EXTERNAL

FREQUENTLY ASKED QUESTIONS

VAT SUPPORTING DATA

1   PURPOSE

● This frequently asked questions document (FAQs) has been compiled to explain the basic principles of the VAT Supporting Data Process.

● This document should not be used as a legal document.

2   SCOPE

● The target audience for this document are vendors registered for VAT only.

3   REFERENCES

TYPE OF REFERENCE	REFERENCE
Legislation and rules administered by SARS:	**Value-Added Tax Act No.89 of 1991**
Other legislation:	**None**
International instruments:	**None**

4   DEFINITIONS AND ACRONYMS

Term	Description
BRS	Business Requirements Specification
e@syfile	Submission channel that a vendor can use to submit returns
eFiling	Submission channel that a vendor can use to submit returns
FTP	File Transfer Protocol
Line item supporting data	The data contained on a tax invoice for all the line items appearing on that tax invoice.
PSV	Pipe Separated Values
SARS	South African Revenue Service
Summary level supporting data	Data, used for completion of the VAT201,i.e credit note, debit note, contract information, that is obtained from the accounting software and submitted to SARS.
Supporting data	Physical or scanned images of documents supporting the completion of the VAT201.
Supporting documents	Supporting data on a summary level means that for a tax invoice, only the total tax invoice amount or the total VAT amount on the invoice must be supplied(amongst other fields as specified in this document) as opposed to the amounts for each line item on that tax invoice.
VAT201	Return submitted by the vendor according to the vendor's registration category.
Vendor	A person who is registered for Vat purposes
XBRL	eXtensive Business Reporting Language

5 FREQUENTLY ASKED QUESTIONS

QUESTION	ANSWER
1. **What will happen once a VAT201 return has been submitted?**	SARS will evaluate the VAT201 return and determine the need to request a revised VAT201 return or supporting data or documents.
2. **What happens if SARS has a query on the VAT 201 return that was submitted?**	If SARS' systems have a query on the VAT201 return, a notice will be sent to the vendor (depending on the channel used by the vendor) informing the vendor that the VAT201 is being evaluated and that the vendor must either revise the VAT201 (if any errors are found on the return that was submitted) or submit supporting data or supporting documents.
3. **What is VAT Supporting Data Submission?**	If a vendor's VAT201 is selected for verification, the vendor will have the choice to either revise the VAT201 or submit supporting data or to submit supporting documents. VAT Supporting Data Submission is the process by which a vendor can submit VAT 201 supporting data to SARS. Firstly the summary level VAT supporting data is submitted to SARS. Refer to Definitions for a description of what summary level supporting data is. Once the summary level supporting data is authorised by the vendor it is evaluated by SARS. If SARS has a query on the summary level data, the vendor is requested to provide SARS with the line item level data. Refer to Definitions for a description of what line item level supporting data is. Once the line item level supporting data is authorised by the vendor it is evaluated by SARS. If SARS has a query on the line item level data, the vendor will be audited. If SARS does not have a query on either the summary or line item level supporting data, the evaluation process ends and the vendor's refund will be released.
4. **What are the channels available for submitting VAT supporting data?**	The following channels are available: • Direct data flow – utilising the connect direct software to enable vendors to submit supporting data from their source system directly to SARS; and • e@syFile™ VAT– utilising the e@syFile™ VAT application to enable vendors to either upload supporting data from their source systems or manually capture supporting data on the application and submit to SARS online.
5. **What does Direct Data Flow Channel entail?**	This channel allows data which is extracted from the vendor's accounting package to be submitted in a prescribed format directly to SARS' systems. Once the vendor has submitted data on the Direct Data Flow Channel for the particular tax period in question, the vendor will be able to login to eFiling to view a synopsis of the supporting data submitted and then authorise the submission of the supporting data.
6. **What does e@syFile™ VAT channel entail?**	This channel provides vendors with the ability to upload or manually capture supporting data for submission to SARS; while also facilitating the authorisation of the data submission.
7. **What other offerings do these channels provide?**	On the Direct Data Flow channel, the vendor is only able to submit supporting data. The e@syFile™ VAT channel allows the submission of a VAT201 return (online), the submission authorisation of supporting data, the upload and submission of supporting documents, request for a VAT Statement of

