

# REQUIREMENTS FOR VALID TAX INVOICES

The following important points should be noted regarding tax invoices:-

- A tax invoice must within 21 days of the date of that supply be issued to the recipient, whether requested to do so or not;
- Where the consideration in money for a supply is R50 or less, a tax invoice is not required (however, a document such as a till slip or sales docket will still be required to verify the input tax claimed);
- Where the consideration for a taxable supply exceeds R50 but does not exceed R3 000, an abridged tax invoice may be issued ;
- A full tax invoice must be issued on transactions where the consideration for the supply exceeds R3 000 whether the recipient has requested this or not;
- A tax invoice must be in South African currency, except for a zero-rated supply (e.g. goods exported).
- A full tax invoice must be issued for a zero-rated supply, even if the consideration is less than R3 000;
- A tax invoice is not issued by a debtor (vendor) under an instalment credit agreement if the goods are repossessed. This will be done by the person exercising the right of repossession (the bank or other financier);
- A document will not constitute a valid tax invoice for a standard rated supply if it does not state the actual amount of VAT charged or contain a statement that VAT at the standard rate of 14% is included.

In order for a tax invoice to be valid in terms of the VAT Act, it must have certain details reflected on the document as set out in section 20(4) and (5) as follows:

## ABRIDGED TAX INVOICE (CONSIDERATION LESS THAN R3 000) - SECTION 20(5) OF THE VAT ACT:

- The words "TAX INVOICE" in a prominent place
- Name, address and VAT registration number of the supplier
- Serial number and date of issue
- Accurate description of goods and/or services
- Price & VAT (according to any of the three approved methods discussed below)

## FULL TAX INVOICE (CONSIDERATION OF R3 000 OR MORE) SECTION 20(4) OF THE VAT ACT:

- The words "TAX INVOICE" in a prominent place
- Name, address and VAT registration number of the supplier
- Name, address and where the recipient is a vendor, the recipient's VAT registration number
- Serial number and date of issue
- Accurate description of goods and/or services (indicating where applicable that the goods are second-hand goods);
- Quantity or volume of goods or services supplied
- Price & VAT (according to any of the three approved methods discussed below)

The consideration and the VAT charged must be reflected on the tax invoice in one of the following approved formats:

#### METHOD 1: ALL INDIVIDUAL AMOUNTS REFLECTED

Price (excl. VAT)	R 500
VAT @ 14%	R 70
Total including VAT	R 570

#### METHOD 2: TOTAL CONSIDERATION AND THE RATE

The total consideration	R570
VAT included @ 14%	

#### METHOD 3: TOTAL CONSIDERATION AND THE VAT CHARGED

The total consideration	R 570
VAT included	R 70