

TAX REFORM

In continuation of its Tax Reform Programme Government proposes to introduce a value added tax called The General Consumption Tax, on October 22, 1991.

WHY GCT?

To simplify and modernize Jamaica's Indirect Tax System.

Over 50 countries have already accepted this system and more are doing so.

THE PRESENT INDIRECT TAXES

- Excise Duty
- CARICOM Duty
- Consumption Duty
- Retail Sales Tax
- Telephone Service Tax
- Entertainment Duty
- Hotel Accommodation Tax
- Departure Tax
- Stamp Duty
- Additional Stamp Duty on Imported Goods
- Customs Import Duty
- Betting, Gaming and Lotteries Act (Bookmakers' Levies/Bet Winnings Tax)

DISADVANTAGES OF THE PRESENT SYSTEM

- Large number of Taxes and Rates.
- They are difficult to calculate and costly to administer.
- Only some products and services are taxed.
- Tax is calculated upon tax.
- Escalation in prices of commodities are not reflected in revenue collection where specific rates of duties are involved.
- Encourages manufacturers to alter their method of doing business in order to avoid tax.

THE GCT WILL REPLACE

- Excise Duty
- CARICOM Duty
- Consumption Duty (other than those on alcoholic beverages, tobacco products and petroleum products - which will be covered under the Special Consumption Tax)
- Retail Sales Tax
- Telephone Service Tax
- Entertainment Duty
- Additional Stamp Duty levied on the importation of goods (except in-bond shops, "protected" goods, alcoholic beverages, tobacco products and petroleum products)
- Hotel Accommodation Tax

WHAT IS THE GCT?

- The GCT is a Value Added Tax.
- The Tax will be applied on the value added to goods and services at each stage in the production and distribution chain.

As happens now, the tax will be included in the final price the consumer pays for goods and services.

GCT is a tax on consumption.

ADVANTAGES OF THE GCT

- Lower rate because of a broader tax base.
- Input Tax paid can be recovered in some cases even before goods are sold.
- Input Tax on Imported Raw Material can be deferred.
- It eliminates Cascading (paying tax upon tax, as happens NOW).

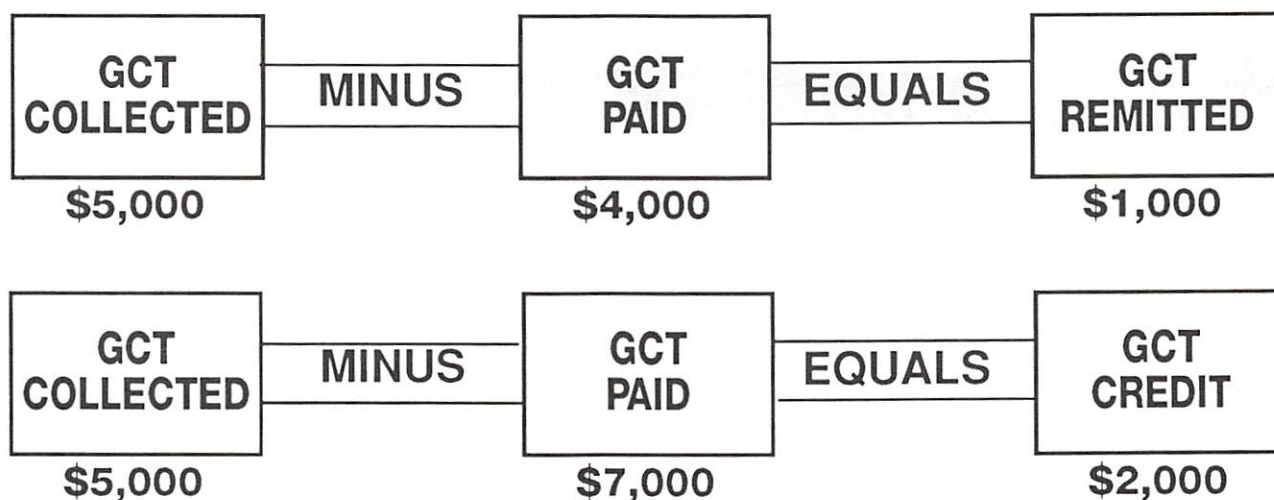
WHAT IS INPUT TAX?

- The tax you will pay (as a business person) whenever you import or buy goods or utilize services (GCT Paid).

WHAT IS OUTPUT TAX?

- The tax you (as a business person) will charge your customers on goods or services supplied (GCT collected).

