



Barbados

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Guide To Doing Business Questionnaire: Member Firms Outside the USA

I. The Country At A Glance

A. What languages are spoken?

English

B. What is the exchange rate for the U.S. dollar, the Euro?

The rate of exchange of the Barbados dollar to the U.S. dollar is approximately BDS\$2.00 to US\$1.00. The rate of exchange of the Barbados dollar to the Euro fluctuates, and may be ascertained from the Central Bank of Barbados website at (<http://www.centralbank.org.bb>).

C. Describe your country's geography, proximity to other countries and climate.

Barbados is the most easterly of the Caribbean islands. Islands close to Barbados include St. Lucia to the North West and Trinidad and Tobago to the South-West. The climate is tropical.

D. Are there cultural influences or prohibitions on the way business is conducted?

Generally speaking, although Barbados is quite sophisticated, people from big cities may find Barbados "laid back" by comparison. It is always wise to remember that this is a small society, and word travels fast.

E. Are there religious influences or prohibitions on the way business is conducted?

No. The islands' main religion is Christianity. Government offices and business offices are therefore closed on Sundays.

F. Explain your country's infrastructure. Be sure to explain which cities have airports, railroad systems, ports, and public transportation.

The capital city of Barbados is Bridgetown. Other centres are Speightstown, Holetown, Oistins and Warrens.

The Grantley Adams International Airport is the only airport. The Bridgetown Port is the only commercial seaport.

Barbados' road network is extensive and most roads are in the good to moderate class. There is a good public transport system of public buses, private vans and taxis.

Education is free to secondary school level, and literacy is high.

The Queen Elizabeth Hospital is the only public hospital and serves the public of Barbados as well as other islands in the region. There are Government run polyclinics in every parish where persons may obtain free medical attention.

There is also a small private hospital, Bayview Hospital, at which many minor operations are routinely performed.

The General Post Office has several branches around Barbados and mail service is efficient, with post despatched daily. Local addresses must include the parish name, followed by Barbados.

The water in Barbados is safe to drink and is supplied with very few interruptions.

The Barbados Light & Power Company Limited, a private company, is the only provider of electricity. Blackouts are rare. The power is 115 volts, 50 Hz.

The National Petroleum Corporation supplies natural gas to some parts of the island. Bottled LP Gas is used elsewhere.

G. Explain the communication system.

Flow Barbados, formerly Cable & Wireless Ltd., is the monopoly service provider in Barbados for landlines. The market for cellular service is now liberalized and the cellular service providers in Barbados are Flow and Digicel.

The island has a fully updated telecommunications network, with ready access to the internet. Barbados is linked to the U.S.A and Europe by fibre optic underwater cables and satellite.

H. Describe the public services – i.e. water, electricity, gas. Are they publicly or privately owned?

The Barbados Light & Power Company Limited, a private company, is the only provider of electricity. Water and natural gas are supplied by statutory corporations, the Barbados Water Authority and the National Petroleum Corporation, both owned by the Government.

II. General Considerations

A. Investment policies

1. Does the country generally welcome investment? Are there governmental or private agencies devoted to the promotion of investment?

Yes. InvestBarbados (www.investbarbados.org) is the investment promotion agency of the Government.

2. What is the rate of inflation?

The inflation rate in Barbados was recorded at -1.30 percent in March of 2016. The inflation rate in Barbados is reported by the Barbados Statistical Service.

3. Explain any sector exceptions, incentives or restrictions on foreign investment?

The permission of the Exchange Control Authority of the Central Bank of Barbados (“ECA”) is required for a transfer of land from a resident to a non-resident, and vice versa. In the present economic climate, this is usually a formality only. A transfer includes a sale, lease, mortgage, gift or exchange.

Permission is required for residents to make payments abroad in foreign currency.

ECA permission is required for the subscription by a non-resident for shares of a domestic Barbados company, and also for the transfer of such shares to and from non-residents. ECA permission is also required for the purchase or sale of foreign securities.

Local commercial banks and residents may not make loans to a non-resident without permission, and may not lend foreign currency to residents without permission.

Authorised Dealers, i.e. licenced commercial banks, may approve remittances below \$100,000.00 subject to the production of the correct documentation. Remittances of dividends, profits, interest and rentals from real estate to non-residents in excess of BDS\$100,000.00 require the permission of the ECA.

4. Describe de facto restrictions on investment, if any, such as bureaucratic discretion.

In general there are no de facto restrictions on investment in Barbados. However, investors must consider the provisions of the Exchange Control Act (Chapter 71, Laws of Barbados) which may impact investment activity. For example:

- Incoming investment funds must be registered with the Exchange Control Authority of the Central Bank of Barbados (ECA).
- The prior approval of the ECA is required for foreign investors to hold shares in a domestic Barbados company.
- The prior approval of the ECA is required for a foreign investor to acquire real estate in Barbados.

5. What are the sizes of the different markets?

Agri-business (6%); Industrial enterprises e.g. light manufacturing, component assembly for export (16%); Service Enterprises e.g. information services, financial services, tourism-related services, construction and maintenance, personal services including fashion, consultancies, telecommunications, private medical services, professional services (78%).

6. What types of businesses are conducted in the country?

Various types of businesses are conducted in Barbados, and include sole trader, partnership, company, international business company and societies with restricted liability. A company may be either public or private and if private may be incorporated with one (1) director.

B. Diplomatic Relations

1. Explain any established diplomatic relations your country may have.

Barbados recognises that it must co-operate with other countries in order to overcome those limitations imposed by its small size and scarce resources. To this end, Barbados is a member of several regional and international organisations.

There is a strong commitment to regional integration and some of the regional bodies whose headquarters are based on the island are: Caribbean Examinations Council (CXC), Caribbean

Development Bank (CDB), Caribbean Conference of Churches (CCC), and the Caribbean Tourism Organisation (CTO).

Barbados is also a founding member of the Caribbean Community and Common Market (CARICOM). This body is a trade and economic grouping of thirteen (13) English-speaking countries in the Caribbean whose mandate is the promotion of economic integration based on a regional Common Market and the promotion of inter-regional trade through liberalization measures such as the removal of duties, quotas and other barriers to trade.

The Caribbean Single Market and Economy (CSME) aims to replace the Common Market and to create an even more cohesive, single economic space where goods, services and capital may move freely throughout the region.

In the international arena, Barbados is a member of the United Nations and its specialised agencies, the Organisation of American States (OAS) and other agencies, of the Inter-American system, the Commonwealth, the group of African, Caribbean and Pacific states (ACP) as well as the Non-Aligned Movement.

On January 1, 1995, Barbados became, and still remains, a member of the World Trade Organization which replaced the General Agreement on Tariffs and Trade of 1947 as the organization overseeing the multilateral trading system.

Barbados is also a member of the Association of Caribbean States (ACS) whose mandate includes the strengthening of the regional co-operation and integration process.

The Free Trade Agreement of the Americas also represents a hemispheric co-operation program in trade in which Barbados will participate.

Currently, Barbados has established official diplomatic relations with 105 countries around the globe.

