

Ministry: VAT bond applications now open

VALUE Added Tax (VAT) registrants owed more than \$250,000 can now apply for the payment of outstanding VAT refunds through VAT bonds, the Ministry of Finance announced.

'The BIR further advises that the VAT bonds would be issued on a first-come, first-serve basis with an effective date of January 31, 2025 and a tenor of three years,' it stated.

'Interest would accrue from the effective date at a fixed rate of 4.01% per annum. A six month moratorium, commencing from the date of issue, will be imposed on the encashment/ transferability of the bonds for companies operating within the energy sector that are zero-rated,' the release stated.

The Finance Ministry stated that only applicants owed refunds in excess of \$250,000.00 would be eligible to receive VAT bonds. Refunds of \$250,000.00 or less will be paid in cash.

Finance Minister Colm Imbert on Sunday took to his X account and said up to Friday, 6,767 VAT cheques totalling \$558 million had been printed.

He said by the end of next week, VAT refunds in cash for January 2025 would be close to \$1 billion.

Imbert said VAT bonds will total \$3 billion. **On-hand information**

Application Forms can be accessed by VAT registrants on the Inland Revenue Division's (IRD) website.

'Prior to completion of the form, the VAT registrant would be required to have on hand the following information: VAT Account Number, BIR File Number and Letter ID Number. (This number can be obtained from any letter issued by the IRD over the last (12) months). Additionally, the VAT registrant must also indicate on the application the period/s for which the bond payments are requested, as well as the name, account type and account number of his/her financial institution. Please note that this is a requirement of the Central Bank of Trinidad and Tobago to facilitate the deposit of interest payments into accounts,' it stated.

'It is to be further noted that the Division's usual criteria will continue to apply in processing these applications. This means that at the time of the request, the VAT registrant must ensure that all VAT returns are filed, liabilities have been cleared for all tax types, and the applications relate to VAT filing periods

that are prior to the year 2025.

'Moreover, any liabilities that remain outstanding, at this time, would be deducted from the amount due before the bonds are issued,' the Finance Ministry stated.

The Finance Ministry said a single bond will be issued for each VAT period for which a refund is applicable. These bonds will be rounded down to the nearest thousand dollar figure, and any remaining balance will be issued via cheques, it stated.

'In order to process and issue the VAT bonds, VAT registrants are requested to complete the application by no later than 12 pm on February 3, 2025. This deadline would be extended, if necessary,' it stated.