

Jurisdiction's name:

St. Vincent and the Grenadines

Information on Residency for tax purposes

Section I – Criteria for Individuals to be considered a tax resident

Please list the domestic legal provisions that determine whether an Individual is to be considered a tax resident of that jurisdictions. Such legal provisions may be articles of the relevant tax code (with hyperlinks to the provisions themselves, where possible), as well as any further regulations specifying the residency criteria (if available, with hyperlinks).

This section should ideally also provide further guidance for Individuals to determine whether they are a resident for tax purposes in the jurisdiction, presented either in narrative form or by means of hyperlinks to the relevant sections of the government or tax authority website or publications.

The Interpretation section of the Income Tax Act Cap. 435 of the Revised Laws of St. Vincent and the Grenadines defines the phrase “resident in St. Vincent and the Grenadines” in relation to a year of tax assessment as follows:

- (a) In the case of an individual, includes a person –**
 - (i) whose permanent place of abode is in St. Vincent and the Grenadines and that he is physically present therein for some period of time in the basis period for that year of assessment, unless the Comptroller is satisfied that his absence throughout the whole of the basis period was for the purpose of education, medical treatment, the performance of duties on behalf of the Government or under a Government sponsored labour scheme,**
 - (ii) who is physically present in St. Vincent and the Grenadines for not less than 183 days in the basis period for that year of assessment, or**
 - (iii) who is physically present in St. Vincent and the Grenadines for some period of time in the basis period for that year of assessment and such period is continuous with a period of physical presence in the basis period for the immediately preceding or succeeding year of assessment of such duration as to qualify him for the status of a resident for such preceding or succeeding year under subparagraph (ii);**
- (b) in the case of an estate of a deceased person, mean that immediately prior to his death the deceased person qualified for the status of a resident under paragraph (a);**
- (c) in the case of a trust or body of person, means that such trust or body of persons was established in St. Vincent and the Grenadines; and**
- (d) in the case of a company, means that such company was –**
 - (i) if incorporated outside St. Vincent and the Grenadines, managed or controlled in St. Vincent and the Grenadines, or**
 - (ii) incorporated in St. Vincent and the Grenadines.**

Section II – Criteria for Entities to be considered a tax resident

Please list the domestic legal provisions that determine whether an Entity is to be considered a tax resident of that jurisdiction. Such legal provisions may be articles of the relevant tax code, as well as any further regulations specifying the residency criteria. Ideally, also a list of domestic Entity types that are in principle considered tax residents of the jurisdiction should be included (if available, with hyperlinks).

This section should ideally also provide further guidance for the different types of Entities to determine whether they are a resident for tax purposes in the jurisdiction. It can be presented either in narrative form or by means of hyperlinks to the relevant sections of the government or tax authority website or publications.

The Interpretation Section of the Income Tax Act defines the term “person” for the purposes of the Act as including an individual, a trust, the estate of a deceased person, a company, a partnership and every other judicial person.

Under the definition of “resident in St. Vincent and the Grenadines” in relation to a year of tax assessment, provided for in the Interpretation Section of the Income Tax Act -

in the case of an estate of a deceased person, means that immediately prior to his death, the deceased person qualified for the status of resident;

in the case of a trust or body of persons, means that such trust or body of persons was established in St. Vincent and the Grenadines; and

in the case of a company, means that such company, if incorporated in St. Vincent and the Grenadines is managed and controlled in St. Vincent and the Grenadines or if such company was incorporated in St. Vincent and the Grenadines.

Section III – Entity types that are as a rule not considered tax residents

This item should ideally provide a list of entity types that are considered fiscally transparent by the jurisdiction or are considered to have no tax residence by the jurisdiction based on other criteria, including a particular legal status or tax regime (such as trusts, foundations, partnerships, investment funds etc.), but are considered to have a nexus with the jurisdiction, in particular due to the fact that the entity was incorporated or is organised under the laws of the jurisdiction or has its place of effective management within the jurisdiction. Jurisdictions may wish to complement this section with further guidance on their domestic rules on the topic, either in narrative form or by inserting relevant hyperlinks.

Under section 25 of the Income Tax Act, which provides for the Exemption of Income Tax, the following are included in the items that exemption from income tax –

- **the income of any international business company registered under the International Business Companies Act, to the extent and subject to such conditions as are provided in the International Business Companies Act as for the time being in force**
- **the income of any religious, charitable or educational institution of a public character in so far as such income is not derived from a business carried on by it for profit, other than a business carried on for the primary purpose of assisting disabled persons to learn or exercise a trade or skill**

- the income of any local authority
- the income of any statutory authority
- the income of any registered building society, friendly society or co-operative society

In accordance with section 66A of the Income Tax Act, where a person makes any payment to a foreign insurance company that is not registered in St. Vincent and the Grenadines in the form of premiums incurred under a policy of insurance in respect of a class of insurance business that is not available in St. Vincent and the Grenadines, tax shall not be deducted from such payments. Therefore, provided that the foreign insurance company is not registered in St. Vincent and the Grenadines, that the payment made to the said insurance company is in the form of premiums incurred under a policy of insurance in respect of a class of insurance business that is not available in St. Vincent and the Grenadines, then tax will not be deducted from the payment.

A foreign insurance company that satisfies that criteria stated in section 66A of the Income Tax Act will be considered to have no tax residence in St. Vincent and the Grenadines.

Notwithstanding the above, section 66 of the Income Tax Act provides for the mandatory deduction of tax from all payments made to non-residents. This tax type is called withholding tax. A person will be deemed a non-resident in this instance if such payment is made to a person with an address outside St. Vincent and the Grenadines. The onus is on the person making payments to the non-resident to deduct the requisite amount for withholding tax.

The Third Schedule of the Income Tax Act provides the category of payments made to non-residents from which withholding tax should be deducted:

- interest or discounts
- rental, lease, premium or licence in respect of real property
- royalties and rentals of moveable property
- management charge
- commission or fee, not being in respect of an employment to which section 68 applies (section 68 relates to the deduction of tax by employers under the PAYE regime) provided that all commission, advertising and other promotional payments made by hoteliers and exporters in St. Vincent and the Grenadines for the sale of goods and services performed outside St. Vincent and the Grenadines shall be exempt from income tax
- annuities or other periodic payments, including payments by way of alimony or maintenance
- the distribution of income of a trust, being income of the kind specified in the previous subparagraphs
- insurance premiums excluding re-insurance premiums

- any other payments of an income nature

Section 22 (1) of the Income Tax Act provides that the chargeable income of a non-resident shall, where it is not charged to the tax directly on him, be charged to tax on his agent in the same amount as would be charged on the non-resident. An agent for the purposes of section 22 means a resident who –

- (a) has the management or control of property in St. Vincent and the Grenadines of such non-resident;
- (b) is appointed by the non-resident to act on his behalf; or
- (c) carries on business with a non-resident in transactions which, in the Comptroller's opinion, are designed to avoid tax liability.

Section IV – Contact point for further information

Please provide the contact details of the competent service within their tax authority, which can be contacted in case of further questions on tax residency.

(EU Member States can furthermore refer to the Taxes in Europe Data Base maintained by the European Union, which contains a wide range of information on all taxes in the EU Member States, including on tax residency.)

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