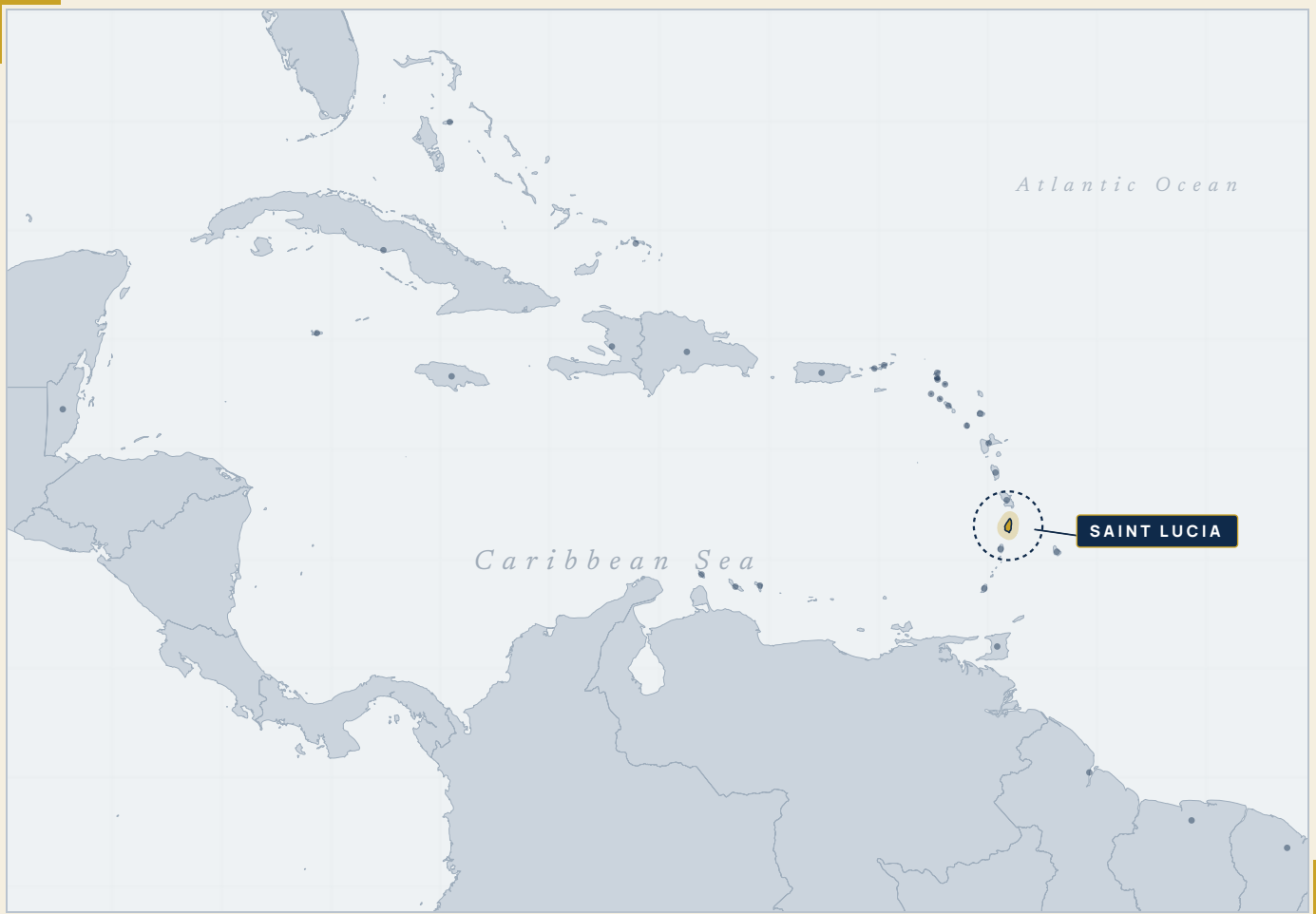




CARIBBEAN TAX SERVICE DESK · EASTERN CARIBBEAN

Saint Lucia

Tax Guide

A guide to corporate, personal and indirect taxes in Saint Lucia

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FOREWORD

Saint Lucia pairs a single 30% corporate rate and a territorial basis for companies with a modern VAT, a simple payroll regime and a growing set of targeted reliefs.

Saint Lucia's tax system is compact but distinctive. Companies are taxed only on Saint Lucia-source income, dividends and capital gains are untaxed, and the CARICOM agreement is the only tax treaty. Alongside income tax sit VAT, the Health and Citizen Security Levy, stamp duty on property and the Alien Landholding Licence, each of which needs careful handling.

