



The Bahamas Hotel & Tourism Association  
2<sup>nd</sup> Floor, Hotel's House  
East Bay Street  
P.O. Box N 7799  
Nassau, New Providence  
The Bahamas

June 5, 2014

The Hon. Michael Halkitis, M.P.,  
**Minister of State**  
**Ministry of Finance**  
Cecil Wallace-Whitfield Centre  
P.O. Box N 3017  
Cable Beach  
Nassau, Commonwealth of The Bahamas

Dear Minister Halkitis:

Over the past several months we have conveyed to the Financial Secretary our interest in being well engaged in the VAT readiness planning and delivery of training to the tourism sector.

We understand that considerable work has already been done by the Ministry for internal readiness and that the Ministry has prepared some general public informational pieces to explain the fundamentals of VAT. With last week's announcement of an implementation date of January 1, 2015, we believe we must now move in collaboration to put in place a well-planned education and training effort directed at the business community. We believe the Chamber of Commerce and BHTA are well positioned to facilitate that effort with the Ministry.

Elements of the training for consideration include:

- VAT fundamentals – How it Works
- Business Software and Point of Sales Systems
- Review of All Relevant Aspects of the Legislation, Regulations, and Guide Notes
- Recommended Modifications to Accounting Systems
- Government Reporting and Filing Requirements and Processes
- Updating Business Communication Pieces – contracts, websites, billings, receipts, menus, etc.
- Transition Issues – Inventory Management; pre-booked and contracted business
- Training – Managers, Accounts Personnel, front-line personnel

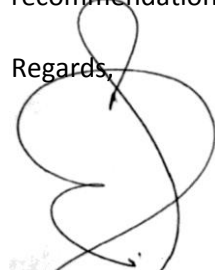
We note in the Prime Minister's budget communication his intention to establish a private sector task force to help guide the education aspects of readiness. For the record, given tourism's predominance in our economy we wish to be represented on that task force. Per the abovementioned 'elements', readiness efforts for our sector must be detailed, focused in scope, and consider outreach to the Family Islands and Grand Bahama.

BHTA welcomes the delay in implementing VAT. This should allow adequate time for the public and private sectors to do the planning, training, and operational conversions necessary for the transition. Failure to fully take advantage of this delay will place an added financial and operational burden on businesses and could prevent the Government from realizing its anticipated revenue.

In a survey which BHTA conducted earlier this year only 22 percent of the respondents indicated that they had a full understanding of how a VAT works. We hope to move quickly and soon with your Ministry to prevent an ineffective conversion process.

We were impressed by the approach undertaken by New Zealand where the private sector was well-engaged in the readiness process, helping to write the plan and facilitating its delivery. We look forward to a similar engagement with the Ministry and look forward to your response to our request and recommendations.

Regards,

A handwritten signature in black ink, appearing to be 'Stuart Bowe', written over the word 'Regards,'.

Stuart Bowe  
President

cc: Mr. John Rolle, Financial Secretary