

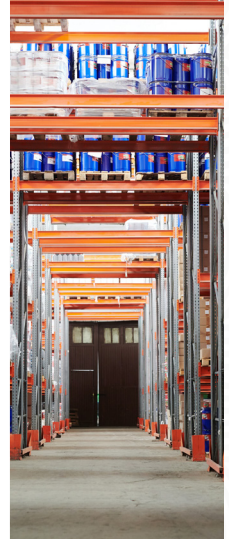


GOODS AND SERVICES TAX
"Growing Sustainably Together"



Goods & Services Tax Guide

RETAILERS AND WHOLESALERS



**AUGUST
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



TABLE OF CONTENTS

1.0 INTRODUCTION	4
2.0 REGISTRATION FOR GST	5
3.0 SUPPLY OF GOODS AND SERVICES	7
4.0 INPUT AND OUTPUT TAX	13
5.0 RECORD-KEEPING	18



1.0 INTRODUCTION

This guide is intended to provide businesses operating in the retail and wholesale sector in Anguilla with the information they need to know about Goods and Services Tax (GST). This should be read in conjunction with the GST Act, 2021 and the GST Regulations, 2022 and the GST Guide.

You will see the phrase, “make a supply” used in this Guide; please note that while you may not manufacture goods in Anguilla, this term is used generally to mean any goods and/or services you offer for sale. For GST purposes, please also note the term “taxable supply” refers to a supply of goods or services that is subject to GST.

2.0 REGISTRATION FOR GST

2.1 What are the requirements for registration for GST?

If you supply goods or services that are subject to GST (“taxable supplies”) you must register if you either:

- a. Make taxable supplies and the value of these supplies for the previous 12 months has met or exceeded the GST registration threshold of EC\$300,000; or
- b. At the beginning of any 12-month period, expect that the value of your taxable supplies will meet or exceed the threshold in the next 12 months.

2.2 When do I need to register for GST?

You must apply for registration within 15 days of meeting the requirements. The Comptroller will register you within 10 days of your application.

If you are required to register and fail to apply for registration, you will be registered from the date determined by the Comptroller. You will need to account for GST and remit tax payable on your supplies even if you have not charged it.

You may apply for registration if you make or intend to make taxable supplies, even if you have not met the registration threshold and the Comptroller may approve voluntary registration in accordance with the regulations.

TAXABLE SUPPLY

A taxable supply means a supply of goods or services in Anguilla in the course or furtherance of a taxable activity, other than an exempt supply.

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 visible 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 provided with a tax identification number (TIN) which must be included on any return, tax invoice, sales receipt or any other document prescribed.

A taxpayer register will be maintained by the Comptroller containing the relevant details of all GST registered persons. The register will be accessible to the public at all reasonable times and available on the IRD website at www.ird.gov.ai.

3.0 SUPPLY OF GOODS AND SERVICES

3.1 Are goods sold by retailers and wholesalers subject to GST?

Yes, as a registered retailer or wholesaler you must charge GST on all goods you sell that are taxable. The Act does not provide a list of taxable supplies. The basic rule is that all supplies of goods made in Anguilla are subject to GST unless they are specifically exempted from GST.

3.2 What is the GST rate to be applied to the goods I sell?

Goods that you sell in Anguilla that are not exempt or zero-rated will be subject to GST at the standard rate of 13%. Zero-rated goods and goods exported from Anguilla are subject to GST at the rate of 0%.

Please refer to the GST Regulations for a complete list of zero-rated and exempt supplies.

3.3 How do I calculate my selling price?

In calculating the price of goods and services that are subject to GST, you should not include the GST paid on purchases directly relating to those goods or services in your cost as this is recoverable. An example is provided below.

Table 1: Example of Calculating Selling Price with GST

GST REGISTERED PERSONS	COST	VALUE ADDED	SELLING PRICE	OUTPUT TAX	INPUT TAX	Net tax paid to IRD
Importer	\$60.00				\$7.80	\$7.80
Importer	\$60.00	\$40.00	\$100.00	\$13.00	\$7.80	\$5.20
Wholesaler	\$100.00	\$20.00	\$120.00	\$15.60	\$13.00	\$2.60
Retailer	\$120.00	\$80.00	\$200.00	\$26.00	\$15.60	\$10.40
GST Paid by Final Consumer					\$26.00	

The example shows that GST is not included in calculating the selling price. The GST paid (input tax) at each stage is subtracted from the GST charged (output tax). The entire GST is ultimately paid by the final consumer.

