



ANY REPLY OR SUBSEQUENT REFERENCE SHOULD BE ADDRESSED TO THE
FINANCIAL SECRETARY AND THE FOLLOWING REFERENCE NUMBER QUOTED:-

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MINISTRY OF FINANCE & THE PUBLIC SERVICE
30 NATIONAL HEROES CIRCLE
P.O. BOX 512
KINGSTON
JAMAICA

May 2, 2024

CIRCULAR NO. 8

Permanent Secretaries
Heads of Departments
Chief Executive Officers
Chairmen of Boards

Re: Revised Procedures for the Payment of Utilities and General Consumption Tax (GCT)

The attention of Permanent Secretaries, Chief Executive Officers, Heads of Departments, and Chairmen of Boards is invited to the following revised procedures in respect of the payment of General Consumption Tax (GCT) and Utility Bills.

1. Payment of GCT

- 1.1 The centralised payment of GCT by the Public Expenditure Division (PEX) in the Ministry of Finance and the Public Service (MOF&PS) and the Accountant General's Department (AGD) will be discontinued as at June 30, 2024. Consequently, Section (3.3) (e) (i), (ii), (iii) of Circular No.14 "*Payment of General Consumption Tax on Taxable Supplies by Ministries Departments, Agencies and Public Bodies*" Reference No. 108/144 dated May 27, 2014 is hereby repealed.
- 1.2 Ministries, Departments, Agencies (MDAs) and Public Bodies must undertake the payment of GCT for all amounts withheld in accordance with the Regulation 7A and 7B of the General Consumption Tax Act Regulations. (See appendix 1).
- 1.3 A Withholding Tax Certificate (WTC) must be issued within fifteen (15) days of receipt of the invoice providing the following conditions have been satisfied:
 - (a) the goods and services have been certified by an authorised officer of the MDA as being properly received; and
 - (b) the invoice has been checked and verified as correct by the relevant officer of the MDA.

- 1.4 A GCT Register must be maintained by each Tax Withholding Entity (TWE) to allow for the monitoring and tracking of amounts withheld for GCT and due for payment to Tax Administration Jamaica (TAJ). The GCT Register shall include all the relevant information provided for on the GCT Returns (Form 5). The template at Appendix 2 may be used.
- 1.5 GCT withheld by Tax Withholding Entities for the month must be paid directly to the TAJ **no later than the 15th day of the subsequent month** for further transfer to the Consolidated Fund.
- 1.6 Ministries and Departments that utilize the Government Financial Management System (GFMS) shall use the GCT Register built into the system to issue WTC to suppliers and process the GCT payment monthly.
- 1.7 Ministries and Departments that use the GFMS must make payment of GCT to the TAJ **no later than the 10th day of each month** for all GCT withheld for the previous month, using the GCT Register.

2. Payment of Utility Bills (Telecommunications, JPS, NWC)

- 2.1 The centralised payment of utility bills by the Public Expenditure Division (PEX) in the Ministry of Finance and the Public Service (MOFPS) and the Accountant General's Department (AGD) will be discontinued as of June 30, 2024. Consequently section 4 of Circular No. 30 dated September 27, 2010, "*Control of Public Utility Services*" and the related Appendix: "*Procedures For payment of JPS and NWC bills By the Accountant General's Department on Behalf of Ministries, Departments, Executive Agencies and Public Bodies On-Budget*" are repealed.
- 2.2 With effect from July 1, 2024, warrant funded Ministries, Departments and Agencies (MDAs) are required to submit requests for the payment of Utilities directly to the Accountant General's Department **no later than the 20th day of each month**.
- 2.3 Budget Funded Executive Agencies shall make utility payments directly to the respective utility companies and advise the AGD and PEX Division of the amounts paid by the end of each month.
- 2.4 A Utility Register as shown in appendix 2 of Circular No.30 must be maintained by all Ministries, Departments, Agencies and Public Bodies for the tracking and monitoring of all utility payments.

