



# Ministry Of Finance

## VAT Department

### VAT RULE 2015-008

### Public Entertainment



## **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 under the rules governing VAT Registration.
  - a. Such persons shall be registered once and do not have 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 registration before 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 held
  - c. Such persons shall file a VAT Return 5 calendar days following the completion of the activity
- 4.** In the case of an occasional Promoter of Public Entertainment, where relevant, the promoter should:
  - i) Indicate the number of tickets printed and capacity of the venue for the event.
  - ii) Specify the price and classification of tickets available (i.e. VIP, General Admission, Backstage, etc.)
  - iii) Specify the number of promotional tickets to be issued for no consideration or less consideration than the market value.



- iv) Supply information of past revenue, if any, generated by the promoter from similar previous public entertainment events.
  - v) Provide an estimate on expected revenue 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 1<sup>st</sup>, 2015 until it is withdrawn or replaced.

