

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY
OF THE GOVERNMENT OF ANGUILLA

Copy No.

MINUTES OF EXECUTIVE COUNCIL DECISION AGREED BY ROUND ROBIN

The following was approved by Round Robin on **Monday 26th June 2023**: -

EX MIN 23/207

EX MEMO 23/166 REMOVAL OF GST ON SPECIFIED FUEL PRODUCTS (GASOLINE, DIESEL, LPG)

The objective is to protect consumers from significant cost of living increases from the application of a single rate of GST generally to goods and services in the economy.

Gasoline, Diesel and LPG prices significantly affect the cost of living in Anguilla, in a country with a low rate of use of renewable/alternative energy sources.

The Ministry of Finance, the Inland Revenue Department and the Customs Department, previously conducted a review of the potential price changes due to the application of GST from July 1, 2023. This review highlighted concern about price increases on the main fuel products, which would effect essential items such as the costs of transportation, electricity and cooking.

To prevent significant increases in fuel prices, that would result from the application of GST on fuel products and amidst cost of living pressures, Executive Council approved a temporary removal of the application of GST on specified fuel products for a one-year period expiring June 30, 2023.

It is proposed to remove the sunset clause for the exemption from GST for LPG, Diesel and Gasoline, to continue to protect consumers from inflationary pressures.

Council:

- 1) noted that the annual revenue loss is estimated to be EC\$7.4 million, based on actual revenue losses since July 1, 2022;
- 2) noted that the proposed measure can be accommodated based on fiscal performance for 2023. As at May 31, 2023, revenue collections are EC\$60.3 million above estimate. The removal of GST has been factored into the draft updated 2024 - 2026 MTEFP;
- 3) noted that if in subsequent fiscal years, it is desirable to increase revenue collections from the importation of fuel products, an alternative to reapplying GST would be to alter the Excise Tax rate;
- 4) approved the permanent removal of the application of Goods and Services Tax on specified fuel products, Gasoline, LPG and Diesel; and
- 5) approved the Goods and Services Tax (Amendment) Act, 2023 to remove the sunset clause for the supply of fuel, specifically, Gasoline, Diesel and Liquid Propane Gas (Item 3 of Schedule 2) and instructed the Attorney General's Chambers to prepare same for tabling at the next sitting of the House of Assembly.

Council authorised the issue of the Action Sheet before confirmation of the Minutes.

Action: PS, FIN; PAS, FIN; COC; HON, AG; HON, PREM