- 2.5 MDAs that use the GFMS must submit monthly requests for utility payments to the AGD **no later than the 20th day of each month using** the Utility Register Module that has been built into the system.
- 2.6 Where MDAs' electricity and water charges are part of a maintenance contract or strata plan those public entity bills will not be paid by the Accountant General.
- 2.7 MDAs and Public Bodies must ensure that there is strict compliance with all other provisions of Circular #30 dated September 27, 2010, relating to the control of expenditure on public utility services.

3 Monitoring & Enforcement

- 3.1 The Accountant General shall monitor the execution of Utility Payments by Ministries, Departments, budget funded Executive Agencies and Public Bodies (where applicable).
- 3.2 Where an MDA on GFMS has not submitted payment requests for utilities to the AGD by the due date, the GFMS shall impose a restriction on all non-priority payments until the utility payments have been honoured. Priority payments for the purpose of this Circular are inescapable e.g., salary; and contractual obligations for which non-payment will cause loss of public funds or may result in legal issues.
- 3.3 Where budget funded Executive Agencies and Public Bodies have not submitted a report on the amounts paid for utilities for the previous month, the Accountant General shall withhold the full amount of the subsequent warrant until the report has been received.
- 3.4 The GFMS shall automatically impose the restrictions mentioned at section 3.2 for MDAs that use the GFMS.
- 3.5 MDAs, that are fully or partially funded from the Consolidated Fund shall submit monthly reports to the Ministry with responsibility for finance of all GCT and utility payments payable and paid for the month. The report must be submitted to the Ministry no later than the 15th day of the following month. (See appendix 3 for sample report with minimum requirements)
- 3.6 The Accountant General shall submit a monthly report, to the Ministry responsible for finance and the relevant Accounting Officer/Head of Department, of all budget funded Executive Agencies and Public Bodies (where applicable) whose payments were suspended due to non-payment of Utility bills. The AGD shall submit the report no later than the 15th day of the following month using the format prescribed at appendix 4.

Conclusion

Permanent Secretaries, Heads of Departments, Chief Executive Officers and Chairmen of Boards must ensure that this Circular is brought to the attention of all relevant officers in their MDAs and Public Bodies.



Darlene Morrison, CD
Financial Secretary

Appendix 1

THE GENERAL CONSUMPTION TAX ACT

REGULATIONS (under section 63(1))

THE GENERAL CONSUMPTION TAX REGULATIONS, 1991

(Made by the Minister on the 8th day of October, 1991)

[22nd October, 1991.]

L.N. 86/91
Amended:
L.N. 77/93
27/94
15/97
163/99
32/2002
Fide Act
26/2003
L.N. 150/2014
Act 10 of 2014
L.N. 150/2014
137A/2015
207/2015

1. These Regulations may be cited as the General Consumption Tax Regulations, 1991. Citation.

7A.—(1) An entity specified in paragraph (2) (hereinafter referred to as a “tax withholding entity”) to which a taxable supply is made by way of the supply of goods or services to the tax withholding entity shall, in accordance with this regulation— Tax with-
holding
entities.

(a) deduct from the payment on account of the supply of the goods or services an amount equal to the tax payable on the supply of such goods and services; and

(b) pay the amount so deducted over to the Commissioner.

(2) The tax withholding entities to which paragraph (1) relates are—

(a) a Ministry, an Executive Agency, an agency or a department of Government;

(b) a statutory body or authority (including a body or authority specified in the Third Schedule); Third
Schedule.

(c) a Parish Council or Municipal Council;

(d) the Council of the Kingston and St. Andrew Corporation; and

(e) a government company as defined in section 2 of the Financial Administration and Audit Act.

[The inclusion of this page is authorized by L. N. 173/2019]

(3) The accounting officer of a tax withholding entity specified in paragraph (2) shall be responsible for carrying out the functions of the tax withholding entity relating to the deduction and payment of the tax to the Commissioner.

