

**Antigua and Barbuda Sales Tax (ABST)
Registration Guide (2006)**



**Government of
Antigua and Barbuda
Inland Revenue Department**

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- Pay ABST to the Comptroller of Customs on taxable imports and services
- Charge and collect tax at 15% on all standard-rated supplies
- Calculate for each tax period (calendar month) the net tax payable/refundable
- File a ABST Return for each tax period
- Remit the net ABST collected to the Inland Revenue Department by the end of the following month
- Make a claim on the Notice of Claim for Refund form for any ABST refundable.

This guide will indicate whether or not you are required to apply for registration and if so, how to complete the Application for Registration Form (ABST-001); it also includes post registration procedures.

If, after reading this Registration Guide, you need more information about registration, please contact:

The Inland Revenue Department:
 Newgate Street
 St-John’s

Telephone numbers: 462-4142/3 or 462-0396, 462-8920, 462-1357
 Fax number: 462-3175
 Email address: ABSTINFO@gmail.com

For additional ABST Registration details please refer to www.ab.gov.ag

1. Introduction

Antigua & Barbuda Sales Tax (ABST).

It will be administered by the Inland Revenue Department of the Ministry of Finance and the Economy. It will also be collected by the Customs and Excise division. ABST will simplify and modernize Antigua & Barbuda’s indirect tax system, broaden the existing tax base, make exports more competitive and is consistent with international and WTO recommendations regarding the elimination of consumption taxes.

With the introduction of the Antigua & Barbuda Sales Tax, the following taxes will be abolished:

- Consumption Tax
- Telecommunication Tax
- Hotel Guest Tax
- Hotel Guest Levy
- Hotel (bed-night) Tax
- Restaurant and Catering Services Tax

Please note that the Antigua & Barbuda Sales Tax does not in any way affect Personal Income Tax.

Antigua & Barbuda Sales Tax is applied on imports and the value added to the supply of goods and services at each stage in the production and distribution chain. It is a tax on consumption and is therefore included in the final price the consumer pays for goods and services.

The Antigua & Barbuda Sales Tax Act requires most businesses and many organizations in Antigua & Barbuda to:

- Register with the Inland Revenue Department

2. Who is required to be registered?

Any person who conducts a taxable activity and whose annual gross standard-rated and zero-rated supplies exceed EC\$300,000 is required to apply for registration for Antigua & Barbuda Sales Tax (ABST).

All amounts are expressed in Eastern Caribbean currency (EC Dollar).

Additionally, a person is required to apply for registration:-

Where, at the beginning of any period of 365 days, there are reasonable grounds to expect that the total value of taxable supplies to be made by the person during that period will exceed \$300,000; or

Where, during any period of **four months-**

(a) that person made taxable supplies which exceed \$100,000.00; and

(b) there are reasonable grounds to expect that the total value of taxable supplies to be made by the person during that period and the next **consecutive eight months** will exceed \$300,000.00

or

Irrespective of whether they exceed the \$300,000.00 Registration threshold –

- Promoter of public entertainment or a licensee or proprietor of a place of public entertainment.
- Persons supplying professional services of a kind specified in the ABST Regulations.

If a person only makes exempt supplies he will not be required to register for ABST. However, if he makes both taxable and exempt supplies and his taxable supplies exceed the threshold (\$300,000), then he will be required to be registered.

For ABST it is not the business activity which is registered, but the person who conducts it. The registration covers all the business activities of that person.

If the person conducting the taxable activity is an organization (that is, not an individual), it is the organization that must apply for registration. The individual partners or members are not required to register. The registration of a partnership, trustees of a trust or estate is in the name of the partnership, trust or estate respectively.

3. Who is a person?

For the purposes of ABST, "person" includes:

- An individual
- A trust
- A company
- A partnership
- A government entity
- Barbuda Local Council

4. What is a taxable activity?

A taxable activity is an activity which is carried on continuously or regularly, by any person, that involves or is intended to involve the supply of taxable goods or services to another person for consideration. It includes any business, trade, manufacture or commerce in the nature of trade.

5. What is a non-taxable activity?

A non-taxable activity is:

- an activity carried on as a private recreational pursuit or hobby;
- an activity to the extent that the activity involves the making of exempt supplies; or
- an activity of the State or local authority, except when it conducts auctions, hires equipment, rents space, sells medicines and drugs, or when it engages in activity commonly conducted for profit.

6. What is a business?

"Business" means any business, profession, trade, venture or undertaking and includes the provision of personal services or technical and managerial skills and any adventure or concern in the nature of trade but does not include any employment.

7. What is a taxable supply?

"Taxable Supply" means a supply of goods or services in Antigua & Barbuda in the course or furtherance of a taxable activity, other than an exempt supply.

