



FAQs: Sekulula / VAT Easy Refunds

- i. Does the implementation of the Refunds System mean that all invoices issued by South African suppliers who are registered as SARS VAT vendors should include VAT?**
No because some goods are supplied as direct exports which are not subjected to VAT in the country of export.
- ii. If a company buys goods exceeding E5000, the name to be reflected on the tax invoice should it be that of the owner of the goods or the one bringing the goods into Swaziland (agent's driver)?**
The tax invoice should bear the name of the buyer/ owner of the goods

iii. What happens if SRA rejects an invoice, but the supplier indicates that the issue can be resolved by issuing a compliant tax invoice?

The importer has an opportunity to rectify the tax invoice and resubmit it. However, when an invoice is rejected, import VAT has to be paid before the goods can be released. The importer will be allowed to submit the corrected tax invoice at the border where the goods were initially imported together with all the required claim documents for the SRA to claim the refund from SARS on behalf of the importer.

iv. Can tax invoices for goods imported through the non- designated borders be forwarded to SARS for purposes of claiming the VAT paid in South Africa?

No; this is because the Refunds System works only when goods have been imported through one of the designated borders.

v. What will happen to amounts deposited as prepayment by importers where the cash accounts are still remaining with credit balances; will the SRA refund all the cash in the cash account?

No, because not all imported goods will be processed under the VAT Refunds System, those imports where invoices do not qualify will be cleared as per the normal processes, i.e. through prepayment account if the client has been using this option. Moreover, where the client has declared freight and or insurance, the VAT on these charges is not recovered under the VAT Refunds System, but has to be paid for using the cash account.

Thus a client's credit balance will still be utilized in the instances where the VAT Refunds System does not apply.

vi. If goods are purchased from a non-registered vendor and exceed R1000, am I entitled to the E1000 allowance at the border?

Yes

vii. What if I forgot to mention my name and address to the supplier but he provides the tax invoice, will I pay VAT to SRA?

Yes because where a tax invoice does not qualify the importer must pay VAT when the goods are imported.

It is important to note that once the consideration exceeds or is above ZAR 5, 000.00, the invoice should meet the requirements of a full tax invoice. Therefore such invoices should bear the name and address of the buyer in addition to the other features of a tax invoice. If these requirements are not met, the tax invoice will not be accepted under "Sekulula".

- viii. **What if the importer discovers that the goods delivered are not as per his order or are somehow defective, what can he use as proof of purchase so that the goods can be sent back since SRA will have taken the original invoice?**

Importers are encouraged to make provisions for additional tax invoice copies which the SRA endorses as confirmation that the original was retained for purposes of the VAT Refunds System.

- ix. **Will VAT be refunded on motor vehicles and other registrable items without proof of registration in Swaziland?**

A claim for registrable items is complete only if there is proof that the item has been registered in Swaziland, where this is not provided, the claim is considered invalid and is therefore rejected.

- x. **How long does it take to receive the refund claimed in respect of second hand goods as well as motor vehicles and other registrable items?**

SRA will forward all claims received for payment to SARS within two weeks from the time these claims are received from importers. SARS will refund VAT in respect of these goods only after a verification of the claims has been conducted. The period of verification differs from case to case and this makes it difficult to stipulate a specific timeframe.

- xi. **When claiming VAT paid in respect of second hand goods or motor vehicles, whose passport copy should be submitted with the remittance claim form - should it be of the owner of the goods or of the person who prepared the declaration forms?**

*The **copy** of the passport is required only where a claim is in respect of VAT paid on motor vehicles (new or used) and this should be the passport copy of the owner of the motor vehicle.*

*For all other claims (including second hand goods) only the passport **number** of the person who actually imports the goods and prepares the customs declaration forms is required; a copy of the passport is not required.*