



# ***Guidance on VAT Invoices and VAT Sales Receipt***

***Version: November 24th 2014***

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# Ministry of Finance

## VAT Department

### Version 1: November 24, 2014

#### VAT Guidance – VAT Invoices and VAT Sales Receipts

##### Introduction

This guide is intended to provide VAT Registrants with information on VAT invoices and VAT sales receipts. It should be read in conjunction with the Value Added Tax Act, 2014 (“VAT Act or the Act”), the Value Added Tax Regulations 2014 (“VAT Regulations”), the VAT Rules and The Bahamas VAT Guide (“VAT Guide”), all of which can be found on the website of the Government of The Bahamas (“Government”).

## 1 PURPOSE

The purpose of this guide is to explain:

- a) what is a VAT invoice;
- b) what is a VAT sales receipt
- c) who should issue VAT invoices and VAT sales receipts;
- d) The legal requirements for issuing a VAT invoice or VAT sales receipt.

## 2 OVERVIEW

A VAT invoice is one of the most important documents in a VAT scheme. It is an invoice, which contains some additional information, which is not found on ordinary invoices. The additional information is a requirement of the VAT Act. The VAT invoice is a document which notifies an obligation to make a payment.

### 2.1 FOR THE PURPOSES OF THIS GUIDE:

- VAT (or Tax) means Value Added Tax
- Registrant or registered taxpayer means a taxable person who is registered for VAT and is required to charge VAT and file VAT returns;

## 3. WHAT IS A VAT INVOICE?

A VAT Invoice is a document issued by a VAT registrant indicating that a taxable supply has been made and that VAT has been charged on the value of the goods or services supplied.

## 4. WHO CAN ISSUE A VAT INVOICE?

A VAT invoice can only be issued by a person who is registered for VAT.

Whenever a registrant supplies/sells goods or services, to another VAT registrant, he needs to give that person a VAT invoice showing the amount of tax charged and other information on what he is supplying.

#### 5. WHAT IS THE IMPORTANCE OF ISSUING A VAT INVOICE?

The VAT invoice serves four main purposes:

- a. it serves as a notice that the supplier is charging tax;
- b. it serves as a notice of transacting business between two registrants and how much tax is charged;
- c. it serves as a reference for cross-checking, which is one of the main features of the tax credit method of a *value added tax*; and
- d. importantly, it is the principal evidence that supports a registrant recipient's claim for deduction of input tax.

VAT invoices are important for the taxpayer and the people he does business with. He should ensure that he receives a VAT invoice when he makes a purchase from another registrant. He may be able to claim the tax his suppliers have charged him on goods and services for his business, but only if he keeps all the VAT invoices he received. In the same way, if his customers are registered for VAT they may be able to reclaim the tax he charged them if they receive a VAT invoice from him.

#### 6. WHAT INFORMATION SHOULD BE INCLUDED ON A VAT INVOICE?

The following information should be clearly stated on a VAT Invoice:

- a. the term "**VAT Invoice**"
- b. the supplier's Tax Identification Number (TIN), name and address;
- c. invoice identification (serial) number;
- d. recipient's TIN, name and address;
- e. date of invoice;
- f. the time of supply, if the supply was concluded prior to the issuing of the invoice
- g. the quantity or volume, description of goods and unit price of the goods;
- h. in the case of services, the description and the value of the service,
- i. must indicate which item is taxable or zero rated for example (T) for taxable or (Z) for zero rated
- j. the rate and amount of any cash discount offered;
- k. total consideration, excluding tax;
- l. VAT rate
- m. total VAT charged; and
- n. the total price payable by the recipient.

The prices stated on a VAT invoice should be VAT exclusive.

Therefore, a VAT invoice is simply a normal commercial bill or invoice with the following additional pieces of information:

- the words "**VAT Invoice**";
- the taxpayer's TIN for the supplier and the recipient;
- the rate and amount of tax applicable; and
- the total value of the invoice including tax.

If a VAT invoice does not contain all the required information, for the purpose of the Act, the invoice does not fulfil the requirement for a VAT invoice and as such will be invalid for the purpose of claiming an input credit by the recipient. It may, however, be treated as a VAT sales receipt.

## 7. WHAT IS A VAT SALES RECEIPT?

A VAT sales receipt is a normal invoice given by a VAT registrant supplier to a recipient who is not registered for VAT, indicating that a sale was made or service rendered. It is a normal business invoice indicating a notice of an obligation which includes the VAT on the goods and services provided.

