

Saint Lucia

Saint Lucia is taking steps to implement the legal basis for the transparency framework and to commence administrative preparations (in line with the terms of reference (OECD, 2017^[3]) (ToR)) to ensure that it finalises its information gathering process (ToR I.4), information on rulings will be identified and exchanged in a timely manner (ToR II.5), to identify and exchange information on all new entrants to the IP regimes (ToR I.4.1.3). Saint Lucia receives three recommendations on these points for the year in review.

This is Saint Lucia's first review of implementation of the transparency framework.

Saint Lucia can legally issue two types of rulings within the scope of the transparency framework. In practice, Saint Lucia has issued no rulings in the year in review.

As no exchanges were required to take place, no peer input was received in respect of the exchanges of information on rulings received from Saint Lucia.

Introduction

This peer review covers Saint Lucia's implementation of the BEPS Action 5 transparency framework for the year 2018. The report has four parts, each relating to a key part of the ToR. Each part is discussed in turn. A summary of recommendations is included at the end of this report.

A. The information gathering process

Saint Lucia can legally issue two types of rulings within the scope of the transparency framework: (i) preferential regimes¹ and (ii) permanent establishment rulings. Rulings are issued by the Tax Administration Department.

Past rulings (ToR I.4.1.1, I.4.1.2, I.4.2.1, I.4.2.2)

For Saint Lucia, past rulings are any tax rulings issued prior to 1 September 2018. However, there is no obligation under the terms of the transparency framework for Saint Lucia to conduct spontaneous exchange information on past rulings.

Future rulings (ToR I.4.1.1, I.4.1.2, I.4.2.1)

For Saint Lucia, future rulings are any tax rulings within scope that are issued on or after 1 September 2018.

No rulings were issued by Saint Lucia during the future rulings period in the year of review. However, Saint Lucia indicates that there are not yet processes in place for the record keeping of rulings for the purposes of the transparency framework. It is noted that Saint Lucia intends to implement guidelines and practices to make sure the necessary information to meet the requirements of the transparency framework is required in all cases.

Review and supervision (ToR I.4.3)

Saint Lucia did not yet have a review and supervision mechanism under the transparency framework for the year in review. Saint Lucia is discussing the implementation of a revision and supervision mechanism for ensuring implementation of the transparency framework.

Conclusion on section A

Saint Lucia is recommended to finalise its information gathering process for identifying all future rulings and potential exchange jurisdictions, with a review and supervision mechanism, as soon as possible (ToR I.4).

B. The exchange of information

Legal basis for spontaneous exchange of information (ToR II.5.1, II.5.2)

Saint Lucia has the necessary domestic legal basis to exchange information spontaneously. Saint Lucia 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.

Saint Lucia has international agreements permitting spontaneous exchange of information, including being a party to the (i) *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011^[4]) (the “Convention”) and (ii) bilateral agreements in force with 16 jurisdictions.²

Completion and exchange of templates (ToR II.5.3, II.5.4, II.5.5, II.5.6, II.5.7)

Saint Lucia is still developing a process to complete the templates on relevant rulings, to make them available to the Competent Authority for exchange of information, and to exchange them with relevant jurisdictions.

As no exchanges were required to take place in the year of review, no data on the timeliness of exchanges can be reported.

Conclusion on section B

Saint Lucia is recommended to develop a process to complete the templates on 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.5).

C. Statistics (ToR IV)

As no rulings are issued, no statistics can be reported.

D. Matters related to intellectual property regimes (ToR I.4.1.3)

Saint Lucia offered three intellectual property regimes (IP regime)³ that were abolished from 1 December 2018 and are subject to the transparency requirements under the Action 5 Report (OECD, 2015^[5]). It states that the identification of the benefitting taxpayers will occur as follows:

- **New entrants benefitting from the grandfathered IP regime:** Transparency obligations apply for the three regimes, because grandfathering is provided to entrants that entered the regime after the relevant date from which enhanced transparency obligations apply. Saint Lucia has not identified and exchanged information on new entrants to the IP regimes. Saint Lucia is therefore recommended to identify and exchange information on all new entrants to the grandfathered IP regimes (ToR I.4.1.3).
- **Third category of IP assets:** not applicable to these regimes, which in 2018 were in the process of being abolished.
- **Taxpayers making use of the option to treat the nexus ratio as a rebuttable presumption:** not applicable to these regimes, which in 2018 were in the process of being abolished.

Summary of recommendations on implementation of the transparency framework

Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
Saint Lucia has not yet finalised the steps to have in place its necessary information and gathering process.	Saint Lucia is recommended to finalise its information gathering process for identifying future rulings and potential exchange jurisdictions, with a review and supervision mechanism, as soon as possible.
Saint Lucia does not have a process to complete the templates on relevant rulings, to make them available to the Competent Authority for exchange of information, and to	Saint Lucia is recommended to develop a process to complete the templates on relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with

exchange them with relevant jurisdictions.	the form and timelines under the transparency framework.
Saint Lucia did not identify or exchange information on new entrants to the IP regime or taxpayers benefitting from the third category of IP asset.	Saint Lucia is recommended to identify and exchange information on all new entrants to the IP regime, and to identify and exchange information on taxpayers benefitting from the third category of IP assets.

Notes

¹ With respect to the following preferential regimes: International business company, International trust and International partnership regimes

² Parties to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm. Saint Lucia also has bilateral agreements in force with the CARICOM jurisdictions and the United States.

³ International business company, International trust and International partnership regimes.



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