

GST 306

VISIT BY A GST OFFICER



"VISITS BY A GST OFFICER"

Why Are These Visits Made?

The main reason are:

- To ensure that the full amount of tax due is properly accounted for
- to preserve the public trust in the fairness and integrity of the revenue system by encouraging compliance.
- To check that the GST Return(s) filed are accurate
- To examine business records, methods and premises
- To answer any question you may have on GST.

How Often Are Visits Made?

Visits to a business premise can probably be made within one month of being registered. After that, the visits will vary depending on the size and complexity of the business.

Persons who send in late, incorrect or seemingly inconsistent GST Returns are visited more frequently. This also happen in the case of persons who don't send in their GST Returns even if they had paid any assessment issued.

How Are Visits Arranged?

The Officer will either telephone or write to arrange a visit during business hours. Please make a note of their name and telephone number in the event the officer has to be contacted before the visit.

How Long Will The Visit Take?

For a small business, it may take only a few hours; for a large or complex operation, it may last two or more days. Your co-operation will be expected to help the officer to carry out the examination effectively as required.

Who Will The Officer Want To See/Talk To?

When the Officer first arrives he or she will need to talk to you, or the person in charge of your GST affairs (Contact Person) about your business. After that, you may not need to be present, as long as there is a responsible person who can answer any questions and give any extra information that may be needed. At the end of the visit, the Officer may wish to discuss the outcome with you.

Should My Accountant Be There?

This is entirely up to you. You may wish to have your accountant present if he or she is the person best suited to explain your business records and accounts, and it would also be helpful to you if you have a difficult problem to discuss with the Officer.

Where Will The Visit Take Place?

Normally, at your main place of business. The Officer will then be able to examine and discuss your business activities and records at the same time. If your books are not normally kept there, you should inform the Officer at the time the appointment is being made. The Officer can then tell you what records he or she will need to see during the visit.

What Will The Officer Do?

The main things will be to:

- Discuss with you various aspect of your business
- Examine your business records and activities
- Discuss any GST problems
- Point out any errors found and explain how to set them straight

Please have all your business records available. These include any balance sheet, profit and loss account, relevant bank statements, tax invoices, GST accounts and bookkeeping records.

The Officer will want to look at the way your business operates, including how you record goods you receive and supply, and how you deal with cash coming in and going out. You must also give any other information the Officer asks for about imports and supplies of goods services you have made or received. If you have a pay-telephone machine, you will have to open it, if the Officer asks you to do so.

The Officer needs all this information to check that you are accounting for GST correctly. You will probably be able to provide most of it during the visit. If further information is required to complete inspection, you will be granted a specific time to provide such information.

THERE ARE PENALTIES FOR FAILING TO PRODUCE RECORDS AND INFORMATION

Remember - it is your responsibility to account for GST correctly. **You should not treat all visits by GST Officers as full audits.** The Officer may not normally have time to look at all your business. So, you cannot assume that you are accounting

for GST correctly on everything just because he or she finds no errors. It is in your own interest to ask the Officer about anything you are unsure of. This will probably save you time and expense later.

Can The Officer Enter And Inspect My Premises?

The Officer can enter your business premises to make GST visit at any reasonable time. If your premises are used for the supply and storage of goods, the Officer can inspect your premises and any goods on them. This helps to show how your business is organized. This action, however, has nothing to do with the searching of premises by Officers investigating suspected/serious frauds. Sec. 55(4)

Will Everything Be Decided During The Visits?

The Officer will always try to decide everything during the visit, but more information may be required before a particular point can be resolved. In a few cases the Officer may have to:

Take samples of some of your goods for examination or analysis because the GST liability cannot be agreed. If this occurs, you will be offered a receipt and if the sample is not returned in a reasonable time or in good condition, you are entitled to compensation.

Examine your records at the GST Office. If this action is required, you will be offered a receipt for the records that are taken away. Your records will normally be returned within one month. However, if the records are needed for immediate running of your business, the Officer will arrange for you to receive your records.

What If An Error Is Found?

The Officer will discuss with you the reason for the error and the amount of GST involved, and will tell you how to correct it. After the visit, you will be sent a notice of assessment.

If you have under declared GST, the notice will indicate to you how much extra GST is due, why and how to pay it. It will also give details of any penalty and interest incurred.

If you have over declared your GST, the notice will indicate how much GST will be credited to you. This credit will be posted against any GST arrears or will be credited to your GST account upon your request.

If you have discovered an error, and if it is less than \$50.00, don't wait for the Officers next visit to sort it out. Correct the error by adjusting your GST account and submit the amount when filing your next GST Return and inform your local GST office.

What If I Disagree With A Decision?

If you disagree with an assessment or decision, you should first discuss it with the Officer. If you still disagree, please write to your local GST Office disputing the assessment. You should set out clearly the reason why you disagree, giving any further information or facts on the grounds of dispute which you think may not have been taken into account. You may also be able to appeal to an independent GST Tribunal (Sec. 44 GST Act 2005).

N.B. Please note that your dispute shall not be entertained or heard unless and until you have paid to the Commissioner at least 50% of the tax which is subject of the appeal or review. GST Act (Sec. 45).

What If I Have A Complaint?

If you know that an Officer has exceeded his or her authority or acted improperly, you can ask during or after the visit for an explanation. If you are not satisfied and wish to complain, the most direct way is to write to the Officer-in-Charge at your local GST Office. The Officer will investigate your complaint and advise you of the result.

Is There Anything Else?

You should have your GST Registration Certificate available and, in the case of a company, the Certificate of Incorporation.

To save time, please make sure that your business records, GST accounts, returns and payments are all up to date before the visit.

If your business circumstances changes, you must inform your local GST Office immediately, don't wait for the Officer to visit you. You will find more about this in the GST Guide. Also obtain a copy of the Change of Status Form (GST 109) from the Department of GST to report the changes your business has undergone.

All Officers carry an Identification Card and will show it to you if you ask to see it.

Does a Senior Officer Always Visit the Taxpayer After an Auditor's Visit?

Generally one Officer will visit you, but occasionally the Officer may be accompanied or joined by a colleague. A Senior Officer may make a further visit at a later date to check that the visiting Officer has carried out his or her duties

properly. This is a part of the Department of GST responsibility towards you, the taxpayer.

If you need to postpone the visit for any reason, please give the Officer as much notice as possible.

Small leaflets like this one can only deal with things in a very general way. They can't tell you all you may need to know about GST Remember, if you can't find the answer to your problem in our publication, your local GST Office is always ready to help you.

Please always quote your Tax Identification Number when you contact us.

Our Telephone Numbers are:
222-5574/5579,
Fax Number 222- 5513 or

write to us at:
Department of General Sales
P.O. Box 1887,
Belize City, BELIZE, C.A.