

Ref: Public Notice 011 of 2026

VANUATU SALES MONITORING SYSTEM (VSMS)

COMPLIANCE DEADLINE EXTENSION — APPLICATION NOTICE

Issued to: VSMS Large Segment Taxpayers

1. PURPOSE OF THIS NOTICE

The Department of Customs and Inland Revenue (DCIR) wishes to advise all Large Taxpayers that a formal process is now available to apply for an extension to the VSMS compliance deadline. This notice sets out the purpose, eligibility, application window, criteria, process, and the applicable penalty framework for non-compliance.

2. BACKGROUND

The Vanuatu Sales Monitoring System (VSMS) is a government initiative requiring eligible businesses to integrate approved point-of-sale or accounting solutions with DCIR's revenue monitoring platform. DCIR acknowledges that some businesses may require additional time to complete their integration and is therefore offering a structured extension process for those who qualify.

3. WHO THIS NOTICE APPLIES TO

This round of extensions is available exclusively to:

- Businesses formally classified as **Large Taxpayers** under DCIR records segmentation
- Large Taxpayers who are currently registered or in the process of registering with VSMS
- Large Taxpayers who have commenced accreditation or solution procurement but require additional time to complete

Taxpayers not classified as Large Taxpayers are NOT eligible under this round. A separate process may be made available to other taxpayer categories in due course.

4. APPLICATION WINDOW

The extension request window is open from the date of this notice up to the VSMS compliance due date. Applications submitted outside this window may not be considered. Taxpayers are strongly encouraged to apply as early as possible.

5. ELIGIBILITY CRITERIA

To be considered for an extension, your application must demonstrate one or more of the following:

- You are registered or actively enrolling with VSMS
- Your accreditation or solution implementation is in progress
- You have engaged a vendor or solution provider and can provide evidence of this
- There are valid technical or operational reasons preventing timely compliance
- You attended or were aware of DCIR awareness sessions on VSMS requirements

Applications that do not meet the above criteria or that are submitted without supporting documentation may not be approved. DCIR reserves the right to assess each application on its individual merits.

6. HOW TO APPLY

The extension request process is fully online. Please follow the steps below should you find that your TIN/Business is eligible:

1. Visit the VSMS Extension Request portal on the DCIR website. [LINK HERE]
2. Enter your Tax Identification Number (TIN). A one-time verification code will be sent to your registered VSMS Authorized Person email address.
3. Enter the 6-digit verification code to confirm your identity. The code is valid for 15 minutes.
4. Complete the request form. Your business name will be automatically populated. Fill in your VSMS compliance status, accreditation progress, vendor details, and reason for requesting an extension.
5. Upload at least one supporting document such as a vendor contract, letter from your IT provider, implementation plan, or progress report. Accepted formats are PDF, JPG, and PNG. Maximum file size is 5MB per file.
6. Submit the form. Download a copy of your PDF generated answers.

For technical assistance with the portal, please contact the VSMS Technical Team at vsms_extend@vanuatu.gov.vu or visit the DCIR offices during business hours.

If you are unable to receive the verification code at your registered DCIR email address, please contact the VSMS helpdesk directly for assisted access.

7. WHAT HAPPENS AFTER YOU APPLY

Once your application has been lodged, the VSMS Technical Team will review your submission. Please note the following:

- Review and processing may take several weeks depending on application volume

- You may be contacted for additional information or clarification during the review
- A formal decision will be communicated to your registered email address
- Extensions, if granted, will specify the approved period of up to a maximum of three months

Important: Lodging an extension request does not pause your compliance obligations. While your request is being reviewed, you are expected to continue progressing your VSMS accreditation or solution implementation. Evidence of continued progress will be considered when assessing your application.

8. AVAILABLE EXTENSION PERIODS

Applicants may be granted one of the following extension periods:

- Two (2) months
- Three (3) months

The approved extension period will be determined by DCIR based on the merits of the application and is not guaranteed to match the period requested.

9. PENALTIES FOR NON-COMPLIANCE

The Department of Customs and Inland Revenue wishes to make clear that failure to comply with VSMS obligations is subject to penalties under the applicable legislation. These penalties are structured to be corrective and proportionate, encouraging timely compliance rather than punitive enforcement. However, repeated or deliberate non-compliance will attract escalating penalties and, ultimately, civil proceedings.

Penalty Notice Structure

Non-compliant businesses may receive up to three successive penalty notices before a matter is referred to court. Each successive notice carries an escalating penalty amount:

Notice	Payment Period
1st Notice	3 weeks to pay (excludes weekends and public holidays)
2nd Notice	1 to 2 weeks to pay (excludes weekends and public holidays)
3rd Notice	1 week to pay (excludes weekends and public holidays)
Court	Matter referred as a civil proceeding if all three notices remain unpaid

Schedule of Penalties

The following table sets out the penalty amounts applicable to each category of VSMS offence:

Clause	Offence	1st Notice	2nd Notice	3rd Notice
18(1)(a)	Use or supply of non-accredited systems	VT 500,000	VT 550,000	VT 577,500
18(1)(b)	Failure to report defect or misuse	VT 300,000	VT 330,000	VT 346,500
18(1)(c)	Director or company liability	VT 250,000	VT 275,000	VT 288,750
18(1)(d)	Failure to register for EFD	VT 450,000	VT 495,000	VT 519,750
18(1)(e)	Operating without accredited EFD or POS	VT 500,000	VT 550,000	VT 577,500
18(1)(f)	Non-compliance with technical guidelines	VT 400,000	VT 440,000	VT 462,000
18(1)(g)	Failure to issue a fiscal invoice	VT 450,000	VT 495,000	VT 519,750

The 2nd notice penalty is calculated as the 1st notice amount plus a 10% surcharge. The 3rd notice penalty is calculated as the 2nd notice amount plus a further 5% surcharge. Failure to comply with all three penalty notices will result in the matter being referred to court as a civil proceeding.

Offence Categories

The offences subject to the above penalty schedule are:

- Use or supply of a non-accredited system — Clause 18(1)(a)
- Failure to report a defect or misuse of the VSMS — Clause 18(1)(b)
- Director or company liability for non-compliance — Clause 18(1)(c)
- Failure to register for an Electronic Fiscal Device (EFD) — Clause 18(1)(d)
- Operating without an accredited EFD or POS system — Clause 18(1)(e)
- Non-compliance with VSMS technical guidelines — Clause 18(1)(f)
- Failure to issue a fiscal invoice at point of sale — Clause 18(1)(g)

Non-compliance that results in the suppression of taxable revenue — particularly operating without an accredited EFD or POS system under Clause 18(1)(e) — carries the highest penalties and will be treated as a priority enforcement matter. Businesses are strongly advised to apply for an extension if they require additional time to comply.

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10. CONTACT INFORMATION

For enquiries regarding this notice or the extension request process, please contact:

VSMS Technical Team

Email: vsms@vanuatu.gov.vu

Website: www.customsinlandrevenue.gov.vu

Address: Department of Customs & Inland Revenue, Port Vila, Vanuatu