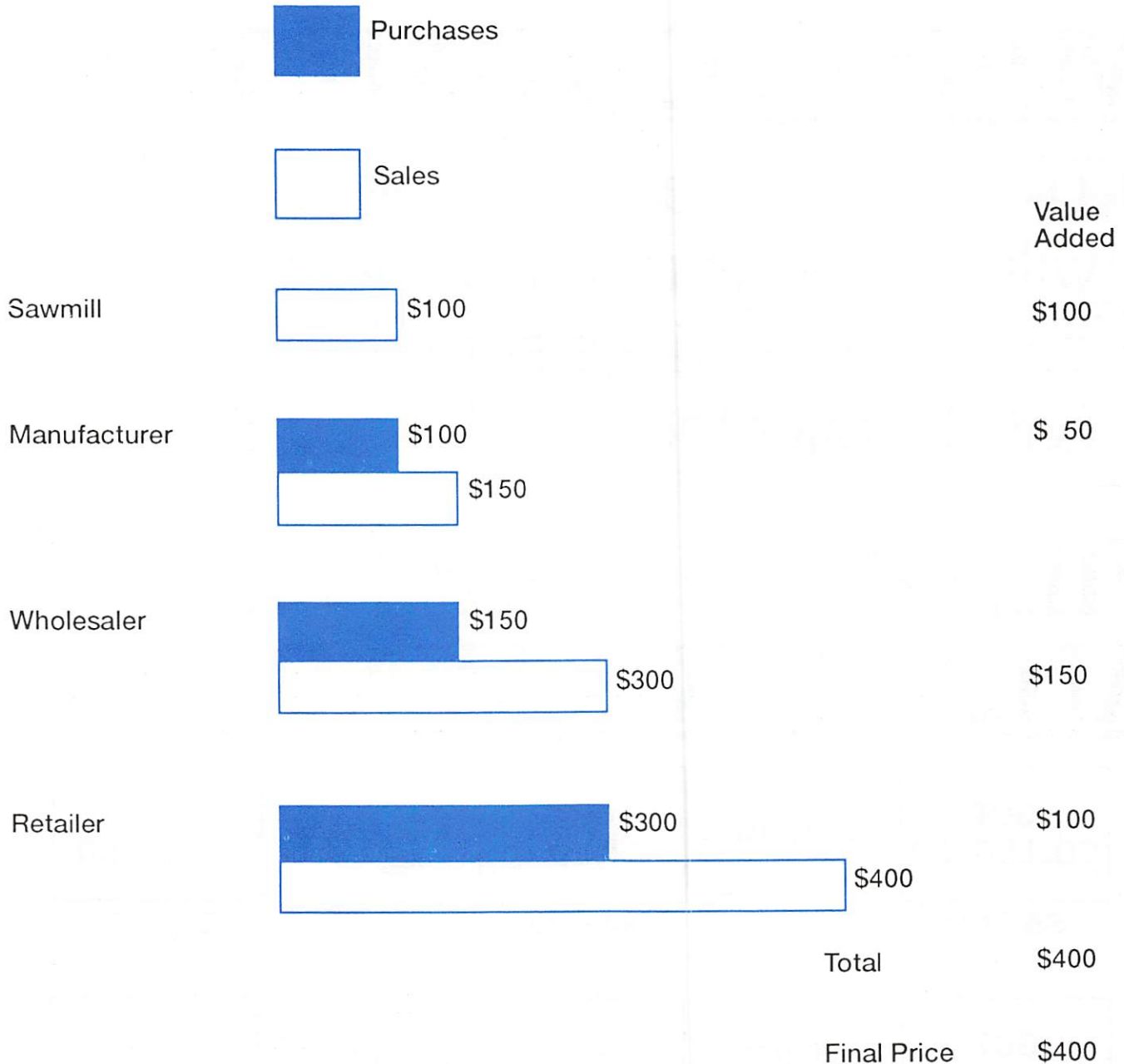
FILING OF RETURNS AND TAX PAYABLE



THE VALUE ADDED CONCEPT







ILLUSTRATION OF VALUE ADDED

ILLUSTRATION I - MANUFACTURE AND DISTRIBUTION OF FURNITURE



THE VALUE ADDED CONCEPT

ILLUSTRATION II – MANUFACTURE AND DISTRIBUTION OF FURNITURE

	 Purchases	 Sales (excluding tax)	Tax on Sales	Input tax credit	Net Tax
Sawmill		 \$100	\$10		\$10
Manufacturer	 \$100  \$150		\$15	\$10	\$5
Wholesaler	 \$150  \$300		\$30	\$15	\$15
Retailer	 \$300  \$400		\$40	\$30	\$10
TOTAL					\$40

Note: Purchase and sale amounts shown in the chart do not include tax. In order to pass on the tax, each vendor would charge tax in addition to the amounts shown. Thus, for example, the Sawmill would charge the Manufacturer \$110.

