

VAT BILLING MACHINES COMING SOON

If you read newspapers, you may have noted that BURS has been advertising for bidders to provide them with VAT billing solutions. You may also have noted that the Commissioner General of BURS told reporters last week that BURS intends to implement the VAT billing solutions soon. Internationally, countries have noted that VAT registrants may be tempted to slash sales in a bid to reduce or underpay VAT. Manipulation of sales effectively results in VAT collections tumbling. This has been noted internationally and some countries, including Rwanda and Zimbabwe, have compelled VAT-registrants to acquire VAT billing or invoicing machines, with the aim of increasing VAT collections. The introduction of a VAT invoicing or billing solution technically means that VAT registrants will be compelled to purchase VAT billing machines which will be interfaced with BURS system. As invoices are raised by each VAT-registrant, BURS will remotely be able to tell how much in sales and VAT would have been recorded by each VAT registrant. In that way, it becomes difficult for VAT registrants to underdeclare VAT through slashing. Further, the simple fact that a VAT registrant is forced to acquire and connect the VAT billing system will bring an awareness among taxpayers that they must not attempt to manipulate the sales. We are sure that you can tell from the above that this matter is on the cards. Additionally, the VAT billing systems also allow BURS to pick purchases which don't have any link to the VAT registrants' business. For example, if VAT is claimed on the acquisition of a gun by a tax firm, the system can pick that and then send an email alert to BURS to investigate the same.

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