2. Give addresses, and contact information for the embassies or consulates in your country.

Australian Consulate 2 nd Floor, Cedar Court, Willey Business Park, Willey, St. Michael, BB14006	246 434-1133
Bahamas Honorary Consulate 102 Husbands Heights, St. James	246 424-5082
British High Commission Lower Collymore Rock, St. Michael	246 430-7800 246 430-7851 (fax)
Canadian High Commission Bishop's Court Hill, St. Michael	246 629-3550 246 429-3780 (fax)
Consulate of Belgium Rockley Resort 609, Christ Church	246 435-7704
Consulate of Denmark Southern Palms Hotel, Dover, Christ Church	246 428-7171/4550 246 262-4720 246 428-7175 (fax)

Consulate of Sweden Worthing Main Road, Worthing, Christ Church	246 435-7058
Embassy of Brazil HY Brasil The Courtyard, Hastings, Christ Church	246 427-1735 246 427-1744(fax)
Embassy of Costa Rica Omega Building, First Floor, Suite 4 Dayrells Road, Christ Church	246 431-0250 246 431-0261 (fax)
Embassy of the People's Republic of China 17 Golf View Terrace, Rockley, Christ Church	246 435-6890 246 435-6607 (fax)
Embassy of the Republic of Cuba 13 Edgehill Heights, Phase 2 St. Thomas	246 271-9209
Embassy of the USA Wildey Business Park, Wildey, St. Michael	246 227-4000 246 227-4088 (fax)
Embassy of Venezuela Hastings Main Road, Christ Church	246 435-7619 246 435-7830 (fax)
European Commission Delegation in Barbados and the Eastern Caribbean Hastings Main Road, Christ Church	246 434-8501 246 427-8687 (fax)
Finland Honorary Consul General Trident Insurance Financial Center Hastings, Christ Church	246 431-2347 246 427-4701
French Consulate Cherry Tree House, Chelsea Road St. Michael, BB 14022	246 429-4546 246 429-4546
Germany Honorary Consulate Suite 1 Passea Financial Centre Corner of Harts Gap & Dayrells Road, Christ Church	246 427-1876 246 228-8289
Guyana Consulate Sefton Lodge, Brittons Cross Road, St. Michael	246 228-2767 246 228-3083
Israel Honorary Consulate General Palmetto Street, Bridgetown	246 426-4764 246 426-4768
Italy Vice Consulate Bannatyne Plantation House, Christ Church	246 437-1228
Netherlands Consulate	246 435-6290

#3 "Kasaka" 246 435-4326
Goblin Estate, Rockley New Road
Christ Church

Norway Honorary Consulate General 246 435-6014
2 Golf View Terrace, Rockley 246 230-3030
Christ Church BB15146

Consulate General of Switzerland 246 227-3045
The Goddard Building, Haggatt Hall
St. Michael

3. Are there prohibitions or restrictions on certain business dealings with the country?

There are some legislative prohibitions and policy restrictions surrounding the operation of casinos and certain types of gaming and gambling.

4. Explain any travel restrictions to or within the country?

Any non-national who enters Barbados will be granted a limited period within which they are permitted to remain in Barbados. If a non-national wishes to stay longer in Barbados, he or she must apply for an extension of stay through the Barbados Immigration Department, and pay the applicable fee.

It's an offence to overstay the entry period or to work without a work permit in Barbados.

There are no travel restrictions within Barbados.

C. Government

1. Explain your country's election system and schedule. Is there an anticipated change in the present government?

Barbados is a parliamentary democracy and an independent sovereign state within the Commonwealth.

The Government of Barbados is formed by the political party which gains a simple majority in the general elections held in Barbados. Executive authority is vested in the Prime Minister and Cabinet, which is collectively responsible to the Parliament. The Prime Minister is appointed by the Governor General as the member of the House of Assembly best able to command the support of the majority of the members. The Prime Minister usually selects a cabinet from his party members in the legislature.

The next government election is constitutionally due in February, 2018.

2. Is the present government stable? Briefly explain your country's political history in the last decade.

The government of Barbados is very stable. The Democratic Labour Party holds 20 of the 30 seats in parliament and is currently in its second term. Barbados has no recent history of political unrest, the last major event being the 1937 Riots. There is a formal Opposition, consisting of the

elected members of the Barbados Labour Party, and other political pressure groups have their own following. The trade unions also function effectively.

The written Constitution (1966) propounds the separation of powers:

- The Executive consists of the Chief of state: Queen Elizabeth II (since 6 February 1952), represented by Governor General, Sir Elliott Belgrave GCMG, KA, CHB, QC who was appointed on June 1, 2012. The monarchy is hereditary; The Governor General is appointed by the monarch on the advice of the Government.
- The Legislative branch is a bicameral Parliament consisting of the Senate (a 21-member body appointed by the Governor General on the advice of the Prime Minister) and the House of Assembly (30 seats; members are elected by direct popular vote to serve five-year terms). Following legislative elections, the leader of the majority party or the leader of the majority coalition is usually appointed as Prime Minister. The last elections were held on February 21, 2013 and won by the Democratic Labour Party. Freundel Stuart QC is the current Prime Minister of Barbados. The next general elections are scheduled for February 2018.
- The Judicial branch: Judges are appointed by the Governor General on the advice of the Prime Minister.

3. Explain your country's judicial system. Be sure to answer the following questions:
- Is the judicial system generally perceived to be impartial?

The judicial system in Barbados is seen as impartial. Judges are appointed, not elected. Judges are usually senior legal practitioners who have not only the formal qualifications but the practical experience to sit on the Bench.

- Must disputes be resolved in the country?

Disputes do not have to be resolved in Barbados. The United States and Barbados are both parties to the World Trade Organization (WTO). The WTO Dispute Settlement Panel and Appellate Body resolve disputes over WTO agreements, while courts of appropriate jurisdiction in both countries resolve private disputes.

The Barbados Arbitration Act (1976) and the Foreign Arbitral Awards Act (1980), reflect Barbados' recognition of the 1958 New York Convention on the Negotiation and Enforcement of Foreign Arbitral Awards, and contain provisions for arbitration of investment disputes. The Barbados Parliament has written The New York Convention provisions into domestic law, but has not ratified the convention.

Barbados is also a member of the International Center for the Settlement of Investment Disputes (ICSID), also known as the Washington Convention. Additionally, individual agreements between Barbados and multilateral lending agencies have provisions calling on Barbados officials to accept recourse to binding international arbitration to resolve investment disputes between foreign investors and the state.

- Is there a political method of resolving disputes?

The doctrine of separation of powers is respected, so that while politicians will try to help resolve disputes on behalf of their constituents, they have no jurisdiction to bind private parties to a dispute.

- Are alternative methods of dispute resolution permitted?

Alternative methods of dispute resolution are encouraged, and court annexed mediation is prescribed in legislation, though it has not yet been fully implemented.

- How long does it take to resolve disputes?

The time required to resolve disputes varies depending on the subject matter of the disputes and logistics of the case.

- Can foreign judicial decisions be enforced in the country?

Foreign judicial decisions may be enforced in accordance with the Foreign and Commonwealth Judgments (Reciprocal Enforcement) Act, Cap. 201.

- Can decisions from the country be enforced outside the country?

There are some reciprocal arrangements currently in place for the enforcement of judgments from a Barbados court under the Foreign and Commonwealth Judgments (Reciprocal Enforcement) Act, Cap. 201. Where these do not exist, there are usually means by which local judgments can be enforced in foreign jurisdictions.

- Are there separate tribunals depending upon the subject matter of the case?

