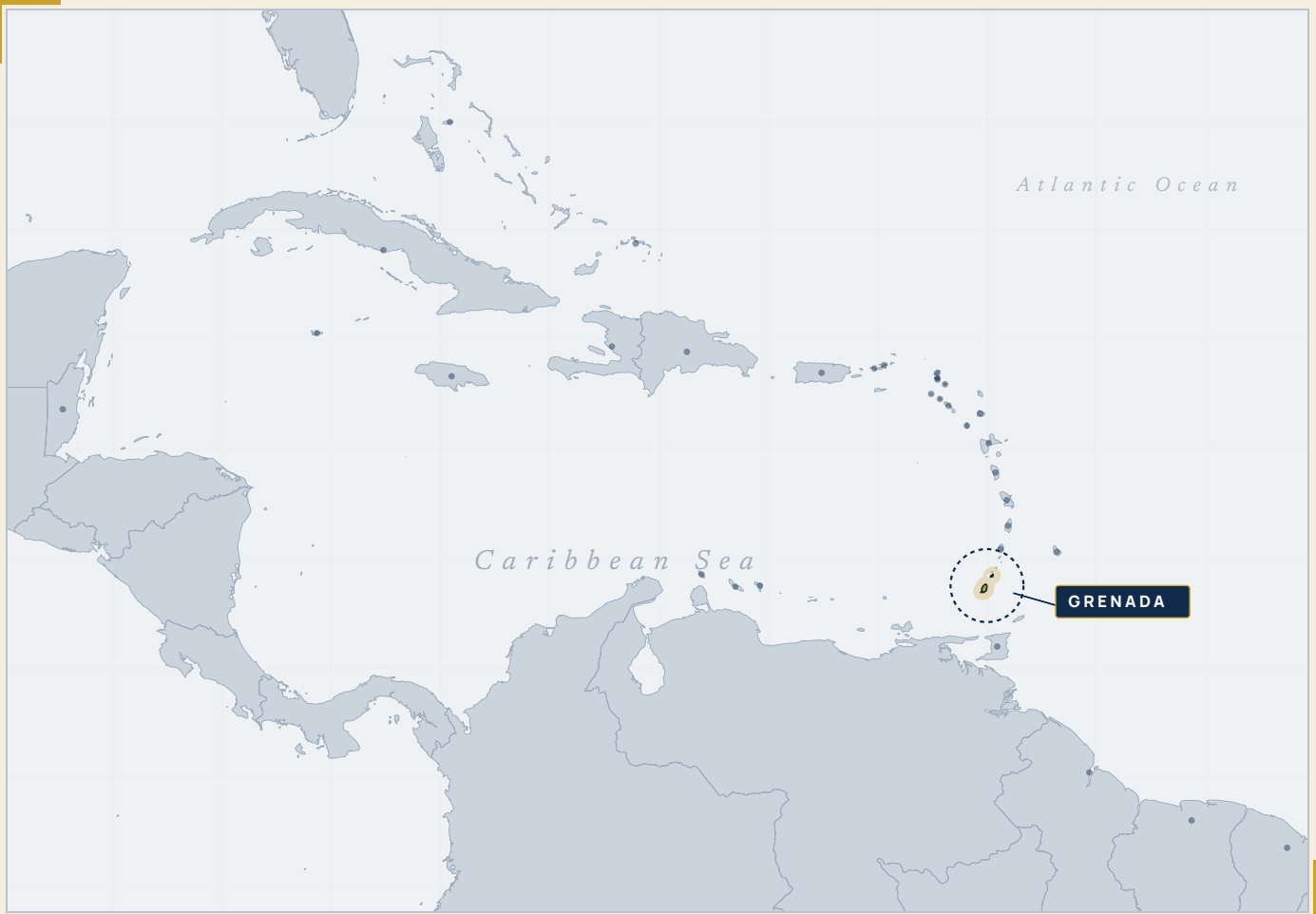




CARIBBEAN TAX SERVICE DESK · EASTERN CARIBBEAN

Grenada

Tax Guide

A guide to corporate, personal and indirect taxes in Grenada

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FOREWORD

Grenada's tax system is compact and familiar: a single corporate rate, a personal allowance and two bands, VAT, a gross-receipts stamp tax and a short list of property and payroll charges. The detail still repays careful attention.

