

Institute of Chartered Accountants of Barbados

Annual Tax Update Workshop 2021

List of Questions Submitted by Email and During Seminar

Barbados Revenue Authority

Questions/Queries		BRA Response
1	If an amendment has already been made to a month and you need to do another one how can you retrieve that month again. I have done amendments and now I do not see the months showing up.	If the return have been assessed it will not appear on the list to be ammended. The taxpayer will need to raise an objection to the return filed.
2	For clarification 1/1/2021 is the date you will use for this year for the start date?	The start date refers to the date that the company has started operations for a particular activity. Eg a company is expecting to meet the VAT threshold for 2o21 the its start date for that activity would be Jan 1 2021.
3	When preparing the total remuneration before deductions and the employee has a housing benefit where the tax on rent is at present (\$1,140.00) is that amount included in the total remuneration?	Housing, travelling, utilities, vehicle and misc. allowance and benefits are totalled together and substracted from employment income to give basic salary.
4	Is the date the employee's employment ended necessary?	Yes it is necessary.
5	When an employee has left but they are receiving a bonus or shares after leaving what start date would you use if any and end date?	The employer should report the PAYE on the bonus received.
6	When an employer makes a payment by wire transfer do they get notification when it has been processed? Completed by LLW	The taxpayers TAMIS account should be updated with the payment. No automatic notification is sent.
7	Like for the Income Year 2019, I am seeing the penalties and interest coming forward along with the Annual PAYE amount owing for 2020 for most of the companies. When will this be rectified?	Penalties and Interest will be waived where they were incorrectly applied.
8	If a Barbados company incurs Management Fees charged by a foreign entity, whether related or not, are the fees tax deductible?	Effective March 20, 2019, no deduction of payments of management fees to nonresidents will be available.
9	Does anyone monitor the email queries in Tamis and if yes, how many months are the waiting time?	A team is currently working through these cases.
10	Is it now a mandatory requirement to upload financial statements when filing tax returns for all companies?	Supporting documents are to be submitted. Financial statements are necessary supporting documents.
11	Can you please address how the tax will be calculated for those businesses transitioning from EICs, QICs or IBCs effective July 1, 2021. That is, will tax be calculated from the period July 1, 2021 until December 31, 2021 for those businesses with a calendar year January – December 2021?	See guidance note issued.

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12	Re new CIT return. Can we limit these 'onerous' requirements to say companies with a certain level of turnover. There are a number of one-man companies that have no clue about these requirements and why they are even needed or necesary?	Future consideration will be given, currently all companies are required to respond.
13	Given the restrictions imposed by the National Pause, is there going to be an extension for the filing of Goods & Services Returns which are due by February 28. Most businesses have been closed and some do not have the facilities to work from home, limiting access to the relevant information.	No extensions are contemplated at this time.
14	Why can't TAMIS set and publicize some metrics so that we the public know what to expect?	Further clartiy is required pror to responding to this query.
15	The upload feature is not working and I have sent in 4 emails and called.	This issue was corrected.
16	Is the PAYE annual reconciliation required this year even if the monthly uploads were all completed?	No the Paye Reconciliation is not required.
17	If an employe refuses to give a TIN how do we file? One employee should not hold up a filing.	Please provide the name and contact information of the employee to Amanda Mayers Email adress amanda.mayers@bra.gov.bb. Employees should not withhold information which delays PAYE submissions.
18	How can the refunds project be contacted, I have an outstanding amount from 2010?	Follow up through contacting the Contact Centre at 535 ETAX.
19	The location where you want us to update our information for refunds is in the TAMIS system?	Update Details (I wish to update my Address, Phone, Email or Bank Details.) This information is updated immediately.
20	Why doesn't the prepayment amount change for individuals/companies when the tax payable has decreased for an income year? The prepayment amount still shows the higher request from a previous year.	Prepayments are calculated based on the previous year's tax liability. Taxpayers can write requesting a reduction in prepayments, but there are deadlines by which such application must be made.
21	We tried adding our bank details to TAMIS in order to facilate the deposit of VAT refunds directly to our bank account. However, an option for RBC Private Banking (transit 06465) is not available. Is this something that the technical team can review and rectify?	Will have our technial team look into this matter.
22	Re: CRS - We have had comments from prospective clients who have subsequently found errors in their reports. In a specific case, a client found an error 2018 filed CRS report this year. BRA has not provided any guidance on how we can have this return amended, rather we had pushback on the basis that "it simply cannot be done with the program BRA uses." Is this a known issue? Can you provide any commentary on this?	This matter will be addressed in a separate policy note.
23	I am concerned about penalties and interest not being reversed and remaining on account for years. Are procedures in place for this to be addressed? Example WHT penalties and interest being applied for late approval of applications by the BRA i.e. the fault of BRA not the client.	Penalties and Interest will be waived where they were incorrectly applied.