- The importer calculates their selling price excluding the GST paid. He charges the retailer GST of \$13.00 and subtracts the \$7.80 paid on importation at Customs and remits \$5.20 to IRD.
- The wholesaler calculates his selling price without including the \$13.00 GST paid to the importer. He charges the retailer \$15.60 GST and subtracts the \$13.00 GST paid to the importer and remits \$2.60 to the IRD.
- The retailer likewise charges the final consumer **\$26.00** GST and subtracts the \$15.60 paid to the wholesaler. He remits \$10.40 to the IRD.
- The consumer pays the retailer a total of **\$226.00** (\$200.00 + \$26.00 GST)

Note the following:

- The importer, wholesaler and retailer are registered for GST
- The GST is not a cost to the business and should not be included in the calculation of the selling price
- The final consumer pays the GST.

GST is a consumption tax. It is not a tax on businesses.

3.4 How do I display my selling price?

The Act provides for GST inclusive pricing. You may also display a notice in a prominent place at your business stating that all prices displayed are inclusive of GST.

3.5 What if I export goods?

If you export goods from Anguilla, you must do so in accordance with the Customs Act. Export of goods is zero-rated under the GST Act.

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

You declare your total output tax and input tax on your monthly GST return. All sales and purchases must be declared in the tax period in which they occur. Your input tax is offset against your output tax. If your output tax exceeds your input tax, the difference is what you remit to the Comptroller. If the input tax exceeds the output tax, you will be in an excess credit position which you will offset for three (3) consecutive periods and if remaining excess credit exceeds EC\$1000, you may apply for a refund.

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.

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

INCLUSIVE PRICING

Inclusive pricing means that all goods that are offered for retail and wholesale must show the price on the goods, shelves or quotations inclusive of GST.

3.7 When do I issue a tax invoice?

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

A GST tax invoice must show the following (Item 1 of Schedule 3 of the GST Act):

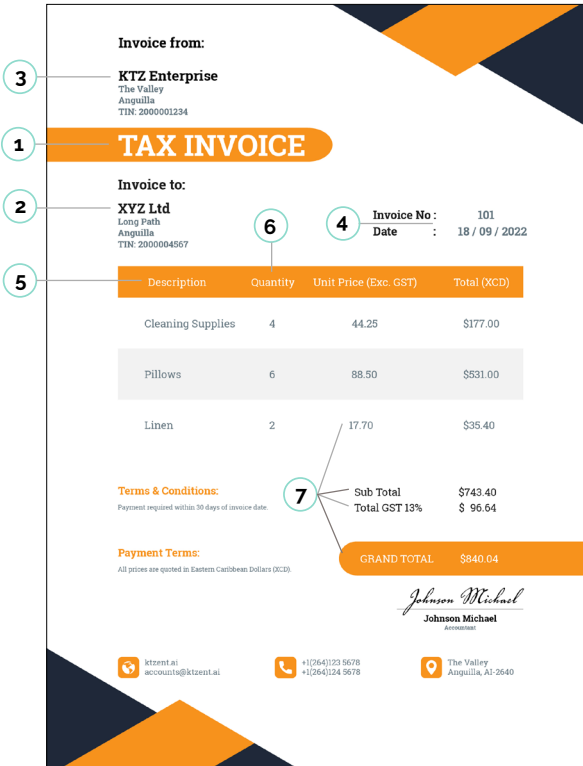


Figure 1: Sample Tax Invoice

- 1 the words "tax invoice" in a prominent place
- 2 for a supply to a registered recipient, the name, address, and GST registration number of the recipient of the supply
- 3 the name, address, and GST registration number of the registered person making the supply
- 4 the individualised serial number and the date on which the tax invoice is issued
- 5 a description of the goods or services supplied
- 6 the quantity or volume of the goods or services supplied
- 7 the consideration for the supply in XCD (excluding GST), the rate of GST, the total amount of the GST charged and the consideration including GST

3.8 When do I issue a sales receipt?

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

A sales receipt must contain the following (Item 2 of Schedule 3 of the GST Act):

