



# POST-MOU MONITORING REPORT

## BACKGROUND

This monitoring report represents the fourth in a series of updates on the issues raised in the GOJ/PSOJ consultations which are reflected in the Memorandum of Understanding between the Government of Jamaica (GOJ) and the Private Sector Organization of Jamaica (PSOJ) which incorporates Appendix A of the MOU - the “timeframes” document - **GOJ/PSOJ Consultations on Obstacles to Doing Business.**



The report is prepared by the Ministry of Industry, Commerce and Technology in accordance with the expectation of adherence to the timeframes indicated for the issues to be addressed.

**MAY 2000**



|   | <b>ISSUE – STATUS AND TIMEFRAME FOR REVIEW/UPDATE</b>   |
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| 7 | <p><b><u>THE GENERAL CONSUMPTION TAX:</u></b></p> <p>A high level Committee was established to review the General Consumption Regulations (in particular Regulation 10). The initial report of the Committee is as follows:</p> <p><b><u>GCT ON CAPITAL GOODS</u></b></p> <p>The regulations will be amended to provide that machinery or equipment acquired by a registered taxpayer for use directly in the manufacturing of goods, subject to tax, be entitled to claim input tax credit at the end of the taxable period in which such input tax was charged.</p> |

|  | <b>ISSUE – STATUS AND TIMEFRAME FOR REVIEW/UPDATE</b>  |
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|  | <p data-bbox="247 342 884 375"><b><u>GENERAL CONSUMPTION TAX PROVISIONS</u></b></p> <p data-bbox="247 440 751 472">The act will be amended to provide:</p> <ul data-bbox="247 513 1818 1019" style="list-style-type: none"><li data-bbox="247 513 1556 545"><b>(a)</b> That G.C.T. will be payable by persons <u>liable to be registered as registered taxpayers</u>.</li><li data-bbox="247 586 1818 691"><b>(b)</b> That where a person is force registered under section 28, the Commissioner will have the authority to improve such obligations and liabilities on that person as would have applied had that person been registered on the date required in the ACT.</li><li data-bbox="247 732 1818 911"><b>(c)</b> That where a person who was liable to be registered and failed to do so, the Commissioner may make an assessment of the amount that in his opinion the person ought to have paid while not registered as a registered taxpayer, based on the tax calculated as included in the consideration received, or receivable on taxable supplies from the date the person should have been registered as a registered taxpayer less any input tax paid or payable by him, on supplies used in making the taxable supplies.</li><li data-bbox="247 951 1818 1019"><b>(d)</b> That failure to register within the time specified in the act will be considered and treated as a serious offence under the ACT.</li></ul> <p data-bbox="247 1060 1818 1128">On summary convictions in a Resident Magistrate Court, the defaulting person would be subject to a fine not exceeding:</p> <ul data-bbox="247 1169 1818 1347" style="list-style-type: none"><li data-bbox="247 1169 1493 1201"><b>(i)</b> In the case of an individual to a penalty of Five Thousand Dollars (J\$5,000.00); or</li><li data-bbox="247 1242 1818 1347"><b>(ii)</b> In the case of a corporate body to a penalty of Ten Thousand Dollars (J\$10,000.00) and Interest at the rate of two and a half percent (2½%) per month or part thereof on the amount of tax assessed for the period of non-registration.</li></ul> |
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|    | <b>ISSUE – STATUS AND TIMEFRAME FOR REVIEW/UPDATE</b>   |
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|    | <p><b><u>PROPOSALS MADE BY THE PLANNING INSTITUTE OF JAMAICA</u></b></p> <p><b>1. Replacing the term “Registered Taxpayer”</b></p> <p>Consideration will be given to replacing the term “registered taxpayer” where it occurs in the current legislation with the term “<b>REGISTRANT</b>”.</p> <p><b>2. Tax on Services rendered by Non Residents</b></p> <p>The ACT will be amended to provide that the recipient of service rendered in Jamaica by non-residents will be required to withhold tax and account for G.C.T. on the services acquired.</p> |
| 20 | <p><b><u>THE SHIPPING INDUSTRY:</u></b></p> <p><b>Maritime Services IAC:</b> The Maritime Services Industry Advisory Council (IAC) made contact with the PSOJ regarding the participation of a representative from that Organization in the work of the Council. Mrs. Pauline Gray, Executive Director of the Jamaica Exporters’ Association (JEA) has agreed to be the PSOJ’s representative on this IAC.</p>  |