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24	Has the Reverse Tax Credit problem been rectified? Some income tax returns for individuals earning below the 25,000.00 was not showing the reverse tax credit amount and showed zero.	Yes it was fixed. However there are a number of reasons why this may happen (1) Taxpayer also filed PIT return. (2) employer deducted \$500 or more in taxes. (3) taxpayer did not work for the required minimum of 4 months. These are just some examples. Each case will have to be investigated.
25	Comment/Query re Customer Service: One of the challenges with contacting the BRA is having knowledgeable persons engaging with you. While there has been improvement in some departments it is a general concern. The other area is turn around time. What is the expected response times to queries? How can queries be tracked? Where there are outstanding queries how do we know that there is escalation to management?	The Authority is in the process of implementing a full contact centre facility which will facilitate the tracking as contemplated. As at today queries are logged and escalated as necessary.
26	Are we therefore to re-enter objections that have not still be cleared which were previously entered in the tracker?	No.
27	Is there a time limit for when you could apply for the first time home owners grant request if you had never applied for it before?	Within 2 years after end of construction. Reference is made to the date on which the Certificate of Compliance was issued by Town and Country Planning Department.
28	For the first time owners grant, you can claim back on VAT incurred for a first time build and ownership of a house. However my understanding that the supply of a dwelling house is a VAT exempt if you intend to live in this property. (second schedule section 4). Isn't this contradictory if they supply of a house is exempt already? (please keep this anonymous)	See section 55A of the Value Added Tax Act CAP. 87 which grants this rebate.
29	Do sole traders have to prepay tax in instalments as incorporated companies? Or are payments made only on filing on April 30th and Sept 30th?	Prepayments are required by June 15, September 15 and December 15.
30	On the new page 1 of the tax return - if the company is publicly traded (i.e. no majority owner), do we fill in this field as N/A?	Yes.
31	Business Address - For businesses without physical presences in Barbados, should we report the Registered office?	Yes. However the Articles usually require the address of the Registered Office and the Mailing address if different.
32	On the W&T sheet to be uploaded - can firms just submit their own versions of CCA schedule, instead of the one provided by BRA?	The form provided by the authority should be uploaded. However additional supporting documentation can be uploaded.
33	Does EZ pay allow payments in excess of \$50K? If not what is the alternative.	Yes for debit cards there is no limit. For credit cards there is a limit of BBD50,000. The technical team will review this.
34	Why is the 2019 Paye and 2020 Paye Annual reconciliation still showing on the portal as to be completed?	This is not required. We will remove this form.
35	Question on the 2020 corporation tax return... if a return was filed prior to the changes does this mean that a return should be re-filed using the new forms?	Yes.

