

Is it compulsory for all small businesses to pay the Presumptive Tax?

The presumptive tax is applicable for all businesses regardless of their activity and their status; provided their annual turnover is not above SR 1 million and that they are not registered for VAT.

How to file Presumptive Tax and make payment?

Businesses will have to complete a Presumptive Tax Return Form available at all SRC offices and on the SRC website.

Seychelles Revenue Commission Information Brochure On Presumptive Tax

This brochure is not intended as an exhaustive explanation of the law. If you require detailed information about your tax obligations you should visit the SRC or write to us.

For more information

Visit:

Seychelles Revenue Commission
3rd Floor
Maison Collet
Victoria, Mahé

Write to:

PO Box 50
Victoria, Mahé

Phone:
4293737

E-mail / Web

commissioner@src.gov.sc
www.src.gov.sc



PRESUMPTIVE TAX



An explanation about Presumptive
Tax

What is Presumptive Tax?

Presumptive tax was introduced in January 2013, for small businesses with an annual turnover below SR 1 million. It removes all obligations related to business tax on those small businesses which include sole traders, partnerships and companies which are not registered for VAT. It falls under the Tenth Schedule of the Business Tax Act, 2009.

What is the rate of the Presumptive Tax?

The Presumptive Tax payable is a flat rate of 1.5% of your annual turnover. For Example:

- a) If a business makes an annual turnover of SR 750,000, the tax payable will be RS 11,250 ($750,000 \times 1.5\% = 11,250$)
- b) If a business makes an annual turnover of SR 1 million. The tax payable will be SR 15,000 ($1,000,000 \times 1.5\% = 15,000$)

How to determine the annual turnover of the business?

The annual turnover is determined on a cash basis. In other words on gross receipts derived from business activities. In Seychelles, the presumptive tax is based on the business annual turnover of the previous year. Example: the 2013 turnover is the tax base of the Presumptive tax 2014.

What are the benefits of the Presumptive Tax?

One of the main benefits of presumptive tax is that it reduces the taxpayer compliance burden as follows:

1. **Easy to fill** — The presumptive tax return is a simplified one-page return compared to the five-page Business Tax Return.
2. **Only one return** — Small businesses are only required to file one single return per year. Due date is the 31st March;
3. **Only one payment** — Small businesses are only required to make one payment per year when they file their presumptive tax return.
4. **Cheaper** — No certification of account is required.

5. **Simpler** — The record keeping requirements are less burdensome for small businesses. Presumptive tax regime is based on cash accounting rules.

Prior to 1 January 2013 (before the introduction of the Presumptive Tax) most small businesses were liable to Pay As You Go for specified businesses (commonly known as 'Deduction At Source) where they had to use the DAS book each time they received a payment for their service. Under the presumptive tax regime this is no longer necessary, except for certain categories of businesses.

What records do I need to keep?

While the Presumptive Tax regime, is designed to lessen the compliance burden for small businesses, businesses are still required to keep adequate records of its sales in order to determine the business's turnover.

When is the first Presumptive tax payable and the Presumptive Tax Return due?

The first presumptive tax is payable on or before the 31st March 2018 for the year 2017. This is also the date on which the presumptive tax return has to be filed.