Grenada combines a common-law framework and a currency pegged to the US dollar with a tax system that has been modernised in recent years. Filing and payment now run online through the Inland Revenue Division's G-TAX system, VAT returns must be filed electronically, and National Insurance rates rise each January. Incentive laws, the Citizenship by Investment programme and the rules on alien landholding add further layers for investors.

This guide explains the main taxes on companies and individuals in plain language, current to October 2026 and including the 2026 Budget measures. It is written for investors, finance teams and individuals with interests in Grenada, Carriacou and Petite Martinique.

Tax matters are handled by Dawgen Global's Caribbean Tax Service Desk, managed from Kingston. We would be glad to help you plan, comply and resolve issues with confidence.

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

Executive Chairman, Dawgen Global

How to use this guide

This guide summarises the main taxes that apply to companies and individuals in Grenada. It is general information, current to October 2026, and is not a substitute for advice on your circumstances.

Rates and rules change; speak to us before you act. Our companion Doing Business guide covers set-up, employment and regulation.

FOUNDATIONS

01 Investment basics

Grenada uses the East Caribbean dollar, pegged to the US dollar, and IFRS-based reporting. Domestic taxes are administered by the Inland Revenue Division (IRD).

CORPORATE INCOME TAX**28%**

Same rate for branches; no surtax or minimum tax

VALUE ADDED TAX**15%**

10% for tourism; registration at XCD 300,000 of supplies a year

PERSONAL INCOME TAX**10% / 28%**

After a XCD 36,000 personal allowance; 28% above XCD 60,000

WITHHOLDING TAX**15%**

On dividends, interest, royalties and fees paid to non-residents

NATIONAL INSURANCE**7.25% employer**

6.25% employee in 2026, on earnings up to XCD 5,200 a month

CAPITAL GAINS**None**

Property transfer tax applies to transfers of land

Currency and foreign exchange

The East Caribbean dollar (XCD) is issued by the Eastern Caribbean Central Bank and pegged at XCD 2.70 to US\$1. There are no foreign exchange transaction limits: profits and capital can generally be moved through banks, subject to anti-money laundering checks.

Accounting and audit

Companies prepare financial statements under IFRS and file them with the corporate income tax return. Public companies must have audited financial statements; check audit requirements for private companies under the Companies Act.

Principal business entities

Private company

Public company

External company (branch)

Partnership

Sole trader

Non-profit company

Companies are taxed as separate entities. Partners and sole traders are taxed personally on their share of profits.

The tax system

Income tax, VAT, PAYE, Annual Stamp Tax and property taxes are administered by the IRD. Duties are collected by the Customs and Excise Division, and contributions by the National Insurance Scheme.

BUSINESS TAX

02 Corporate taxation

Resident companies are taxed on income as defined in the Income Tax Act; confirm foreign income with the IRD. Non-residents pay on Grenada income.

Residence and basis

A company is resident if its central management and control is exercised in Grenada. A branch of an overseas company is taxed on its Grenada profits in the same way and at the same rate as a local company.

Taxable income

- ◆ Net profit before tax, adjusted for non-deductible items and allowable deductions
- ◆ Expenses deductible if wholly and exclusively incurred in producing income
- ◆ Capital allowances under the Income Tax Act replace book depreciation
- ◆ Plant and machinery costs up to XCD 100,000 a year may be deducted in full
- ◆ Foreign income tax is not deductible

Taxpayer	Rate
Resident companies	28%
Branches of non-resident companies	28%
Approved enterprises under incentive laws	Reduced or nil for the period of the concession
Annual Stamp Tax on gross business income	Nil up to XCD 36,000; 0.5%; 0.7% at XCD 300,000 or more

Minimum tax and surtax

There is no surtax and no alternative minimum tax. The Annual Stamp Tax is charged on gross business income whether or not a profit is made, so it works in practice as a separate turnover-based charge alongside income tax.