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36	For exempt insurance companies which are grandfathered until June 30, 2021 - category 1 companies - will they then register with TAMIS and then file tax return for 2021 in early 2022?	These companies will be required to file a tax return hence must be registered. See policy note issued.
37	Could you please confirm when the BRA will address removing late filing penalties charged on accounts during the lockdown last year, when the dates for filing corporation tax and vat were extended.	This matter is being addressed currently.
38	Some have already filed their 2020 CIT using what I now see as the "old" form, will they be asked to refile?	Yes.
39	Also for exempt insurance companies which transitioned in late 2020, eg. October 2020, will they then register with TAMIS now and file tax return by June 15, 2021? Tax rate is zero for cat 1 company.	Yes.
40	I have a query with respect to where on the income tax return would I be able to claim for the deduction allowed under section 9 (i)(ss) of the Barbados Income Tax Act. Under the aforementioned section, the difference between the purchase price of a share option and the fair market value of that option at the time of purchase will be excluded from the assessable income of a resident employee/director up to a maximum of 10% of the assessable income of that person. There was no line under the 2019 Income tax return form to claim this deduction, will this be added on the 2020 return and if not what would be the recommended course of action ?	Addressed in 2020 PIT return.
41	The EZ Pay button on TAMIS does not allow you to pay less than the outstanding balance shown, but the outstanding balance includes a late filing penalty for 2019 tax year that needs to be removed by the authority (the filing date was extended).	Taxpayers are able to insert a dollar value to settle which may be different from the total tax liability.
42	How will returns for income years prior to 2010 be facilitated for filing since TAMIS doesn't currently allow the filing of returns prior to 2010.	This matter will be addressed in a separate policy note.
43	Payments in TAMIS, done by debit card, via the link to EZpay+, are restricted to \$50,000. Can this be increased? Especially for companies who are designated as Large Taxpayers.	Yes for debit cards there is no limit. For credit cards there is a limit of BBD50,000. The technical team will review this.
44	How does BRA track accumulated tax losses brought forward? The form restricts losses to 50% of current year taxable income.	Document losses brought forward, utilised and carried forward as a supporting schedule which can be documented.
45	There are companies which have been in existence for several years but never filed tax returns. In some instances source documents and book-keeping are not available.	we recommend that you endeavour to address this issue and to register and file any outstanding returns.
46	For Companies that pay monies/fees to persons not in their employment - contract labour, are they to upload fees paid to those person during the year e.g office cleaners etc. What module in TAMIS is used to upload this information?	The company should upload a Good And Service form https://bra.gov.bb/News/Announcements/Third-Party-Filing-Templates-Avail.aspx

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47	What is process for obtaining prepayment reductions/waivers?	A request for a reduction may be made in writing to the Revenue Commissioner on or before the prescribed deadlines.
48	Is the offset between the different taxes only available through contacting someone at BRA?	Special permission should be sought through writing to the Revenue Commissioner.
49	In PART A - Tax incentives Questions, where the parent company of the organization filing taxes is a TRUST and the names of the ultimate beneficiary(s) are held in confidence by the Trustee, who is responsible for disclosing this information to the BRA?	The taxpayer is responsible for disclosing the information to the Authority.
50	The TAMIS platform is mapping an incorrect banking institution (for the payment of PAYE etc.) that is inconsistent and have not previously been verified on the EZpay +. For instance, on the EZpay platform the bank is CIBC First Caribbean but on the TAMIS platform, it is saying First Citizens which is not one of the company's bank account. How can I have this corrected?	The BRA does not change any banking information submitted by taxpayers. You can go to Update Details (I wish to update my Address, Phone, Email or Bank Details.) This information is amended immediately.
51	Where can you find more details on what qualifies for electrical retrofitting? I am querying if costs for battery storage can be included under this deduction.	This matter will be addressed in a separate policy note.
52	When can we expect an offset of VAT refunds to be made available against property taxes due?	Special permission should be sought through writing to the Revenue Commissioner.
53	I have a US taxpayer (individual) who is pressing me to complete his local filing so we can complete his US filing by April. We need to get these forms urgently.	The personal Income Tax Form will be available the first week in March.
54	Why is it not possible to make a payment in excess of the prepayment assessed for sole traders?	You will need to visit one of the Authority's locations to address this matter in person.
55	What do you suggest as the solution for getting TIN numbers for pensioners who do not have numbers?	You will have to register those pensioners. However the BRA had register a number of pensioners using NIS and Accountant General Information. So it is possible that they could already have TINs.
56	Can you please let us know when we can expect PAYE reconciliations from the old system (2018) will be carried forward in TAMIS ?	Please contact the Authority to have this matter addressed.
57	PAYE: i was advised there is an update for January 2021, but we submitted the upload before February 15, 2021. Do we need to get this cancelled and resubmit?	The only update was to allow for the year 2021 on the template. Therefore if you were able to submit for January 2021 you don't need to resubmit.
58	Will the penalty for late filing of nil returns be imposed?	Yes. Late filing penalties are levied where tax returns are not filed on time, even for nil returns.
59	What is 'No of a 158s' on the WHT Reconciliation?	This relates to the number of returns/forms you filed during the income year.
60	TAMIS doesn't currently facilitate the filing of returns prior to 2010. How will years prior to 2010 be accommodated?	This matter will be addressed in a separate policy note.
61	How many years can individuals go back to file?	2010 to 2019.

