

VAT/NHIL ON FINANCIAL SERVICES IN THE BANKING SECTOR: DRAFT INDICATIVE LIST

THE VAT ACT 2013 (ACT 870) AND VAT/NHIL ON FINANCIAL SERVICES IN THE BANKING SECTOR

Fees, commissions and similar charges on financial services that are subject to VAT/NHIL under the provisions of the VAT Act 2013, (Act 870) include fees, commissions and charges relating to the following financial services:

1. CURRENT ACCOUNTS (Foreign/Local)
2. BANK DRAFT (PAYMENT ORDER)
3. STOPPED CHEQUES
4. RETURNED CHEQUES
5. COMMISSION ON TURNOVER
6. OVERDRAFT PROCESSING OR RENEWAL FEE
7. REVOLVING ACCEPTANCE CREDIT
8. ARRANGEMENT FEE FOR FACILITIES
9. STATEMENTS AND CERTIFICATES OF BALANCE
10. CLEARING CHARGES
11. CHEQUES FOR COLLECTION
12. STANDING ORDERS
13. TELEPHONE BANKING
14. SAFE CUSTODY
15. CHEQUE BOOKS
 - Sale of cheque leaflet
 - Replacement of Lost Cheque Book
16. DEBIT CARDS AND CREDIT CARDS

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17. REVOLVING CREDITS

18. COLLATERAL MANAGEMENT

19. TRANSFER OF DOCUMENTS TO OTHER BANKS

20. GUARANTEES/BONDS/TENDER/PERFORMANCE

21. REQUEST FOR FOREX DRAFTS

22. OUTWARDS TRANSFER: SWIFT/TELEX
- Drafts/Money Orders – Customer

23. TRAVELLERS CHEQUES, DRAFTS

24. CHEQUE LODGEMENTS

25. EVACUATION FEE (CASH-IN-TRANSIT)

26. UNPAID STANDING ORDER

27. CLOSURE OF ACCOUNTS

28. REMOTE BANKING SERVICES

- Online Banking (Internet)
- E-statements
- E-clients
- Phone banking
- SMS banking
- Mobile Banking
 - Monthly subscription
 - Financial Transaction Fee

29. LENDING FEES

- Commitment Fee (Arrangement fee, Processing fee, facility fee)
- Processing Fee
- Property Valuation Fee (Open market value)
- Guarantee Commission

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- Bid Security
- Bank Credit Letter (Letter of Intent)
- Mobilization Guarantee
- Retention Guarantee
- Performance Bond
- Default or restructured

30. OTHER LOANS, EXCLUDING SALARY ADVANCE

- Arrangement Fees
- New Loans
- Top-Ups
- Early Settlement Fees

31. LETTERS OF CREDIT (IMPORTS)

Establishment Commission

- Arrangement Fee
- Presentation under L/C Drawings

Amendments:

- Increase in Amount
- Extension of period
- Extension of period – another quarter
- Discrepancy

Other amendments:

32. DOCUMENTARY BILLS FOR COLLECTION (IMPORTS)

Handling charges – customers

Negotiation Commission

- Advice of fate
- Bills deleted
- Protest

Payment Commission

- Holding charges (per quarter)

Prior Approval – Customers with:

- Own Resources
- Telex/Cable charges
- Swap charge

Customers allocated funds from Bank:

- Exchange

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- Telex/Cable charges