



Indirect Tax News

VAT repayments (refunds) by electronic transfer

The Tax Department has recently announced a new development in relation to VAT repayments (refunds).

The Tax Department will soon introduce the electronic transfer of VAT repayments to taxable persons **via bank transfer**. The issuing of bank cheques which is the current practice will be terminated following the implementation of electronic transfers.

In anticipation of this change the **Tax Department is strongly advising all relevant taxable persons** to proceed with the submission of a new form that has been issued for this purpose to provide their bank account details and authorize the Commissioner of Taxation to make electronic transfers in that respect.

This applies to taxable persons with a VAT repayment status that:

- Either have already submitted a VAT refund claim for previous VAT returns which has not yet been examined by the Tax Department, or
- Have the intention to submit a VAT refund claim in the future.

It is noted that from the date of introduction of the electronic transfers the Tax Department will not be making any VAT repayments to taxable persons that have not submitted a duly completed and signed authorization form.

This change comes in the course of modernization of procedures in the Department of Taxation and is expected to result in cost savings and administrative efficiency for businesses.

How can Deloitte assist you

Our dedicated team of indirect tax experts is at your disposal to assist you with the submission of the relevant authorization form with your bank details to the VAT Authorities as well as provide further information and respond to any enquiries on this new development.

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