

THE VALUE ADDED TAX ACT

(No. 35 of 2013)

THE VALUE ADDED TAX (ELECTRONIC TAX INVOICE)
REGULATIONS, 2020

ARRANGMENT OF REGULATIONS

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THE VALUE ADDED TAX ACT

(No. 35 of 2013)

IN EXERCISE of the powers conferred by section 67 of Value Added Tax Act, 2013, the Cabinet Secretary for the National Treasury and Planning makes the following Regulations—

THE VALUE ADDED TAX (ELECTRONIC TAX INVOICES) REGULATIONS, 2020

3. These Regulations may be cited as the Value Added Tax (Electronic Tax Invoices) Regulations, 2020. Citation.
4. In these Regulations, unless the context otherwise requires— Interpretation.
- “authorised officer” means an officer appointed under section 3 of the Tax Procedures Act, 2015; No. 29 of 2015
- “Personal Identification Number” or “PIN” has the meaning assigned to it under section 2 of the Tax Procedures Act, 2015; No. 29 of 2015
- “register” means an electronic tax invoicing or receipting system that is maintained and used in accordance with these Regulations; and
- “user of a register” means a person registered under section 34.
5. These Regulations shall apply to a person registered under section 34 of the Act. Application.
6. (1) A user of a register shall use the register in accordance with these Regulations and ensure that— Use of a register.
- (a) each sale is recorded with the use of the register;
- (b) an invoice is generated in respect of each sale;
- (c) each invoice generated in respect of each sale shall contain the information specified in regulation 7.
- (2) The user of the register shall—
- (a) transmit or deliver the invoice generated with respect to a purchase to the purchaser; and
- (b) transmit or deliver the invoice details to the Commissioner in accordance with regulation 9 (a) .
- (3) A register shall be exclusively used by the registered user of that register.
7. (1) The user of a register shall ensure continuity of operations of the register if there is an interruption of power supply. Availability of a register.

(2) Where a user of a register cannot use the register for any reason, the user shall—

- (a) notify the Commissioner in writing within twenty-four hours of the user's inability to use the register; and
- (b) record sales using any other means as may be specified by the Commissioner.

(3) Once the user of a register is able to use the register, the user shall enter into the register the sales recorded under paragraph (2) (b).

8. (1) A user of a register shall—

Obligations of the user of a register.

- (a) ensure availability of the register at the point of sale;
- (b) facilitate the inspection of the register by an authorised officer;
- (c) ensure the register is regularly serviced to ensure the register's proper functioning at all times;
- (d) keep and maintain a register ledger in which a record of the servicing of the register shall be entered and which shall contain—
 - (i) the name and address of the person servicing the register; and
 - (ii) an entry for each time the register is serviced, describing the servicing and shall be signed by the person performing the service; and
- (e) comply with such other requirements as may be specified by the Commissioner.

(2) Where a user of a register intends to discontinue the use of a register due to—

- (a) closure of business;
- (b) cessation to supply vatable supplies; or
- (c) any other reason,

that user shall notify the Commissioner, in writing, of the intended discontinuation within thirty days prior to the discontinuation.

(3) Where a notification has been made under paragraph (2), the Commissioner may, by notice in writing and within thirty days, retire the register.

9. (1) A tax invoice generated from a register shall contain—

Tax invoices,
credit notes and
debit notes.

- (a) the PIN of the registered user of a register;
- (b) the time and date of issuance;
- (c) the serial number of the invoice;
- (d) the buyer's PIN;
- (e) the total gross amount;
- (f) the total tax amount;
- (g) the item code of supplies (for exempt, zero-rated and other rate supplies) as provided by the Commissioner in accordance with the Act;
- (h) a brief description of goods and services;
- (i) the quantity of supply;
- (j) the unit of measure;
- (k) the tax rate charged;
- (l) the unique register identifier;
- (m) the unique invoice identifier;
- (n) a quick response (QR) code; and
- (o) any other requirement as may be specified by the Commissioner.

(2) Where a user of a register issues a credit note or debit note, the credit note or debit note shall indicate the PIN and invoice number to which the supply relates.

10. A register shall—

Specifications of a
register.

- (a) be capable of interconnectivity with information technology networks;
- (b) have sufficient storage to maintain records;
- (c) display clear messages in the official languages;
- (d) be secure and tamperproof; and
- (e) be capable of—

- (i) integrating with the Authority's systems;
- (ii) transmitting or connecting to a device that will transmit the recorded data to the systems;
- (iii) allowing updates for any changes in the tax laws; and
- (iv) capturing the information required under these Regulations.

11. A register shall be capable of—

Transmission of invoice data and security.

- (a) transmitting to the Authority's system the tax invoice data and the end of day summary of the respective day's data in the manner specified by the Commissioner;
- (b) printing or providing stored data;
- (c) storing data in an unintelligible manner to persons not authorised to access it;
- (d) maintaining the integrity of the data;
- (e) securing authentication for authorised users;
- (f) capturing the log of all activities; and
- (g) assigning a unique identifier to each invoice.

12. (1) A person commits an offence if that person—

Offence.

- (a) fails to comply with any of the provisions of these Regulations; or
- (b) tampers, manipulates or interferes with the proper functioning of the register.

(2) A person convicted of an offence under these Regulations shall be liable to pay the penalty specified under section 63 of the Act.

13. A person who is registered under section 34 of the Act shall comply with these Regulations within a period of twelve months from the coming into operation of these Regulations:

Transitional provisions.

Provided that—

- (a) where the person is unable to comply with these Regulations within the period specified under this regulation, that person shall apply to the Commissioner for the extension of time which shall not exceed six months; and
- (b) the application under paragraph (a) shall be made at least thirty days before the expiry of the period specified.

Date the 10th September, 2020.

UKUR YATANI,

Cabinet Secretary for National Treasury and Planning.