Capital gains

There is no capital gains tax. Gains on capital assets are not taxable, but property transfer tax and stamp duty apply when land changes hands.

Special deductions

The Income Tax Act also gives a deduction for qualifying investments, with clawback if the asset is transferred within five years, and additional deductions for approved staff training and agricultural research, subject to conditions and caps.

BUSINESS TAX

03 Corporate taxation (continued)

Dividends

Dividends paid by a Grenada company to residents are not taxed. Dividends paid to non-residents are subject to 15% withholding tax, which is reduced to nil for residents of CARICOM agreement states. Dividends paid out of income exempt under an incentive concession may also be exempt.

Capital gains

There is no capital gains tax. Property transfer tax applies to transfers of Grenada land.

Losses

Business and rental losses may be carried forward for six years of assessment and set against business or rental income only. There is no carry-back. Losses from a tax holiday period cannot be deducted, and the business must be carried on commercially.

Foreign tax credit

There is no general foreign tax credit, and foreign tax is not deductible. Relief is available under the CARICOM double taxation agreement.

Holding companies and groups

There is no participation exemption or holding company regime. Consolidated returns and group relief are not permitted: each company files its own return.

Tax incentives in brief

Incentive	Main benefit
Investment Act and GIDC	Relief from import duty and VAT on qualifying capital goods and materials, and tax relief for approved projects
Fiscal Incentives Act	Concessions for approved manufacturing enterprises
Qualified Enterprise Act	Concessions for approved enterprises in designated activities
Hotel Aids Act	Concessions for approved hotel and tourism projects
Investment deduction	Deduction under the Income Tax Act for qualifying investments
MSME programmes	Duty and tax concessions for targeted small businesses

Each concession is granted case by case, with conditions. Approved Citizenship by Investment real estate projects may also receive concessions.

CROSS-BORDER PAYMENTS

04 Withholding taxes and tax treaties

Withholding tax is deducted at source and paid to the IRD within seven days of the payment. It is generally a final tax for non-residents without a permanent establishment in Grenada.

Payment	Resident	Non-resident	CARICOM agreement
Dividends	None	15%	0%
Interest	Certain payments to related residents	15%	15%
Royalties	Certain payments to related residents	15%	15%
Technical and management fees	Certain payments to related residents	15%	15%
Rent, annuities and other specified payments	Certain payments to related residents	15%	Agreement relief may apply
Branch profits	None	Treatment of remittances to head office should be confirmed with the IRD	

Amounts attributable to a non-resident's permanent establishment in Grenada are taxed by assessment, not by withholding.

Tax treaties

Grenada has no bilateral income tax treaties. Its only double taxation agreement is the CARICOM multilateral agreement. It has tax information exchange agreements with a number of countries, including the Nordic states, Australia, Canada and the United Kingdom.

CARICOM agreement

Covers Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago. Dividends are exempt; interest, royalties and fees are taxed at 15%.

Applying the right rate

The payer is liable for tax it fails to withhold. Before applying CARICOM agreement relief, the payer should hold evidence of the recipient's residence. Withholding tax suffered by a Grenada taxpayer on business income is set against its income tax when it files.

INTERNATIONAL RULES

05 Anti-avoidance and international rules

Grenada has few specific anti-avoidance rules, but it takes part in international tax transparency standards.

Transfer pricing

There are no transfer pricing rules or documentation requirements, and no country-by-country reporting legislation. Related-party charges must still be incurred wholly and exclusively in producing income to be deductible, and the IRD may challenge them on audit.

Interest limits

There are no thin capitalisation or interest limitation rules. Interest paid to non-residents is subject to 15% withholding tax.

CFC rules

There is no controlled foreign company regime.

