



*South African Revenue Service*

Dear Vendor

### **VAT ACCOUNTS WILL BE EASIER TO MANAGE**

As from September 2011 you should find it easier than ever to manage your VAT accounts – because that's when the South African Revenue Service (SARS) will introduce another set of features to help VAT vendors meet their tax obligations.

The features to be implemented form part of SARS's objective to modernise VAT for greater efficiency and improved customer service. The new features are a VAT payment allocation function and the introduction of a new format VAT Statement of Account.

The VAT payment allocation function will enable vendors to allocate payments, to reallocate payments and to locate missing payments. All these functions are available on eFiling and can be performed by vendors without requiring any SARS intervention. Manual filers and those eFilers that require assistance can approach SARS for assistance in making these allocation adjustments at any SARS Branch. These functions provide vendors with the ability to:

- Allocate any unallocated portion of a payment made on or after 1 June 2011. For example, a vendor incorrectly made a payment of R1000 for the June period when in fact the payment should have been split between the May (R200) and June (R800) periods. Using this function the vendor can correct the June over-allocation by re-allocating the excess payment of R200 to the May period.
- Request the reallocation of a payment that has already been allocated to a tax debt. For this, authorization is required by SARS before the request is processed and the account is adjusted. For example a vendor owes SARS a payment of R400 for May but incorrectly references the payment as a June period payment when paying, resulting in the payment being allocated to a June tax debt. The vendor will be able to request SARS to reallocate the payment by selecting the payment and indicating what the allocation should be, in this case, to the May tax period.
- Trace and report any missing payments that were made on or after 01 June 2011. When logging these requests, vendors are required to provide SARS with evidence of the payment, such as a deposit slip, and details relating to the payment date, payment amount, the payment reference used at the bank, as well as the relevant payment reference number or "PRN" (which indicates the period to which the payment should have been allocated). SARS will inform the vendor by letter whether such payment has been located or not. If the payment is located, SARS will allocate the payment to where it was originally supposed to go.

The VAT Statement of Account (VATSA) is similar to the Employer Statement of Account (EMPSA) and will be issued by SARS as per the vendor's registered category on a regular basis. The VATSA contains information which will empower vendors to manage their VAT accounts by giving them insight into their transactions per tax period. Vendors will also be able to request the VATSA through the following channels:

- eFiling
- SARS branch
- SARS Contact Centre

These new functions complement the other enhancements SARS has already introduced, namely:

- A new VAT201 declaration for easier processing
- The ability for vendors to request for correction on their VAT201 declarations
- The Payment Reference Number (PRN) linked to a payment period
- A consistency check, to help vendors avoid simple and unnecessary mistakes.

It is SARS' intention to also add the VAT payment allocation function and the new format VAT Statement of Account to the e@syfile solution in the near future.

For more information on VAT, please call the SARS Contact Centre on 0800 00 7277 or go to [www.sars.co.za](http://www.sars.co.za) >Tax Type> Value-Added Tax (VAT).

Sincerely

**ISSUED ON BEHALF OF THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE**