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Contacts:

Carolyn Clarke
Managing Partner
E-mail: carolyn.x.clarke@mn.pwc.com

Abdulkhamid Muminov
Partner, Tax
E-mail: abdulkhamid.muminov@mn.pwc.com

Tsendmaa Chojjamts
Executive Director, Tax
E-mail: tsendmaa.chojjamts@mn.pwc.com

Leylim Mizamkhan
Consultant, Tax
E-mail: leylim.x.mizamkhan@mn.pwc.com

www.pwc.com

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*PricewaterhouseCoopers Audit LLC, Central Tower, 6th floor, suit 601
Sukhbaatar square SBD- 8, Ulaanbaatar 14200, Mongolia
Tel: 976 (11)329088, 329089 Fax: 976 (11)322068, www.pwc.com/mn*

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New VAT receipt form

In this edition of our tax alert newsletter we would like to bring to your attention the newly introduced form for VAT receipt and related filing requirements.

On 29 March 2012, the Ministry of Finance and the National Statistics Bureau approved a new form for VAT receipt (Resolution # 82/51) used for sales of goods and services provided to VAT registered businesses. This new VAT receipt form should be used by all Mongolian VAT registered entities effective from 1 May 2012. The reason for introducing a new VAT receipt is to enable the Tax Authority to keep tighter control on implementing VAT legislation and accounting for VAT, its related payments and refund procedures.

Below are the summaries of changes.

- Together with the invoice issued for sale of goods and services provided, VAT registered entities have to prepare a VAT receipt which contains 2 pages (previous version contained 3 pages), one is for the purchaser and the other one is for own records purpose.
- The VAT receipt should be issued only to those who are registered as VAT payers. The VAT receipt should state the purchaser's VAT registration number. This can be obtained from a database which lists all VAT registered entities. This database can be downloaded from the Tax Authority's website (www.mta.mn).



- If it is determined that the VAT payer has failed to keep proper accounting records, such as not issuing VAT receipt on goods sold and services provided, the Tax Authority will ensure the payment of VAT due and charge a penalty equal to 30% of VAT due.
- When submitting VAT returns electronically a list of sales and purchases data should be enclosed. This sales data should contain each sales invoice separately, whereas sales to non VAT registered entities can be recorded under one total figure.
- The new VAT receipt form is now required to include a 4 digit “product code” for goods sold and services provided. The product coding list is available on the Tax Authority’s filing website (http://e-tax.mta.mn/download/CPC_2.xls, http://e-tax.mta.mn/download/CPC_2.pdf).
- The new form can be obtained from the Tax Authority.
For full guidance on how to use the new VAT receipt, please refer to the Tax Authority’s website (<http://www.mta.mn/document/show/id/286>).