

Dear VAT Vendor

## **INTRODUCTION OF THE DYNAMIC VALUE-ADDED TAX VENDOR DECLARATION FORM (VAT201)**

Over the past three years, the South African Revenue Service (SARS) has been modernising and simplifying tax processes in line with international best practice. Improvements are being made continuously as we aim to better our service standards and increase efficiency and compliance.

One of the aspects of compliance that SARS wishes to address is the declaration and payment of Value-Added Tax (VAT).

As announced last year, SARS will be making changes to the VAT201 form aimed not only at improving its systems but also at addressing SARS's efficiency regarding risk assessment and tax compliance. This letter outlines the first of several improvements that will be introduced during this year as SARS progresses on its journey to modernise and improve its service offering to vendors.

The following changes will apply from 11 April 2011:

- Vendors who make electronic submissions and payments will be required to request their VAT201 forms electronically for them to be made available on their eFiling profile
- The new VAT201 form which is in landscape format has the same fields as the previous VAT201 form with the following additional fields:
  - Demographic information
  - The declarant's signature
- A Payment Reference Number (PRN) which will be pre-populated by SARS will replace the previous "reference number"

**Please Note:** The new VAT201 form has been pre-populated with the old "reference number", this is to afford the banks the opportunity to adjust their systems accordingly to accommodate the new PRN. All future VAT201 forms will have a pre-populated PRN.

### **Requesting VAT201 forms**

- Vendors need to note that from 11 April 2011 all VAT submissions are required to be on the new VAT201 form, including any submissions for periods prior to March 2011
- Vendors who request and submit their VAT201 forms and payments electronically will be able to do so from 11 April 2011. Should a vendor fail to timeously request a VAT201 form and the form is due for submission, the vendor will be in default of their VAT obligation and penalties and interest will be imposed
- Copies of VAT201 forms printed from eFiling and used for manual submission will not be accepted. Photocopied forms will also not be accepted

### **Making payments**

During the past two years SARS has implemented procedures and processes that provide taxpayers with an accurate record of payments and are less susceptible to fraud and inaccuracies. In an effort to further strengthen our procedures and processes the following rules now apply with regard to cheque payments as of 1 May 2011:

- SARS will no longer accept any cheque payment(s) which exceeds the total amount of R100 000 in respect of VAT at any SARS office or via post
- Vendors who have a turnover exceeding R30 million in any 12 month period must submit VAT returns in an electronic format and make VAT payments electronically

## New demographic fields

When completing the VAT201 form, you will be required to fill in mandatory demographic information under Contact Details on the form.

The following fields have to be completed:

- **First Name:** Fill in the name of the person responsible for completing the form
- **Surname:** Fill in the surname of the person responsible for completing the form
- **Capacity:** Fill in the capacity of the person responsible for completing the form
- **Bus Tel No:** Fill in the business telephone number of the person responsible for completing the form
- **Fax No:** Fill in the fax number of the person responsible for completing the form
- **Cell No:** Fill in the cellular telephone number of the person responsible for completing the form
- **Contact Email:** Fill in the email address of the person responsible for completing the form

## Payment Reference Number

The VAT201 form contains a new Payment Reference Number (PRN). This number will be pre-populated by SARS. The vendor must use this PRN when making VAT and Diesel payments to SARS in order to link the actual payment to the payment declared on the VAT201 form.

Please note that the unique PRN number on the VAT 201 form provided by SARS must be used when making payments. Each monthly VAT201 form that you request from SARS will have its own unique PRN which will be used to track individual payments and queries for that month only. You are therefore advised not to make photo-copies of your VAT201 form. This number should only be used once for that specific month's submission and payment.

**Please Note:** The new VAT201 form has been pre-populated with the old "reference number", this is to afford the banks the opportunity to adjust their systems accordingly to accommodate the new PRN. All future VAT201 forms will have a pre-populated PRN.

The 19-digit PRN is structured as follows:

- Digit 1-10 is your VAT reference number
- Digit 11 - 19 will be systematically allocated by SARS

For example: 4123456789VC2011091

## Declaration signature

After completing the VAT201 form, the person completing the form (the declarant) will be required to sign the declaration.

For further information or assistance visit a SARS branch, or call the SARS Contact Centre on 0800 00 7277.

Sincerely

**ISSUED ON BEHALF OF THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE**