



*EXTRAORDINARY*  
**OFFICIAL GAZETTE**  
**THE BAHAMAS**  
PUBLISHED BY AUTHORITY

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NASSAU

23<sup>rd</sup> April, 2021

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# VALUE ADDED TAX (CHARITABLE AND NON-PROFIT) RULES, 2021

## Arrangement of Rules

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### Rule

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**MINISTRY OF FINANCE**

S.I. No. 35 of 2021

**VALUE ADDED TAX ACT, 2014**

**(NO. 32 OF 2014)**

**VALUE ADDED TAX (CHARITABLE AND NON-PROFIT)  
RULES, 2021**

The Comptroller, in exercise of the powers conferred by section 17 of the Value Added Tax Act, 2014, makes the following Rules —

**1. Citation and commencement.**

- (1) These Rules may be cited as the Value Added Tax (Charitable and Non-Profit) Rules, 2021.
- (2) These Rules shall come into force on the 1<sup>st</sup> day of April, 2021.

**2. Repeal and replacement of rule 6 of the Value Added Tax Rules, 2015.**

Rule 6 of the Value Added Tax Rules, 2015 is repealed and replaced as follows —

**“6. 2021-003 Charitable and Non-Profit.**

- (1) The purpose of this rule is to establish the criteria for a refund of value added tax paid on the acquisition of qualifying goods or services under section 58 of the Value Added Tax Act, 2014 and regulations 5 and 35 of the Value Added Tax Regulations, 2014 by charitable and non-profit organisations.
- (2) A charitable or non-profit organisation that wishes to apply for a VAT refund must —
  - (i) apply for registration under section 58 of the Value Added Tax Act, 2014 and is not eligible for a refund until registered by the Comptroller;

- (ii) be registered as a non-profit organisation under the Non-profit Organisations Act, 2019; and
  - (iii) provide current proof of compliance with the provisions of the Non-profit Organisations Act, 2019 including that the registration has not been cancelled or suspended or that the organisation has not been otherwise removed from the Register of Non-profit Organisations.
- (3) Registration by the Comptroller under section 58 of the Value Added Tax Act, 2014 is solely for the purpose of processing a claim for refund and does not entitle the registrant to collect, advertise or quote VAT or to carry on any taxable activity.
- (4) A claim for a refund of VAT by a charitable or non-profit organisation under this rule is only permitted where —
  - (a) the taxable supply or taxable importation to which the claim relates was used in the furtherance of the core activities of the organisation or directly relate to the premises which is occupied and used by the organisation;
  - (b) the claim relates to —
    - (i) utility services, including electricity, water, and telecommunication services provided to the premises and used in the undertaking of the work of the organisation;
    - (ii) the construction of and repairs to premises occupied and used in the undertaking of the work of the organisation where such costs are borne by the organisation and not by a donor; or
    - (iii) any other expense specifically approved by the Minister of Finance on application by the organisation; and
  - (c) the claim relates to input VAT incurred in the quarter to which the claim relates or input VAT incurred in the quarter immediately preceding such quarter.
- (5) An application for refund by a charitable organization or non-profit organization under this rule shall be made using the Bahamas Online Tax Administration System.

- (6) An application for refund shall not be made for amounts less than five hundred dollars in aggregate and must be –
  - (a) filed on a quarterly basis;
  - (b) supported by VAT invoices in the manner prescribed in the Value Added Tax Act, 2014, the Value Added Tax Regulations, 2014 and the VAT Rules; and
  - (c) accompanied by supporting schedules as determined by the Comptroller.
- (7) The Comptroller may at any time cancel the registration of an organisation under section 58 of the Value Added Tax Act, 2014 where the Comptroller is satisfied that the organisation does not meet or no longer meets the requirements for registration under this Rule.

**Made the 29<sup>th</sup> day of March, 2021**

**Signed**  
**SHUNDA STRACHAN**  
**Comptroller of Value Added Tax**