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**MINUTES OF A SPECIAL MEETING OF THE TWELFTH ANGUILLA**  
**EXECUTIVE COUNCIL HELD ON FRIDAY 12<sup>th</sup> MARCH 2021 AT 9.00 AM**

- PRESENT: Her Excellency the Governor, Ms Dileeni Daniel-Selvaratnam  
The Honourable Premier and Minister for Finance and Health,  
Dr Ellis Webster  
  
The Honourable Deputy Governor (Ag), Mr Merwyn F Rogers  
  
The Honourable Minister for Social Development, Cultural Affairs,  
Youth Affairs, Gender Affairs, Education and Library Services,  
Ms Dee-Ann Kentish-Rogers  
  
The Honourable Minister for Home Affairs, Immigration, Labour,  
Human Rights, Constitutional Affairs, Information and Broadcasting,  
Lands and Physical Planning, Mr Kenneth Hodge  
  
The Honourable Minister for Infrastructure, Communications,  
Utilities, Housing and Tourism, Mr Haydn Hughes  
  
The Honourable Minister for Economic Development, Commerce,  
Information Technology, Environment and Natural Resources,  
Mr Kyle Hodge  
  
The Honourable Attorney General, Mr Dwight Horsford  
  
Clerk to Executive Council, Mrs Angela Hughes
- IN ATTENDANCE: Hon Special Ministerial Assistant to the Hon Minister for Social  
Development/Education, Mr Merrick Richardson  
Financial Specialist, Mr Stephen Turnbull  
PS, Finance, Mrs Kathleen Rogers  
Comptroller of Inland Revenue (Ag), Mr Lonnie Hobson  
Tax Advisor, Mr Peter Harris
- ABSENT: The Honourable Deputy Governor, Mr Perin Bradley

Hon Parliamentary Secretary for Economic Development,  
Mrs Quincia Gumbs-Marie

EX MIN 21/108

**EX MEM 21/51 GST LEGISLATION 2021 AND WHITE PAPER -  
PRESENTATION OF THE KEY ISSUES**

Hon Special Ministerial Assistant to the Hon Minister for Social Development/ Education and Financial Specialist remained.

The Hon Premier briefed Council. To secure Anguilla's financial position it was determined that GST would be implemented in a phased approach. Phase 1 was implemented in 2019 and phases 2 and 3 would be merged, with an implementation date of January 2022, rather than the original date of January 2021, in order to generate target revenue of \$79.4M in 2022. It was projected that revenue of \$57.04M would be generated from existing taxes, that shall be repealed, and the additional revenue of \$22.35M is projected to be generated via GST on supplies which were not previously taxed.

GST shall replace five existing taxes: Accommodation Tax, Communication Levy, Environmental Levy, Public Entertainment Tax Acts and the Interim Goods Tax Act. A public consultation exercise conducted at the House of Assembly began on February 22, 2021. Further sector-focused consultations are planned to start on March 16, 2021.

Council:

- 1) noted the factors considered by the Inland Revenue Department in relation to the implementation of GST by January 2022, which include appropriate timing for the introduction of GST, human resources, the simplification of customs duty rates and the registration of the Government of Anguilla for GST;
- 2) noted that a number of actions have been taken in order to comply with the commitments made in the UKG financial aid MOU and that despite the prevailing economic situation, other fees have been increased recently, with a view to improving Anguilla's financial sustainability;

- 3) noted that there are certain limitations as to what can be done as existing debt obligations have to be honoured. At the start of the pandemic the CDB advised that there would be no moratoriums or changes in terms and conditions;
- 4) noted that given the economic climate and the level of financial hardship and distress across the island, brought about by the pandemic, a delay to the commencement of the Goods and Services Tax Act, to a later date in 2022 when the economic outlook may have improved, would be beneficial. However, in deferring the date for commencement there are implications as to how the revenue gap can be closed via alternative methods. It is important that the compensating policies necessary to fund any revenue shortfall of any deferral are clearly established and understood;
- 5) noted that discussions had commenced with the UKG with respect to the deferral of the commencement date and these discussions would continue;
- 6) noted the amendments to the Bill which were explained by the Inland Revenue Department;
- 7) further noted that the provisions for zero rating under Schedule 1 of the Bill for Goods and Services Tax can provide the same relief as certain standing exemptions which have been granted. It is anticipated that the restricted use of zero rating will not affect the forecasted revenue of \$22.35M detrimentally. However, applying exempt or zero rates to complete sectors would negatively impact revenues;
- 8) approved the White Paper;
- 9) further approved the Bill for Goods and Services Tax, subject to amendment to Schedule 1; and
- 10) instructed the AG's Chambers to prepare the Bill for tabling at the next session of the House of Assembly for its first reading.

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

Action: PS, FIN; HON, AG; HON, PREM; MINS OF GOV'T

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