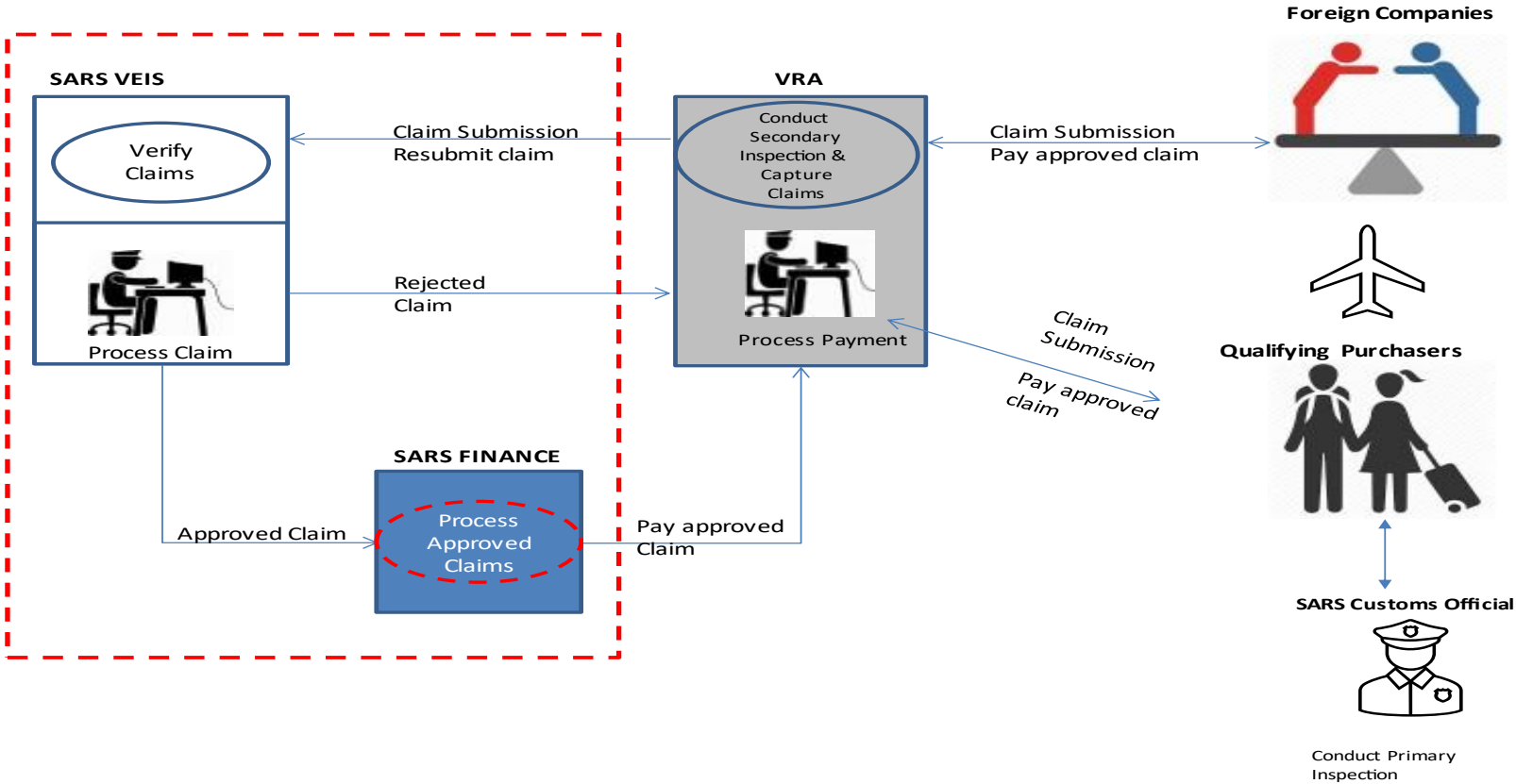


# VAT Refund Administration Process Flow



| Role Player | Vendor & Qualifying Purchaser  | Qualifying Purchaser & SARS Customs Official   | VRA / Service Provider at Airport   | SARS Team  |
|-------------|--|--|---|--|
| Activities  | <ul style="list-style-type: none"> <li>- The qualifying purchaser purchases movable goods from the vendor and the vendor supplies the goods at the standard rate and issues a tax invoice (as prescribed in section 20 of the VAT Act) to the qualifying purchaser.</li> <li>- Once the goods have arrived in the qualifying purchaser's country of residence, the qualifying purchaser must submit a claim to the VAT Refund Administrator (VRA) via a letter together with the required documentation as stipulated in the VAT Refund Regulation.</li> <li>- If the goods are too large to be kept as part of hand luggage and are transported as part of checked luggage, such goods must have been inspected and the original tax invoice endorsed prior to delivery of the luggage to the carrier. The endorsed original tax invoice must then be presented to the VRA before departure.</li> </ul> | <ul style="list-style-type: none"> <li>- At ORTIA, KSIA &amp; CTIA Qualifying Purchaser declare with SARS customs Official (primary inspection) in terms of SC-PA-01-01 and commercial goods are processed in terms of the Clearance Declaration document SC-CF-54.</li> <li>- At land ports, Qualifying Purchaser declare with SARS customs official in terms of SC-PA-01-01 and commercial goods are processed in terms of the Clearance Declaration document SC-CF-54.</li> </ul> | <ul style="list-style-type: none"> <li>- VRA conduct secondary inspection of tax invoice and goods at Airport</li> <li>- The VRA must request the original tax invoices, proof of payment from the Qualifying Purchaser and other supporting documents.</li> <li>- Verify physical goods in relation to the description of the goods on the original tax invoice.</li> <li>- Check if the VAT inclusive total of all the goods exported at once per qualifying purchaser exceeds R250: * If it does exceed R250, proceed to the next step,</li> <li>- * If it does not exceed R250, reject the claim.</li> <li>- Check correctness of the original tax invoice and ensure that the invoice is valid.</li> <li>- Endorse each original tax invoice.</li> </ul> | <ul style="list-style-type: none"> <li>- Verify claims submitted by VRA</li> <li>- Approve or reject claim</li> <li>- Process approved claim</li> <li>- Pay approved claim to VRA</li> </ul> <p>VEIS Operations Manager must ensure that remittance of refunds from SARS to LRA/ERS is made on a weekly basis and batches containing claims on new goods are filed.</p> <p>a) Approved claims in respect of new goods are filed. Second hand goods: original VAT 255 and VRA claims letter are sent back to the VRA and copies are kept in the office for records purposes.</p> <p>b) The value of the faulty claims rejected must be updated on the electronic register which is a possible clawback (VAT amount due from VRA to SARS). Refund claims which are rejected by SARS must be offset against the payment</p> |

