



VAT

VALUE ADDED TAX

ST. KITTS & NEVIS

Introduction to VAT Guide

Changing or cancelling your VAT registration

Any changes made to your business details and your VAT registration must be communicated to the Inland Revenue Department as it may affect your VAT registration. In some instances, you may have to cancel your VAT registration. Information must be provided within (21) twenty-one calendar days, by completing a Change of Registration Details or Cancellation of Registration Form and submitting it to:

St. Christopher

Inland Revenue Department, Bay Road, Basseterre, St. Christopher

Tel: 1 - 869 465-8485

Nevis

Main Street, Charlestown, Nevis

Tel: 1 - 869 469-5521 ext. 2221

Please ensure that the information is relayed within the above-mentioned time limit to avoid being accountable for any financial penalties.

Changes in names and addresses

Your VAT registration is based on the information you supplied to Inland Revenue Department when you registered. If your business circumstances change you should inform Inland Revenue Department immediately or within twenty –one calendar days otherwise you can face a financial penalty.

You need to tell Inland Revenue Department of any change:

- In the name, address, place of business, constitution, or nature of the principal taxable activity or activities of the person;
- Of address from which, or name in which, any taxable activity is carried on by the person or
- The name and/or home address of any partner in the business; or
- In circumstances where the person ceases to operate or closes his or her taxable activity on a temporary basis in a situation not covered by provisions of section 24. (1)

You should report the changes to Inland Revenue Department in writing using the Change of Registration Details or Cancellation of Registration Form.

Death or insolvency of taxable person

If you are representing someone who has died you have the same VAT obligations as that person. This will continue until any one of the following happens:

- The cancellation of VAT Registration or
- The business is passed on or closed

You must contact Inland Revenue Department within 21 calendar days of taking on this responsibility and provide details of the date of death.

If you are in a partnership and one of the partners has died, then either you or another partner must write to Inland Revenue Department within 21 calendar days of the date of death. You also need to do this if you and at least one other remaining partner intend to continue in business.

If you are the only surviving partner and you want to recruit another partner, you must write to Inland Revenue Department within 21 calendar days of the new appointment. If you decide to continue the business as a sole proprietor, you should report this within 21 calendar days of the change taking place.

You should notify Inland Revenue Department of changes to your business in writing using the Change of Registration Details or Cancellation of Registration form.

Changes to a partnership

If your business is a partnership and there are any changes - a partner leaves, a new partner joins or both, then you must tell Inland Revenue Department. You also must inform Inland Revenue Department if the name or home address of any partner in the business changes.

You need to inform Inland Revenue Department about these changes within 21 calendar days by completing the Change of Registration Details or Cancellation of Registration Form and submit it to:

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If you own a business and go into a partnership, or your partnership ceases to exist and one of the former partners becomes the sole owner of the business, this is a change in the legal status of your business

Changes in the legal status of your business

A change in the legal status of your business might happen when, for example, a company (or other incorporated body) is formed to take over a business previously run by a sole proprietor or group of people, such as a partnership or club - or if a business previously carried on by a company (or other incorporated body) is taken over by a sole proprietor or group of people.

If you change the legal status of your business, then you must cancel the existing registration and complete a new VAT registration application so that you may be issued a new VAT registration number.

Changes to the goods and services you supply

You need to inform Inland Revenue Department within 7 calendar days if your main business activity changes.

Circumstances in which you must cancel your VAT registration include the following:

- You're registered for VAT because you supply goods and/or services that are taxable, under the VAT system and you are no longer engaged in that taxable activity
- You were registered because you intended to supply taxable goods and services, but this is no longer the case
- You supplied, or intended to supply, goods and services outside the federation that would have been taxable in the federation, but this is no longer the case

You can choose to cancel your registration if your goods and services become wholly or mainly exempted, even if your turnover is above the annual registration threshold - currently \$150,000

A drop in turnover

When your annual VAT taxable turnover falls, or you expect it to fall in the next 12 months, below the registration threshold, you can only apply to IRD to cancel your VAT registration after the expiration of two years from the date registration took effect.

If you want to do this, you must write to IRD to explain the drop in your turnover. Possible reasons might include a reduction in opening times, loss of contracts or changes in your business practices. You'll have to give IRD your anticipated turnover for the next year.

You won't be allowed to cancel your registration if the reduction in your turnover is due to your intention to stop trading or suspend making taxable supplies for 30 days or more in the next 12 months.

Closing or selling a business

If you close or sell your business, you must apply for cancellation of your VAT registration within 7 days of the date on which you ceased operations. You must complete the Change of Registration Details or Cancellation of Registration form and return it to IRD. However, your cancellation will only take effect after the Comptroller of the Inland Revenue Department is satisfied that you:

1. Are not carrying on a taxable activity; or
2. Was not required or entitled to apply for registration; and
 - has no fixed place of abode or business;

- has not kept proper accounting records relating to any business activity carried on by that person;
 - has not submitted regular and reliable tax returns as required by section 46; or
 - has not complied with his or her obligations under the laws relating to tax, including any laws relating to customs;
3. Was required to register under section 13. (4) or (6) and ceases to satisfy the provisions of section 12 relating to the registration requirements;
 4. Go to form: [Change of Registration Details and Cancellation of Registration](#)

Notifying changes if you are abroad

If you are not based in the Federation, you must inform the Inland Revenue Department about these changes and identify the contact person or representative who will be responsible for overseeing the obligations of your business operations.

The Department will not accept any changes made via telephone or email. Information must be presented to the Department in writing.

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How to cancel your VAT registration?

You can cancel your VAT Registration by completing Change of Registration Details or Cancellation of Registration Form and returning it to Inland Revenue Department. Cancellation shall take effect from the last calendar day of the tax period during which any such taxable activity ceased or from such date as the Comptroller may determine.

Until your registration is cancelled, you'll have to continue collecting and accounting for VAT. Inland Revenue Department may refuse your request for voluntary deregistration, in which case you'll have to continue collecting and accounting for VAT.

If your registration is cancelled, you are obligated to pay tax and file returns and fulfil any obligations you were required to uphold during the time you were registered and until cancellation takes effect.

