



GOODS AND SERVICES TAX
"Growing Sustainably Together"



Goods & Services Tax Guide

**PROMOTERS OF
PUBLIC ENTERTAINMENT**

**JUNE
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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



1.0 INTRODUCTION

This guide is intended to provide promoters of public entertainment with pertinent information on the Goods and Services Tax (GST). It should be read in conjunction with the GST Act 2021, GST Regulations 2022, other sector specific guidance and the GST Guide.

You should read this guide if you are providing or intend to provide public entertainment in Anguilla.

2.0 REGISTRATION

2.1 Should I register for GST as a promoter of public entertainment?

Yes. As a promoter of public entertainment, you are required to apply for registration at least 7 days before the commencement of the public entertainment or on the date of the first sale of tickets for such an event, whichever is the earlier. (***GST Regulations Section 3 (3)***)

Note: You must register regardless of the GST registration threshold.

PROMOTER OF PUBLIC ENTERTAINMENT

A “promoter of public entertainment” is defined under the GST Act as a person who arranges the staging of public entertainment, including licensees and proprietors of places of public entertainment and others organizing public entertainment.

“Public entertainment” is further defined as any musical entertainment, sporting event, theatrical performance, comedy show, dance performance, circus show, any show connected with a festival, or any similar show to which the general public is invited, but does not include entertainment organized by:

- an educational institution;
- the board of management or a parent teacher association of an educational institution;
- a person who provides entertainment as part of their taxable supply;
- an approved religious organization.

Example of ‘promoters, licensees and proprietors of public entertainment’ are:

- Bars, lounges and clubs
- Amusement and games centers
- Theaters and cinemas
- Promoters of concerts, shows, sporting events and similar entertainment

2.2 How do I register for GST?

You can visit the Inland Revenue Department (IRD) or access the registration forms from the IRD website. Form F2 is to be completed by Sole Proprietors and Form F3 by Non-individuals such as Partnerships and Companies.

2.3 What happens once I am registered?

Once you are registered for GST, you will be issued a Certificate of Registration and certified copies of the certificate if you operate from branches and divisions. The certificate must be displayed in a conspicuous place at each location where you conduct business. This is so that your customers can verify that you are registered and can charge GST. You will also be assigned a tax identification number (TIN) which must be included on any return, tax invoice, sales receipt, event ticket or any other document prescribed.

2.4 What happens if I do not register?

You will be registered from the date determined by the Comptroller, and you will need to account for GST and remit tax payable on your proceeds from your event and/or supplies even if you have not charged it. There are also penalties associated with failure to apply for registration.

3.0 INPUT TAX

3.1 What can I claim as input tax on my purchases and expenses?

You can claim GST paid (input tax) on purchases including expenses incurred in providing the public entertainment. For example, liquor, promotional items, T-shirts, venue rental, security and marketing expenses.

INPUT TAX

Input tax is the GST paid on business purchases used in making taxable sales/supplies including:

- goods and services purchased in Anguilla; and
- goods and services imported.

4.0 RECORD KEEPING

4.1 What records should I keep for my public entertainment business?

You will generally keep the following records:

- a GST account;
- original tax invoices received;
- a copy of all tax invoices and sales receipts issued and record of tickets sold;
- customs documentation relating to imports and exports;
- any other records as may be prescribed by Regulations.

Please refer to the Guide on Keeping Proper Books and Records for more details.

4.2 When do I need to issue a tax invoice and sales receipt?

You issue a tax invoice when you provide goods and/or services to another GST registered person.

You issue a sales receipt when you provide goods and/or services to an unregistered person.

An admission ticket suffices as a sales receipt once the particulars outlined above are captured on the ticket.

Please refer to the Guide on Keeping Proper Books and Records for more details and the particulars to be contained on the tax invoice and sales receipts.

5.0 ACCOUNTING FOR GST

5.1 Do I have to pay a security before providing public entertainment?

Yes. You may be required to pay a security. The conditions of the security will be issued to you via a notice in writing from the IRD Comptroller. You will not be permitted to proceed with the public entertainment if you have not paid the requisite security nor received the Comptroller's written approval.

5.2 What is the role of the IRD in my public entertainment?

If your public entertainment involves the sale of admission and bar/food tickets, you must bring those tickets to IRD for stamping and recording. IRD officers may also be required to be stationed at the public entertainment to inspect ticket admission and other revenue generation activities held at the event and reconcile tickets sales against those recorded by the IRD.

5.3 How do I account for the importation of entertainment services?

Importation of entertainment services, such as musical entertainers, performers, actors, circuses, comedians, etc, are subject to the reverse charge mechanism as if the promoter had supplied these services to itself. The promoter must therefore account for the GST payable on the imported services.

The reverse charge mechanism is where the recipient of an imported service is liable to pay the GST instead of the supplier (non-resident). The promoter as a registered person can reclaim GST paid in this instance.

5.4 How do I account for the GST I charge on my supplies?

You will charge GST on the sale of tickets, promotional items, bar and food sales, and other revenue generation activities at the standard rate of 13%. This includes online ticket sales, bar and food tickets and card top up, if applicable.

You declare your total output tax (GST charged on sales) and input tax (GST paid on purchases) on your monthly GST return. Your input tax is offset against your output tax, and the difference is what you remit to the Comptroller. All sales and purchases must be declared in the tax period in which they occur.

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.
Example: Party Promotion Inc holds an event on July 10th, 2022. The GST return is due on or before the 22nd of August 2022.

Please note that you are required to file a nil return if you had no transaction in a given month.

OUTPUT TAX

Output tax is the GST charged on sales, services or supplies.

6.0 PRICING

6.1 How do I price my supplies for GST?

All prices for public entertainment must be displayed, quoted and advertised inclusive of the GST. For example, if the price of a ticket is \$20, the GST is deemed to be included in the price. You calculate the GST included in the price by applying the tax fraction (13/113).

In this case, $\$20 \times 13/113 = \2.30 . Therefore, \$2.30 is the GST chargeable (output tax) on the \$20 ticket.

7.0 TRANSITIONAL ARRANGEMENTS

7.1 What are the transitional arrangements for this sector?

Public Entertainment Tax (PET) will be repealed and replaced by the GST on 1 July 2022. The arrangement for transitioning from PET to GST is outlined in the table below:

EVENTS	ACTION
For events taking place on or after 1 July 2022 with ticket sales before 1 July 2022.	Monies received on tickets sales are considered to include the GST. The GST due is calculated using the tax fraction ie 13/113 and declared on the July 2022 return. <i>Example: If \$1000 was received, the GST due and payable in July's return is: $\\$1000 \times 13/113 = \\115.04</i>



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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