There are a number of statutory tribunals set up to deal with specific types of disputes, e.g. the Severance Payments Tribunal, the Value Added Tax Tribunal and most recently, the Employment Rights Tribunal.

- Are there different legal systems within the country or its political subdivisions?

Barbados is governed by a single legal system based on the English common law; there is no judicial review of legislative acts. The common law rules of conflict of laws apply.

- Can the investor choose to be subject to the country's jurisdiction or not?

Yes, there are some circumstances where jurisdiction is predetermined by contract. Any investor who is physically in the country will be subject to the laws of Barbados. Any business incorporated, registered or licensed under Barbados laws will be subject to local jurisdiction.

4. Explain your country's legislative system.

The Legislative branch is a bicameral Parliament consisting of the Senate (a 21-member body appointed by the Governor General on the advice of the Prime Minister) and the House of Assembly (30 seats; members are elected by direct popular vote to serve five-year terms). Following legislative elections, the leader of the majority party or the leader of the majority coalition is usually appointed as Prime Minister. The last general elections were held on February 21, 2013; the next elections are scheduled for February 2018.

D. Environmental Considerations

1. What is the public/government attitude toward environmental regulation?

Barbados is a small island state whose economy relies heavily on tourism and foreign investment; as a result, care of the environment is high on the Government's agenda.

2. Explain any environmental regulations.

The Government provides a free garbage collection service to all households in the island. The Ministry of Health and the Ministry of Physical Development and the Environment encompass a number of specialised Units, including the Coastal Zone Management Unit, Environmental Special Projects Unit, National Conservation Commission and the Environmental Engineering Division.

The Ministry of Health is responsible for health services generally, as well as sewage and solid waste disposal and environmental health.

There are numerous environmental regulations governing everything from rodent and mosquito control, communicable diseases, collection and disposal of refuse, swimming pools, nuisances, use of the coastal zones to construction planning regulations.

E. Intellectual Property

- Describe the law for the protection of intellectual property, including trademarks, copyrights, patents and know-how.

Barbados has comprehensive legislation for the protection of intellectual property, and is in compliance with the World Trade Organisation's ("WTO") Trade-related Aspects of Intellectual Property Rights ("TRIPS") requirements in this area. The Acts and Regulations cover patents, trademarks, industrial designs, copyright, integrated circuit topographies, geographical indications, plant breeders' rights and unfair competition.

- Does the country subscribe to international treaties? Describe.

Barbados is party to the following treaties relating to intellectual property:

- Paris Convention for the Protection of Industrial Property
- Patent Cooperation Treaty (PCT)
- Convention establishing the World Intellectual Property Organisation ("WIPO")
- Berne Convention for the Protection of Literary and Artistic Works
- Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks
- International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations
- Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms
- Nairobi Treaty on the Protection of the Olympic Symbol
- World Trade Organisation (including the TRIPS Agreement)
- Are there substantive prior approvals by national investment boards?

There are no substantive prior approvals by national investment boards.

- What are the notarization requirements?

Documents used in intellectual property related applications generally do not require notarisation, but copies of documents submitted in support of applications must be certified as true copies by a notary public.

- Are there regulatory guidelines for licenses?

Licences of intellectual property are governed by the specific legislation. Generally, licences must be registered with the Intellectual Property Office. In some cases, compulsory licensing is permitted (patents, integrated circuits, plant breeders' rights)

- Are there specific exceptions or requirements relation to a particular product(s)?

Specific exceptions or requirements:

Patents: discoveries; scientific theories and mathematical methods; games, business schemes and mental acts; surgical or therapeutic treatments; diagnostic methods: biological processes and immoral or environmentally prejudicial inventions are not patentable. However, products invented for use in these methods are patentable.

Trademarks: The Trade Marks Act, Cap.319, prohibits registration of marks that are similar or identical to other marks or existing registered business names, well-known marks and other inherently unregistrable marks as defined in the Act.

Geographical indications: marks registered in good faith before 19 February 2001 or before the geographical indication is protected in its country of origin are not prejudiced.

- When are royalties from licenses deemed to be excessive?

Currently arrangements for payment of royalties are largely unregulated, although there are local bodies which facilitate the payment of royalties both locally and abroad. There is a Copyright Tribunal which has been set up under the Copyright Act, Cap.300.

- Do local antitrust or competition laws apply to licenses?

There are no antitrust laws in Barbados.

Competition law: The Protection Against Unfair Competition Act provides protection against unfair competition practices by both private and commercial entities and official government authorities, providing for criminal and civil proceedings against offenders whose conduct in the course of commercial or industrial activities is contrary to honest practices (particularly actions in the nature of passing off, misleading the public, damage to goodwill or reputation, disclosure of secret information), and actions leading to unfair commercial use as a result of disclosure by an official of data submitted to an authority for approval.

- What typical agreements do foreign corporations enter into with their wholly owned subsidiaries?

Typical agreements can include intercompany loans, guarantees, facility agreements and joint venture agreements.

III. Investment Incentives

- A. Explain any export incentives or guarantees. Be sure to answer the following questions:
- Are there tax incentives for exports?

There are certain tax incentives available for companies in the manufacturing, international financial services and information communications and technology sectors. Companies can be incorporated under the International Business Companies Act (Cap.77) to sell products and services outside of Barbados which benefit from preferential treatment including:

- low rates of tax
- duty free importation of machinery and equipment.
- exemption from exchange control restrictions.
- zero rated VAT.

The International Business Companies Act provides attractive incentives to investors by way of concessionary rates of tax ranging from 2.5% to 0.25% of gross revenue and assets, exemptions and benefits for any company carrying on the business of international manufacturing and international trade and commerce from within Barbados. Similar tax incentives are offered to societies with restricted liability (SRLs) which are licenced as international societies under the Societies with Restricted Liability Act (Cap.318B.)

The application for an IBC or SRL licence must include a brief description of the intended business of the company/society, the name and address of the proposed shareholders/members and the percentage of shares/quotas to be held. Certain other due diligence information must also be submitted with the application. The application fee is US\$125.00 and must be submitted to the International Business Unit (IBU), Ministry of Industry, International Business, Commerce and Small Business. The fee for the issue of a licence is US\$500.00.

Similarly, manufacturers who qualify for fiscal incentives under the Fiscal Incentives Act (Cap.71.A), may be granted a tax holiday for up to 15 years. Additionally, they are also able to benefit from duty free importation of equipment and raw materials that are required for the manufacturing process. If a company is unable to take advantage of the incentives under the Fiscal Incentives Act, an export allowance may still be applicable. An export allowance is permitted for the export of certain products and services, such as data processing services and the export of products of a company that purchases wholesale from a local producer exclusively for export. The allowance permits a rebate of tax due on "export taxable profit" of a company that arises from the export of its products and services to countries outside of the Caricom region. A cumulative tax rate of 2.8% is available if the company exports more than 80% of its products.

- If so, are they limited to certain types of products?

Incentives are available for certain products which are produced by companies approved by the relevant Minister. Incentives are available for the manufacture of products such as medical supplies, electronic components, leather items, electro-mechanical items, wooden furniture, sporting goods and quality apparel.