The primary differences between the VAT invoice and the VAT sales receipt are:

- a VAT sales receipt is given to a non-VAT registrant;
- it may not carry the details of the recipient;
- may not carry the term “VAT Invoice”,
- should carry the term “VAT Sales Receipt”

Prices stated on a VAT sales receipt can be either inclusive or exclusive of VAT

## 8. SHOULD A VAT INVOICE BE GIVEN ONLY TO ANOTHER VAT REGISTRANT?

No. The VAT registered taxpayer may issue a VAT invoice to the following categories of persons<sup>1</sup>:

- a) a person to the extent provided under the Diplomatic and Consular Services (Immunities and Privileges) Act and any international convention having force of law in The Bahamas, or the recognized principles of international law;
- b) a diplomatic or consular mission of a foreign country established in The Bahamas, relating to transactions concluded for the official purposes of such mission;
- c) An international organization within the meaning of Section 3 (1) of the International Organization (Immunities and Privileges) Act
- d) approved charitable organizations
- e) A Licensee of the Grand Bahama Port Authority not registered for VAT

The above categories of persons can claim a refund of tax paid under certain special circumstances. The VAT invoice serves as evidence of the amount of VAT paid and to whom the supply was made.. The submission of a VAT invoice is a key requirement in making a refund claim.

**Note, that these persons should be registered, pursuant to the VAT Act, in order to claim a refund.**

## 9. OBLIGATION TO ISSUE A VAT INVOICE

It is a legal requirement for a registrant to issue a VAT invoice for each taxable supply that he makes to another registrant. The VAT invoice should be issued in duplicate. The original must be given to the recipient and a copy of the invoice retained by the supplier.

## 10. HOW TO TREAT DIFFERENT CATEGORIES OF GOODS OR SERVICES ON THE SAME INVOICE

If a VAT invoice includes zero-rated supplies, supplies at standard rate, and exempt supplies, the invoice must clearly state which items attract tax, the rate of tax and amount of tax being charged. Special codes can be used to identify each category.

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**11. SHOULD A VAT INVOICE BE ISSUED FOR EVERY TAXABLE SUPPLY MADE?**

- a. No. A VAT invoice is not mandatory for taxable supplies made to registrant recipient if the consideration being paid is in cash and less than fifty dollars (\$50.00)<sup>2</sup> unless the recipient requested one. However a VAT sales receipt should be issued.
- b. A VAT receipt should be issued to other persons.

**12. I AM A VAT REGISTRANT AND I HAVE PURCHASED GOODS ON WHICH TAX IS CHARGEABLE; HOWEVER I HAVE NOT RECEIVED A VAT INVOICE, WHAT SHOULD I DO?**

- a. The first thing you need to do is to ascertain if your supplier is registered for VAT. If the supplier is registered, he should have a registration certificate displayed where everyone is able to see it.
- b. If the supplier is not a registrant, he should not issue a VAT invoice. As a result, you are not entitled to an input tax credit.
- c. If the supplier is a registrant, you have sixty (60) days from the date of that supply to make a request in writing. He is obligated to issue a tax invoice within fourteen days from the date of your request.<sup>3</sup>
- d. Without the VAT invoice you may be prevented from making a claim against your output tax. If your supplier refuses to submit a tax invoice, notify the Comptroller of VAT Department as it is an offence for a tax invoice not to be issued in the given circumstance.
- e. However, the Comptroller may allow you to claim an input tax credit where he is satisfied:
  - you have taken all reasonable steps to acquire a tax invoice;
  - that the failure to acquire the tax invoice was not your fault; and
  - the amount of input tax you want to claim is correct.

**13. HOW DO I KNOW WHEN TO ISSUE A VAT INVOICE TO A PURCHASER, WILL THE VAT DEPARTMENT SUPPLY ME WITH A LIST CONTAINING ALL VAT REGISTRANTS?**

- a. If the recipient (the purchaser) is a registrant, he has an obligation to indicate to you (the registered supplier) that he is so registered and provide you with the relevant information.
- b. Also, persons who are listed in Note 8 above should provide the necessary information to you.
- c. The Comptroller as has an obligation to make the list of VAT Registrants available to the public. The Comptroller must publish annually, on the 1<sup>st</sup> day of January in each year, by notice in the Gazette or in such other manner as may be prescribed, a list of all VAT registrants.<sup>4</sup>

**14. IF YOU HAVE LOST YOUR VAT INVOICE WHAT SHOULD YOU DO?**

If you have lost the original VAT invoice, you must request a copy from your supplier. The copy of the VAT invoice being issued must clearly be marked “*copy*”.

