



# **Ministry Of Finance**

## **VAT Department**

**VAT Rule 2015-020**

**Fair Market Value for Employees of  
Financial Institutions**



**VAT RULE 2015-020**

**Fair Market Value for Employees of Financial Institutions**

**A. Authority**

This Rule is made under section 17 of the Value Added Act, 2014.

**B. Legislation**

All legislative references are to the Value Added Tax Act, 2014 and/or the Value Added Tax Regulations 2014, unless otherwise stated.

**C. This Rule applies in respect of:**

- a) Value Added Tax Act, 2014 Section 37(1)
- b) Value Added Tax Regulations, 2014 Regulation 3 and Regulation 22(2)

**D. Application of Rule**

This Rule is for the purpose of defining the VAT treatment of supplies made to employees within a domestic financial institution and applies in situations where the service is supplied for no consideration or for consideration less than the fair market value, and where the identical supplies are also made to non-employees.

**E. Comptroller's Rule**

1. Taxable supplies offered to employees by Financial Institutions for no consideration or less than the fair market value are subject to VAT at the fair market value.
2. The fair market value for output VAT shall be the lowest rate charged on the identical supply to a recipient customer who is not an employee.



**F. The period for which this Rule applies**

This Rule shall apply for the period beginning on January 1<sup>st</sup>, 2015 until it is withdrawn or replaced.

