

VAT RULE

2015-008 - Public Entertainment

A. Authority

This Rule is made under section 17 of the Value Added Act, 2014.

B. Legislation

All legislative references are to the Value Added Tax Act, 2014 and/or the Value Added Tax Regulations 2014, unless otherwise stated.

C. This Rule applies in respect of:

Value Added Tax Act, 2014 Sections 2, 19 & 22

D. Application of Rule

This Rule is for the purpose of determining whether a public entertainment activity will be subject to VAT and to define who qualifies as a Promoter of Public Entertainment.

This Rule applies to persons who provide entertainment occasionally and does not carry out such activities on a daily or weekly or continuously.

The purpose of this Rule is to provide guidance on registration of public entertainment activity for VAT and is to be used when a taxpayer requests permission to host a public entertainment activity as defined by the VAT Act

For the purpose of this Rule

- A promoter includes non-profit organizations, religious organizations, and Charites.
- Public Entertainment includes sporting events, cultural events, dinner parties and balls.

E. Comptroller's Rule

1. Every taxpayer wishing to conduct a public entertainment activity must apply to the VAT Comptroller for registration.
2. Persons who engage in public entertainment activities on a regular and continuous basis shall apply for VAT registration subject to a threshold of \$50,000 per annum.
 - a. Such persons shall be registered once and may be required to notify the Comptroller each time an event is being held
 - b. Such persons will file a VAT Return regularly and continuously in accordance with Section 47(1) of the Act.
3. Persons who engage in public entertainment activities as a one-off and sporadic venture shall apply for a Tax Identification Number before advertising and conducting the activity and if approved shall be registered once.
 - a. Such persons shall register each event with the VAT Department at least 48 hours before the event is advertised.
 - b. Such persons shall submit a Notification of a Public Entertainment Activity to register each activity and receive approval before it is advertised.
 - c. Such persons shall file a VAT Return 14 calendar days following the completion of the activity
4. In the case of an occasional Promoter of Public Entertainment, where relevant, the promoter should:
 - a. Indicate the number of tickets printed and capacity of the venue for the event.
 - b. Specify the price and classification of tickets available (i.e. VIP, General Admission, Backstage, etc.)
 - c. Specify the number of promotional tickets to be issued for no consideration or less consideration than the market value.
 - d. Supply information of past revenue, if any, generated by the promoter from similar previous public entertainment events.
 - e. Provide an estimate on total revenue expected from the public event.
5. Security must be paid prior to the conduct of the public entertainment activity, as prescribed in the VAT Rule – 2015-006 – Requirement for Security.

F. The period for which this Rule applies

This Rule shall apply for the period beginning on January 1st, 2015 until it is withdrawn or replaced.

G. Approval and Coming into Force

Approved by The VAT Comptroller

Date