

VALUE ADDED TAX (AMENDMENT) BILL, 2026

EXPLANATORY NOTES

This Bill seeks to amend the Value Added Tax Act, Chapter 333A (the “principal Act”) to provide for the imposition of Value Added Tax on digital services supplied to consumers in Grenada, including those supplied by non-resident suppliers and electronic marketplaces; to establish rules governing the place of supply of such services; to introduce a reverse charge mechanism for business recipients; to provide for the registration and compliance obligations of non-resident suppliers; to facilitate simplified administrative procedures; and to provide for related and transitional matters.

This Bill contains **eleven (11) clauses**.

Clause 1 provides for the short title of the Act and its commencement on a date to be fixed by the Minister by Notice published in the *Gazette*.

Clause 2 provides for the amendment of section 2 of the principal Act to introduce key definitions relevant to the taxation of digital services, including “consumer”, “digital service”, “electronic marketplace” and “non-resident supplier”.

Clause 3 provides for the amendment of section 6 of the principal Act to clarify that digital services are treated as supplies for the purposes of Value Added Tax.

Clause 4 inserts a new section 8A to provide for the treatment of supplies made through electronic marketplaces, including circumstances in which the marketplace operator is treated as the supplier for Value Added Tax purposes.

Clause 5 provides for the insertion of a new section 9A which provides for the registration and compliance framework applicable to non-resident suppliers of digital services, including simplified registration procedures.

Clause 6 provides for the amendment of section 17 of the principal Act to ensure that the existing time of supply rules also apply to supplies of digital services, as appropriate.

Clause 7 provides for the amendment of section 18 of the principal Act to establish rules for determining the place of supply of digital services, including the use of indicators to identify the location of the consumer.

Clause 8 provides for the insertion of a new section 22A to introduce a reverse charge mechanism for digital services supplied by non-resident suppliers to registered persons in Grenada.

Clause 9 provides for the amendment of section 43 of the principal Act to clarify the record-keeping obligations of non-resident suppliers, including the requirement to maintain adequate records and make them available to the Comptroller upon request.

Clause 10 provides for the amendment of section 67 of the principal Act to expand the regulation-making powers of the Minister to support the implementation and administration of Value Added Tax on digital services.

Clause 11 provides for savings and transitional provisions to facilitate the implementation of the new regime, including transitional arrangements for non-resident suppliers and the treatment of existing digital service contracts.

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Sen. the Hon. Claudette Joseph
ATTORNEY GENERAL

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ARRANGEMENT OF CLAUSES

1. Short title and commencement
2. Amendment to section 2 of the principal Act
3. Amendment to section 6 of the principal Act
4. Insertion of new section 8A in the principal Act
5. Insertion of new section 9A in the principal Act
6. Amendment to section 17 of the principal Act
7. Amendment to section 18 of the principal Act
8. Insertion of new section 22A in the principal Act
9. Amendment to section 43 of the principal Act
10. Amendment to section 67 of the principal Act
11. Savings and transitional

VALUE ADDED TAX (AMENDMENT) BILL, 2026

GRENADA

ACT NO. OF 2026

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

BE IT ENACTED by the King’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—

Short title and commencement

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

VALUE ADDED TAX (AMENDMENT) ACT, 2026,

and shall be read as one with the Value Added Tax Act, Chapter 333A of the 2010 Continuous Revised Edition of the Laws of Grenada, hereinafter referred to as the “**principal Act**”.

(2) This Act shall come into force on a day to be fixed by the Minister by Notice published in the *Gazette*.

Amendment to section 2 of the principal Act

2. Section 2 of the principal Act is amended in subsection (1) by inserting in the appropriate alphabetical order, the following new definitions—

“**consumer**” means a person who—

- (a) is not registered for Value Added Tax; and
- (b) does not acquire goods or services in the course or furtherance of a taxable activity;

“**digital service**” means a service that is supplied through the internet or an electronic network, the provision of which is primarily automated, involves minimal human intervention, and relies on information technology for execution, and includes—

- (a) streaming and on-demand content services;
- (b) online advertising, and digital marketing services or platforms;
- (c) cloud computing, hosting, and data storage services;

- (d) electronically supplied software, applications, and software-as-a-service (SaaS);
- (e) automated online learning platforms and pre-recorded educational content supplied electronically;
- (f) digital products supplied electronically; and
- (g) any other electronically supplied services as may be prescribed;

“electronic marketplace” means a website, application, portal, digital platform or other digital means that facilitates the supply of goods or services between suppliers and recipients;

“non-resident supplier” means a person who—

- (a) supplies a taxable good or service to a consumer in Grenada; and
- (b) does not have a fixed establishment or other physical presence in Grenada through which the supply of the taxable good or service is carried out;”.

Amendment to section 6 of the principal Act

3. Section 6 of the principal Act is amended in subsection (2) as follows—

- (a) in paragraph (d), by deleting the word “or” where it appears after the “semi-colon”; and
- (b) by inserting immediately after paragraph (d), the following new paragraph—

“(da) the provision of digital services;”.

Insertion of new section 8A in the principal Act

4. The principal Act is amended in Part II by inserting immediately after section 8, the following new section—

“Liability of operators of electronic marketplaces

8A. (1) Where a taxable supply of digital services by an underlying supplier is provided to a consumer through an electronic marketplace that—

- (a) processes or authorises the payment for the supply;

- (b) sets the terms and conditions of the supply; and
- (c) facilitates delivery of the service,

the person operating that electronic marketplace shall be treated as the supplier of the digital services for the purposes of this Act.

