



VAT POLICY CORNER

POLICY 20- VAT and Sports

This policy forms the guiding principle as it relates to zero-rated items which may be used within the sports sector.

Under the Value-Added Tax Act of 2005, Schedule I provides a list of the goods and services which attract VAT at the rate of zero- percent (0%).

The following items are zero-rated under Schedule I:

- A supply of **sports gear or sports equipment** qualifying for exemption from Custom duties under the First Schedule to the Customs Act.
- The supply of a **cup, medal, shield or similar trophy**, imported for the purpose of bestowal as an honorary distinction or prize, and either won abroad or awarded by a donor resident abroad. It be must noted that the above mentioned items must be shown to the satisfaction of the Commissioner-General;
 - ✓ **not to be for of a general utility,**
 - ✓ **not bearing any advertisement,**
 - ✓ **not imported or stocked for purpose of trade.**
- A passenger vehicle as shown to the satisfaction of the Commissioner-General to have been won abroad, or bestowed as an honorary prize to a sports personality.

With respect to the above provisions, a written request for the zero-rating of sports gear, sports equipment, cups, medals, shield, other trophies, etc. from VAT must be made to the Commissioner-General and an invoice of the items to be imported must also be attached. Additionally, a recommendation from the Ministry of Culture Youth and Sports is required before consideration for the request for zero-rating is granted. The above zero-rated concessions are only available to sports organizations and individuals who satisfy the above provisions.

Please be advised that registered companies which supply the above listed items are required to charge VAT at a standard rate of 16%. It is only after written approval from the Commissioner-General is granted that the item(s) will be zero-rated.

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