This guide explains the main taxes on companies and individuals in plain language, current to October 2026 and including the 2026/27 Budget measures. It is written for investors, finance teams and individuals with interests in Saint Lucia.

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 Saint Lucia. 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

Saint Lucia uses the Eastern Caribbean dollar, pegged to the US dollar, and IFRS-based reporting. Tax is administered by the Inland Revenue Department (IRD).

CORPORATE INCOME TAX**30%**

Branches at the same rate; Saint Lucia-source income only

VALUE ADDED TAX**12.5%**

10% and 7% on tourism supplies; registration above EC\$400,000

PERSONAL INCOME TAX**15% / 20% / 30%**

After a personal allowance of EC\$25,000

DIVIDENDS**Nil**

Not taxed and no withholding tax

NATIONAL INSURANCE**5% employer**

Matched by 5% from the employee, to EC\$5,000 a month

CAPITAL GAINS**None**

Stamp duty applies to property and share transfers

Currency and foreign exchange

The Eastern Caribbean dollar (XCD) has been pegged at EC\$2.70 to US\$1 since 1976. Exchange control law remains in place, but banks routinely process trade and investment payments. Tax is assessed and paid in XCD.

Accounting and audit

Companies report under IFRS, or IFRS for SMEs where eligible. Under the Companies Act a company appoints an auditor unless, where the Act allows, its shareholders resolve not to. Financial statements accompany the corporate tax return.

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, withholding tax, stamp duty and property tax are administered by the IRD. Customs duties are collected by the Customs and Excise Department, and contributions by the National Insurance Corporation.

BUSINESS TAX

02 Corporate taxation

Since 1 January 2019 companies have been taxed on a territorial basis: resident and non-resident companies pay tax only on income arising in Saint Lucia.

Residence and basis

A company is resident if it is centrally managed and controlled in Saint Lucia. Income earned outside Saint Lucia is not taxed, and expenses of earning it are not deductible. A branch is taxed like a local company.

Taxable income

- ◆ Trading profits, interest, rents and royalties from Saint Lucia
- ◆ Expenses deductible to the extent incurred in producing assessable income
- ◆ Management charges, head office costs and royalties paid abroad capped at 10% of allowable deductions
- ◆ Not deductible: goodwill write-offs, income tax, penalties and interest on tax
- ◆ Covenanted donations deductible up to 25% of assessable income

Taxpayer	Rate
Resident companies and branches	30%
Companies not meeting IRD compliance conditions	33⅓%
Underwriters' associations	30% on 10% of Saint Lucia gross premiums
Life insurers	30% on 10% of Saint Lucia gross investment income
Approved enterprises	Tax holidays under incentive legislation

Minimum tax and surtax

There is no surtax, alternative minimum tax or asset tax. The former international business company regime closed, and its grandfathered benefits ended on 30 June 2021.

Capital allowances

Asset	Allowances
Plant, machinery and fixtures	Initial 20%; annual 10% to 33⅓% on the reducing balance
Industrial and agricultural buildings	Initial 20%; annual 5%
Commercial buildings	Initial 20%; annual 2.5%; hotels and rental property excluded

The Comptroller may allow a higher annual rate for assets with abnormal wear and tear.

BUSINESS TAX

03 Corporate taxation (continued)

Dividends

Dividends received are exempt, and dividends paid to residents or non-residents carry no withholding tax.

Capital gains

There is no capital gains tax, unless gains form part of a trading activity. Stamp duty applies to transfers of land and shares.

Losses

Losses are carried forward for up to six years, and set against no more than 50% of a year's assessable income. There is no carry-back.

Foreign tax credit

Where foreign income is taxable, credit is the lower of the foreign tax and the Saint Lucia tax on that income, under the CARICOM agreement or unilaterally.

Holding companies and groups

There is no participation exemption or holding company regime, though dividends and gains are untaxed. Each company files separately. Certain earlier-year trading losses may be set against a resident group company's profits with the Comptroller's consent.

Tax incentives in brief

Incentive	Main benefit
Fiscal Incentives Act	Tax holidays of up to 15 years and duty relief for approved manufacturers
Tourism Incentives Act	Duty, VAT and tax concessions for approved hotel and tourism projects
Special development areas and free zones	Concessions for approved investment and export activity
Graduate hiring	Extra 25% deduction on graduates' salaries for up to three years
Targeted reliefs	After-school care, special education donations and recycling (2026/27 Budget)

CROSS-BORDER PAYMENTS

04 Withholding taxes and tax treaties

Withholding tax is deducted at source and paid to the IRD by the 15th of the month after payment. Saint Lucia's only tax treaty is the CARICOM agreement.