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|-------------|---|--|---|---|
|             | <ul style="list-style-type: none"> <li>- The qualifying purchaser presents himself/herself to the VRA with the goods and processed Customs documentation on which a refund is requested.</li> </ul> |  | <ul style="list-style-type: none"> <li>- Return goods and the copy of the original tax invoice to the qualifying purchaser</li> <li>- Process claims on the system</li> <li>- Issue a VAT255 summarising the tax invoice details and provide a copy to the qualifying purchaser.</li> <li>- Ensure that the qualifying purchaser has signed the VAT255 as a confirmation that details contained in VAT255 are correct.</li> <li>- Check if the claim conforms with the VAT Refund regulations requirement.</li> <li>- Submit claims to SARS Team for verification and approval</li> <li>- Collect rejected claims and resubmit the corrected claims within five (5) working days from the date of collection</li> <li>- Once payment is received from SARS, pay refund to qualifying purchaser</li> </ul> <p><b>Goods Exported through a port of exit other than a designated port of exit:</b></p> | <p>due in respect of subsequent batches lodged.</p> |

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|-------------|---|--|--|-----------|
|             | <p><b>Goods Exported through a port of exit other than a designated port of exit:</b></p> <ul style="list-style-type: none"> <li>- Qualifying purchasers obtain written approval to export via Non designated port of exit</li> </ul> <p><b>Goods Exported to Lesotho and eSwatini Memorandum of Understanding (MOU)</b></p> <ul style="list-style-type: none"> <li>- Qualifying Purchaser exports are processed by SARS Customs in terms of SC-PA-01-01 and commercial goods are processed in terms of the Export Policy (SC-EX-01-01).</li> <li>- The required documents must be submitted to the Lesotho Revenue Authority (LRA) /eSwatini Revenue Services (ERS) by the qualifying purchaser and the LRA / ERS forwards the documented claim to the VRA.</li> <li>- The VRA captures all claim information and batches the claims into second hand goods and other LRA / ERS claims.</li> </ul> | <ul style="list-style-type: none"> <li>- Qualifying Purchaser exports are processed by SARS Customs in terms of SC-PA-01-01 and commercial goods are processed in terms of the Export Policy (SC-EX-01-01).</li> </ul> | <ul style="list-style-type: none"> <li>- The VRA captures all claim information and batches the claims into second hand goods and other LRA / (ERS claims.</li> </ul> <p>In the case of goods from Lesotho (LRA) and Eswatini Revenue Services (ERS):</p> <ul style="list-style-type: none"> <li>- Prepare 100% advance payment on a Rev16 for VAT Refund claims submitted as per MOU.</li> <li>- Submit the documents to the SARS dedicated team for payment</li> </ul> <p>Second hand goods and NON-MOU VAT Refund claims:</p> <ul style="list-style-type: none"> <li>- Prepare 100% payment on a Rev16 for VAT Refund claims audited and approved by SARS dedicated team.</li> <li>- Submit the documents to the SARS dedicated team for payment process</li> </ul> |           |