SALES RECEIPT			
AUR Trading The Valley, Anguilla TIN: 2000002460			
Receipt #: 1234		5 August 2022	
Qty	Description	Price (XCD)	
2lbs	Chicken wings	5.00	Z
1lb	Powdered milk	5.00	Z
2lbs	Brown Sugar	1.50	Z
2lbs	Rice	2.00	Z
1	Cornflakes	8.39	T
1	Luncheon Meat	4.19	T
1	Macaroni	2.57	T
1	Sardine	2.02	T
1	Soda	2.51	T
2	Garlic Powder	1.40	T
1	Text Book	2.00	E
Total		\$36.58	
Sub Total		\$34.15	
13% GST		\$ 2.43	
Z - Zero-rated item T - Standard-rated item (13% GST included in price) E - Exempt Item			

Figure 2: Sample Sales Receipt

- 1 the words “sales receipt” in a prominent place
- 2 the name, address, and GST registration number of the registered person making the supply
- 3 a description which identifies the goods or services supplied
- 4 the individualised serial number and the date on which the sales receipt is issued
- *5 for each GST rate applicable, the total consideration for the supply in XCD, including or excluding the GST amount
- 6 the GST rate

**Variations to the Sales Receipt, specifically GST exclusive pricing and display of rate applicable, are acceptable.*

3.9 When is the time of supply for GST?

The time of supply is the earliest of the date when:

- a. payment is received;
- b. an invoice is raised;
- c. goods are delivered or made available to the recipient; or,
- d. performance of services is completed.

3.10 What if I sell my business?

The sale of a business that makes taxable supplies is ordinarily subject to GST; however, where certain conditions are met, the sale of the business or part of a business can be treated as the transfer of a going concern which is not subject to GST. *See Section 3(2) (3) of the GST Act.*

Further details are provided in the GST Guide.

TIME OF SUPPLY FOR GST

The time of supply, also referred to as the tax point, is the date a sale or purchase is considered to take place. It is important to establish the time of supply as this will determine when you account for GST on sales and when to claim input tax credits.

4.0 INPUT AND OUTPUT TAX

4.1 What can I claim as input tax?

You can claim input tax on purchases including utilities used in making your taxable supplies or in the course of business. For example, goods for resale, office supplies and electricity.

The following are the source documents required to support input tax claims:

- i. tax invoices
- ii. tax credit notes
- iii. tax debit notes
- iv. Customs Entries/ declarations

4.2 What can't I claim as input tax?

You cannot claim input tax on goods or services that are not used in the course of the business. For example, if you buy food supplies for your personal consumption you cannot claim the input tax on those purchases.

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 more information on the Partial Exemption Method.

INPUT TAX

Input tax is the GST paid on business purchases used in making taxable sales/ supplies including: (i) goods and services purchased in Anguilla; and (ii) goods and services imported.

The following are other instances where you cannot claim GST paid as input tax :

- a. you have not paid GST on imports to which the claim relates
- b. you do not hold the necessary documentation to validate the claim
- c. you cannot recover GST paid on the purchase, maintenance or repair of a passenger vehicle unless it is used for the taxable activity of hiring of vehicles and sale of vehicles

Commercial vehicles are not passenger vehicles so you can recover GST on the purchase, repair and maintenance of a commercial vehicle provided it is used exclusively for a taxable activity

- d. you cannot recover GST paid on entertainment, unless you are in the business of providing entertainment
- e. You cannot recover GST paid on fees or subscriptions paid in respect of membership to a club, association, or society of a sporting, social or recreational nature.

Only GST registered persons can reclaim input tax.

PASSENGER VEHICLE

“Passenger vehicle” includes a motorcar, station wagon, sport utility vehicle, or other road vehicle principally designed for transportation of people, but excludes a pick-up truck exclusively used for commercial purposes.

ENTERTAINMENT

“Entertainment” means food, beverages, tobacco, accommodation, amusement, recreation, or other hospitality whether directly or indirectly related to any person.

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

- i. **You declare your total output tax and input tax on your monthly GST return**

All sales and purchases must be declared in the tax period in which they occurred.

- ii. **Your input tax is offset against your output tax**
 - a. If your output tax exceeds your input tax, the difference is what you remit to the Comptroller.
 - b. If the input tax exceeds the output tax, you will be in an excess credit position and may be eligible to claim a refund after three (3) consecutive tax periods.

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.*

NB: You are required to file a nil return if you had no transaction in a given month.

