

**Seychelles Revenue Commission**



# VAT Guide 2012

**Explaining VAT**  
**Taxable and Exempt Supplies**  
**Completing and filing your VAT Return**  
**Explaining your Rights and Obligations**  
**Cancelling your VAT Registration**



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## Introduction

This booklet is a basic guide on Value Added Tax (VAT) and its main purpose is to explain in general terms the principal features of VAT. The guide advises on how VAT works and helps you to better manage your VAT obligations.

This guide is not intended to be used as a definitive advice but to be used only as an explanatory guide. It is strongly recommended that reference is made to the VAT manual and/or the Value Added Tax Act, 2010 where there are aspects relating to VAT which are not clear or covered in this guide or for information on infrequent and/or complex VAT issues. The VAT manual and VAT Act are available at the SRC offices and can be downloaded from the SRC website ([www.src.gov.sc](http://www.src.gov.sc)).

It is also important to note that the VAT guide does not substitute the Value Added Tax Act 2010.

### VAT registration

*If you are reading this guide we assume that you will register for VAT either:*

- *On a compulsory basis if your business annual sales turnover<sup>1</sup>, is or is expected to be SR 5,000,000 or more; OR*
- *On a voluntary basis if your business annual sales turnover, is or is expected to be less than SR 5,000,000 but you opt to register for VAT.*

**\*SR 5,000,000 is the VAT threshold**

*You may also be considering to register for VAT. If you are considering it we advise you to read our VAT leaflet "Do you need to register for VAT?"*

*If you voluntarily registered for VAT, and after reading this guide you decide that registering was a mistake, you may de-register. See Part 5 of this guide for more information about ending your VAT registration.*

<sup>1</sup> Turnover is the total income earned before expenses and taxes are deducted

## Part 1 Explaining VAT

### 1. What is VAT?

VAT is a tax on consumption paid ultimately, by final consumers, but collected and remitted to the Seychelles Revenue Commission (SRC) by businesses.

VAT is collected in a staged process; each fully taxable business pays VAT to its suppliers on its purchases and its imports (input tax) and receives VAT from its customers on its outputs (output tax). Input VAT is offset against output VAT so that the right amount of tax to be remitted to SRC by each taxable business is the net amount or the difference between those two (that is, between input tax and output tax).

### 2. How does the VAT system work?

As a VAT-registered business you:

- collect VAT through the sale of goods and services to your customers, and;
- pay VAT through purchases and business expenses.

When you file your VAT return, you offset the difference between the amount of VAT you have collected (output tax) and the amount of VAT you have paid (input tax).

- If you have paid out more VAT than you have collected (that is, input tax is greater than output tax), you will get a credit that could be refunded to you according to certain conditions<sup>2</sup>;
- If you have collected more VAT than you have paid, you will need to pay the balance to SRC by the due date (see Part 4 of this Guide).

#### Example of VAT chain

**A** is an importer, **B** is a wholesaler, **C** is a retailer, **D** is a household.  
**A** and **B** are VAT registered taxpayers. **C** is not.

1. On July 3 2012: **A** imports a computer for a value of SR 10 000 (insurance, transportation and Customs duties included). VAT will be charged on this value.  
**A** will pay  $10\,000 \times 15\% = \text{SR } 1\,500$  to Customs.
2. **A** sells this computer to **B** on July 17, 2012. The sale price is SR 15 000 (VAT inclusive or  $13\,044 + 1\,956$ ). VAT return subscribed by **A** will show the following:  
Output tax: 1956 (VAT collected from **B**)  
Input tax credit: -1500 (VAT paid to Customs)  
VAT payable SR 456  
***A** could also get the same result by multiplying his margin  $(13\,044 - 10\,000) \times 15\% = 456$ .*
3. **B** sells the same computer to **C**. The sale price is SR 18 000 (VAT inclusive). On the return, **B** will report the following:  
Output tax: 2347 (VAT collected from **C**)  
Input credit: -1956 (VAT paid to **A**)  
VAT payable SR 391
4. **C** sells the computer to **D** for SR 20 000. VAT is not charged by **C**. The price is deemed to be all tax included but without VAT charged on the selling price.