WHAT IS THE THRESHOLD

- \$144,000 per annum.
- If your total sales or annual turnover is equal to or more than the Threshold, you must register and become a Registered Taxpayer.
- If your total sales or annual turnover is less than the Threshold, you must register and become a Registered Person.
- A Registered Person is not permitted by Law to charge and collect GCT.
- A Registered Person whose total sales or annual turnover eventually reaches the Threshold is required to inform the GCT Department and

THE THRESHOLD

become registered as a Registered Taxpayer.

- A Registered Person may apply for voluntary registration to become a Registered Taxpayer and so enjoy the advantages of the GCT.

WHO MUST REGISTER

All persons engaged in a Taxable activity are required to apply for registration.

WHAT IS A TAXABLE ACTIVITY?

According to the law a taxable activity is any activity carried on in the form of a business, trade, profession, vocation association or club, which is carried on continuously or regularly by any person whether or not for a pecuniary profit and involves or, is intended to involve the supply of goods and services to any other person for a consideration.

WHO MUST NOT REGISTER

Persons engaged in non-taxable activities, including the following:

- an activity carried on essentially as a private recreational pursuit or hobby;
- any engagement, occupation or employment under any contract of service or as a director of a company;
- any activity specified in the Third Schedule (see page 29).

THE REGISTRATION PROCESS

A GCT Application for Registration Form (GCT-1) must be completed and delivered to the GCT Office or the nearest Collectorate.

- The applicant must have a **BUSINESS ENTERPRISE NUMBER (BENO)**.
- Where an applicant has no **BENO** he or she must apply for both **BENO** and GCT Registration at the same time.
- A **CERTIFICATE OF REGISTRATION** is issued to a Registered Taxpayer.
- A **NOTICE OF REGISTRATION** is issued to a Registered person.

OBLIGATIONS OF THE REGISTERED TAXPAYER

- To display Certificate of Registration.
- To charge tax on supplies.
- To issue tax invoices.
- To collect and remit the tax to the Collectorate.
- To keep proper accounting records
- To file returns on a regular basis

What Will Be Taxed?

Most goods and services imported or produced and supplied in Jamaica.

What Will Be The Standard Rate?

The standard GCT Rate will be 10%.

Will Anything be Taxed at a Lower Rate?

Yes—Some essential items will be Zero-Rated i.e. taxed at a rate of 0%.

(See Page 21)

Will Anything be Exempt?

Yes—Certain goods and services will be exempt. (See Page 29)

How Will GCT Affect Prices

Some should go down; some may increase.

Zero-Rating

No Output Tax is charged on supplies.
Tax paid on inputs can be recovered
from the GCT Department.

Exemption

No Output Tax is charged on supplies.
Tax paid on inputs cannot be
recovered.

ILLUSTRATION OF THE APPLICATION OF TAX ON SALE OF A GAS STOVE

(Locally Manufactured)

