



GST FOR SUSTAINABLE GROWTH IN ANGUILLA

Anguilla currently has a small tax base, and the Anguillan economy is heavily reliant on tourism and external financing through grants. This creates vulnerability, as we have seen during the Covid pandemic and hurricane Irma. Goods and Services Tax (GST) will be introduced in Anguilla on 1st July 2022 with the aim of expanding the tax base so that it is more fairly shared.

GST will lead to higher revenue that will contribute to a more secure Anguilla which is less sensitive to the effects of global economic shocks. GST is a means of revenue generation, but also a means to encourage economic growth and financial sustainability.

The most essential reason for taxation is to generate funds needed by the Government to deliver critical public services and to benefit society in general. Taxes pay for many of the things that are central to the functioning of our society, such as health care, schools, social services, employment, police services and infrastructural maintenance and development to name a few.

As responsible citizens, like in every other country, we all have to pay our fair share, thus enabling the Government to generate sufficient resources to fund services of our society. In turn, the Government's duty is to improve the lives and well-being of the people of Anguilla. This involves developing tax reforms that promote modernization and sustainable economic growth.

Taxation not only pays for public goods and services; the government has a duty to spend and invest resources prudently and be accountable to the people. Hence the commitment by the Government of Anguilla to continue to build public trust by improving the design and the administration of taxation. At the same time, the people of Anguilla have a duty to pay their tax obligations, like GST and contribute to the stability and sustainable growth of our country.

GST will take effect in Anguilla on 1st July 2022 at a rate of 13% and will be applied by most businesses who sell goods and services over EC\$300,000 in value each year. The main purpose of the GST is to more evenly share the tax burden, and generate revenue to fund public debt and public services to meet current and future needs of our society. GST will not be charged on essential items and key services that are important for people's wellbeing and Anguilla's growth.

To help YOU prepare for GST, the IRD will be providing guidance, material and hosting consultative forums for taxpayers and consumers from January 2022. Prior to 1st July 2022, we will also be notifying you of important dates and requirements, especially for those businesses required to register for GST.

For more information, feel free to contact the Inland Revenue Department at gst@gov.ai or inlandrevenue@gov.ai. Please visit our website at www.ird.gov.ai and Facebook page [@AnguillaIRD](https://www.facebook.com/AnguillaIRD) for the most current publications on GST.