Payment	Resident	Non-resident	CARICOM treaty
Dividends	Nil	Nil	Nil
Interest	Confirm with the IRD	15%	15%
Royalties	10%	25%	15%
Management charges, fees and commissions	10%	25%	15%
Contractors and equipment hire	10%; contracts under EC\$10,000 exempt	—	—
Trust income, premiums, other income	—	25%	Treaty relief may apply
Branch profits	None	No branch remittance tax	—

A 10% tax applies to withdrawals from pension funds and insurance policies less than ten years old.

CARICOM agreement

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

Information exchange agreements

Aruba, Australia, Belgium, Denmark, Finland, France, Germany, Iceland, Ireland, the Netherlands, Norway, Portugal, Sweden, the United Kingdom and the United States.

Claiming treaty rates

The payer may apply the CARICOM rate when it holds evidence of the recipient's residence in a member state. Without it, the domestic rate applies and the recipient must reclaim.

INTERNATIONAL RULES

05 Anti-avoidance and international rules

Saint Lucia relies on arm's length pricing and economic substance rules, without thin capitalisation or CFC regimes.

Transfer pricing

There are no detailed transfer pricing rules or documentation requirements. Connected-party transactions must be at arm's length, and the IRD may adjust them to market terms. Deductions for management charges, head office costs and royalties paid abroad are capped at 10% of allowable business deductions.

Interest limits

There are no thin capitalisation rules. Interest is deductible on loans used to earn income, including from foreign affiliates, at arm's length and commercial rates.

CFC rules

There is no controlled foreign company regime.

General anti-avoidance

There is no general anti-avoidance rule, but the IRD may adjust connected-party dealings, and companies disclose foreign-source income annually.

Economic substance

Under the Economic Substance Act, resident companies in banking, insurance, shipping, fund management, financing and leasing, headquarters, distribution, service centre, holding and intellectual property activities must meet a substance test, and their arrangements need a substantial purpose apart from tax benefits.

Pillar Two

Saint Lucia joined the OECD Inclusive Framework in 2018 but has not legislated for the global minimum tax.

Information exchange

- ◆ **FATCA:** agreement with the United States since 2015
- ◆ **CRS:** automatic exchange since 2018
- ◆ **Mutual assistance:** multilateral convention signed in 2016
- ◆ **Beneficial ownership:** held by companies for the Registrar

CORPORATE COMPLIANCE

06 Compliance for corporations

Companies self-assess, paying instalments based on the previous year's tax.

Tax year and returns

The tax year follows the company's 12-month financial year, which changes only with the Comptroller's permission. There are no consolidated returns: each company files its own.

1

Instalments

25 MAR, JUN, SEP

One-third of the previous year's tax each time.

2

Annual return and balance

31 MAR*

With financial statements and a tax reconciliation, within three months of year-end.

Penalties and interest

Late filing costs 5% of the tax and late payment 10% of the unpaid tax; evasion attracts a penalty of 100% of the tax. Interest runs at 12.5% a year; the Budget proposed cutting it to 6%. An amnesty to December 2027 waives interest and penalties on taxes due up to December 2025.

Audits, records and rulings

Assessments stay open for six years after the income year, or indefinitely for misrepresentation. Keep records for at least six years. Rulings are available on request.

Objections and appeals

Object within 30 days of an assessment. Unresolved disputes go to the Appeal Commission, then within 30 days to the High Court, then to the Court of Appeal and the Caribbean Court of Justice.

*For a December year-end. The IRD moved the 2025 deadline to 10 April 2026, and the 2026/27 Budget promised more time to file.

Practical points

Instalments follow last year's tax, so plan cash flow when profits rise. Reconcile PAYE, VAT and withholding filings to the accounts before the annual return, and use the amnesty window to clear older arrears.

