

**ARRANGEMENT OF CLAUSES**

1. Short title and commencement
2. Amendment of section 9 of principal Act
3. Amendment of section 44 of principal Act
4. Amendment of section 66 of principal Act
5. Amendment of Schedule IV to principal Act



**ACT NO. 21 OF 2015**

**I assent,**

*31st July, 2015.*

CÉCILE E. F. LA GRENADE  
*Governor-General.*

AN ACT to amend the Value Added Tax Act, CAP. 333A.

*[ 14th August, 2015 ].*

BE IT ENACTED by the Queen's Most Excellent Majesty by and with the advice and consent of the Senate and the House of Representatives and by the authority of the same as follows—

**1.—(1)** This Act may be cited as the—

**VALUE ADDED TAX (AMENDMENT) ACT, 2015**

Short title and  
commencement.

and shall be read as one with the Value Added Tax Act CAP. 333A, hereinafter referred to as the “principal Act”.

(2) Section 2 shall come into force on the date of enactment of this Act.

(3) Section 3 shall come into force in respect of any late fee paid under section 44(3) of the principal Act on or after the date of enactment of this Act.

(4) Section 4 shall come into force in respect of imports occurring on or after the date of commencement of this Act.

(5) Section 5 shall be deemed to have come into force on February 1, 2010. In the case of any taxpayer who, before the end of 2015, pays VAT in respect of supplies of financial services made in tax periods ending before the date of enactment of this Act, no interest or penalties are due in relation to this amount of VAT.

Amendment  
of section 9 of  
principal Act.

2. Section 9 of the principal Act is amended in subsection (2) by deleting number “\$120,000.00” and substituting therefor the number “\$300,000.00”.

Amendment of  
section 44 of  
principal Act.

3. Section 44 of the principal Act is amended by repealing subsections (3) and (4) and substituting therefor the following subsections—

“(3) A person who fails to file a VAT return within the stipulated date provided under subsection (1) shall be liable to pay a late fee of—

(a) five percent of the amount of the tax owing, plus a further one percent of the amount of tax owing for each month or part of a month during which the failure to file continues, but not beyond the time when the Comptroller issues an assessment of the VAT liability; or

(b) \$500.00,

whichever is greater.

(3A) The amount of the late fee in respect of a given VAT return under subsection (3) shall not exceed \$10,000.00.

(3B) The late fee under subsection (3) shall not apply where the failure to file a VAT return was due to an act of God or other force majeure.

(3C) Subject to establishing the presence of exceptional circumstances, a tax payer under subsection (3B) shall ensure that the Comptroller is notified of the circumstances which gives rise to his or her claim of an act of God or force majeure before the expiry of the time stipulated for filing as provided in sub-section (1).

(4) Where the Comptroller has granted an extension of time to file a VAT return, the tax payer's liability if any, for a late fee under sub-section (3) shall be waived."

4. The principal Act is amended by inserting after section 66 the following section—

Amendment  
of section 66  
of principal  
Act.

**“Suspension regime**

66A. (1) In the case of a tax payer undertaking a qualifying investment within the meaning of section 36A(1) of the Income Tax Act, Chapter 149, a suspension regime shall apply for VAT payable on the import of goods the costs of which are eligible for the deduction provided in section 36A(1) of the Income Tax Act, Chapter 149.

(2) A suspension regime also applies for VAT payable on the import of goods for use by the business which shall include building materials, raw materials, machinery, or equipment which are eligible for conditional duty exemption from customs duty.

(3) The Minister shall prescribe regulations setting forth the procedures to be followed in identifying goods described in subsections (1) and (2).

(4) Where a suspension regime applies to an import under subsection (1) or (2), no VAT is payable upon import, but the taxpayer is required to list the import on the VAT return for the tax period in which the import occurs.

(5) VAT is chargeable on the import in the same manner as the reverse charge under section 22(3) and is treated as tax chargeable on an import for the purposes of section 34.

Amendment of  
Schedule IV to  
principal Act.

5. The principal Act is amended in Schedule IV by inserting in item 1 after the words “financial services” the words “which are not remunerated by an explicit fee”.

---

Passed by the House of Representatives this 29th day of May, 2015.

WILLAN THOMPSON  
*Clerk to the House of Representatives.*

---

Passed by the Senate this 5th day of June 2015.

WILLAN THOMPSON  
*Clerk to the Senate.*

---

GRENADA