

Jurisdiction's name:	SAINT LUCIA
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Information on Residency for tax purposes
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Section I – Criteria for Individuals to be considered a tax resident

The Income Tax Act Cap 15.02 (ITA) defines residency for tax purposes. Please note, that the Act covers all entities and arrangements as per the definition of person below. Section 2 of the ITA defines “person” and “resident in Saint Lucia” as follows:

Person

“person” includes an individual, a trust, the estate of a deceased person, a company, a partnership and every other juridical person; This definition encompasses all entities and arrangements.

Resident in Saint Lucia

“resident in Saint Lucia”, in relation to a year of income means— (a) in the case of an individual, that— (i) his or her permanent place of abode is in Saint Lucia and that he or she is physically present therein for some period of time in the income year, unless the Comptroller is satisfied that his or her absence throughout the whole of the income year was for the purpose of education, medical treatment, the performance of duties on behalf of the Government or for any other purposes which, in the opinion of the Comptroller, is reasonable,

(ii) he or she is physically present in Saint Lucia for not less than 183 days in the year of income, or

(iii) he or she is physically present in Saint Lucia for some period of time in that year of income and such period is continuous with a period of physical presence in the year of income for the immediately preceding or succeeding year of income of such duration as to qualify him or her 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, that immediately prior to his or her death the deceased person qualified for the status of a resident under paragraph (a);

(c) in the case of a trust or a body of persons, that such trust or body of persons was established in Saint Lucia; and

(d) in the case of a company, that such company was—

(i) incorporated in Saint Lucia, or

(ii) if incorporated outside Saint Lucia, was managed and controlled in Saint Lucia,

and the terms “resident” and “non-resident” in relation to a person, mean that such person is resident or non resident in Saint Lucia as the case may be;

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

Please see definitions above.

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

The Income Tax Act Cap 15.02 does not have a general rule for deeming entities as non tax resident. However if the criteria highlighted in the definition above of a “resident in St Lucia “ are not met the “person” would be deemed as a non-resident for tax purposes..

Notwithstanding, Sections 25 and 31, cited below, exempts certain entities or arrangements. Please note that exemptions are granted based on what is legislated in the Acts of individual entities as well. As such there is not a carte blanche approach:

Section 25

EXEMPT INCOME

25. *EXEMPTIONS* (1) *There is exempt from the tax— (a) the official emoluments of the Governor General, Deputy Governor General and of any Acting Governor General, any gratuity or pension payable to a former Governor or Governor General upon his or her retirement, any gratuity payable to his or her legal personal representative upon the death of a former Governor or Governor General and any pension payable to the widow of a former Governor or Governor General upon his or her death;*

(b) the official emoluments payable in respect of their offices to— (i) heads of diplomatic missions and consulates accredited to Saint Lucia, (ii) members of the staff of such missions and consulates, except such persons who are citizens of or ordinarily resident in Saint Lucia;

(c) the official emoluments payable by— (i) any international organisation of which Saint Lucia and one or more other countries are members, or (ii) any other Government, in connection with the provision of any technical co-operation services, to the extent and subject to such conditions as may be prescribed by any enactment or in any agreement or memorandum of understanding entered into by the Government;

(d) any war pension (including any disability pension) or gratuity in respect of service during war;

(e) any amount accruing under a scholarship or similar education grant to a person receiving full time education at a school, college, university or other educational establishment;

(f) any interest accrued on any loan charged on the public revenue, which is declared by the Minister to be exempt;

(g) any income accrued to any individual by way of— (i) interest on a deposit in any bank in Saint Lucia, or (ii) discounts arising on Treasury Bills;

(h) any income accrued to a company on Treasury bills, bonds and debentures;

(i) any amount accrued by way of gratuity on the termination of a contract of employment, however, this exemption does not apply— (i) if the contract is renewed, extended or replaced by

a new contract with the same employer or associate of that employer, or (ii) to any part of the gratuity in excess of 25% of the gross income of the employee for the period,

(j) any income accrued to— (i) an individual for his or her office, or (ii) such an individual or his or her dependents by way of pension in respect of his or her past services; as a minister of religion or other person in Holy Orders in the service of any religious body approved for this purpose by the Minister;

(k) (i) the first \$6,850, or (ii) the first \$6,000, of any income accruing from a source in Saint Lucia by way of pension for past services, being payable— (A) by the Government or an approved pension fund; (B) by a pension fund which is not an approved fund or directly by an employer where, and to the extent to which, the Comptroller is satisfied that such pension is reasonable in amount having regard to the length of service to the employer, the age or state of health of the employee and the remuneration payable to him or her prior to his or her retirement; or (C) earned income other than a pension, in the case of a resident individual, who is a citizen of Saint Lucia and has reached the age of 60 years;

(l) any pension accruing from a source outside Saint Lucia to any retired person, who, prior to his or her retirement, was not resident in Saint Lucia;

(m) any benefits payable under the National Insurance Corporation Act to any person by way of— (i) sickness benefit, (ii) invalidity benefit, (iii) maternity benefit, (iv) funeral grant, or (v) any child allowance payable as a survivor's benefit or death benefit;

(n) the income of any approved pension fund;

(o) the income of any local authority as defined in the Local Authorities Act, 1916;

(p) the income of any trade union in so far as such income is not derived from a business carried on by it;

(q) the income of any registered building society or cooperative society;

(r) 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;³

(s) the income of the National Insurance Fund established under the National Insurance Corporation Act;

(t) the income of the Saint Lucia Banana Growers Association; the Windward Islands Banana Growers Association; and the Saint Lucia Agriculturists Association Limited;

(u) the income of the Caribbean Development Bank, and the Council of Legal Education;

