

A Guide to Exemption Process

The Customs and Excise (Amendment) (No.2) Act 2013 contains the statutory requirements for the establishment of the Revenue and Customs Exemption Committee. The Committee will consider and make recommendations to the Minister of Finance on all applications for exemption from duties or taxes.

What does it mean?

From the 1st August 2013 a single committee, known as the **Exemption Committee** is established to consider both tax and customs duty exemptions.

All applications for exemption from export and import duties, goods tax, income tax, sales tax, and stamp duties will be considered by the exemption committee.

The Secretary of the Exemption Committee will be responsible for receiving and responding to all exemption applications and will provide administrative support to the committee.

How do I submit my Exemption Application?

- Exemption applications must be fully completed using the Non-Statutory Exemption Application form (the application form is available on our website or in IRD and Customs offices).
- Exemption application forms must be submitted to the Secretary of the committee at least two months prior to the activity for which an exemption is sought except applications under section 9 of the

Income Tax Act, which must be lodged within 6 months of the commencement of business operation.

- As exemption applications will be assessed according to guidelines set in regulations, you must read the *Summary of process and requirements* or the exemption guidelines to make sure you understand what is required of you.
- Your application will be pre-assessed by the Secretariat of the Exemption Committee to make sure sufficient information or particulars have been provided in support of the application.
- The Committee will inform applicants within five working days of receiving an application if further information is required.

When will I expect the result of my application?

- The Revenue Exemption Committee will meet at least once a month to consider exemption applications.
- Applicants will be advised of the result of their application soon after the decision was made, within 10 working days of the decision.
- The Minister's decision on whether to grant or refuse an application is final. An applicant whose exemption application has been refused because of lack of information or particulars may make a new application only with new information that was not included in the original application.

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What Documentations Do I Need To Provide?

An application must be submitted with a number of documents to support the application including, but not limited to:

- a) your business plan, project plan, cost and benefit analysis, feasibility study, certificate of company/business registration, details of resources commitment, and an analysis of what benefit it is expected the government will receive. Please refer to the exemption guidelines for more information
- b) It is your duty to make sure proper documentation to support your application is submitted

How will the Revenue Exemption Committee consider your application?

In considering the application for exemption the exemption committee will take into consideration the following;

- a) The requirements of the relevant law in Customs and Excise Act and the Tax acts that were amended in 2012;
- b) Any guidelines prescribed in the regulations and the effect of the exemption on the national economy;
- c) Other necessary information required by the committee for the applicant to provide before making the recommendation report;
- d) Applicants may be required to make representation in support of their application.

Auditing of Exemption

From time to time, the committee will carry out inspections of the activities of any taxpayer for whom an exemption was granted

Publication in the Gazette

- All exemptions approved will be published by the Minister in the *Gazette* at the end of every 3 months period.
- An annual report of exemptions will also be submitted to Public Accounts Committee.

For more information on how to apply for an exemption please:

Contact the secretary of the exemption committee on telephone (677) 21493

Or

Visit Inland Revenue Division or Customs & Excise Division offices to collect information

Or

Visit our website: www.ird.gov.sb