



2018 VAT Rate Update

Sage Business Cloud Accounting
South Africa

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Statutory VAT Update

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1.0 Summary

To process transactions at the increased VAT rate, Accounting has created the following Tax Types in addition to the existing 14% rates:

Tax Type Description	%
New Standard Rate	15%
New Standard Rate (Capital Goods)	15%
New Export of Second-Hand Goods	15%
New Change in Use	15%

On 1 April 2018, the existing VAT Types in the system will be renamed and the **"Standard Rate" (15%)** set as the new system default.

Old Tax Type Description	New Tax Type Description	Rate
Standard Rate	Old Standard Rate	14%
Standard Rated	Old Standard Rated	14%
Standard Rate (Capital Goods)	Old Standard Rate (Capital Goods)	14%
Standard Rated (Capital Goods)	Old Standard Rated (Capital Goods)	14%
Export of Second-Hand Goods	Old Export of Second-Hand Goods	14%
Change in Use	Old Change in Use	14%
New Standard Rate	Standard Rate	15%
New Standard Rate (Capital Goods)	Standard Rate (Capital Goods)	15%
New Export of Second-Hand Goods	Export of Second-Hand Goods	15%
New Change in Use	Change in Use	15%
Old Tax Type Description	New Tax Type Description	Rate
Standard Rate	Old Standard Rate	14%

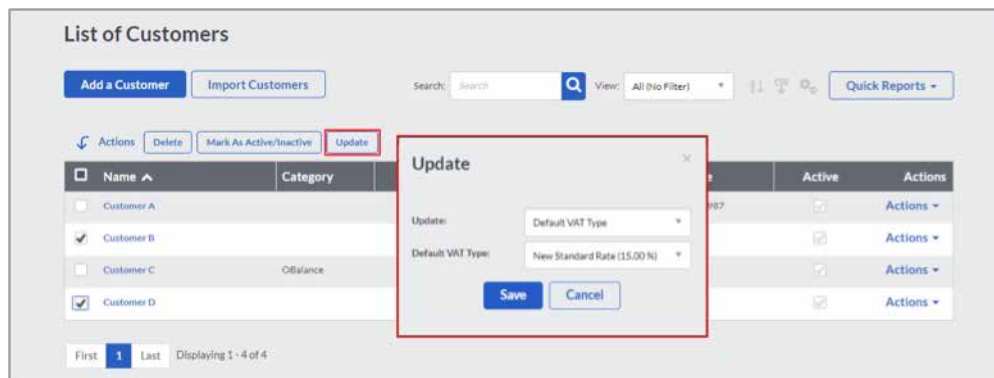
2.0 Actions to be taken by the client

2.1 Update Masterfile

If there are existing **Customer, Supplier, Item** and **Account** records that have a Default VAT Type of 14%, it will need to be updated to the **new 15% VAT rate**.

Click on the Customers ... Lists ... List of Customers option and follow these simple steps:

- Select the customer(s) you wish to update to 15% VAT by selecting the check box next to the customer(s) name
- Click on the "Update" button
- In the **Update** field, select the "Default VAT Type" option
- In the **Default VAT Type** field, select the "Standard Rate (15.00%)" option
- Click on the Save button to update the VAT



Accounting will then update the VAT type of the selected Customers to ensure the new VAT Type will be applied.

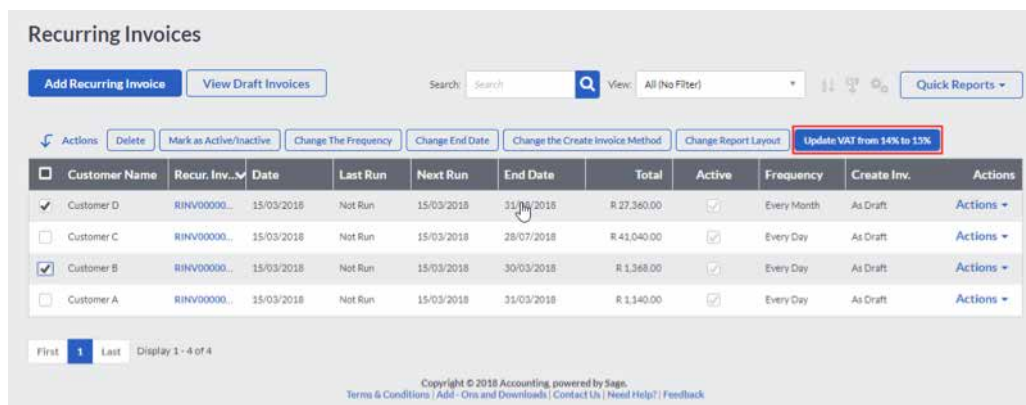
The same steps need to be followed with Suppliers, Items & Accounts.

