



Guide to Completing a VAT Return Filing

Version: 1

September 23, 2014



1 PURPOSE

The present guide is intended to provide step-by-step instructions on completing the VAT Return Form for both the Standard Method and the Flat-Rate Scheme. This guide should be used in conjunction with the Bahamas VAT Guide and different industry guides. Refer to the relevant guides for further information when completing the VAT return form.

2 INSTRUCTIONS FOR FILING USING THE STANDARD METHOD

Note on adjustments: If there were adjustments made during the current period, corresponding to sales/purchases that were reported in a previous period, then use the adjustments lines in the form to account for the adjustments. Otherwise, if both the sale/purchase as well as the corresponding adjustment occurred in the current period, incorporate the adjustment into the lines reserved for sales and purchases.

Line 1: Zero-Rated Supplies

Enter the total amount of zero-rated sales that you have made during the period. Refer to the Bahamas VAT Guide and the relevant industry guide for more information.

Line 2: Exempt Supplies

Enter the total amount of exempt sales that you made during the period.

Line 3: Bonded Supplies (fill in only if Grand Bahama Port Authority Licensee)

Enter only if you are a Grand Bahama Port Authority Licensee. Enter the amount of sales/supplies to other Port Licensees where the supplied goods are of a kind within Clause 2 of the Hawksbill Creek Agreement.

Line 4: Taxable Supplies at Standard Rate (7.5%) - Value inclusive of VAT

Enter the total amount of standard-rated taxable sales made during the period. Include VAT charged during the period.

Line 5: Taxable Supplies at Standard Rate (7.5%) - VAT (L4 X (7.5/107.5))

Multiply line 4 by 7.5, and divide it by 107.5. If filling out the form online, this line is calculated automatically.

Line 6: Reverse Charge VAT on imported Services

If you have paid for imported services during the period (foreign-based contractors, consultants, accountants, IT specialists who provided services on site or where the benefit or advantage is received in The Bahamas, hosted software & software downloads), enter the amount of standard-rated VAT that is payable by you on the services.

Line 7: Adjustment for the period

Enter any adjustments that occurred in the current period, where the original sale or purchase was reported in a previous period:

- If you have issued a debit note to a client
- If you have received a credit note from your supplier

Refer to the Bahamas VAT Guide and the relevant industry guide for more information.

Line 8: Supplies, excluding VAT - Taxable Supplies (L1 + L4 - L5)

Enter the sum of your zero-rated sales and your standard-rated sales, excluding the VAT (Add lines 1 and 4, subtract line 5 from the total). If filling out the form online, this line is calculated automatically.

Line 9: Supplies, excluding VAT - Total Supplies (L2 + L8)

Enter the sum of all sales, including exempt, zero-rated and standard-rated sales, but

excluding any VAT (Add lines 2 and 8). Do not include Bonded Supplies. If filling out the form online, this line is calculated automatically.

Line 10: TOTAL OUTPUT TAX (L5 + L6 + L7)

Enter the Total Output Tax (Add lines 5, 6, and 7). If filling out the form online, this line is calculated automatically.

Line 11: Bonded inputs relating to imports and domestic purchases (fill in only if Grand Bahama Port Authority Licensee)

Enter only if you are a Grand Bahama Port Authority Licensee. Enter any bonded purchases from other Port Licensees and any bonded imports during the period, where the purchased or imported goods are of a kind within Clause 2 of the Hawksbill Creek Agreement.

Line 12: Domestic Purchases - Value of Domestic Purchases of capital goods & services (exclusive of VAT)

Enter the total value of all domestic purchases relating to capital expenditures but excluding the VAT. Include exempt purchases. Include the value of any services related to capital expenditures; for example, the costs associated with the installation of machinery or imported construction services. However, if you are a construction company, do not indicate the value of imports of construction material on this line, as these relate to inventory and operations in your case; indicate them on line 13 instead.

Line 13: Domestic Purchases - Value of Domestic Purchases of operating inputs and other non-capital supplies (exclusive of VAT)

Enter the total value of all domestic purchases relating to operating inputs and other non-capital supplies but excluding the VAT. Include exempt purchases.

Line 14: Imports - Value of Imports of capital goods & services (exclusive of VAT)

Enter the total value of imports of goods and services related to capital expenditures during

the period but excluding the VAT. Include all imports that have been cleared, including exempt imports, regardless of whether duties and VAT have been charged on the imports. Also, include the value of any imported services related to capital expenditures; for example, the costs associated with the installation of machinery or imported construction services. However, if you are a construction company, do not indicate the value of imports of construction material on this line, as these relate to inventory and operations in your case; indicate them on line 15 instead.