8. What are zero-rated supplies?

These are goods and services which are subject to ABST, but at the rate of zero percent. Though the tax is charged on the supplies at zero percent, the registered taxpayer is allowed to claim a full credit for taxes paid on inputs used in the production of the good or service.

A full description of items that are zero-rated can be found in Schedule I to 3 of the ABST Act. Zero-rated supplies include:-

- Export of goods and services (except for those exports that are exempt)
- Basic items (mostly food)
- Fuel
- The supply of water
- Electricity provided to residential premises for Domestic use, or in any other case as provided in the ABST Regulations

9. What are exempt supplies?

These are goods and services which are not subject to ABST. It should be noted that where a registered person makes both taxable and exempt supplies, he is not entitled to recover input tax in respect of goods and services he has acquired or imported for the purpose of making exempt supplies. A full description of items that are exempt can be found in Schedule 4 & 5 of the ABST Act.

Exempt supplies include:-

- Financial and Insurance Services
- Medical services including dental, optical and veterinary services
- Drugs and medicines sold in pharmacies and medical centres
- Services provided in nursing homes for persons who need permanent care
- Educational services including both private and state provided education
- Residential rents and sale of residential real property
- Textbooks approved by the Ministry of Education
- Day care services
- Transportation of passengers by land, sea or air within Antigua and Barbuda
- International transport services
- The services of funeral directors and undertakers
- Veterinary services
- Games of chance conducted by non-profit organizations, lotteries conducted by Antigua & Barbuda Lotteries Commission
- Unprocessed agricultural products by the producer
- Export of unprocessed agricultural products

10. How is the value of supplies calculated for registration purposes?

The value of supplies is generally the total amount of consideration that will be charged for taxable supplies provided during a twelve month period.

It will include the value of:-

- Standard rated supplies sold or provided in Antigua & Barbuda
- Hotel accommodations

- Restaurant and catering services
- Zero-rated supplies
- Goods taken for your own or family use etc.

11. For which twelve month period is the value of supplies calculated?

For businesses in operation for more than one year:-

Where the total value of standard rated and zero-rated sales made in the preceding twelve calendar month period **exceeds \$300,000, an application for registration is required.**

For businesses in operation for less than one year

There are reasonable grounds to expect that the person will exceed the registration threshold in the 12 month period commencing on the following day.

12. What if a person is under the threshold but still wishes to be registered?

The minister may by order appoint the date from which voluntary registration will be allowed.

If the total value of your taxable supplies is below the threshold and you wish to be registered for ABST, you can complete the application for registration and submit it to the Commissioner of Inland Revenue. The Commissioner will make a determination as to whether you qualify for voluntary registration and inform you accordingly. Please note that if successful, you will be required to fully comply with the provisions of the ABST Act. A person will not be registered if the Commissioner has reasonable grounds to believe that the person:

- will not keep proper records; or
- will not submit regular and reliable tax returns, as required under the Act.

If you are applying for voluntary registration or if you are applying for registration because you believe that you will reach the registration threshold at some near future date (intending registration), please **complete form ABST 001b and attach it to your application for registration.**

13. When to apply for ABST registration

Rule Requiring Application From Persons Who Meet The Threshold Prior To The Effective Date Of The Tax (Transitional Rule)

All persons who are currently registered under the Restaurant and Catering Services Tax Act, , Hotel guest tax Act, Hotel Guest Levy Act **must apply for registration now to ensure they are ready for the implementation date unless they can satisfy the Commissioner of Inland Revenue in writing that they do not meet the registration threshold.**

All other persons who are not currently registered for Restaurant and Catering Services Tax Act, Hotel guest tax Act, Hotel Guest Levy Act **who currently meet the threshold requirements described above must apply for registration now to ensure they are ready for the implementation date.**

14. Rule Applying To Persons Who Meet The Threshold At A Date Following The Effective Date Of The Tax

Application forms should be submitted to the Commissioner of Inland Revenue **within 14 days of:-**

(a) the end of any period of twelve or fewer months where during that period the person made taxable supplies, the total value of which exceeded \$300,000; or

(b) the beginning of any period of 365 calendar days, where there are reasonable grounds to expect that the total value of taxable supplies to be made by the person during that period will exceed \$300,000; or

(c) the end of **the fourth month after which the person's taxable supplies exceeded \$100 ,000**, and there are reasonable grounds to expect that the total value of taxable supplies to be made by the person during that period and the next consecutive nine months will exceed \$300,000..

15. How to apply for registration

IF YOU ARE REQUIRED TO APPLY FOR REGISTRATION:

Download the Application for Registration form (ABST 001) from the government website (www.ab.gov.ag) or, if unable to access the website, contact the Inland Revenue Department (at the address shown under the Introduction Section of this guide) and request an Application for Registration form (ABST 001).

