



VALUE ADDED TAX (V.A.T.) INCREASE

EFFECTIVE JULY 1, 2018

Dear Valued Client:

Effective July 1, 2018, the Government of The Bahamas will increase the value added tax (VAT) from 7.5% to 12% on eligible goods and services, including on fees related to pensions and investing.

We encourage you to read the Frequently Asked Questions below to assist you in further understanding how your investment transactions are affected by VAT. Should you require further information, please do not hesitate to contact our office at 396-4040.

SERVICE FEES

Please note that the following fees are subject to a 12% VAT charge as of July 1, 2018

FG FINANCIAL

Administration Fee*Contact your broker*
Investment Management Fee*Contact your broker*
Redemption Fee*Contact your broker*
Corporate Finance Fees*Contact your broker*

FREQUENTLY ASKED QUESTIONS (FAQs)

Will VAT be applicable to Financial Services such as mutual fund, brokerage account, and pension plan transactions? Financial services provided to a resident of the Bahamas will be exempt from VAT, except for any explicit fee, commission or similar charge for providing the service.

Will I be required to pay VAT on capital gains earned? There is no VAT charged on capital gains.

On which fees will I be required to pay VAT? VAT will be charged on trading commission fees, brokerage account fees, mutual fund and pension plan administration fees, and mutual fund and pension plan investment management fees.

Will I be required to pay VAT on dividend income or interest income earned? There is no VAT charged on dividend income or interest income.

Disclaimer: The information provided above is subject to change contingent upon any subsequent revisions by the Government to the VAT guides and regulations relevant to the Insurance industry.