



MINISTRY OF FINANCE

NJS Francis Building, Pond Street

Grand Turk, Turks and Caicos Islands

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Financial Services Providers and the Domestic Financial Services Sales Tax (DFSST)

Domestic Financial Services Sales Tax (DFSST) in the Turks and Caicos Islands

The Domestic Financial Services Sales Tax is a 10% tax on service fees charged by domestic financial institutions including banks, investment dealers and money transfer companies. The tax will be charged, collected and remitted to the Turks and Caicos Islands Government (TCIG) by the financial service providers.

Exemptions from the DFSST

The following organizations and financial transactions are exempt from the DFSST:

- (a) Companies registered as an exempted company under the Companies Ordinance;
- (b) Companies registered in the islands that conducts business overseas and does not conduct business (other than investment in property or investment in local business) in the Turks and Caicos Islands;
- (c) A Mutual Fund registered in TCI and conducting business overseas;
- (d) A Trust formed under the laws of the Turks and Caicos Islands;
- (e) A Limited Partnership conducting its business overseas and does not conduct business (other than investment in property or investment in local business) in the Turks and Caicos Islands;
- (f) A Limited Life company registered in the islands which conducts its business overseas and does not conduct business (other than investment in property or investment in local business) in the Turks and Caicos Islands;
- (g) The money transfer service fee charged by financial institutions relating to the inward transfer of money.

What are some of the financial services that will be affected by the DFSST?

Interest earned will not be subject to the DFSST. Only the fees charged for basic financial services such as (for example) the following will be subject to the tax:

- operation of accounts
- account transaction services
- ATM Withdrawals
- wire transfer/money transfer

- money orders
- cheques
- cheque clearing
- safety deposit boxes
- payroll preparation, etc.

Domestic Financial Services Sales Tax Collection

The DFSST is being collected by the licensed financial service providers within the TCI. They apply a 10% charge to the fee on each of the transactions that are subject to the tax. For example, if someone uses an ATM to withdraw \$400.00 and the service charge is \$5.00 then there will .50¢ DFSST applied to the transaction for a total fee of \$5.50. Financial service providers charge the DFSST from September 12, 2011.

Collecting DFSST on Behalf of the TCIG

The administration of the DFSST operates with the cooperation of the domestic financial service providers. The financial service providers charge, bill, collect and remit the DFSST to the TCIG. Citizens of the TCI are reminded that the TCIG is responsible for the introduction of the DFSST and not the financial service providers that will be charging and collecting the tax on behalf of the TCIG.

When Did the DFSST Come into Effect?

The DFSST came into effect on September 12, 2011. In this regard any taxable service fee charged by a financial service provider from September 12, 2011 should have the DFSST applied at the rate of 10%. DFSST charged in September will be due to be paid at the Treasury before October 15, 2011 and by the 15th day of every month thereafter.

DFSST's Effect on the Money Transfer Levy and Stamp Duty on Cheques

Since the introduction of the DFSST the current money transfer levy no longer applies and the stamp duty that was applied to cheques was also discontinued. However, money transfers and cheques will be subject to the DFSST. It should be noted that there will not be a cap (currently \$50.00) on the DFSST applied to money transfers. Consequently, the 10% DFSST will apply to the total amount of the money transfer fee.

Responsibility of Financial Services Providers

Domestic providers of financial services are responsible for registering with the appropriate Revenue Control Unit (RCU), charging the DFSST on taxable services to customers, collecting the DFSST from customers, reporting on a monthly basis the amounts associated with the DFSST and paying the amount of DFSST to government on a monthly basis. The steps relating to these responsibilities are outlined below:

Step 1. Registration

All domestic financial service providers (excluding those identified as exempt for the DFSST as outlined above) are required to register with the appropriate RCU as illustrated at the end of these instructions. Registration forms are available at the end of this document, on the TCIG's web site (WWW.GOV.TC) or from the RCUs. Completed Registration forms should be sent, delivered or faxed to the RCUs for processing. Registration is a one time process unless there are changes to the information initially provided or in cases where the financial service provider ceases to operate.

