

D.S.G.
20/1/22

VALUE ADDED TAX (AMENDMENT) REGULATIONS, 2022

Arrangement of Regulations

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VALUE ADDED TAX ACT

(NO. 32 OF 2014)

VALUE ADDED TAX (AMENDMENT) REGULATIONS, 2022

The Minister, in exercise of the powers conferred by section 96 of the Value Added Tax Act (*No. 32 of 2014*) hereby makes the following regulations —

1. Citation and commencement.

- (1) These Regulations may be cited as the Value Added Tax (Amendment) Regulations, 2022.
- (2) These Regulations shall come into operation on the 1st day of July, 2022.

2. Amendment of regulation 2 of the principal Regulations.

Regulation 2 of the principal Regulations is amended in subsection (1) by —

- (a) by the deletion of the term and definition of “domestic financial services” and the substitution of the following —
“**domestic financial services**” means financial services supplied within The Bahamas to any person which are used or the benefit or advantage is obtained within The Bahamas;
- (b) by the deletion of the term and definition of “international financial services” and the substitution of the following —
“**international financial services**” means financial services supplied within The Bahamas which are used or the benefit or advantage is obtained outside The Bahamas;”.

3. Amendment of regulation 10 of the principal Regulations.

Regulation 10 of the principal Regulations is amended —

- (a) in paragraph (1), by the insertion immediately after subparagraph (e) of the following new subparagraph —
“(ee) residential accommodation of any kind of a unit leased or held for lease for continuous periods exceeding forty-five calendar days, where the owner of such residential accommodation leases or holds for lease more than four such units;”.
- (b) by the repeal of paragraph (3) and the substitution of the following —
“(3) The operation of a commercial rental establishment is a taxable supply of services.

- (3A) Except where section 19 of the Act requires the owner to register regardless of the amount of turnover, the owner of such establishment becomes a taxable person required to register as such under the Act where the owner satisfies the registration threshold.”;
- (c) in paragraph (4) —
 - (i) in subparagraph (a), by the deletion of the word “or” at the end of the subparagraph;
 - (ii) in subparagraph (b), by the deletion of the full stop and the substitution of the words “; or”;
- (d) by the insertion immediately after subparagraph (b) of the following new subparagraph —

“(c) a marketplace.”
- (e) by the insertion immediately after paragraph (4) of the following new paragraph —

“(5) In paragraph (1)(ee), “unit” includes —

 - (a) a section of a property that is used as a separate dwelling and has separate facilities and its own private entrance;
 - (b) a separate property.”.

4. Amendment of regulation 38 of the principal Regulations.

Regulation 38 of the principal Regulations is amended in paragraph (1) by the insertion immediately after subparagraph (c) of the following new subparagraph —

“(cc) contravenes section 38J of the Act;”.

5. Amendment of regulation 41 of the principal Regulations.

Regulation 41 of the principal Regulations is amended —

- (a) in paragraph (1) by the deletion in subparagraph (b) of the word “or” where it second appears and the substitution of the word “of”;
- (b) by the insertion immediately after paragraph (3) of the following new paragraph —

“(3A) A marketplace or non-Bahamian homeowner who, in contravention of section 19(2) of the Act, fails to register commits an offence and is liable on conviction to a fine not exceeding one hundred thousand dollars (\$100,000.00) or to imprisonment for a term not exceeding twelve months or to both such fine and imprisonment.”.

6. Insertion of a new regulation 41A into the principal Regulations.

The principal Regulations is amended by the insertion immediately after regulation 41 of the following new regulation—

"41A. Offences relating to VAT withholding.

- (1) A withholding agent who in contravention of section 23A(4) fails to issue a Withholding Value Added Tax Certificate commits an offence and is liable on conviction to a fine not exceeding ten thousand dollars (\$10,000.00) or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.
- (2) Any person, who in contravention of section 23A(9) unlawfully withholds VAT on payment to a supplier of taxable goods or services commits an offence and is liable on conviction to a fine not exceeding fifty thousand dollars (\$50,000.00) or to imprisonment for a term not exceeding two years or to both such fine and imprisonment.”.

7. Amendment of First Schedule to the principal Regulations.

The First Schedule to the principal Regulations is amended by the insertion of the following in the appropriate order —

Description of Contravention	Provision of Act	Fixed Penalty Applicable
Failure to issue a Withholding VAT Certificate	Section 23A	Maximum 30,000
Unlawfully withholding VAT on payment to a supplier of taxable goods or services	Section 23A	Maximum 70,000
Knowingly executing or presenting an instrument for stamping which does not fully and truthfully set out the required facts and circumstances	Section 38J	Maximum 100,000

Made this 25th day of May, 2022



MINISTER RESPONSIBLE FOR FINANCE