

SIMPLIFIED VALUE ADDED TAX SCHEME

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SIMPLIFIED VALUE ADDED TAX SCHEME

Objective : minimization of the cash refunds and streamlining the VAT system

Under this scheme VAT refunds on purchases or importation shall be deferred.

There are two parties recognized under this system.

1. Registered Identified Purchaser [RIP]
2. Registered Identified Suppliers [RIS]

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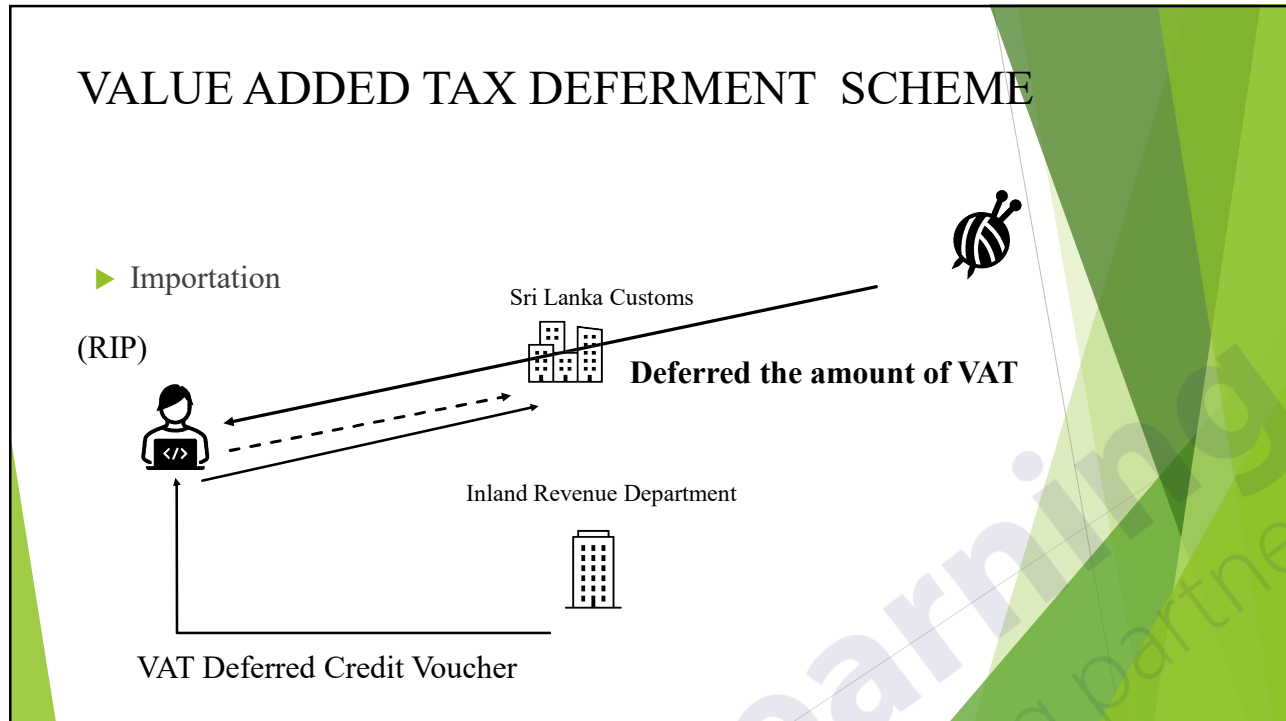
- ▶ Registered Identified Purchaser
 - ▶ Goods and service exporters
 - ▶ Person registered under section 22 (7)
 - ▶ Strategic Development projects
 - ▶ Specified special projects
 - ▶ Indirect Exporter
 - ▶ More than 50% of the total taxable supply made to above category

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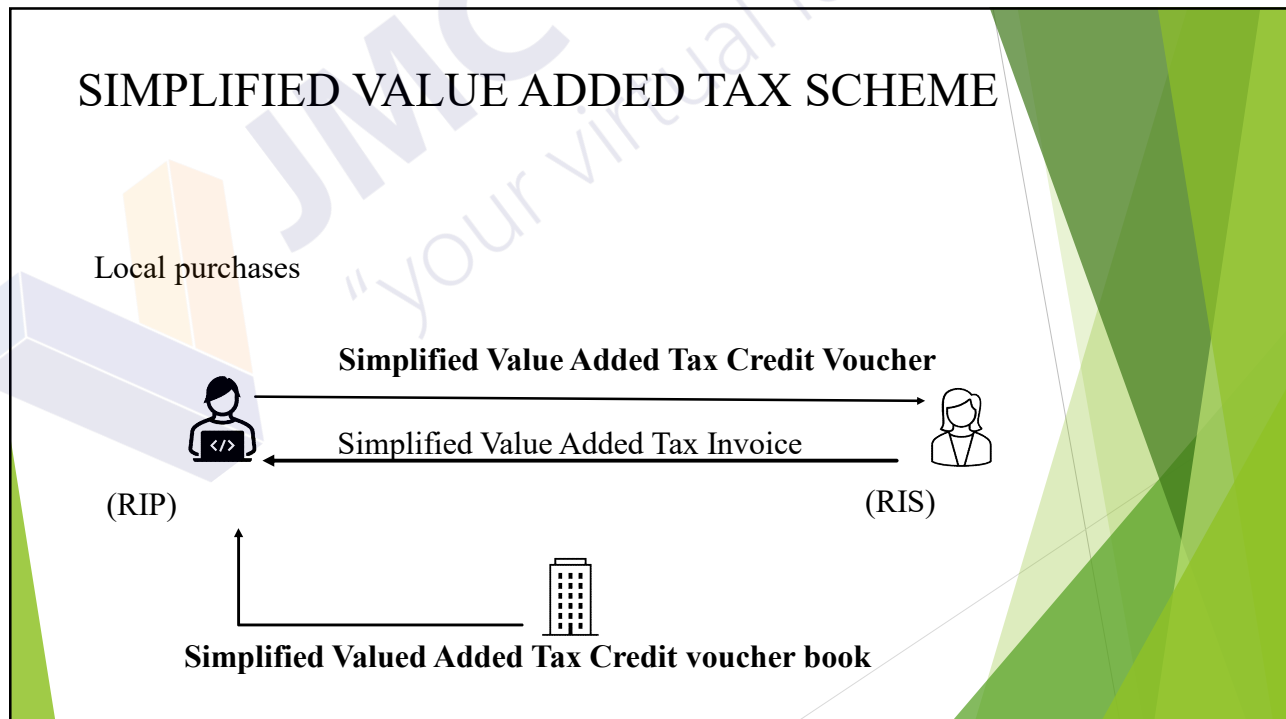
Registered Identified Suppliers [RIS]

Any person who makes taxable supply to registered identified purchaser

VALUE ADDED TAX DEFERMENT SCHEME



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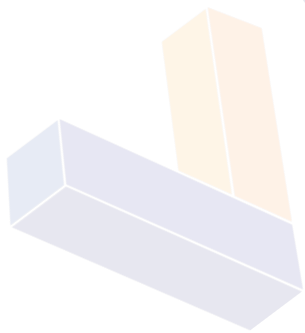
► Computation

(RIS)

Out Put Tax

Value of supply made under Simplified VAT Scheme x 15% = xxxxx

Tax Credit can be claimed up to the amount of Out put VAT – SVAT Credit Voucher shall be received from the purchaser (RIP)



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