

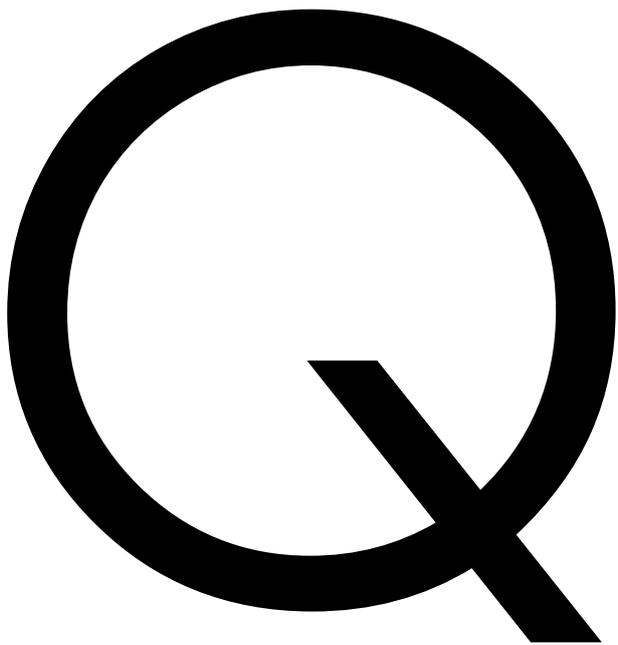


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## How to prepare a VAT201 - Checklist

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Learning is not attained  
by chance, it must be  
sought for with ardor and  
attended to with  
diligence

*Abigail Adams*

## Introduction

This guide serves to provide the reviewer with a checklist on how to prepare and calculate VAT due or refundable from the transactions of a business and how to complete and successfully file a VAT201.

The following icons will guide you further:



### Checkpoint

After completing certain steps, you will reach a checkpoint. This point will indicate what factors to consider before moving ahead without the risk of later falling back.



### Milestone

You can acknowledge your hard work. A milestone was reached.



### Deliverable

You should have created a deliverable.



### Refer to Manual

Refer to a Checklist or Manual for further guidance, tips and information.

Enjoy the journey and we trust you will reap the benefits in your business soon.

The SAIBA Academy Team & Altimax



# Contents

1. Introduction.....	5
1.1 What is Value-Added Tax?.....	6
1.1.1 What is VAT?.....	6
1.1.2 VAT registration .....	6
1.1.3 VAT calculation.....	6
1.1.4 VAT due or refundable.....	6
1.2 Submission and payment .....	7
1.2.1 VAT submission and payment due dates .....	7
1.2.2 Tax period categories .....	7
2. Preparing the information for the VAT declaration .....	8
2.1 Preparation of the supporting documents .....	9
2.2 Output VAT .....	10
2.3 Input VAT.....	10
2.4 Using an accounting system .....	11
2.4.1 Tax Report .....	11
2.4.2 Performing reconciliations .....	11
3. Preparation and submission of the VAT201 .....	13
3.1 Accessing the VAT201 .....	14
3.2 VAT201: General information .....	14
3.3 VAT201: Output VAT.....	14
3.4 VAT201: Input VAT .....	15
3.5 VAT201: VAT declaration .....	15
3.6 Submission of the VAT201 .....	16
3.6.1 VAT201: VAT due or refundable calculation.....	16
3.6.2 VAT201: Saving the VAT201.....	16
3.6.3 VAT201: Submission.....	16
3.6.4 VAT201: Amendments.....	16
4. Making payments.....	17
4.1 Payment methods.....	18
4.2 Payment on eFiling .....	18
5. Supplementary .....	19
5.1 Supplementary declaration .....	20
5.2 Audit.....	20
5.3 Uploading supporting documents.....	20
6. Conclusion .....	21

# 1. INTRODUCTION

## [1. Introduction]

### 1.1 What is Value-Added Tax?

#### 1.1.1 What is VAT?

Understanding what VAT is

Requirement	Complied
VAT is the indirect tax on the consumption of taxable goods and services within the economy of South Africa.	

