

Value Added Tax (Deferred Payment of Value Added Tax for Importation of Capital Goods and Raw Materials) Regulations

SAINT LUCIA

STATUTORY INSTRUMENT, 2017, No. 127

[18th December, 2017]

In exercise of the power conferred under section 106(1) of the Value Added Tax, Cap. 15.42, the Minister responsible for finance makes these Regulations:

Citation

1. These Regulations may be cited as the Value Added Tax (Deferred Payment of Value Added Tax for Importation of Capital Goods and Raw Materials) Regulations, 2017.

Interpretation

2. In these Regulations —

“Act” means the Value Added Tax Act, Cap. 15.42;

“Permanent Secretary” means the person appointed by the Public Service Commission as the Permanent Secretary within the Ministry responsible for finance;

“raw materials” means goods imported for the purpose of undergoing a process of manufacture to produce a manufactured product.

Application

3. These Regulations apply where the Comptroller does not exempt imported capital goods and raw materials from the payment of value added tax under paragraph 19 of Schedule 3 of the Act.

Exception, modification and adaptation of Customs (Control and Management) Act, Cap. 15.05

4. Notwithstanding anything under the Customs (Control and Management) Act, Cap.15.05 relating to the tax charged on the importation of goods, the Comptroller may authorize a deferred payment of value added tax on the importation of capital goods and raw materials under these Regulations.

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Application for deferred payment of value added tax

5.—(1) A registered person may make an application to the Permanent Secretary in a form approved by the Comptroller, prior to the importation of capital goods and raw materials, for the deferred payment of value added tax on the importation of capital goods and raw materials.

(2) An application under subregulation (1) must include —

- (a) a list of the capital goods and raw materials to be imported on which a deferred payment of value added tax is to be applied;
- (b) a copy of the invoice as proof of the value of goods to be imported; and
- (c) a tax clearance.

(3) The Permanent Secretary shall submit to the Comptroller an application made under subregulation (1) for the Comptroller's determination.

Approval or refusal of application

6.—(1) The Comptroller, within ten days of receipt of an application made under regulation 5, shall —

- (a) approve the application with or without conditions; or
- (b) refuse the application.

(2) The Comptroller may approve an application for deferred payment of value added tax on the importation of —

- (a) capital goods, if he or she is satisfied that the capital goods will be used for commercial purposes; or
- (b) raw materials, if he or she is satisfied that the raw materials will be used in the manufacturing of goods.

(3) Without limiting the generality of subregulation (1), the Comptroller may approve an application with conditions that —

- (a) the registered person complies with the Act and satisfies the requirement for filing returns on time and making payments for value added tax in full and on time;

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- (b) the registered person complies with the requirements of the laws administered by the Inland Revenue Department and the Customs and Excise Department;
 - (c) the registered person provides a declaration that the capital goods and raw materials are for use in the business of the registered person;
 - (d) where the business of the registered person is dealing in a mixed supply, the portion of the deferred input tax which is directly allocable to the making of the taxable supply is allowed as a deduction;
 - (e) the registered person accounts for a transaction undertaken in the respective month on the return form; and
 - (f) the registered person pays excess resulting from a transaction on filing the return.
- (4) The Comptroller shall in writing —
- (a) notify the registered person of the approval or refusal of an application made under regulation 5; and
 - (b) give reasons for his or her decision.

Approval certificate

7.—(1) The Comptroller shall issue to a registered person, an approval certificate if an application under regulation 5 is approved.

(2) An approval certificate must be in a form specified by the Comptroller.

- (3) An approval certificate is valid —
- (a) in the case of the purchase of raw materials, for a period not exceeding one year but not less than six months; and
 - (b) in the case of capital goods, for the capital goods identified on the approval certificate.

(4) The registered person must present the approval certificate to the Comptroller of Customs and Excise for the deferment of payment of value added tax on the importation of capital goods and raw materials.

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Return

8. A registered person shall disclose on the value added tax return form the value added tax payable on the importation of capital goods and raw materials and the value added tax allowed on the capital goods and the raw materials.

Made this 4th day of December, 2017.

ALLEN M. CHASTANET,
Minister responsible for finance.