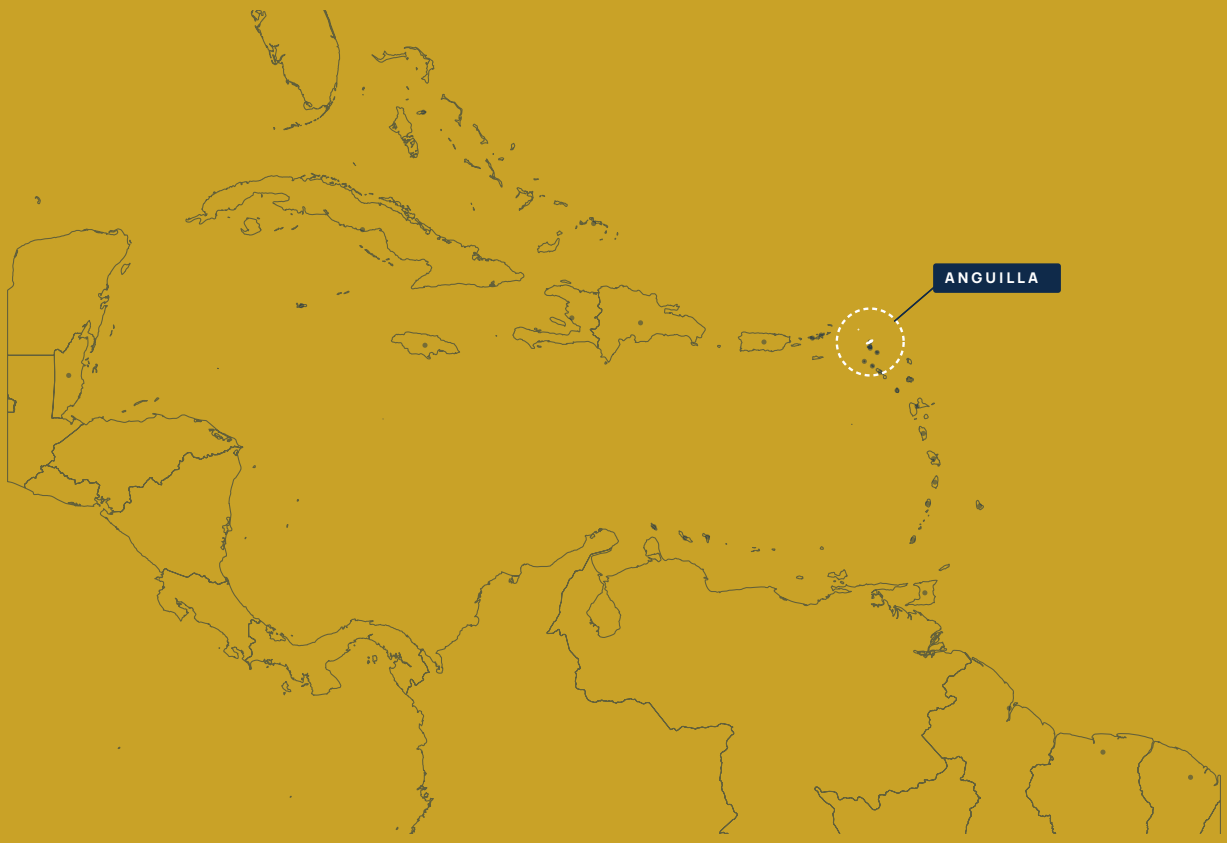


TOTAL BUDGET
XCD 631.1m
Recurrent and capital spending, 2026

FISCAL BALANCE
–XCD 73.2m
After debt repayment; met from reserves

PUBLIC DEBT
19.9% of GDP
End-2025 estimate; ECCU benchmark 60%

CARIBBEAN TAX SERVICE DESK · EASTERN CARIBBEAN

Anguilla Budget Review 2026

What the 2026 Budget means for businesses and individuals

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FOREWORD

The 2026 Budget adds no new taxes. It rests on strong .ai domain income, a large capital programme and reserves built up in earlier years.

Revenue of about XCD 597 million is forecast, 6% above the 2025 outturn, with sales of .ai domain names now nearly 40% of non-tax revenue. Consumption taxes were reformed in August 2025, when a 9% goods tax and a 13% general services tax replaced the goods and services tax. During 2026 Government added temporary relief on fuel and electricity costs from April.