BEFORE GCT

FACTORY PRICE		\$ 765.54
EXCISE DUTY	17 1/2%	<u>\$ 133.97</u>
		899.51

CONSUMPTION DUTY	27 1/2%	<u>247.37</u>
		1,146.88

WHOLESALE'S MARK-UP	35%	<u>401.41</u>
PRICE TO RETAILER		1,548.29

RETAILER'S MARK-UP	43%	<u>665.76</u>
		2,214.05

RETAIL SALES TAX	10%	<u>221.40</u>
PRICE TO CONSUMER		2,435.45

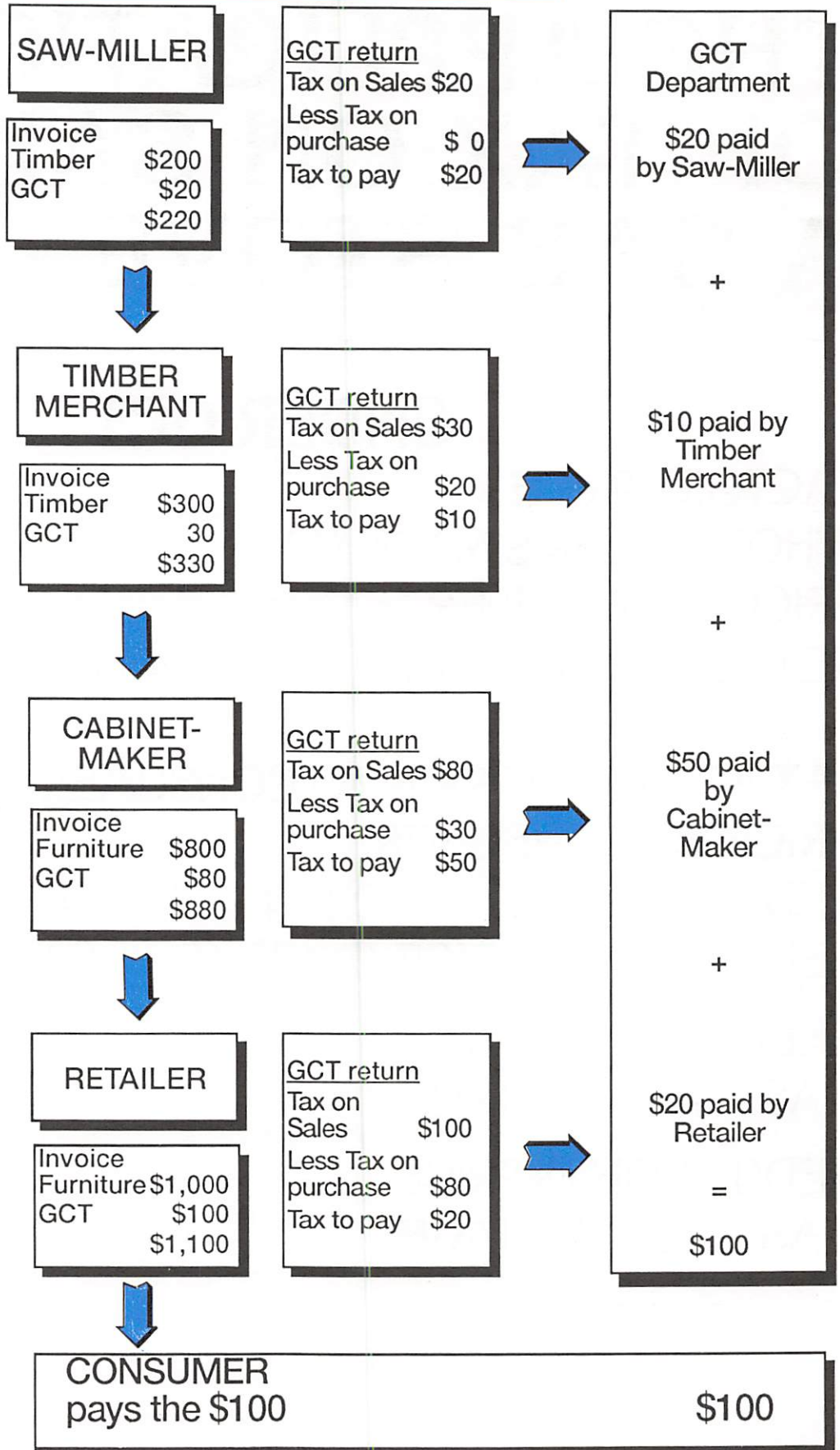
TOTAL DUTY & TAX:		
133.97+247.37+221.40 =		602.74

ILLUSTRATION OF THE APPLICATION OF TAX ON SALE OF A GAS STOVE (Locally Manufactured)

UNDER GCT

FACTORY PRICE		\$ 765.54
WHOLESALE'S MARK-UP	35%	\$ 267.94
PRICE TO RETAILER		<u>1,033.48</u>
RETAILER'S MARK-UP	43%	<u>444.40</u>
		1,477.88
TAX AT 10% OF PRICE TO CONSUMER		<u>147.79</u>
PRICE TO CONSUMER		1,625.67
REDUCTION IN TAX (602.74 - 147.79)		454.95
REDUCTION IN PRICE (2,435.45 - 1,625.67)		809.78
REDUCTION IN TAX AS A PERCENTAGE		75.48%
REDUCTION IN PRICE AS A PERCENTAGE		33.25%

WHO PAYS GCT?



FIRST SCHEDULE

ITEMS WHICH ARE ZERO-RATED

GROUP 1 - FOODSTUFF

1. Raw foodstuff as follows –

- (a) fresh fruits and vegetables, excluding imported apples, pears and quinces, apricots, cherries, peaches (including nectarines), plums and sloes, berries and grapes, kiwis;
- (b) ground provision;
- (c) legumes;
- (d) onions and garlic;
- (e) meat;
- (f) poultry;
- (g) fish, crustacean or mollusc.

which contain no additive and which is not subject to any process other than –

- (i) freezing, chilling, salting or packaging;
- (ii) slicing, mincing, grinding, dicing or chopping; or
- (iii) natural drying.

