

# Crediting of Input VAT

*The Director General of Taxation has issued Circular Letter No. SE-02/PJ/2020 (“SE02”) regarding The Crediting of Input VAT in a Different Period on 21 January 2020.*

*The purpose of this SE-02 is to give confirmation on how to credit Input VAT in a different period.*



The points of SE-02 are as follows :

- Input VAT can be set off against the Output VAT in the same period;
- Input VAT that can be set off but has not been set off against Output VAT in the same period can be set off in the next tax period for no more than 3 (three) months after the end of the tax period concerned;
- In the event that such period has exceeded, the Input VAT can be set off through revision of the VAT return;
- The Input VAT stated on certain documents which are equivalent to a tax invoice can also be set off;
- Input VAT only can be set off if it has not been charged as a cost or it has not been capitalized in the acquisition cost of Taxable Goods or Taxable Services and the Taxable Entrepreneur has not been audited.

Should you need further information regarding this matter, please do not hesitate to contact us.

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*The article above was prepared by **Al Hakim Hanafiah (Partner) and Donny Rahman Geasill (Tax Specialist)**.*

*This publication is not intended to be a comprehensive review of all developments in the law and practice, or to cover all aspects of those referred to. Readers should take legal advice before applying the information contained in this publication to specific issues or transactions or matters. For more information, please contact us at [dentons.hprp@dentons.com](mailto:dentons.hprp@dentons.com).*

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