

## PART 1

### BANKS, CREDIT UNIONS & FINANCIAL INSTITUTIONS SERVICES AND FEES WHICH CHARGED IN CONNECTION WITH SUCH SERVICES

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APPROVED BY: MINISTRY OF FINANCE

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Overview	This memorandum lists and describes the taxable, exempt and zero-rated supplies of Banks, Credit Unions & Financial Institutions
Disclaimer	The information provided in this memorandum does not replace the law found in the <i>VAT Act, No.3 of 2010</i> and its Regulations. As it may not completely address your particular operation, you may wish to refer to the Act or appropriate Regulation, or contact the St. Kitts & Nevis Inland Revenue Department (SKN-IRD) VAT Unit for more information  If you wish to make a technical enquiry on VAT by telephone, please call 1-869-467-1931/1933 or 1-869-469-5856.
Note	In this publication, the term “taxable” refers to supplies taxable at 17% (the rate of the VAT). The 17% VAT Rate applies to taxable (others than zero-rated) supplies made in St. Kitts & Nevis.

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# 1. GENERAL BANKING ACTIVITIES

*Refer to Section 25(1)(a) and Paragraph 3 of the Third Schedule where these Sections are Applicable.*

Activity /Nature of Fee	VAT Status	Section of Act
<b>DEPOSIT ACCOUNTS</b>		
<b>1.1 <u>Current/Savings Deposit Accounts</u></b>		
▪ Base Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Subscription Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Early Redemption Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Transaction Service Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Balance Below Minimum Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Teller Withdrawal fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Dormant Account fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Transfer/Payment at Counter Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Bank Cheque Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Withdrawal Below a Specified Limit Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Deposit Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Replacement Card/Book/Pin Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Electronic Funds Transfer:		
▪     ▪ ATM Withdrawal Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪     ▪ Account Payment Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Sale of Cheque Books		
▪     ▪ Cheque Forms	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪     ▪ Cheque Books	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪     ▪ Counter Cheques	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪     ▪ Cheques Issued by Machine	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Pre-authorized Payments/Direct Deposit/Standing Orders for a fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Sale of Deposit Books		
▪     ▪ Standard (non-MICR Encoded)	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪     ▪ Special (MICR Encoded)	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Sale/Rental of Night Depository Wallet/Bag	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule

Activity /Nature of Fee	VAT Status	Section of Act
<ul style="list-style-type: none"> <li>▪ Authorizations to Cash Cheques</li> </ul>		
<ul style="list-style-type: none"> <li>▪ Encashment Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Encashment Facility Set – Up Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Certificate Fees</li> </ul>		
<ul style="list-style-type: none"> <li>▪ Balance of Account</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Auditors’ Confirmation</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Interest Received</li> </ul>	Exempt	Paragraph 3(2) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Fee for cheque Deposited but Returned Unpaid</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Fee for Post Dated Cheque</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Fee for Returned Cheque</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Fee for Guaranteed Cheque</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Cashing Cheques/Clearance Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Fee to Stop Orders/Debit Orders (Account Holder)</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Fee for Unpaid Items – Electronic Transfers</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Bank Statement Charges:</li> </ul>		
<ul style="list-style-type: none"> <li>▪ Prepared in Duplicate Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Replacement Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Statement Storage Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Provisional Statements Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Balance Enquiry Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Mini Statement Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Voucher Retention Charges</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Storage Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Reference/Copies Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Retrieval/Tracing Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Paid Vouchers – Uplifted Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Dishonors:</li> </ul>		
<ul style="list-style-type: none"> <li>▪ Representation Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Unpaid Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Notification fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Unauthorized Overdraft Fee</li> </ul>	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule

Activity /Nature of Fee	VAT Status	Section of Act
▪ Declined Transaction Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Excess Item Fee (per item paid for unauthorized overdraft)	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Monthly Maintenance Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Stop Payment fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Cheque Guarantee Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Provisions of Information Fee:		
- Current Account Related	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
- Report in parties – Between Banks & Accounts Holders	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
- Third Parties	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ ATM Stop Card Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Account Opening Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Closure of Accounts Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Photocopy Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Sundry Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Government Stamp Duty on Debit Entries	Exempt	Paragraph 3 of Third Schedule
▪ Bank Statement Reconciliation Fee		
- Entry Charges	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
- Other Fees	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<b>1.2 Money Transfer Services</b>		
▪ Consolidated Payment Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Credit Transfer (Interbank) Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Telefax Transfer Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Swift Transfer Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Electronic Collection Service Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<b>1.3 Cash Related Services</b>		
▪ Fee for Provision of Change	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Fee for Cash/Coin Handling	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule

