



ISO 9001:2015 CERTIFIED

PUBLIC NOTICE

INTRODUCTION OF UPGRADED VAT ELECTRONIC FILING SYSTEM

Dar es salaam, Thursday, February 03, 2022

1.0 Background Information

Tanzania Revenue Authority (TRA) wishes to inform Value Added Tax (VAT) registered traders and the general public that, it has upgraded its electronic system of filing VAT returns. The upgrade comes with a view to improve taxpayer's VAT return filing through simplified filing processes.

The upgraded VAT e-filing system shall be rolled out effectively from 1st March 2022 and therefore shall become operational for ***VAT returns of the month of March 2022*** that are due for submission on or before ***20th April 2022***.

2.0 Advantages of the Upgraded System

The upgraded VAT e-filing system comes with a number of advantages to users including, but not limited to the following:

- Enhanced user experience where the taxpayer will use single e-filing account contrary to the current practice where VAT filing uses a separate account;
- Simplified filling of returns whereby the taxpayer shall only key in Verification Code for the purchases made, to simplify the current practice where the taxpayer was required to key in more details like Supplier's Name, VAT Registration Number, Tax Invoice Number, Date of Invoice, Amounts of purchase and VAT involved;
- The upgraded system enables the users to effect adjustments resulting from occurrence of adjusting events as provided for in the tax law. This upgrade simplifies the current practice where the taxpayer has to write a letter to the Commissioner to notify occurrence of the adjusting events;
- The upgraded system enables automatic apportionment of input tax for eligible taxpayers;
- The upgraded system shall issue an acknowledgement of receipt of return and an assessment of tax to the taxpayer immediately upon accomplishment of filing process.

3.0 Operational Features of the Upgraded System and Salient Issues to Observe

The upgraded system comes with improved operational features to increase convenience and enhance compliance among users. The key operational features that are worth noting includes the following:

- The system shall be accessed through the TRA website (www.tra.go.tz) using the same e-filing account used for other tax returns like PAYE, SDL and Returns of Income;

- The system shall only accept EFD receipts/invoices with verification code for input tax claim. Accordingly, receipts without verification code shall automatically be rejected effective from the return of the month of March 2022;
- The system shall only accept EFD receipts/invoices with buyer's TIN for input tax claim. Therefore, receipts without buyer's TIN shall be automatically rejected with effect from March 2022 return;
- The system shall only accept input tax claims on imports that are supported by valid TANSAD;
- The system shall automatically make verification of validity of receipts/invoices or TANSAD;
- The system shall not automatically carry forward the Negative Net Amount (Repayment position) for February 2022 VAT return existing in the current unless the repayment amount is verified by TRA and subsequently allowed to be accounted for in March 2022 VAT return in the new system.

In order to comply with the requirements of the new system and therefore avoid any inconveniences, VAT registered traders are urged to observe the following:

- Because the repayment position will not be automatically carried forward, all traders with Negative Net Amount (Repayment position) for the ***return of the month of February 2022*** should apply for VAT refund (for those eligible) or notify the respective TRA offices of their positions for audit or verification of that position before the same is allowed to be carried forward in respective tax return in the new system;
- All traders should upgrade their EFD machines to Protocol 2.1 in order to issue receipts/invoices with verification codes. Receipts issued by EFD machines not upgraded to protocol 2.1 shall not be allowed to claim Input tax;
- Traders should avoid using invalid receipts/invoices or TANSAD in order to avoid any consequences and inconveniences that may arise during filing process and after; and
- In making payments of VAT, taxpayers must use the Tax Debit Numbers from the tax assessments issued.

TRA will issue periodic guidance and conduct trainings to taxpayers and other stakeholders to enhance and impart knowledge in order to ensure proper use of the new system. TRA urges all taxpayers and stakeholders to take note of various TRA guidance that are issued from time to time and to attend prospective trainings and sensitization sessions.

For further information, please visit your nearest TRA office or use the following contacts to communicate with us: -

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Commissioner General