- 2. Milk (including condensed and powdered skimmed) but excluding flavoured milk, milk-based products and milk substitutes.
- 3. Cornmeal and cereal flour which is known as counter flour and which is made from cereal containing thiamine, riboflavin, niacin and iron but no other additives.
- 4. Corned beef.
- 5. Pickled mackerel, herrings, shad and dried salted fish.
- 6. Canned sardines, herrings and mackerel.
- 7. Infant formulae.
- 8. Bread, buns, bullas, water crackers.
- 9. Rice.
- 10. Sugar (brown).
- 11. Soya oil (pure or mixed) coconut oil and margarine.
- 12. Salt.
- 13. Eggs.
- 14. Patties, that is to say meat or vegetable pies of the description popularly known by that name in Jamaica.
- 15. Rolled oats.

GROUP 2 - AGRICULTURE

- 1. Animal feeds, except pet food
- 2. Any live bird, fish, crustacean, mollusc or any other animal of a kind generally used as or yielding or producing food for human consumption and draught animals.
- 3. Machetes, files, hoes, agricultural forks, hog wire and barbed wire.
- 4. Self-propelled agricultural equipment, agricultural tractors and implements for attachment thereto, agricultural implements propelled by draught animals and agricultural devices designed to be carried by the operator thereof and parts for any of the foregoing.
- 5. Irrigation equipment and any other agricultural goods and equipment which the Minister may approve by notice published in the *Gazette*.

6. Planting material including cereals and seeds in their natural state; dormant flower bulbs, corns, roots and tubers, nursery stock, vegetable plants and live trees.
7. Fishing apparatus, gear, boats engines and parts therefor, equipment and fuel which the commissioner is satisfied is imported or purchased by or on behalf of or taken out of bond by commercial fishermen solely for use by them in the capture of fish for sale.
8. Fertilizer, insecticides, fungicides, anti-sprouting materials.

GROUP 3 - HEALTH

1. Any—

- (a) drug
 - (i) specified in the Fourth Schedule (List 4 Drugs) to the Food and Drugs Regulations, 1975; or
 - (ii) used primarily in the treatment of asthma;
- (b) diagnostic reagents used for the testing of dextrose in the blood and glucose, protein, ketones and pH in the urine.

2. Any—

- (a) medical, dental, surgical, ophthalmic or veterinary instruments or components;
- (b) orthopaedic appliances, surgical belts, trusses, splints and other fracture appliances, artificial limbs, eyes, teeth and other artificial parts of the body, hearing aids, other appliances which are worn or carried or implanted in the body to compensate for any bodily defect or disability, canes and crutches designed for use by the handicapped and eye glasses and contact lens used for the treatment or correction of a defect in vision on the written prescription of an eye-care professional.;
- (c) laboratory appliances (including electro-medical apparatus) and apparatus used for X-rays or radiation from radio-active substances;
- (d) water quality monitoring equipment and seals and equipment used by health-care personnel;
- (e) parts and accessories for any of the foregoing;

3. Invalid carriages.

4. Medical and surgical prostheses including surgical implants and ileostomy, colostomy and similar abilities designed to be worn by human beings.

5. Artificial breathing apparatus for individuals afflicted with respiratory disorder.

6. Any medical equipment approved by the Chief Medical Officer.

7. Bandages and gauze.

GROUP 4 -

DIPLOMATIC AND INTERNATIONAL ORGANIZATIONS

1. Articles for the use of and services performed for the Governor-General.
2. (1) Articles imported into Jamaica or purchased in bond or directly from a registered taxpayer for the personal or official use of –
 - (a) heads of missions and international organisations;
 - (b) non-Jamaican citizens who are members of the staff of a mission or an international organization other than members of the service staff;
 - (c) non-Jamaican citizens who are trade commissioners and members of the staff of a trade commission other than service staff;
 - (d) Consular officers who are natives or citizens of the countries they represent and who are not engaged in any other business or profession in Jamaica.
- (2) Sub-paragraph (1) shall apply only in respect of such categories of persons as are specified in an order made by the Minister responsible for foreign affairs for the purpose of this Item.

