

VANUATU

NEW AUTHORITY GUIDE

THOMSON REUTERS TAX RESEARCH
SEPTEMBER 2016 CONTENT UPDATE #1

Introduction

The authority of Vanuatu has been added to ONESOURCE Determination, including rates, catch-all rules and cross-border logic. It is created in accordance with Vanuatu VAT Act to account for importing, exporting, manufacturing and consumption of goods and services.

PART I – UPDATES TO DETERMINATION

Zone

The authority of Vanuatu has been attached to the country-level zone of Vanuatu.

ZONE NAME	PARENT ZONE	ZONE LEVEL	3-CHAR CODE	DEFAULT PRODUCT GROUP
Vanuatu	World	Country	VUT	Harmonized

Registration Mask

The following registration mask was added.

REGISTRATION MASK
<code>^VU ^d{6}\$</code>

Authority Options

NAME	CONDITION	VALUE	START DATE	END DATE
CL - Customer Location Reverse Charge	Foreign Transaction	Registration Required	09/01/2016	N/A
CR - Registration Requirement	Both	Registration Requirement	09/01/2016	N/A
Filing Groups Goods	- None -	No	09/01/2016	N/A
Filing Groups Customer Location Service	- None -	No	09/01/2016	N/A
Filing Groups Physical Performance	- None -	No	09/01/2016	N/A
Foreign Seller – Physical Performance	- None -	No	09/01/2016	N/A
GS - Goods Reverse Charge	Not Applicable	Not Applicable	09/01/2016	N/A
Intra-Company tax free - Goods	- None -	Yes	09/01/2016	N/A
Intra-Company tax free sale - Customer Location Service	- None -	Yes	09/01/2016	N/A
Intra-Company tax free sale - Physical Performance	- None -	Yes	09/01/2016	N/A
PP - Physical Performance Reverse Charge	Not Applicable	Not Applicable	09/01/2016	N/A
Turn Off Authority	- None -	No	01/01/1901	N/A

Rate Updates

The following rates have been added in the authority of Vanuatu.

RATE CODE	RATE DESCRIPTION	RATE	START DATE
NL	Not Liable	0%	1/1/1901
SR	Standard Rate	12.5%	9/1/2016
ZR	Zero Rate	0%	9/1/2016

Catch-all Rules

The following catch-all rules have been added in the authority of Vanuatu.

RULE ORDER	RATE CODE	TAX CODE	START DATE	BASIS
5000	N/A	N/A	9/1/2016	VAT Act No. 12 of 1998
5001	NL	N/A	9/1/2016	VAT Act No. 12 of 1998
5002	ZR	N/A	9/1/2016	VAT Act No. 12 of 1998
5008.9999	SR	OVERRIDE_STANDARD	9/1/2016	VAT Act No. 12 of 1998
9980	ZR	ZERO RATED	9/1/2016	VAT Act No. 12 of 1998
9990	-None-	N/A	9/1/2016	VAT Act No. 12 of 1998
10000	NL	N/A	1/1/1901	VAT Act No. 12 of 1998
10000	SR	N/A	9/1/2016	VAT Act No. 12 of 1998

PART II – TAX RESULT EXAMPLES

Test 1: Goods shipment from Vanuatu to Vanuatu – Purchase

WORKBENCH ELEMENTS	VALUES
Company Role	Buyer
Transaction Type	Goods
Ship From	Vanuatu
Ship To	Vanuatu
Seller Registration	123456
Buyer Registration	654321
Result	Input VAT in Vanuatu

The following image shows the details of the purchase.

Scenario 2016 September - Vanuatu Domestic Purchase:

View Results: 1 ▾		Gross Amount: 10000.00		Eff%: 12.5%													
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT								
Country: VANUATU	Vanuatu	VAT	S	I		12.5%	1250.00			1250.00	USD						
<input type="checkbox"/> Authority Messages:																	
<table border="1"> <thead> <tr> <th>Authority</th> <th>RuleOrder</th> <th>Message</th> </tr> </thead> <tbody> <tr> <td>Vanuatu</td> <td>10000</td> <td>GCBG1: Standard input VAT in Ship To Location.</td> </tr> </tbody> </table>												Authority	RuleOrder	Message	Vanuatu	10000	GCBG1: Standard input VAT in Ship To Location.
Authority	RuleOrder	Message															
Vanuatu	10000	GCBG1: Standard input VAT in Ship To Location.															

Test 2: Goods shipment from New Zealand to Vanuatu – Purchase

WORKBENCH ELEMENTS	VALUES
Company Role	Buyer
Transaction Type	Goods
Ship From	New Zealand
Ship To	Vanuatu
Seller Registration	N/A
Buyer Registration	654321
Result	Import VAT in Vanuatu Recovery of import VAT in Vanuatu

The following image shows the details of the purchase.

