



## VAT Policy Corner

### VAT Policy 29 -Going Concern

There are a number of supplies which are zero rated by virtue of Schedule 1 of the Value Added Tax (VAT) Act. The Guyana Revenue Authority (GRA) continues to simplify issues pertaining to VAT in order to educate and assist taxpayers. This policy therefore sets the standard procedure regarding what is considered *going concern* and VAT.

Schedule 1 paragraph (n) of the VAT Act states that “a supply by *a registered person* to another *registered person* of a taxable activity, or part of a taxable activity, as a going concern is zero rated.

Therefore, where a *registered person* sells a business or part of a business which is in operation with all the goods and services of that business intact to another registered person who intends to continue operation of the said business, then the sale is classified as a *going concern* and is considered zero rated provided:-

1. A notice in writing signed by the transferor and transferee is furnished to the Commissioner within fifteen days after the sale took place.
2. The notice must include details of the supply.

Section 4 (3) of the VAT Act states “a transfer of a taxable activity or part of a taxable activity capable of separate operation is disposed of *as a going concern* where all the goods and services necessary for the continued operation of that taxable activity or that part of a taxable activity up to the time of its transfer to the transferee; and the transferor carries on, or is carrying on, that taxable activity or that part of a taxable activity up to the time of its transfer to the transferee.

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.