



# Tax & Legal Flash

May 2023

## **SARS to focus on VAT numbers declared on customs documents**

Following a recent review of the data declared on customs documents (bills of entry), SARS informed external stakeholders that it found that importers/exporters do not always declare their VAT numbers on these documents, or that the incorrect VAT numbers are declared.

SARS has indicated that it will be monitoring customs clearances over the next 30 days, after which non-compliant importers/exporters will be contacted and advised of steps to ensure compliance.

Non- or incorrect declarations of VAT numbers may lead to SARS not accepting the declaration and/or arguing that the customs documentation is not valid. This may lead to input tax deductions claimed on VAT returns to be denied by SARS and/or SARS concluding that the prescribed supporting documentation for zero-rated exports has not been obtained. In addition to VAT exposures, this may result in administrative penalties being levied from a customs perspective going forward.

Importers/exporters should therefore take the necessary steps to ensure that their VAT numbers are correctly declared on all bills of entry. This could, amongst others, be done by contacting clearing agents to verify that the VAT numbers are correct and are declared on bills of entry. SARS further advised that going forward, importers/exporters will be notified *via* electronic response messages where the VAT number on customs declarations has not been declared or is incorrect.

Please do not hesitate to contact us should you require any assistance or guidance on the above.



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