General anti-avoidance

There is no general anti-avoidance rule. The Comptroller of Inland Revenue may still examine transactions and raise assessments under the Income Tax Act.

Economic substance

There is no separate economic substance regime. CARICOM agreement benefits depend on genuine residence in a member state.

Pillar Two

Grenada is a member of the OECD Inclusive Framework but has not committed to implementing the global minimum tax rules.

Information exchange

- ◆ **FATCA:** Model 1 intergovernmental agreement with the United States
- ◆ **CRS:** automatic exchange of financial account information
- ◆ **TIEAs:** exchange on request with partner countries
- ◆ **Beneficial ownership:** companies keep records of the individuals who own or control them

Disclosure

There is no mandatory disclosure regime for tax planning arrangements.

CORPORATE COMPLIANCE

06 Compliance for corporations

Companies self-assess and file and pay online through the IRD's G-TAX system.

Tax year and returns

A company is assessed on its own financial year. There are no consolidated returns: each company files its own return with its financial statements.

1

Instalments

Income tax and Annual Stamp Tax instalments during the year, on the dates the IRD publishes.

MONTH END

2

Annual return

Corporate income tax return with financial statements.

3 MONTHS AFTER
YEAR-END

3

Balance of tax

Paid with the return, after instalments and withholding tax credits.

WITH THE RETURN

Penalties and interest

Late filing and late payment attract penalties set by law, and unpaid tax carries interest of 1.5% a month. Penalties for incorrect returns and criminal proceedings are also possible.

Audits, records and rulings

The IRD may audit returns and raise assessments within the time limits in the Income Tax Act. Keep books and records for the period the tax laws require. Rulings may be requested from the IRD.

Objections and appeals

Object in writing to the Comptroller of Inland Revenue within the time allowed after an assessment. Unresolved disputes go to the Appeal Commissioners and then to the courts. An objection does not suspend payment of the tax.

Practical points

Diarise instalment dates against your own year-end, since a December year-end company files by 31 March. Reconcile PAYE, VAT, withholding and Annual Stamp Tax filings to the accounts before the annual return, and keep evidence of compliance ready for government contracts, licences and permits.

BEYOND INCOME TAX

07 Other taxes on corporations

Tax	Rate and base	Who pays
National Insurance	7.25% employer and 6.25% employee in 2026, on earnings up to XCD 5,200 a month; each rate rises 0.25% every January to 2031	Employer, plus employee share
Annual Stamp Tax	Gross business income: nil up to XCD 36,000; 0.5% above; 0.7% at XCD 300,000 or more	Businesses
Property tax	Annual, on market value, at rates set by use for land and buildings	Owner of property
Property transfer tax	5% for citizen sellers; 15% for non-citizen sellers, on value above XCD 20,000	Seller
Alien landholding	Non-citizen buyers need a licence and pay a charge linked to it	Non-citizen buyer
Stamp duty	Generally 1% on conveyances and certain instruments	Parties to the instrument
Capital duty	None	—
Customs service charge	Charged on imports with customs duty	Importers
Excise and fuel taxes	On specified goods; fuel tax held at XCD 3.50 a gallon	Importers, manufacturers
Gaming tax	Monthly tax on gaming operations	Gaming operators
Business licences	Annual licences for certain trades, renewed early each January	Licensed businesses

Property tax, payroll contributions and other business taxes incurred in producing income are usually deductible for income tax. Rates and charges not shown are set by law or by the IRD; confirm them before acting.

INDIVIDUALS

08 Personal taxation

Individuals are taxed on income derived from Grenada above a personal allowance, at two rates.

Basis of taxation

- ◆ **Residents:** income derived from Grenada, including employment exercised in Grenada and business carried on there
- ◆ **Non-residents:** Grenada-source income only; non-business income is subject to withholding tax
- ◆ There is no remittance basis

Residence tests

An individual is resident in a year if physically present in Grenada for at least 183 days, or if their permanent place of abode is in Grenada and they are present during the year, subject to exceptions the Comptroller may allow.