As a result of several bilateral investment treaties to which Barbados is a party, certain products may be exported to certain regions and countries free of duty. Bilateral investment treaties are in force with Mauritius, China, Canada, Cuba, Italy, Switzerland, Germany, Venezuela and the

United Kingdom. Bilateral investment treaties with Belgium, Luxembourg, Ghana and the EU are awaiting ratification.

- Is export financing available from government or private sources?

Outside of the incentives, there is generally no export financing available from the government, such as in the form of loans. There are a number of financial institutions in Barbados, with international connections and applications may be made to them for financing to facilitate the development of a business which will be export oriented.

- If so, what forms of financing or guarantees are available?

N/A.

- Is there any governmental insurance for exports?

The Central Bank of Barbados established the Export Credit Insurance Scheme (the “**Scheme**”) in 1978 to promote and facilitate the growth of Barbados’ manufactured exports. The Scheme provides insurance cover against losses arising out of non-payment by overseas buyers for Barbadian manufactured goods.

Four (4) types of policies are available under the Export Credit Insurance Scheme:

- The Global Shipments Policy protects the exporter from the date of shipment and in most cases covers comprehensive risks (i.e. commercial and political risks). However, where exports are to government departments or to associate firms or where exports are to be effected against a confirmed irrevocable letter-of-credit, the policy may be endorsed to cover political risks only.
- The Specific Shipments Policy protects an exporter who may not have regular exports of a repetitive nature but may wish to cover single transactions.
- The Contracts Policy protects the exporter from the date of contract until the date of payment. It covers goods which are made specifically for the original buyer. These policies are available on request.
- The Services Policy covers such services as technical and professional contract services, royalty payments, patent fees, aircraft and drydock repairs.

To obtain an Export Credit Insurance Policy, the exporter is required to submit a proposal on the prescribed form to the Central Bank. The proposal requires the exporter to describe the goods to be insured and the countries to which they will be exported, the value of exports for the ensuing year and the respective terms of payment. After processing the proposal, the Central Bank will send an Offer of Insurance Cover to the exporter. On confirmation by the exporter of acceptance of the offer of insurance, a policy will be issued.

The exporter will be required to pay annually a non-refundable service fee for the insurance and use of the policy. Premiums will be quoted in the schedule of premium rates attached to the policy.

Premiums will vary according to the country to which the goods are exported and the terms of payments allowed to overseas buyers.

Premium rates will normally be in the range of 50 cents to \$1.00 per BDS\$100.00 of the gross invoice value of the goods. The rates of premium will be higher for those countries to which higher risks of doing business are attached. Premiums must be paid promptly in accordance with the terms and conditions of the policy. The Central Bank will not be liable for any shipments on which premiums have not been paid. For further information, please visit the Central Banks' website at www.centralbank.org.bb.

- Must a national be a participant in the enterprise in order for the investor to benefit from these incentives?

Incentives are usually only available to companies registered or incorporated under the laws of Barbados.

B. Explain any grants, subsidies or funds your country offers foreign investors. Be sure to answer the following questions:

- Are grants and subsidies restricted by the type of activity?

Grants and subsidies are generally not available to foreign investors. Barbadian manufacturers and service companies may qualify for a grant under the Export Grant & Incentives Scheme (EGIS) which is operated by the Barbados Investment Development Corporation (BIDC) (the investment agency arm of the government). This assistance allows these companies to undertake market sales, promotion and marketing activities in overseas markets. Successful applicants are able to be reimbursed with up to 75% of the cost of the activity. The BIDC is also responsible for processing the applications for tax incentives from the Government.

- What is the process for obtaining approval for these grants or subsidies?

Prior to the commencement of the marketing activity or the training of Barbadian nationals, an investor is required to obtain the approval of the BIDC. An application which provides the details of the proposed venture must therefore be made to the BIDC. For further information on the BIDC please visit their website at www.bidc.com.

- How long does it take to receive approval?

The BIDC has indicated that it is likely to take 4-6 weeks for the application to be processed.

- Can the investor receive loans from the government or governmental agencies?

There are no facilities in place for the provision of loans to foreign investors from the government or government agencies.

- Must a national be a participant in the enterprise in order for the investor to receive these grants or subsidies?

There are no requirements for participation either by nationals or by the government in foreign investment projects.

A training grant is available for the training of Barbadian nationals in the information communications and technology or manufacturing sectors. This grant is also administered by the BIDC. Reimbursement is available for a maximum of 12 weeks training at BDS\$100.00 per week. This grant is open to foreign investors.

- C. Explain any national tax incentives for foreign investors. Be sure to answer the following questions:

- Are the incentives restricted by the type of activity?

Persons investing in the tourism industry in Barbados are assisted by two main types of incentives provided under the Tourism Development Act, (Cap.341) and the Refurbishing Scheme.

An investor whose project is approved under the Tourism Development Act is entitled to import, free of duty, the necessary building materials and items from a wide ranging list. The investor is also allowed to write off the capital expenditure in building or extending (or purchasing) the hotel, against revenue for income tax purposes. If the capital expenditure is more than can be written off in one year, it may be carried forward for a maximum of fifteen years.

- Are the incentives restricted by the duration of the activity?

Potential investors should contact Invest Barbados, a certified accountant, and/or lawyer in Barbados to find out which incentives are most suitable for their needs.

- What is the process of application?

Under the Refurbishing Scheme, a person who owns or manages a hotel which is in operation and is registered with the Barbados Tourism Authority, may apply in writing to the Permanent Secretary, Ministry of Finance, Economic Affairs and Energy for permission to import, free of customs duty, items from a wide ranging list, which are required for the refurbishing or upgrading of the hotel. This list does not include building materials; those are covered under the Tourism Development Act.

- D. Explain any regional tax incentives open to foreign investors. Be sure to answer the following questions:

- Are there tax incentives for the investor that exists only in certain regions of the country?

There are no tax incentives for the investors that exist only in certain regions of Barbados.

- Does the investor need to receive approval to be eligible for these incentives?

N/A

- Are the incentives restricted by the type of activity?

N/A

- Are the incentives restricted by the duration of the activity?

N/A

- What does the process of application involve?

N/A

IV. Financial Facilities

A. Banking/Financial Facilities

- What kind of financial institutions exist?

Financial institutions in Barbados fall into three main categories:

- Commercial banks
- Trust companies, finance companies and merchant banks licensed to operate in Barbados
- Banks licensed in Barbados to provide international financial services

Additionally, financial services are offered by mortgage and insurance companies, credit unions and co-operatives.

It is the role of the Central Bank of Barbados to monitor, regulate, licence and inspect the activities of financial institutions in Barbados.

- Must the investor maintain a bank account in the country?

A company transacting domestic business in Barbados is subject to the Exchange Control Act (Cap.71) and can only establish a Barbados dollar bank account with a commercial bank in Barbados. Where the company is involved in financial transactions with international counterparties, the permission of the Central Bank of Barbados may be obtained to open a US dollar account with a commercial bank in Barbados or if justified, with a foreign bank in another jurisdiction.

- What are the requirements for opening a bank account?

Financial institutions are required to comply with the Money Laundering and Financing of Terrorism (Prevention and Control) Act (Cap.129) and related Guidelines. Persons opening bank accounts must comply with each bank's requirements with respect to the provision of "know your customer" and due diligence information, to the satisfaction of the bank. This will include for example, for an individual, at least two forms of identification, letters of reference, proof of address and information with respect to the source of funds; for a company, a certificate of good standing, ultimate beneficial shareholder information, due diligence on directors, and signatories, letters of reference and information with respect to the source of funds.