GROUP 5 - EXPORT

1. Goods, other than used goods, exported from Jamaica in prescribed circumstances.
2. Goods and services purchased in Jamaica and goods imported in or taken out of bond in Jamaica by or on behalf of persons engaged in the production of bauxite and alumina.
3. Goods specified in Item No. 2 of Part 1 of the Second Schedule to the Customs Tariff (Revision) Resolution, 1972, under the heading "Aircraft" in relation to –
 - (a) an airline operating scheduled services within Jamaica or to a place outside Jamaica; or
 - (b) chartered and private aircraft calling in Jamaica for refuelling and repairs.
4. Services exported from Jamaica in prescribed circumstances.
5. Services rendered in Jamaica directly related to the exportation of goods.
6. Any taxable item which is manufactured or supplied in Jamaica and –
 - (a) exported by a registered taxpayer;
 - (b) shipped by a registered taxpayer –
 - (i) for use as stores on an aircraft or vessel;
 - (ii) as merchandise for sale to persons on board an aircraft or vessel,the final destination of which is outside of Jamaica.
7. Spare parts and equipment used in the repairs of any aircraft or vessel which is wholly or mainly used internationally for the transportation of goods to and from Jamaica.

GROUP 6 - GOVERNMENT

1. Goods purchased or imported or taken out of bond by or on behalf of, and services rendered to –
 - (a) a Ministry or department of Government;
 - (b) a statutory body or authority other than those mentioned in paragraph 2;
 - (c) a company registered under the Companies Act, being a company in which the Government or an agency of Government holds not less than fifty-one *per centum* of the ordinary shares and which is involved in the production and distribution of electricity;
 - (d) any Parish Council;
 - (e) the Kingston and St. Andrew Corporation.
- (2) Paragraph 1 does not apply to the following organizations or their subsidiaries –
 - Agricultural Credit Bank of Jamaica Limited
 - Air Jamaica Limited
 - Airports Authority of Jamaica
 - Jamaica Broadcasting Corporation
 - Jamaica Commodity Trading Company Limited
 - Jamaica Development Bank
 - Jamaica International Telecommunications Limited
 - Jamaica Merchant Marine Limited
 - Jamaica Sugar Holdings Limited
 - National Development Bank of Jamaica Limited
 - National Hotels and Properties Limited
 - National Housing Corporation Limited
 - National Housing Trust
 - National Investment Bank of Jamaica (NIBJ)
 - Petroleum Corporation of Jamaica (PETROJAM)
 - Port Authority of Jamaica
 - Sugar Industry Authority
 - Urban Development Corporation

GROUP 7 - PLACES OF WORSHIP

1. Goods of a non-consumable nature which the head of a denomination for which the goods are assigned declares in writing will be used only for the purpose intended and which the Commissioner is satisfied are purchased or imported solely for furnishing or decorating a place of worship or as vestments for use during public worship.
2. Altar bread, communion wafers and altar wine purchased or imported for the purpose of administering the sacraments which the head of the denomination for which they are intended declares in writing will be used only for the purpose intended.
3. Candles, myrrh and frankincense which the Commissioner is satisfied are purchased or imported solely for use in places of divine worship.
4. Offertory envelopes purchased or imported by or on behalf of a religious denomination.

GROUP 8 - BOOKS, NEWSPAPERS, EDUCATION

1. Printed matter, articles and materials such as –
 - (a) books, booklets, brochures, pamphlets and leaflets, other than those which are wholly or mainly for advertising;
 - (b) newspapers, journals and periodicals, whether or not illustrated;
 - (c) children's picture books and painting books;
 - (d) maps and hydrographic charts and similar charts of all kinds, including atlases, wall maps and topographical plans, printed globes (terrestrial or celestial).
- (2) (a) Stationery and educational apparatus and equipment (including those used for games and physical training) which are for use in an educational institution approved by the Minister of Education and which are intended solely for educational purposes as certified by the responsible officer of such educational institution;
- (b) school buses which are purchased by or on behalf of an educational institution approved by the Minister of Education and which are to be used exclusively in the transportation of students.
3. Stationery (including writing paper), printed forms, envelopes and blotting paper for use in an examination which are purchased in Jamaica or imported therein by or on behalf of the Cambridge Local Examination Committee, the Caribbean Examination Council or any other examination body recognized by the Minister of Education for which there is a certificate signed by the Secretary of the respective body verifying the use for which the stationery, forms, envelopes and paper are intended.
4. Food produced for use exclusively for the feeding programme of a school approved by the Minister of Education which is not for resale to the general public.

GROUP 9 - MISCELLANEOUS

- (1) Sports equipment (including clothing) specifically designed for use in the following sports –
 - (a) basketball;
 - (b) boxing;
 - (c) cricket;
 - (d) football;
 - (e) hockey;
 - (f) netball;
 - (g) table tennis;
 - (h) track and field;
 - (i) volley ball;
 - (j) dominoes
2. Gift parcels whose value (exclusive of customs duty and postage) does not exceed such amount as is applicable for customs duty purposes.
3. Passengers' baggage and household effects as described in and to the extent allowed under Items No. 6 and 6A of Part 1 of the Second Schedule to the Customs Tariff (Revision) Resolution, 1972.
4. Reimported goods on which tax has not been previously credited or refunded.