<sup>2</sup> The claim for refund must be supported by all related documents for that particular VAT period.

## Part 2 Taxable and exempt supplies

If you are registered, VAT is included in the price of most goods, services and other things you sell to others in the course of your enterprise. These are called taxable supplies. There are other types of sales where VAT is not included in the price. These are called exempt supplies.

### 1. Taxable supplies

You make a taxable sale if you are registered or required to be registered for VAT and:

- a) **You make a sale in return for payment:** This is usually monetary but can be another form of payment, such as goods or services can be provided instead of money, as in barter transactions;
- b) **You make the sale in the course of operating your business:** This means that you provide the goods or services as part of conducting your business. It includes all sales of business assets, including items such as office plant and equipment. It also includes sales done in the course of setting up or winding down your business.

**Example:** If your business provides electrical services and sells some electrical cable left over from a job for its copper content, the sale is part of your business activities and VAT is payable. By contrast, if you decide to sell a private vehicle that is not used in the business, the sale is private and no VAT is payable

- c) **The sale is made in Seychelles:** VAT (whether at 15% or 0%) applies to sales that are made in Seychelles.

A sale of goods is connected with Seychelles, if the goods are:

- delivered or made available in Seychelles to the purchaser;
- removed from Seychelles;
- brought to Seychelles, provided the seller either imports the goods into Seychelles or installs or assembles the goods in Seychelles.

A sale of a service is connected to Seychelles if the service is enjoyed and performed in Seychelles.

There are two types of taxable supplies: **standard-rated** or **zero-rated**.

#### VAT rates

The VAT rates are:

- standard rate: 15%;
- zero rated supplies: 0%

You must charge VAT, whether at 15% or 0%, on the taxable sales you make and you can claim VAT credits for purchases you used to make these taxable sales.

A zero-rated supply is also a taxable supply. All exports are zero-rated because VAT is not charged on consumption made abroad. There are also some designated supplies which are zero-rated see Schedule II of the Value Added Tax Act 2010.

Some examples of zero-rated supplies are:

- goods sold in a duty free shop
- services provided by a Companies Special License

If you have zero-rated supplies you can claim VAT on your expenses. Include all zero-rated supplies in the corresponding box under Box 1A of your return.

## 2. Exempt supplies

VAT cannot be charged on:

- sales by an unregistered person;
- sales of private property (e.g. a car or home not used for business);
- exempt supplies.

There are two categories of exemptions under the VAT Act, 2010:

- exempt imports; and
- exempt supplies

a) Exempt imports include:

- Some basic food considered as the basic essential goods (e.g. sugar, rice, milk, meat, vegetables, fruits, lentils, salts etc );
- Goods for consumable stores for use outside Seychelles;
- Electric bulb (energy savings);
- Goods imported to be used in the process of conservation.

(see First Schedule Part 1 of the Value Added Tax Act 2010 for the complete list of exempt import)

b) Exempt supplies include:

- education courses, course materials and related excursions or field trips for licensed educational institution.
- medical, health and care services for licensed medical provider.
- childcare service provide by a licensed provider.
- religious services and charitable activities by a registered body.
- penalty interest (Interest charged on overdue accounts is treated as an exempt supply).

(See First schedule (Part II) of the Value Added Tax Act 2010 for a more accurate list of exempt supplies)

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## Part 3 Completing and Filing your VAT Return



**Remember:** VAT is a tax on consumption paid ultimately, by final consumers, but collected and remitted to SRC by businesses.

You are personally responsible for the accuracy of the information provided on your VAT return. Ensure that you add all your personal details, including your "Taxpayer Identification Number", name and address on the VAT return and that all the other details on your VAT return are correct.



### 1. Complete your VAT return

To complete your return, work out the difference between:

- the VAT you have added to items or services you sold, and;
- the VAT you have paid on business expenses and purchases.

#### Step-by-Step Instructions for completing your VAT Return

When you are completing your VAT return, you should follow these basic step-by-step instructions (see Appendix 1 for a sample of the VAT return.) The instructions will direct you where you should fill in.



Do not forget to enter your name, address, TIN, and the relevant taxable period. Instructions are available at the back of the VAT return. Do not enter any figures in the shaded grey areas on the VAT return.

