

GST 304

GENERAL SALES TAX

G S T

GUIDE TO

REGISTRATION



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INTRODUCTION

This registration booklet is aimed:

- At making all persons in business aware of their eligibility of registration for the General Sales Tax
- At informing the person once registered for GST.
- At indicating whether or not a person is required to apply for registration
- How to complete the Application for Registration form (GST 100) and its supplementary (GST 101).

The GST Act 2005, Division 3, Section 22 explains in further detail all aspects of registration for the General Sales Tax.

At the back of this booklet is an Application for Registration Form (GST 100) with instructions on how to complete it.

If you need more information please contact the Department of General Sales Tax at:

So call us 222-5574/5579

or fax us 222-5513

or write us Department of General Sales Tax
P.O. Box 1887
Administration Building
Mahogany Street
Belize City

Email: salestaxoffice@stx.gov.bz

Or visit our website at: gst@gov.bz

1. Who Is Required To Be Registered?

Any person who on or after the appointed day:

- 1) meets or exceeds the registration limit where on the last day of any month during the period of twelve months ending on that day, the value of supplies made by the person was \$75,000 dollars or more
- 2) there are reasonable grounds for believing that the value of the person's supplies during the period of twelve months starting with the first day of that month will be \$75,000 dollars or more
- 3) on the last day of any month, there are reasonable grounds for believing that the value of the person's supplies during the period of twelve months starting on the first day of the following month will be \$75,000 dollars.
- 4) where a person has been carrying on a business during the period of twelve months and during the lesser period, the average monthly value of the person's taxable supplies was six thousand two hundred dollars or more

It should be noted that every promoter of public entertainment and every licensee or proprietor of places of public entertainment must be registered even if their annual gross sales/receipts are less than \$75,000.00 or monthly sales/receipts average \$6,200.00.

A promoter of public entertainment is a person who arranges the staging of entertainment to which the general public is invited but does not include entertainment organized by:

- (i) an approved educational institution; or
- (ii) the board of management or a parent – teacher association of an approved education institution;
- (iii) a person who provides entertainment on a daily or weekly basis;
- (iv) or
- (v) a church registered under the Charities Act..

For GST purposes it is not the business activity which is registered, but the person who conducts it. The registration covers all the business activities of that person.

If the person conducting the taxable activity is an organization (i.e., not an individual), it is the organization that must apply for registration. The individual partners or members do not register. The registration of a partnership, trustees of a trust or estate is in the name of the partnership, trust or estate respectively.

Voluntary Registration

A person who is not liable to be registered under Section 25 of the General Sales Tax Act, due to the taxable turnover being below the threshold may apply for voluntary registration.

However, before applying the person must determine whether he is carrying on or intends to carry on a business and makes or intends to make supplies that would be taxable if he were registered and the Commissioner is satisfied that 80% or more of the supplies will be made to taxable persons.

Once registered output tax (tax on sales) will have to be accounted for on all taxable supplies. Also, input tax credit (tax on purchases) can only be claimed on those purchases that are directly attributable to taxable supplies. Additionally, monthly GST Returns will have to be filed and proper books and records need to be kept to facilitate audit inspections by GST Officers.

To apply for voluntary registration please fill out form GST 102 (see sample at back of booklet) along with the Application for Registration GST100 explaining the nature of your business, why the need for registration and the date from which registration is required. If unable to give a date from which taxable supplies will commence please explain why.

Registering Before Making Taxable Supplies

If taxable supplies are not yet being made, but a business activity has been commenced which intends to make taxable supplies, application for registration may be made from a specific date before starting to make supplies.

However, the Commissioner has to be satisfied that there is a firm intention to make taxable supplies by way of business. Thus, on completing and submitting the Application for Registration Form, written evidence must be sent to the Department showing that arrangements have been made to make supplies. This evidence can include details of proposed contracts, of stock on hand and purchase of capital assets etc.

Make sure to enclose a letter with the application form giving the date from which registration is required. If unable to give a specific date as to when taxable supplies will commence, a written explanation should be given.

Who Is A Person?

For purposes of GST, "Person" means:-

An individual

A legal person

A government entity

A company
A partnership
A joint venture
A trustee in a trust or estate
Other unincorporated body

What Is A Taxable Supply?

Taxable supply means a supply of goods or services made in the course or furtherance of a taxable activity and includes zero-rated supplies but not exempt supplies

Additionally, it is a supply of goods or services if the supply:

- a) is made in Belize
- b) by a taxable person;
- c) in the course or furtherance of a business carried on by that person; and
- d) is not an exempt supply

Where a registered person ceases to carry on a business, or ceases to be registered but continues to carry on business, the person shall at that time have made a taxable supply of goods or services, but only if the person was allowed an input tax credit in respect of the acquisition or importation of those goods or services, or in respect of the acquisition of goods or services which have been used to produce those goods or services.

What Is A Business?

For GST purposes, “business” has a very wide meaning and can include activities on which no profit is made.

Business includes a profession, vocation, trade, manufacture or undertaking of any kind whatsoever and an adventure or concern in the nature of trade but does not include an office or employment.

