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THE GENERAL CONSUMPTION TAX ACT

**THE GENERAL CONSUMPTION TAX (AMENDMENT) (No. 2)
REGULATIONS, 2019**

In exercise of the power conferred upon the Minister by sections 15(1)(c) and 63(1) of the General Consumption Tax Act, and of every other power hereunto enabling, the following Regulations are hereby made:—

1. These Regulations may be cited as the General Consumption Tax (Amendment) (No. 2) Regulations, 2019, and shall be read and construed as one with the General Consumption Tax Regulations, 1991 (hereinafter referred to as the “principal Regulations”).

2. The principal Regulations are amended by inserting next after regulation 14B the following as regulations 14C and 14D—

“No special consumption tax payable on certain prescribed goods to be used in the manufacture of goods.

14C.—(1) In this regulation, “raw materials”, “intermediate goods” and “manufacturer of goods” have the meaning respectively assigned to them, in Part 5 of the Third Schedule to the Customs Tariff (Revision) Resolution, 1972.

(2) Subject to paragraphs (3) and (4), special consumption tax shall not be payable on the prescribed goods, specified in Items 3a, 4 and 5 of Part A of the Second Schedule to the Act, which are to be used as raw materials or intermediate goods in the manufacture of goods other than prescribed goods in Jamaica.

(3) The manufacturer of goods shall be exempt from paying special consumption tax if, upon application to the Commissioner General, the manufacturer of goods proves that the prescribed goods referred to in paragraph (2) are to be used as raw materials or intermediate goods in the manufacture of goods other than prescribed goods in Jamaica.

(4) An application under paragraph (3) shall be in writing and shall state—

- (a) the goods, other than prescribed goods, that the person manufactures;
- (b) the type of prescribed goods used as raw materials or intermediate goods in the manufacture of the goods, other than prescribed goods;
- (c) the quantity of prescribed goods that the manufacturer is importing or purchasing locally, or has imported or purchased locally, over a specified period of time for use in the manufacture of goods, other than prescribed goods;
- (d) in the case of prescribed goods purchased locally, the name and address of the local manufacturer of such prescribed goods.

(5) Where an application under paragraph (3) is considered, the Commissioner General shall—

- (a) notify the applicant, in writing, of an approval for an exemption from payment of special consumption tax or a refusal of the approval for an exemption from payment of special consumption tax, as the case may be; and

(b) where applicable, send notice of an approval for an exemption from payment of special consumption tax to—

- (i) the Commissioner of Customs, in the case of prescribed goods which are to be imported; and
- (ii) the manufacturer of prescribed goods under paragraph (4)(d), in the case where the goods are to be purchased locally from a manufacturer of prescribed goods.

(6) Where the Commissioner General is satisfied that the prescribed goods fall within those specified in paragraph (2), the Commissioner General shall grant approval for an exemption from the payment of special consumption tax, subject to the terms and conditions that the Commissioner General shall determine.

(7) The successful applicant under paragraph (5)(a) shall comply with any term or condition that the Commissioner General may impose in order to satisfy himself that the prescribed goods specified under paragraph (2) are duly used as raw materials or intermediate goods in the manufacture of goods (other than prescribed goods) in Jamaica by the manufacturer.

Liability to
pay special
consumption
tax.

14D.—(1) A manufacturer of goods approved under regulation 14C (6) shall be liable to pay special consumption tax on the prescribed goods specified in regulation 14C(2) in the circumstances specified in paragraph (2).

(2) The circumstances referred to in paragraph (1) are that the manufacturer of goods fails to demonstrate to the Commissioner General that the prescribed goods specified in paragraph 14C(2) were—

- (a) used as raw materials or intermediate goods in the manufacture of goods (other than prescribed goods) in Jamaica; or
- (b) lost or destroyed by reasonable leakage, evaporation or absorption.

(3) Where any of the circumstances specified in paragraph (2) exist, special consumption tax that has not been paid by virtue of these Regulations shall be due and payable—

- (a) at the time the prescribed goods are imported into Jamaica; or

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- (b) where the prescribed goods are manufactured in Jamaica, at the time they are removed from the factory or warehouse by the manufacturer of the prescribed goods.”.

Dated this 21st day of November, 2019.

NIGEL CLARKE
Minister of Finance and the Public Service.