



Technical Bulletin
T.B (Volume 2; Issue 1; Issued 2006, May)

Re: The Tax (GCT) status of Bottled Coconut Water.

This advisory seeks to clarify the General Consumption Tax (GCT) status of bottled coconut water.

Issue:

- Is bottled coconut water taxable?

Legislative References:

- Item 6 of Part 1 of the Third Schedule to the GCT Act.

General:

It has been brought to our attention that some registered taxpayers who supply bottled coconut water have not been charging the tax (GCT) when making these supplies. The rationale for not charging the tax is an argument that states that since the product contains no additive, it is not a taxable commodity.

Discussion:

The provision of Item 6 (iii) of Part 1 of the Third Schedule was amended April 30, 2003 specifically excluding from the exemption - *the juicing of fruits*.

Item 6 (iii) states-

Raw foodstuff as follows-

- (a) fresh fruits and vegetables, excluding imported apples, pears, quinces, apricots, cherries, peaches (excluding nectarines), plums sloes, berries grapes and kiwis;

which contains 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, **so, however, that this does not include the juicing of fruit.**

Definition:

- The coconut is defined as a fruit.

Ruling:

Bottled coconut water is subject to GCT at the standard rate.

DISCLAIMER:

This Advisory is a guide only and is not a substitute for the General Consumption Tax Act or any other relevant Legislation.