



Tax updates

Important points to note about change in VAT rate to 14% w.e.f 1st April 2021

- 1) Taxpayers paying VAT (Category B) for period: March/April 2021-
Charge at 12% for March and 14% for April.
- 2) Deliveries made before 1st April, tax invoice and payment issued afterwards-
Charge at 14%.
- 3) Quotations made before 1st April, payment done before, invoice afterwards-
Charge at 12%
- 4) Agreement to supply done before 1st April, payment and invoice done afterwards-
Charge at 14%.
- 5) Construction contract entered before 1st April and the works are carried by the contractor before and after 1st April-
Supervising Engineer will determine, work done before 1st April charge @12% and work done after 1st April charge @14% .
- 6) Agreement for sale of residential property entered before 1st April, payment and transfer deed effected afterwards -
Charge at 12%
- 7) Agreement for sale of commercial property entered before 1st April, payment and transfer effected afterwards-
Charge at 14%

Taxpayers are advised to make suitable and timely changes in their Point of Sales/Accounting programs so as to reflect correct VAT rate effective from 1st April 2021. Keep records up to date and transparent since it is expected that BURS VAT teams can make surprise visit to ensure change in rates is correctly accounted at your business.

Best wishes from Team PASS

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