

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

**Arrangement of Regulations**

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**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            , 2024.**

**MINISTER OF FINANCE**