Scenario 2016 September - Vanuatu Goods Import:

View Results: 1 ▾		Gross Amount: 10000.00		Eff%: 0%														
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT									
Country: VANUATU	Vanuatu	VAT	IM	O		12.5%	1250.00											
Country: VANUATU	Vanuatu	VAT	IM	I		12.5%	1250.00											
0.00 USD																		
<input type="checkbox"/> Authority Messages: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Authority</th> <th>RuleOrder</th> <th>Message</th> </tr> </thead> <tbody> <tr> <td>Vanuatu</td> <td>10000</td> <td>GCBG2: Import VAT in Ship To Location.</td> </tr> <tr> <td>Vanuatu</td> <td>10000</td> <td>GCBG3: Recovery of import VAT in Ship To Location.</td> </tr> </tbody> </table>										Authority	RuleOrder	Message	Vanuatu	10000	GCBG2: Import VAT in Ship To Location.	Vanuatu	10000	GCBG3: Recovery of import VAT in Ship To Location.
Authority	RuleOrder	Message																
Vanuatu	10000	GCBG2: Import VAT in Ship To Location.																
Vanuatu	10000	GCBG3: Recovery of import VAT in Ship To Location.																

Test 3: Goods shipment from Vanuatu to Vanuatu – Sale

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Goods
Ship From	Vanuatu
Ship To	Vanuatu
Seller Registration	123456
Buyer Registration	654321
Result	Output VAT in Vanuatu

The following image shows the details of the sale.

Scenario 2016 September - Vanuatu Domestic Sale:											
View Results: 1 ▾		Gross Amount: 10000.00		Eff%: 12.5%							
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT		
Country: VANUATU	Vanuatu	VAT	S	O		12.5%	1250.00	1250.00 USD			
<input type="checkbox"/> Authority Messages:											
Authority	RuleOrder	Message									
Vanuatu	10000	GCSG1: Standard output VAT in Ship To Location.									

Test 4: Goods shipment from Vanuatu to New Zealand – Export

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Goods
Ship From	Vanuatu
Ship To	New Zealand
Seller Registration	123456
Buyer Registration	N/A
Result	Zero-rated export from Vanuatu

The following image shows the details of the transaction.

Scenario 2016 September - Vanuatu Goods Export:

View Results: 1 ▾	Gross Amount: 10000.00			Eff%: 0%											
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT						
Country: VANUATU	Vanuatu	Zero Rated Export	ZE	O	0%	0.00	0.00 USD								
<input type="checkbox"/> Authority Messages:															
<table border="1"> <thead> <tr> <th>Authority</th><th>RuleOrder</th><th>Message</th></tr> </thead> <tbody> <tr> <td>Vanuatu</td><td>5000</td><td>GCSG8: Zero-rated export in Ship From location.</td></tr> </tbody> </table>										Authority	RuleOrder	Message	Vanuatu	5000	GCSG8: Zero-rated export in Ship From location.
Authority	RuleOrder	Message													
Vanuatu	5000	GCSG8: Zero-rated export in Ship From location.													

Test 5: Service supply from Vanuatu to Vanuatu – Seller

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Service
Supply	Vanuatu
Seller Registration	123456
Buyer Registration	654321
Result	Output VAT in Vanuatu

The following image shows the details of the sale.

Scenario 2016 September - Vanuatu Domestic Service Supply:											
View Results: 1 ▾		Gross Amount: 10000.00			Eff%: 12.5%						
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT		
Country: VANUATU	Vanuatu	VAT	S	O		12.5%	1250.00	1250.00 USD			
<input type="checkbox"/> Authority Messages:											
Authority	RuleOrder	Message									
Vanuatu	10000	GCSPP2: Output VAT in Service location.									

Test 6: Service supply from New Zealand to Vanuatu – Reverse Charge

WORKBENCH ELEMENTS	VALUES
Company Role	Buyer
Transaction Type	Service
Seller Primary	New Zealand
Buyer Primary	Vanuatu
Seller Registration	N/A
Buyer Registration	654321
Result	Reverse charge in Vanuatu

The following image shows the details of the reverse charge.

Scenario 2016 September - Vanuatu Reverse Charge:

View Results: 1 ▼		Gross Amount: 10000.00		Eff%: 0%							
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT		
Country: VANUATU	Vanuatu	VAT	RC	O		12.5%	1250.00				
Country: VANUATU	Vanuatu	VAT	RC	I		12.5%	1250.00				
0.00 USD											
[-] Authority Messages:											
Authority	RuleOrder	Message									
Vanuatu	10000	GCBCL31: Reverse charge in Buyer's country.									
Vanuatu	10000	GCBCL32: Recovery of reverse charge in Buyer's country.									

CONCLUSION

This guide explains changes made in ONESOURCE Indirect Tax Determination in connection with the authority of Vanuatu. Please contact Customer Support with any additional questions.