



# St. Kitts and Nevis **TAX GUIDE**

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## INVESTMENT BASICS

### **Currency**

The St. Kitts and Nevis currency is East Caribbean Dollar (XCD).

### **Accounting Principles/ financial statement**

In St. Kitts and Nevis International Financial Reporting Standards (IFRS) is applied however in practice, the standards applicable in the country of a parent company may be used.

### **Foreign Exchange Control**

St. Kitts and Nevis monetary authority is the Eastern Caribbean Central Bank (ECCB).

### **Principal Business Entities**

Falling under this is the domestic company, partnership, International Business Company (IBC), international bank and trust.

## CORPORATE TAXATION

A corporation is deemed to be resident if it is incorporated in Saint Kitts and Nevis or if it is registered

as an external company doing business in Saint Kitts and Nevis under the Companies Act.

It is important to note that resident companies are taxed solely on worldwide income and for the non-resident companies are taxed on income sourced from St Kitts and Nevis.

The taxable income is calculated as net profit before tax but for nondeductible expenses and allowable deductions is it adjusted.

Subject to not withholding tax are companies who paid dividends to another resident company however they are levied to corporation tax.

Capital Gains are not accountable to tax.

No surtax

Saint Kitts and Nevis imposes Corporate Income Tax at a flat rate of 33%.

They have no Alternative minimum tax

No Participation exemption

Foreign tax credits are granted; exceptions are made in the event that taxes are paid in British Commonwealth country which grants are similar relief in St. Kitts and Nevis taxes or where a tax treaty permits.

Under the Fiscal Incentives Act and Hotel Aids Act it states that incentive regimes are available, provides tax holidays along with benefits to companies engaged in hotel construction.

## CORPORATE TAXATION

A resident company is taxed worldwide income. A non-resident company is taxed on income derived or sourced from St. Lucia.

For a company in St. Lucia to be deemed resident it has to be incorporated or registered as an external company or be managed and controlled.

The current standard corporation tax rate is 30%.

Whether it is a resident or not, the dividends paid are not subject to tax.

Capital gains are not taxed in St. Lucia

There are no Alternative minimum tax nor Surtax

No Participation Exemption is included.

Holding company regime is not included; however, for IBCs a special tax regime is applied.

Losses can be carried forward for up to six years; 50% of taxable income is offset by losses. Carryback of losses is not permitted.

A resident taxpayer is entitled to a tax credit for income tax paid on foreign income however; the credit is limited to the lesser of the tax charged in St. Lucia on the income or the tax payable in the other country.

Under the Tourism Incentive Act, an approved Tourism product is granted certain tax and import duty exemptions. There is an option for being liable to income tax on profits and gains at a rate of 1% or an exemption from income tax.

# WITHHOLDING TAX

Type	Residents	Non-Residents
Dividends	No	Yes - 15%
Interest	No	Yes - 15%
Royalties	No	Yes - 15%
Technical Service Fees	No	Yes - 15%
Branch Remittance Tax	There is 15% tax which applies.	

## OTHER TAXES ON CORPORATIONS

According to the Inland Revenue Department, there is no tax levied on Capital Duty or Payroll Tax. Property tax is on a market value of 0.2% to 0.3% depending on the use and location. There is a contribution of 5% of the employee earnings for security scheme and 1% of employee earnings for employment injury benefits. Stamp Duty ranges from 6% to 10% on the transfer of real property. Imported goods are subject to customs duties according to the CARICOM Common External Tariff.

## ANTI AVOIDANCE RULES

There are no Anti-Avoidance rules for the following in St. Kitts and Nevis:

- Transfer Pricing
- Thin Capitalization
- Controlled foreign companies
- Disclosure requirements

## COMPLIANCE FOR CORPORATIONS

Corporations should ensure that they file separate tax returns and file them by the 15th day of the fourth month after the company's year-end and attach financial statements. If the company fails to comply, there will be a 5% penalty for late filing and if it remains outstanding an additional XCD 100 and a 10% of tax for late payment. Companies that are exempt, pay the penalty fee of XCD 1000 each month once the return is outstanding. Rulings may be requested.

## PERSONAL TAXATION

Under this section, St. Kitts and Nevis has no form of Personal Income Tax (PIT), No tax on Residence, Filing Status, Taxable Income, Deductions and Allowances, Rates or Capital Gains.

## OTHER TAXES ON INDIVIDUALS

Capital Duty	No
Stamp Duty	Stamp Duty ranges from 6% to 10% on the transfer of real property.
Capital Acquisitions Tax	No
Net wealth/Net worth Tax	No
Inheritance/Estate Tax	No
Real Property Tax	
Social Security	Employees contribute 5% of earnings (XCD6,500), Housing and Development is at a rate of 3.5% ( for earnings up to XCD 6,500, 10% on earnings from XCD 6,500-8,000 and 12% on earnings exceeding XCD 8,000.
Other	Unincorporated Business Tax (UBT) is levied on the income of all unincorporated businesses. Within 15 days monthly returns and payments must be submitted.

## COMPLIANCE FOR INDIVIDUALS

For individuals in St. Kitts and Nevis, there is no personal income tax, no filing payment or penalties.

## VALUE ADDED TAX

### **Rates**

There is a standard tax of 17% and a 10% reduced rate which applies within the tourism sector.

### **Filing and Payment**

On the 15th day of each month, the returns and payments should be submitted.

### **Registration**

For the registration threshold, there is a total value of supplies exceeding XCD 96,000 for specific professional services, and XCD 150,000 for other business.

St. Kitts and Nevis have various sources of tax laws

There are treaties with CARICOM, Monaco, Switzerland and the UK.

The Inland Revenue Department is the tax authorities.



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