

Bahamian Department of Inland Revenue releases VAT guides

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The Department of Inland Revenue in the Bahamas has released a number of general and industry specific value added tax (VAT) guides to the public. These include the [Bahamas General VAT Guide](#), [Transitional Arrangements](#), guidance on [Insurance Services](#), [Construction](#), [Retail & Wholesale Sectors](#), [Cash Accounting & Flat Rate Schemes](#) and [Transportation of Goods & Passengers](#). The purpose of the guides is to provide additional clarity on the updates to the *VAT Act* and outline the transitional provisions.

In terms of transitional provisions, the guidance notes provide that where a contract is entered into before 1 July 2018 but the supply of goods or services happens after this date, the higher rate of VAT (i.e., at 12%) would apply. If the contract is entered into prior to 1 July 2018 and the supply of goods or services is now exempt or subject to the zero rate under the new provisions, then a refund or reduction in the VAT payable is due to the customer.

The Department also released detailed guidance notes for specific industries as noted above.

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