



“VAT is Viable,” says Leading Auditor, Calls VAT ‘Most Equitable, Transparent’



Kendrick Christie - President of the Association of Certified Fraud Examiners Bahamas Chapter, Grant Thornton Bahamas Partner and Past President of the Bahamas Institute of Chartered Accountants, weighs in on the discussion over a proposed Value Added Tax, calling it ‘viable for The Bahamas.’

Kendrick Christie, President of the Association of Certified Fraud Examiners Bahamas Chapter asserted that “Value Added Tax (VAT) is viable in The Bahamas.”

“Business owners must be responsible with the information they purport as facts,” says Christie. “A lot of what I am hearing is at best anecdotal. The reality is the government is being prudent by aggressively tackling tax reform as the current tax system, led by customs duties experience high levels of leakage,” Mr. Christie explained. “VAT allows for enhanced checking ability for internal and external auditing and analysis that can be useful in business strategy.”

Mr. Christie's comments come as the Bahamas debt is expected to reach just over \$5 billion by June 30.

"The accounting profession has been conducting training for its members and the public for almost a year to ensure individuals are fully prepared for the transition to VAT," Mr. Christie replied when asked about how prepared his industry is for VAT's implementation.

"There will be opposition to any increase in taxes at any point in time," Christie added. "The truth is that to avoid downgrading of our fiscal and monetary position, the government must act. The government may feel that they are in a Catch 22, however, the decision is clear – a new tax system is needed and one of the most equitable and transparent is VAT."

Mr. Christie complimented the government on its outreach to the different sectors of the business community. "It appears to be a multistep educational process which started with the business community. I now note the consultation with consumers and I urge them (consumers) to prepare," he said, noting he expects the educational campaign to increase once the Value Added Tax Bill and Regulations are passed through Parliament.

VAT since its introduction has been the most successful fiscal tool worldwide for revenue generation. No other taxation system has been adopted more rapidly than VAT and it has become the mainstay of national finances for developed and developing countries.