



Adequate Revenues for the Future

REGISTRATION





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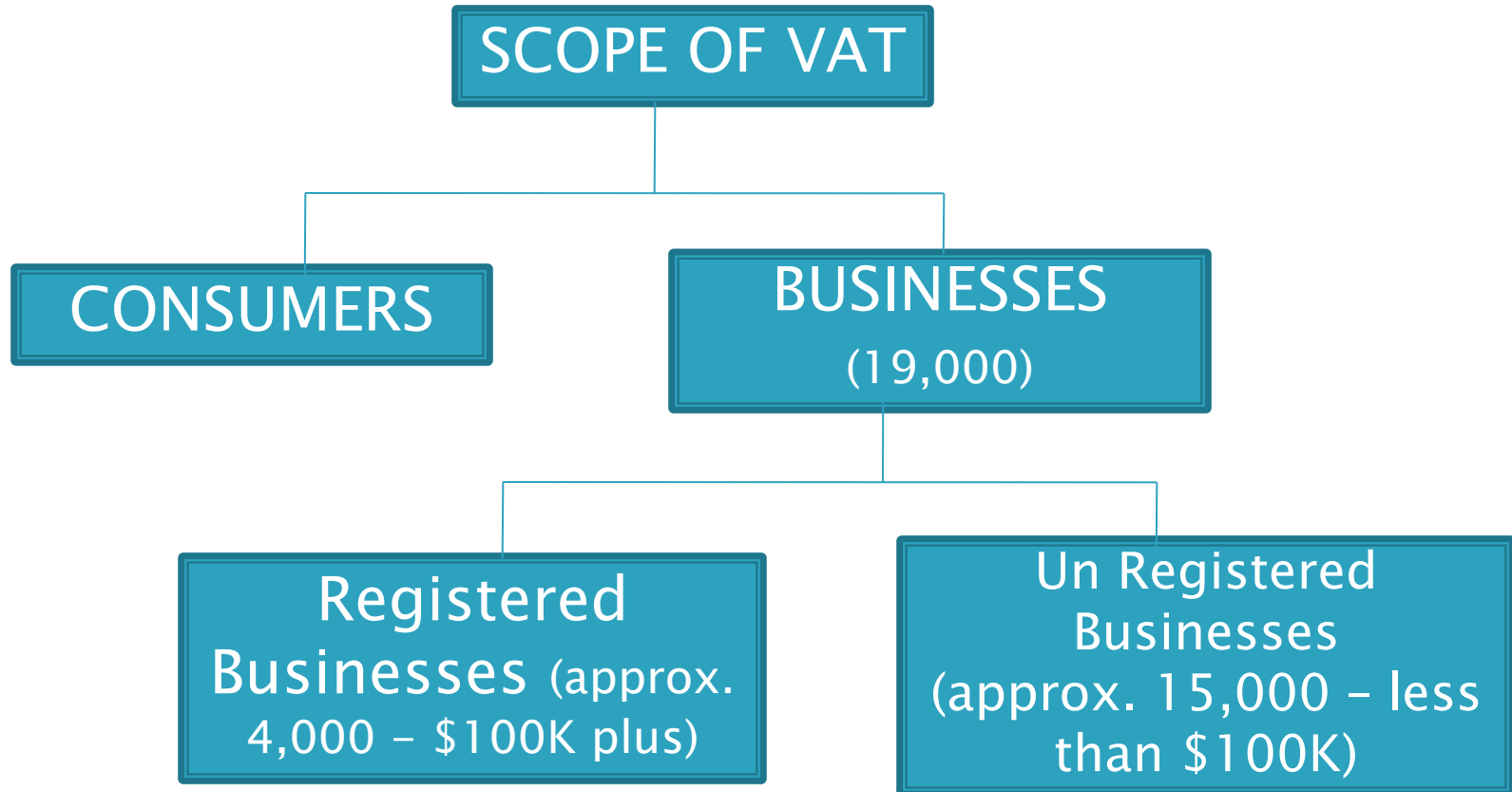


What is Value Added Tax

- ▶ VAT is a broad-based tax on consumption
- ▶ VAT is charged on:
 - Imports; and
 - The value added by Bahamian businesses supplying goods and services to other businesses and to the final consumers
- ▶ VAT is charged and collected at each stage in the production & distribution chain.
- ▶ Everyone pays VAT – borne ultimately by the final consumer.