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62	What is the status of VAT refunds for "international business companies" and foreign currency permit companies that are not VAT registered but periodically file forms for recovery of the VAT suffered? We have not received any such refunds for the past 6 -7 years	These are being processed.
63	I have been chatting with a colleague and we were trying to resolve a query with regards to management fees. we were thinking that we read somewhere in journal, update or otherwise, that if management fees are charged to a Barbados entity (IBC or RBC) by a foreign entity, that this fee was not deductible and had to be added back in the items not allowed section. Can you kindly confirm whether this is in fact the case?	Effective March 20, 2019, no deduction of payments of management fees to nonresidents will be available.
64	I raised a query in June 2019 on the tamis portal and to-date the tracker is still saying "in process". I have also on my personal account raised a objection and have not gotten any reply. Why would this take so long?	The Authority has completed a re-alignment exercise in order to ensure that adeques staff are available to address certain operational areas within the organisation. The team is currently working to address these queries.
65	Given the national pause will the deadline for filing Corp tax be extended.	No.
66	For Companies that pay monies/fees to persons not in their emplyment - contract labour, are they to upload fees paid to those persons during the year e.g. office cleaners etc.? If so what module in TAMIS is used to upload this information?	The company should upload a Good And Service form https://bra.gov.bb/News/Announcements/Third-Party-Filing-Templates-Avail.aspx
67	Continuing from my previous question ref companies filing returns, if a company has been dormant for years, never registered with BRA and never filed returns. However, if activity began in 2020 and the company registered in 2020, what is the procedure for accounting for the years between when the company was incorporated and the year 2020? In the past, we used to write an explanatory letter to BRA which was accepted. Do we still write a letter or are nil returns expected to be filed? Then will penalty and interest kick in for late filing? What if the company was incorporated over 10 years ago?	Please file nil returns for inactive business periods. Ensure that for active periods a corporation tax return is filed on time to avoid charges of penalties and interest being applied.
68	Would tax registration be added as an option when CAIPO moves to electronic company/business registration?	This is being considered.
69	Just to clarify - the PGG 003/2021 applies only to Financial Institutions, correct?	To be reviewed.
70	Is it possible to have a comprehensive compliance requirements list, by agency and with due dates. There are so many regulations now it is impossible to keep up	This is possible. We will consider.
71	My question relates to overseas based consultants who do work overseas. When they invoice the Government of Barbados should the Ministry deduct the VAT at source and remit to BRA or should we allow the entity to file and pay on their own? Is deduction at source mandated by Legislation or Policy?	VAT should be deducted at source and paid to Authority.
72	Where can you find the TAMIS interest & penalties calculation or details around calculation?	The Authority can consider placing a general galculation on our website.

Questions/Queries		BRA Response
73	Where can you find details on completion of updated page 1 of corp tax form – especially under TAMIS guidelines for multinationals	The Authority will work to prepare guidelines where necessary. Multinational Group. MN Group” means any group that includes two or more companies for which the tax residence is in different jurisdictions or includes a company that is resident for tax purposes in one jurisdiction and is subject to tax with respect to the business carried out through a permanent establishment in another jurisdiction.
74	Where can you find all the details for changes to corp tax?	bra.gov.bb The authority issues regular policy and guidance notes.
75	How do you qualify to be listed at TAMIS as a large taxpayer? Who do I contact to assist with having this set up for a group of companies? Please provide name, contact number and email address.	Normally taxpayers having gross revenues in excess of BBD25,000,000 are classified as large taxpayers. trevor.forde@bra.gov.bb
76	In terms of closing the information gap between BRA and CAIPO identified in terms of the companies listed, is there consideration being given to creating a platform that allows for these entities to be linked? Years ago there was talk about a portal but to date nothing has materialised	This is being contrmpted.