BEYOND INCOME TAX

07 Other taxes on corporations

Tax	Rate and base	Who pays
National insurance	5% of earnings up to EC\$5,000 a month; no other payroll taxes	Employer, plus 5% employee share
Property tax	0.4% (commercial) and 0.25% (residential) of market value; residential tax suspended to the end of 2026	Owner
Stamp duty on property	2% from the buyer; 2.5% to 5% from a resident seller and 10% from a non-resident seller	Buyer and seller
Stamp duty on shares	0.5% of net assets; property rates where 75% or more of assets are land	Parties to the transfer
Alien Landholding Licence	Fee of 7.5% of the property value	Non-citizen buyers, and companies they control
Capital duty	None	—
Health and Citizen Security Levy	2.5% on imports and on certain services	Importers, VAT-registered suppliers
Insurance premium tax	On gross premiums, at rates differing for life and general business and for local and foreign insurers	Insurers
Tourism levy	US\$3 or US\$6 a guest a night, by room rate	Accommodation providers
Excise tax	Mostly specific rates on fuel, alcohol, beer and tobacco	Importers, manufacturers

Financial, insurance and medical services are generally exempt from VAT. Property tax on property used to earn income is deductible.

INDIVIDUALS

08 Personal taxation

Residents pay income tax on worldwide income after a personal allowance; non-residents pay on Saint Lucia income.

Basis of taxation

- ◆ **Resident or ordinarily resident:** worldwide income
- ◆ **Resident, not ordinarily resident:** Saint Lucia income and foreign income remitted
- ◆ **Non-resident:** Saint Lucia income and foreign income received in Saint Lucia

Residence tests

An individual is resident if any one applies: a permanent home in Saint Lucia and some presence in the year; presence of 183 days or more; or a shorter stay with residence in the year before or after.

Filing status

Each spouse is taxed separately; joint filing is not permitted.

Chargeable income	Rate
First EC\$15,000	15%
Next EC\$15,000	20%
Above EC\$30,000	30%

The bands apply to chargeable income, after the personal allowance and other deductions.

Taxable income

Employment income including benefits, business profits, rents, royalties and other income. Dividends and Saint Lucia bank interest are exempt.

Allowances (from 2025)

Personal allowance of EC\$25,000. Children up to EC\$5,000 each (EC\$10,000 at university), dependent relatives EC\$5,000, mortgage interest up to EC\$40,000, and credit union shares and local or regional investments up to EC\$10,000 each. Other claims, excluding the personal allowance and medical expenses, are capped at EC\$40,000.

INDIVIDUALS

09 Personal taxation (continued)

Capital gains

There is no capital gains tax. Stamp duty applies when land or shares change hands.

Deductions and reliefs

- ◆ Medical expenses and university education costs
- ◆ Covenanted donations, up to 25% of assessable income
- ◆ 50% of interest on loans to buy a first residential plot
- ◆ Expenses incurred wholly and exclusively in employment

Pensions

From 2025, approved fund, employer, government and NIC pensions are fully exempt. A 10% tax applies to early withdrawals from pension funds and policies under ten years old.

Employment benefits

Benefits in cash or kind are taxable, including company cars and housing. Share options are taxed at the normal rates.

Tax	Position for individuals
NIC (employee)	5% of earnings up to EC\$5,000 a month
Stamp duty	2% on property purchases; 2.5% to 5% from resident sellers, 10% from non-residents
Alien Landholding Licence	7.5% of value for non-citizen buyers
Property tax	Residential 0.25% of market value, suspended to the end of 2026
Inheritance and estate tax	None
Gift tax	None
Net wealth tax	None
Capital acquisitions tax	None

Self-employed persons contribute to NIC on their own earnings at the rate set for them.

INDIVIDUAL COMPLIANCE

10 Compliance for individuals

Employers deduct PAYE each pay period, and individuals file an annual return to settle any balance.

Employees and PAYE

The tax year is the calendar year. Employers deduct PAYE and pay it to the IRD by the 15th of the next month, with NIC paid monthly to the National Insurance Corporation. Employees file an annual return to reconcile any shortfall or excess.

Returns and payment

When	What
31 March	Annual return and any balance for the previous year (moved to 10 April in 2026)
On filing	Balance of tax not covered by PAYE

Late filing costs 5% and late payment 10%, with interest at 12.5% a year, which the 2026/27 Budget proposed cutting to 6%.

Non-residents and expatriates

- ◆ Each taxpayer needs a taxpayer identification number from the IRD
- ◆ Pay for work done in Saint Lucia is taxable from the first day
- ◆ Non-residents should confirm with the IRD whether the personal allowance applies
- ◆ Residents who are not ordinarily resident are taxed on foreign income only when remitted
- ◆ The CARICOM agreement may relieve regional assignees
- ◆ Foreign staff need a work permit unless exempt

Citizenship by investment

The programme starts at a US\$240,000 contribution to the National Economic Fund or a US\$300,000 approved investment. Citizenship alone does not make a person tax resident; the residence tests decide.