(2) For the avoidance of doubt, the provisions of subsection (1) apply irrespective of whether the underlying supplier of the digital services is resident or non-resident and irrespective of where the electronic marketplace is established.

(3) Notwithstanding subsections (1) and (2), an operator of an electronic marketplace shall not be treated as the supplier of digital services where—

- (a) the underlying supplier is registered for Value Added Tax in Grenada in respect of the supply and accounts for the Value Added Tax due on that supply in full; or
- (b) the supply is made through a non-resident agent or representative to whom liability for the Value Added Tax on the supply is expressly attributed under section 8(6) of this Act.

(4) Where subsection (3) applies, the underlying supplier or resident agent, as the case may be, shall remain solely liable for compliance with the obligations imposed under this Act in respect of the supply.

Insertion of new section 9A in the principal Act

5. The principal Act is amended in Part III by inserting immediately after section 9, the following new section—

“Simplified registration for non-resident suppliers of digital services

9A. (1) Subject to subsection (2), a non-resident supplier who makes a taxable supply of digital services to consumers in Grenada shall apply for registration, either—

- (a) under a simplified registration regime prescribed by Regulations; or
- (b) in the manner provided under Part III of this Act,

provided that a non-resident supplier shall only be allowed input tax credits if that non-resident supplier elects to register in accordance with paragraph (b).

(2) Except as otherwise provided in this Act, sections 37 to 41 of this Act shall not apply to non-resident suppliers of digital services who elect to register in accordance with subsection (1)(a).

Amendment to section 17 of the principal Act

6. Section 17 of the principal Act is amended by inserting after subsection (4), the following new subsection—

“(4A) For the avoidance of doubt, where a digital service is supplied on a subscription or periodic basis, each payment shall be treated as a separate supply, and the time of supply shall be determined in accordance with the general rules applicable to when consideration becomes due, or an invoice is issued.”

Amendment to section 18 of the principal Act

7. Section 18 of the principal Act is amended as follows—

(a) in paragraph (b) of subsection (1)—

(i) in subparagraph (i), by deleting the “comma” and the word “or” where they appear at the end of the subparagraph and substituting therefor a “semi-colon”;

(ii) by deleting subparagraph (ii) and substituting therefor the following new paragraphs—

“(ii) in the case of a supply of digital services, at the time of the supply, the consumer has its usual residence in Grenada; or

(iii) in the case of a supply of services other than digital services, the services are physically performed in Grenada by any person who is in Grenada at the time the services are performed.”.

(b) by deleting subsection (2) and substituting therefor the following new subsection—

“(2) Except as provided in subsections (1)(b), (5), (7) and (13A), a supply of goods or services shall not be regarded as taking place in Grenada if the supplier is a non-resident.”; and

(c) by inserting after subsection (13) the following new subsection—

“(13A) For the purposes of determining the place of usual residence under subsection (1)(b)(ii), a supply of digital services shall be treated as made to a consumer in Grenada where two or more of the following indicators identify the consumer as being located in Grenada—

- (a) the billing address of the consumer;
- (b) the Internet Protocol (IP) address assigned to the consumer;
- (c) the location of the bank or financial account used by the consumer; or
- (d) any other indicator prescribed by Regulations.”

Insertion of new section 22A in the principal Act

8. The principal Act is amended in Part IV by inserting immediately after section 22, the following new section—

“Reverse charge for business recipients of digital services

22A. Where digital services are supplied by a non-resident supplier to a registered person in Grenada for use in the course or furtherance of a taxable activity, that registered person shall account for Value Added Tax on the supply as a reverse charge in accordance with section 22, unless otherwise prescribed.”.

Amendment to section 43 of the principal Act

9. Section 43 of the principal Act is amended as follows—

- (a) by numbering the section as subsection (1); and
- (b) by inserting after subsection (1), the following new subsections—

“(2) For the avoidance of doubt and except as otherwise provided in this Act or in regulations made under this Act, a non-resident supplier shall not be required to maintain, in Grenada, any accounts, documents or other records in relation to Value Added Tax.

(3) Notwithstanding subsection (2), a non-resident supplier shall, however, maintain adequate records, including in electronic or digital form, as are necessary to determine the supplier’s liability under this Act and shall ensure that such records are accessible and made available to the Comptroller upon request.”.

Amendment to section 67 of the principal Act

10. Section 67 of the principal Act is amended in subsection (2) as follows—

- (a) by renumbering paragraph (i) as paragraph (p); and
- (b) by inserting immediately after paragraph (h), the following new paragraphs—
 - “(i) prescribing the types of services that constitute digital services;
 - (j) providing for the simplified registration of non-resident suppliers of digital services, including through electronic or digital means;
 - (k) providing for the electronic filing and amendment of VAT returns;
 - (l) providing for the payment of Value Added Tax and refunds of Value Added Tax through simplified procedures, including through electronic or digital means;
 - (m) prescribing the indicators for determining the place of supply of digital services;
 - (n) restricting the entitlement to input tax deductions and refunds of negative net amounts of Value Added Tax;
 - (o) providing for transitional, administrative and enforcement matters relating to the implementation of Value Added Tax on digital services;”.

Savings and transitional

11. (1) Nothing in this Act shall affect the application of existing exemptions or zero-rating provisions, except to the extent expressly provided.

(2) Notwithstanding subsection (1), during the period of six months immediately following the date of commencement of this Act, a non-resident supplier or electronic marketplace that makes a taxable supply of digital services to consumers in Grenada shall—

- (a) take reasonable steps to comply with the provisions of this Act and the Tax Administration Act, No. 14 of 2016 during that period; and
- (b) register for Value Added Tax within the aforementioned period.