This review sets out the figures, the measures and their dates, and what they mean for each sector. It should be read with our Anguilla Doing Business Guide and Tax Guide.

Anguilla is served through Dawgen Global's Caribbean Service Desk, managed from our headquarters in Kingston. We would be glad to help you work through the impact on your business.

Dr. Dawkins Brown, Ph.D., MCMI, ACFE

Executive Chairman, Dawgen Global

How to use this guide

This review summarises the 2026 Budget and what it means for businesses and individuals in Anguilla. It is general information, current to October 2026; measures may change as they pass into law. Our companion Doing Business and Tax Guides give the wider picture. Speak to us before you act.

OVERVIEW

01 Budget at a glance

The Premier and Minister of Finance, Hon. Cora Richardson Hodge, presented the 2026 Budget to the House of Assembly on 11 November 2025, and it was passed on 19 November. The financial year is the calendar year, 1 January to 31 December 2026.

TOTAL REVENUE	TOTAL SPENDING	OVERALL BALANCE
XCD 597.4m	XCD 631.1m	–XCD 73.2m
Recurrent revenue XCD 595.9m plus capital grants	Recurrent XCD 397.8m and capital XCD 233.4m	After XCD 39.4m of debt repayment; met from reserves

PUBLIC DEBT	CAPITAL PROGRAMME	GROWTH
19.9% of GDP	XCD 233.4m	2.7%
XCD 292.4m, end-2025 estimate	Including XCD 87m for the airport	ECCB projection for 2026

Five key messages

- **No new taxes.** No tax rates changed in the Budget. The goods tax and general services tax reform of August 2025 continues.
- **The .ai domain carries non-tax revenue.** Domain sales are expected to be nearly 40% of non-tax revenue.
- **A large capital programme.** Capital spending of XCD 233.4m, led by the airport, is funded partly from reserves.
- **Low debt.** Debt is under 20% of GDP and no new borrowing is planned over the medium term.
- **Relief during the year.** Temporary fuel and electricity relief from April 2026, with fuel import relief extended to the end of 2026.

ECONOMY

02 Economic context

Record tourism and .ai receipts support the economy. Higher fuel prices are the main pressure in 2026.

REAL GDP
3.8%
2025, ECCB revised estimate; 4.8% in 2024

INFLATION
0.3%
Year to June 2026; prices rose 2.1% in the quarter

VISITOR ARRIVALS
229,734
2025, the highest on record

STAYOVER VISITORS
+19.9%
81,907 in January–June 2026

GOVERNMENT RESERVES
XCD 358.6m
At 23 April 2026, as reported by the Premier

CURRENCY
XCD 2.70 = US$1
Eastern Caribbean dollar peg since 1976

Budget assumptions

The Budget uses the ECCB's projection of 2.7% growth in 2026, and expected visitor arrivals to rise 9.2% in 2025. Prices fell 0.3% in the year to June 2025.

Fuel prices

In April–June 2026 transport costs rose 10.3% and motor fuels 30.8%. The electricity fuel surcharge rose above XCD 1 per kWh.

Outlook and risks

Government points to global headwinds: geopolitical tension, slower trade and volatile energy prices. At home, the risks are lower import taxes, reliance on .ai revenue and on reserves, public pay costs and hurricanes.

Early 2026 results

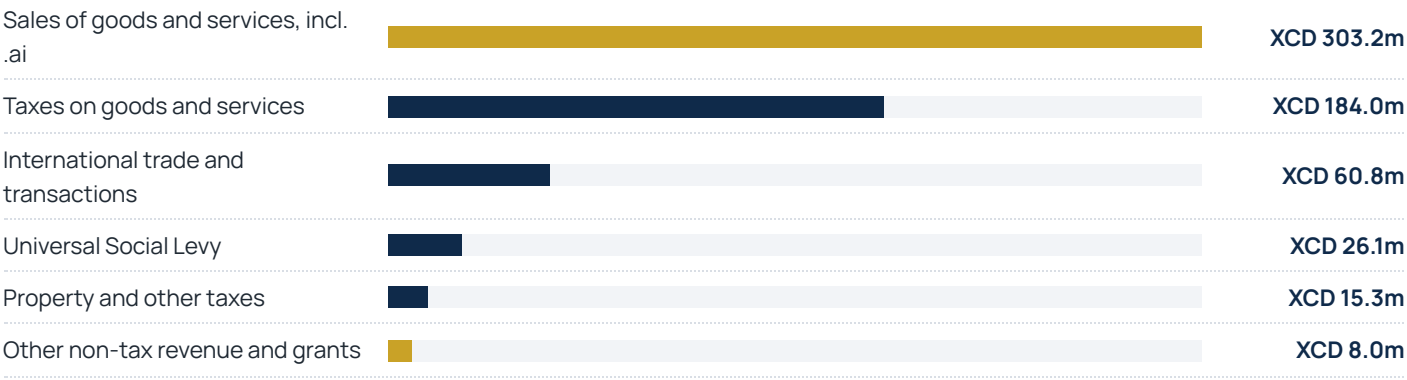
Revenue to the end of March 2026 was XCD 187.4m, 31.4% of the annual estimate and 24.6% up on a year earlier.

