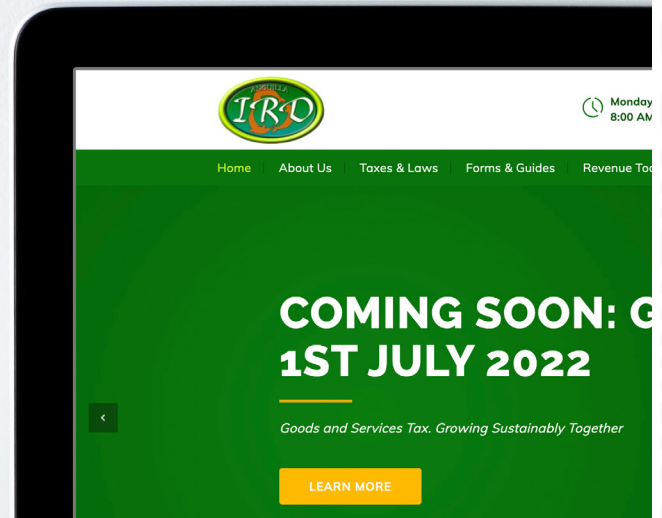




GOODS AND SERVICES TAX
"Growing Sustainably Together"



Goods & Services Tax Guide

REGISTRATION

file and manage your taxes online? Regis

MARCH
2022

DISCLAIMER

These notes are for guidance only. They reflect the law and the tax position at the time of publication. They do not replace the legislation or affect your right to object and appeal.

If in doubt, you should consult the Inland Revenue Department.

You may find the following documents useful for further explanation on specific issues:

GST Act 2021

GST Regulations 2022

GST Guide

Specific Sector Guides



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A person wearing a beige sweater is sitting at a light-colored wooden desk. On the desk, there is a laptop displaying a website with a blue and green logo, a stack of books, a small framed picture, and a vase with green plants. To the right of the desk, a white ceramic vase with two handles sits on a small wooden stool, containing a large arrangement of green eucalyptus-like plants. The background is a plain white wall.

1.0 INTRODUCTION

This guide is intended to provide persons with the information they need to register for Goods and Services Tax (GST).

2.0 REGISTRATION FOR GST

2.1 What is the Registration Threshold for GST?

You are required to apply for GST registration if:

- a. within the last 12 months, the value of your taxable supplies equals or exceeds EC\$300,000 (you must apply to register within 15 days of the end of the period); or
- b. within the next 12 months, you expect the value of your taxable supplies to equal or exceed EC\$300,000 (you must apply to register within 15 days of the beginning of that period); or
- c. you operate in one of the following sectors listed in Table 1 (you must apply to register at the time indicated regardless of the registration threshold requirement).

Table 1: Mandatory registration for GST

Sector	When to apply for registration
Auctioneer	On the date on which they become an auctioneer.
Short term Accommodation Provider	On the date of commencement of activity.
Promoters of Public Entertainment	At least 7 days before the commencement of the public entertainment or first sale of tickets for the event, whichever is the earlier.
State and Statutory Bodies	On the date of commencement of activity.

2.2 Who should register for GST?

You must register for GST if you are a taxable person and your business turnover equals or exceeds the threshold of EC\$300,000. For the purposes of GST, a 'taxable person' includes:

- a. an individual
- b. a company
- c. a body of persons
- d. a government entity, and
- e. a local government authority, council, or similar body.

If the person conducting the taxable activity is an organization (that is, not an individual), it is the organization that must apply for registration. The individual partners or members are not required to register. The same applies for partnerships and trustees of a trust or estate.

2.3 When is registration required?

Four questions must be asked by a potential registrant:

1

Am I one of the following: State, Agency of the State (including Authority or Board), Natural person, Trust, Company, and Partnership?

2

Am I carrying out an activity on a continuous, regular or seasonal basis?

3

Is that activity taxable, i.e., involves the making of standard rate or zero rate supplies (but not exempt supplies)?

4

Do I meet the registration threshold?

2.4 How do I apply for registration?

To register, you must complete the application for registration forms, that is: F2 for Sole Proprietors and F3 for Non-Individuals including companies, partnerships etc. This can be done by:

- i. downloading the soft-copy from our website at ird.gov.ai and
- ii. completing and emailing the form to inlandrevenue@gov.ai or delivering the physical copy to the Inland Revenue Department for approval.

Alternatively, you can visit the Inland Revenue Department, request the form that is applicable to your business; complete and submit the physical copy for approval.

If your application for registration is approved, you will be issued a Notice of Approval of Registration and a Certificate of Registration within 10 days of submission of application.

2.5 Can I apply for exemption from registration?

You may apply to the Comptroller for exemption from registration if:

- i. all or most of your taxable supplies are zero rated, and
- ii. where you can demonstrate that your input tax would exceed tax payable on a continuing annual basis.