(4) The functions of a tax withholding entity with respect to the taxable supplies made to it shall be to—

- (a) deduct and withhold the tax due at the rate applicable;
- (b) issue a withholding tax certificate to the registered taxpayer within fifteen days of receiving the tax invoice from the registered taxpayer;
- (c) by the last working day of the month after the end of the taxable period in which the certificates were issued, prepare and file a tax return, in the form set out as Form 4F in the Fourth Schedule, accounting for the tax withheld; and
- (d) remit the tax payable on the return by the last working day of the month after the end of the taxable period for which the withholding tax certificate was issued.

Fourth
Schedule.

Fourth
Schedule.

(5) A withholding tax certificate shall be in the form set out as Form 5 in the Fourth Schedule.

(6) For the purposes of paragraph (1), where a tax withholding entity makes a payment on account of a taxable supply made to another person and the payment constitutes a loan to that person, the taxable supply shall be treated as being made to the tax withholding entity and the provisions of this regulation shall apply accordingly.

(7) In this regulation, “accounting officer” has the definition assigned to it in section 2 of the Financial Administration and Audit Act.

Duty of
registered
taxpayer
who supplies
goods or
services to
tax withholding
entity.

7B.—(1) A registered taxpayer who supplies goods or services to a tax withholding entity specified in regulation 7A (2) shall—

- (a) in the case of a tax withholding entity that is a registered taxpayer, issue a tax invoice containing the particulars specified in regulation 8 pursuant to section 22(a) of the Act;
- (b) in the case of a tax withholding entity that is not a registered taxpayer, issue a tax invoice containing the particulars in regulation 8 instead of the receipt required to be issued under section 22(b) of the Act;
- (c) prepare and file a return in the form set out as Forms 4A, 4D or 4E (as may be applicable) in the Fourth Schedule and account for the tax in accordance with regulation 10; and
- (d) collect a withholding tax certificate from the tax withholding entity.

Forms 4A, 4D
and 4E.
Fourth
Schedule.

[The inclusion of this page is authorized by L. N. 173/2019]

Appendix 2 – GCT Register

Organization _____

General Consumption Tax Payable For the Month of _____[illegible]

Prepared by: _____

Date: _____

Checked by: _____

Date: _____

Appendix 3 – Report on Statutory Deductions, GCT and Utility Bills Payable

Organization Name: _____

FINANCIAL YEAR: ____/____

HEAD NO. _____

FINANCIAL PATTERN: _____

MONTH _____

| DESCRIPTION | BAL B/F FROM PREVIOUS PERIOD | AMOUNT PAID IN THE PERIOD | CLOSING BAL AS AT END OF PERIOD |
|------------------------|------------------------------|---------------------------|---------------------------------|
| GCT | | | |
| Electricity | | | |
| Water | | | |
| Telephone/ Internet | | | |
| NIS | | | |
| PAYE | | | |
| NHT | | | |
| ED Tax | | | |

Appendix 4 – Report on Suspended Payments due to GCT/Utility Bill Payable

Organization Name: _____

FINANCIAL YEAR: ____/____

HEAD NO. _____

FINANCIAL PATTERN: _____

Month _____

| EXECUTIVE AGENCY/PUBLIC BODY | OUTSTANDING PAYABLES | STATUS | REMARKS |
|------------------------------|---|--|---------|
| | <input checked="" type="checkbox"/> GCT <input type="checkbox"/> ELECTRICITY <input type="checkbox"/> WATER <input type="checkbox"/> TELEPHONE/ INTERNET <input type="checkbox"/> PAYE <input type="checkbox"/> ED Tax <input type="checkbox"/> NIS | <input type="checkbox"/> ACTIVE <input checked="" type="checkbox"/> SUSPENDED | |
| | <input checked="" type="checkbox"/> GCT <input checked="" type="checkbox"/> ELECTRICITY <input type="checkbox"/> WATER <input type="checkbox"/> TELEPHONE/ INTERNET <input type="checkbox"/> PAYE <input type="checkbox"/> ED Tax <input type="checkbox"/> NIS | <input checked="" type="checkbox"/> ACTIVE <input type="checkbox"/> SUSPENDED | |