

# VAT refund delays

<http://www.fijitimes.com.fj/story.aspx?id=318328>

Ropate Valemei

Wednesday, August 19, 2015

TIMES: How long does it take FRCA to process a VAT refund?

TIKOLEVU: Under the VAT Decree, VAT refunds should be paid within two months after the lodgment of the return.

However, with the new VAT processes, we anticipate that VAT refunds will be issued within 2-3 weeks from the date the VAT return was lodged, provided that there is no outstanding tax or lodgment of returns.

TIMES: What causes the VAT refunds to be held up?

TIKOLEVU: VAT refunds can only be held up when the VAT returns are incomplete, or for audit cases, or when it is being made to offset against any other tax outstanding.

VAT refunds can also be delayed if we have exhausted the Ministry of Finance allocated budget for VAT refunds for a particular month.

Such refund delayed is then paid the following month once we get a new allocation on VAT refund from the ministry.

TIMES: Can this refund be transferred to off-set other outstanding taxes?

TIKOLEVU: Yes the refund can be used to offset other outstanding taxes.

For the income tax and VAT, the system automatically transfers the refund to offset any outstanding taxes in the ledgers.

However, for other taxes, transfers are done upon written submission and approval from the taxpayer.

TIMES: When are taxpayers notified of this transfer?

TIKOLEVU: With the new system in place where there is an automatic transfer in tax, a notice is automatically generated by the system and posted to the taxpayer advising of the transfer.

TIMES: What are taxpayers rights if you amend or reduce VAT refunds?

TIKOLEVU: If you are not satisfied with the tax decision of your assessment, you may lodge an objection to the decision to the CEO of FRCA within 60 consecutive days from the date Notice of Assessment has been issued.

TIMES: What happens if you lodge an incomplete VAT return?

TIKOLEVU: Incomplete VAT returns will not be processed.

VAT returns received by postal mail will be put on hold and you will be contacted, and those received at the counter will be returned to you.

TIMES: What are some important tips for this VAT system to work well?

TIKOLEVU: Be honest with yourself when filing your VAT return, be timely in filing and making payments, provide relevant information required on the VSA return form and seek assistance where needed.

TIMES: With the new change in the process has there been a change in the forms?

TIKOLEVU: Yes, to stream line the process we've had to change the VAT Return Forms. It has been made simpler and user friendly and the forms on our website is fillable.

The new VAT Return Form is applicable to all VAT registered persons whether lodging on a monthly, quarterly or on an annual basis.

The revised VAT Form — IRS 217 is to be used effective August this year for lodgment of VAT returns. The Form IRS 217 can be obtained from the FRCA website, <http://www.frca.org.fj/taxation-forms-2/>