

Reminder 2021, N° 3 (March 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*

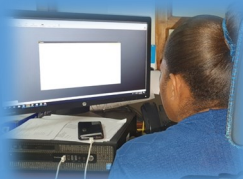
Vision

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

REMINDERS

FROM OUR TAXPAYER SERVICES SECTION

1. FEBRUARY VAT RETURN



The February 2021 VAT return needs to be filed by Monday 29th March 2021. If VAT is payable, then it also needs to be paid by Monday 29th 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.

VAT Penalties



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.



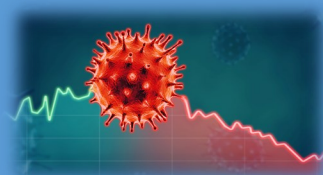
4. PAYMENTS BY CHEQUE

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.



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REMINDERS FROM INLAND REVENUE AUDIT SECTION

Tax Invoice Requirements



A tax invoice for VAT is the legal document, which shows the VAT for a transaction.

A tax invoice must show certain information in order to qualify it as a legal document.

In general, you must hold a tax invoice to claim a VAT credit for a supply of more than VT 5,000 (including VAT). You must still hold evidence of payment for supplies less than VT 5,000, such as receipts.

If you supply goods and services to another registered person, you must provide a tax invoice within 28 days.

Receiving a tax invoice too late to claim a VAT credit

If you do not hold a tax invoice, you cannot claim a credit. Sometimes you might not be able to claim a credit for a purchase when your return is due because you do not have a tax invoice. If this happens, you can claim a credit for the purchase in a later return, when you receive a tax invoice.

Duplicate tax invoices

A registered person can only issue one tax invoice for each taxable supply. If the purchaser loses the invoice, the supplier may issue a copy. It must be clearly marked, "**copy only**".

Supplies of more than VT 5,000

For claims on supplies of over VT 5,000, you must hold a tax invoice before you can claim a credit. The tax invoice must clearly show:

- ⇒ the words "Tax Invoice" in a prominent place;
- ⇒ the name (or trade name), address and TIN of the supplier;
- ⇒ the name of the recipient;
- ⇒ the date the invoice was issued;
- ⇒ a description of the goods and/or services supplied;
- ⇒ the quantity or volume of the goods and/or services supplied. (E.g., litres of petrol, hours of labour, or kilos of meat);
- ⇒ a serialised invoice number.



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It must also state either:

- ⇒ the amount, excluding tax, charged for the supply,
- ⇒ the VAT, and
- ⇒ the total amount payable for the supply; **or**
- ⇒ a statement that VAT is included in the final price if VAT has been included.

Example

Name and Address of the supplier	ABC ELECTRONICS LTD PMB 111 Port Vila	The words "Tax Invoice"										
A serialised invoice number	TIN No: 123456 Invoice: NO 1003 Date: 8 Aug 19	The supplier's TIN (Taxpayer Identification Number)										
Name of the recipient	To: West Video Ltd	The date of issue										
Description of the goods and quantity	<table border="1"> <thead> <tr> <th></th> <th>Unit price</th> </tr> </thead> <tbody> <tr> <td>100 video tapes @ VT500 each</td> <td></td> </tr> <tr> <td>VT 50,000</td> <td></td> </tr> <tr> <td>Plus VAT</td> <td>VT 7,500</td> </tr> <tr> <td>Total amount</td> <td>VT 57,500</td> </tr> </tbody> </table>		Unit price	100 video tapes @ VT500 each		VT 50,000		Plus VAT	VT 7,500	Total amount	VT 57,500	Amount excluding VAT, the VAT charged and the total including VAT
	Unit price											
100 video tapes @ VT500 each												
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Plus VAT	VT 7,500											
Total amount	VT 57,500											

Supplies less than VT5,000

A tax invoice is not needed for supplies less than VT 5,000 (including VAT). However, you must still keep records (such as invoices, vouchers or receipts) for these purchases. You still need to have documentary evidence to support a claim for a VAT credit on small purchases.

VAT Penalties and Offences

Failure to comply with tax invoicing requirements can result in a penalty being imposed or being charged with an offence. There is legal provision for penalties and offences when:

- A VAT registered person fails to provide a tax invoice, credit note, or debit note
- A VAT registered person issues multiple tax invoices, credit notes or debit notes
- A person who is not a VAT registered person issues a tax invoice, credit note or debit note