The Comptroller will notify you within 10 days of the decision in respect of the application.

3.0 TAXABLE ACTIVITIES, SUPPLIES AND REGISTRATION

TAXABLE ACTIVITY

A taxable activity is an activity carried on continuously or regularly by a person—

- i. in Anguilla, including all the Cays forming part of Anguilla; or
- ii. partly in Anguilla;

whether or not for profit, that involves or is intended to involve, in whole or in part, the supply of taxable goods or services to any other person for consideration.

NON-TAXABLE ACTIVITY

A non-taxable activity is:

- i. an activity carried on by a person essentially as a private recreational pursuit or hobby; or
- ii. an activity that involves the making of exempt supplies.

BUSINESS

For GST purposes, a business means any continuing activity which is mainly connected with making supplies to other persons for a consideration.

The activity must have a degree of frequency and scale, and be continued over a period of time, for example, a profession, trade, venture or undertaking, and includes the provision of personal services or technical and managerial skills, and any other trading activity but does not include any employment.

ZERO-RATED SUPPLIES

These are goods and services which are subject to GST, but at the rate of zero percent. Although no GST is charged or collected on these supplies, you may register for GST and recover taxes paid on inputs used in the production of the goods or services.

3.1 What are examples of zero-rated supplies?

The following are zero-rated for the purposes of section 16 and Schedule 1 of the GST Act —

- a. Exports of goods and services as provided for in Table 1;
- b. Goods imported or supplied for the purpose of fishing or farming as provided for in Table 2;
- c. Goods used in the course of manufacture in Anguilla as provided for in Table 3;
- d. Essential foods or other goods as provided for in Table 4;
- e. A supply of sales of contraceptives and sanitary products to the extent provided for in Table 5;
- f. A supply of electricity by ANGLEC to a domestic meter, up to 130kWh per month.

Please refer to the tables in GST Regulations for more information.

EXEMPT SUPPLIES

Exempt supplies are goods and services which are not subject to GST.

3.2 What if I only make exempt supplies?

If you only make exempt supplies, you will not be eligible to register for GST and therefore cannot recover GST paid on inputs.

However, if you make both taxable and exempt supplies and the value of your taxable supplies equals or exceeds the threshold, you must register for GST. You cannot claim input tax on purchases that relate to exempt supplies. Where purchases relate to both taxable and exempt supplies, you will apportion the input tax by

applying the ‘Partial Exemption Method’ outlined in sections 25 (3) and (4) of the GST Act.

See GST Guide for further information on the Partial Exemption Method.

3.3 What are examples of exempt supplies?

The following are exempt for the purposes of section 17 and Schedule 2 of the GST Act —

- a. a supply of financial services specified in Table 1; but does not include Domestic financial services provided for an explicit fee
- b. a supply of Insurance services in the course of carrying on an insurance business in or from Anguilla limited only to—
 - i. life insurance, annuities and savings products, and a supply of insuring, arranging for the insurance of, or arranging for, the international transport, and
 - ii. a supply of health insurance
- c. a supply of medical services and devices specified in Table 2
- d. a supply of prescription drugs specified in Table 3
- e. a supply of education services specified in Table 4
- f. a supply of education materials specified in Table 5
- g. a supply of services in a qualifying nursing home or residential care facility for aged, indigent, infirm or disabled persons who need permanent care specified in Table 6
- h. a supply of services rendered as day-care, including after-school care, and by a summer camp for children aged under 12 years old specified in Table 7

- i. a supply of—
 - i. a lease, licence, hire rental or other form of supply of accommodation, to the extent that it is a supply of the right to occupy or be accommodated in premises for 183 days or more
 - ii. leasehold land by way of lease (not being a grant or sale of the lease of that land) to the extent that the subject land is used or is to be used for the principal purpose of accommodation in a residential dwelling erected or to be erected on that land, where the lease is for 183 days or more
- j. a supply of the following immovable property—
 - i. vacant land,
 - ii. a residential dwelling, that is—
 - a. resold by the initial purchaser including all subsequent sales of such property, and
 - b. sold by the first-time owner after 2 years of continuous occupancy of such premises by the owner or his immediate family
- k. a lease, licence, hire rental of land to the extent that it is to be used for agricultural purposes
- l. a lease, licence, hire rental of land except for in (j), where the lease is for 183 days or more
- m. a supply of religious service by an approved religious organisation
- n. a supply of piped water from the Anguilla Water Corporation to consumers in Anguilla and excludes bottled or any other packaged or distilled water

- o. goods imported by Anguilla nationals returning home for permanent residence specified in Table 8.

Please refer to the tables in GST Regulations for more information.