Activity /Nature of Fee	VAT Status	Section of Act
<ul style="list-style-type: none"> <li>▪ Cheque Purchase Fee: <ul style="list-style-type: none"> <li>- Money Orders</li> <li>- Bank Drafts</li> <li>- Travellers Cheques</li> </ul> </li> <li>▪ Cheque Encashment Fee: <ul style="list-style-type: none"> <li>- Under Letter of Credit</li> <li>- Travellers Cheques/Foreign Drafts</li> <li>- Money &amp; Postal Orders</li> </ul> </li> <li>▪ Fee for Sale Custody of Cash: <ul style="list-style-type: none"> <li>- After Hours – In Locked Bags/Deposit Envelopes</li> <li>- Night Safes</li> </ul> </li> </ul>	<p>Taxable</p> <p>Taxable</p> <p>Taxable</p> <p>Taxable</p> <p>Taxable</p> <p>Taxable</p> <p>Taxable</p> <p>Taxable</p>	<p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p>
<b>1.4 Off-Site Banking</b>		
<ul style="list-style-type: none"> <li>▪ Electronic Funds Transfer Fee</li> <li>▪ Cash/Coin Handling Fee</li> <li>▪ Safe Custody of Cash Fee</li> <li>▪ Rentals Fee</li> <li>▪ Electronic Banking Services Fee</li> </ul>	<p>Taxable</p> <p>Taxable</p> <p>Taxable</p> <p>Taxable</p> <p>Taxable</p>	<p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p>
<b>1.5 Electronic Banking</b>		
<ul style="list-style-type: none"> <li>▪ Electronic Payment Device: <ul style="list-style-type: none"> <li>- Installation/Rental</li> </ul> </li> <li>▪ Electronic Payment Services: <ul style="list-style-type: none"> <li>- Basic Charges: <ul style="list-style-type: none"> <li>:Electronic Payment – details on disk/tape</li> <li>:Electronic Payment details supplied by batch</li> <li>:Paid by Cheque – details on disk/tape or batch</li> </ul> </li> <li>- Date Capture Fee</li> <li>- Late Data Fee</li> <li>- On-Site Assistance Fee</li> </ul> </li> </ul>	<p>Taxable</p> <p>Taxable</p> <p>Taxable</p> <p>Taxable</p> <p>Taxable</p> <p>Taxable</p> <p>Taxable</p> <p>Taxable</p> <p>Taxable</p>	<p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p> <p>25(1)(a) &amp; paragraph 3(5) of Third Schedule</p>

Activity /Nature of Fee	VAT Status	Section of Act
- Input Manual Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
- Stop Payment	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
- ECCB Clearing Charges Fee	Exempt	Paragraph 3(2) Third Schedule & Regulation 41
- Default Cheque Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Electronic Off-Site Banking:		
- User Charge	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
- Account Payments & Transfer Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
- Other Fees or Charges	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Electronic Direct Credits:		
- Fee for additions/deletions, alterations to schedule loadings	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
- Fee for additional copies of schedules (i.e. prepared in duplicate)	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
- Consolidation payment/netting of accounts Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Electronic Direct Debits:		
- Fee for forwarding authorities	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
- Stop Order Establishing	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
- Standing Payment Order Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
- Stop Order Amendment Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
- Stop Order Cancellation Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
<b><u>1.6 Changes to Central Government &amp; Nevis Island Administration Accounts</u></b>		
▪ Service Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Charge per Deposit Slip Handled	Taxable	25(1)(a)
▪ Charge per Cheque Listed on Deposit Slip	Taxable	25(1)(a)
▪ Cash Deposit Fee	Taxable	25(1)(a) & paragraph 3(5) of Third Schedule
▪ Charge for Post Dated Cheques Deposited	Taxable	25(1)(a)
▪ Charge for Returned Unpaid Cheques	Taxable	25(1)(a)

