

SAINT CHRISTOPHER AND NEVIS

STATUTORY RULES AND ORDERS

No. 59 of 2011

RESOLUTION

RESOLUTION of the National Assembly of Saint Christopher and Nevis approving Order No. 58 made by the Minister under section 26(2) of the Value Added Tax Act in respect of a Special VAT reduction on the 22nd day of December, 2011.

[Published 15th December 2011, Official Gazette No. 64 of 2011]

WHEREAS it is provided by section 26(2) of the Value Added Tax Act that the Minister may calculate the rates of tax at such other rate as the Minister may, by Order, specify and that such Order shall be subject to the Affirmative Resolution of the National Assembly:

AND WHEREAS the Ministry of Finance considers it expedient to introduce a measure to create a fiscal stimulus:

NOW BE IT RESOLVED THEREFORE that the National Assembly of Saint Christopher and Nevis hereby affirms the Order of the Minister of Finance to reduce the rate of VAT on Thursday the 22nd day of December 2011 to a rate of 7%.

Approved by the National Assembly this 15th day of December, 2011

JOSÉ LLOYD
Clerk of the National Assembly

SAINT CHRISTOPHER AND NEVIS

STATUTORY RULES AND ORDERS

No. 58 of 2011

Value Added Tax (Special VAT Reduction) Order, 2011

In exercise of the powers conferred on him by section 26(2) of the Value Added Tax Act, No. 3 of 2010 the Minister responsible for Finance makes the following Order:

[Published 15th December 2011, Official Gazette No. 64 of 2011]

1. Citation.

This Order may be cited as the Value Added Tax (Special VAT Reduction) Order, 2011.

2. Interpretation.

In this Order, the term "Act" means the Value Added Tax Act, No. 3 of 2010.

3. Vat Reduction Day.

On Thursday 22nd day of December, 2011, the VAT rate shall be reduced to a rate of 7% on all sales of vatiable goods commencing from 12.01 am. on Thursday December 22nd to 11:59 pm. of that day.

4. Eligibility for Vat Reduction Day.

(1) In order to qualify for the special VAT Reduction, all eligible VAT registered businesses shall indicate, in writing, to the VAT Office their intention of participating in the VAT Reduction Day on or before Monday December 19th 2011.

(2) Once the VAT office receives the letter of intention from the registered VAT business then acknowledgement of receipt of the letter shall be communicated to the taxpayer one day after the letter is received.

(3) The sale or supply of services shall not be eligible for the special rate of VAT reduction.

5. Ineligibility or Disqualification

(1) A VAT registered business that has not filed all of its VAT tax returns or settled all of its outstanding VAT Tax liabilityas at December 19th 2011 with the VAT Office, shall not be eligible to sells goods at the special rate of 7%.

(2) The provisions of subsection (1) of this section shall also be applicable to a VAT registered business that has submitted objections but has not satisfied those objections as it relates to submitting 50% of the tax in dispute.

(3) If a business is subsequently discovered to have had a VAT liability with the office subsequent to the communication of acknowledgement referred to in section 4 of this Order,

that business will be denied eligibility for the reduction and any sale on that day would be deemed to be VAT inclusive at the standard rate of 17%.

6. REPORTING.

Supplies at the special 7% VAT Rate by eligible VAT registered businesses should be reported by those businesses on line 105 (tax inclusive value) of the VAT Return for the December 2011 tax period, whilst the corresponding VAT collected at the reduced rate should be reported on line 130.

7. SPECIAL EXCHANGE RULES.

The special VAT rate shall only be applicable to the day in question and shall not extend to any subsequent exchange of goods or credits for goods bought on that day

Made this 15th day of December 2011.

DR. DENZIL L DOUGLAS
Minister responsible for Finance