

## Saint Vincent and the Grenadines

Saint Vincent and the Grenadines is taking steps to implement the aspects of the terms of reference (OECD, 2021<sup>[1]</sup>) (ToR) for the transparency framework and to commence administrative preparations to ensure that it establishes an information gathering process (ToR I.A) and that information on rulings will be identified and exchanged in a timely manner (ToR II.B). Saint Vincent and Grenadines receives two recommendations on these points for the year of review.

In the prior years' peer reviews, Saint Vincent and the Grenadines was not assessed for the transparency framework, as it could not issue any rulings. However, as Saint Vincent and the Grenadines now has implemented an administrative process to issue rulings, it is reviewed, and recommendations have been made as relevant.

Saint Vincent and the Grenadines can legally issue four types of rulings within the scope of the transparency framework.

In practice, Saint Vincent and the Grenadines issued no rulings within the scope of the transparency framework.

As no exchanges took place, no peer input was received in respect of the exchanges of information on rulings received from Saint Vincent and the Grenadines.

## Information gathering process (ToR I.A)

1016. Saint Vincent and the Grenadines can legally issue the following four types of rulings within the scope of the transparency framework: (i) cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles; (ii) rulings providing for unilateral downward adjustments; (iii) permanent establishment rulings; and (iv) related party conduit rulings.

1017. Saint Vincent and the Grenadines' Tax Administration Act came into force in December 2020. As stated in the Act, the Comptroller of the Inland Revenue Department has the authority to issue public rulings on tax related matters within the scope of the transparency framework. The Comptroller can adopt procedures and issue guidelines for improving the process of issuing rulings. However, to date, no rulings within the scope of the transparency framework have been issued by the Comptroller of the Inland Revenue Department.

### **Past rulings (ToR I.A.1.1, I.A.1.2, I.A.2.1, I.A.2.2)**

1018. For Saint Vincent and the Grenadines, past rulings are any tax rulings within scope that are issued either (i) on or after 1 January 2015 but before 1 April 2017; and (ii) on or after 1 January 2012 but before 1 January 2015, provided they were still in effect as of 1 January 2015. As Saint Vincent and the Grenadines can only issue rulings as of 2020, there are no past rulings in scope and this section is not assessed.

### **Future rulings (ToR I.A.1.1, I.A.1.2, I.A.2.1)**

1019. For Saint Vincent and the Grenadines, future rulings are any tax rulings within scope that are issued on or after 1 April 2017.

1020. The Tax Administration Act provides a provision that a taxpayer can apply for an advanced ruling. However, Saint Vincent and the Grenadines is currently establishing a process to identify future rulings and all potential exchange jurisdictions. Therefore, Saint Vincent and the Grenadines is recommended to continue its work to complete its information gathering process on future rulings as soon as possible.

### **Review and supervision (ToR I.A.3)**

1021. As this is Saint Vincent and the Grenadines' first year of review, Saint Vincent and the Grenadines did not have a review and supervision mechanism in place in the prior years. During the year of review, Saint Vincent and the Grenadines created a process for the implementation of a review and supervision mechanism for ensuring implementation of the transparency framework. The Inland Revenue Department ensures that the declaration forms and their annexes capture the information accurately. Experienced staff within the Inland Revenue Department must review the relevant return in the first instance and after the review, the verification of the return is carried out by another experienced staff member. The process includes various monitoring and supervisory processes, including appropriate checklists and IT tools. As Saint Vincent and the Grenadines oversees the information collection and assessment process closely through different departments, Saint Vincent and the Grenadines has review and supervision mechanism in place.

1022. Saint Vincent and the Grenadines' review and supervision mechanism is sufficient to meet the minimum standard.

## **Conclusion on section A**

1023. Saint Vincent and the Grenadines is recommended to ensure that it has put in place an effective information gathering process to identify all relevant future rulings and all potential exchange jurisdictions as soon as possible (ToR I.A).

## Exchange of information (ToR II.B)

### **Legal basis for spontaneous exchange of information (ToR II.B.1, II.B.2)**

1024. Saint Vincent and the Grenadines has the necessary domestic legal basis to exchange information spontaneously. Saint Vincent and the Grenadines notes that there are no legal or practical impediments that prevent the spontaneous exchange of information on rulings as contemplated in the Action 5 minimum standard.

1025. Saint Vincent and the Grenadines has international agreements permitting spontaneous exchange of information, including (i) the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011<sup>[2]</sup>) (“the Convention”) and (ii) bilateral agreements in force with 10 jurisdictions.<sup>1</sup>

### **Completion and exchange of templates (ToR II.B.3, II.B.4, II.B.5, II.B.6, II.B.7)**

1026. Saint Vincent and the Grenadines does not yet have a process to complete the templates on all relevant rulings, to make them available to the Competent Authority for exchange of information, and to exchange them with relevant jurisdictions

1027. During the year in review, no exchanges were required to take place and no data on the timeliness of exchanges is reported.

### **Conclusion on section B**

1028. Saint Vincent and the Grenadines is recommended to develop a process to complete the templates for all relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with the form and timelines under the transparency framework going forward (ToR II.B).

## Statistics (ToR IV.D)

1029. As there was no information on rulings exchanged by Saint Vincent and the Grenadines for the year in review, no statistics can be reported.

## Matters related to intellectual property regimes (ToR I.A.1.3)

1030. Saint Vincent and the Grenadines does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015<sup>[3]</sup>) were imposed.

## Summary of recommendations on implementation of the transparency framework

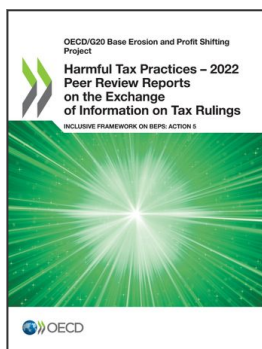
Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
Saint Vincent and the Grenadines does not yet have an effective information gathering process in place to identify all relevant future rulings and all potential exchange jurisdictions.	Saint Vincent and the Grenadines is recommended to continue its work on its information gathering process for identifying all past and future rulings within the scope of the transparency framework as soon as possible.
Saint Vincent and the Grenadines does not yet have a process to complete the templates on all relevant rulings, to make them available to the Competent Authority for exchange of information, and to exchange them with relevant jurisdictions	Saint Vincent and the Grenadines is recommended to develop a process to complete the templates for all relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with the form and timelines under the transparency framework going forward.

## References

- OECD (2021), *BEPS Action 5 on Harmful Tax Practices - Terms of Reference and Methodology for the Conduct of the Peer Reviews of the Action 5 Transparency Framework*, OECD Publishing, Paris, <https://www.oecd.org/tax/beps/beps-action-5-harmful-tax-practices-peer-review-transparency-framework.pdf>. [1]
- OECD (2015), *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://doi.org/10.1787/9789264241190-en>. [3]
- OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264115606-en>. [2]

## Note

<sup>1</sup> Participating jurisdictions to the Convention are available here: [www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm](http://www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm). Saint Vincent and the Grenadines also has bilateral agreements with jurisdictions party to the CARICOM agreement.



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