

## The new Value Added Tax (VAT) Code

**The new Value Added Tax (VAT) Code, which replaces the existing Consumption Tax, was gazetted on 24 April.**

VAT, at a rate of 14%, will be applicable to supplies of goods and services, with certain exemptions, such as for essential goods (milk, beans, rice, etc.), medication and certain financial operations.

The VAT Code foresees certain special regimes, including a mechanism of retention of VAT due by certain tax payers, a Non-Taxable Regime and a Cash Basis Regime.

Although the VAT Code will enter into force on 1 July 2019, there will be a transitional period until 1 January 2021, when the VAT Code will become applicable to all tax payers.

Tax payers subject to the general and the transitional regimes will be exempt from the Stamp Duty of 1% applicable to receipts.

Finally, on 24 April the new Special Consumption Tax Code, which will enter into force on 1 July 2019, was also gazetted.