



Bahamas

General	Types of indirect taxes (VAT/GST and other indirect taxes).	VAT.
	Are there other indirect taxes?	<ul style="list-style-type: none"> — Stamp duty (stamp tax). — Business license tax. — Real property tax.
	What are the standard or other rates (i.e. reduced rate) for VAT/GST and other indirect taxes?	<ul style="list-style-type: none"> — VAT: 0% (zero-rated), and 7.5% (standard rate). — Stamp duty: 1% to 6% of the value of the instrument or transaction. Certain other transactions have a fixed amount such as 0.40 Bahamian dollars (BSD) per check or bank withdrawal. — Business license: ranges from flat fee of BSD100 to 3% depending on industry and total revenues. — Real property tax: rate varies according to market value of property and whether it is residential or commercial property. Broad exemptions also exist depending on the location, ownership and whether the property is developed or undeveloped. <ul style="list-style-type: none"> — Residential: flat fee of BSD300 up to 0.625% of market value. — Commercial: 0.75% to 2.0% of market value.
	Who is required to register for VAT/GST and other indirect taxes?	<ul style="list-style-type: none"> — Private individuals/legal entities/permanent establishments carrying on taxable activities from within the Bahamas with annual turnover in excess of BSD100,000. — Persons providing telecommunications services or electronic commerce for the use, enjoyment, benefit or advantage of persons within the Bahamas.
VAT/GST registration	Is voluntary registration for VAT/GST and other indirect taxes possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST and other indirect taxes registration threshold)?	<p>No, VAT registration is not possible without a fixed place of abode in the Bahamas. If the company (branch) carries on taxable activities in the country in excess of the turnover threshold (BSD100,000), VAT registration is mandatory.</p> <p>An exception to the fixed place requirement is made for non-resident persons providing telecommunications services or electronic commerce. Such persons must register if selling BSD100,000 annually into the Bahamas.</p>
	Does an overseas company need to appoint a fiscal representative?	No, but the VAT comptroller has the power to declare a representative for purposes of administration or enforcement of the act.
	Which forms and supporting documentation does an overseas company need to submit for VAT/GST and other indirect tax registrations?	VAT registrants must first obtain a taxpayer identification number (TIN) prior to applying for a VAT registration.

VAT/GST registration (continued)	Is grouping* for VAT/GST and other indirect taxes possible?	Yes, for VAT. However, grouping is not allowed between a resident and non-resident entity or between an entity that holds a Grand Bahama Port Authority license and one that does not.
VAT/GST compliance	How frequently are VAT/GST and other indirect tax returns submitted?	VAT: — monthly: annual turnover > BSD5 million — quarterly: annual turnover < BSD5 million — semiannually: annual turnover < BSD400,000 (optional: must apply). Stamp duty: per transaction/instrument. Business license: annually. Real property: annually.
	What are the exchange rate rules in your country?	Not applicable.
VAT/GST recovery	Can an overseas company recover VAT/GST and other indirect taxes if it is not registered for VAT/GST and other indirect taxes locally?	No.
	Are there any exemptions with the right to recover or deduct input VAT?	Yes: — Grand Bahama Port Authority licensees — diplomatic mission or international organization, and eligible staff members for certain qualifying goods or services — approved charitable organizations for certain qualifying goods or services.
	Are there any restrictions to the deduction of input VAT?	Yes, VAT on expenses or purchases related to VAT-exempt income may not be recovered. Personal use items such as meals and entertainment, memberships in recreational clubs, cell phones and motor vehicles.
Invoices	Is a business required to issue tax invoices?	Yes.
	Is it possible/mandatory to issue invoices electronically?	Yes.
	Is it possible for the vendor to issue an invoice, i.e. is self-billing possible?	No.
Audits	Do tax audits take place on a regular basis?	Yes, at the discretion of the VAT comptroller.
	Are audits done electronically in your country (e-audit)? If so, what system is in use?	No.
	What penalties can arise from non-compliance?	Penalties are classified as: — minor — serious — very serious. Any non-compliance can be subject to penalties of up to BSD150,000 and/or imprisonment.
Special indirect tax rules	Are there any special rules for the sale of a company by one taxpayer to another where VAT is not due on the sale?	Yes, in general, the sale of shares or capital and any other company reorganization is not subject to VAT. Where a company sells its assets and liabilities (without involving a transfer of shares or capital) the sale may qualify for zero-rated status.

* By 'grouping' we mean: either a consolidation mechanism between taxpayers belonging to the same group (payment and refund are compensated but taxpayers remain distinct) or a fiscal unity for VAT/GST purposes (several taxpayers are regarded as a single taxpayer).

Special indirect tax rules (continued)	<p>Are there unique specific indirect tax rules that you would not expect to find in 'standard' VAT jurisdictions?</p>	<p>Retail businesses must display prices VAT-inclusive but show the VAT separately on their VAT sales receipts or VAT invoices.</p> <p>Businesses with turnover less than BSD1 million may use a cash method of accounting when reporting their VAT without applying for approval from the VAT comptroller. All other businesses must follow the accrual method.</p> <p>Businesses must self-report VAT on taxable supplies made free of charge or for less than fair value such as complementary meals or hotel rooms.</p> <p>Startup businesses may apply to register for VAT and file VAT returns for inputs relating to construction and startup costs. However, the VAT refunds are not paid until the business commences making taxable supplies.</p>
	<p>Does a reverse charge mechanism apply for goods or services?</p>	<p>Yes, on all imported services.</p>
	<p>Are there indirect tax incentives available (e.g. reduced rates, tax holidays)?</p>	<p>A VAT deferral mechanism is available under the Hotel Encouragement Act. This deferral allows an approved startup business to avoid paying VAT on imports by self-declaring the import VAT on their VAT returns and claiming input VAT at the same time.</p>
Rulings	<p>Are rulings and decisions issued by the tax authorities publicly available?</p>	<p>Yes, VAT rules issued by the VAT comptroller have the force of law under the VAT act.</p>