PUBLIC FINANCES

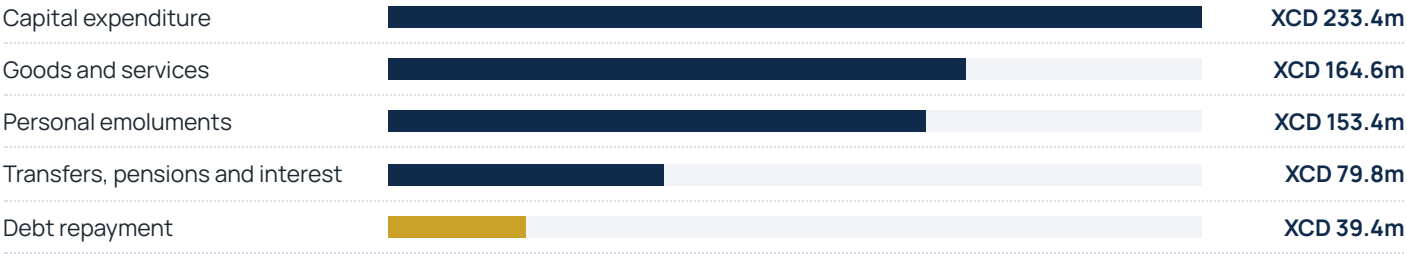
03 Fiscal framework

XCD million	2025 budget	2025 forecast	2026 budget
Recurrent revenue	525.8	560.4	595.9
of which tax revenue	335.5	289.3	286.2
of which non-tax revenue	190.3	271.1	309.7
Recurrent expenditure	355.4	336.3	397.8
Capital expenditure	191.0	130.0	233.4
Debt repayment	39.6	39.6	39.4
Overall balance after repayment	−59.7	Surplus	−73.2

Where the money comes from: revenue XCD 597.4m



Where it goes: spending XCD 631.1m, plus debt repayment



Outturn against the 2025 Budget

2025 tax revenue was about 86% of budget, as the August 2025 reform lowered receipts. Non-tax revenue beat its estimate by about XCD 81m, mainly from .ai, and capital spending reached 68% of budget. Government forecast a surplus for 2025, not the deficit budgeted. A June 2026 supplementary appropriation raised 2026 spending by XCD 26.5m to XCD 657.6m.

BUSINESS TAX

04 Tax measures for businesses

Anguilla has no tax on income, profits or capital gains, and the Budget changed no tax rates. The changes that matter in 2026 are the consumption tax reform and temporary relief on fuel and power.

Measure	What it means	Effective	Who is affected
Goods tax	9% on the CIF value of imports, paid at the port, replacing the goods and services tax on goods; essential food exempt	1 Aug 2025	Importers and all buyers of goods
General services tax	13% on taxable services; registration above XCD 300,000 a year. Retailers, wholesalers, manufacturers and restaurants are exempt.	1 Aug 2025	Service providers, hotels and villas
Fuel import relief	Import duty and the customs service fee on petrol and diesel suspended; goods tax and excise on fuel remain at zero	During 2026, to year-end	Fuel importers, transport, all users
Freight and insurance	Left out of the value on which customs duty is calculated, for goods imported from 10 April 2026	Extended in July to October 2026	Importers and distributors
Electricity surcharge cap	Fuel surcharge capped at XCD 0.42 per kWh, or XCD 0.65 for accommodation; Government paid the rest	April to August 2026 usage	Businesses, hotels and villas

Unchanged

No corporate income, capital gains or withholding tax. Universal Social Levy of 3% for employers. Business licences renewed by the end of January.

Administration

The Inland Revenue Department and Customs are investing in digital systems. Expect closer matching of returns, licences and import data.