### How to calculate your VAT liability: “the VAT to be remitted to the SRC”

#### 1st step: Calculating your output tax

On your VAT return you will report the total amount of the VAT collected from your customers during the taxable period (the month mentioned on the top right corner of your VAT return).

**On line 1A** report the total sales on exports at standard rate exclusive of VAT (excluding capital asset used in your business).

**On line 1B** report the total VAT collected on the total taxable supplies at standard rate of 15%.

#### VAT-inclusive price and VAT exclusive-price

When adding VAT to the price of goods and services, multiply the amount by 15% to get the VAT-inclusive price. If the price already includes VAT, multiply it by 3 then divide by 23 to find out the VAT amount. Subtract this to get the VAT-exclusive amount. (Note:  $\frac{3}{23}$  is the same as  $\frac{15}{115}$ )

Adding VAT		Subtracting VAT	
Sale	SR 100 X 15%	Sale	SR 115 X 3 ÷ 23
<b>VAT</b>	<b>15</b>	<b>VAT</b>	<b>15</b>
Sale	SR 100	Sale	SR 115
Plus VAT	+ 15	Less VAT	- 15
VAT-inclusive	115	VAT exclusive	100

**On line 1.1A** report the total sales on exports.

**On line 1.2A** report the total sales on zero rated supplies that are not exports.

**On line 1.3A** report the total sale of capital asset excluding VAT.

**On line 1.3B** report the VAT collected on the total sale of capital asset.

**On line 2A** report the total sales value of exempt supplies made during the taxable period.

**On line 3B** report **adjustments** increasing or reducing the amount of your output VAT.

## Adjustments

*In some instances, you may need to calculate a VAT adjustment to either pay VAT, e.g. for a business asset used privately, or to claim back VAT that has already been paid, e.g. for a private asset used for business. (See Part 2 of this guide)*

*For other adjustments, you will need to work out the private or exempt portion of various income and expenses.*

*You may have to include **credit** and **debit notes** in your calculations when you are making an adjustment.*

- **Credit notes** are issued when the price of a supply has been reduced after a tax invoice was issued, e.g., the return of faulty goods.
- **Debit notes** are issued when the price increases after a tax invoice has been issued.

**Line 4B** is the total amount of VAT collected on taxable supplies plus or less adjustments (line 1B +/- line 3B).

### 2nd step: Claiming VAT Credits

The second part of your VAT returns deals with input tax credit that you may want to offset.