Line 15: Imports - Value of Imports of operating inputs and other non-capital supplies (exclusive of VAT)

Enter the total value of imports of operating inputs and other non-capital supplies during the period but excluding the VAT. Include all imports that have been cleared, including exempt imports, regardless of whether duties and VAT have been charged on the imports. Also, include the value of any services imported (foreign-based contractors, consultants, accountants, IT specialists who provided services on site or where the benefit or advantage is received in The Bahamas, hosted software & software downloads) that relate to current expenses.

Line 16: VAT paid on Imported Goods

Enter the amount of VAT that was paid at Customs on imported goods. Do not include any amounts of VAT that are due but have not been paid (deferred) during the period. Do not include any bonds posted, except if bond or part of it has been applied towards paying the outstanding VAT. Also, do not include any amounts paid on fines or interest.

Line 17: Deferred VAT on Imported Goods payable in period

If you imported goods during the period and you were granted a deferral of VAT, enter the amount that was deferred and is due in the

current period. Refer to the Bahamas VAT Guide and the relevant industry guide for more information.

Line 18: Total Amount of Claimable Input VAT

Enter the amount of claimable input VAT. Include all amounts used towards the production or delivery of taxable supplies/sales (both standard rated and zero-rated). If you provide mixed supplies, include the amount of claimable input VAT after apportionment. Refer to the Worksheet for Apportionment to calculate the amount claimable. Make sure to exclude any VAT that relates to purchases used towards the production or delivery of exempt supplies/sales, or that is not claimable under section 50(1) of the VAT bill or section 32(1) of the VAT regulations. Refer to the Bahamas VAT Guide and the relevant industry guide for more information.

Line 19: Adjustment for the period

Enter any adjustments that occurred in the current period, where the original sale or purchase was reported in a previous period:

- If you have received a debit note from your supplier
- If you have issued a credit note to your client
- If you have written off an amount of bad debt, provided that have already reported that amount as output VAT in a previous period.

Refer to the Bahamas VAT Guide and the relevant industry guide for more information.

Line 20: TOTAL INPUT TAX (L18 + L19)

Enter the total amount of input VAT that is claimable for the period (add lines 18 and 19). If filling out the form online, this line is calculated automatically.

Line 21: VAT Payable or VAT Credit (L10 – L20. Can be negative)

Enter the amount of VAT payable or VAT credit resulting for the period (subtract line 20 from line 10). You may enter a negative figure for this line, indicating a credit. This line does not take into account any VAT credit that you may have available from previous periods. If filling out the form online, this line is calculated automatically.

Line 22: Deferred VAT payable during period

If you imported goods during the period and you were granted a deferral of VAT, enter the amount that was deferred and is due in the current period. If filling out the form online, this line is filled automatically.

Line 23: Total VAT payable (L21 + L22)

Enter the amount of Total VAT payable this period or net VAT credit resulting in this period (add lines 21 and 22).

Line 24: VAT credit carried over from prior taxable period (Max up to Amount on L23)

Enter the amount of VAT credit carried over from previous periods that is available for use in this period, up to the amount on line 23, if applicable

Line 25: Net VAT Payable or VAT Credit (L23 - L24)

Enter the net VAT payable or VAT credit available (subtract line 24 from line 23). The result may be negative, indicating a credit. If the result is a credit (negative), you may carry this amount forward in whole or in part to line 22 of the next return you submit, or you may request a refund in certain situations. Refer to the Bahamas VAT Guide and the relevant industry guide for more information. If the result is a payable (positive), remit the amount to the VAT department by the due date.

Instructions for Filing using the Flat-Rate Scheme

! Important Note – You cannot use the flat-rate scheme unless you are given permission to do so first by the VAT Department.

Note on adjustments: Adjustments to input VAT are not allowed using the flat-rate scheme. If you have any adjustments to the sales/supplies reporting in previous periods, for example because you refunded clients for returned goods, deduct them from line 1 in this form. The adjustments cannot exceed the sales/supplies for the period; if they do, deduct only up to the sales/supplies for the period and then include the remaining adjustment in subsequent periods.

Line 1: Total of sales/supplies for the period and adjustments

Enter the sum of all sales, including exempt, bonded supplies, zero-rated and standard-rated sales, and including VAT. If there are adjustments to output from previous periods (such as refunds or rebates to clients), deduct them from the Total of sales/supplies.

Line 2: Applicable rate (as a percentage)

Enter the rate that is applicable to the flat-rate scheme. If filling out the form online, this line is filled automatically.

Line 3: VAT Payable (L1 X L2)

Enter the amount of VAT payable (multiply line 1 by the rate on line 2). If filling out the form online, this line is calculated automatically.

