THE VALUE ADDED TAX ACT (No. 35 of 2013)

IN EXERCISE of the powers conferred by section 67 of the Value Added Tax, 2013, the Cabinet Secretary for the National Treasury makes the following Regulations:—

THE VALUE ADDED TAX (ELECTRONIC TAX INVOICE) REGULATIONS, 2019

<table>
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<th>Citation</th>
<th>1. These Regulations may be cited as the Value Added Tax (Electronic Tax Invoice) Regulations, 2019</th>
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<td>2. These Regulations shall apply to persons who are required under these regulations to use or supply a Register to record and transmit sales to the system prescribed by the Commissioner.</td>
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| Interpretation | 3. In this Regulations unless the context otherwise requires-

"Act" means the Value Added Tax Act, 2013;

"Register" means an electronic tax register and refers to any invoicing or receipting system that allows secure data validation, encryption, signing, storage and transmission;

"Supplier" means a person registered by the Commissioner to supply an electronic tax register;

"user of a register" means any person registered under Section 34 of the Act.

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<th>Requirement to use a Register</th>
<th>4. (1) A person registered for VAT under Section 34 of the Act shall be required to use a register.</th>
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| Use of Register | 5. (1) A user of a register shall -

(a) use the register as required and in |

|
accordance with these Regulations;

(b) ensure—

(i) the recording of each sale with the use of the register;

(ii) the printing of the receipt in respect of each sale and which receipt shall contain the information set out in Regulation 10 and deliver the original receipt to the purchaser.

(2) A register shall exclusively be used to record the sales of the user of a register.

(3) The Commissioner may specify an appropriate type of register to be used by persons in a specific industry.

6. (1) The user of the register shall provide power supply back up to ensure availability of the register at all times.

(2) The register shall operate without loss of continuity in the event of interruption in power supply.

(3) In case of non-availability for use of the register, the user of a register shall, immediately and not exceeding twenty four hours of such eventuality, report to the Commissioner.

(4) Where a register is reported under Paragraph (3)

(a) the Commissioner shall approve substitute means of recording the sales;

(b) the user of a register shall record sales with the use of such substitute means as approved by the Commissioner under this paragraph.

(c) Once the register is available, the user of a register shall conform to the provisions under Paragraph 5(1)(b)
7. A user of a register shall –

(a) ensure availability of the register at the point of sale;

(b) ensure that the register has the approved software and program;

(c) ensure that the register operates correctly as required under these regulations;

(d) facilitate inspection of the register by an authorized officer;

(e) protect the register from tampering and manipulation or in any way from unauthorized interference from the proper functioning of the register;

(f) promptly report any malfunctioning of the register to a service person;

(g) ensure the inspection of the register by a service person every six months;

(h) ensure the inspection, before further use, of a register which has been, or is suspected to have been, interfered with;

(i) keep and maintain a register ledger in which a record of the servicing of the register shall be maintained which shall contain –

   (i) the name and address of the person servicing the register;

   (ii) an entry for each time the register is serviced, describing the servicing and shall be signed by the person...
8. (1) A supplier of a register shall-
   (a) apply to the Commissioner for registration as a supplier in the prescribed form;
   (b) ensure supply of the register only to registered persons
   (c) ensure regular servicing of registers;
   (d) ensure that all the registers supplied meet the requirements imposed under these regulations;
   (e) respond promptly to any report of a malfunctioning reported by the user;
   (f) Update the software of the register as may be required by the Commissioner;
   (g) comply with such other requirements as may be specified by the Commissioner.

(2) An application made under Paragraph 8 (1) shall contain such requirements as may be determined by the Commissioner.

9. (1) The Commissioner may suspend a supplier where the supplier-
   (a) commits an offence under the tax laws;
   (b) fails to comply with the requirements of these regulations
   (c) supplies a register(s) that does not meet the requirements of these regulations;
   (d) fails to comply with such other requirements as may be specified by the Commissioner;

(2) Where a person is suspended under this Regulation, that person shall-
   (a) immediately cease to supply registers;
   (b) comply with such other directives as may be specified by the Commissioner.

(3) A Supplier who has been suspended under this Regulation may be reactivated upon complying with the directives specified by the Commissioner.
10. (a) A supplier may make an application for deregistration in the prescribed form.

(b) Upon de-registration to the commissioner, the supplier shall cease to supply registers.

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<th>Application for de-registration by supplier</th>
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11. A tax invoice printed from a register shall contain—
   a. PIN of the user of a register;
   b. Time and date of the tax invoice;
   c. Tax invoice serial number;
   d. Buyer’s PIN (Optional)
   e. Invoice Type (Original/Duplicate);
   f. Invoice Category (Tax Invoice, Credit Note, Debit Note);
   g. Payment Mode (Cash, Debit Card, Credit Card, Pre-paid Card, Mobile Money, EFT, RTGS, Credit Note);
   h. Tax invoice total gross amount;
   i. Tax invoice total tax amount;
   j. Tax invoice total net amount;
   k. Barcode of the goods (For Exempt and Zero rated);
   l. Brief description of goods or services;
   m. Quantity;
   n. Unit of measure;
   o. Tax Rate charged;
   p. Unique register identifier
   q. Digital Signature;

12. A register shall—
   a. display clear messages;
   b. be secure and tamperproof;
   c. have capability for interconnectivity with Information Technology networks;
   d. have secure and sufficient storage to maintain records.
   e. have capability to be activated by the system prescribed by the Commissioner, recording the following data—
      i. the date and time of commencing and ceasing the operations in its module;
      ii. the information required under these Specifications of a tax register
regulations.

(f) have capability to—

(i) integrate with any system as required by the Commissioner;

(ii) transmit or connect to a device that will transmit the recorded data to a system as required by the Commissioner;

(iii) perform updates for any changes as required by the tax law such as change in tax rates and classification of supplies;

(iv) support capturing of the buyer’s PIN or Passport number either manually or automatically.

13. A register shall have capability to-
   a. transmit to the required system the tax invoice data and the end of day summary of the respective day’s data in the prescribed format;
   b. print or provide electronic data stored when required;
   c. print or provide electronic data stored in the official language.

14. (1) The register shall have capability to-
   a. store data in such manner as to be unintelligible to persons not authorized to access it;
   b. maintain integrity of data;
   c. secure authentication for authorized users;
   d. capture the log of activities.
   e. record transactions identified by a unique identifier
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<td>15. Regulation 9 of the Value Added Tax Regulations 2017 is repealed</td>
<td>Repeal</td>
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<td>16. Any person who fails to comply with these Regulations shall be guilty of an offence.</td>
<td>offence</td>
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Made on the..............(Date)

Hon. (Amb) UKUR YATANI,
Ag. Cabinet Secretary for the National Treasury.