#### 1.1.2 VAT registration

Understanding who are required to registered for VAT

Requirement	Complied
Compulsory VAT registration is required from businesses who earn an income or likely to earn an income of greater than one million rands (R1 000 000) from the supply of taxable goods and services in any twelve (12) consecutive months. Businesses that earn an income of greater than fifty thousand rands (R50 000) but less than one million rands (R1 000 000) from the supply of taxable goods and services in any twelve (12) consecutive months can do a voluntary registration	

#### 1.1.3 VAT calculation

Understanding how to calculate VAT

Requirement	Complied
VAT calculation: $VAT = \text{Amount (inclusive of VAT)} \times 15 / 115$	
VAT calculation: $VAT = \text{Amount (exclusive of VAT)} \times 15 / 100$	

#### 1.1.4 VAT due or refundable

Understanding how to calculate VAT due or refundable

Requirement	Complied
VAT due or refundable: $VAT = \text{Output VAT} - \text{input VAT}$	

## [1. Introduction]

### 1.2 Submission and payment

#### 1.2.1 VAT submission and payment due dates

Understanding when VAT submission and payment is due

Requirement	Complied
VAT submission and payment due on the last business day of the month following the VAT period	

#### 1.2.2 Tax period categories

Understanding the different types of tax period categories

Requirement	Complied
<b>Category A</b> ✓ Every two (2) calendar months. ✓ Ending on the last day of January, March, May, July, September and November.	
<b>Category B</b> ✓ Every two (2) calendar months. ✓ Ending on the last day of February, April, June, August, October and December.	
<b>Category C</b> ✓ Every one (1) calendar month.	
<b>Category D</b> ✓ Every six (6) calendar months.	
<b>Category E</b> ✓ Every twelve (12) calendar months.	

**2.**

**PREPARING THE  
INFORMATION FOR THE VAT  
DECLARATION**

## [2. Preparing the information for the VAT declaration]

### 2.1 Preparation of the supporting documents

Understanding the different requirements for a valid tax invoice

Requirement	Complied
Criteria 1 – Supply (including VAT) is equal to or less than fifty rands (R50).	
Criteria 2 – Supply (including VAT) is greater than fifty rands (R50) and equal to or less than five thousand rands (R5 000).  Requirement of a valid abridged tax invoice <ol style="list-style-type: none"> <li>1. Contains the words “Tax Invoice”, “VAT Invoice” or “Invoice”</li> <li>2. Suppliers name, address and VAT registration number</li> <li>3. Serial number and date of issue on invoice</li> <li>4. Accurate description of goods and / or services</li> <li>5. Value of supply, the amount of tax charged and consideration of the supply</li> </ol>	
Criteria 3 – Supply (including VAT) is greater than five thousand rands (R5 000)  Requirement of a valid tax invoice <ol style="list-style-type: none"> <li>1. Contains the words “Tax Invoice”, “VAT Invoice” or “Invoice”.</li> <li>2. Suppliers name, address and VAT registration number.</li> <li>3. Recipient’s name, address and VAT registration number (if registered).</li> <li>4. Serial number and date of issue on invoice.</li> <li>5. Accurate description of goods and / or services.</li> <li>6. Quantity or volume of goods and / or services supplied.</li> <li>7. Value of supply, the amount of tax charged and consideration of the supply.</li> </ol>	

## [2. Preparing the information for the VAT declaration]

### 2.2 Output VAT

Understanding the different types of supply of goods and / or services and how to account for VAT for each type

Requirement	Complied
Standard rate on goods and / or services – VAT at 15%.	
Standard rate on capital goods and / or services. – VAT at 15%.	
Zero rate goods and / or services. – VAT at 0%.	
Zero rate on exported goods. – VAT at 0%.	
Exempt and non-supplies. – No VAT.	
Supply of accommodation exceeding 28 days – 60% inclusion rate and VAT at 15%.	
Supply of accommodation not exceeding 28 days – VAT at 15%.	
Adjustments. – VAT at 15%.	

### 2.3 Input VAT

Understanding the different types of purchases of goods and / or services and how to account for VAT for each type

Requirement	Complied
Capital goods and / or services – VAT at 15%.	
Capital goods imported – VAT at 15%.	
Other goods and / or services – VAT at 15%.	
Other goods imported – VAT at 15%	
Adjustments. – VAT at 15%.	

## [2. Preparing the information for the VAT declaration]

### 2.4 Diesel refund

Understanding the different types of entities which qualifies for the Diesel Refund Scheme and the calculation of the diesel refund

Requirement	Complied
Entities that qualify for the Diesel Refund Scheme	
On land: Diesel rebate calculation	
Offshore: Diesel rebate calculation	
Harbour vessels: Diesel rebate calculation	
Rail: Diesel rebate calculation	
Peak power plant: Diesel rebate calculation	

### 2.5 Using an accounting system

#### 2.5.1 Tax Report

Understanding how to extract a tax report

Requirement	Complied
Difference between a tax box report and a tax report	
Extracting a tax report for the VAT period	

#### 2.5.2 Performing reconciliations

Understanding the reconciliations to perform and how to circumvent transactions that can cause differences

