

Value Added Tax Auto Assessment(VAA)

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What is VAA?



VAA is a system based solution that will:

- detect inconsistencies between purchase and sales invoices which have been declared in the VAT returns,
- communicate the inconsistencies to both the buyer and the seller and
- raise auto assessments on the buyer on any outstanding inconsistencies.

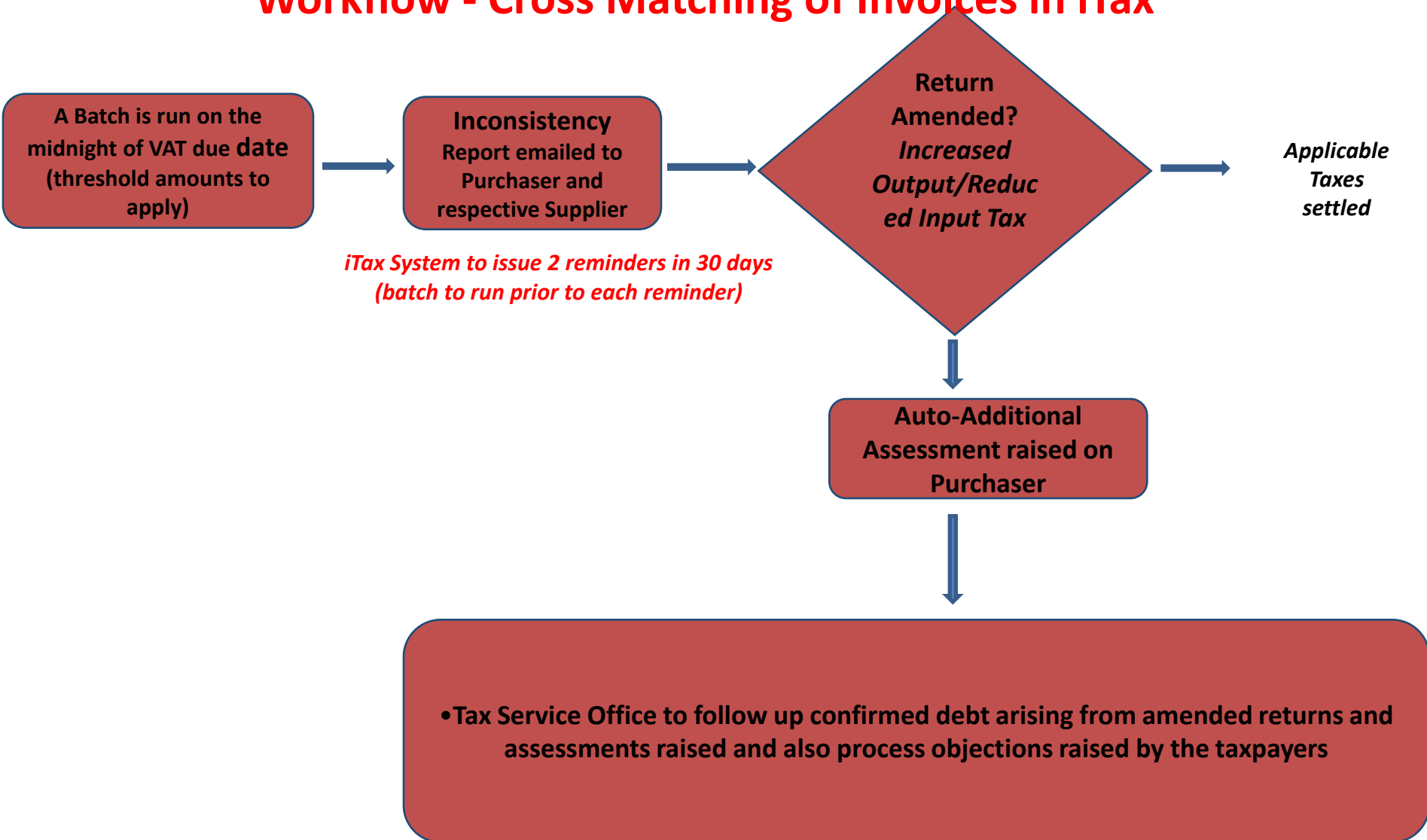
Why VAA?



- To streamline claiming of fictitious and or unsupported inputs by taxpayers
- Data cleaning process to ensure proper return filing
- Actualising data driven compliance in line with the transformation agenda
- Broaden tax base
- Increase revenue

HOW DOES VAA WORK?

Workflow - Cross Matching of Invoices in iTax



How VAA Works



1. System checks buyer's return for corresponding sale declared by the seller
2. If the system identifies inconsistencies, notification is sent to both the buyer and the seller
3. System runs another check after 15 days and if the identified inconsistencies remain outstanding, a reminder notice is sent to both buyer and seller

How VAA Works cont'd



5. After a further 15 days and the inconsistency is still outstanding, the system issues an auto assessment on the buyer
6. If after 30 days, the assessed amount remains unpaid, debt enforcement and recovery measures will take effect
7. Taxpayer has the right to object to the assessment as provided by the Tax Procedures Act.

VAA System Set-Up



- ☐ Taxpayers will be allowed to make multiple amendments.

This only applies to the affected VAT returns for both the sellers and buyers who have received the inconsistency reports

- ☐ Taxpayer will not be allowed to amend matched invoices where the correct details have been captured in both the buyer and seller VAT returns.
- ☐ 6 month rule is embedded in the VAT Auto Assessment Process

VAA Taxpayer Support Framework



The affected sellers and buyers identified in the inconsistencies may seek support from the nearest KRA Tax Service Office, Service Centres and Huduma Centres.

They can also liaise with the KRA Contact Centre through Tel: 0204999999, 0204998000, Cell: 0711-099999 Email: callcentre@kra.go.ke or through our Social Media platforms (Twitter, Facebook etc)

Questions and Answers