4.4 What if I buy goods or services from suppliers that are situated outside Anguilla?

If you buy goods or services from suppliers outside of Anguilla, you will need to first determine if they are subject to GST. Goods and services are subject to GST on import if they are ordinarily subject to GST if supplied in Anguilla. For example, if a financial service is exempt from GST in Anguilla, it is also exempt from GST when imported.

OUTPUT TAX

Output tax is the GST charged on sales or supplies.

You must declare all importation of goods to Customs and pay the GST due if the goods imported are taxable. Conversely, you must declare all importation of services to the IRD and pay any GST due if the service imported is taxable.

4.4.1 Goods

Goods are subject to GST at the time the goods are entered for home consumption in accordance with the Customs Act. Payment of GST on imported goods is collected by the Comptroller of Customs so you pay the GST at the same time you pay the duty.

The value of goods imported on which the GST is calculated is the total of the:

- i. Customs value of the goods for the purposes of imposing customs duty under the Customs Act;
- ii. Cost of insurance and freight where not included in the customs value;
- iii. Amount of any customs duty, excise tax or surcharge, or any other fiscal charge or tax (other than GST) payable on the importation of goods; and
- iv. Amount of any customs service charge payable on the importation of the goods.

You can also apply to the Comptroller of Customs for use of a bonded warehouse. Goods being placed in a bonded warehouse are not subject to duty, taxes, GST and other fiscal charges/surcharges until they are removed from the warehouse for domestic use in Anguilla.

4.4.2 Services

GST is payable on a service imported into Anguilla if that service would ordinarily be subject to GST if supplied by a business located in Anguilla. There is no GST on services imported into Anguilla that are ordinarily exempt or zero rated if supplied in Anguilla, such as medical services.

For example, if you have an arrangement with an IT company in the United States and every six months, a representative from the company comes to Anguilla to maintain and service your equipment, this would be an import of taxable service which is subject to GST.

The importer of services is responsible for declaring the importation and must submit a GST return and remit GST payable to the IRD within 20 days after time of import or other time specified by the Comptroller.

As a GST registered business, you can account for the importation of services on your normal GST return rather than submitting a separate return.

5.0 RECORD-KEEPING

5.1 What records must I keep?

Section 61 of the GST Act requires every taxable person and any other person liable for GST to maintain in Anguilla:

- a. a GST account, in which must be listed the total amount of GST due on sales in the period, the total amount of GST reclaimable on purchases in the period, the net amount of GST payable to IRD in the period, or if applicable, the net amount of GST reclaimable from IRD in the period
- b. original tax invoices, tax credit notes, and tax debit notes received by the person
- c. a copy of all tax invoices, tax credit notes, and tax debit notes issued by the person
- d. customs documentation relating to imports and exports by the person
- e. accounting records relating to taxable activities carried on in Anguilla
- f. any other records as may be prescribed by regulations

NB: You are required to keep the specified records in English, Eastern Caribbean Currency and for seven (7) years after the end of the taxable period to which they relate.

RECORDS

Records are financial statements, accounting records, accounts, books, computer-stored information, diaries, dispatch notes, delivery notes, bank statements, purchase invoices and debit notes, sales invoices and credit notes, sales receipts, contracts, payroll data, order books, till rolls, and any other document.

5.2 What records should be maintained as per the GST Act?

In accordance with Section 8 of the GST Regulations, the following records shall be maintained in Anguilla in addition to those specified in sections 60 and 61(1) of the Act —

- a. records of any GST invoices for which the recipient of the supply requested a copy to be issued
- b. invoices other than tax invoices for acquisitions of goods or services by the person
- c. records relating to the supply of goods or services to officers, directors, and employees, whether or not the supplies were made for consideration or paid for
- d. accounting instruction manuals, systems, programmes and any relevant documentation in use to describe the accounting system
- e. records of supplies taken by the taxable person for personal use, or given free of charge for nominal considerations to other persons
- f. records listing and summarising cash receipts and cash payments in respect of daily transactions
- g. records of stock destroyed, stolen and wasted
- h. stock records in respect to opening and closing stock
- i. any other accounts or records in any way related to the person's taxable activity

Please refer to the Keeping Proper Books and Records Guide.



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.

Website: ird.gov.ai
Email: inlandrevenue@gov.ai
Telephone: (264) 497-8334
Address: Inland Revenue Department
Former NBA Building
P.O. Box 60
The Valley
Anguilla, AI-2640