INDIVIDUALS

05 Tax measures for individuals and households

There is no personal income tax. Households feel the Budget through consumption taxes, payroll contributions, utility costs and social programmes.

Payroll contribution	Employee	Employer
Social security (2026)	5.75%	5.75%
Universal Social Levy	3%	3%

Social security rose from 11% to 11.5% on 1 January 2026, up to an earnings ceiling set by the Board. The levy applies where earnings exceed XCD 2,000 a month; the self-employed pay 6%.

Cost-of-living relief

- Goods tax of 9% on imports since August 2025, with essential food exempt
- Owner-occupied homes free of property tax since 2024
- Electricity surcharge capped at XCD 0.42 per kWh for April to August 2026 usage
- Fuel import duty suspended during 2026

Social programmes

- Junior Shield Medical Programme: free care for children under six
- Medical Shield Programme extended to dialysis patients
- School Meals Programme extended to Valley Primary
- A new digital social protection system
- A Legal Assistance Policy for counsel before the High Court

Public servants

The Budget announced an ex-gratia payment for public officers and a provision for pay following a compensation review. The June 2026 supplementary appropriation moved the funds to ministries.

INDIRECT TAXES

06 Indirect taxes, customs and other revenue

Taxes on goods and services are estimated at XCD 184.0m for 2026, and on international trade at XCD 60.8m. Non-tax revenue, led by .ai, is larger than all taxes combined.

Tax or charge	Position in 2026	Collected by
General services tax	13% on accommodation, tours, car rental, professional, construction, communication and property services; returns by the 20th of each month	IRD
Goods tax	9% of CIF value at the port; not refundable; no registration or return	Customs
Customs duties	At Integrated Customs Tariff rates; essential foods exempt; freight and insurance excluded for qualifying imports in 2026	Customs
Fuel	Import duty and customs service fee suspended to the end of 2026 unless renewed	Customs
Money transmission levy	2% of funds sent abroad; unchanged	Licensed money services businesses

The .ai domain

Sales of goods and services, which include .ai domain receipts, are estimated at XCD 303.2m. Government links early 2026 revenue strength to .ai receipts and the general services tax.

How relief is given

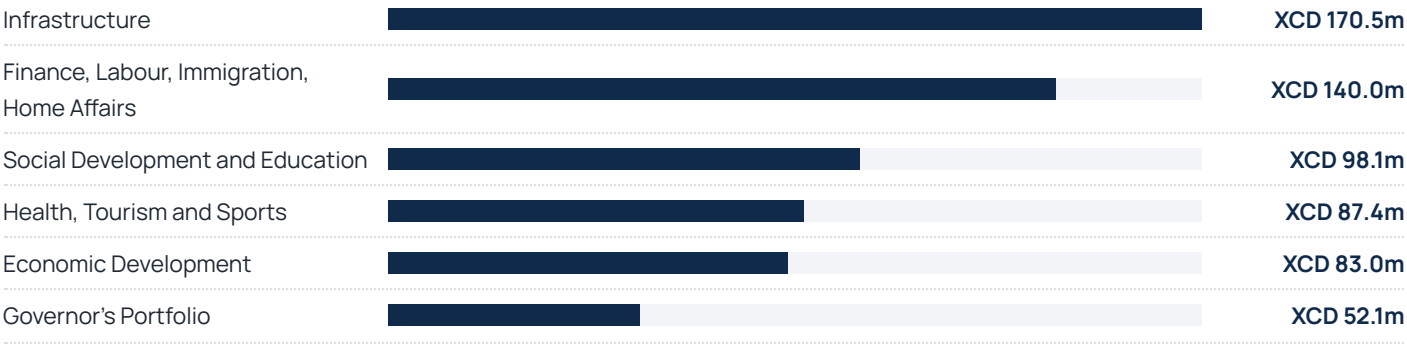
The fuel duty relief is temporary. It runs under regulations made under the Customs Act and the Customs Administrative Costs Recovery Act, and lapses unless Executive Council renews it.