QUESTION	ANSWER
	Account and to make payments.
8. How does the data submission process work in general?	SARS has implemented a modernised 3rd party data platform on which bulk data submissions can be made from taxpayers to SARS for certain data types, e.g. VAT supporting data, Dividends Tax data, IT3 data. The vendor chooses the channel on which the data is going to be submitted. The vendor submits any number of files on the data submission channel for the tax period in question. Every file that is received is validated by SARS against the specifications defined in the VAT Supporting Data External Business Requirements Specification document. A response message is sent back to the vendor to inform the vendor of the outcome of the validation. Refer to **How is data authorisation done** for more information on the authorisation process. Once the data is authorised, the VAT supporting data is further evaluated by SARS systems.
9. What is the VAT500?	The VAT500 is a letter issued to the vendor which facilitates the authorisation of summary level supporting data. The VAT500 displays the values on the VAT201 return that was submitted by the vendor next to the summary level supporting data totals as received from the data file(s) submitted by the vendor. The VAT500 then displays any differences between the VAT201 values and the totals of the summary level supporting data.
10. What is the VAT501?	The VAT501 is a letter issued to the vendor which facilitates the authorisation of line item level supporting data. The VAT501 displays the totals of the line item level supporting data received next to the summary level data on which SARS has a query. A difference column displays any differences between the line item level supporting data and the summary level supporting data.
11. Why is data authorisation required?	SARS requires the vendor to authorise data submission to SARS for the tax period in question. The authorisation step allows the vendor the opportunity to view the result of all the data files submitted. Only once the data has been authorised, will the data be analysed by SARS.
12. How is data authorisation done?	With every file that a vendor submits, either a VAT500 for summary level supporting data or a VAT501 for line item level supporting data is generated and sent to the vendor on eFiling (for data submitted on the Direct Data Flow channel) or on e@syFile™ VAT. The vendor must open the authorisation letter (VAT500 or VAT501). The vendor must then decide whether the data submission is correct and complete. If the vendor realises that the incorrect data was submitted, the vendor can correct the data and re-submit to SARS. If the vendor realises that the submission is incomplete the vendor can submit more files and each time view the authorisation letter until the letter displays the correct values. Once the vendor is satisfied with the values as displayed on the authorisation letter, the vendor can authorise the data submission.
13. What happens if the VAT500 or VAT501 is not authorised?	The vendor can choose to authorise the data on the VAT500 or VAT501. If the vendor chooses not to authorise the data and the due date for submission and authorisation of the data is passed, SARS may issue an assessment to the vendor.
14. What happens if SARS has a query on the	Once the summary level supporting data is authorised by the vendor it is evaluated by SARS. If SARS has a query on the summary level data, the

QUESTION	ANSWER
summary level supporting data?	vendor is requested to provide SARS with the line item level data. A letter will be sent to the vendor on the channel that the vendor uses. Together with this letter, a request file will be sent to the vendor on the vendor's channel. The request file will list all the summary level supporting data items for which SARS is requesting the line item level supporting data. If SARS does not have a query on the summary level supporting data, the evaluation process ends and the vendor's refund will be released.
15. What happens if SARS has a query on line item level supporting data?	If SARS requested the vendor to submit line item level data, the vendor must submit the requested data to SARS. Once the line item level supporting data is authorised by the vendor it is evaluated by SARS. If SARS has a query on the line item level data, the vendor will be audited. If SARS does not have a query on line item level supporting data, the evaluation process ends and the vendor's refund will be released.
16. What happens if there are errors in a summary level supporting data file or a line item level supporting data file submitted? E.g. wrong data formats.	Upon the receipt of a file, SARS validates the file to determine whether it is in alignment with the specifications of the VAT Supporting Data External Business Requirements Specification published on the SARS website. A response message is sent back on the channel from which the data was submitted to inform the vendor of the outcome of the validation result. The vendor can then rectify any errors in the data and re-submit the data.
17. How is data submitted on the e@syFile™ VAT channel?	To transfer data the following must be done: • Use an import file as the mechanism to transfer the data from the vendor's accounting package to the e@syFile™ VAT software; • Submit the data online from e@syFile™ VAT and • Authorise the submission from e@syFile™ VAT
18. How are data transferred through the Direct Data Flow Channel?	Data are transferred as follows: • Subscribe to the channel to enable SARS to issue the required security certificate to authenticate file submissions; • Submit files on the Direct Data Flow channel and • Access eFiling profile to authorise the submission of the supporting data to SARS.
19. Are there any import structures prescribed by SARS for importation of files?	The following two import file structures are prescribed: • One for containing the summary level supporting data; and • One for containing the line item level supporting data
20. How are the two file structured?	The two files are structured as follows: • Submission File Header-containing fields in order to identify the file and to process it accordingly; • Vendor data header containing the fields identifying the vendor and VAT identification data related to the vendor; • The body of the file contains the financial data; and • Trailer to ensure that the file is complete.
21. Each file has sections like	Each section (e.g. header, body, trailer) in the file must start as a new