**15. OFFENCE**

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<sup>2</sup> Sect. 54 (2)

<sup>3</sup> Sect. 54 (1) & (6)

<sup>4</sup> Sect. 28 (6)

It is a serious offence for anyone who is not a VAT registrant to issue a document showing an amount of tax being charged in respect of a particular supply of goods or services or holding himself out as being authorized to charge VAT.

It is also an offence for the registrant not to issue a VAT invoice when a supply is made to another registrant and for which the recipient had made such a request.

**16. EXAMPLES OF VAT INVOICES AND VAT SALES RECEIPTS**

The Act, Regulations and VAT Rules give guidance on the information which must be stated on a VAT invoice. The VAT registrant must ensure that whatever medium is used to record a taxable supply or generate a VAT invoice or VAT sales receipt, the required information should be clearly stated. The price on a VAT invoice must be VAT-exclusive however, a VAT sales receipt can be tax-inclusive or exclusive, notwithstanding that all prices should be displayed and quoted VAT inclusive.

Listed below, are some examples of VAT invoices and VAT sales receipts. *Note these are for illustration purposes only.*

**3 VAT INVOICE**

**EXAMPLE 1**

VAT Invoice No: 174	Date: 11/01/2015
From: Radio Supplies Ltd. 21 Any Road	TIN: 100091820
To: A N Otten Ltd. 22 High Street	TIN: 100012345

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Qty.	Description & Price		Amount Exclusive of VAT	VAT Rate (%)	VAT
6	Radios SW 15 @ 25.20		151.20	7.5	11.34
4	Record Plugs @ 23.60		94.40	7.5	7.08
6	Lamps 177 @ 15.55		93.30	7.5	7.00
	SUB-TOTAL		338.90		
	VAT		<u>25.42</u>		<b><u>25.42</u></b>
	<b>TOTAL</b>		<b><u>364.32</u></b>		

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Ex: 1: Shows all the features/information required for a VAT Invoice.

EXAMPLE 2

VAT INVOICE			
Computer Accessories		TIN: 23457	
<b>T/A Best Computer Services</b>		Date:11/08/2015	
8 king Street			
To: Vogue Ltd		TIN: 77654	
89 Young Street			
		<b>Inv# CA-B345</b>	
Qty	Description	unit price	Total
5	computer key board	120.00	600.00
3	printer covers	50.00	150.00
5	computer screens	150.00	750.00
7	17" monitors	250.00	1,750.00
1	mouse pads	10.00	10.00
	<b>Sub-Total</b>		<b>3,260.00</b>
	less 10% discount		326.00
	<b>Total</b>		<b>2,934.00</b>
	Vat @ 7.5%		220.05
	<b>Total price</b>		<b>3,154.05</b>
sample invoice - indicating treatment of cash discount prices are VAT-exclusive			

Ex. 2: VAT invoice showing price discount, subtotal, rate and total VAT charged



**EXAMPLE 3**

<b>VAT INVOICE</b>			
Computer Accessories <b>T/A Best Computer Services</b> 8 king Street Vogue Ltd 89 Young Street		TIN: 23457 Date:11/08/2015 TIN: 77654 Inv# CA-B345	
Qty	Description	unit price	Total
5	computer key board	129.00	645.00
3	printer covers	53.75	161.25
5	computer screens	161.25	806.25
7	17" monitors	268.75	1,881.25
1	mouse pads	10.75	10.75
<b>Sub-Total</b>			<b>3,504.50</b>
less 10% discount			350.45
<b>Total</b>			<b>3,154.05</b>
Vat @ 7.5%			220.05
sample invoice - indicating treatment of cash discount unit & total prices are tax inclusive			

Ex.3: VAT Invoice, showing tax-inclusive pricing – **NOT ACCEPTABLE**, however format can be used for VAT sales receipt

**EXAMPLE 4**

VAT INVOICE/VAT SALES RECEIPT				
MILLS Wholesale		TIN: 23457		
8 High Street		Date: 12/23/2015		
G & B Grocery		TIN: 2384		
89 Young Street		Inv# 0035		
Qty	Description	code	unit price	Total
15	lb rice	T	5.00	75.00
10	lb sugar	T	7.50	75.00
12	pk milk	T	10.00	120.00
12	bread	T	3.00	36.00
24	soda	T	8.00	192.00
24	malta	T	12.00	288.00
36	bath soap	T	5.00	180.00
24	lotion	T	6.50	156.00
24	shampoo	T	15.00	360.00
12	hair oil	T	4.50	54.00
48	pens	T	2.00	96.00
48	pencils	T	1.00	48.00
<b>Sub total</b>				<b>1,680.00</b>
<b>VAT @ 7.5%</b>				<b>126.00</b>
<b>Total price</b>				<b>1,806.00</b>
price - VAT exclusive				
Code is used to identify taxable products:				

Ex. 4: Indicating which item is subject to VAT. If bread was made zero-rated, then the supplier can apply a code (Z), for example, to represent zero-rated items and (X) for exempt products.

