

These notes are for guidance only. They reflect the Law and the Department's position at the time of publication. They do not replace the Legislation or affect your Rights of Appeal about your tax position.

If in doubt, consult the Inland Revenue Department, VAT Section.

Each leaflet covers just one topic. Other leaflets you may find useful include:

What is VAT?
Should I be registered for VAT?
How to register for VAT?
After Registration
Basic Supply Rules
Mixed Supply Rules
Accounting for VAT
Reporting the VAT
Penalties and Offences under the VAT Act
VAT Legislative Overview
VAT and the Consumer
Filing VAT Returns
VAT Documents
Input Tax Deductions
VAT & Entertainment
Transitional Provisions

You can get further help and copies of forms and information leaflets from the Inland Revenue Department in Castries, Vieux Fort and Soufriere or The VAT Section, Manoel Street, Castries.

VAT REGISTERED!

What Happens Next?



For further information contact us at:

Tel: (758) 468 1420
Email: vatcoordinator@vat.gov.lc
vatinfo@vat.gov.lc

Website: www.vat.gov.lc

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Inland Revenue Department

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This leaflet speaks to the criteria for and gives basic information on what is required after you have registered for VAT.

I have applied to be registered! :what happens next?

Following the receipt of a valid application for registration and the Comptroller is satisfied that you should be registered; he will within 21 days inform you in writing that you are registered.

The Comptroller will also send you a Registration Certificate which will show:

- The effective date of registration, and
- Your Taxpayer Identification Number (TIN)

What should I do with this Certificate?

You must display the Certificate in a prominent position at your principal place of business.

If you carry on your activities at other locations you must display a certified copy of the Certificate at every location. The Inland Revenue Department (IRD) will provide you with certified copies of the Registration Certificates. There will be no charge for this service.

Your future obligations

Once you are registered you must inform the IRD of any changes in the name (including business name or other trading name), address, place of business or nature of the taxable trading activity within 21 days of the change occurring. This can be done by completing VAT Form 002 "Application to Change or Cancel Registration." If you have sold all or part of a business, you must inform the IRD within three calendar days.

Display your Prices VAT Inclusive

You are required to display VAT inclusive prices on your goods and service.

Collect VAT on all Standard Rated Sales

Once registered, you must charge VAT to your customers on all standard-rated/taxable items.

Issue VAT invoices and receipts

You must issue VAT invoices to other registered businesses and sales receipts to non-registered persons. Invoices and receipts should have a proper description of goods or services purchased, the price, your Tax Identification Number (TIN), your purchaser's TIN and the total VAT paid.

File your VAT Return on the 21st of every month

You are required to file your VAT return and pay any tax due to the IRD by the 21st of every calendar month. In the event that the 21st day falls on a weekend or a public holiday, the deadline for filing will be extended to the following working day.

Failure to file returns on time will attract a penalty of \$250.00 and failure to pay on time, will attract a penalty of 10% of the tax due plus 1.25% interest per month.

If you foresee a reason that would prevent you from filing on time, you should write to the IRD before the deadline for filing and request permission to file your return late, stating the reason for your request.

If you have submitted a return with an error you should complete and submit VAT Form 003a "Disclosure of Error on VAT Returns Filed" accompanied by a letter stating the reason for your error to avoid any penalties.

If you have challenges paying on time, you should contact the IRD to discuss your situation and arrange a payment plan.

Retain your records in a safe place

Records are to be retained in English for a period of six years after the end of the tax period to which they relate. Where the accounts are produced and kept by means of a computer record, all documents, disks, and tapes are to be stored in a manner so as to preserve all such information. All changes made and the dates they were made should be noted in chronological order.

The records must be kept in a form, and contain information, which will enable the Comptroller to determine a registered person liabilities and obligations under the Act; or the amount of any refund to which the registered person is entitled.

The records must be completely up-to-date and must easily relate to the figures shown on the tax return for each tax period. A tax period is a calendar month.

Examples of books and records include:

- **Certificate of Registration**
- **Tax invoices;**
- **Sales receipts;**
- **Cash register tapes and summary receipts;**
- **Tax debit and credit notes;**
- **Purchase invoices/import and export documents;**
- **Purchases & sales day books;**
- **Export documents;**
- **Day book, daily transaction summary;**
- **Credit and debit notes;**
- **Charts and code of accounts;**
- **Accounting instruction manuals;**
- **Stocktaking figures (Inventory)**
- **List of debtors and creditors**
- **List of assets and liabilities**
- **Financial statements;**
- **Computerized records including, system and programme documentation which describes the accounting systems maintained on a computer, computer tapes, disks and other similar devices;**
- **Bank statements and cheques; and**
- **Any other information relating to the taxable business and related businesses.**

Assurance Visits from Tax Officers

Finally, as the IRD often undertakes audits to examine your financial affairs, verify you have paid the correct amount of tax and determine that you are complying with the tax laws, you would be required to be cooperative with staff to ensure that the audit goes smoothly.