**On line 5.1A** report the total custom value (CIF) plus taxes but excluding VAT of imported goods.

**On line 5.1B** report the VAT incurred on imported goods.

**On line 5.2A** report the total cost of goods and services purchased locally exclusive of VAT.

**On line 5.2B** report the VAT incurred on goods and services purchased locally.

**On line 5.3A** report the total cost of capital goods imported or purchased for use in your business exclusive of VAT.

**On line 5.3B** report the VAT incurred on capital goods imported or purchased for use in your business.

**On line 6A** report input tax not allowed as credit.

When you can claim VAT credit	When you cannot claim VAT credit
<p>If you are a registered-VAT taxpayer you can generally claim a credit (or input tax credit) for any VAT included in a purchase you make if all of the following apply:</p> <ul style="list-style-type: none"> <li>● you intend to use your purchase solely or partly in carrying on your business;</li> <li>● the price includes VAT;</li> <li>● you have provided, payment for the item you purchased;</li> <li>● you have a tax invoice from your supplier.</li> </ul> <p><b>Note:</b> Your supplier must be registered for VAT before you can claim a VAT credit on a purchase. If you are in doubt you can:</p> <ul style="list-style-type: none"> <li>● ask if the supplier is registered for VAT;</li> <li>● check the SRC website at <a href="http://www.src.gov.sc">www.src.gov.sc</a> for the list of VAT registered businesses;</li> <li>● phone 4293737 to confirm the supplier's TIN is valid.</li> </ul> <p><b>Most common items you can claim VAT on</b></p> <ul style="list-style-type: none"> <li>● gas,</li> <li>● telecommunications-telephone, fax, internet service,</li> <li>● repairs,</li> <li>● Registration fees,</li> <li>● stationery, office supplies,</li> <li>● repairs to business assets,</li> <li>● consumables, packaging,</li> <li>● capital, fixed assets trucks, equipment,</li> <li>● rent of business premises.</li> </ul>	<p>You cannot claim a VAT credit for a purchase that you intend to use for either:</p> <ul style="list-style-type: none"> <li>● making exempt supplies, or</li> <li>● private or domestic purposes.</li> </ul> <p>There are other purchases you cannot claim a VAT credit for, even though VAT is included in the price. These include:</p> <ul style="list-style-type: none"> <li>● entertainment, accommodation, motor vehicles expenses.</li> <li>● Interest, bank fees.</li> </ul> <p>If you purchase goods or services that you use for both business and private use, you can claim a VAT credit for the part of the purchase relating to your intended business use.</p> <p><b>For example:</b> You buy a computer for SR 3,300 (including SR 430 VAT). You intend to use the computer 60% of the time for business and 40% for private purposes. You can only claim a VAT credit for the portion of your purchase that relates to your intended business use. This means you can claim SR 258 (60% of SR 430) as a VAT credit.</p>
<p><b>If you are in doubt on when you can claim VAT credit:</b></p> <ul style="list-style-type: none"> <li>● phone us on 4293741 for advice;</li> <li>● visit our advisory centre;</li> <li>● or email us on <a href="mailto:commissioner@src.gov.sc">commissioner@src.gov.sc</a></li> </ul>	

**On line 7B** report adjustments on purchases and expenses.

You can claim a deduction of the VAT paid on purchase of goods and services to the extent to which those goods and services are used for making taxable supplies. You must estimate on acquisition how you intend to use the goods or services and choose a determination method that provides a fair and reasonable result, which will be expressed as a percentage of the total use.

Example: Mr. B rents an office on a monthly basis for SR 23,000 (including VAT of SR3, 000). This office will be used both in Mr. B's business as a sole trader and for private purposes (his non-profit organization). The office is used 70% of the time for business purposes. Consequently, M. B claims 70% of the available input tax:  $SR\ 3,000 \times 70\% = SR\ 2,100$ .

### ***Price changes (credit and debit notes)***

Sometimes, the price of goods or services will change after you have prepared an invoice or made a payment. This is what you need to do;

#### **1. Reduction of the agreed price**

If you supply goods and services and reduce the price of the supply after issuing an invoice or receiving payment, you must include the amount reduced in the taxable period you made it.

This is usually the taxable period when the credit note was issued. If you have already issued a tax invoice, you must always issue a credit note.

The buyer must include the reduction shown on the credit note in the return for the period covering the time of reduction. This is usually the period when the credit note was received.

#### **2. Increase of the agreed price**

If you supply goods or services and increase the price of the supply after issuing an invoice or receiving payment, you must include the amount increased in the taxable period which you made it in.

This is usually the taxable period when you issued the debit note. If you have already issued a tax invoice, you must issue a debit note for any price increase.

The buyer must include the increase in the return covering the time the increase was made. This is usually the taxable period when the debit note was received.

### **Delayed settlement transactions**

Dishonored cheques: If a cheque is dishonored, it is as though the payment was not made and you do not account for it. But, if you have already filed your return and it includes a dishonored cheque, please contact us about correcting it.

**On line 8B** report the VAT carried forward from prior taxable period (line 11B of your last VAT return).

**On line 9B** report the total amount of VAT deductible (line 5.1B+ 5.2B +5.3B+7B+8B).

### **3rd step: Determining your VAT liability**

**On line 10** report the excess VAT (if 4B is greater than 9B) payable to SRC

**On line 11B** report your VAT credit (if line 9B is greater than line 4B) to be carried forward or refunded.

#### 4rd step: Claiming a VAT refund

##### How to file your claim for VAT refund?

When line 11B of your VAT return shows a credit:

- You are entitled to claim a refund for each taxable period (monthly) if you are an exporter;
- You are entitled to claim a refund if three successive VAT returns show a credit if you are not an exporter;

In both cases fill the row “claim for refund” and indicate the amount you would like to be reimbursed.