QUESTION	ANSWER
header, body and trailer. My understanding is that each of these sections should begin in a separate line in the file. Is that right?	line in the file with the associated Section Identifier as the first field. From the external BRS for clarification of the use of the pipes: • A delimited file format will be used, where the fields are separated by a delimiter. For any field where no value is required or no value is available, a delimiter must be followed by another delimiter to indicate that the field is empty. The delimiter used will be a pipe (|). Each record must start with the field and not the pipe "|". The first pipe must appear after the first field and the end of the record does not get a closing pipe it gets a cartridge return to indicate end of record.
22. How can a security token be obtained for the direct data flow channel?	The security token will be issued once the vendor has completed the enrolment and activation process on eFiling.
23. What are the rules and validations on the imported file structures?	The rules and validations have been defined in detail in the External Business Requirement Specification which can be found on the SARS website www.sars.gov.za. >Tax Type>VAT>VAT SD>
24. What is the procedure for uploading an electronic PSV file to the e@syFile ™ VAT application?	The vendor's source system must generate a PSV file, according to the requirements defined in the external BRS, and then export/save it to a folder. From within the e@syFile ™ VAT application, the vendor would then import/upload the PSV file from the folder or location where it was saved / exported to.
25. Will SARS make the Direct Data Flow software available for download by vendors off the SARS website?	The Direct Data Flow Channel currently uses the Connect:Direct technology for file transfers. The Connect:Direct technology will not be supplied to external parties by SARS. If this is the preferred channel, interested parties need to contact IBM or Trustlink as they supply the products. This product is already in use in the majority of the large organisations.
26. What are the sizes of the file that are submitted and must large files be split?	If files will be submitted on Connect:Direct, there should theoretically not be a limit on the size of files submitted. There should also be no reason to split the files.. However, in the exception that the user is experiencing issues with submission and processing times and would like to split the file on his/her end, then the file can be split to ensure processing. The related fields related to splitting of files must then be used for this purpose. If submission is made on e@syFile™ VAT, the e@syFile™ software splits the file in the back-end and it is therefore not required by the user to break-up files submitted online from e@syFile™ VAT.
27. How can a file be split?	A file that is split must be submitted according to the specifications of the Group ID, Group Total and Unique Group Item ID as defined in the VAT Supporting Data External Business Requirement Specification.
28. Can a test e@syFile™ VAT account be created?	Yes, you will be able to test the e@syFile™ VAT software. The software is currently in development and details regarding the testing will be made available in due course.
29. When request files are received from SARS for multiple vendors, how will it be identified which request file is for which vendor?	The first 10 characters of the SARS Reference Request field will contain the VAT registration number of the vendor for which the request file has been issued.

