Commencement: 1 August 1998

BUSINESS LICENCE RULE 1/2002

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To prescribe the rule for the definition of Value Added Tax zero rated income which is subject to the 5% turnover business licence fee.

In this rule all VAT zero rated income declared on VAT returns by any taxpayer is to be used as the basis for calculating business licence fees based on turnover.

For the purposes of the Business Licence Act, the Director of Customs and Inland Revenue or his authorised staff responsible for the Business Licence Act will advise all business licence holders. This rule means that the 5% business licence fee on declared VAT zero rated income will be based on those VAT returns lodged conforming to the taxpayer accounting basis i.e. invoice or payment basis. The VAT return will have already recorded zero rated and exempt income and thus the business licence officers shall extract this information and issue the order to pay the turnover fees - simplifying and adding efficiency to the collection of 5% turnover fees.