- What are the restrictions, if any, on the investor's use of the account?

The use of a bank account is subject to the Money Laundering and Financing of Terrorism (Prevention and Control) Act. An investor may obtain the permission of the Central Bank to maintain a foreign currency account and must comply with any conditions imposed by the Central Bank with respect to its operation.

There is a requirement to register foreign currency when it is introduced into Barbados, for certain types of investment, with the Exchange Control Authority of the Central Bank of Barbados. If the funds are not registered, this may affect the the remittance of those funds out of Barbados.

- What is the type of financial system in the country?

The financial system in Barbados is a bank-oriented system.

The Central Bank of Barbados is the national monetary authority responsible for providing advice to government of Barbados on banking and other financial and monetary matters. The Central Bank operates as the banknote issuing authority for Barbadian currency.

- How is the banking system structured?

All financial institutions are licenced and regulated by the Central Bank of Barbados.

- Is there a stock market?

Yes, the Barbados Stock Exchange (the "BSE") a privately owned (by its members) non-profit organization, is an association of member-brokers, which operates a central marketplace for trading securities.

The recently launched International Securities Market (ISM) is dedicated to the listing and trading of securities of issuers who may or may not be incorporated in Barbados and would otherwise be listed and traded on other exchanges around the world.

The ISM provides a relatively low cost structure, having fees 30% to 40% lower than that of larger exchanges in North America and Europe, and provides affordable access to public markets for small and mid-sized firms that might otherwise be unable to sustain a listing.

- Can the investor receive bank loans?

Financing through a local commercial bank is generally available only to Barbados incorporated companies, Barbadians or permanent residents of Barbados. Financing through a local commercial bank to non-residents is possible with the permission of the Central Bank of Barbados.

Exchange Controls

A. Business Transactions with Nationals, Residents or Non-Residents

- How are nationals, residents and non-residents defined?

For the purposes of the Exchange Control Act, persons, firms, companies and institutions in Barbados are treated as either residents, non-residents or offshore non-residents i.e. non-Barbadian nationals on work permits who earn foreign currency and are employed in the international financial services sector.

Residents are: (1) Barbadian nationals residing in Barbados or temporarily working abroad and (2) other nationals who have continuously resided in Barbados for at least three (3) years.

Barbadian nationals permanently residing abroad are to be treated as non-residents. Temporary visits outside Barbados do not affect the residential status of a person.

A firm or company which is incorporated in Barbados or registered in Barbados and is operating in Barbados is treated as resident in Barbados.

- Are there restrictions on conducting business with nationals, residents or non-residents?

The prior permission of the Central Bank of Barbados is required for a transfer of land in Barbados from a resident to a non-resident, and vice versa. In the present economic climate, this is usually a formality only. A transfer includes a sale, lease, mortgage, gift or exchange.

The prior permission of the Central Bank of Barbados is required for residents to make payments abroad in foreign currency, and in connection with the transfer of securities registered in Barbados or outside of Barbados to and from non-residents.

- Are there reporting requirements?

Barbados has entered into an inter-governmental agreement under the FATCA regime, and is also subject to other reporting requirements imposed by the U.S.A. (e.g. the Patriot Act, Sarbanes-Oxley) on its citizens who are resident in Barbados. Financial and non-financial institutions are therefore required to comply with the reporting requirements under these regimes.

- Can the investor receive loans from nationals, residents or non-residents?

Local commercial banks and residents may not make loans to a non-resident without permission, and may not lend in foreign currency to residents without permission.

B. Investment Controls

- Are there restrictions on direct investment in the country?

In general there are no restrictions on direct investment in Barbados. However, investors must comply with the provisions of the Exchange Control Act. For example:

- certain incoming investment funds must be registered with the Central Bank of Barbados.
- The prior approval of the Central Bank of Barbados is required for foreign investors to hold shares in a domestic Barbados company.
- The prior approval of the Central Bank of Barbados is required for a foreign investor to acquire real estate in Barbados.

- Are there restrictions on indirect investments in the country?

There are no restrictions on indirect investments in Barbados.

- Must the investor make declarations regarding the nature of his/her investment?

Depending on the nature of the transaction, information on the nature of any transaction may be required.

C. Money Transfer

- Is there free determination of exchange rates?

Exchange rates are determined by the Central Bank of Barbados. The Barbados dollar is pegged to the US dollar by an approximately 2:1 exchange rate.

- Are there restrictions on the transfer of money into or out of the country?

The Exchange Control Act and various exchange control circulars issued by the Central Bank of Barbados, set out the parameters governing financial transactions involving foreign currency.

For example, advances (loans, overdrafts, etc) may be made by authorised dealers without Central Bank permission solely in the following cases:

- to a Barbadian resident outside of Barbados, with no maximum limit;
- to a Caricom Single Market & Economy (CSME) resident to facilitate reasonable expenses with no maximum limit, excluding real estate transactions; and
- to an active company operating in Barbados controlled by CSME residents, up to a maximum of BDS\$1 million per year, excluding real estate transactions.

Central Bank permission is required for all other advances to non-residents. The permission of the Central Bank of Barbados is also required before a local financial institution can lend money or issue securities to a non-CSME corporation.

- Are there restrictions on the remittance of profits abroad?

Remittance of dividends, profits, interest and rentals from real estate to non-residents in excess of BDS\$100,000.00 require the prior permission of the Central Bank of Barbados. Authorised dealers may approve remittances below \$100,000.00 subject to the production of the correct documentation.

- Are there reporting requirements?

Barbados has entered into an inter-governmental agreement under the FATCA regime, and is also subject to other reporting requirements imposed by the U.S.A. (e.g. the Patriot Act, Sarbanes-Oxley) on its citizens who are resident in Barbados. Financial and non-financial institutions are therefore required to comply with the reporting requirements under these regimes.

- Can hard currency be taken out of the country?

Barbados residents travelling abroad are permitted to take out on their person without reference to the Central Bank of Barbados, up to BDS\$500.00 in Barbados notes to be encashed abroad only in CARICOM territories. Barbados residents can only be assured that their notes will be accepted and exchanged for the local currency at par value if they go to a commercial bank in the CARICOM country concerned.

Both residents and non-residents travelling abroad may take with them on their person up to the equivalent of BDS\$1,000.00 in foreign currency notes and coins as part of their approved annual travelling allowance (BDS\$7,500.00). The remainder may be taken in the form of travellers' cheques, drafts on foreign banks or other approved monetary instruments. Visitors are allowed to take out any foreign currency notes which they originally brought with them into Barbados.

V. Import/Export Regulations

A. Customs Regulations

- Is the country a member of GATT?

Yes, Barbados is a member of GATT since February 15, 1967.

- Is the country a member of the EEC?

Barbados has had a formal relationship with the European Union (then the European Economic Community) since July 1976 when a Delegation office was first established. As a former British colony, which became independent in 1966, it was the entry into the EEC by the United Kingdom in 1973 which offered Barbados and other Commonwealth countries in Africa, Caribbean and the Pacific (ACP) the possibility of negotiating their future relations with the EU.

- Is the country a party to a regional free trade agreement?