#### 5th step: Completing your BAS form

The VAT amount payable that you declare on your VAT return in Box 10A should be reported on your monthly BAS form under the VAT Section

*Extract of the BAS form*

Value Added Tax (VAT)			
	Rate	VAT amount (SR)	
VAT due and payable (Form box 10A of VAT Return)	15%		V1
other Payments:	<b>surcharge &amp; others:</b>		V2
Total VAT to remit (labels V1 + V2)			V summary
A VAT return must be attached for payment of VAT			

## 2. Filing and Paying

- ! Before you submit your VAT return to SRC, ensure that no mistakes have been made on the VAT return. If you realize you have made an error in a VAT return you have filed, which was caused by a clear mistake, simple oversight or mistaken undertaking that results in an under or overstatement of your tax liability, you can correct it in the next taxable period and calculate the adjustment, or the same taxable period by writing to us with the details. Do not forget to sign the declaration after completing the VAT return.

### a) Due dates for reporting and paying VAT

**Monthly:** If you report and pay on a monthly basis, the due date for lodging your VAT return and BAS form and paying any amount you owe on that statement is 21 days after the end of each month.

**Quarterly:** If you report and pay on a quarterly basis, the due dates for lodging your VAT return and BAS form and paying any amount you owe on that statement (including quarterly installment amounts) are by 21st of April, July, October and January.

**b) How to make payments?**

You can make payments:

- by post (but never send cash);
- by bank transfer;
- over the counter at Seychelles Revenue Commission Offices on Mahe, Praslin and La Digue;
- by using our drop box at Ocean gate House (for cheques payment only).

**!** For full details on payment options contact SRC on 4293737.

### FAQ about Filing VAT return

*If I have a nil VAT return do I still have to file?*

Yes - there are no exceptions. If you are a VAT registered you must always file your VAT return by the due date.

*If I cannot pay my VAT amount what should I do?*

File your VAT return, and then call us on 4293741 to discuss your payment options.

## Part 4 Explaining your Rights and Obligation

### 1. Record keeping

#### Key points

- To claim VAT credits, you must keep documents such as cash register docket, receipts or invoices to support your claims.
- All VAT invoices and other VAT records must be kept for 7 years.
- Keep all the paperwork that supports and explains your VAT figures.
- Complete records save you time.
- Make sure your TIN is clearly visible on all your VAT invoices

### 2. Basic accounting rules

For the purposes of Value Added Tax records, three accounts must be kept for bookkeeping, see Appendix 2

1. The VAT on Input Account - This account will usually show a debit (SRC "owes" you money for the VAT you have paid and that you are entitled to receive from them).
2. The VAT on Output Account - This account will usually show a credit (SRC is "entitled" to receive the VAT from you that you have collected on its behalf. The money is not yours and it is only temporarily in your possession until the due date for the payment of VAT). This account reflects the VAT collected on sales.

3. The VAT Debit and Credit account - This is the account to which the first two accounts are posted. The account balance may show a credit, the VAT to be paid to SRC or it may show a debit-the VAT to be refunded or carried forward.

### **3. VAT invoice**

- ! As a VAT-registered person you will need to give your customers 'VAT invoices.' A Sample of the VAT invoice can be seen in Appendix 3.

A VAT invoice should contain the following information:

- The heading 'VAT invoice',
- The name, address and TIN of the supplier,
- The name/business name and address of the purchaser,
- The date of issue,
- A description of the goods purchased or services provided,
- Total price excluding VAT,
- The amount of VAT charged ,
- The total price including VAT to the extent that each sale to which the document relates is a taxable sale.

### **4. Late filing**

If you do not file your return by the due date you will have to pay a late filing penalty. We will send you a statement advising you of the late filing penalty and the due date for paying it.

### **5. Late payment**

- ! Late payments will incur late payment penalties and interest.

Interest applies if you do not pay the amount due or you underpay. We will charge interest on the amount outstanding from the day after the original due date.

Interest is charged on the assessment and any penalties charged.

### **6. Payment arrangements**

If you cannot make your VAT payment in one period, you may have some options. To see what your options are call us on 4293737 or visit our advisory centres.