Complete all sections on the Application for Registration form (ABST 001). If a section does not apply to you, please indicate such by filling in "Not applicable" (N/A).

A copy of the registration form and accompanying instructions are shown in the following pages.

If the Application for Registration is for a Company, Partnership, Joint Venture or Unincorporated Body, and the space provided on the ABST 001 is not adequate for all the details of the officers of the entity, attach a completed ABST 001a form for registration details of company directors, partners, joint venture, committee members, etc. A copy of ABST 001a is also shown on the following pages.

Deliver the completed form(s) as soon as possible, to prevent any delay in the processing of your registration.

Failure to apply for registration, when required to, makes you liable to a penalty equal to double the amount of output tax payable from the time the person is required to apply for **registration until the person files an application for registration or is registered by the Commissioner, whichever is earlier.**

**IF A SECTION DOES NOT APPLY,
ENTER N/A.**

1. Taxpayer Identification Number

Enter the taxpayer Identification number

If you have not received a TIN you should collect and complete a F14 or F15 registration form from the Inland Revenue Department or www.ab.gov.ag

2. Name of Taxpayer name of the owner of the business.

Enter the name of the owner of the business.

Give your title (e.g. Mr.) followed by the first, middle and surname.

3. Trade Name

Enter the name under which the business operates – if different from that in (2) above.

4. Address

Enter the full street address of the business. If the place of business property is not numbered please give the name of the building. Do not use Post Office box numbers in this section.

5. Mailing Address

Complete this section if you prefer your ABST returns and other correspondence to be sent to an address different from that shown in (4) above.

6 Telephone Number

Enter the telephone number at which the Inland Revenue may contact you during working hours.

7. FAX Number (s)

Enter a fax number at which correspondence may be faxed to you.

8. Email Address

Enter the email address at which the Inland Revenue may contact you.

9. Representative

Enter the name of one of the following persons:

(a) the Financial Controller or the designated officer in the case of a company (other than a company in liquidation).

(b) any member of the committee of management in the case of an unincorporated association or body.

(c) any person who is responsible for accounting for the receipt and payment of money or funds on behalf of the company in any other case;

(d) the liquidator in the case of a company in liquidation;

(e) any person responsible for accounting for the receipt and payment of money under the provisions of any law or for the receipt and payment of public funds or of funds voted by Parliament in the case of the State or local authority;

(f) any partner in the case of a partnership;

(g) any trustee in the case of a trust; or

(h) any person controlling the non-resident's affairs in Antigua & Barbuda, including any manager of a taxable activity of the non-resident in Antigua & Barbuda in the case of a non-resident or a person referred to in paragraph (b) of the definition of "resident" in section 2 of the ABST Act.

10. Position

The title of the person who has signed as the Representative.

11a. Primary Business Activity

If more than one business activity is being conducted, enter the one which has the highest gross sales and give the % of these sales to total sales. When entering the business activity be specific. For example, if you are mainly a manufacturer state what type: manufacturer of furniture, clothing etc. and the % of your sales derived from this activity.

11b. Secondary Business Activity

Enter the business activity which has the second highest gross sales and give the % of these sales. For example, if you are mainly a manufacturer of furniture, but also sell lumber to other manufacturers, state in this section that your secondary business activity is wholesale of lumber and the % of your sales derived from this activity.

12. Date Taxable Activity Commenced

Enter the date your taxable activities commenced.

13. Value of taxable supplies excluding Capital Goods

This is the value of your taxable supplies for the 12-month period immediately preceding the date of your application for ABST registration. If your business has been in operation for less than a year, state your total taxable supplies up to the month immediately preceding your application for ABST registration.

14. Status of Business

Place an (X) in the applicable box to identify whether you are a sole trader, company, joint venture, partnership, or other type of organisation.

If the application is for a company, joint venture, Partnership or other association enter the Registration Number allocated by Registrar below the applicable box.

15. Please tick as appropriate

Are you registered for any other taxes

If you already have registered with Inland Revenue for another tax such income tax, answer yes

Do you expect your Taxable Supplies for the next 12 months to exceed \$300,000?

Answer Yes if you are currently above the threshold or, if you are not currently above the threshold but the next 12 months you are likely to surpass \$300,000 in taxable supplies in the next 12 months.

Do you supply accommodation in a hotel, inn, guest house, boarding house or similar establishment?

Answer Yes if you supply accommodation in hotel, inn, guest house, boarding house or other similar establishment.

Do you operate a restaurant or a catering service?

Answer Yes if you operate a restaurant or a catering service.