Filing status

Joint filing is not permitted. Spouses file separately.

Chargeable income	Rate
First XCD 36,000 a year (personal allowance)	0%
Next XCD 24,000 (to XCD 60,000)	10%
Above XCD 60,000	28%

The personal allowance is equivalent to XCD 3,000 a month.

Taxable income

Employment income including benefits, business and professional profits, rents, interest, royalties and pensions. Dividends from Grenada companies are not taxed.

Allowances

The personal allowance is the main relief, and few other allowances apply. National Insurance benefits are exempt.

INDIVIDUALS

09 Personal taxation (continued)

Capital gains

There is no capital gains tax. Property transfer tax and stamp duty apply when land changes hands, including by deed of gift above XCD 150,000.

Deductions and reliefs

- ◆ Personal allowance of XCD 36,000 a year
- ◆ Expenses wholly and exclusively incurred in producing business income
- ◆ Business and rental losses carried forward for six years
- ◆ Owner-occupier exemption of XCD 100,000 of building value for property tax, on one home

Pensions

Cash benefits taken on withdrawal from an approved pension fund are taxed at 10%. National Insurance pensions and other NIS benefits are exempt.

Employment benefits

Benefits in cash or kind from employment are generally taxable and are included in PAYE.

Tax	Position for individuals
NIS (employee)	6.25% in 2026, on earnings up to XCD 5,200 a month
NIS (self-employed)	13.5% of insurable earnings
Annual Stamp Tax	May apply to gross income of a business carried on personally
Property transfer tax	5% for citizen sellers; 15% for non-citizen sellers
Stamp duty	Generally 1% on conveyances and certain instruments
Property tax	Annual charge on market value, by use
Inheritance and estate tax	None
Gift tax	None; gifts of land may attract transfer tax
Net wealth tax	None
Capital acquisitions tax	None

INDIVIDUAL COMPLIANCE

10 Compliance for individuals

Most employees meet their obligations through PAYE. Others with business, rental or other income must file a return each year.

Employees and PAYE

The tax year for individuals is the calendar year. Employers deduct PAYE each pay period and pay it to the IRD by the 7th of the following month. National Insurance contributions are due by the end of the following month, with a 14-day grace period before a 10% surcharge and interest apply.

Self-employed and other income

When	What
During the year	Income tax instalments, on the dates the IRD publishes
31 March	Annual return for the previous year, with payment of the balance

Returns are filed and paid online through G-TAX. Late filing and payment attract penalties, and interest of 1.5% a month.

Non-residents and expatriates

- ◆ Each individual needs a taxpayer identification number from the IRD
- ◆ Pay for work done in Grenada is taxable, and PAYE and NIS apply
- ◆ Residence turns on 183 days' presence or a permanent home in Grenada
- ◆ Non-business income of non-residents is subject to 15% withholding tax
- ◆ Foreign staff need a work permit from the Ministry of Labour
- ◆ OECS nationals do not need a work permit
- ◆ Investors who obtain citizenship through the CBI programme may work without a permit

Citizenship by Investment

Citizenship does not by itself make a person resident for tax. Tax depends on presence and income derived from Grenada.

INDIRECT TAXES

11 VAT and customs

Value added tax (VAT) is charged on most supplies of goods and services in Grenada and on imports.

Rate	Applies to
15% standard	Most goods, services and imports
10%	Tourism, including hotel accommodation and dive operations
7.5%	Electricity consumption above the zero-rated band
Zero-rated	Exports; staple foods such as flour, rice, milk and sugar; fuel; residential water; the first 99 kWh of household electricity
Exempt	Specified services and goods listed in the VAT Act, and 20 essential household items

Registration and returns

Registration is required once taxable supplies reach XCD 300,000 a year; voluntary registration is at the Comptroller's discretion. Returns and payment are due monthly by the 20th, and must be filed online from 1 January 2026.

Cost-of-living relief in the 2026 Budget

VAT relief on 20 essential items continues, and households using 99 to 150 kWh of electricity a month pay half the usual VAT.

