



MONTSERRAT

CHAPTER 17.17

TELECOMMUNICATIONS SERVICE (TAX) ACT and Subsidiary Legislation

Revised Edition

showing the law as at 1 January 2019

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Revised Edition of the Laws Act.

This edition contains a consolidation of the following laws—

TELECOMMUNICATIONS SERVICE (TAX) ACT

Act 6 of 1993 .. in force 13 May 1993

Amended by Acts: 17 of 1998 .. in force 25 January 1999

9 of 2011 .. in force 27 September 2011 (S.R.O. 40/2011)

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CHAPTER 17.17

TELECOMMUNICATIONS SERVICE (TAX) ACT

ARRANGEMENT OF SECTIONS

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CHAPTER 17.17

TELECOMMUNICATIONS SERVICE (TAX) ACT

(Acts 6 of 1993, 17 of 1998 and 9 of 2011)

AN ACT TO PROVIDE FOR THE IMPOSITION OF TAX ON CERTAIN TELECOMMUNICATIONS SERVICES.

Commencement

[13 May 1993]

Short title

1. This Act may be cited as the Telecommunications Service (Tax) Act.

Interpretation

2. (1) In this Act, unless the context otherwise requires—
“**Minister**” means the Minister of Finance;
“**overseas**” means any place outside Montserrat;
“**quarter**” means a period of three months;

“telecommunications services” means the services rendered by means of telecommunications system;

“telecommunications system” means any transmission or emission overseas from Montserrat of signs, signals, writing, images and sound or intelligence of any nature cable wire, radio visual or other electro magnetic system.

(2) For the purpose of this Act, a telecommunication shall be deemed to have originated in Montserrat if it is made in Montserrat by any person and includes collect telephone calls from overseas.

The tax payable

3. (1) Subject to this Act there shall be paid by each person in respect of each overseas telecommunication service originating in Montserrat a telecommunication tax (hereinafter referred to as **“the tax”**) at a rate to be specified by Order by the Governor acting on the advice of Cabinet.

(2) An order made under subsection (1) shall be placed before the Legislative Assembly and shall be subject to a negative resolution of the Assembly passed within ninety days of signature.

(Substituted by Act 17 of 1998 and amended by Act 9 of 2011)

Tax to be collected by persons providing telecommunication services and paid to the Accountant General

4. (1) The tax shall be collected by the person authorised or licensed to provide and operate overseas telecommunication services from Montserrat (hereinafter referred to as the **“authorised persons”**) as the services are rendered and shall be paid by the authorised person to the Accountant General within fifteen days of the end of a quarter in respect of all the tax charged and collected during that quarter on overseas telecommunication services rendered by the authorised person.

(2) Where the tax in respect of a quarter is not collected in that quarter from any person to whom telecommunication services were rendered but collected during any subsequent quarter such tax shall be paid to the Accountant General with the payment for the subsequent quarter and so on.

(3) Where a person who is liable to pay the tax has not paid the tax within three months from the date he is billed to pay, the authorised person shall give notice of such default to the Comptroller of Inland Revenue, who shall proceed to recover the tax as if the default is made in respect of Income Tax imposed under the Income and Corporation Tax Act.

Duty of authorised person

5. (1) The tax charged and collected by the authorised person shall be due and payable to the Accountant General without further demand or notification under section 4.

(2) The authorised person shall keep records of tax charged, collected or in default and furnish returns at such intervals as may be prescribed by Order made by the Governor acting on the advice of Cabinet.

(Amended by Act 9 of 2011)

Inspection of records and accounts

6. The Accountant General may inspect the records and accounts maintained by the authorised person to ensure that the tax is charged collected and paid in accordance with this Act.

Authorised person liable in certain circumstances

7. (1) If the tax is not charged, collected and paid to the Accountant General by the authorised person as provided for in this Act the authorised person shall be liable to be charged as if the authorised person is the person liable to pay the tax, and the provisions of the Income and Corporation Tax Act as to assessment and recovery of income tax under that Act shall *mutatis mutandis* apply to the computation and recovery of the tax imposed under this Act.

(2) Subsection (1) does not apply if the tax is not collected due to the default on the part of the person to whom overseas telecommunication services were rendered by the authorised person.

Offences

8. (1) Any person who, in order to avoid payment by himself or by any other person of the tax, knowingly makes any false statement or representation commits an offence and is liable on summary conviction to a fine of \$2,000 and to imprisonment for three months or to both such fine and imprisonment.

(2) Any authorised person who fails or neglects to make such returns as may be prescribed by this Act or any regulations made under this Act or who knowingly in such returns makes any false statement or representation commits an offence and is liable on summary conviction to a fine of \$5,000.

Regulations

9. The Governor acting on the advice of Cabinet may make regulations as may be necessary for giving effect to the provisions of this Act.

(Amended by Act 9 of 2011)

TELECOMMUNICATIONS SERVICE (TAX) ORDER – SECTION 3

(S.R.O. 5/2013)

Commencement

[1 April 2013]

Short title

1. This Order may be cited as the Telecommunications Service (Tax) Order.

Tax payable

2. The tax payable by any person in respect of each overseas telecommunication service originating in Montserrat shall be 7.5% of the charge or cost of such telecommunication.
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