INSTRUCTIONS FOR COMPLETING VALUE ADDED TAX (VAT) RETURN

Taxation Division

The return form allows a registered person to lodge a Value Added Tax (VAT) return, either monthly, quarterly or annually, as required by the VAT Act.

Please note that if you are required to register under the VAT Act, you must register before you complete the return. You can register by completing the Application for Registration form, and lodge it at a FRCS office listed at the end of these instructions.

IMPORTANT: After filling the VAT Return, it must be lodged together with the payment. Lodgement by the last day of the month after the end month of the return. Penalties apply for late lodgement of returns or late payment of tax.

Complete the VAT return form in black or blue pen. PRINT CLEARLY. A typewriter may also be used.

Section A: Enter Business Details

- Tax Identification Number (TIN);
- name;
- mailing address for VAT purposes;
- business location;
- taxable activity and
- the period for which the return is being made. A return for March 2008 by a monthly taxpayer, for example, would be written as:

Year - “2008”
Start month - March
End month - March.

A return for a quarterly taxpayer whose taxable period ended in March 2008 would, for example, be written as:

Year - “2008”
Start month - “January”
End month - “March”

A 2008 return for an annual taxpayer (for cane farmers only) would, for example, be written as:

Year - “2008”
Start month - “January”
End month - “December”

There are 3 main steps in completing this return:
1. Calculate Total Output Tax
2. Calculate Total Input Tax
3. Calculate tax payable or refund due

(Tax is payable if Total Output Tax is higher than Total Input Tax).
Section B: Sales/Income

This part of the return is used for calculating your amount of Output Tax for the taxable period.

If the figure for any of the boxes is NIL, write “NIL” in that box.

**Note:** If your total sales/income for the period is NIL, you must attach a sheet explaining the reasons for this. This sheet must be signed by you.

Line 1 - Total Taxable Supplies

Write in this box the total taxable supplies made by you during the period, inclusive of VAT.

Line 2 - Insurance Indemnity Payments Received

Write in the box the total insurance indemnity payments received during the period.

Line 3 - Sale of Business Assets

Write in the box the total value of any or all business assets (VIP) sold during the period.

Line 4 - Total of Lines 1 to 3

Write the total of lines 1 to 3 in the box.

Line 5 - Zero-Rated Supplies

Write in this box the total amount of zero-rated supplies made by you during the period, included in the “Total Taxable Supplies” amount.

**Note:** VAT Registered persons who are also registered as an exporter are to declare any local sales for the period in line 6 below.

Line 6 - Total Supplies Subject to VAT

Deduct the amount at Line 5 from the amount at Line 4, and write the result in the box 6. This will give you the figure for total supplies subject to VAT for the period.

Line 7 - VAT charged by entity

Multiply the figure in Line 6 by 3/23, and write the result in the box 7. This will give you the figure for VAT charged by you for the period.

Line 8 - VAT Output Adjustments

Write in this box the total of all the following amounts for the period, if any:

- VAT on goods and services taken for private use
- VAT on goods and services appropriated to non-taxable use other than private use
- VAT on barter transactions
- VAT on fringe benefits provided to employees
- VAT on bad debts recovered
- VAT on assets retained at the time of ceasing to be registered
- VAT on debit notes issued
- VAT on credit notes received
- VAT payable due to a change in accounting basis.

Line 9 - Total Output Tax

Add the amounts at Lines 7 and 8, and write the result in the box 9. This will give you the figure for total Output Tax for the period.
Section C: Purchases/Deductions

This part of the return is used for calculating your amount of Input Tax for the taxable period.

If the figure for any of the boxes is NIL write “NIL” in that box.

Line 10 - VAT on Local Purchases

Write in this box the total VAT paid by you on taxable supplies purchased during this period. (excluding VAT paid on imported goods). Include only VAT which meets the VAT invoicing requirements.

Line 11 - Customs VAT

Write in this box the amount of VAT you have paid to, or have been invoiced by Customs.

Attach customs entry as evidence of your Customs VAT claim.

Line 12 - VAT Input Adjustments

Write in this box the total of all the following amounts for the period, if any:

- VAT on bad debts written off
- VAT on credit notes issued
- VAT on debit notes received
- VAT refundable due to a change in accounting basis.