Do you make zero-rated and/or exempt supplies?

If yes, complete line 16 and/or 17.

Are you below the registration threshold but still wish to be registered?

The Commissioner of Inland Revenue may register a person who is below the threshold. Registration is not guaranteed.

Do you carry on taxable activities in more than one location?

If you carry on taxable activities in more than one location answer yes and attach a list detailing the name and physical address (location) of each. An ABST registration certificate will be prepared for each location where you conduct your taxable activities.

Are your records computerized?

Enter yes if you use a database to store your records and below the question, indicate the name of the software you use for accounting purposes

Are you a major exporter?

Enter yes if at least 50% of your sales are to the export market (i.e. exported from Antigua & Barbuda).

16. Percentage of Zero-Rated Supplies

Calculate and show the percentage of your total supplies that will be charged at the rate of zero-rate. (see schedule 1 of the ABST Act)

17. Percentage of Exempt Supplies

Calculate and show the percentage of your total supplies that will be exempt (see appendix 2 for information on exempt supplies)

18. Percentage of exports

Only complete this box if you have identified yourself as a major exporter under question 15 above. Show the percentage exports represent of your total supplies (should be more than 50%)

19. Registration details

These are the boxes where you show the details of the person or persons legally involved in the operation of your business. In the case of a sole trader, enter the data for that person. In the case of a corporation, enter the data for each of the directors of the corporation. In the case of a partnership, enter the data for each of the partners. In the case of a joint venture, enter the data for each of the investors in the venture. In the case of a trust, enter the data for each of the trustees. In the case of any other unincorporated body, enter the data for the person who holds office as chairman, president, treasurer or secretary of the body. If there is insufficient space in box 19 for all the names and data, complete form ABST 002, continuation sheet for registration details.

Declaration

In the first space, enter your full name in block letters. In the signature block, sign as you usually would with your full name. Enter your title and the date you completed the form. Please note that in accordance with the provisions of the ABST Act, any change in the status of the taxable person's status MUST be notified to the Commissioner of Inland

Revenue in writing within 21 days after such a change occurs. The relevant sections of the Antigua & Barbuda Sales Tax (ABST) Act are as follows:

Section 7 (7) A registered person shall notify the Commissioner, in writing, of any change in the name (including business name), address, place of business, or nature of business of the person within 21 days of the change occurring.

Section 8(1) & (3) A registered person must apply to the Commissioner for cancellation of the person's registration if the person has ceased to make taxable supplies.

An application for cancellation of registration must be in the approved form and, in the case of an application under subsection (1), must be lodged with the Commissioner within 15 days of ceasing to make taxable supplies.

16. Post registration procedures

Where the Commissioner is satisfied with the details on the application for registration, he will register you as a Taxable Person. A Certificate of Registration will be delivered to your place of business. This certificate will show:

- Your name (name of Taxable Person)
- Your trading name (if any)
- **Address of your principal place of business**
- **Your TIN (Tax Identification Number)**
- Your ABST certificate number
- Your effective date of registration

Please note that your certificate MUST be displayed in a conspicuous location at your place of business. If you have more than one place of business, you are required to display a Certificate of Registration at each place. When you submit your registration form, you will also need to inform the Inland Revenue Department, in writing, of the number of these business places and their respective addresses. You will then be provided with the required number of certificates. Photocopies MUST NOT be used.

Your ABST certificate will be delivered by an ABST officer.

17. Returns and tax periods

How often will ABST returns have to be submitted?

The period covered by the ABST Return is referred to as the "Tax Period" and is one calendar month. A tax period is the period in respect of which a taxable person must account for and pay any ABST to the Inland Revenue Department. Each return will be due on the last day of the month following the end of the tax period whether or not tax is payable in respect of that period. For example, the tax return for the month of September 2007 is due by October 31st, 2007.

The provisions of the ABST Act require that a tax return:-

- (a) be in the form prescribed by the Commissioner;
- (b) state the information necessary to calculate the tax payable for the period; and
- (c) be filed in the manner prescribed by the Commissioner.

The tax payable by a taxable person for a tax period in respect of taxable supplies is the total amount of output tax payable by the

person in respect of taxable supplies made by the person during the period, less the total input tax deduction allowed to the person for the period. Note that output tax is charged / chargeable on sales made by registered taxpayers and input tax is paid/payable by the business when it purchases inputs for the provision of goods and or services.

18. Penalties

Penalties that you should be aware of

Under the provisions of the ABST Act, you can be charged a penalty if you:-

- Fail to apply for registration
- Fail to display the certificate of registration in your place of business
- Fail to file a tax return within the time prescribed
- Fail to pay tax as and when due

Note that the full range of penalties can be found in the ABST Act.