3.4 How is the value of supplies calculated for registration purposes?

The value of supplies is calculated using the gross turnover of taxable supplies within a twelve-month period including the following:

- i. Standard rated supplies
- ii. Zero-rated supplies
- iii. Goods taken for your personal use

3.5 What if my turnover is below the threshold but I wish to register?

If the total value of your taxable supplies is below the threshold and you wish to register for GST, you may apply for voluntary registration. The Comptroller will make a determination, and if voluntary registration is approved, you will be required to fully comply with the provisions of the GST Act.

3.6 What are the conditions that must be satisfied for approval of voluntary registration?

The following conditions must be satisfied for approval of voluntary registration:

- i. applicant's business and business location are identifiable and the address and other information of the applicant or his representative are provided.
- ii. applicant demonstrates that the record keeping requirements of sections 60 and 61 of the GST Act are in place.

- iii. applicant provides evidence of bank loans and revenue projections, contracts or other details of arrangements to make taxable supplies, feasibility studies, purchase of capital equipment, and similar information that may be accepted as evidence that the applicant makes or intends to make taxable supplies.
- iv. applicant demonstrates their compliance with other tax laws administered by the Inland Revenue Department and the Customs Department.

3.7 Can the Comptroller deny my application for voluntary registration?

Yes, if the Comptroller is not satisfied that:

- a. you have a fixed place of abode or business; or
- b. you will keep proper records, or
- c. you will submit regular and reliable tax returns

The Comptroller will notify you within 10 days of the decision in respect of the application.

3.8 Can registration for GST be enforced?

The IRD may enforce registration on persons who are required to apply for registration but failed to do so.

4.0 POST-REGISTRATION

4.1 Will I be issued a certificate of registration?

Yes. As a GST registrant, you are issued a Certificate of Registration which you are required to display in a prominent place at each location at which you engage in taxable activities. This certificate will show:

- i. name of taxable person
- ii. trading name (if any)
- iii. address
- iv. TIN (Tax Identification Number), and
- v. the effective date of registration

The application for registration makes provision for the number of locations where you carry on taxable activities. The IRD will provide you with the required number of certified copies of the certificate.

If additional certified copies are required, please apply in writing, and provide the address(es) where each certified copy is needed. **You must not photocopy the certificate.**

4.2 What happens if I lose my GST certificate?

You must request a certified copy of a registration certificate in writing and the Comptroller may, issue a certificate where he is satisfied that it has been lost, mutilated or destroyed.

4.3 How can I make changes to the registration particulars?

You must notify the Comptroller in writing within 15 days of the following:

- a. any change in the name, address, place of business, constitution, name of partners or nature of the principal taxable activity or activities, and
- b. any change of address from which, or name in which, any taxable activity is carried on, or
- c. any change in circumstances if you cease to operate or close on a temporary basis.

4.4 What if I cease to make taxable supplies?

If you cease to make taxable supplies, you must advise the Comptroller within 15 days of the date on which you ceased making taxable supplies, and apply for cancellation of your registration.

4.5 Can the IRD make my registration information public?

Yes. The Comptroller is required to establish and maintain a register containing the relevant details of all registered persons which shall be open to the public at all reasonable hours and available in electronic media.

4.6 When is the GST return due?

Now that you are registered you must charge GST at the standard tax rate (13%) when you make taxable supply of goods or services.

You must account for any tax due to the Inland Revenue Department every month. The period covered by the GST return is referred to as the 'tax period', which is one calendar month. You must file your GST return on or before the 20th of the following month or the next working day if the 20th falls on a weekend or public holiday. *See Tax Calendar for due dates.*

For example, the tax return for the month of July 2022 is due by August 22, 2022.

You are required to file your return using the IRD portal.

4.7 Can I object or appeal registration for GST?

A person dissatisfied with a decision to register or not to register (Section 11(6) of the GST Act) and to cancel or to not cancel a registration (Section 12(15)) of the GST Act, can object in accordance with the GST Act, Part 10.

The objection must be made within 90 days of the decision that is being challenged.

5.0 PENALTIES

In addition to the penalties that may be imposed on late filing of returns and payment of tax, there are other penalties associated with registration. You may incur a penalty if you:

- a. fail to apply for GST registration: Double the amount of output tax payable from the time you are required to apply for registration until you file an application with the Comptroller.
- b. fail to display registration certificate or certified copy issued thereof by the Comptroller: EC\$15000 for each day or part thereof that the failure continues.

If you fail to take action within these provisions, you are also committing a criminal offence. As a result, you may be liable, on summary conviction, to fines and imprisonment.

- e.g. Failure to apply for GST registration: fine \$5000 and 2 years imprisonment



CONTACT US

For more information, feel free to contact the Inland Revenue Department at gst@gov.ai or inlandrevenue@gov.ai

Please visit our website at ird.gov.ai for the most current publications on GST.

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