

OVERALL AIM

To equip the learner with knowledge and skills to advise on indirect tax transactions.

Learning Outcomes

On completion of this course, the learner should be able to:-

	Learning outcomes	K	C	A	An	S	E
1.	Examine VAT refunds, accounts, refunds and offsets				✓		
2.	Advise on matters of VAT registration, deregistration, returns and assessments					✓	
3.	Advise on VAT in regard to services from abroad					✓	
4.	Advise on taxation of supplies					✓	
5.	Prepare reports in regard to accounting for VAT						✓
6.	Prepare advisory reports on construction contracts.						✓
7.	Advise on VAT in relation to finance agreements					✓	
8.	Advise on time and place of supply of goods					✓	
9.	Advise on intra EAC acquisitions and supplies of goods					✓	
10.	Interpret VAT legislation in regard to case law						✓
11.	Advise on Lotteries, Gaming and Gambling activities					✓	
12.	Advise on excise duty administration and computation					✓	

LEVEL OF ASSESSMENT

The learner is expected to demonstrate both theoretical and practical knowledge of indirect taxes by applying the relevant case law.

EXAMINATION STRUCTURE

There will be a three hour examination comprising of two sections. Section A will comprise of one compulsory case study question carrying 50 marks. Section B will comprise of three scenario based questions each carrying 25 marks, of which the candidate will attempt any two questions.

DETAILED SYLLABUS

A INTRODUCTION TO VALUE ADDED TAX

- (a) Legal framework of VAT in Uganda
- (b) Scope of VAT in Uganda
- (c) VAT terms explained (Goods, Services, Consideration, Fair Market Value, Taxable person)
- (d) Taxable supplies input tax, output tax)
- (e) Local exempt supplies, exempt imports
- (f) VAT rates
- (g) VAT inclusive and VAT exclusive figures
- (h) Books and records

B VAT REGISTRATION /DEREGISTRATION PROCESS

- (a) Meaning of key terms
- (b) Forms of registration for VAT
- (c) Registration procedures
- (d) Determination of turnover threshold
- (e) Threshold adjustment

- (f) Duty to apply for registration
- (g) Effective date of registration
- (h) Rights and obligations of registered persons
- (i) Cancellation of VAT registration/deregistration
- (j) Failure to register
- (k) Taxable and exempt activities

C TAXABLE, NON-TAXABLE AND OUT-OF-SCOPE SUPPLIES

1. Supply of goods liable to VAT
 - (a) Taxable supplies of goods or services
 - (b) Self-supplies/deemed supplies
 - (c) Gifts
 - (d) Industrial samples
 - (e) Replacement goods
 - (f) Bulk discounts
 - (g) Cash back schemes
 - (h) Money – Off schemes
 - (i) Sale of gift vouchers
 - (j) Payments received in advance
 - (k) Mixed supplies
2. VAT on services from abroad
 - (a) Categories of services received from abroad
 - (b) Place of supply of a service
 - (c) VAT treatment of services connected with immovable goods located in Uganda
 - (d) VAT treatment of services connected with immovable goods located outside Uganda
 - (e) VAT treatment of supplies made by a disclosed agent and an undisclosed agent

- (f) Comparison of the treatment of supplies made by a disclosed agent and an undisclosed agent
 - (g) Comparison of the treatment of supplies of goods and supplies of services made to agents
 - (h) VAT exempt services and non-taxable persons
3. VAT rates
- (a) VAT supplies
 - (b) Taxable supplies of goods
 - (c) Taxable supplies of services
 - (d) VAT exempt persons
 - (e) VAT exempt activities
 - (f) Persons making zero rated supplies
 - (g) Goods and services liable at the zero rate
 - (h) Goods and services liable at the standard rate