(v) any travel, subsistence, entertainment, telephone, housing or transport allowance paid to any member of Parliament or any public officer in connection with the carrying out of the duties of his or her office;

(w) the official emoluments, allowances and pensions payable in respect of their offices to the

Chief Justice and other judges of the Eastern Caribbean Supreme Court;

(x) distributions from companies;

(y) any income accruing to any individual from fishing or agriculture, including horticulture and the use of land for husbandry including the keeping or breeding of livestock or poultry or the growing of crops of fruit or vegetables. However, this paragraph shall not be construed to set off the losses incurred from the activities specified in this paragraph against income from any other source or activity;

(z) any income earned on securities issued by member governments of the Eastern Caribbean Central Bank;

(za) interest earned on loan to the Government of Saint Lucia in accordance with statutory instruments 15/1997 and 25/1997 until the payment of the loan authorised under these 2 statutory instruments;

(zb) interest earned on loan to the Saint Lucia Development Bank and National Commercial Holding Ltd by the Barbados Mutual Life Assurance Society and Life of Barbados Ltd. until the payment of the loan authorised under statutory instrument 15/1997 and 25/1997;

(zc) the income earned by way of tips by artistic, entertainment and sports personnel, office clerks, customer service clerks, housekeeping and restaurant service workers and other employees in similar categories working in restaurants and hotels but excluding managers and heads of department. In this paragraph— “hotel” includes guesthouse, inn or any commercially run establishment which engages in the business of providing accommodation for guests; “tips” includes any amount paid by a guest as a gratuity for services rendered by an employee of an hotel or restaurant, and includes service charge.

(zd) the income earned by public officers as a result of the retroactive salary increase payable for the period 1 April 1995 to 31 March 1999 until the payment of that retroactive salary increase;

(ze) income earned by way of bonus approved to be paid to certain categories of civil servants in the 1998/1999 Budget presentation until the payment of the sum of \$2 million approved to be paid to certain categories of civil servants in the 1998/1999 Budget;

(zf) bonds in the amount of EC\$20 million issued for the funding of the low income housing initiative of the National Commercial Bank Mortgage Financial Company of Saint Lucia Limited; Cap.15.02 Income Tax Act Laws of Saint Lucia Limited;

(zg) profits earned by the National Insurance Property Development & Management Company Ltd. on development fees and project management fees gained under the refurbishment of police stations project;

(zh) any income accruing from trading in securities under the Securities Act to any citizen or resident of any member State of the Organisation of Eastern Caribbean States or to any company incorporated in and registered in any member State of the Organisation of Eastern Caribbean States;

(zi) income earned on the emolument paid to professional staff of the Financial Centre

Corporation and the International Financial and World Investment Corporation;

(zj) *income tax chargeable on returns from investments in the Production Section Equity Fund;*

(zk) *the income of consultants and staff of the Project Coordination Unit, OECS Emergency Recovery and Disaster Management Project;*

(zl) *the income of the Project Coordinator and individual Consultants of the World Bank Technical Assistance Water Sector Reform Project;*

(zm) *lump sum payment of \$850 in lieu of retroactive pay for the year April 2001 to March 2002 made in December 2003 to all public servants inclusive of those employed after March 2002 and still employed in the Public Service as at December of 2003;*

(zn) *the income earned by public officers as a result of the retroactive salary increase payable for the periods April 2002 to March 2003 and April 2003 to December 2003; (*

zo) the income arising from CWC 2007 and earned by — (i) CWC 2007 Inc., ICC and its members, IDI, GCC and WICB and its members and their respective advisers not ordinarily resident in Saint Lucia; (ii) a member of a squad; (iii) a CWC 2007 Inc. official; or (iv) staff of ICC, IDI or GCC.

In this paragraph — "CWC 2007 Inc." means ICC Cricket World Cup West Indies 2007 Inc., a company incorporated in the British Virgin Islands; "CWC 2007 Inc. official" means the Chairman, Vice Chairman, members of the Board, Chief Executive Officer, Financial Controller, Secretary or Manager of CWC 2007 Inc.; "GCC" means Global Cricket Corporation Pte Limited, a company incorporated in Singapore as Company No. CRN200008431R and its successors or assigns; "ICC" means the International Cricket Council, a company limited by guarantee and incorporated in the British Virgin Islands as Company No. 9112; "IDI" means ICC Development (International) Limited, a company incorporated in the British Virgin Islands as Company No. 90940; "income" includes basic salary, appearance fees, endorsement fees, prize money, and man-of-the match and man-of-the-series awards; "WICB" means the West Indies Cricket Board Inc., a company incorporated in the British Virgin Islands as Company No. 302180;

(zp) the income of expatriate Commissioners appointed to review the terms and conditions of employment of medical practitioners and nurses;

(zq) the income earned by way of back pay to non-established and fortnightly paid workers who are affiliated with the National Workers Union;

(zr) the income earned by way of back pay to non-established and fortnightly paid workers who are affiliated with the National Workers Union for the triennium April 2001 to March 2004;

(zs) income arising from trading in securities other than by way of a business on an exchange licensed by the Eastern Caribbean Securities Regulatory Commission pursuant to the Securities Act, Cap. 12:18;

(zt) contributions to the captive insurance fund established by the Saint Lucia Electricity Services Company Limited;

zu) the income earned by public officers as a result of the retroactive salary increase payable for

the period 1 April 2007 to 30 September 2008 until the payment of that retroactive salary.

Section 31

EXEMPTION: APPROVED ENTERPRISES FOR FISCAL INCENTIVE RELIEF

Where a company is approved as an approved enterprise for the manufacture of an approved product under the Fiscal Incentives Act it is exempt from tax under this Act during the currency of its tax holiday period provided under that Act.

Section IV – Contact point for further information

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