

- Businesses must inform the CRA of any changes in their name, address, place of business and nature of business within 21 days of the changes having been made.
- Businesses must also issue tax invoices when making supplies to other registered businesses and a sales receipt when making supplies to unregistered businesses or final consumers showing how much VAT is collected on the sale.
- Businesses must display VAT exclusive pricing for goods and services.



Question

7. What is the benefit of being a registrant?

Answer: A registrant will charge and collect VAT on the sale of all supplies (except zero rated or exempt). Additionally, you will be able to receive credit on all VAT incurred when making purchases and expenses that are used for business purposes (input tax credits). VAT on capital can also be claimed.

Question

8. Are there any limitations for my business as a registrant?

Answer: Yes, these limitations for claiming input tax credits are on exempt supplies, motor vehicles and entertainment purposes.



**Value Added Tax Unit
Hotline
Telephone: 225-7280**



**Central Revenue Agency
Government of the Bahamas**



“VAT for a Modern Bahamas”

**VAT FOR THE REGISTERED
BUSINESS FAQs**

**Central Revenue Agency
Value Added Tax Unit
Cecil Wallace-Whitfield Centre,
West Bay St.
P O Box N4866
N.P. Bahamas**

VAT for the Registered Businesses

Question 1. What is VAT?

Answer: VAT is the abbreviation for Value Added Tax which will be charged on most forms of consumer spending – both goods and services

Question

2. What is a “business” for VAT purposes?

Answer: It can be a natural person (i.e. self-employed), a partnership or trust, the government, any association or corporation or group of people acting together under a particular name whether for profit or non-profit.

Question

3. What are the criteria for a business to be registered?

Answer

- A business must apply
- Meet the VAT threshold (turnover of \$100k and above)
- Operate a continuous/regular taxable activity providing goods or services within The Bahamas
- Must be approved by The Central Revenue Agency
- Once approved, the Central Revenue Agency will issue a VAT Registration Certificate with a Tax Identification Number (TIN).

Question

4. How do I know if a business can charge VAT?

Answer: The business must display their VAT Registration Certificate in a noticeable area within their business place. The CRA will also publish a VAT Register which will list all businesses that can legally charge VAT.

VAT BAHAMAS 2014

Question

5. Will a registered business pay VAT?

Answer: Yes, they will pay VAT on all domestic purchases of goods & services that are not exempt or zero rated. Additionally, they will pay VAT on all imports (except zero rated or exempt).

Question

6. What are the obligations of a registered business?

Answer:

- Businesses must maintain proper accounting records for a minimum of 7 years and to ensure that their accounting systems can properly calculate and report VAT.
- Businesses must be able and willing to provide regular and reliable VAT returns and if unable to do so, they may request extended time to file and/or to pay.
- Businesses must collect and remit Net VAT to the VAT office. VAT collected should be reported as output VAT while VAT paid on local purchases & imports should be reported as input VAT. **Input VAT** paid is not a cost to the business and should not be included in the price of supplies.