5. Gold bullion, coins and bank and currency notes imported by the Bank of Jamaica.
6. Unused postage, revenue and other stamps, postmarks and franked envelopes, letters and cards imported by the Postmaster General.

GROUP 10- ACTIVITIES

1. Agricultural production, including stock farming, forestry cultivation and fresh water fish farming.
2. Provision of water services.
3. Production of bauxite and alumina.
4. Supply of services at private hospitals (including veterinary hospitals and medical diagnostic centres and laboratories) approved by the Minister of Health.
5. International freight and ancillary services including port and harbour services, docking, berthing and mooring, conservancy, aircraft landing, parking and housing, apron services, airport navigation services, transportation to the point where the goods are entered, demurrage or arranging any such services.

GROUP 11- MOTOR VEHICLES

Motor cars as defined in section 11 of the Road Traffic Act which are imported by the following category of persons in the circumstances specified subject to such terms, conditions or restrictions as the Minister may in writing direct –

- (a) persons recruited overseas for appointment in the public service or by a statutory body or authority or by a company wholly owned by the Government;
- (b) a statutory body or authority or a company wholly owned by the Government other than those specified in item 2 of Group 6;
- (c) persons recruited overseas as teachers by the Ministry of Education;
- (d) persons employed as principals of schools approved by the Minister of Education;
- (e) persons recruited by the University of the West Indies for employment at the Mona Campus or who, being employed at another Campus of the University, are transferred to the Mona Campus;
- (f) persons registered as medical practitioners employed to the Government or the University of the West Indies or the University Hospital of the West Indies;
- (g) nurses employed to the University of the West Indies or the University Hospital of the West Indies who qualify for a full upkeep allowance;
- (h) persons recruited overseas by private educational institutions approved by the Minister responsible for education;
- (i) persons who having held overseas scholarships awarded by the Government, return to Jamaica on the completion of the course to which the scholarships relate;
- (j) public officers on study leave overseas or on scholarships overseas, who return to Jamaica on the expiration of the course to which the study leave or scholarships relate and who return to work with the Government;
- (k) public officers who have served in Jamaican Foreign Missions for three years or more and who have been re-assigned to Jamaica or have gone on pre-retirement leave on returning to Jamaica;

- (l) travelling officers in the public service who are in receipt of or are eligible for commuted allowance or full upkeep allowance;
- (m) Parliamentarians;
- (n) persons referred to in paragraphs (a), (e), (g) and (j) who, not being Jamaican nationals, are re-engaged on contract;
- (o) Custodes;
- (p) Chairmen of Parish Councils and the Mayor of Kingston and St. Andrew Corporation.

GROUP 12- UTILITIES

- 1. Apparatus and equipment which the Commissioner is satisfied are acquired solely for generating, storing, conducting and measuring electricity and for the conversion of electricity into power and light by a company providing electricity under licence.
- 2. Machinery, including parts and accessories, apparatus appliances, vehicles, instruments, tools and stores and materials of whatsoever kind imported or acquired for use by the National Water Commission.

GROUP 13- ENERGY-SAVING DEVICES

- 1. The following lighting equipment –
 - (a) compact fluorescent lamps and ballast;
 - (b) fluorescent tube lamps;
 - (c) circular fluorescent lamps;
 - (d) fluorescent ballasts;
 - (e) high intensity discharge lamps.
- 2. Automated, electronic or computerized lighting control systems including occupancy sensors and photo-cells for such systems.
- 3. Solar panels and tubes for solar water heating systems.
- 4. Solar cells designed to produce electricity from the sun.

GROUP 14 - COVERINGS AND CONTAINERS

The following coverings or containers acquired by a manufacturer or producer for use by him exclusively in the packaging of goods –

- (a) barrels and boxes for fish, crates for lobster and bags for scallops;
- (b) barrels, boxes, baskets and crates for packaging of fruits and vegetables;
- (c) boxes and cans for milk and cream;
- (d) boxes, crates and cartons for eggs;
- (e) boxes for butter and cheese;
- (f) boxes for ice cream;
- (g) bottles for honey;
- (h) bags for flour and rice;
- (i) bags for cement;
- (j) crates, cages and boxes for the transportation of poultry;
- (k) bottles specially designed for food and drink.