INDIRECT TAXES

11 VAT and customs

Value added tax (VAT) is charged on most goods and services supplied in Saint Lucia and on imports.

Rate	Applies to
12.5% standard	Most goods, services and imports
10% and 7%	Tourism supplies, as the IRD determines
Zero-rated	Exports, duty-free shop goods, fuel, water, electricity and some foods
Exempt	Residential rent, education, financial, insurance, medical and local transport services, basic foods, prescription drugs

Registration and returns

Registration is required once annual taxable supplies exceed EC\$400,000, and is voluntary below. Returns and payment are due monthly by the 21st of the next month.

VAT relief to 30 November 2030

Amendments approved on 15 July 2026 extended the VAT exemption on key building materials, including cement, lumber and steel, to 30 November 2030, and relieved penalties and interest on VAT for periods to 31 December 2025.

Input tax recovery

Registered businesses credit VAT on business purchases and imports against output tax. Refunds are paid from a dedicated VAT refund account.

Imported and digital services

The 2.5% Health and Citizen Security Levy applies to certain services from non-residents to VAT-registered businesses. Confirm with the IRD how VAT applies to services and digital supplies from abroad.

Customs and excise

Import duty follows the CARICOM Common External Tariff on customs value, plus a customs service charge, the levy, VAT and, for fuel, alcohol and tobacco, excise. Manufacturing inputs and hotel construction items may be relieved.

ADMINISTRATION

12 Tax calendar and administration

Main tax laws

Income Tax Act; Value Added Tax Act; Stamp Duty Act; Aliens (Landholding Regulation) Act; National Insurance Corporation Act; Economic Substance Act; Fiscal Incentives Act; Tourism Incentives Act; Special Development Areas Act; Citizenship by Investment Act; customs and excise legislation.

Authorities

The IRD administers domestic taxes and the Customs and Excise Department collects duties. Appeals go to the Appeal Commission, then the High Court.

Recent and upcoming changes

- ◆ **2025:** pensions exempt; higher child, dependant and mortgage interest allowances
- ◆ **2026/27 Budget:** no new taxes; amnesty to December 2027; proposed 6% rate on overdue tax; more time for corporate returns
- ◆ **July 2026:** building materials VAT relief to 2030; 50% interest deduction for first-time land buyers
- ◆ **Ahead:** residential property tax suspension ends 31 December 2026 unless extended

When	What
15th monthly	PAYE, withholding tax, contract tax and insurance premium tax
Monthly	NIC contributions
21st monthly	VAT return and payment
25 March, 25 June, 25 September	Corporate income tax instalments
31 March	Corporate returns and balance (December year-end); individuals' returns
April	Budget presented; measures take effect as legislated
Each year	Property tax, as assessed by the IRD

Dates assume a calendar year. When a date falls on a weekend or public holiday, it normally moves to 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 Saint Lucia tax, from registration to dispute.

Tax compliance

Corporate and personal returns, instalments, amnesty settlements and compliance records.

Corporate tax advisory

Structuring, territorial basis, capital allowances, losses and transactions.

International tax and transfer pricing

CARICOM treaty claims, withholding tax, arm's length pricing and economic substance.

Indirect taxes (VAT and customs)

VAT registration, returns, refunds, the levy and customs reviews.

Payroll and employment taxes

PAYE, NIC, contract tax and benefit reviews.

Tax disputes and authority engagement

IRD audits, objections, Appeal Commission and settlement of arrears.

Incentives and investment planning

Fiscal and tourism incentives, land licences and project relief.

Private client and expatriate tax

Residence, remittance basis, property, citizenship by investment 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 Saint Lucia, 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 stlucia@dawgen.com or info@dawgen.global, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about Saint Lucia

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Key official sources

- Inland Revenue Department (irdstlucia.gov.lc)
- Department of Finance (finance.govt.lc)
- Attorney General's Chambers, Laws of Saint Lucia (attorneygeneralchambers.com)
- National Insurance Corporation (stlucianic.org)
- Registry of Companies and Intellectual Property (rocip.gov.lc)
- Invest Saint Lucia (investstlucia.com)
- Citizenship by Investment Unit (cipsaintlucia.com)
- Eastern Caribbean Central Bank (eccb-centralbank.org)