2.2 Update Recurring Invoices

Based on the Time of Supply rule, you need to update recurring invoices to the **new 15% VAT rate** before the first run is due at this rate.

Click on the Customers ... Transactions ... Customer Recurring Invoices option and follow these simple steps:

- Select the Recurring Invoice(s) you wish to update to 15% VAT by selecting the **check box** next to the customer(s) name
- Click on the **“Update VAT from 14% to 15%”** button
- Click on **OK** on the Confirmation pop-up message



Accounting will then update & recalculate the following Tax Types in the selected Recurring Invoices:

Tax Type Description	New Tax Type Description
Standard Rate (14%)	Standard Rate (15%)
Standard Rate (Capital Goods) (14%)	Standard Rate (Capital Goods) (15%)
Export of Second-Hand Goods (14%)	Export of Second-Hand Goods (15%)
Change in Use (14%)	Change in Use (15%)

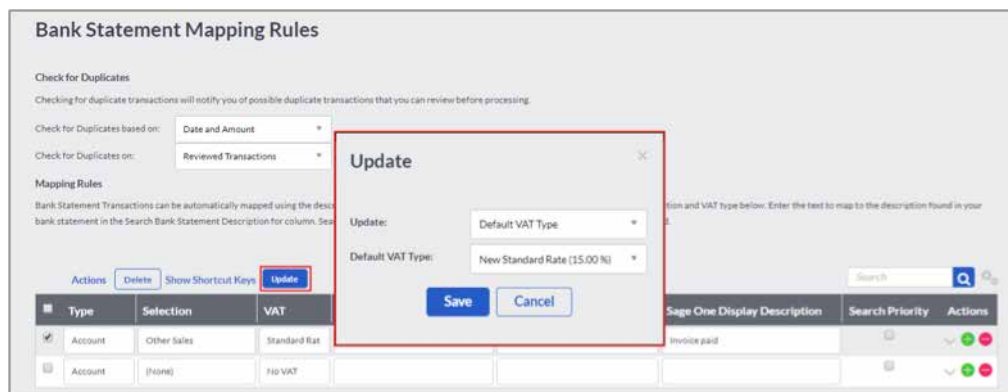
If the user selects any Recurring Invoices that has already been updated to 15% or created any custom Tax Types, you will need to update each Recurring Invoice manually.

2.3 Update Bank Statement Mapping Rules

If you have multiple Bank Statement Mapping Rules set up using the “Standard Rate” (14%), you need to update these rules before you import your next bank statement to ensure the **“Standard Rate” (15%) VAT rate** is applied.

Click on the Banking ... Lists ... Bank Statement Mapping Rules option and follow these simple steps:

- Select the bank statement mapping rules you wish to update to 15% VAT by selecting the check box next to the rule(s) name
- Click on the “Update” button
- In the **Update** field, select the “Default VAT Type” option
- In the **Default VAT Type** field, select the “Standard Rate (15.00%)” option
- Click on the **Save** button to update the VAT



