vehicle logbooks - stock on hand records - vouchers - purchase order- delivery dockets- contracts- customs documents - accounting instruction manuals - system and program documentation which describes the accounting system.

If you fail to keep proper records, you are committing a Tax Offence under Section 94 of the TA Act No. 37 of 2018.

Penalties

Under section 85 of the TA Act No. 37 of 2018, there are number of penalties that apply if taxpayer do not comply with their record keeping obligations. The most significant is where a taxpayer fails to maintain or retain records. In Section 85 (1) (a)(b)

- “Where done deliberately or recklessly, they are liable to a penalty equal to 75% of the tax payable for the period on which the failure happened.”
- “Where NOT done recklessly or deliberately, the penalty is reduced to 20% of the tax payable for the period in which the failure happened.”