GROUP 15 - ITEMS UNDER CERTAIN ENACTMENTS

Items which under the following enactments are exempt from customs duty.

1. The Bauxite and Alumina Industries (Encouragement) Act.
2. The Export Industry Encouragement Act.
3. The Hotels (Incentives) Act.
4. The Industrial Incentives Act.
5. The Industrial Incentives (Factory Construction) Act.
6. The Jamaica Export Free Zones Act.
7. The Motion Picture Industry (Encouragement) Act.
8. The Petroleum Act.
9. The Petroleum Refining Industry (Encouragement) Act.
10. The Resort Cottages ((Incentives) Act.

GROUP 16 - CONSTRUCTION MATERIALS

Pipes more than 2 inches in diameter (excluding flexible pipes, down pipes and guttering).

THIRD SCHEDULE

GOODS AND SERVICES EXEMPT FROM TAX

PART 1 - GOODS

1. Travel tickets for international travel.
2. Coffins made of wood.
3. Goods for use by the University of the West Indies and the Council of Legal Education.
4. Ice (except ice sold in retail packages).
5. Marl, sand, gravel, stone and top soil.
6. Cement, premixed concrete, cement blocks, cement tiles, and other construction material made of cement.

PART II - SERVICES

1. Construction operations as defined under the Contractors Levy Act..
2. Transportation of goods and people within Jamaica, except services operated by tour operators.
3. Services rendered by an undertaker in relation to burial or cremation.
4. Rental of residential property, including hotel, inn and guest house accommodation for more than thirty consecutive days.
5. Public postal and telegraph services.
6. Activities for which an admission fee is charged –
 - (a) carried out by any cultural organisation approved by the Minister; and
 - (b) in respect of which the Commissioner is satisfied that the proceeds therefrom are for religious, educational, scientific, philanthropic or charitable purposes.
7. Services rendered by business and professional organisations approved by the Minister.
8. services rendered by a charitable corporation or association the income of which is exempt from the payment of income tax.
9. Repairs to agricultural equipment, tractors, implements and devices (specified in Item 4 of Group 2 of Part II of the First Schedule), and aircraft and vessels used in international transportation.
10. Services rendered by a registered trade union.
11. Medical, dental, optical and veterinary services and services provided pursuant to the Professions Supplementary to Medicine Act.
12. Services pertaining to the provision of education and training.
13. Services rendered under a contract of health insurance and life assurance.
14. Services performed under a contract the payment for which is by a foreign government or a multilateral lending agency.
15. Services rendered by Legal Aid Clinics and under the Poor Prisoners (Defenders) Act and by Attorneys-at-law in relation to criminal matters and litigation concerning the liberty of persons.
16. Services rendered by a corporation as defined in the Registration (Strata Titles) Act in pursuance of the powers and duties specified in that Act.

17. The supply of water to the public.
18. The supply of electricity to the public.
19. The production of electricity for supply to the public.
20. The provision of cold storage facilities for foodstuff.
21. Aerial spraying of agricultural crops.
22. Services rendered in relation to the Betting, Gaming and Lotteries Act.
23. (1) The following financial services –
 - (a) the exchange of money;
 - (b) the payment or collection of a cheque;
 - (c) the issue of a letter of credit, traveller's cheque, bank cheque, postal note, or money order;
 - (d) the issue, allotment, drawing, acceptance, endorsement, transfer of ownership, or payment of a debt security;
 - (e) the issue, allotment or transfer of ownership of an equity security or a participatory security;
 - (f) underwriting or sub-underwriting the issue of an equity security, debt security or participatory security;
 - (g) the provision of credit under a credit contract;
 - (h) the assignment of any hire-purchase agreement;
 - (i) the provision of a guarantee, indemnity, security, or bond in respect of the performance of obligations under a cheque, credit contract, equity security, debt security, or participatory security, or in respect of the activities specified in paragraphs (b) to (h);
 - (j) the provision or transfer of ownership, of a life assurance contract or the provision of re-insurance in respect of any such contract;
 - (k) the provision or transfer of ownership of an interest in a superannuation scheme or the management of a superannuation scheme;
 - (l) the provision or assignment of a futures contract through a futures exchange;
 - (m) the agreeing to do or arranging of any of the activities specified in paragraphs (a) to (l);
- (2) In paragraph (1) –
 - "equity security" means an interest in or right to share in the capital of a body corporate;
 - "participatory security" means an interest or right to participate in any capital, assets, earnings, or other property of any person including an interest in a unit trust not in an equity security.

**This explanatory booklet is not a
substitute for the Law. The Law prevails
in case of any inadvertent conflict.**