Refer to the attached VAT Input schedule Format. It is compulsory to attach the Schedule of Input with your return.

Line 13 - Total VAT charged to entity

Add the amounts at Lines 10, 11 and 12 and write the result in the box 13.

Line 14 - Apportionment of Input Tax

If some of the goods and services supplied to you in the period are not wholly used for the purposes of making taxable supplies, then the portion of the input tax which represents the supplies not subject to VAT over total supplies will not be allowed. The adjustment should be calculated as follows:

Supplies not taxable

\[
\text{Total supplies} \times \text{Input tax}
\]

However, no apportionment needs to be made where the value of supplies made by you that are not taxable supplies is not more than:

(a) 5% of the total value of supplies during the period, or

(b) $4,000

whichever is the lesser.

FRCA may accept another basis of apportioning input tax.

Line 15 - Total Input Tax

Deduct the amount at Line 14 from the amount at Line 13 and write the result in the box. This will give you the figure for total Input Tax for the period.

Line 16 - Amount to Pay/Refund Due

Deduct Line 15 from Line 9 and write the result in the box. This may either be a positive or negative amount.

If your Total Output Tax is higher than Total Input Tax (a positive amount), the difference is the amount of tax you have to pay when you lodge this return.
If your Total Output Tax is lower than Total Input Tax (a negative amount), the difference is the amount of tax refundable to you. FRCA will process the return and deposit cheque in your bank account.

If the amount at Line 16 is less than $5, it will be ignored. You must still lodge the return, but you do not have to remit the amount if it is a payable situation, and you will not receive any refund if it is a refund situation.

Section D: Declaration

Write your name, sign and insert the date on the return.

If the return is prepared by a person other than the taxpayer, that person should write the capacity in which they are completing the return eg “tax agent”.

Also state the tax agent No and Phone Contact working on your behalf, if any.

Note: the VAT Act provides severe penalties for persons who make false VAT returns.

It is compulsory to have VAT refunds deposited directly to a bank account. You are required to write the bank name and account number in the boxes provided.

What to do with the completed form
You may either post the form to FRCA or bring it to any of the FRCA offices listed below.

All forms posted should be addressed to:

For Central & Eastern Division businesses: Commissioner of Inland Revenue
Private Mail Bag
Suva

For Western Division businesses: Commissioner of Inland Revenue
Private Mail Bag
Lautoka

For Northern Division businesses: Commissioner of Inland Revenue
Private Mail Bag
Labasa

If bringing the form to FRCS office, take it to the office nearest to you at the following addresses:

For Central & Eastern Division businesses:
Revenue & Customs Services Complex
Corner of Ratu Sukuna Road & Queen Elizabeth Drive
Nasese
Suva

For Western Division businesses:
Revenue House
19 Tavewa Avenue
Lautoka

For Rakiraki:
Ground Floor, FDB Building
Main Street
Rakiraki

For Sigatoka:
Ground Floor, FDB Building
Main Street
Sigatoka

For Northern Division businesses:
Raobe Building
Labasa

All forms received will be checked to ensure that they are complete and properly filled. Any incomplete form will not be processed.
SCHEDULE OF INPUT TAX CREDITS CLAIMED IN THE VAT RETURN FOR THE TAXABLE PERIOD ENDING ……………………

Name : .................................
TIN : .................................

<table>
<thead>
<tr>
<th>DATE</th>
<th>SUPPLIER</th>
<th>TIN</th>
<th>TAX INVOICE #</th>
<th>AMOUNT (VIP)</th>
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TOTAL VAT INPUT TAX CREDIT CLAIMED $

Note : PLEASE ENSURE ALL TAX INVOICES ARE RETAINED IN ACCORDANCE WITH SECTION 79 OF THE VAT Act 1991. IN THE ABSENCE OF THE RECORDS, INPUT TAX CREDITS WILL BE DISALLOWED. AN ADJUSTMENT IS REQUIRED TO BE MADE FOR PERSONAL ELEMENT IN GOODS AND SERVICES ACQUIRED.

THIS SCHEDULE IS TO BE ATTACHED TO THE VAT RETURN.