SCOPE OF VAT





Why VAT in the Bahamas

- ▶ Government's Fiscal Position projected as at 30 June, 2014

Source:: Budget Communication 2013/14	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Projected 2013/14	TOTAL
1. Recurrent Expenditure	1421	1499	1529	1642	1632	1659	1737	
2. Recurrent Revenue	1445	1331	1292	1452	1432	1380	1503	
3. Recurrent Deficit (2-1)	24	-168	-237	-190	-200	-279	-234	-1284
4. Capital Expenditure	-231	-262	-251	-263	-395	-350	-295	-2047
5. Capital Revenue	10	0	0	210	87	0	0	307
6. Capital Deficit (5-4)	-221	-262	-251	-53	-308	-350	-295	-1740
7 TOTAL DEFICIT (3+6)	-197	-430	-488	-243	-508	-629	-529	-3024
8. Debt Redemption	62	67	89	77	63	121	86	565
9. GFS Deficit (7-8)	-135	-363	-399	-166	-445	-508	-443	-2459
Govt Debt (1 July 2007)								-2398
Government Debt (30 June)	2679	3085	3401	3553	3906	4414	4857	-4857



Why VAT & Government's Fiscal Position as at 30 June, 2014.

- ▶ Fiscal deficit for 7 years, except 2007/08
 - Recurrent deficit financing - \$1.3b

- ▶ Capital deficit for 7 year period - \$1.7b
 - Capital revenue of \$307m (BTC, Cecil Wallace-Whitfield Centre, NAD shares)

- ▶ Government Debt as at June 30, 2014 is projected to be \$4.9b, compared to \$2.4b as at July 2007



•The VAT Threshold

Threshold – value of annual taxable sales that will qualify a business to be registered:-

- \$100,000 and above
- value of exempt supplies should not be considered when determine a business annual threshold.
- NB. Business should monitor annual to determine the threshold is being reached



VAT REGISTRATION

- ▶ Who needs to register:
 - Businesses:
 - Individual – sole proprietor
 - Non-Individual – company, partnership, etc.
 - Government & Statutory Bodies
 - Auctioneers
 - Promoters of Public entertainment
 - A diplomatic mission or international organization desiring to claim a refund

Types of Registration & Requirements

- ▶ Registration
 - Compulsory for businesses whose turnover exceeds the approved threshold per annum
 - Voluntary for businesses under the threshold
 - They must apply to the Commissioner (CRA) for registration
 - They must be able to keep good accounting records and meet certain core requirements of VAT.
 - Must have a fixed place of abode or a business place within the Bahamas to carry on a taxable activity
 - Must be able to submit regular and reliable VAT returns on a monthly basis.
 - Registration for businesses above the threshold will commence at least 3 months before implementation date



The Registration Process

- ▶ Application- will be completed online. Once application is received by the Central Revenue Agency and all requirements are met, approval is granted by the commissioner:
 - Must register the business within 21 days, however, provisional registration will be granted for the initial mass registration process
- ▶ Issuance of an Official VAT Registration Certificate which includes:
 - A (TIN)- Tax Identification number which is a unique identifier number
 - Name, trading name of business and location
 - The effective date of the registration
 - Certificate must be displayed in a conspicuous location within their place of business



Cancellation and Suspension of Registration

Reasons for Cancellation:

- Failure to file returns
- Failure to meet the requirements for registration
- Taxpayer to cease operations or for the sale of the business.
- Registration was obtained through fraud, misrepresentation or misconduct
- Sales falls below the Threshold

Reasons for suspension:-

- Registrant fails to file a return for three or more consecutive tax periods.
- Temporary closure (renovations etc.)

Cancellation and Suspension of Registration (Cont'd)

Notwithstanding Cancellation or Suspension:-

- Person is required to return the registration certificate to the Tax office
- Registrant remains liable for VAT payable on taxable supplies
- ▶ A person not satisfied by a decision of the Commissioner may object or appeal to the Appeals panel or the Revenue Court.



Obligations of a Registrant

- ▶ Must have a fixed place of abode where a taxable activity is carried on within The Bahamas
- ▶ Must file on a monthly basis regular and reliable VAT returns
 - File returns within 21 days after the end of each month
- ▶ Must keep proper records
- ▶ Must display Certificate in a conspicuous place at each location within his place of business
- ▶ Must notify the CRA in writing within 21 calendar days of any change in circumstances that affects his business, such as:
 - Changes that occurred since the application for his registration, such as:
 - Any change in name, address, place of business, nature of business activity or activity of persons
 - Any change with regard to temporary closure or if they cease to operate the business.



QUESTIONS??????

- ▶ Contact information for CRA/VAT unit

VAT@bahamas.gov.bs

225-7280 (toll free)

Thank You for your attention!!!!