

GUIDELINES ON USAGE OF INVOICES UNDER THE UPGRADED VAT RETURN E-FILING SYSTEM

1.0 Introduction

TRA has rolled out an upgraded system for VAT electronic filing as part of its recent push to leverage technology and to enhance the tax compliance. The following are the additional guidelines issued by TRA to enhance the understanding of the users and the public at large.

2.0 Tax Invoices must meet the following qualifications

All traders and customers must ensure that a Tax invoice contains all the following characteristics in order to be accepted by the upgraded system for electronic filing of VAT returns:

- Name and Vendor VAT Registration Number (VRN)
- Taxpayer Identification Number (TIN) of the buyer
- Identification Number (Verification Code)
- QR Code
- Must be issued by a valid TRA registered machine
- Must be claimed within 6 months from the date of issue
- Must not be claimed in the period prior to the date of purchase

Buyers of goods and services must make sure they claim valid receipts that meet the above requirements to be able to claim Value Added Tax (VAT) under the new system.

3.0 Consumer considerations in Proof of Tax Invoices

The buyers of all goods or services and taxpayers in general are required to carry out the following to ensure the receipt of a valid receipt/ invoice:

- Verify that receipts / invoices meet the criteria (a) to (d) as mentioned in point 2.0 above.
- Verify the validity of receipts by scanning the QR code of the receipt/ invoice. Alternatively, verify the QR code using the TRA tool at <https://verify.tra.go.tz>.
- Ensure that the information displayed on the TRA systems (as per point b above) is consistent with the information contained in the relevant receipt / invoice (as per point I above) provided by the seller.

4.0 Key points to consider by the seller when issuing tax invoice

A seller is responsible to issue correct sales receipt/ invoice to the buyer by ensuring the following:

- Entering the customers' TIN accurately and completely in 9-digit order without any marking such as dots, commas or leaving spaces between those digits. For e.g. '999999999' is a correctly entered TIN. However, all the following patterns of TIN entered are incorrect. The TRA system will reject a valid receipt when the customer TIN

is incorrectly entered as mentioned below.

- 999999999
- 999-999-999
- 999 999 999

- All sellers are required to refrain from making any adjustments to the Tax invoice by printing the Invoice / other receipt similar to the incorrectly issued and giving it to their customers as doing so would deceive the customers and cause them unnecessary inconvenience.

5.0 Rejected Tax Invoices.

Any tax invoice falling short of the qualifications above is defective and will be rejected by the system. If the system rejects a valid and verified tax invoice, the customer must do the following:

- Remove the rejected receipt from the return and submit the return so as to obtain a Tax Assessment.
- Submit to TRA a list of verification codes of the rejected receipts for verification. If the receipts are proved to be valid, amendments will be made to the Tax Assessment by the TRA to indicate the correct amount of tax due.

Furthermore, taxpayers are required to attend training, improvements and consultations on issuing and receiving receipts / invoices on receipt of notification from the TRA. Tax collectors and all stakeholders of the VAT E-filing system are required to adhere to the various guidelines issued by the Authority to bring efficiency in the use of this system. In case of any further advice / more information required, you can contact TRA using the following:

Website: www.tra.go.tz

Toll Free Phone: 0800 750 075; 0800 780 078

WhatsApp: 0744 23 33 33

Email: services@tra.go.tz; services@tra.go.tz

Source: <https://www.instagram.com/p/CcYCp-5N8vR/?igshid=MDJmNzVkMjY=>

6.0 Importation

Additionally, an observation on VAT on imports has been made that the upgraded e-filing system only allows the claim of VAT on Import on the following conditions:-

- The month in which the goods have exited the port.
- Within 6 months from the date of exit from the port.

Please note that the payment of VAT on imports will not warrant a claim in the month of payment as per the upgraded VAT e-filing system.

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