

Adjustments to VAT rate

Effective 1 August 2022

On 27 July 2022, The Minister of Finance and Economic Development Hon. Peggy Serame presented to Parliament, proposals for a range of short-term measures aimed at alleviating the impact of rising inflation on households.

The proposed measures include

Reduction in the VAT standard rate from 14% to 12%

VAT zero rating of the supply of cooking oil and liquid petroleum gas

These VAT related measures will be effective for a period of six months from 1 August 2022.

As the measures are expected to benefit households, retailers are expected to pass on the benefits to consumers.

At the time of publication of this alert the relevant law to give effect to the proposed measures had not been promulgated. It is however expected that it will be promulgated before 1 August 2022.

Contact a specialist - we're here to help!

Get in touch with our Taxation team to find out how this measure could impact your business.



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