Step 2. Charging and Collecting the DFSST

On September 12, 2011 financial service providers began to charge and collect the DFSST at the rate of 10% on all taxable financial service fees.

Step 3. Completing the Monthly DFSST Return and Remittance Form

Domestic financial service providers are required to complete and file a DFSST return/remittance form every month to reflect transactions for the previous month. The return/remittance form and remittance must be filed by the 15th day each month to avoid penalty. A sample copy and a working copy of the DFSST return and remittance form is available at the RCU's, included within this document and from the government's web site (WWW.GOV.TC). The form is simple and straight forward. Financial service providers should complete the working copy and it should be presented to the appropriate RCU. The RCU will provide the domestic financial service provider with a personalized DFSST return/remittance form. The personalized form should then be completed using the information on the working copy.

Step 4. Completing the Monthly Payment and Receipt Generation

The completed personalized DFSST Return/Remittance form should be presented to the Treasury with the accompanying payment. Cheques should be made payable to the "Government of the Turks and Caicos Islands". Treasury will process the personalized DFSST and issue a receipt.

Revenue Control Units

Revenue Control Unit
Town Center Mall
Providenciales
Tele: 649 946 2801 Ext. 80901
Fax: 649 941 8649

Revenue Control Unit
Hibiscus Square
Grand Turk
Tele: 649 946 2801 Ext. 42002
Fax: 649 946 2686

Turks & Caicos Islands
Ministry of Finance and Economic Development/Revenue Control Unit
F18 Domestic Financial Services Sales Tax Registration Form

Part 1 Identification Information

New

Modified

Cancel

Business Name: _____

Banking License Number: _____ Company Number: _____

Customer Number (If known): _____

Business Address:

No. & Street Name: _____

District: _____ Island: _____

Country: _____ PO Box: _____

Telephone Number (s): _____

Fax Number: _____

Business E-Mail Address: _____

Mailing Address for the business (if different from Business Address):

No. & Street Name: _____

District: _____ Island: _____

Country: _____ PO Box: _____

Part 2

Representative's Information

Representative's Position: _____

Representative's First Name: _____

Representative's Last Name: _____

Part 2 Representative's Information (continued)

National Health Insurance No: _____ Nationality: _____

National Insurance No: _____ Driver's Licence No: _____

Passport No: _____ Country of Issue: _____

Work Phone No: _____ Ext: _____ Work Fax No: _____

Home Phone No: _____

E-mail: _____

Declaration

I hereby declare that the information provided on this registration form is true, accurate and complete. I also declare that I have the authority to make this disclosure of the information provided:

First Name (Print): _____ Last Name (Print): _____

Title (Print): _____ Signature: _____

Date: ____/____/____
dd/mm/yy

It is a serious offence to make a false declaration

For Revenue Control Use Only:

Received by (Registration Officer):

Name (Print): _____ Signature: _____

Date: ____/____/____
dd/mm/yy

Verified and captured by (Registration Officer):

Name (capital): _____ Signature: _____

Date: ____/____/____
dd/mm/yy

CUSTOMER'S RECEIPT GOVERNMENT OF THE TURKS & CAICOS ISLANDS REMITTANCE FORM FOR Working Copy DFS_{ST} Domestic Financial Services Sales Tax			MF34R Centre: REVENUE CONTROL UNIT-GDT Document No. : _____ Due Date: _____ 	
Revenue Account No.:	Revenue Period:	Assessment Period Date:	For Official Use Payment Date:	
FOR:			DUE PAID	
			Amount	
			Penalty	
			Interest	
			Total	
			Signature of Officer: _____	

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PART 1 - CUSTOMER AND REVENUE IDENTIFICATION			Centre: REVENUE CONTROL UNIT-GDT Document No. : _____ Date Issued : _____	
FOR:			For Official Use Payment Date:	
			DUE PAID	
			Amount	
			Penalty	
			Interest	
Revenue Account No.: _____ Revenue Period: _____ Due Date: _____ Assessment Period Date: _____			Total	
			Signature of Officer: _____	

