

1. What is Value Added Tax (VAT)?

VAT is a consumption tax levied on taxable supplies of goods and services in The Gambia and on goods imported. It is not a tax on profits.

2. What is the VAT Rate?

- The standard VAT rate is 15 percent. This rate is applied to all goods and services unless they are specifically exempted.
- Zero percent is applied to exports of goods and services.

3. Who is Liable to Pay VAT?

All consumers of taxable goods and services in The Gambia are liable to pay VAT. Equally all importers of taxable goods or services are liable to pay VAT.

4. How is VAT Calculated?

All taxable supplies by a registered supplier are VAT inclusive. For example, if a trader makes a taxable supply worth D1,150, 000, then the VAT element is D150,000. This is arrived at by dividing the selling price by 115% and multiplying it by 15%, the VAT rate (i.e. $D1, 150,000/115*15$).

5. How is VAT collected?

VAT is collected at the point of imports and also by registered businesses when taxable goods and services are sold domestically. Registered businesses then forward the collected VAT to GRA each month.

6. What are the Exempted Supplies

Exempt supplies are goods and services that no VAT is charged on. This includes:

- Basic foods such as rice, sugar, flour, cooking oil, onions, potatoes, etc
- Educational services
- Prescription drugs
- Medical, dental, veterinary and optical services
- Agriculture and aquaculture products, inputs and equipment
- Unprocessed agricultural and aquacultural products
- Life and health insurance
- Financial services not rendered for a fee or commission.
- Domestic transportation and ferry services, excluding transportation related to tourism.
- Rental or supply of residential properties
- Monthly domestic electricity consumption below 1,000 kw/h and water below 250 cubic meters.

7. Who should Register and Charge VAT?

- All businesses with taxable supplies (sales) of D1, 000, 000 and over in a tax year are required to **compulsorily register** and charge VAT.
- In addition, businesses with taxable supplies of D500, 000 and above in a tax year may **voluntarily register**.
- Businesses who do not meet these thresholds **cannot register** and cannot charge VAT.

VAT registrants are required to:

- Keep proper records of their business transactions.
- Display their Certificates of VAT Registration at all business premises.
- Issue VAT inclusive invoices and receipts.
- Advertise and quote prices inclusive of VAT.

8. What are the Benefits of Registering for VAT?

VAT registrants are able to claim Input VAT credits, implying that the VAT paid on any expenditure can be recovered from GRA.

9. Can a VAT Registrant De-Register Later?

YES. A business that has been registered for 2 years and whose taxable turnover was below D500,000 for the previous 12 months can apply for de-registration. However, the registrant is required to have filed regularly within this two-year period. Also, the Commissioner General can cancel a taxpayer's registration if satisfied that they did not meet their reporting obligations.

10. How Often Must a Registrant File and Make Payment?

VAT registrants are required to file the prescribed VAT return form and make payments for all amounts due monthly. The due date for each month's filing and payment is the 15th of the following month. Import VAT is payable before the goods are released.

11. How and Where to File and Make Payments?

VAT registrants can submit their VAT returns at any DTD office. Payments due should also be made at any DTD office or at any of GRA's designated partner banks.

12. Who is Eligible for VAT Refund?

- Diplomatic missions and diplomats.
- International Organisations
- Non Governmental Organisations
- VAT registrants who incur more input VAT for three consecutive months can apply for refund to GRA.
- Registrants, where 50% of their supplies in the preceding 12 months are zero rated e.g. exporters.

13. Who is Exempted from VAT Filing and Payment?

As long as a business remains registered, they are not exempted from monthly filing and payment. Even where there are no business transactions during a given month or no sales, a registrant is required to file a return.

14. Objection & Appeal of Tax Decisions

Taxpayers not satisfied with any tax decision can, within 30 days, object to such a decision through the Objection and Appeal process. The process starts with an objection through to the Tax Tribunal and then to the Court of Appeal.

15. Offences

The following are offences punishable under the Income and Value Added Tax Act 2012.

- Failure to register for VAT.

- Failure to maintain proper records
- Failure to lodge VAT returns or other documents
- Giving false or misleading information
- Failure to notify the CG for a change in business or address
- Failure to apply to the CG for cancellation of registration
- Failure to provide VAT invoices, credit note, debit note as required by the law
- Failure to recover tax from a person holding money on behalf of a taxpayer
- Improper use of TIN
- Obstructing revenue officers in the performance of their duty.

This brochure is not intended as an exhaustive explanation or replacement of VAT laws. If you require detailed information about your corporation tax obligations, you should contact the nearest GRA Office.



Gambia Revenue Authority

Value Added Tax Brochure

HEAD OFFICE:

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