QUESTION	ANSWER
30. Has SARS considered using FTP technology for the submission of VAT supporting data?	Yes, however, the only channels made available for VAT supporting data submission will be the Direct Data Flow Channel using Connect:Direct and the e@syFile^{TM} VAT channel.
31. Has SARS considered considered XBRL as a format for submitting documentation	Yes, SARS is considering XBRL, but it will not be used immediately
32. When will the file submitted be rejected in its entirety by SARS?	SARS will reject an entire file under the following conditions: • File fails file name validations, • The file is corrupt; • The file fails group submission validations (when a file is split) or • File fails structure validations.
33. Will SARS accept a file with duplicate records?	Yes. SARS will accept an entire file under the following conditions: • Zero fields were rejected; or • One or more records were found to be duplicates. The response message will inform the vendor of duplicate records submitted.
34. When will a file be partially uploaded?	SARS will partially upload a file if one of more records were rejected.
35. What are the types of validations on the file body?	The fields in the file body are each subjected to the following types of validations and in the sequence as described below: • Required: validates whether the field is required to be completed • Data type: specifies the type for example numeric or alpha numeric • Length type: indicates whether the length of the field can be variable or fixed • Length min/max: specifies the minimum or maximum length a field can have • Data validations: validates whether the field complies to format rules or belongs to a pre-defined set of values • Logic validations: applies a logic validation on the value of the field
36. If the file fails structure validations, what are the response reasons?	In instances where the file fails the following reasons will be provided in the response file header: • Missing required section either header, body or trailer • Generic header contains the incorrect number of fields • Trailer contains the incorrect number of fields • Product header contains the incorrect number of fields • One or more body items contains the incorrect number of fields • Invalid data in generic header • Invalid data in submission file header • Invalid data in trailer

QUESTION	ANSWER
	• Trailer calculation failed
37. The source identifier, containing the security token will be supplied by SARS to the customer, but only in cases where the Channel Identifier = 'CD'. Correct? However, what should be used if Channel = IFL?	The Source Identifier for the C:D channel will be issued by SARS per user that enrols and activates for submission on C:D. The process of enrolment and activation will be facilitated on eFiling. For e@syFile™ VAT testing, a generic/default value will be published on the SARS internet website to be used in this field. However, the plan is that when the e@syFile™ VAT software goes into production, a different generic/default value will be published on the SARS internet website to be used in this field.
38. SARS offers the two channels to submit data: The Direct Data Flow via the Connect Direct secure channel (CD) and the manual upload via e@syFile (IFL). The Direct Data Flow can handle large files, so if this method is chosen, then no need to break up the file. If the method is e@syFile, then the data needs to be broken into smaller files if the data exceeds a certain size. At the moment I cannot see any reference to what size constraint would mandate splitting the files – can you confirm what the size limits are that should be considered when splitting the file, or what other criteria should be considered?	For e@syFile™ VAT it is not required to split the file. The user can import any size file into e@syFile™ VAT. e@syFile™ VAT automatically splits the file into smaller files in the back-end for submission to SARS. It is not required of the user to split files for submission on e@syFile™ VAT. The e@syFile™ system is designed such that in the back-end if the file is larger than a certain size, the e@syFile back-end splits the file. The user is not aware of this process and this is not a process that can be changed by an e@syFile™ user.
39. For both VAT testing, and for when the channel = 'IFL', we must use the generic security token value, correct? When will this value be published so we can use for testing?	Click on this link: http://www.sars.gov.za/home.asp?pid=73470. Go to the Testing the modernised 3rd Party Data Platform with SARS block (bottom right of the screen). Click on the See the letter to stakeholders, click here. You will find the source identifier value for testing at the top of page 3.
40. Is there any particular reason why the customers would have to use Connect Direct to perform this function, or is this just a recommendation by SARS?	SARS has decided on C:D for submission of bulk data for now. For certain data types using the C:D technology is a specific requirement, however, SARS also allows submission on the other channels if the taxpayer does not wish to make use of the C:D technology, e.g. e@syFile. SARS is however considering other options as well for the submission of bulk data that may be introduced at a later stage.

6 DOCUMENT MANAGEMENT

Designation	Name / Division

Business Owner:	Group Executive: Centralised Processing Operations
Process Owner:	Executive: Enterprise Business Enablement (EBE)
Author:	K Morienyane
Detail of change from previous revision:	Initial release.
Template number and revision	POL-TM-12 - Rev 4