
**Notice to VAT registered persons making supplies to
diplomatic missions and agents**

1. VAT registered persons are informed that, with effect from 1 April 2010, diplomatic missions and agents are entitled to exemption from VAT on their purchases of taxable goods provided they present a VAT exemption card issued jointly by Director-General MRA and Secretary for Foreign Affairs.
2. The exemption applies where the total value of goods purchased (taxable goods + exempt goods) at any one time from a supplier by the diplomatic mission or agent exceeds Rs 3,000. However, no exemption on the basis of the card is to be allowed on motor vehicles, petrol, alcoholic drinks and cigarettes as exemption on these items are subject to quotas monitored by the Ministry of Foreign Affairs, Regional Integration and International Trade.
3. VAT registered persons have to ensure that –
 - in the case of purchases on behalf of a diplomatic mission, the purchases are made by the person whose photo appears on the card and paid by the mission's cheque, debit card or credit card; and
 - in case of purchases by a diplomatic agent, the bearer of the card is the person whose photo appears on the card.
4. VAT registered persons, on being satisfied that a diplomatic mission or agent is entitled to VAT exemption, have to request the mission or agent to complete a form in order not to charge VAT on the relevant purchases of goods.
5. Where till receipts showing VAT charged on all taxable items are issued, VAT registered persons are authorized, on the basis of the form submitted, to give a credit in respect of the VAT charged on the relevant items and make an adjustment in respect of the reported VAT charged.
6. VAT registered persons have to keep the form submitted by the diplomatic mission or agent for record purposes in support of the transactions. The supplies have to be accounted for on line 1.3 of the VAT return.
7. The attention of VAT registered persons is drawn to the fact that the above VAT exemption is in addition to that available to all diplomatic missions and agents on:
 - the supply from bond of goods authorized by the Ministry of Foreign Affairs, Regional Integration and International Trade; and
 - the supply of services.

***Exemption from VAT on goods supplied to
Diplomatic Mission / Agents***

Date :

- 1 Name of Diplomatic Agent :
- 2 Name of Diplomatic Mission :
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- 3 VAT Exemption Card No. :
- 4 Invoice No. :
- 5 Value of goods purchased :
- 6 Amount of VAT exemption :
- 7 Cheque No. / Credit Card No. / Debit Card No
(In case of Mission)

Diplomatic title / status :

Signature :

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