



**REPUBLIC OF VANUATU**

**VALUE ADDED TAX (AMENDMENT)  
ACT NO. 2 OF 2019**

**Arrangement of Sections**

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# REPUBLIC OF VANUATU

**Assent:** 24/06/2019  
**Commencement:** 24/06/2019

## VALUE ADDED TAX (AMENDMENT) ACT NO. 2 OF 2019

An Act to amend the Value Added Tax Act [CAP 247].

Be it enacted by the President and Parliament as follows-

### **1 Amendment**

The Value Added Tax Act [CAP 247] is amended as set out in the Schedule.

### **2 Commencement**

- (1) Subject to subsections (2) and (3), this Act commences on 1 January 2020.
- (2) Items 22 and 24 are taken to have commenced on 1 January 2018.
- (3) Items 1 (definition of “recyclable materials”), 6, 7, 8 (definition of “Resident of Vanuatu”), 10, 13, 14, 23, 25, 32, 35, 36, 37 and 38 commence on the day on which this Act is published in the Gazette.

## SCHEDULE

### AMENDMENTS OF VALUE ADDED TAX ACT [CAP 247]

#### **1 Subsection 2(1)**

Insert in their correct alphabetical positions:

““approved form” has the same meaning as under the Tax Administration Act No. 37 of 2018;

“recyclable materials” includes:

- (a) raw or processed materials that can be reprocessed into products, materials or substances whether for the original or other purposes; and
- (b) scrap metal;”

#### **2 Subsection 2(1) (definition of “associated person”)**

Repeal the definition, substitute

““associate” has the same meaning as in the Tax Administration Act No. 37 of 2018;”

#### **3 Subsection 2(1) (definition of “Department”)**

Repeal the definition, substitute

““Department” means the Department of Customs and Inland Revenue;”

#### **4 Subsection 2(1) (definition of “Director”)**

Repeal the definition, substitute

““Director” means the Director of the Department of Customs and Inland Revenue;”

#### **5 Subsection 2(1) (definition of “person”)**

Repeal the definition, substitute

““person” has the same meaning as in the Tax Administration Act No. 37 of 2018;”

#### **6 Subsection 2(1) (definition of “scrap metal”)**

Delete “, but does not include aluminium beverage containers”

#### **7 Subsection 2(1) (definition of “second hand goods”)**

Delete “scrap metal.”, substitute “recyclable materials;”

**8 Subsection 2(1) (definitions of “prescribed form”, “relative”, “resident of Vanuatu”, “tax file number” and “Tribunal”)**

Repeal the definitions.

**9 Subsection 2(1) (definitions of “unconditional gift” and “open market value”)**

Delete “associated persons”, substitute “associates”

**10 After section 2**

Insert

**“2A. Definition of resident of Vanuatu**

(1) For the purposes of this Act:

“resident of Vanuatu” means a resident individual, resident company, resident professional partnership, resident estate, the Government, or a public authority;

(2) For the purposes of subsection (1):

“resident company” means a company that:

- (a) is incorporated, registered, or otherwise created in Vanuatu; or
- (b) is managed and controlled in Vanuatu;

“resident estate” means the estate of an individual who was a resident individual at the time of death;

“resident professional partnership” means a partnership that:

- (a) is formed in Vanuatu; or
- (b) is managed and controlled in Vanuatu;

(3) For the purposes of subsection (2), “resident individual” means an individual who:

- (a) has his or her home in Vanuatu during the year; or
- (b) is present in Vanuatu for a period of, or periods amounting in aggregate to, 183 days in any 12 months period commencing or ending in the calendar year; or

- (c) is a citizen of Vanuatu who is an officer or employee of the Government or a public authority.
- (3) In addition to subsection (2):
- (a) an individual who:
    - (i) is a resident individual for the current calendar year; and
    - (ii) was not a resident individual for the preceding calendar year,

is a resident individual in the current calendar year only for the period commencing on the day on which the individual was first present in Vanuatu; and
  - (b) an individual who:
    - (i) is a resident individual for the current calendar year; and
    - (ii) who is not a resident individual for the following calendar year,

is treated as a resident individual in the calendar year only for the period ending on the last day on which the individual was present in Vanuatu.”

