

VAT PRACTICE NOTE: NO 3

25 September 1991

Price lists and price tickets on goods (Section 65 of the Act)

All vendors are required to reflect the price for the supply of goods or services in any price list, price ticket, advertisement or quote on either an inclusive basis or by giving the basic price, the tax on the basic price and the inclusive amount.

1. Interim dispensation

In order to facilitate the change over from the sales tax exclusive price system to the VAT inclusive system above, vendors will be permitted to continue using the exclusive basis on price lists for a period of six months ending on 31 March 1992 and on price tickets for a period of one month ending on 31 October 1991. Thereafter they will be obliged to apply the inclusive system as above.

Notwithstanding this dispensation all vendors are urged in their own interests to change to the inclusive basis as soon as possible to avoid problems with their customers. All new price lists should therefore be produced on the inclusive basis.

Where exclusive prices are used during the 6 month period, this fact must be stated clearly on all price lists and by way of a notice prominently displayed at all entrances to the premises in which the enterprise is carried on and at all points in such premises where payments are effected.

2. Trace price lists

Where a vendor issues a price list which is only used in respect of the supply of goods or services to other registered vendors, the prices may be reflected on an exclusive basis, provided statements appear on each page of the price list to the effect that:

- VAT at 10% must be added to all prices, and
- the price list is for use only to registered vendors.