The Ministry of Foreign Affairs, Foreign Trade and International Business advises the Government on all trade policy matters and has responsibility for negotiating trade agreements and coordinating their implementation.

Barbados is party to Free Trade Agreement between CARICOM and Costa Rica, as well as a number of economic and social bilateral instruments with Panama.

Through its CARICOM membership, Barbados maintains preferential trade agreements with Colombia, Costa Rica, Cuba, the Dominican Republic, and Venezuela.

The Treaty of Chaguaramas which established the Caribbean Community including the Caribbean Common Market was signed by Barbados, Guyana, Jamaica and Trinidad and Tobago on 4th July, 1973, in Chaguaramas, Trinidad and Tobago. It came into effect on August 1, 1973. The main focus of this integration movement was initially trade in goods.

More recently, the CARIFORUM-EU Economic Partnership Agreement (EPA), which was signed on 15th October 2008, liberalizes trade and investment between fifteen (15) CARIFORUM States and the twenty-seven (27) European Union (EU) countries on a reciprocal, but asymmetric basis. The EPA enables CARIFORUM States and the EU to satisfy their obligations under the WTO, by liberalizing "substantially all trade" between them under a comprehensive Trade Agreement.

- Does the Customs Department value the goods?

Barbados is a member of the World Customs Organisation (WCO), The World Trade Organisation (WTO) and the Caribbean Customs Law Enforcement Council (CCLEC). The WTO agreement on customs valuation aims for a fair, uniform and neutral system for the valuation of goods for customs purposes – a system that conforms to commercial realities, and which outlaws the use of arbitrary or fictitious customs values.

The Customs Department in Barbados value goods on the basis of CIF i.e. the sum of the value of the imported goods and the cost of shipping and insurance.

- How are goods cleared through customs?

Goods imported into Barbados are required to be "entered" whether these goods are imported via the Bridgetown Port, the Grantley Adams International Airport or the General Post Office.

"Entering" of goods mainly entails the submission to the Customs Department of a completed goods declaration form and the payment of the full duties and taxes, where applicable, or cover by acceptable surety. The documents required for the entry of the goods include a Commercial Invoice issued by the supplier and the carrier's bill of lading or airway bill. At the time of clearance of the goods, a Barbados Customs Goods Declaration Form (C63) along with a declaration of Value Form (C60) for goods of a Customs value of \$2,500.00 and over is required.

Clearance and delivery of imports can take approximately three (3) to five (5) working days once all documentation is in order. The client must be available for a customs interview prior to the release of goods and must declare the contents to the customs officer. All items that are new or purchased within the last year, or unused items will be subject to duty liability.

Following the customs interview, an appointment is made for a further physical examination by a customs officer at the residence of the client. Customs travelling fees apply to goods examined during 8.30am – 4.30pm. Overtime customs and travelling fees apply to goods examined after hours.

- Are there applicable tariffs?

Customs duty is levied on goods imported in accordance with the First Schedule of the Customs Act (Cap.66). The rate is calculated on an ad valorem basis of 0% to 20% of the CIF value on most items, but certain goods regarded as luxury items are taxed at a much higher rate.

In addition some items that require a special licence are subject to a higher rate of tax. Goods imported into Barbados are also subject to 17.5% VAT and a 2.0% National Social Responsibility Levy. VAT is compounded and is charged on the total of the CIF value and any other import taxes. Some goods are zero-rated.

B. Exports

- Are there restrictions on exports?

Yes, there are restrictions and prohibitions on certain products to be exported from Barbados, as prescribed under the Customs (List Of Prohibited And Restricted Imports And Exports) Order, 2009.

- Are export licenses required?

Barbados requires that an approved export licence be obtained from the Department of Commerce and Consumer Affairs before exporting any item falling under the Miscellaneous Controls Act (Cap.329).

- Are there applicable export duties?

The range of goods exported from Barbados is narrow, with exports of agri-food products being the largest category, followed by exports of electrical components and chemical products.

A manufacturer, who exports his products outside of CARICOM, is entitled to an export allowance. The allowance is given in the form of a credit against corporation tax, and depends on the ratio of the company's export profits to its total profits. The current rate of corporate tax for a manufacturing enterprise is 15%.

Over 80% of Barbados' domestic exports benefit from preferences. Preferential treatment is offered by a number of countries for exports from Barbados. These include:

Caribbean Common Market member States
European Union - LOME IV
Canada - CARIBCAN
United States of America - Caribbean Business Initiative (CBI)
Venezuela – CARICOM/Venezuela Agreement
Columbia - CARICOM/Columbia Agreement

C. Foreign Trade Regulations

- Are there foreign trade regulations on the import or export of goods involved in the business?

Barbados, as a member of CARICOM, benefits from the special trade arrangements within the Community. As a result of several bilateral investment treaties to which Barbados is a party, certain products may be exported to certain regions and countries free of duty. Treaties exist with regions such as CARICOM and Europe and with countries such as Canada certain markets in the USA, Dominican Republic and Venezuela.

D. Imports

- Are import licenses required?

Barbados requires that importers obtain permits, licenses or permission from the relevant authorities for specified products prior to importation.

- Are there applicable import duties?

The applicable tariff as provided in the Customs Act must be paid on imports. In addition, imports are generally subject to an environmental levy, Value Added Tax, a National Social Responsibility Levy and in some cases an excise tax.

- Are there applicable import quotas?

There are import quotas for certain goods, such as textiles. Imports from CARICOM members are free of any quantitative restrictions.

- Are there applicable import barriers?

There may be additional barriers imposed depending on the nature of the goods. For example, overseas health certificates must accompany imported meat. The importation of controlled drugs is subject to licensing from the Ministry of Health.

E. Manufacturing Requirements

- Must the product contain ingredients or components, which are found or produced only in the country?

There is no requirement that the final product must contain ingredients or components, which are found or produced only in Barbados, however the Government of Barbados encourages local sourcing.

- Will the importation of certain component parts be permitted only if they are to be ultimately incorporated in a final product?

There is no requirement that the importation of certain component parts will be permitted only if they are to be ultimately incorporated in a final product in Barbados.

F. Product Labeling

Are there applicable labeling or packaging requirements (e.g. multi-lingual notices, safety warnings, listing of ingredients, etc.)?

The Barbados National Standards Institution (BNSI) oversees product standards, labeling, and certification in Barbados. The BNSI publishes the labeling and marking requirements in

their standards regulations. Food products must be labelled in English and such labels should contain the name of the food, list of ingredients, country of origin and net contents and drained weight.

VI. Structures For Doing Business

A. Governmental Participation

- Will the government seek to participate in the ownership or operation of the entity (e.g. depending on the type of activity involved)?

For private projects, no.

- If so, to what extent?

N/A

- What is the investor's potential liability to partners, investors or others?

The investor's liability to partners, investors or others will depend on the structure of the business. For example, as a limited partner, his liability will be limited to the amount of his capital.

- Are there restrictions on capitalization?

No.

- What are the investor's tax consequences? (See also Sections XII and XIII)

Barbados is a low tax jurisdiction, known for its well developed network of tax and bi-lateral investment treaties. Investors can enjoy, for example, incentives such as foreign currency tax credit mechanisms, tax concessions for informatics service companies and low tax rates when an international export business is conducted by licensed international business companies, licensed international financial institutions and international societies with restricted liability. Some investors can also benefit from exemptions from withholding tax on payments made to non-residents and exemptions from import duties and tax on capital gains.

