



VAT Simplifying the collection of Tax.

PRESS RELEASE

For Immediate Release

CHAMBER APPRISED OF VAT IMPLEMENTATION MILESTONES TO DATE

Castries, ST. LUCIA, September 10th- The VAT Implementation Project Office and the Chamber of Commerce met on Monday September, 2012 to align their agendas for stakeholder communications on VAT Implementation. This brings to three the number of conferences between the two agencies, since the announcement of the date of implementation in April this year.

The meeting was called by the VAT Project Office, to address concerns which the Chamber has at this time. The meeting was attended by Ms. Adria Sonson and Mr. Brian Wardrope from the VAT Implementation Project Office, Mr. Herman St. Helen, the Comptroller, and Mr. Andy Fenelon, Deputy Comptroller, of the Customs and Excise Department and representatives from the Inland Revenue Department and the Ministry of Finance including Ms. Marcia Vitae, Assistant Controller VAT Section and Mr. Embert St. Juste, Director Research & Policy, Ministry of Finance Economic Affairs and Social Security. The Chamber's delegation comprised the President Gerard Bergasse, Executive Director Brian Louisy and Programme Officer Karen Fowell.

Noting that while Chamber's discomfort partly surrounds issues of legislation that are not directly within the remit of the VAT Project Office, the Chamber President proposed that uninterrupted dialogue between the agencies will better serve all parties. Mr. Bergasse indicated that the Chambers' concerns are primarily about the finalization of aspects of the VAT Act related to accounting treatments for various businesses. This will ultimately impact companies' ability to properly account for, and report on, VAT. Mindful of these uncertainties, the Chamber has steadfastly advocated for a policy of leniency, for at least one year, with respect to penalties and interest accruing from bona fide errors in companies' filing of VAT returns. For their part, the VAT team brought the assurance that in between its three formal consultations with the organization, the VAT Project Office has been meeting directly with the commercial entities including Chamber Members

through business specific presentations and one-on-one advisory meetings from July and these are continuing.

The VAT-led delegation brought the news that new VAT Officers who have been rigorously trained by CARTAC consultants/specialists from Grenada, Barbados, Jamaica and Canada are currently undertaking advisories with businesses advising them of accounting treatments and the administrative arrangements necessary for VAT. While the training of these officers is ongoing, they are also receiving support in the field from regional experts.

To date VAT has received 85% of its estimate of the number of VAT applications for registration from businesses, based on registration forms VAT delivered across St. Lucia.

In terms of the issuance of VAT Registration certificates, VAT Coordinator Adria Sonson explained that before certificates could be issued, it was necessary to await the publication of the VAT Act so that the right reference to the VAT Act could be made. However, ahead of the issuance of VAT certificates, the VAT Office has already started assigning the Tax Identification Number (T.I.N) and informing registered taxpayers of their T.I.N. Ms. Sonson also disclosed that the VAT Act is at publication stage, the Chamber committed to assist with the dissemination of the VAT Registration Certificates which are expected to be available this week and the Regulations are expected to be made available by the third week of September.

Other important milestones recorded to date of which the Chamber was apprised include the favourable uptake on the transitional arrangements by some thirteen major importers; that the legislation governing the operations of vehicle importers, while still in the process stage, is near conclusion and publication; and that the Customs Department is working to ensure that once the legislative provisions are published, related systems will be ready for activation.

In respect of the Chamber's concerns about Customs readiness for the implementation of the HS 2007 update to the Customs tariff, the VAT led delegation reported that the feedback from the Attorney General's Chambers indicates that the HS 2007 will be in place by October 01.

Extensive consultations have been completed to date with both trade associations and state agencies among them the Ministry of Consumer Affairs, Medical and Dental Association, Chamber of Commerce (north and south), Coalition of Services, Petroleum Dealers Association, St. Lucia Manufacturers Association,

Point Seraphine Business Tenants, Realtors Association, Customs Brokers Association, tenants of JQ Mall, Baywalk Mall and IGY Rodney Bay Marina, St. Lucia Bar Association, Pharmaceutical Association, Brokers Association and Vendors Association. Within the next two weeks, the consultative and public education process expects to meet with the Architecture/Engineers Association, Quantity Surveyor, Saint Lucia Insurance Council, SLISBA, Trade Unions Federation and Entertainment promoters and Media workers.

The two agencies discussed the usefulness of reactivating the VAT Task Force which had been first mooted during the 2009 -2010 VAT preparation phase. The Task Force should comprise representatives from all key stateside and trade stakeholders and with a strong reliance of communication technology to keep communication flows unhindered, and to flag any issues which require quick intervention through the facilitation of the VAT Project Office. When the meeting concluded, it was on the agreement that in the interim, the Chamber would generate a list of top concerns emanating from the commercial sector of which they are aware, to support the efforts of the VAT Implementation to remain highly responsive to the needs of all its stakeholders.

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