Do not wait until after the due date to contact us. You may be entitled to greater penalty reductions if you contact us before the due date.

### **7. Default assessments**

If you do not send us a return, we will estimate the amount of tax you should pay by a default assessment. There is a risk that this amount will be higher than what you actually owe. If you make a combined payment for VAT and provisional tax but do not file your return, we will use it to pay any VAT default assessment and late filing penalty first.

## 8. Audits

We may audit your business from time to time to check how your VAT records match up with the information on your VAT returns. This is a routine SRC activity and we will notify you of any upcoming visit. You are required to keep all financial records of your taxable activity for seven years. Failing to keep adequate VAT records is a very serious matter and can result in a penalty. For information about our audit process and your rights and obligations, read our VAT Manual.

## 9. Offences and penalties

Any registered person who does not comply with the VAT Acts 2010 commits an offence and may be prosecuted.

### Offences include:

- Failure to register when you are required to do so;
- Failure to file returns on due date, keep records, or supply information and invoices;
- Providing false information on your returns, invoices, records and anywhere else in connection with your tax affairs;
- Failure to provide a VAT invoice, a VAT credit note and a VAT debit note;
- Failure to remit the VAT due on due date.

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## Part 5 Cancelling your VAT registration

### a) You can cancel your VAT registration if:

- you stop making taxable supplies; or
- you are closing down or selling your business; or
- you expect your turnover to drop below SR 5 million and stay there for a while (minimum 12 months) if your business is registered on a compulsory basis; or
- you realize you no longer wish to be VAT registered if your business is registered on a voluntary basis.

### b) When you cancel you will no longer:

- Be able to charge VAT on your sales;
- be able to issue receipts and invoices showing VAT;
- have to file a VAT return;
- be able to claim VAT back from SRC;
- be able to claim refund from SRC.

### c) What you need to do

If you decide to cancel your VAT registration, you must let us know within


- 7 days of no longer making taxable supplies;
- 21 days of changing its status (whether legal or ownership)
- 14 days of no longer exceeding the VAT threshold

You can also deregister if you are no longer required to be VAT registered or you no longer wish to be VAT registered. You can do this by completing a VAT cessation form (see Appendix 4 for a sample of the VAT cessation form) and posting it to us or by calling us on 4293737. You will also need to send in a final return, up to your date of cancellation.

### d) What we will do

We will send a notice of your actual cancellation date to you which will normally be the last day of a taxable period. This may not be the end of your normal taxable period.

## APPENDIX 1: Sample of a VAT return

		<h1>Seychelles Revenue Commission</h1> <h2>VALUE ADDED TAX RETURN</h2>	
		P.O Box 50, Orion Mall, Victoria, Mahe, Seychelles Advisory Centre, Ocean Gate House, Victoria Tel: 4293737, 4293742 Fax: 4225565 Email: advisory.centre@src.gov.sc, Website: www.src.gov.sc	
		Taxable period Month: _____ Year: _____	
<b>BUSINESS INFORMATION</b>		<b>FOR OFFICIAL USE ONLY</b>	
Name: _____ _____ TIN: _____		Date received: _____	
<i>The return must be lodged together with the business activity statement if you are making a payment and sent to the Seychelles Revenue Commission, P.O. Box 50, Orion Mall, Victoria, Mahe, Seychelles no later than 21st of the month following the tax able period.</i>			
<b>OUTPUT TAX (supply of services and goods by you)</b>		<b>A</b>	<b>B</b>
		Vale in SR(exclusive of VAT)	VAT in SR
1	Taxable supplies (Standard Rate @15%)		
1.1	On export		
1.2	On zero-rated supplies (other than exports)		
1.3	On sale of capital asset		
2	Exempt supplies		
3	Adjustment (+or-)		
4	TOTAL OUTPUT TAX=(1B+1.3B+3B)		
<b>INPUT TAX (Imports and Purchases)</b>			
5	Input tax allowed as credit		
5.2	On import goods (excluding capital goods)		
5.2	On goods and services purchased locally		
5.3	On capital goods		
6	Input tax not allowed as credit		
7	Adjustment (+or-)		
8	VAT credit carried forward from prior taxable period		
9	Input tax credit (5.1B+5.2B+5.3B+7B+8B)		
<b>VAT LIABILITY</b>		<b>VAT due</b>	<b>VAT credit</b>
10	VAT payable(4B>9B)		
11	VAT credit(9B>4B)		
<b>CLAIM FOR REFUND</b>			
VAT credit reflected in line 11B can be either refunded or credit or carried forward to you next taxable period			
If you wish a refund indicate the amount that has to be reimbursed		_____	
<b>DECLARATION</b>			
I hereby declare that all the information on this form is true and correct			
Name: .....		Signature: .....	
.....		Date: .....	