Line 4: Deferred VAT payable during period

If you imported goods during the period and you were granted a deferral of VAT, enter the amount that was deferred and is due in the current period. If filling out the form online, this line is filled automatically.

Line 5: Output VAT from the sale of capital assets

If you have sold any capital assets during the period, enter the amount of VAT that is chargeable on the sale.

Line 6: Input VAT on the purchase of capital assets

If you have purchased any capital assets during the period, enter the amount of VAT that you have paid on the purchase.

Line 7: Total VAT for period (L3+ L4 + L5 - L6)

Enter the amount of Total VAT due for this period (add lines 3, 4 and 5, then subtract line 6 from the sum).

Line 8: VAT credit carried over from prior taxable period (Max up to Amount on L7)

Enter the amount of VAT credit carried over from previous periods that is available for use in this period, up to the amount on line 7, if applicable..

Line 9: Net VAT to remit / Credit for period (L7 - L8)

. Enter the net VAT payable or VAT credit available (subtract line 8 from line 7). The result may be negative, indicating a credit. If the result is a credit (negative), you may carry this amount forward in whole or in part to line 8 of the next return you submit, or you may request a refund in certain situations. Refer to the Bahamas VAT Guide and the relevant industry guide for more information. If the result is a payable (positive), remit the amount to the VAT department by the due date.

V.A.T. Return Form - Version 2

Section A - Taxpayer Information

Taxpayer Name:	<input type="text"/>	
Trade Name:	<input type="text"/>	
TIN:	<input type="text"/>	
Filing Frequency:	<input type="text"/>	
Tax Period:	From: <input type="text"/>	To: <input type="text"/>
Due Date:	<input type="text"/>	

Note: Enter all amounts in Bahamian Dollars (BSD)

Section B - OUTPUT TAX (supply/sale of goods and services)

Zero-Rated Supplies	1	668,000.00	
Exempt Supplies	2	250.00	
Bonded Supplies (fill in only if Grand Bahama Port Authority Licensee)	3		
Taxable Supplies at Standard Rate (7.5%)			
Value inclusive of VAT	4	1,327,625.00	
VAT (L4 X (7.5/107.5))			5 92,625.00
Reverse Charge VAT on imported Services			6 2,250.00
Adjustment for the period			7
Supplies, excluding VAT			
Taxable Supplies (L1 + L4 - L5)	8	1,903,000.00	
Total Supplies (L2 + L8)	9	1,903,250.00	
TOTAL OUTPUT TAX (L5 + L6 + L7)			10 94,875.00

Section C - INPUT TAX (Imports and Purchases)

Bonded inputs relating to imports and domestic purchases (fill in only if Grand Bahama Port Authority Licensee)	11		
Domestic Purchases			
Value of Domestic Purchases of capital goods & services (exclusive of VAT)	12		
Value of Domestic Purchases of operating inputs and other non-capital supplies (exclusive of VAT)	13	1,186,000.00	
Imports			
Value of Imports of capital goods & services (exclusive of VAT)	14	68,000.00	
Value of Imports of operating inputs and other non-capital supplies (exclusive of VAT)	15	30,000.00	
VAT paid on Imported Goods	16		
Deferred VAT on Imported Goods payable in period	17	5,100.00	
Total Amount of Claimable Input VAT			18 73,275.00
Adjustment for the period			19
TOTAL INPUT TAX (L18 + L19)			20 73,275.00

Section D - VAT Liability or VAT Credit

VAT Payable or VAT Credit (L10 - L20. Can be negative)	21	21,600.00
Deferred VAT payable during period	22	5,100.00
Total VAT payable (L21+ L22)	23	26,700.00
VAT credit carried over from prior taxable period (Max up to Amount on L23)	24	0.00
Net VAT Payable or VAT Credit (L23 - L24)	25	26,700.00

Section E - Fines and Interest

Note that if you are filing past the due date without prior authorization, a late-filing fine will be applied in addition to any amounts payable indicated above, in accordance with schedule XYZ.

Additionally, any amount that remains owing past the due date will result in both a late-payment fine and interest being applied as well. Refer to schedule ABC for more information on late-payment fines and interest.

Following filing, you will receive a Notice of Assessment indicating the total amount of tax, fines and interest that were due, if applicable, as of the moment of processing your return. In order to avoid accruing further interest, taxpayers **must** settle any amounts owing without delay.

CONTACT US

Further information can be obtained from the Taxpayers Services help desk: 1 (242) 225 7280

Or you can contact us by email: vatcustomerservice@bahamas.gov.bs

Or you can write to:

Value Added Tax Department

Ministry of Finance

P. O. Box N-4866

Nassau, N.P.

Bahamas

www.bahamas.gov.bs/vat