D TIME AND PLACE OF SUPPLY

- 1. Place of supply of goods
 - (a) Importance of place of supply rules
 - (b) Goods which are dispatched or transported
 - (c) Goods which are not dispatched or transported
 - (d) Goods which are installed or assembled
 - (e) Goods imported from outside of the EAC
 - (f) Goods supplied when travelling between EAC states
 - (g) The concept of distance sales
- 2. Exports
 - (a) Meaning of exports
 - (b) Place of Supply and VAT rate
 - (c) Input credit for export companies
 - (d) Records required in connection with exports

- (e) Evidence of export of goods
- (f) Exports by purchasers
- 3. Imports
 - (a) Meaning of imports
 - (b) VAT rate
 - (c) Valuation for VAT purposes - Customs value
 - (d) Declaration in foreign currency
 - (e) Deferred payment scheme
 - (f) Credit in VAT returns for VAT on imported goods
 - (g) Parcel post importations of taxable goods
 - (h) Importation of goods destined for another EAC member state
 - (i) Situations when VAT is not payable at importation

E DETERMINATION OF TAXABLE VALUE & TAX PAYABLE

- (a) Taxable value of local supplies
- (b) Discounts and subsidies
- (c) Taxable value of imported goods
- (d) Tax payable on taxable transaction
- (e) Computation of tax payable /claimable
- (f) Creditable (allowable) and uncreditable (non-allowable) input tax

F ACCOUNTING FOR VAT

- 1. Introduction
 - (a) Accounting for VAT on sales
 - (b) Cash receipts basis
 - (c) Application for cash receipts basis

- (d) Change from cash receipts basis to invoice basis
- (e) Tax effects on change in accounting method/basis
- 2. VAT invoices and credit notes
 - (a) Meaning of a VAT invoice
 - (b) Importance of VAT invoices
 - (c) Issue of a VAT invoice
 - (d) Form of a VAT invoice; Exceptions
 - (e) Time limits for issuing VAT invoices
 - (f) Invoices issued by unregistered persons
 - (g) Settlement vouchers
 - (h) Increase in price payable
 - (i) Reduction in price payable
 - (j) Incorrect VAT rate charged
 - (k) Incorrect VAT shown
 - (l) Invoices issued in a foreign currency
 - (m) Deposits or advance payments
- 3. Credit Notes
 - (a) Information on a credit note
 - (b) Time limit for issuing credit notes
 - (c) Credit note with no VAT
 - (d) Retention of records

G VAT RETURNS AND ASSESSMENTS

- 1. VAT returns
 - (a) Types of VAT returns
 - (b) Return dates
 - (c) Amending a return
 - (d) Completing VAT returns

- (e) Late returns
- (f) Notice of assessment
- (g) Types of assessment
- (h) Amendment of an assessment
- (i) Revenue online services
- (j) Administration procedures to processing returns
- (k) Objections and appeals

H VAT REFUNDS

- (a) Definitions of key terms
- (b) Circumstances that give rise to VAT refunds
- (c) VAT relief to international Public Organisations, Embassies and Diplomats.

I PENAL TAXES

- (a) Failure to lodge a Return
- (b) Failure to apply for Mandatory Registration
- (c) Failure to Pay Tax Imposed by due Date
- (d) Failure to Prepare Proper Records
- (e) Issuance of False Statements

J OTHER CONSIDERATIONS

1. Intra EAC and supplies (goods only)
 - (a) Place of supply
 - (b) Rate of VAT
 - (c) Evidence of Intra EAC supplies
 - (d) Distance sales and intra EAC supplies

- (e) Intrastate returns
- 2. Intra EAC Acquisitions (goods only)
 - (a) VAT Exempt Institutions
 - (b) Purchasing goods from abroad
 - (c) Branch to branch transfers
 - (d) Errors and corrections
- 3. Amount on which VAT is chargeable
 - (a) Expenses incurred in providing a service
 - (b) Reimbursed expenses and expenses incurred
 - (c) Possible mitigation
 - (d) Goods sold at less than market value
 - (e) VAT and withholding tax
 - (f) Postage and insurance
 - (g) Bad debts
 - (h) Deposits or payments in advance
 - (i) Payment in kind
 - (j) Disposing of company assets
- 4. Finance agreements
 - (a) Forms of finance
 - (b) Hire purchase agreements
 - (c) Finance leases
 - (d) Difference between a lease and hire purchase agreement
 - (e) Operational leases and service charges
 - (f) Deposits paid on lease agreements
 - (g) Termination of a lease agreement
 - (h) Termination transactions
- 5. Construction Services
 - (a) Construction services - VAT rates