## APPENDIX 2: Sample of Bookkeeping:

### Book keeping sample

1. The total purchases that you made amount to SR 1,000 plus SR 150 VAT on inputs.
2. The total sales you made amount to SR 4,000 plus SR 600 VAT on (output) transactions.
3. VAT Computation
5. Balance paid to SRC

	Debit	Credit
1. Purchases	1,000	
VAT on <b>transactions</b>	150	
Current account at bank		1,150
Purchases recorded for January		
2. Current account at bank	4,600	
Sales		4,000
VAT on <b>transactions</b>		600
Sales recorded for January		
3. VAT on <b>transactions</b>	600	
VAT on inputs		150
VAT debit and credit account		450
Transfer of surplus to debit & credit account		
4. VAT debit and credit account	450	
Current account at bank		450
Payment of VAT reported for January		

## APPENDIX 3: Sample of VAT invoice:

### SAMPLE VAT INVOICE


By: PTY Ltd  
Independence street  
Victoria, Seychelles  
TIN: 12345678

To: Superstore  
5<sup>th</sup> July Avenue  
Victoria, Seychelles  
TIN: 98765432

Date: July 1 2012

QTY	Description of supply	Unit price VAT exclusive	VAT	Unit price VAT inclusive	Total
20	Window frames	SR 1000	SR 150	SR 1150	SR 23 000
200	Tills	SR 30	SR 4.50	SR 34.50	SR 6900
-					
<b>Total VAT paid</b>		SR3900			
<b>Total amount paid (VAT included)</b>					SR 29 600

## APPENDIX 4: Application for cancellation of VAT registration

 <h1 style="margin: 0;">Seychelles Revenue Commission</h1> <h2 style="margin: 0;">APPLICATION FOR CANCELLATION OF VAT REGISTRATION</h2>					
<p>1. TAXPAYER IDENTIFICATION NUMBER: <input style="width: 60px;" type="text"/></p> <p>2. Compulsory <input type="checkbox"/> Voluntary <input type="checkbox"/></p> <p>3. Tax Year / Substituted Tax Year: <input style="width: 60px;" type="text"/></p>	FOR OFFICIAL USE				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Date received</td> <td style="width: 40%;"></td> </tr> <tr> <td>Receiving Officer</td> <td></td> </tr> </table>	Date received		Receiving Officer	
Date received					
Receiving Officer					

**SECTION A: PARTICULARS OF BUSINESS**

4. Business Name: .....

5. Business Address: .....

6. Tel No.: .....

7. E-mail address: .....

**SECTION B: CANCELLATION OF REGISTRATION**

8. I wish to cancel my VAT registration with effect ...../...../.....

9. Reason for cancellation of registration:

a)  My business ceased operation on ...../...../.....

b)  My business ceased to make taxable supplies on ...../...../.....

c)  My turnover did not exceed SR 5m in the last 12 month ...../...../..... to ...../...../.....

d)  My turnover is not expected to exceed SR 5m in the next 12 months

e)  Others (Please specify) .....

Please provide a brief explanation to reason stated under a, b, c or d above

.....

.....

.....

**SECTION C: BUSINESS TURNOVER**

10. Annual sales turnover (past 12 months) .....

11. Expected annual sales turnover (next 12 months) .....

12. Declaration:

I ..... hereby certify that the particulars provided in this application form are true and correct in every detail and shall be liable for any act done or omitted to be done while I remained a registered person in respect of taxable supplies made.

**Signature:** ..... **Date:** ...../...../.....

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