# INSTRUCTIONS FOR COMPLETING THE VAT RETURN

## (IRS217)

The return form allows a **registered person** to make 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**:

**1.** After the VAT return is completed, it must be lodged with FRCS and any tax paid, 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.

**2.** Lodge a complete and accurate return, incomplete returns will not be accepted.

**3.** Complete the VAT return form in black or blue pen. You can also save the return and type in your details on the form before printing.

There are **3 main steps** in completing this return:

1. Work out your Total VAT charged on Taxable supplies
2. Work out your Total VAT incurred on Taxable Purchases and Expenses
3. Work out your tax payable or refund Due

(Tax is payable if Total Output Tax is higher than Total Input Tax).

### Section A: Taxpayer Details

- Your Tax Identification Number (TIN);
- Your name;
- Your mailing address for VAT purposes;
- Business location
- Taxable activity
- Telephone Number
- Mobile Number
- E-mail Address
- Fax Number and
- The period for which the return is being made. A return for August 2015 by a monthly taxpayer, for example, would be written as:

Year - "2015"
Start month - August
End month - August.

A return for a quarterly taxpayer whose taxable period ended in September 2015 would, for example, be written as:

Year - "2015"
Start month - "July"
End month- "September"

A 2015 return for a annual taxpayer would, for example, be written as:

Year - "2015"
Start month - "January"
End month - "December"

## Section B: Value Added Tax on Taxable Supplies

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 Zero write "0" in that box. Please do not leave any box blank.

> **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.

### Box 1 - Total Taxable Supplies

Write in this box the total taxable supplies made by you during the period, inclusive of VAT. This amount will include total insurance indemnity payments received during the period and value of any business asset sold during the period.

### Box 2 - 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 in Box 1.

### Box 3 - Total Supplies Subject to VAT

Subtract Box 2 from Box 1 and enter the amount in the box provided. This will give you the figure for total supplies subject to VAT for the period.

### Box 4 - VAT charged by you

Multiply the amount in Box 3 by three and divide by 23 (x3/23). This will give you the figure for VAT charged by you for the period.

### Box 5 - VAT on 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 insurance indemnity payments received
- 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.

### Box 6 - Total Output Tax

Add the amounts in Boxes 4 and 5, and write the result in Box 6. This will give you the amount for Total VAT charged on Taxable Supplies.

**Section C: Value Added Tax on Purchases & Expenses**

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

If the amount for any of the boxes is nil write "0" in that box.

**Box 7 - Total VAT on Purchases and Expenses**

Write the Total VAT paid on taxable supplies purchased during this period, including VAT Reverse Charge. You must obtain this amount from the Input Tax Schedule. This amount must not include VAT on imported goods.
The total VAT paid in Box 7 must meet the VAT invoicing requirements.

**Box 8 - Total Customs VAT**

Write in this box the amount of VAT paid to and (b) $4,000 have been invoiced by FRCA for imported Goods.

The Custom's Entry must be under the business/entity name.
The Imported Goods must only be used for business related purposes

**Box 9 - VAT on 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 necessary to attach the schedule of input tax credits with your return.

**Box 10 - Total VAT on Purchases**

Add boxes 7,8 and 9. This will be your total VAT on purchases, credit adjustments and expenses.

**Box 11 - VAT on Purchases not wholly used in making Taxable Supplies**

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;

$$\frac{\text{Supplies not taxable}}{\text{Total supplies}} \times \text{Input tax}$$

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

**whichever is the lesser.**

**The FRCS may accept another basis of apportioning input tax.**

**Box 12 - Total Input Tax**

**Deduct the amount at Box 11 from the amount at Box 10 and write the result in the box. This will give you your total VAT incurred on taxable purchases**

**Box 13 - Amount to Pay/Refund Due**

**Deduct Box 12 from Box 6 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.

If the amount at Box 13 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 e.g. "tax agent".

Also state the Tax Agent No. and Phone Contact of the tax agent 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

For Western Division businesses:
Revenue House
19 Tavewa Avenue
Lautoka

Ground Floor, FDB Building
Queens Road
Sigatoka

2nd Floor, BSP Building
Namaka
Nadi

Ground Floor, FDB Building
Main Street
Rakiraki

For Northern Division businesses:
Raobe Building
Labasa

FRCA Building
Main Street
Savusavu

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 :** ……

| DATE | SUPPLIER | TIN | TAX INVOICE # | AMOUNT (VIP) | VAT CLAIMED |
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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.**