The GST Act Part 1 Section 3 defines what constitute a business and the following are examples of business transactions

- the facilities of a club etc
- admission to premises
- a trade, profession or vocation

Business transactions which are liable to GST are called taxable supplies. Those which are not liable to GST are called exempt supplies.

Rates of GST

The rate of GST applicable to a taxable supply or importation is:

- a) if the supply or import is zero-rated under the First Schedule, the Second Schedule or the Third Schedule, 0%; or
- b) in any other case, 10%

What Are Exempt Supplies?

Exempt supplies are business transaction on which GST is not chargeable at either the standard or zero-rate. Exempt supplies are not taxable supplies and do not form part of the taxable turnover.

If the business makes only exempt supplies it is not required to register for GST.

A person registered for GST and making some exempt supplies is considered partially exempt and will not be able to get back all the input tax because the GST paid for producing exempt supplies cannot be claimed back..

Exempt supplies are listed in the Fourth and Fifth Schedule of the GST Act. These include:-

- Rents and leases of residential property
- Water and Sewerage
- Financial Services

How Do I Work Out My Taxable Turnover?

The taxable turnover can be calculated based on the following scenarios:

A person needs to register if during the period of twelve months ending on that day, the value of supplies made by the person was \$75,000.00.

A person needs to register if it is believed that the value of the supplies during the period of twelve months starting with the first day of that month will be \$75,000 or more.

How Do I Register?

To register an Application for Registration Form (GST 100 and GST 101) needs to be filled out. This form can be obtained from any local GST Office. If applying on behalf of a partnership or limited company the form GST101 needs to be filled out.

The completed form(s), with any extra information asked should be sent to the nearest GST Office. The Application form for Registration should be sent in promptly as failure to notify the Department of eligibility for registration may result in accounting for tax which was not collected, payment of a fine of not less than \$10,000 or 2 years imprisonment or both.

When do I get my Registration Number?

Having completed and submitted the Application form for registration the Department of GST will verify and approve all the details on the form. After which, a registration confirmation

package will follow. This will include a notice of registration stating the Tax Identification Number, the effective date of Registration, the Registration Certificate (s) etc.

All registered persons will be required to display prominently the Registration Certificate in their place of business. This Registration Certificate will be hand delivered by an officer of the Department of GST when the registration confirmation package is delivered. This visit will be an education visit.

Confirmation of registration by the Department of GST will be done in writing within two weeks of receiving the Application for Registration. If a reply is not received please contact the office to ensure that the Form was received.

Obligations Of The registered Person

A registered person has certain obligations, these include:

- displaying the Certificate of Registration in a prominent place at each location where business is conducted
- keeping proper books and records
- accounting for GST on taxable supplies made and received
- completing GST Returns and paying any tax owing by due date
- supplying tax invoices or sales receipts
- accounting for GST on any assets kept from a taxable activity upon ceasing to be registered
- Inform the Department within seven days, using Form GST 109 of any changes. These can consist of:
 - a) the accuracy of the particulars provided on the application
 - b) the business closing down; or
 - c) any other matter that the Commissioner should know about.

Other notification of changes which should be reported within twenty one days are:

- a) the death of the registered person
- b) becomes bankrupt
- c) goes into liquidation or receivership; or
- d) becomes a party to an amalgamation

Failing to fulfill these obligations could result in additional tax and/or penalties being imposed.

Other Documentation Required For GST Registration

When you apply for GST registration, to prevent delay, it is necessary to submit copies of the relevant documents mentioned below with the Application for Registration form to the Department of GST.

Company

For a company, copies of the complete incorporation documents of when the company was incorporated need to be submitted.

Sole Trader

Where a sole trader has a registered business name, a copy of the Business Names Certificate should be submitted.

Partnerships

For a partnership, a copy of the Business Names Certificate should be forwarded to the Department.

Joint Venture

Where there is a joint venture agreement, a copy of the joint venture agreement must be supplied.

Before Returning Your Application Form Please Ensure That You Have Completed:

All the sections of the Application for Registration form (GST100)

The declaration

The GST 101 form, if the application is for a company, partnership, joint venture, trust/estate or unincorporated body that has more than two (2) officers.

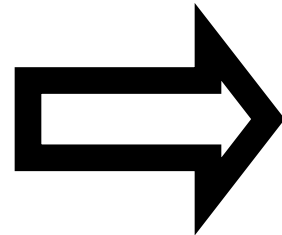
Signed the form (GST 100)

PART TWO

This section illustrates samples of the registration form (GST100) and its attachment (GST101) along with the notes on how to complete these forms.

HOW TO COMPLETE The APPLICATION FOR REGISTRATION FORM - GST 100

**This part of the Guide explains
how to complete these forms.**



**Please enter details in
BLOCK LETTERS when
completing your forms.**

Please complete each section of the GST 100 Form by printing or typing. If a line does not apply, enter N/A.

Instructions on Filling out the GST 100:

Line 1: Tax Identification Number (TIN)

Enter your taxpayer identification. Note if you are registered for Business Tax you will already have a TIN. Otherwise, the Department will assign one to you after your application has been verified

Line 2: Name of Taxpayer

Enter the name of the owner of the business. Give your title (e.g. Mr.) followed by the first, middle and surname.