Requirement	Complied
Reconciliation performed should ensure that the VAT amount agrees on all the following reports and forms: <ul style="list-style-type: none"> <li>• Trial balance</li> <li>• VAT control account</li> <li>• Tax report</li> <li>• VAT201</li> </ul>	

**[2. Preparing the information for the VAT declaration]**

Closing accounting periods – Closing the accounting periods before extracting the tax report will ensure that no transactions are recorded in a VAT period already submitted through eFiling.	
System set-off – Ensure that credit notes are set-off against the sales and the debit notes are set-off against the purchases. Also ensure that the VAT treatment the credit note and debit note is the same as when the sales or purchases was initially recorded	
Review of transactions – Although it is an accounting system, errors in accounting for the transaction can still exist. Extract a detailed tax report, review the transactions and ensure that VAT was correctly accounted for.	

**3.**

**PREPARATION AND  
SUBMISSION OF THE  
VAT201**

### [3. Preparation and submission of the VAT201]

#### 3.1 Accessing the VAT201

Understanding how to access the VAT201

Requirement	Complied
Logging into SARS eFiling	
Requesting a new VAT201	
Opening a VAT201	

#### 3.2 VAT201: General information

Understanding how to complete the general information in the VAT201

Requirement	Complied
Completing the vendor details fields	
Completing the contact details fields	
Completing the diesel fields	
Completing the VDP fields	
Completing the tax practitioner fields	

#### 3.3 VAT201: Output VAT

Understanding how to complete the output VAT section of the VAT201

Requirement	Complied
Standard rate (excluding capital goods and / or services and accommodation)	
Standard rate (only capital goods and / or services)	
Zero rate (excluding goods exported)	
Zero rate (only exported goods)	
Exempt and non-supplies	

### [3. Preparation and submission of the VAT201]

Supply of accommodation: Exceeding 28 days	
Supply of accommodation: Value Not Exceeding 28 days	
Adjustments: Change in use and export of second-hand goods	
Adjustment: Other imported services	

#### 3.4 VAT201: Input VAT

Understanding how to complete the input VAT section of the VAT201

Requirement	Complied
Capital goods and / or services supplied to you	
Capital goods imported to you	
Other goods and / or services supplied to you	
Other goods imported to you	
Adjustments: Change in use	
Adjustments: Bad debts	
Adjustments: Other	

#### 3.5 VAT201: VAT declaration

Understanding how to complete the declaration section of the VAT201

Requirement	Complied
Completing the declaration fields	

### [3. Preparation and submission of the VAT201]

#### 3.6 Submission of the VAT201

##### 3.6.1 VAT201: VAT due or refundable calculation

Understanding the VAT due or refundable section in the VAT201

Requirement	Complied
Completing the VAT due or refundable files	
Agreeing VAT due or refundable on VAT201 to the VAT due or refundable calculation	

##### 3.6.2 VAT201: Saving the VAT201

Understanding how to save and access the VAT201 after saving

Requirement	Complied
Saving the VAT201	
Accessing the VAT201 after saving	

##### 3.6.3 VAT201: Submission

Understanding how to submit the VAT201

Requirement	Complied
Confirming information and amounts completed on the VAT201	
Submitting the VAT201	

##### 3.6.4 VAT201: Amendments

Understanding how to make amendments

Requirement	Complied
How to submit a request for correction	

# 4.

## MAKING PAYMENTS

## [4. Making payments]

### 4.1 Payment methods

Understanding the different methods of payment

Requirement	Complied
Deposit at the bank.	
Payments through eFiling.	
Electronic Funds Transfer (EFT).	
Payments made at a SARS branch.	
Reference number to use for payment	

### 4.2 Payment on eFiling

Understanding how to make payment on eFiling

Requirement	Complied
Completing a payment on eFiling	
Use of the correct reference number	

**5.**

**SUPPLEMENTARY  
DECLARATION AND  
AUDIT**

## [5. Supplementary declaration and audit]

### 5.1 Supplementary declaration

Understanding supplementary declaration

Requirement	Complied
Reconciliations performed to is ensure that the sales, purchases and VAT submitted in the Income Tax Return which is populated from the Annual Financial Statements agrees to the sales, purchases and VAT declared on the VAT201	

### 5.2 Audit

Understanding the audit process and requirements

Requirement	Complied
Accessing the audit letter	
Preparing the supporting documents	

### 5.3 Uploading supporting documents

Understanding how to upload supporting documents for the audit

Requirement	Complied
Uploading of the supporting documents	

# 6. CONCLUSION

## [6. Conclusion]



You've done the work.  
You've earned the title.  
Now get the designation.



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