

REPUBLIC OF VANUATU

BILL FOR THE VALUE ADDED TAX (AMENDMENT) ACT NO. OF 2020

Explanatory Note

This Bill amends the Value Added Tax Act [CAP 247] (“VAT Act”).

The amendments make changes to the VAT Act that are necessary to ensure that the VAT Act is aligned with the Tax Administration Act No. 37 of 2018 (TAA), which is also currently being amended. Some of the amendments include aligning the definitions of “non-profit body”, “resident person” and “non-resident person” in the VAT Act to have the same meaning as in the TAA.

The amendments also remove obsolete provisions that deal with cash registers.

Item 5 provides that the Employee Stabilization Payments and the Small and Medium Enterprise grants paid under the Covid-19 stimulus package of 2020 are not a supply subject to value added tax provided under subsection 3(2A). However subsection 3(2A) is not prevented by this Act or the Tax Administration Act No. 37 of 2018 to amend a value added tax return to give effect to subsection 3(2A). This amendment is taken to have commenced on 1 April 2020.

The Bill corrects errors made in the Value Added Tax (Amendment) Act No. 2 of 2019 to ensure that references in provisions such as paragraph 47(6)(a) are a reference to a non resident person that is not carrying on business in Vanuatu through a fixed place of business.

Minister of Finance and Economic Management



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VALUE ADDED TAX (AMENDMENT)
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BILL FOR THE VALUE ADDED TAX (AMENDMENT) ACT NO. OF 2020

An Act to amend the Value Added Tax Act [CAP 247].

Be it enacted by the President and Parliament as follows-

1 Amendment

The Value Added Tax Act [CAP 247] is amended as set out in the Schedule.

2 Commencement

- (1) Subject to subsection (2), this Act commences on the day on which it is published in the Gazette.
- (2) Item 5 is taken to have commenced on 1 April 2020.

SCHEDULE

AMENDMENTS OF VALUE ADDED TAX ACT [CAP 247]

1 Whole of Act

- (a) Delete all references to “resident of Vanuatu”, substitute “resident person”
- (b) Delete all references to “non-resident of Vanuatu”, substitute “non-resident person”

2 Subsection 2(1)

Insert in their correct alphabetical positions:

““non-resident person” has the same meaning as in the Tax Administration Act No. 37 of 2018;

“resident person” has the same meaning as in the Tax Administration Act No. 37 of 2018;”

3 Subsection 2(1) (Definition of “non-profit body”)

Repeal the definition, substitute

““non-profit body” has the same meaning as in the Tax Administration Act No. 37 of 2018;”

4 Section 2A

Repeal the section.

5 After subsection 3(2)

Insert

“(2A) Subsection 3(2) does not apply in respect of:

- (a) the Employment Stabilisation Payments paid under the Covid-19 stimulus package of 2020; and
- (b) the Small and Medium Enterprise grants paid under Covid-19 stimulus package of 2020.

(2B) This Act or the Tax Administration Act No. 37 of 2018 do not prevent a person amending a value added tax return to give effect to subsection (2A).”

6 Subsection 7(1)

Delete “non-resident” (first occurring), substitute “non-resident person”

7 Paragraph 47(6)(a)

Delete “of Vanuatu or a non-resident”, substitute “person that is not”

8 Subsection 54(1A)

Repeal the subsection.

9 Schedule 3- Paragraph1(e)

Delete “has been”, substitute “is”

10 Schedule 3- Paragraphs 5(a) and 12(a)

Delete “of Vanuatu”, substitute “person that is not”