



Barbados

General	Types of indirect taxes (VAT/GST and other indirect taxes) VAT.	VAT.
	Are there other indirect taxes?	<ul style="list-style-type: none"> — Excise tax. — Stamp duty. — Property transfer tax.
	What are the standard or other rates (i.e. reduced rate) for VAT/GST and other indirect taxes?	<p>The standard rate of VAT is 17.5%. The VAT rate on accommodation in the hotel sector and on direct tourism services is 7.5%. On certain mobile services the VAT rate is 22%.</p> <p>Excise tax is charged on:</p> <ul style="list-style-type: none"> (a) taxable goods (other than spirits) manufactured or produced in Barbados and sold in Barbados (b) spirits manufactured or produced in Barbados and removed from a warehouse; and (c) taxable goods imported into Barbados. <p>Rates are applicable from 5% to 60%.</p>
	Who is required to register for VAT/GST and other indirect taxes?	Under the provisions of VAT, a person is required to register for VAT purposes if they supply goods and services in Barbados in the course of a business or other 'taxable activity', and if their annual taxable supplies are 80,000 Barbadian dollar (BBD) (USD40,000) or more. Registration allows a person to recover all or part of their input tax incurred on purchases for use in their taxable activities.
VAT/GST registration	Is voluntary registration for VAT/GST and other indirect taxes possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST and other indirect taxes registration threshold)?	Generally not encouraged by Revenue Authorities.
	Does an overseas company need to appoint a fiscal representative?	If a company incorporated outside Barbados carries on business in Barbados and renders taxable supplies it is required to register an external company.
	Which forms and supporting documentation does an overseas company need to submit for VAT/GST and other indirect taxes registration?	Relevant registration documents of the external company.
	Is grouping* for VAT/GST and other indirect taxes possible?	No.

* By 'grouping' we mean: either a consolidation mechanism between taxpayers belonging to the same group (payment and refund are compensated but taxpayers remain distinct) or a fiscal unity for VAT/GST purposes (several taxpayers are regarded as a single taxpayer).

VAT/GST compliance	How frequently are VAT/GST and other indirect taxes returns submitted?	Bi-monthly.
	What are the exchange rate rules in your country?	Where the consideration for a supply is a foreign currency or other money, denominated or expressed in a foreign currency, for the purposes of determining the value of the supply, the consideration shall be valued in Barbados currency at the rate of exchange at which the Central Bank of Barbados would, at the time of the supply, have purchased that currency in the form of notes.
VAT/GST recovery	Can an overseas company recover VAT/GST and other indirect taxes if it is not registered for VAT/GST and other indirect taxes locally?	Certain entities in the international financial services sector are not required to be registered for VAT purposes but can recover VAT suffered by filing certain prescribed forms.
VAT/GST recovery (continued)	Are there any exemptions with the right to recover or deduct input VAT?	In general, where a registrant provides tax exempt supplies, the input VAT that may be deducted is reduced in proportion to the VAT exempt supplies provided.
	Are there any restrictions to the deduction of input VAT?	Same as above.
Invoices	Is a business required to issue tax invoices?	A registrant who makes a taxable supply in Barbados to another registrant shall, forthwith upon the request of the other registrant, issue a tax invoice to the other registrant containing such particulars as may be prescribed. A registrant who fails to issue a tax invoice as required is liable to pay a penalty of such amount not exceeding one thousand dollars as the Comptroller may determine.
	Is it possible/mandatory to issue invoices electronically?	No.
	Is it possible for recipient to issue tax invoices/self invoices (self-invoicing)?	Not applicable.

Audits	Do tax audits take place on a regular basis?	Tax audits take place, but not in any specified periods or frequency.
	Are there audits done electronically in your country (e-audit)? If so, what system is in use?	No.
	What penalties can arise from non-compliance?	<p>A person who is required to file a return and fails to do so within the time prescribed shall pay to the Comptroller a penalty of BBD100.</p> <p>A registrant who defaults in paying the total amount of output tax payable by him for a taxable period by the day prescribed shall in addition to the amount of output tax in default, pay to the Comptroller:</p> <p>(a) a penalty equal to 10% of the amount of output tax in default; and</p> <p>(b) interest at 1.5% calculated for each month or part of a month during which any amount of tax and penalty remained unpaid on the largest of amount of tax and penalty that was due and unpaid at any time in that month.</p>
Special indirect tax rules	In your country are there any special rules for the sale of a company by a taxpayer to another where VAT is not due on the sale?	The sale of shares in the capital stock of a corporation or any interest in or right to such a share is an exempt supply and therefore no VAT is exigible.
	In your country, are there unique specific indirect tax rules that you would not expect to find in 'standard' VAT jurisdictions?	No.
	Does a reverse charge mechanism apply in your country for goods or services?	No.
	Are there indirect tax incentives available in your country (e.g. reduced rates, tax holidays)?	Companies in the international business sector are not required to register for VAT and any VAT which they suffer may be refunded on application to the VAT division on the prescribed form.
Rulings	Are rulings and decisions issued by the tax authorities publicly available in your country?	<p>The Commissioner may communicate confidential information to any person who is otherwise legally entitled to that information under the Income Tax Act or any other enactment.</p> <p>Hearings on appeal to the Value Added Tax Appeal Tribunal are held 'in camera'.</p> <p>Rulings are determined on a case by case basis and are not publicly available.</p>