**EXAMPLE 5**

**TAX EXCLUSIVE**

<b>Example (Pty) Ltd</b> Building Name Street Address City  Telephone: +27 21 999 9999 Fax: +27 21 999 0000 E-mail: info@example.com Website: www.example.com  TIN 1234567				<b>VAT Invoice</b>	
				<b>Invoice Number</b> INV0004 <b>Invoice Date</b> 4/17/2015	
				WC Financial Advisors 15 Strand Street Walmer Nassau  <b>Customer TIN</b> 1344444	
Stock Code	Description	UOM	Quantity	Selling Price (excluding tax)	VAT Exclusive Amount
1111AA	Raw Material 1	KG	24.00	131.58	3,157.89
3333AA	Dry Goods 1	Each	30.00	85.97	2,578.95
5555AA	Raw Material - Labelled	Carton	44.00	118.42	5,210.53
43555CC	Installation		1.00	250.00	250.00
				<b>Subtotal</b>	<b>11,197.37</b>
				<b>VAT @ 7.5%</b>	<b>839.80</b>
				<b>Total</b>	<b>12,037.17</b>
Bank: Example Bank Account Type: Current Account Account Number: 1111 999 888 Bank Code: 999-999				Invoice Status: Paid Invoice Due Date: 5/17/2015 Payment Date: 5/20/2014	

**EXAMPLE 6**

**TAX EXCLUSIVE**

NB: Illustration only: If some Items were not subject to VAT

<b>VAT INVOICE/VAT SALES RECEIPT</b>				
MILLS Wholesale		TIN: 23457		
8 High Street		Date: 12/23/2015		
G & B Grocery		TIN: 2384		
89 Young Street		Inv# 0035		
Qty	Description	unit price	Total	Tax
15	lb rice	5.00	75.00	
10	lb sugar	7.50	75.00	
12	pk milk	10.00	120.00	
12	bread	3.00	36.00	
24	soda	8.00	192.00	14.40
24	malta	12.00	288.00	21.60
36	bath soap	5.00	180.00	13.50
24	lotion	6.50	156.00	11.70
24	shampoo	15.00	360.00	27.00
12	hair oil	4.50	54.00	4.05
48	pens	2.00	96.00	7.20
48	pencils	1.00	48.00	3.60
	<b>Sub -Total</b>		<b>1,680.00</b>	<b>103.05</b>
	Tax @ 7.5%		<b>103.05</b>	
	<b>Total price</b>		<b>1,783.05</b>	
<i>This sample invoice/receipt shows the tax separately</i>				

Ex. 6: representing another format indicating that, for example, if some products are not taxed how it can be displayed

VAT SALES RECEIPT- TAX INCLUSIVE

EXAMPLE 7

VAT Sales Receipt			
Computer Accessories		TIN: 23457	
T/A Best Computer Services		Date:11/08/2015	
Cash****		Serial No.:CA-B345	
Qty	Description	unit price	Total
5	computer key board *	129.00	645.00
3	printer covers *	53.75	161.25
5	computer screens *	161.25	806.25
7	17" monitors *	268.75	1,881.25
1	mouse pads *	10.75	10.75
<b>Sub-Total</b>			<b>3,504.50</b>
less 10% discount			350.45
<b>Total</b>			<b>3,154.05</b>
Vat @ 7.5%			220.05
<b>(*) taxable items</b>			
sample invoice - indicating treatment of cash discount unit & total prices are tax inclusive			

Ex. 7: VAT sales receipt showing VAT inclusive price. This invoice contains the same information as Ex. 3 except:

- VAT Sales Receipt replaces VAT Invoice;
- The recipient information is not included
- Indicating a cash sales, (can be omitted)

The illustration here is that VAT sales receipt is nothing more than an ordinary invoice, which include the amount of tax charged, the rate of tax and which item is subject to VAT, in this example by the use of an asterisk (.\*)

