

# Inland Revenue Department

## Technical Note

### VAT Guidelines - Treatment of Courier Services

**Overview** This Technical Note gives guidance on Treatment of Courier Services

**Disclaimer** These notes are for guidance only. They reflect the Law and the Department's position at the time of publication. They do not replace the Legislation or affect your Rights of Appeal about your tax position. If in doubt, consult the Inland Revenue Department, VAT Section.

Courier Services consist of both inbound transport and outbound transport.

#### *Inbound Transport*

In this instance, there are two supplies being carried out – inbound international transport and inbound domestic transport.

The Second Schedule of the VAT Act, paragraph 2(w) exempts inbound international transport only up to the port of entry in Saint Lucia.

“international transport services” means the services, including ancillary transport services, of transporting passengers or goods by land, water, or air;

(a) from a place outside Saint Lucia to another place outside Saint Lucia where the transport or part of the transport is across the territory of Saint Lucia; or

(b) from a place outside Saint Lucia to a place not beyond a port of entry in Saint Lucia; or

(c) from a place in Saint Lucia to a place outside Saint Lucia.

Section 4(14) provides that where a supply consists both of a taxable and an exempt supply, each is to be treated separately if each is reasonably capable of being supplied separately.

For the purpose of inbound transport, it has been determined that the international portion and the domestic portion of the transport service cannot be reasonably separated for the purpose of charging, and therefore, the entire supply is considered to be a single supply and therefore exempt.

### ***Outbound transport***

In this instance there are two supplies being carried out – outbound domestic transport (to the port) and outbound international transport (from the port to outside of Saint Lucia).

For the purpose of outbound transport, it has been determined that the international portion and the domestic portion of the transport service cannot be reasonably separated for the purpose of charging, and further, the domestic portion is incidental to the main supply of international transport, and therefore, the entire supply is considered to be a single supply and therefore exempt.

### **FOR FURTHER INFORMATION**

For further information please contact the VAT Section at the following address:

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