- (b) Place of supply of construction services
- (c) Fixtures; fittings; Supply and installation of fixtures
- (d) Repair and maintenance
- (e) Design and building contracts
- (f) Subcontractors established outside the state
- (g) Issuing VAT invoices for progress payments
- (h) Retention money

K EXCISE DUTY

1. Background and Introduction
 - (a) Meaning of Duty
 - (b) Rationale for Duty
 - (c) Legal Framework
 - (d) Key Terminologies and Definitions
 - (e) Types of Duty
 - (f) Factors that influence the amount of Duty
 - (g) Excisable Goods or Services
2. Imposition, Liability and Payment of Excise Duty
 - (a) Taxable event and Tax Point
 - (b) Liability to Register
 - (c) Liability to File
 - (d) Liability to Pay
3. Excise Tax Policy
4. Computation, Filing and Payment of Duty
 - (a) Rates of Duty as applied on goods and services
 - (b) Computation of Duty
 - (c) Filing of Duty
 - (d) Payment of Duty

5. Customs Valuation and Computation of Duty
 - (a) Registration of manufacturers, importers and providers of excisable goods and services
 - (b) Control of excisable goods
 - (c) Excise Duty offsets on production
 - (d) Exemption and Remission
6. Administration of Excise Duty
 - (a) Payment
 - (b) Application of Information Technology
 - (c) Refunds
 - (d) Liability to Duty on Importation
 - (e) Excisable goods or excisable services granted remission liable to duty on disposal
 - (f) Prices quoted to include Duty
 - (g) Penalties
 - (h) Regulations
 - (i) Power of Minister to amend Schedule
 - (j) Repeals and Savings
7. Control of Excisable goods
 - (a) Provision of facilities
 - (b) Entry
 - (c) Storage of excisable goods after manufacture
 - (d) Deficiency or Excess in Stock
8. Modernisation of Excise Duty Administration
9. Duty Relief Schemes
 - (a) Exemptions regime, 5th Sch.EACCMA 2004
 - (b) Temporary importation
 - (c) Duty Drawback
 - (d) Manufacturing under Bond

- (e) Bonded warehousing
- (f) Export processing Zones

L STAMP DUTY ON GOODS AND SERVICES

- (a) Meaning
- (b) Documentation
- (c) Taxable event
- (d) Valuations
- (e) Assessment and Collection
- (f) Liability
- (g) Exemptions
- (h) Penalties and Offences
- (i) Objections and Appeals

M LOTTERIES, GAMING AND GAMBLING ACTIVITIES

- (a) Interpretation
- (b) National Lotteries and Gaming Regulatory Board
- (c) Finances of the Board
- (d) Licensing and Regulation of Lotteries
- (e) Casino, Gaming and Betting Licensing
- (f) Specific Provisions Gaming and Betting Machines
- (g) General Provisions on Licensing
- (h) Taxation of Casinos, Gaming and Betting Activities.

REFERENCES

1. ICPAU, Advanced Taxation, Kampala.
2. Uganda Revenue Authority (2020). Taxation Handbook,.
3. Government of Uganda, by Uganda Printing and Publishing Corporation:
 - (a) Value Added Tax Act, Cap 349
 - (b) The Tax Procedures Code Act
 - (c) Gaming and Pool Betting (Control and Taxation) Act, Cap.292
 - (d) Stamps Act, Cap. 342
 - (e) Excise Tariff Act, Cap. 338
4. Joseph O. Okuja (2022 Domestic & International Taxation in Uganda, Kampala Uganda.