**EXAMPLE 8**

**TAX EXCLUSIVE**

VAT Sales Receipt				
IMPACT DUTY FREE			TIN: 23457	
8 High Street			Date: 12/23/2015	
John Paris				
Paris, France			Inv# 0035	
Qty	Description	code	unit price	Total
1	Watch - Rolex	Z	5,000.00	5,000.00
2	Watch - Citizen	Z	300.00	600.00
2	Perfume - Channel	T	50.00	100.00
3	Perfume - Tommy Girl	T	65.00	195.00
1	Ring - White Gold	Z	10,000.00	10,000.00
1	Necklace - Gold	Z	3,000.00	3,000.00
1	Bag - Lady	T	500.00	500.00
<b>Subtotal</b>				<b>19,395.00</b>
VAT @ 7.5%				59.63
<b>(Tax value (\$795.00))</b>				
<b>Total price</b>				<b>19,454.63</b>

This is a sample receipt that may be received by a tourist/visitor for a VAT free purchase. A supplier will issue this type receipt only on presentation of travel documents by the tourist/visitor.

**EXAMPLE 9**

Invoice No. **NM-001**

N. Miller & Associate Ltd 3 King Street TIN 23453 VAT INVOICE

**INVOICE**

Customer	
Name	Bentley Brown & Co TIN 45732
Address	22 Any Road
City	State _____ ZIP _____
Phone	234-7852

Misc	
Date	01/13/2015
Order No.	BB-34
Rep	
FOB	

Qty	Description	Unit Price	TOTAL
5	computer key boards	\$ 450.00	\$ 2,250.00
3	printer covers	\$ 45.00	\$ 135.00
7	computer screen	\$ 5.00	\$ 35.00
5	monitors 17"	\$ 750.00	\$ 3,750.00

SubTotal	\$ 6,170.00
Shipping	
Tax Rate(s)	7.50%
	\$ 462.75
<b>TOTAL</b>	<b>\$ 6,632.75</b>

Payment	Select One...
Comments	_____
Name	_____
CC #	_____
Expires	_____

Tax Rate(s)

Office Use Only

Insert Fine Print Here

Insert Farewell Statement Here





EXAMPLE 11

MANUAL INVOICE CONVERTED TO VAT INVOICE

**ISLAND PURIFIED WATER**  
 PO Boxes 891, any Place, Nassau  
 Tel: (000) 466-7517. Fax (000) 466-2862  
 email: islandpurifiedwater@yahoo.com  
**TIN 1000987654**

VAT INVOICE

CUST. ORDER NO. 8826		DATE: 26/10/14	
NAME: Fergies Supplies			
ADDRESS: East Street, Nassau			
TIN: 19808754	Serial # 209876		A/C #
TIN: 19808754	A/C #		

Sold By:	Cash	COD	Charge	On Acct	MD SERTI	Paid Out
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Quantity	DESCRIPTION	Price	Amount
2	Case 5 gallon bottle water	\$14.00	\$28.00
<span style="border: 1px solid black; border-radius: 50%; padding: 5px; display: inline-block;">\$30.10</span>			
	VAT 7.5%		2.10
			30.10

Recd By: \_\_\_\_\_

This represents a manual invoice which has been converted into a VAT Invoice or VAT Sales Receipt with the relevant information indicated in RED.

**EXAMPLE 12**

**VAT EXCLUSIVE**

**Invoice No. NM-001**

*N. Miller & Associate Ltd 3 King Street TIN 23453 VAT INVOICE*

**INVOICE**

**Customer**

Name Bentley Brown & Co TIN 45732  
 Address 22 Any Road  
 City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_  
 Phone 234-7652

**Misc**

Date 12/13/2015  
 Order No. BB-34  
 Rep \_\_\_\_\_  
 FOB \_\_\_\_\_

Qty	Description	Unit Price	TOTAL
1	To prepare financial statements	\$ 7,000.00	\$ 7,000.00
1	To preparaer VAT worksheets & VAT return	\$ 5,000.00	\$ 5,000.00
1	Reimbursement for staff transportation	\$ 3,000.00	\$ 3,000.00
1	Reimbursement for staff meal	\$ 750.00	\$ 750.00
1	Reimbursement for staff accomodation	\$ 2,500.00	\$ 2,500.00
5	Photocopying of VAT returns	\$ 20.00	\$ 100.00

SubTotal	\$ 18,350.00
Shipping	
Tax Rate(s)	7.50%
<b>TOTAL</b>	<b>\$ 19,726.25</b>

**Payment** Select One...

Comments \_\_\_\_\_  
 Name \_\_\_\_\_  
 CC # \_\_\_\_\_  
 Expires \_\_\_\_\_

Office Use Only

*Insert Fine Print Here*

*Insert Farewell Statement Here*

## 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](mailto: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](http://www.bahamas.gov.bs/vat)

