



National Budget 2014/2015 – Matters for Commerce at a Glance

The Government’s Budget for 2014/2015 was presented in Parliament on Wednesday, 28 May 2014 by the Rt. Hon. Perry G. Christie, MP, Prime Minister and Minister of Finance. The national fiscal year runs 01 July to 30 June and it is tradition that the last Wednesday of May is Budget Day.

Fiscal measures relevant to businesses, at a glance:

	Legislation Affected	Proposed Changes	Effective Date
1	Value Added Tax (VAT) Act	Introduction of VAT at a rate of 7.5%	01 Jan 2015
2	Bank and Trust Companies Regulation Act	Fee increases for Bank and Trust Companies announced during the 2013/2014 budget communication are reduced to 25% increase for 01 Jan 2014 and a further 25% increase for 01 Jan 2015	01 Jan 2015
3	Stamp Act	<ul style="list-style-type: none"> • Treasurer now has power to request records to determine stamp tax liability • Financial Institutions will be given 30 days after month-end to report on stamp taxes collected and submit payment. Late filings will be subject to a fee of \$1000 and interest at 1.5% per month 	01 Jul 2014
4	Business License Act	The deadline for filing Business License renewal applications will be 31 Jan and paying Business License tax will be 31 March	01 Jul 2014
5	Family Island Development Act	Extended for 1 year	01 Jul 2014
6	City of Nassau Revitalization Act	Extended for 1 year	01 Jul 2014

VAT notes:

- To be introduced 01 January 2015.



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- Single VAT rate to be generally applied except for exports to be zero rated.
- Few exemptions, Ministry of Finance to release a list in short order.
- VAT-inclusive pricing of goods (meaning the consumer see one price) is proposed instead of VAT-exclusive pricing.
- Deferred payments mechanisms being considered for businesses that qualify for fiscal incentives on imports with a view to providing control over the timing of recognizing certain VAT liabilities.
- For small businesses, while providing vigilance against fraudulent claims, it is proposed that there be –
 - simplified cash basis accounting procedures;
 - simplified procedures for tax credits against bad debts; and
 - streamlined VAT refund process.

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