

SAINT VINCENT AND THE GRENADINES
INCOME TAX (AMENDMENT) ACT, 2020
ARRANGEMENT OF SECTIONS



Sections

1. Short title and commencement
2. Amendment of section 2
3. Amendment of section 8
4. Amendment of section 10
5. Amendment of section 25
6. Amendment of the Third schedule
7. Transitional provision



SAINT VINCENT AND THE GRENADINES

ACT NO. 20 OF 2020

I ASSENT

[L.S.]

SUSAN DOUGAN
Governor-General
30th December, 2020.

AN ACT to amend the Income Tax Act, Chapter 435 of the Laws of Saint Vincent and the Grenadines, Revised Edition, 2009, to ensure that certain taxpayers are assessed for tax on a territorial basis and for connected matters.

[30th December, 2020.]

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the House of Assembly of Saint Vincent and the Grenadines and by the authority of the same, as follows:

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| <p>1. (1) This Act may be cited as the Income Tax (Amendment) Act, 2020.</p> <p>(2) This Act comes into force on 1 January 2021.</p> | <p>Short title and commencement</p> |
| <p>2. Section 2 of the Income Tax Act, in this Act referred to as the principal Act, is amended by inserting the following definitions in the appropriate alphabetical order –</p> <p>“permanent establishment” includes –</p> <p>(a) a place of management;</p> | <p>Amendment of section 2
Cap. 435</p> |

- (b) a branch or office;
- (c) a factory or workshop;
- (d) premises used as a sales outlet;
- (e) a building site or construction or assembly project which exists for more than six months;
- (f) the maintenance of plant and machinery for rental for a period or periods in the aggregate of not less than six months;

“**registered trust**” has the meaning specified in the Trusts Act;”.

Cap.491

Amendment of
section 8

3. Section 8 of the principal Act is amended –

(a) by deleting subsection (1) and substituting the following –

“(1) The assessable income of a taxpayer shall be –

- (a) where the taxpayer is a company of the type specified in subsection (1A) or a registered trust, all amounts ascertained in accordance with Part IV, accrued directly or indirectly from all sources in Saint Vincent and the Grenadines, which is not exempt from tax under Part III;
- (b) where the taxpayer is a non-resident, subject to section 7(5), all amounts ascertained in accordance with Part IV, accrued directly or indirectly from all sources in Saint Vincent and the Grenadines, which is not exempt from tax under Part III; and
- (c) in the case of any other taxpayer, subject to subsections (2) and (3), all amounts ascertained in accordance with Part IV, accrued directly or indirectly from all sources whether in or out of Saint Vincent and the Grenadines.”.

(b) by inserting after subsection (1) the following –

- “(1A) Subsection (1)(a) applies to the following types of companies –
- (a) a company within the meaning of the Companies Act; Cap.143
 - (b) an external company registered under the Companies Act; or
 - (c) a business company within the meaning of the Business Companies (Amendment and Consolidation) Act.”. Cap.149
4. Section 10 of the principal Act is amended – Amendment of section 10
- (a) in subsection (1) –
 - (i) in paragraph (c), by deleting “ship or”;
 - (ii) by deleting paragraph (e);
 - (iii) in paragraph (h), by deleting the full stop and inserting a semi-colon;
 - (iii) by inserting after paragraph (h), the following –
 - “(i) trademarks, service marks, branding rights or image rights, where the taxpayer is a company of the type specified in section 8(1A), or a registered trust.”;
 - (b) by deleting subsection (3).
5. Section 25(1) of the principal Act is amended by deleting paragraph (t). Amendment of section 25
6. The Third Schedule of the principal Act is amended in paragraph 1(1)– Amendment of the Third Schedule
- (a) in subparagraph (h), by inserting after the words “subparagraph (a) to (g)” the words the “that, if paid to a resident, would constitute assessable income under section 8”; and

- (b) in subparagraph (j), by inserting after “reimbursement of expenses”, the words “but excluding a dividend from a company which is resident in Saint Vincent and the Grenadines,”.

Transitional provisions

Cap. 149

7. (1) For the purposes of this section –

“transitioning business company” means a business company of the type specified in section 199A (1) of the Business Companies (Amendment and Consolidation) Act, except to the extent that section 199 A (2) of that Act applies to the business company; and

“transition period” means the period commencing on the commencement date and ending on 30 June 2021.

(2) The amendments effected by this Act shall not apply to a transitioning business company during the transition period.

(3) The first basis period and the first year of assessment of a transitioning business company is –

- (a) the period of six months commencing on 1 July 2021 and ending on 31 December 2021; or
- (b) such other period as may, on the application of the business company, be approved by the Comptroller.

Passed in the House of Assembly this 28th day of December, 2020.

NICOLE HERBERT
Clerk of the House of Assembly.

Printed by the Government Printer at the Government Printing Office,
Campden Park Industrial Estate, St. Vincent and the Grenadines.