



VAT Policy Corner

Policy 2 - VAT and Public Entertainment

The following forms the guiding principle with respect to the registration of promoters of public entertainment:

Under section 11 (8) of the Value-Added Tax Act, "...., a promoter of public entertainment, and licensees and proprietors of places of public entertainment are required to apply for registration **before** they begin making supplies in connection with the **first** public entertainment promoted by them."

Section 2 of the Act defines a promoter of public entertainment as "a person who arranges the staging of public entertainment"

Public entertainment is defined as "any musical entertainment, sporting event, theatrical performance, comedy show, dance show, circus show, any show connected with a festival or any similar show to which the public is invited,..."

For VAT purposes, public entertainment is construed to mean "live" musical entertainment by bands, singers etc.; sporting events such as boxing, cricket, football, horse racing and motor racing; theatrical performances, comedy shows, dance performances and any other similar show to which the public is invited.

Therefore, Bar-B-Ques, limes, fairs or dances with sound systems and disc jockeys playing records are not considered public entertainment for the purpose of VAT.

Hence, the promoter of such events will not be required to register for VAT unless the event is held in connection with some form of live musical entertainment.

Further, organizers who are not considered promoters of public entertainment will be issued with letters indicating that the event being held does not require registration for VAT.

Additionally, promoters of public entertainment who are registered will also be issued with correspondence from the VAT Department in respect of each promotion, indicating that the department is aware of the event and arrangements are in place to recover VAT due.

Promoters are required to present the letter in addition to their VAT Registration Certificate to the Police, as proof of the VAT Department's awareness of the event to be held. Organizers not required to register for VAT must present their letters indicating this, to the police.

Persons who still have queries with respect to VAT are encouraged to write the Commissioner, VAT and Excise Tax Department, 210'E' Albert and Charlotte Streets, Bourda for clarification.