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MINUTES OF EXECUTIVE COUNCIL DECISION AGREED BY ROUND ROBIN

The following was approved by Round Robin on **Monday 31st October 2022**: -

EX MIN 22/351

EX MEM 22/255 COVID 19 RESPONSE- EXEMPTIONS FROM CUSTOMS DUTY AND TAX FOR ESSENTIAL ITEMS

In order to assist households in the purchase of essential items, Council removed the duty and tax on items to make them more affordable for lower-income consumers from April 2022 to October 31, 2022.

These items were exempted of Import Customs Duty (ICD), Interim Goods Tax (IGT) and customs administrative costs fee. Since then the IGT has been repealed and a large portion of the items are zero rated for GST.

It is proposed to extend this exemption in respect of ICD and CSF until 31st December 2022 due to continuing inflationary pressures.

Under Section 76 of the Customs Act, the Governor in Council may by regulation exempt goods or classes of goods subject to such conditions, if any, as may be specified. Such regulation must either implement an item in a budget approved by an Act of the Legislature; or be approved by resolution of the House of Assembly.

Council:

- 1) noted the estimated total revenue loss related to the removal of ICD and CSF on food items for the two month extension is EC\$78K. The proposed exemptions can be supported by current revenue performance. The revenue loss is not anticipated to be significant as several of the food items do not attract ICD. The estimate does not include the revenue

loss for fish due to the lack of mineable trade data. The estimate also assumes food prices will be consistent during the period. However, it is anticipated that food prices will experience higher inflation and thus the actual revenue loss may be greater than estimate;

- 2) approved the extension of the current ICD and CSF exemption on essential food items until 31st December 2022;
- 3) instructed the Attorney General's Chambers to draft Regulations to facilitate the waiver of Customs Duties under Section 76 of the Customs Act in respect of extension of the exemption on food essentials; and
- 4) instructed the Attorney General's Chambers to draft Regulations to waive the administrative fees under the Customs Administrative Costs Recovery Act in respect of the goods exempted of Customs Duty under Section 76 of the Customs Act.

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

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