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PART 2 - CUSTOMER AND REVENUE IDENTIFICATION			Centre: REVENUE CONTROL UNIT-GDT Document No. : _____ Date Issued : _____	
FOR:			For Official Use Payment Date:	
			DUE PAID	
			Amount	
			Penalty	
			Interest	
Revenue Account No.: _____ Revenue Period: _____ Due Date: _____ Assessment Period Date: _____			Total	
			Signature of Officer: _____	

PART 3 - REVENUE DECLARATION AND CALCULATION

In accordance with Section 9 of the Domestic Financial Services Sales Tax Ordinance I now complete return and make payment of the Domestic Financial Services Sales Tax (DFSST) payable for the period outlined above.

- | | |
|---|-----------------|
| (1) Total Amount of Taxable Domestic Financial Services | L 1 _____ |
| (5) DFSST Rate | L 5 <u>.10%</u> |
| (10) DFSS Tax for period | L 10 _____ |
| (15) DFSST Credit | L 15 _____ |
| (20) Total DFSST payable | L 20 _____ |

I certify that the information on this return is correct, complete, and fully discloses my liability for the related Revenue.	
Signature: _____	Date: _____
Title: _____	

 CUSTOMER'S RECEIPT GOVERNMENT OF THE TURKS & CAICOS ISLANDS REMITTANCE FORM FOR <i>Sample Copy</i>			Centre: REVENUE CONTROL UNIT-GDT Document No.: 1111111111111111 Due Date: December 15, 2011																
DFS-ST Domestic Financial Services Sales Tax																			
Revenue Account No.: 000000000000	Revenue Period: November 2011	Assessment Period Date: November 1, 2011 to November 30, 2011	For Official Use Payment Date: <table border="1"> <tr> <td></td> <td>DUE</td> <td>PAID</td> </tr> <tr> <td>Amount</td> <td></td> <td></td> </tr> <tr> <td>Penalty</td> <td></td> <td></td> </tr> <tr> <td>Interest</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> </tr> </table>			DUE	PAID	Amount			Penalty			Interest			Total		
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Amount																			
Penalty																			
Interest																			
Total																			
FOR: Domestic Financial Service Provider Sample Copy Sample Address Turks & Caicos Islands			Signature of Officer: _____																

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PART 1 - CUSTOMER AND REVENUE IDENTIFICATION Domestic Financial Service Provider Sample Copy Sample Address Turks & Caicos Islands			Centre: REVENUE CONTROL UNIT-GDT Document No.: 1111111111111111 Date Issued: December 9, 2011	For Official Use Payment Date: <table border="1"> <tr> <td></td> <td>DUE</td> <td>PAID</td> </tr> <tr> <td>Amount</td> <td></td> <td></td> </tr> <tr> <td>Penalty</td> <td></td> <td></td> </tr> <tr> <td>Interest</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> </tr> </table>			DUE	PAID	Amount			Penalty			Interest			Total		
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PART 2 - CUSTOMER AND REVENUE IDENTIFICATION Financial Service Provider Sample Copy Sample Address Turks & Caicos Islands			Centre: REVENUE CONTROL UNIT-GDT Document No.: 1111111111111111 Date Issued: December 9, 2011	For Official Use Payment Date: <table border="1"> <tr> <td></td> <td>DUE</td> <td>PAID</td> </tr> <tr> <td>Amount</td> <td></td> <td></td> </tr> <tr> <td>Penalty</td> <td></td> <td></td> </tr> <tr> <td>Interest</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> </tr> </table>			DUE	PAID	Amount			Penalty			Interest			Total		
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- (1) Total Amount of Taxable Domestic Financial Services L 1 _____
- (5) DFSST Rate L 5 10%
- (10) DFSS Tax for period L 10 _____
- (15) DFSST Credit L 15 _____
- (20) Total DFSST payable L 20 _____

I certify that the information on this return is correct, complete, and fully discloses my liability for the related Revenue.

Signature: _____ Date: _____

Title: _____