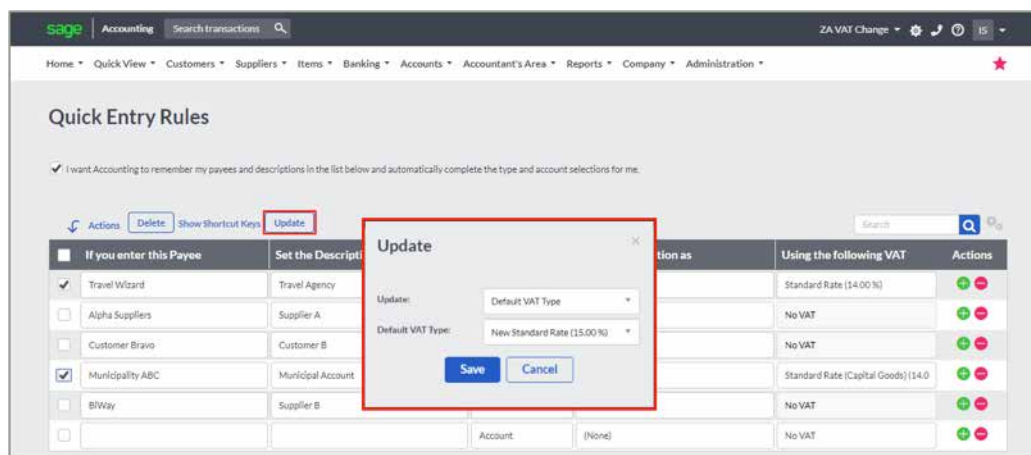
Accounting will then update the VAT type of the selected Bank Statement Mapping Rules to ensure the new Tax Type will be applied when importing new Bank Statements.

2.4 Update Quick Entry Rules

If you have multiple Quick Entry Rules set up using the “Standard Rate” (14%), you need to update these rules before you capture any manual banking transactions to ensure the “Standard Rate” (15%) VAT rate is applied automatically.

Click on the Banking ... Lists ... Quick Entry Rules option and follow these simple steps:

- Select the quick entry rules you wish to update to 15% VAT by selecting the check box next to the rule name
- Click on the “Update” button
- In the **Update** field, select the “Default VAT Type” option
- In the **Default VAT Type** field, select the “Standard Rate (15.00%)” option
- Click on the **Save** button to update the VAT



Accounting will then update the VAT type of the selected Quick Entry Rules to ensure the new VAT Type will be applied when capturing the new Banking transactions.

2.5 VAT201 Report Allocations

For existing companies, ensure that the 15% VAT rate has been allocated to the correct VAT Code. Click on the Reports ... VAT ... VAT 201 Calculation Report ... VAT Allocations option and select "Standard Rate (15.00%)" for the necessary VAT Codes.

VAT Allocations

Use the following list to determine which VAT types in Accounting relate to which VAT Codes on the VAT 201 submission form:

VAT Code	Description	VAT Type in Accounting
Output VAT		
1	Standard Rate (excluding capital goods and/or services and accommodation)	Standard Rate
1A	Standard Rate (only capital goods and/or services)	Standard Rate (Capital Goods)
2	Zero Rate (Excluding goods exported)	Zero Rate
2A	Zero Rate (only exported goods)	Zero Rate Exports
3	Exempt and non supplies	Exempt and Non-Supplies
10	Change in use and export of second-hand goods	Export of Second Hand Goods, Change in Use
12	Other Adjustments	VAT Adjustments, Manual VAT, Manual VAT (Capital Goods)
Input VAT		
14	Capital goods and/or services supplied to you	Standard Rate (Capital Goods)
14a	Capital goods imported by you	Capital Goods Imported
15	Other goods and services supplied to you (not capital goods)	Standard Rate
15a	Other goods imported by you	Goods and Services Imported
16	Change in Use (Input VAT Adjustment)	Change in Use
18	Other Input VAT Adjustments	VAT Adjustments, Manual VAT, Manual VAT (Capital Goods)

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[View Audit Report](#)
[Reset](#)

VAT Codes to update:

Field on VAT201	Include
1	Old Standard Rate 14% Standard Rate 15%
1A	Old Standard Rate (Capital Goods) 14% Standard Rate (Capital Goods) 15%
10	Old Export of Second-Hand Goods 14% Export of Second-Hand Goods 15% Old Change in Use 14% Change in Use 15%
14	Old Standard Rate (Capital Goods) 14% Standard Rate (Capital Goods) 15%
15	Old Standard Rate 14% Standard Rate 15%
16	Old Change in Use 14% Change in Use 15%

In certain instances, a company's Time of Supply rules might allow the use of both 14% and 15% VAT rates in one tax period. In such cases the client needs to ensure that both rates are linked on each of the blocks.

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