**11 Subsections 3(10) and 3(11)**

Delete “associated person”, substitute “associate”

**12 Subsection 6(2)**

Delete “associated persons”, substitute “associates”

**13 Subsection 7(1)**

- (a) Delete “resident in Vanuatu”, substitute “a resident of Vanuatu or is a non-resident carrying on business in Vanuatu through a fixed place of business”
- (b) Delete “not resident of Vanuatu” substitute “a non-resident of Vanuatu that is not carrying on business in Vanuatu through a fixed place of business”

**14 Subsection 7(2)**

Delete “not resident in Vanuatu” substitute “a non-resident of Vanuatu that is not carrying on business in Vanuatu through a fixed place of business”

**15 Subsections 12(3), 12(4), 16(1), 16(2), 17(1), 21(3), 21(6) and 22(3)**

Delete “prescribed”, substitute “approved”

**16 Subsection 12(5A)**

Delete “form prescribed by the Director”, substitute “approved form”

**17 Subsections 16(3), 16(4), 54(2), 54(3), and 54(4)**

Repeal the subsections.

**18 Subsection 18(4)**

Delete “refunded by the Director to the registered person under section 41”, substitute “applied in accordance with subsection 45(5) of the Tax Administration Act No. 37 of 2018”

**19 Section 19 (heading)**

Delete “refund due”, substitute “negative amount of”

**20 Subsection 19(1)**

Delete “refund due to”, substitute “negative amount of”

**21 Subsection 19(2)**

Delete “refund”, substitute “negative amount”

**22 Paragraph 19(4)(c)**

Delete “one-ninth of the consideration in money for all supplies of second-hand goods to the registered person”, substitute “the consideration in money for all supplies of second-hand goods to the registered person divided by 7.6667”

**23 Subparagraph 19(4)(c)(iv)**

Delete “not resident in Vanuatu” substitute “a non-resident of Vanuatu carrying on business in Vanuatu through a fixed place of business”

**24 Paragraph 19(4)(e)**

Delete “one-ninth of any payments made during the taxable period by the registered person to indemnify another person under a contract of insurance”, substitute “the amount of any payment made during the taxable period by the registered person to indemnify another person under a contract of insurance divided by 7.6667”

**25 Subparagraph 19(4)(e)(iii)**

Delete “nor resident in Vanuatu” substitute “, a resident of Vanuatu or a non-resident of Vanuatu carrying on business in Vanuatu through a fixed place of business”

**26 Subparagraph 19(7)(c)(i)**

Delete “associated persons”, substitute “associates”

**27 Paragraph 19(10)(b)**

Delete “a refund due to the registered person”, substitute “applied”

**28 Section 20**

Repeal the section, substitute

**“20. Payment of tax**

A registered person must pay any tax payable calculated under section 19 for a taxable period by the day on which the return must be filed for the period.”

**29 Paragraph 23(1)(e)**

Delete “prescribed”, substitute “approved”

**30 Parts 5, 6, 7, 10 and 12**

Repeal the Parts.

**31 Sections 41A, 43, 44, 46, 48, 49, 56, 57 and 58**

Repeal the sections.

**32 Paragraph 47(6)(a)**

Delete “not resident in Vanuatu” substitute “a non-resident of Vanuatu or a non-resident carrying on business in Vanuatu through a fixed place of business”

**33 Subsection 54(1)**

Repeal the subsection, substitute

- “(1) A registered person must keep such records as are necessary to:
- (a) enable the calculation of the tax payable (including a nil amount) by, or a negative amount of, the person for a taxable period; and
  - (b) provide evidence of exempt or zero-rated supplies made by the person during a taxable period.”

**34 Section 72**

Delete “prescribed”, substitute “approved”

**35 Schedule 1 –Clause 9A**

Repeal the clause.

**36 Schedule 2**

Repeal the Schedule, substitute

**“SCHEDULE 2**

**Exempt Importations**

Goods admitted free of VAT under Parts 2(A), 2(B), and 3 of Schedule 1 to the Import Duties (Consolidation) Act [CAP 91].”

**37 Schedule 3 – Clause 5**

Delete all the words from and including “Any supply of services” to and including “performed.”, substitute:

“Any supply of services to a person:

- (a) who is a non-resident of Vanuatu carrying on business in Vanuatu through a fixed place of business; and
- (b) who is outside Vanuatu at the time the services are performed.

**38 Schedule 3 – Subclause 12(a)**

Delete “not resident in Vanuatu” substitute “a non-resident of Vanuatu carrying on business in Vanuatu through a fixed place of business”