Line 3: Trade Name

Enter the name under which the business operates if different from that in (2) above.

Line 4: Address

Enter the full street address of the business. If the place of business property is not numbered please give the name of the building. Do not use Post Office box numbers in this section.

Line 5: Mailing Address

Complete this section if you prefer your GST returns and other correspondence to be sent to an address different from that shown in (4) above.

Line 6: Telephone Number

Enter the telephone number at which the Department can reach you during working hours.

Line 7: Fax Number (s)

Enter the fax number at which correspondences may be faxed to you.

Line 8: Email Address

Enter the email address at which the Department can reach you.

Line 9: Representative

Enter the name of one of the following persons:

- (a) the Financial Controller or the designated officer in the case of a company (other than a company in liquidation).
- (b) any member of the committee of management in the case of an unincorporated association or body.
- (c) any person responsible for accounting for the receipt and payment of money or funds on behalf of the company in any other case;
- (d) the liquidator in the case of a company liquidation;
- (e) any partner in the case of a partnership;
- (f) any trustee in the case of a trust; or
- (g) any person controlling the non-resident's affairs in Belize, including any manager of a taxable activity of the non-resident in Belize.

Line 10: Position

The title of the person who has signed as the representative.

Line 11: Primary Business Activity

If more than one business activity is being conducted, enter the one which has the highest gross sales and the total gross sales for this primary business activity. When entering the business activity be specific. For example, if you are mainly a manufacturer state what type: manufacturer of furniture, juices etc.

Line12: Date Taxable Activity Commenced.

Enter the date your taxable activities started.

Line 13: Value of Taxable Supplies excluding Capital Goods

This is the value of your taxable supplies for the 12-month period immediately preceding the date of your application for GST registration. If your business has been in operation for less than a year, state your total taxable supplies up to the month immediately preceding your application for GST registration.

Line 14: Status of Business

Place an (X) in the applicable box to identify whether you are a sole trader, company, joint venture, partnership, or other type of organization. If the application is for a company, joint venture, partnership or other association enter the Registration Number allocated by Registrar below the applicable box.

Line 15: Please tick as appropriate

Do you expect your taxable supplies for the next 12 months to exceed \$75,000?

Answer **Yes** if you are currently above the threshold or, if you are not currently above the threshold but you are likely to surpass \$75,000 in taxable supplies in the next 12 months.

Do you make zero-rated and/or exempt supplies?

Answer **Yes** if this is so

Are you below the registration threshold but still wish to be registered?

The Commissioner of GST may register a person who is below the threshold. Registration is not guaranteed.

Give value of taxable supplies in the 12 months preceding this application.

Fill in the dollar value for this amount; this includes receipts from activities such as sales of goods, services, private use of private stock etc.

Do you carry out taxable activities in more than one location?

If you carry on taxable activities in more than one location answer **Yes** and attach a list detailing the name and physical address (location) of each. A registration certificate will be prepared for each location where you conduct your taxable activities.

Are you a major exporter?

Enter **Yes** if at least 50% of your sales are to the export market (i.e. exported from Belize).

Are you and importer?

Answer Yes if this is so.

Line 16: Registration details

These are the boxes where the details of the person or persons legally involved in the operation of the business are shown. In the case of a corporation, enter the data for each of the directors of the corporation. In the case of a partnership, enter the data for each of the partners. In the case of a joint venture, enter the data for each of the investors in the venture. In the case of a trust, enter the data for each of the trustees. In the case of any other unincorporated body, enter the data for the person who holds office as chairman, president, treasurer or secretary of the body. If there is insufficient space in box 19 for all the names and data, complete form GST 101, continuation sheet for registration details.

Line 17: Declaration

In the line provided, enter your full name in block letters. On the signature block, sign as you usually would with your full name. Enter your title and the date you completed the form.

Who Must Complete the GST 101?

This form is to be completed and returned with the Application for Registration form (GST 100) in all cases where the person applying for registration is a:

- Company
- Partnership
- Joint venture
- Trust/Estate
- Unincorporated Body

And the GST 100 form does not have sufficient space for all the officers' to sign.

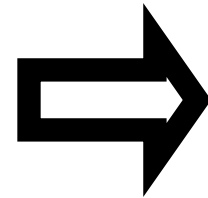
What Information Is To Be Shown On The GST 101?

Full name and address as set out below.
Each member listed is to sign and date the entry.

Nature of Organization	Members to be Entered
Partnership	all partners
Joint Venture	all joint venturers
Trust/Estate	all trustees/executors
Unincorporated body (e.g. club, charity or society)	all executive committee members

SAMPLE OF The GST FORM - GST 101

**See copy of this form showing
registration details of partnership,
joint ventures and other
unincorporated bodies.**



**Please enter details in
BLOCK LETTERS when
completing the form.**

Assistance with GST Registration or other GST matters is freely available.

Call us at: 222-5574/79

Fax us at: 222-5513

Email: salestaxoffice@stx.gov.bz

Website: gst@gov.bz