## 2. TREASURY SERVICES

*Refer to Section 25(1)(a) and Paragraph 3 of the Third Schedule where these Sections are Applicable.*

Activity/Nature of Fee	VAT Status	Section of Act
<b>2.1 <u>Letters of Credit (Domestic One Bank to Another)</u></b>		
▪ Fees	Exempt	Paragraph 3(2) Third Schedule & Regulation 41
▪ Interest	Exempt	Paragraph 3(2) of Third Schedule
<b>2.2 <u>Offshore Loans</u></b>		
▪ Interest – Resident Account	Exempt	Paragraph 3(7) & (8) of Third Schedule
▪ Service Charge	Exempt	Paragraph 3(7) & (8) of Third Schedule
▪ Establishment/Repayment Fee	Exempt	Paragraph 3(7) & (8) of Third Schedule
<b>2.3 <u>Credit Facility/Commitment Fees</u></b>		
▪ Facility Fee for Arranging and Marking limit	Exempt	Paragraph 3(2) Third Schedule & Regulation 41
▪ Interest Charge	Exempt	Paragraph 3(2) of Third Schedule
<b>2.4 <u>Foreign Exchange Branch to Branch/Dealing</u></b>		
▪ Fee for Swift/Telegraphic Transfer Outward	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Fee for Using a Foreign Cheque	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Fee for Using Travellers Cheque	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Fee for Using Foreign Notes	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Fee for Swift/Telegraphic transfer Inward	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Fee for Bills Negotiated	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Fee for Purchase of Foreign Notes	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule

Activity/Nature of Fee	VAT Status	Section of Act
▪ Fee for Establishing Foreign Exchange Cheque	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Fee for Foreign Exchange Cheque Cancellation	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Fee for Foreign Exchange Cheque Extensions	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Fee for Early Drawdown of Foreign Exchange Cheque	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Handling Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Miscellaneous Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule

### 3. CREDIT & LENDING SERVICES

*Refer to Section 25(1)(a) and Paragraph 3 of the Third Schedule where these Sections are Applicable.*

Activity/Nature of Fee	VAT Status	Section of Act
<b>3.1 Interest Charged</b>	Exempt	Paragraph 3 (2) of Third Schedule
<b>3.2 Mortgage Loans</b>		
▪ Initiation Fee	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
▪ Administration Fee	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
▪ Payment of Retention Amount Fee	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
▪ Release of Bonded Property/Collateral Fee	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
▪ Second Bond in respect of Third Party Fees	Exempt	
▪ Registration of Servitude, Consolidations & Sub-divisions Fee	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
▪ Re-Advance Fee	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
▪ Variation Fee	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
▪ Facility Fee:		
- Application Fee	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
- Agreement Fee	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
- Establishment Fee	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
- Approval Fee	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
<b>3.3 In Relation to Lending by Bank</b>		