SPENDING

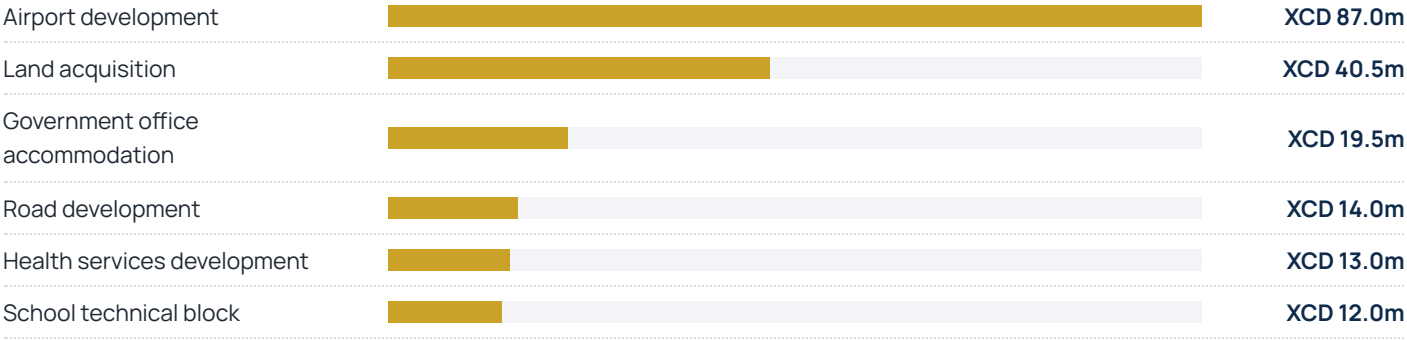
07 Spending priorities and capital programme

Infrastructure takes the largest share, led by the airport. Health, education, policing and digital government also gain.

Ministry allocations, 2026 (recurrent and capital)



Largest capital projects



Airport and energy

The new terminal is due for completion in 2026, and the runway extension is due to start, to take larger aircraft. ANGLEC will install a 12-megawatt solar plant.

Other priorities

Police funding rises 25% to XCD 20.5m. There is more funding for public service training, the Tourist Board and cybersecurity, and for disaster insurance cover.

DEBT

08 Debt, financing and fiscal rules

Debt is low and falling. The 2026 deficit is to be met from reserves, and no new borrowing is planned over the medium term.

Public debt

End-2024	XCD 332.1m
End-2025 est.	XCD 292.4m

23.6% of GDP at end-2024, falling to 19.9% at end-2025. Domestic debt is 62.8% and external debt 37.2%. Debt service in 2026 is XCD 50.4m: XCD 39.4m of repayment and XCD 11.0m of interest.

Financing 2026

About XCD 73m is to be drawn from reserves to cover the overall deficit. The medium-term plan shows deficits after debt repayment in its first two years, met from the Consolidated Fund and reserves.

Fiscal rules

Benchmark	Limit	2025 proj.
Net debt to recurrent revenue	≤ 80%	−0.3%
Debt service to recurrent revenue	≤ 10%	9.2%
Liquid assets to recurrent spending	≥ 25%	87.4%

Benchmarks under the Fiscal Framework for Sustainability and Development agreed with the UK. Liquid assets of 87.4% cover about 315 days of spending, and Government expects the ratio to dip as reserves are used.

Sovereign wealth fund

Groundwork has begun on a sovereign wealth fund for national assets, with technical help from development partners.

SECTOR IMPACT

09 What it means for your sector

Sector	What the Budget means
Tourism and hospitality	Record arrivals, a larger Tourist Board budget and airport works to expand airlift. Short stays bear 13% services tax. The XCD 0.65 per kWh surcharge cap ended with August 2026 usage.
Construction and real estate	A XCD 233.4m capital programme: airport, offices, roads, health and schools. Freight and insurance relief lowers duty on some imported materials. Stamp duty and land holding rules are unchanged.
Retail and distribution	Exempt from services tax; 9% goods tax paid at the port. Check duty is assessed without freight and insurance on qualifying imports.
Energy and transport	Fuel import duty and service fee suspended to the end of 2026. A 12-megawatt solar plant is planned.
Technology and digital	.ai demand drives revenue. Government is funding digital systems, cybersecurity and a digital strategy.
Financial services	No tax changes. Low debt and large reserves underpin stability. A sovereign wealth fund is being designed.
SMEs	The services tax threshold stays at XCD 300,000. Business licence renewal is due by the end of January.
Employers generally	Social security at 11.5% from January 2026. Public sector pay adjustments may affect wage expectations.