B. Joint Ventures

- Are joint ventures permitted?

There is considerable joint venture activity in Barbados. Local enterprises generally welcome joint ventures with foreign investors in order to access technology, expertise, markets, and capital. The Barbados Investment Development Corporation can also be helpful in arranging this type of activity.

- If so, what is the registration or incorporation procedure?

There is no formal registration or incorporation procedure specifically for joint ventures in Barbados. A corporate entity, for example, a limited liability company, international business company, international society with restricted liability or a partnership can be incorporated, organised or established for the purpose of a joint venture.

- How long do these procedures take?

A certificate of incorporation/organisation for an entity in Barbados is usually issued within one week after the required documents in good order have been filed at the Corporate Affairs and Intellectual Property Office (CAIPO).

An application for the international business company licence or international society with restricted liability licence can take a minimum of 10 to 15 business days after the application has been submitted to the Ministry of International Business.

- What costs and fees are involved?

An Attorney-at-Law should be retained to assist in drafting a joint venture agreement. The fees for drafting a joint venture agreement will be determined by the Attorney-at-Law.

The costs for the incorporation/organization and licencing of a company or society with restricted liability are as prescribed in the relevant legislation. Minimum legal fees associated with the incorporation/organization of an entity are prescribed under the Attorneys-at-Law (Remuneration for Non-Contentious Business) Rules.

- Must a national of the country or a related state, (e.g. the EEC) be a participant, manager or director?

No.

- What is the investor's potential liability?

This will be dependent upon the structure of the joint venture.

- Are there restrictions on capitalization?

No.

- What are the investor's tax consequences?

Taxes payable will be as prescribed in the Income Tax Act (Cap.73) or other applicable legislation, and dependent upon the business structure used.

Corporation tax is payable by all companies and societies with restricted liability. Income tax is payable by all individuals.

Where applicable, the provisions of Barbados' tax treaty network may be applied to reduce taxes payable and eliminate the possibility of double taxation.

C. Limited Liability Companies

- Are limited liability companies permitted?

Yes.

- If so, how are they registered or incorporated?

A company must be incorporated under the Companies Act (Cap. 308), by the filing of a suite of prescribed forms and payment of the prescribed fee at CAIPO. A company

incorporated in a jurisdiction other than Barbados may be registered in Barbados as an external company under the provisions of the Companies Act. A society with restricted liability is organized under the Societies with Restricted Liability Act (Cap. 318B), by the filing of a suite of prescribed forms and payment of the prescribed fee at CAIPO.

- How long do these procedures take?

A certificate of incorporation/organisation for an entity in Barbados is usually issued within one week after the required documents in good order have been filed at the Corporate Affairs and Intellectual Property Office (CAIPO).

An application for the international business company licence or international society with restricted liability licence can take a minimum of 10 to 15 business days after the application has been submitted to the Ministry of International Business.

- What costs and fees are involved?

The costs for the incorporation/organization and licencing of a company or society with restricted liability are as prescribed in the relevant legislation. Minimum legal fees associated with the incorporation/organization of an entity are prescribed under the Attorneys-at-Law (Remuneration for Non-Contentious Business) Rules.

- Must a national of the country or a related state be a participant, manager or director?

No.

- Are there restrictions on capitalization?

No.

- What are the investor's tax consequences?

A corporation tax rate of 25% is currently prescribed under the Income Tax Act. Lower rates of corporation tax are applicable to international business companies, international societies with restricted liability and other entities are entitled to benefit from special incentives. For example, under the Small Business Act (Cap.318C), companies can qualify for a 15% corporate tax rate. Manufacturing companies may also pay a tax rate of 15%.

Value Added Tax (VAT), where applicable, is levied at 17.5%.

There are additional taxes which may be payable depending upon the activity being carried on.

D. Liability Companies, Unlimited

- What are the forms of liability companies?

N/A

- How are these companies registered or incorporated?

N/A

- How long do these procedures take?

N/A

- What costs and fees are involved?

N/A

- Must a national of the country be a participant, manager or director?

N/A

E. Partnerships, General or Limited

- Are partnerships recognized or permitted?

General Partnerships fall within the ambit of the Partnership Act (Cap.313). Registration of a general partnership is not necessary under the Partnership Act.

The Limited Partnership Act (Cap.312), provides a mechanism under which one or more persons who enter into a partnership agreement with each other may limit their liability. The Limited Partnership Act also makes provision for a limited partnership to consist of one or more persons designated as "general partners", who can be made liable for all debts and obligations of the partnership.

Every limited partnership must be registered under the Limited Partnership Act and in default of registration the partnership shall be deemed to be a general partnership.

- Must a national of the country or related state be a partner?

No.

- If so, to what extent?

N/A.

- What costs and fees are involved?

A general or limited partnership can register its business name under the Registration of Business Names Act, Chapter 317 of the laws of Barbados. This is done by completing and filing the prescribed application form and paying a fee of BDS\$104.00 at the Corporate Affairs and Intellectual Property Office. The Certificate of Registration of a Business Name is usually issued within two working days after the application has been filed.

- What is the investor's potential liability?

A general partner is liable for one hundred percent of the debts of the partnership. A limited partner is liable for the amount of his capital in the partnership.

- What are the investor's tax consequences?

The partnership's tax assessment whether general or limited will fall on the partners individually. Non-resident partners are not entitled to claim the minimum deduction of BDS\$15,000.00 which is available only to resident taxpayers.

F. Partnerships, Undisclosed

- Do undisclosed partnerships exist?

No.

- If so, how are they formed?

N/A.

- What costs and fees are involved?

N/A.

- Must a national of the country or a related state be a participant, manager or director?

N/A.

- What is the investor's potential liability?

N/A.

- What are the investor's tax consequences?

N/A.

G. Sole Proprietorships

- Can the investor be a sole proprietor?

An investor can be a sole proprietor in Barbados, subject to certain requirements as to his or her status in Barbados.

- How is the sole proprietorship registered or established?

The Registration of Business Names Act (Cap.317) makes provision for a local or foreign firm, individual or corporation to have an individual carry on a business in Barbados as a nominee or trustee of that local or foreign firm, individual or corporation provided that the nominee or trustee registers the business name in the manner prescribed by the Business Names Act.

The prescribed application form must be signed by all the individuals seeking to register the business name and in the case of a company, by a director or secretary.

Where the applicant is a Barbados citizen, a Barbados I.D. card or valid passport evidencing his true identity must be provided.

Where the applicant is a Caricom citizen, he must present a valid passport or other travel document verifying his citizenship and showing he has permission to be in Barbados.

An investor who is not a citizen of Barbados, a Caricom citizen or has the status of an immigrant must submit evidence of a valid work permit in order to carry on business as a sole proprietor in Barbados.

- How long does this process take?

The Certificate of Registration of a Business Name is usually issued within two working days after the application has been filed.

- What costs and fees are involved?

The fee for the registration of a business name at the Corporate Affairs and Intellectual Property Office is BDS\$104.00.

- What is the investor's potential liability?

The sole proprietor will be liable to pay all taxes due from the business and to settle all debts.

- Are there restrictions on capitalization?

No.

- What are the investor's tax consequences?