Input tax recovery

Registered businesses credit VAT on business purchases and imports against output tax. Excess credits are carried forward or refunded, and export refunds follow verification.

Imported and digital services

A 2026 amendment to the VAT Act requires non-resident suppliers of digital services, and electronic marketplaces, to register and charge VAT on sales to consumers in Grenada. Registered businesses will account for VAT on such services themselves. It starts on a date set by notice in the Gazette, after a six-month transition.

Customs and excise

Import duty follows the CARICOM Common External Tariff on customs value, plus a customs service charge and VAT on the duty-inclusive value. Excise tax applies to certain products, and fuel tax is held at XCD 3.50 a gallon.

ADMINISTRATION

12 Tax calendar and administration

Main tax laws

Income Tax Act; Value Added Tax Act; Annual Stamp Tax Act; Property Tax Act; Stamp Act; National Insurance Act; Customs Act; Fiscal Incentives Act; Qualified Enterprise Act; Hotel Aids Act; Investment Act; Citizenship by Investment Act; and the law on alien landholding.

Authorities

The IRD administers domestic taxes, the Customs and Excise Division collects duties and the National Insurance Scheme collects contributions. Appeals go to the Appeal Commissioners, then the courts.

Recent and upcoming changes

- ◆ **2026 Budget:** no new taxes; VAT relief on 20 essential items kept; VAT on electricity halved for households using 99 to 150 kWh a month; fuel tax held at XCD 3.50 a gallon
- ◆ **2026:** VAT filed online; NIS rates up 0.25% each side; VAT extended to foreign digital services (start date to be set)
- ◆ **Ahead:** new CBI law and a regional regulator; the 2027 Budget

When	What
7th monthly	PAYE and withholding tax
20th monthly	VAT and excise tax returns and payment
Month end	NIS contributions for the previous month; income tax and Annual Stamp Tax instalments as they fall due
1 January	Fiscal year begins; budget measures and new NIS rates take effect; property tax payable
Early January	Business and other licences renewed
31 March	Individual returns and balance; first half of property tax
30 June	Balance of property tax
3 months after year-end	Corporate returns, financial statements and balance of tax
December	Budget for the next fiscal year usually presented

When a date falls on a weekend or public holiday, payment is due on the next working day.

YOUR PARTNER

13 How Dawgen Global helps

Our Caribbean Tax Service Desk, managed from Kingston, supports companies and individuals with every Grenada tax, from registration to dispute.

Tax compliance

Corporate and personal returns, instalments, Annual Stamp Tax and G-TAX filings.

Corporate tax advisory

Structuring, capital allowances, losses, dividends and transactions.

International tax and transfer pricing

Withholding tax, CARICOM agreement claims and related-party pricing.

Indirect taxes (VAT and customs)

VAT registration, returns, refunds, digital services and customs reviews.

Payroll and employment taxes

PAYE, NIS, benefit reviews and payroll processes.

Tax disputes and authority engagement

IRD audits, objections, appeals and settlement of arrears.

Incentives and investment planning

GIDC concessions, incentive applications and alien landholding.

Private client and expatriate tax

Residence, Citizenship by Investment, property and assignees.

Tax technology and reporting

Tax calendars, provisions, data and reporting processes.

Start with a conversation

Tell us about your plans or your tax question in Grenada, and we will set out the steps and timeline 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 grenada@dawgen.com or info@dawgen.global, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about Grenada

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Key official sources

- Inland Revenue Division (ird.gov.gd)
- Ministry of Finance (finance.gd)
- National Insurance Scheme (niscgrenada.org)
- Corporate Affairs and Intellectual Property Office (caipo.gov.gd)
- Grenada Investment Development Corporation (grenadaidc.com)
- Investment Migration Agency Grenada (imagrenada.gd)
- Eastern Caribbean Central Bank (eccb-centralbank.org)
- Houses of Parliament (grenadaparlament.gd)