ACTION PLAN

10 Action points and key dates

Businesses

- [ ] Check payroll applies social security at 11.5%
- [ ] Confirm services tax registration and exemptions
- [ ] Check customs entries exclude freight and insurance where eligible
- [ ] Plan fuel and power costs for when relief ends
- [ ] Renew business licences by end January 2027
- [ ] Track public tenders in the capital programme

Individuals

- [ ] Check your social security record
- [ ] Confirm the property tax exemption on your home
- [ ] Pay property tax instalments on time

Date	What happens
1 August 2025	Goods tax 9%; general services tax 13%
11 November 2025	2026 Budget presented; passed 19 November
1 January 2026	Social security 11.5%; financial year begins
April 2026	Fuel relief and surcharge cap begin
10 April 2026	Freight and insurance excluded for imports
8 June 2026	Supplementary appropriation presented
August 2026	Last month of usage under the surcharge cap
Around 1 December	Second property tax instalment
31 December 2026	Fuel relief ends unless renewed; licences expire
End January 2027	Business licence renewal

Levy returns are due 10 days after each month end, and services tax returns by the 20th.

YOUR PARTNER

11 How Dawgen Global helps

Our Caribbean Tax Service Desk, managed from Kingston, helps businesses and individuals turn the Budget into a plan.

Budget impact assessment

Modelling the measures against your costs, prices, margins and cash flow.

Tax planning and restructuring

Structures, land holding and stamp duty, and home-country tax effects.

Compliance updates and payroll changes

Services tax, levy and social security filings, and payroll systems.

Incentives and concessions

Project concessions, duty relief and customs valuation.

Cash flow and pricing reviews

Forecasts, repricing for fuel and power costs, and working capital.

Engagement with the tax authority

Queries, assessments and correspondence with the IRD and Customs.

Start with a conversation

Tell us how the 2026 Budget affects your plans, and we will set out the steps for your situation. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email **anguilla@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about the 2026 Budget

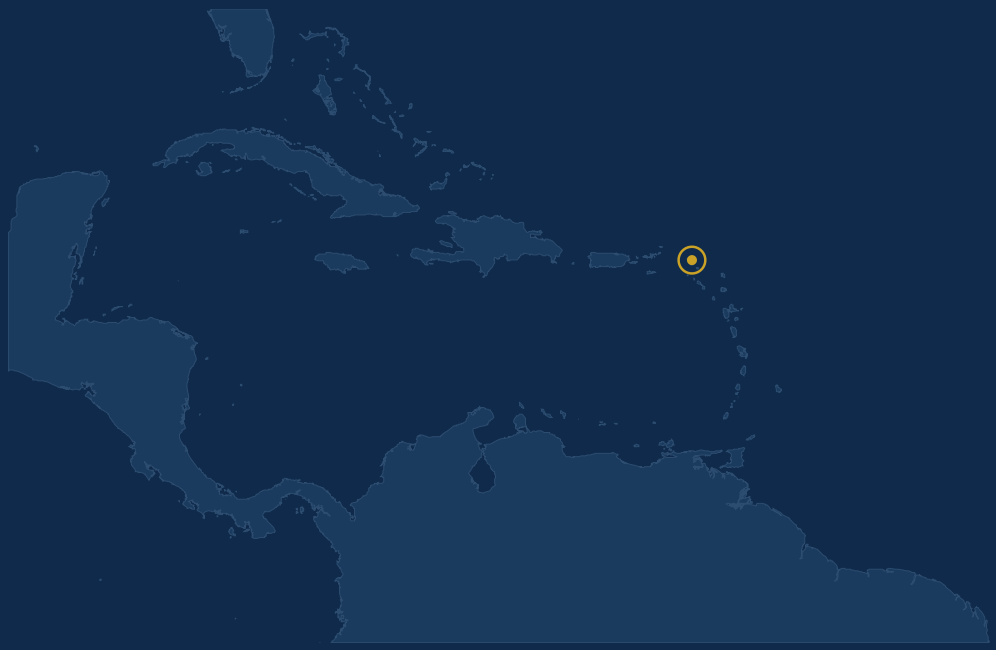
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Key official sources

- Government of Anguilla and Ministry of Finance (gov.ai)
- House of Assembly of Anguilla (gov.ai)
- Executive Council of Anguilla (gov.ai)
- Inland Revenue Department (ird.gov.ai)
- Anguilla Customs Department (gov.ai)
- Anguilla Statistics Department (statistics.gov.ai)
- Anguilla Social Security Board (ssbai.com)
- Eastern Caribbean Central Bank (eccb-centralbank.org)



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