



EXPLANATORY NOTES FOR THE COMPLETION OF VAT RETURN FORM

These explanatory notes are meant to give guidance to clients as they complete the VAT Return Form

1. Completion & submission of form

The various VAT returns have been merged into one single form to allow its use by all categories of registered operators. The revised VAT form which is obtainable from the ZIMRA Website can now accommodate the following declarations to be made on the same form:

- a. VAT on Local supplies of goods and services.
- b. VAT on Imported Services
- c. VAT Refund claims by diplomats
- d. Sale in execution of a debt

The form should be completed in full and in duplicate where submitted as hard copy, and submitted by 25 of the month following the end of the tax period. As proof that you have furnished us with a return, one copy will be stamped and returned to you.

2. Attachments

Whenever input tax is being claimed, the client is required to complete and attach an input tax schedule from which input tax is determined. No tax Invoices should be attached to the VAT Return Form. However the clients should be in possession of valid tax invoices/debit/credit notes and bill of entry to support their input tax claim which should be available at their offices for inspection if need arises.

3. Declaration of Output Tax

The following rates of tax applicable on various VAT transactions are meant to guide you in the determination of VAT Due.

Description	Material Code	VALUE OF SUPPLY	Tax Rate
Supply of goods & / services	V09	Value Of Supply - Selling price excluding VAT	15 %
Supply of goods & / services @ 0%	V12	Value of supply	0%
Exempt supplies	V18	Total invoice value	N/A
Imported Services	V 19	Value of imported services before vat	15%
		CONSIDERATION	
Special return-sales in execution of a debt	V20	Consideration - Selling price including vat	15/115
Change of use of goods & / services (Applied to own use)	V21	Value of goods including vat	15/115
Change of use of capital goods	V24	Value of capital goods including VAT	15/115
Bad debts recovered	V27	Consideration - Actual debt recovered	15/115



		including VAT component	
Debit/Credit Notes	V30	Consideration - Value of debit / credit notes including VAT	15/115
Fringe benefit – Monitoring	V33	Consideration- benefit deemed to include vat	15/115
4.Declaration of Input tax			
Local goods / services purchased to make taxable supplies	V39	Cost of purchases excluding input tax	State as per Valid Tax Invoices
Imported goods purchased to make taxable supplies	V42	Cost excluding import VAT	State as per Bill of entry
Capital goods purchased to make taxable supplies	V45	Cost excluding input tax	State as per Valid Tax Invoices
Change of use of goods & services	V48	Value of goods including input tax	Apply tax fraction – 15/115
Change of use of capital goods	V51	Value of capital goods including input tax	Apply tax fraction – 15/115
Bad debts written off	V54	Value of debts written off including VAT	Apply tax fraction – 15/115
Debit/Credit Notes	V57	Value of Debit / Credit Notes including VAT	Apply tax fraction – 15/115

5. Format for input Tax Schedule to be completed in all cases where input tax is being claimed

Date	Supplier's Name	Supplier's VAT Number	Invoice Number/Bill of entry Number	Description of goods / services	Cost excluding VAT	Input Tax	Cost Including VAT

VAT on Imported Services

Imported services means a supply of services that is made by a supplier who is resident or non-resident and carries on business outside Zimbabwe to a recipient who is a resident of Zimbabwe to the extent that such services are utilized or consumed in Zimbabwe for the purpose of making non-taxable supplies.

- a. No VAT shall be payable in respect of a service which has been imported by a registered operator to make taxable supplies.
- b. No VAT shall be payable in respect of an imported service if such service would be zero-rated or exempt from VAT if ordinarily supplied in Zimbabwe.



VAT on imported services should be taxed at the rate of 15% on the value of consideration for the supply or the market value of the supply whichever is greater. The tax should be remitted within thirty days from the date on which the supplier issues the invoice or the time the payment is made by the recipient whichever is the earlier.

Refund Claims by Diplomats / Diplomatic Missions

Diplomats and Diplomatic Missions are expected to complete the same VAT Return form. They should claim their input tax on V39 in respect of purchases of goods and / or services acquired in Zimbabwe. Input tax incurred on the importation of goods should be claimed under V42 if any.

Whenever input tax is being claimed, the client is required to complete and attach an input tax schedule from which input tax is determined. No tax Invoices should be attached to the VAT Return Form. However the Diplomats should be in possession of valid tax invoices/debit/credit notes and bill of entry to support their input tax claim which should be available at their offices for inspection