

CHAPTER 112 FOREIGN EXCHANGE TAX ACT

• Act • Subsidiary Legislation •

ACT

Act No. 3 of 1977

Amended by

Act No. 5 of 1978

Act No. 9 of 1980

Act No. 11 of 1986

Act No. 29 of 1987

ARRANGEMENT OF SECTIONS

1. Short title.
2. Interpretation.
3. Imposition of the tax.
4. Tax payable by purchaser when transaction effected.
5. Duties of authorised dealers, etc.
6. Rate of tax, Minister's power to vary rate, and to grant exemptions.
7. Recovery of tax.
8. Offences.
9. Regulations.

CHAPTER 112 FOREIGN EXCHANGE TAX ACT

An Act to provide for the imposition of a tax payable on the purchase of foreign currency, and for connected purposes.

[Act No. 3 of 1977 amended by Act No. 5 of 1978, Act No. 9 of 1980, Act No. 11 of 1986, Act No. 29 of 1987.]

[6th April, 1977.]

1. Short title

This Act may be cited as the Foreign Exchange Tax Act.

2. Interpretation

In this Act—

“authorised dealer” means a person for the time being authorised by an Order made by the Minister under section 3(6) of the Exchange Control Act, Chapter 93, to act as an authorised dealer in foreign currency for the purposes of Part I of that Act;

“foreign currency” includes all currencies other than East Caribbean currency, a right to receive any of such currencies in respect of a balance or credit at a bank, and documents intended to enable a person to whom they are issued to obtain any of such

currencies from some other person on the credit of the person issuing them and, in particular, traveller's cheques and other draft letters of credit so intended;

“Minister” means the Minister for the time being responsible for finance.

3. Imposition of the tax

Subject to the provisions of this Act, there is imposed a tax, which may be referred to as “foreign exchange tax”, on transactions for the purchase of foreign currency from authorised dealers.

4. Tax payable by purchaser when transaction effected

Subject to section 6(2), the tax becomes due from and is payable by the purchaser of foreign currency at the time when the transaction with the authorised dealer is effected.

5. Duties of authorised dealers, etc.

(1) An authorised dealer shall collect the tax and remit it to the Accountant-General, and he or she shall make such returns as may be prescribed by the regulations within the time so prescribed.

(2) An officer of the Ministry of Finance may, if so authorised in writing by the Minister, inspect the records of an authorised dealer and require him or her to supply information for the purpose of enabling the officer to ensure that the provisions of this Act are being complied with.

(3) If an authorised dealer fails to produce or cause to be produced any record or to supply information required by an officer authorised by the Minister under subsection (2), he or she shall be guilty of an offence and liable, on summary conviction, to a fine of one thousand dollars and to imprisonment for six months.

6. Rate of tax, Minister's power to vary rate, and to grant exemptions

(1) The rate of tax payable under this Act is five per cent, or such other rate as the Minister is hereby empowered by Order to specify, of the value of the transaction.

(2) The Minister may by Order exempt from the provisions of this Act any person or transaction or class of transaction specified in the Order.

7. Recovery of tax

Tax due and payable under this Act may, if not paid, be recovered by the Accountant-General as a debt due to the Government.

8. Offences

(1) A purchaser who fails to pay the tax, and an authorised dealer who fails to collect and remit the tax, as required by this Act, shall be guilty of an offence and liable, on summary conviction, to a fine of five thousand dollars and to imprisonment for twelve months.

(2) Where an offence is committed by a body corporate any person who, at the time of the commission of the offence, was a director, general manager, secretary, or other similar officer of the body corporate or who purported to act in any such capacity shall be deemed to be guilty of the offence unless he or she proves that the offence was committed without his or her consent or connivance and that he or she exercised all such diligence to prevent its commission as he or she ought to have exercised having regard to the nature of his or her duties and in all the circumstances.

9. Regulations

The Minister may make regulations for the better carrying into effect of the provisions of this Act and, without prejudice to the generality of the foregoing, for all or any of the following purposes—

- (a) providing for information to be supplied by authorised dealers when remitting the tax;
- (b) providing for the method of payment of the tax to the Accountant-General;
- (c) prescribing the matters permitted by section 5(1) to be prescribed; and
- (d) providing for the issue of receipts upon payment of the tax.

