



Ministry Of Finance

VAT Department

VAT RULE

2017-001

Refund of VAT on Consumables
Purchased at Designated Ports and
Airports



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A. Authority

This rule is made under section 17 of the Value Added Tax Act.

B. Legislation

Legislative references are pursuant to the relevant sections of the Value Added Tax Act 2014, Value Added Tax Regulation 15 (3), Value Added Tax Rule 2015-001 as amended.

C. Application of Rule

The purpose of this rule is to clarify the application of Value Added Tax in relation to the refund of Value Added Tax on the purchase of consumables by passengers of cruise ships and matters related thereto.

D. Comptroller's Rule

This rule applies as follows:

General Application

1. Visitors purchasing consumable items from approved merchants are allowed to claim a refund of seventy-five percent of the value added tax paid at the point of embarkation at the designated cruise ports in The Bahamas when they are leaving the country within thirty days of arrival in accordance with the system described in sub-rules 11-14.
2. Visitors purchasing consumable items from approved merchants at designated airports are allowed to purchase those items free of value added tax in accordance with the criteria described in sub-rules 15-16.
3. A visitor includes a person:
 - (1) whose normal place of residence is not The Bahamas
 - (2) who does not travel using a Bahamian passport or is not so entitled
 - (3) who is leaving the country within thirty days of arrival

- (4) who has not worked in The Bahamas in the last six months;
4. The consumables referred to in sub-rule 1 include:
- (1) alcoholic beverages;
 - (2) tobacco products;
 - (3) cakes with the description of rum cake purchased from approved merchants
 - (4) any other items the Comptroller may by notice determine.
5. The notice referred to in sub-rule 4 and wherever mentioned in this rule is sufficiently provided by announcement on the official website of the department of Value Added Tax or any other method determined by the Comptroller of Value Added Tax to be an official method of communication of the Comptroller of Value Added Tax.
6. Notwithstanding any other designation in any other VAT rule, an approved merchant in accordance with this rule is a merchant approved by the Comptroller of Value Added Tax by notice and who has agreed to subscribe to and comply with the electronic system of the designated customs agent to record and provide documentation for all sales conducted pursuant to this rule.
7. The designated customs agent is the agent from time to time contracted and authorized by the Comptroller of Value Added Tax to provide the electronic system for recording sales, made pursuant to this rule and an announcement on the website or other official communication of this authorization shall be sufficient evidence of such authorization.
8. A designated port includes:
- (1) Prince George;
 - (2) any other port the Comptroller by notice determines.
9. A designated airport includes:
- (1) Sir Lynden Pindling Airport;
 - (2) any other port the Comptroller by notice determines.

Procedure for Obtaining Refunds at a Designated Port

10. Notwithstanding any other procedure for obtaining refunds of value added tax, the following procedures in sub-rule 11 to sub-rule 14 shall apply for obtaining refunds for sales made pursuant to this rule only.
11. Upon purchase at the approved merchant, a “VAT Free Consumables Form” will be issued along with the invoice to the visitor. The visitor must present this form along with the unused consumables to the designated customs agent and customs officer at the designated port. The customs officer will process the transaction in accordance with the **Customs**

Management Act and Value Added Tax Act 2014.

12. A purchase may be made by cash or credit card, but a refund will be issued on a credit card only.
13. A visitor shall be eligible for a refund with a minimum purchase of one of the following:
 - (1) alcohol valued at fifty dollars; or
 - (2) tobacco products valued at fifty dollars; or
 - (3) cakes with the description of rum cake purchased from approved merchants valued at twenty-five dollars;
 - (4) any other value of each product or other consumables that the Comptroller by notice shall determine.
14. In determining the minimum purchase, there shall not be an aggregation of the purchases of all consumables on the invoice of a single customer, nor shall there be an aggregation of the value of more than one invoice.

Procedure at a Designated Airport

15. A visitor within a designated airport shall be eligible to purchase consumables with value added tax applied at a zero-rate upon proof that the visitor would be embarking on an airplane within twenty-four hours of the purchase.
16. Upon purchase of consumables, the visitor shall be provided with documentation which indicates that the goods are sold at a zero-rate of value added tax.

Reporting on the Value Added Tax Return

17. Approved merchants are to report sales made to visitors for which a refund was received at designated ports as an adjustment on the value added tax return and any sales made to visitors at designated airports as a zero-rated sale.

Period for which this Rule Applies

This rule applies from May 1, 2017 until repealed or amended.