



EXTRAORDINARY
OFFICIAL GAZETTE
THE BAHAMAS
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(B)

**VALUE ADDED TAX (AMENDMENT)
REGULATIONS, 2024**

Arrangement of Regulations

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VALUE ADDED TAX ACT

(CHAPTER 370A)

VALUE ADDED TAX (AMENDMENT) REGULATIONS, 2024

The Minister, in exercise of the powers conferred by section 96 of the Value Added Tax Act (Ch. 370A) hereby makes the following regulations

1. Citation and commencement.

- (1) These Regulations, which amends the Value Added Tax Regulations (Ch. 370A) may be cited as the Value Added Tax (Amendment) Regulations, 2024.
- (2) These Regulations shall come into operation on the 1st day of July, 2024.

2. Repeal and replacement of regulation 10 of the principal Regulations.

The principal Regulations are amended by the repeal of regulation 10 and the replacement as follows —

“10. Commercial rental establishment.

- (1) For the purposes of the Act, these Regulations and VAT Rules, a commercial rental establishment includes —
 - (a) accommodation in a hotel;
 - (b) residential accommodation of any kind which constitutes an asset, including a leased asset, of a business undertaking or a separately identifiable part of a business undertaking carried on by any person who —
 - (i) leases or holds for lease in the course of such business undertaking the accommodation as residential accommodation; and
 - (ii) in respect of each occupant, regularly or normally leases or holds for lease the accommodation as residential accommodation

for continuous periods not exceeding forty-five calendar days;

- (c) residential accommodation in a condominium, timeshare, or house, acquired by a non-Bahamian under the International Persons Landholding Act where the permit specifies that such accommodation will be used for rental purposes;
 - (d) residential accommodation in a condominium, timeshare, or house which —
 - (i) is not part of a hotel or resort complex;
 - (ii) is acquired by a non-Bahamian under the International Persons Landholding Act whose permit specifies that such accommodation will be used for rental purposes;
 - (e) residential accommodation in a condo, house, apartment, or room, other than accommodation referred to in subparagraphs (a), (b), (c) or (d), which is —
 - (i) in respect of each occupant of such condo, house, apartment, or room, regularly or systematically leased or held for lease as residential accommodation for continuous periods not exceeding forty-five calendar days;
 - (ii) leased with furnishings and utilities provided by the lessor; or
 - (f) any other accommodation which the Minister may, by order, designate as a commercial rental establishment.
- (2) A commercial rental establishment pursuant to paragraph (1), unless designated by the Minister pursuant to sub-paragraph (f), does not include accommodation in a —
- (a) boarding establishment or hostel operated by —
 - (i) an employer not for the profit of any person but, solely or predominantly, for the benefit of—
 - (A) the employees of such employer;
 - (B) a related person of such employer;
 - (C) the dependants of a person referred to in (A) or (B);
 - (ii) a local government council not for the profit of any person; or

- (b) licensed hospital, licensed maternity hospital, registered residential care facility, or clinic.
- (3) The operation of a commercial rental establishment is a taxable supply of services.
- (3A) Except where section 19 of the Act requires the owner to register regardless of the amount of turnover, the owner of such establishment becomes a taxable person required to register as such under the Act where the owner satisfies the registration threshold.
- (4) The conversion by the owner of a commercial rental establishment to a dwelling —
 - (a) is a taxable supply; or
 - (b) may in the discretion of the Comptroller be treated as an exempt supply where a taxable person owning such establishment submits to the Value Added Tax Department, prior to the conversion, a written declaration in Form No. 1 of the intent to convert such establishment to a dwelling.
- (5) A commercial rental establishment in respect of which the owner converts to a dwelling home and prior to the conversion, fails to submit a written declaration of the intent to convert such establishment to a dwelling home, to the Value Added Tax Department, continues to be a commercial rental establishment for VAT purposes.”.

Made this day of 29th day of May, 2024.

Signed
PHILIP E. DAVIS
Minister of Finance