CHAPTER 112 FOREIGN EXCHANGE TAX ACT

SUBSIDIARY LEGISLATION

List of Subsidiary Legislation

1. Foreign Exchange Tax (Exemption) Order (*Repealed*)
2. Foreign Exchange Tax (Repatriation of Capital) (Exemption) Order
3. Foreign Exchange Tax (Trinidad Co-operative Bank Limited) (Exemption) Order
4. Foreign Exchange (Rate of Tax Variation) and (Exemption Cancellation) Order

Foreign Exchange Tax (Exemption) Order

SRO 6 of 1977

[Repealed by SRO 3 of 1993.]

Foreign Exchange Tax (Repatriation of Capital) (Exemption) Order

SRO 39 of 1991

ARRANGEMENT OF ORDERS

1. Citation.
 2. Exemption.
- Schedule

FOREIGN EXCHANGE TAX (REPATRIATION OF CAPITAL) (EXEMPTION) ORDER

[Section 6(2). SRO 39 of 1991.]

[13th December, 1991.]

1. Citation

This Order may be cited as the Foreign Exchange Tax (Repatriation of Capital) (Exemption) Order, 1991.

2. Exemption

The transaction mentioned in the Schedule is exempted from tax under the Foreign Exchange Tax Act, 1977.

Schedule

FOREIGN EXCHANGE TAX ACT

FOREIGN EXCHANGE TAX (REPATRIATION OF CAPITAL) (EXEMPTION) ORDER

The repatriation of capital brought into the State by a Grenadian National.

Foreign Exchange Tax (Trinidad Co-operative Bank Limited) (Exemption) Order

SRO 34 of 1992

ARRANGEMENT OF ORDERS

1. Citation.
 2. Exemption.
- Schedule
-

FOREIGN EXCHANGE TAX (TRINIDAD CO-OPERATIVE BANK LIMITED) (EXEMPTION) ORDER

[Section 6(2). SRO 34 of 1992.]

[20th November, 1992.]

1. Citation

This Order may be cited as the Foreign Exchange Tax (Trinidad Co-operative Bank Limited) (Exemption) Order, 1992.

2. Exemption

This transaction mentioned in the Schedule is exempted from tax under the Foreign Exchange Tax Act, 1977.

Schedule

FOREIGN EXCHANGE TAX ACT

FOREIGN EXCHANGE TAX (TRINIDAD CO-OPERATIVE BANK LIMITED) (EXEMPTION) ORDER

Repayment of loans and interest thereon made by persons in Grenada to Trinidad Co-operative Bank Limited.

Foreign Exchange (Rate of Tax Variation) and (Exemption Cancellation) Order

SRO 3 of 1993

ARRANGEMENT OF ORDERS

1. Citation.
 2. Variation of rate of tax.
 3. Cancellation of exemptions.
 4. Commencement.
-

FOREIGN EXCHANGE (RATE OF TAX VARIATION) AND (EXEMPTION CANCELLATION) ORDER

[Section 6(2). SRO 3 of 1993.]

[1st January, 1993.]

1. Citation

This Order may be cited as the Foreign Exchange (Rate of Tax Variation) and (Exemption Cancellation) Order, 1993.

2. Variation of rate of tax

The tax imposed by section 6(1) of the Foreign Exchange Tax Act, Chapter 112, at the rate of “five per cent” is varied to “two and a half per cent”.

3. Cancellation of exemptions

The following orders are cancelled—

Foreign Exchange Tax (Exemption) Order, 1977 (No. 6 of 1977).

Foreign Exchange (Caribbean Financial Services Corporation Limited) (Exemption) Order, 1985 (No. 22 of 1985).

Foreign Exchange (GDB) Order, 1988 (No. 2 of 1988).

Foreign Exchange Tax (Repatriation of Capital) (Exemption) Order, 1981 (No. 3 of 1981).

4. Commencement

This Order comes into force on 1st January, 1993.