Activity/Nature of Fee	VAT Status	Section of Act
<ul style="list-style-type: none"> <li>▪ Securitisation of Debt Security</li> </ul>	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
<ul style="list-style-type: none"> <li>▪ Securitisation/Fee</li> </ul>	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
<ul style="list-style-type: none"> <li>▪ Preparation and Completion of Securities Fee</li> </ul>	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
<ul style="list-style-type: none"> <li>▪ Release of Securities Fee</li> </ul>	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
<ul style="list-style-type: none"> <li>▪ Guarantee Fee</li> </ul>	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
<ul style="list-style-type: none"> <li>▪ Property Loans Fee</li> </ul>	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
<ul style="list-style-type: none"> <li>▪ Modifications (including priority) of Securities</li> </ul>	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
<ul style="list-style-type: none"> <li>▪ Asset Inspection by Bank Security Fee</li> </ul>	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
<ul style="list-style-type: none"> <li>▪ Provision of Balance Sheet on Behalf of Customer Fee</li> </ul>	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
<ul style="list-style-type: none"> <li>▪ Asset for Home Loan</li> </ul>	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
<ul style="list-style-type: none"> <li>▪ Stamp Duty paid on Lending</li> </ul>	Exempt	Paragraph 3 (2) Third Schedule & Regulation 41
<b>3.4 Handling Fees</b>		
<ul style="list-style-type: none"> <li>▪ Loan Application Fee</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Vetting</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<b>3.5 Loans</b>		
<ul style="list-style-type: none"> <li>▪ Interest</li> </ul>	Exempt	Paragraph 3(2) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Commitment Fee</li> </ul>	Exempt	Paragraph 3(2) Third Schedule & Regulation 41
<ul style="list-style-type: none"> <li>▪ Unutilised Renewal Fee</li> </ul>	Exempt	Paragraph 3(2) Third Schedule & Regulation 41
<ul style="list-style-type: none"> <li>▪ Late Payment Fee</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Documentation Fee</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Early Termination</li> </ul>		
<ul style="list-style-type: none"> <li>- Interest Adjustment</li> </ul>	Exempt	Paragraph 3(2) of Third Schedule
<ul style="list-style-type: none"> <li>- Penalty Fee</li> </ul>	Exempt	Paragraph 3(2) Third Schedule & Regulation 41
<b>3.6 Promissory Notes</b>		
<ul style="list-style-type: none"> <li>▪ Dealing Profit</li> </ul>	Exempt	Paragraph 3 of Third Schedule
<ul style="list-style-type: none"> <li>▪ Trading in Promissory</li> </ul>	Exempt	Paragraph 3 of Third Schedule

Activity/Nature of Fee	VAT Status	Section of Act
<ul style="list-style-type: none"> <li>Discount on Face Value</li> </ul>	Exempt	Paragraph 3 of Third Schedule
<ul style="list-style-type: none"> <li>Commission</li> </ul>	Exempt	Paragraph 3 of Third Schedule
<b>3.7 Structuring</b>		
<ul style="list-style-type: none"> <li>Structuring Fee</li> </ul>	Exempt	Paragraph 3(2) Third Schedule & Regulation 41
<ul style="list-style-type: none"> <li>Commitment Fee</li> </ul>	Exempt	Paragraph 3(2) Third Schedule & Regulation 41
<ul style="list-style-type: none"> <li>Breakage Fee</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>Unwinding Fees</li> </ul>	Exempt	Paragraph 3(2) Third Schedule & Regulation 41

#### 4. SECURITIES SERVICES

*Refer to Section 25(1)(a) and Paragraph 3 of the Third Schedule where these Sections are Applicable.*

Activity/Nature of Fee	VAT Status	Section of Act
<b>4.1 <u>Government Stock, Treasury Bills and Other Capital Market Transactions</u></b>		
<ul style="list-style-type: none"> <li>Brokerage Fee</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>Collection fee in respect of Dividend, Interest and Coupon</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<b>4.2 <u>Share Registry of Central Securities</u></b>		
<ul style="list-style-type: none"> <li>Recharge of Central Securities Depository Fee</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>Management Fee</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>Recording Transfer Fee</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>Issues/Allotment Fee</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>Marking Fee</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>Dividends Payment Fee</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>Rights Issue Fee</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule

## 5. OTHER SERVICES

*Refer to Section 25(1)(a) and Paragraph 3 of the Third Schedule where these Sections are Applicable.*

Activity/Nature of Fee	VAT Status	Section of Act
<b><u>5.1 Fees For Providing Advice</u></b>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<b><u>5.2 Investment Services</u></b>		
<ul style="list-style-type: none"> <li>▪ Portfolio Management (Discretionary &amp; Non-Discretionary)</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>▪ Initial Structuring Fee</li> </ul> </li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>▪ Management Fee</li> </ul> </li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>▪ Profit Margin – For Own Account</li> </ul> </li> </ul>	Exempt	Paragraph 3(2) of Third Schedule
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>▪ Management of Superannuation Schemes Fee</li> </ul> </li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<b><u>5.3 Safe Custody Services</u></b>		
<ul style="list-style-type: none"> <li>▪ Rentals of Safety Deposit Boxes</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Safety Deposit Box Duplicate Key Charge</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<b><u>5.4 Payroll Services Fee</u></b>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<b><u>5.5 Fee for Power of Attorney</u></b>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<b><u>5.6 Factoring</u></b>		
<ul style="list-style-type: none"> <li>▪ Transfer of Debtors Book</li> </ul>	Exempt	Paragraph 3(2) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Factoring Commission</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Foreign Import Factoring Commission</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Commission Invoice Discount</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Factoring Non-Recourse Commission</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<ul style="list-style-type: none"> <li>▪ Factoring Service Fee Commission</li> </ul>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule

Activity/Nature of Fee	VAT Status	Section of Act
<b>5.7 Guarantees</b>		
- Guarantee Commission Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<b>5.8 Property Services for Fee</b>		
▪ Rent Received		
- Leased Premises		
: Private	Taxable	25(1)(a) & 26 (1)(d)
: Student	Taxable	25(1)(a) & 26 (1)(d)
: Condominium/Villa	Taxable	25(1)(a) & 26 (1)(d)
▪ Valuation Fees	Taxable	25(1)(a)
<b>5.9 Computer Bureau Services Fee</b>	Taxable	25(1)(a)
<b>5.10 Management Service Fee</b>	Taxable	25(1)(a)
<b>5.11 Information Technology Services</b>		
▪ Systems Maintenance Fee	Taxable	25(1)(a)
▪ Processing Fee	Taxable	25(1)(a)
▪ Systems Implementation Fee	Taxable	25(1)(a)
▪ System Support Fee	Taxable	25(1)(a)
▪ Access Service Fee	Taxable	25(1)(a)
▪ Technical Support Fee	Taxable	25(1)(a)
▪ Hardware Charges Fee	Taxable	25(1)(a)
▪ Software Charges Fee	Taxable	25(1)(a)
<b>5.12 Other Payment Services</b>		
▪ Pension Payments Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule

Activity/Nature of Fee	VAT Status	Section of Act
▪ Security Charge Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Funeral Policy Collection Service Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Wages Payment Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ ATM Payment Transaction Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Cheque Issue and Encashment Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Reimbursement of Incidental Charges Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Transaction Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<b>5.13 Merchant Banking</b>		
▪ Additional User Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Unpaid Item Charge	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Merchant Terminal Rental	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Merchant Discount Rate	Exempt	Paragraph 3(2) Third Schedule & Regulation 41
▪ Asset Management:		
- Management	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Corporate Finance:		
- Advisory Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
- Listing Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
- Professional Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Investment Capital:		
- Advisory Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
- Management Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
- Monitoring Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<b>5.14 Credit Card Banking</b>		
▪ Credit Card Annual Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Credit Card Processing Service Charge	Exempt	Paragraph 3(2) Third Schedule and & Regulation 41
▪ Credit Card Service Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ Credit Card Late Payment Fee	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule

Activity/Nature of Fee	VAT Status	Section of Act
▪ <b>Credit Card Over Limit Fee</b>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ <b>Cash Advance Fee</b>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ <b>Cash advance</b>	Exempt	Paragraph 3(2) of Third Schedule
▪ <b>International Credit Card Cash advance</b>	Exempt	Paragraph 3(2) of Third Schedule
▪ <b>International Credit Card Cash Advance Fee</b>	Exempt	Paragraph 3(2) of Third Schedule
▪ <b>Domestic Credit Card Cash Advance Fee</b>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
▪ <b>Credit Card Drafts Photocopy</b>	Taxable	25(1)(a) & Paragraph 3(5) of Third Schedule
<b>5.15 <u>Other Electronic/Internet Banking Services</u></b>		
▪ <b>Electronic/Internet Banking Services</b>	Taxable	25(1)(a)
▪ <b>ATM and Mini ATM Rentals</b>	Taxable	25(1)(a)
▪ <b>Smart Box Collection/Handling Fees</b>	Taxable	25(1)(a)
<b>5.16 <u>Miscellaneous</u></b>		
▪ <b>Photocopying Fee</b>	Taxable	25(1)(a)
▪ <b>Communication – Fax Charge</b>	Taxable	25(1)(a)
▪ <b>Out of Pocket Expenses</b>		
- <b>Registered Mail</b>	Taxable	25(1)(a)
- <b>Delivery Courier Charges</b>	Taxable	25(1)(a)
- <b>Other Charges not related to Financial Services</b>	Taxable	25(1)(a)