A sole proprietor will be taxed on an individual basis. Individuals who are resident in Barbados for more than 182 days in a year and are ordinarily resident in Barbados in that year are required to pay tax. Gross assessable income up to BDS\$25,000.00 (US\$12,500.00) is not subject to tax.

The income tax rates applicable to individuals are shown in the table below:

Band of Taxable Income BDS\$	Rate of Tax %	Cumulative Tax BDS\$
1-35,000	16	5,600
Over 35,000	33.5	

H. Subsidiaries/Branches/Representative Offices

- Can the investor establish a branch, subsidiary or representative office?

An investor can establish a branch office of a company incorporated in a jurisdiction other than Barbados, which proposes to carry on an undertaking in Barbados, by registering the company as an external company under the Companies Act.

An investor can establish a subsidiary of a company incorporated in a jurisdiction other than Barbados by incorporating a company under the Companies Act or organizing a society with restricted liability under the Societies with Restricted Liability Act.

- If so, how long does registration or incorporation take?

The certificate of registration as an external company and a certificate of incorporation are usually issued within 1 week to ten days after the required documents in good order have been filed at CAIPO.

- What costs and fees are involved?

Registration of External Company

The fees payable to CAIPO in connection with the registration of an external company are approximately US\$1520.00.

Incorporation of subsidiary

The fees payable to CAIPO in connection with the incorporation of a company or society with restricted liability are approximately US\$400.00.

- What is the investor's potential liability?

An investor's liability is limited to the amount invested in the subsidiary.

- Must a national of the country be a participant, manager or director?

No.

- Are there restrictions on capitalization?

No. Where the proposed shareholders of a company incorporated to carry on business in Barbados are persons who are not resident in Barbados, the prior written permission of the Central Bank of Barbados is required for the issue of shares to such persons.

- What are the investor's tax consequences?

Corporation tax is 25%. In the case of a branch, corporation tax is payable on income arising from within Barbados.

The rate of VAT levied is 17.5%. Exemptions are available to international business companies, international societies with restricted liability, international banks and exempt insurance companies. Effective January 1, 2016, business are required to register with the Barbados Revenue Authority where sales are at least US\$100,000.00 (BDS\$200,000.00) annually.

- Are these tax consequences different than those of a local company?

Licensed international business companies, and licensed international societies with restricted liability benefit from a lower rate of tax.

Branches pay a 10% withholding tax if profits have been remitted, or are deemed to have been remitted to its foreign head office, unless profits are reinvested in Barbados other than for the replacement of fixed assets.

I. Trusts and other Fiduciary Entities

- Are trusts or other fiduciary entities recognized?

Trusts are recognised in Barbados. The law regarding trusts is supplemented by the Barbados Trustee Act (Cap.250) and the International Trusts Act (Cap.245) The International Financial Services Act also regulates the issue of licences to Barbados

companies acting as trustees of offshore trusts in Barbados, defines types of offshore trusts and regulates the powers and duties of a trustee of an offshore trust.

Barbados also recognises a foundations, which is a hybrid of a company and a trust.

- If so, how are each defined?

There are three types of trusts in Barbados: International, Domestic and Private.

International Trusts: The International Trusts Act (Cap.245) enables a trust to be created by non-residents for the benefit of non-residents. An international trust may only be created by instrument in writing. An international trust is deemed to be non-domiciled in Barbados for tax purposes, and therefore, will be subject to tax only on its Barbados source income and on its overseas income that is remitted to Barbados.

An international trust must satisfy the following conditions:

- The trust deed must specify that the International Trusts Act applies.
- At least one trustee must be a resident of Barbados.
- The settlor and the beneficiaries must be non-residents of Barbados. The assets of the trust cannot include real property situate in Barbados.

Domestic Trusts: Domestic trusts are regulated by the Trustee Act (Cap.250). There are no registration or filing requirements. If the trustee is a Barbadian resident and the trust deed does not specify that it is an international trust then a domestic trust is created.

Private Trusts: Private trust companies (PTCs) are licenced under the Private Trust Companies Act 2012. A PTC must have a Registered Agent who has a duty to ensure that the PTC complies with the requirements of the Private Trust Companies Act and annually submits a declaration of compliance to the Minister of International Business. A PTC must also have a Special Director as a member of its board with responsibility for the general administration of the PTC. The special director must be a resident of Barbados, of good character and have at least five years experience in a discipline related to the administration of trusts. PTCs that are established by and for the benefit of persons not resident in Barbados, provided that certain conditions are met, are exempt from income tax in Barbados.

Foundations: Foundations are established under the Foundations Act, 2013-2. A foundation is a legal entity that has the hybrid features of both a company and a trust. It is managed by a council whose function is similar to a board of directors. Foundations in Barbados can be domestic or international, as well as charitable or non-charitable, and can also be established for indefinite or fixed periods. An international foundation is one which is organized in a jurisdiction other than Barbados. The requirements for an international foundation are that there must be at least one councilor resident in Barbados, must have at all times, a registered agent in Barbados and the registered agent must be licensed under the Corporate and Trust Service Providers Act.

- What are the legal consequences of a transfer of assets to a trust or fiduciary?

Upon the execution of a trust instrument in writing, the legal title of the subject property is transferred to the trustee and the beneficial title is vested in the beneficiary.

- Can the investor be the grantor, trustee or beneficiary?

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Resident and non-resident individuals may be a grantor, trustee or beneficiary of a domestic trust. In the case of an international trust, the settlor and the beneficiaries must be non-residents of Barbados.

VII. Requirements For The Establishment Of A Business

A. Alien Business Law

- Is the business subject to any alien business law?

No.

- Are there registrations or reporting requirements?

Depending on the nature and type of business which is established, there will be certain registration and reporting requirements under the laws of Barbados.

B. Antitrust Laws

- Do the entity's operations comply with anti-trust laws?

No.

- Are there filing requirements?

N/A

C. Environmental Regulations

- Is the business of the investor subject to environmental regulation?

There are numerous environmental regulations governing everything from rodent and mosquito control, communicable diseases, collection and disposal of refuse, swimming pools, nuisances, use of the coastal zones to construction planning regulations.

- If so, are there added costs involved (e.g. audit requirements)?

There are no audit requirements relating specifically to environmental regulation in Barbados.

D. Government Approvals

- Are government approvals required for the anticipated business?

This is dependent upon the nature of the business to be undertaken.

- If so, how long does this process take?

This is dependent upon the nature of the business to be undertaken..

- What fees are involved?

This is dependent upon the nature of the business to be undertaken.

E. Insurance

- Must the enterprise carry insurance?

Most businesses are required to have some form of insurance.

- If so, what kind of risks must be insured?

This is dependent upon the nature of the business being carried on.

- Is there a state monopoly on insurance?

No.

F. Licenses/Permits

- Are licenses or permits required for the anticipated activity?

Depending upon the nature of the business to be carried on, licences or registrations may be required. e.g. international business companies, international societies with restricted liability, financial institutions or banks, insurance companies, franchises, etc.

- If so, how does the investor apply for and receive the necessary license or permit?

Applications in the prescribed form are made to the relevant government department, together with payment of the applicable fees.

VIII.

IX. Operation Of The Business

A. Advertising

- Are there restrictions on advertising?

The Protection Against Unfair Competition Act Chapter 329A of the laws of Barbados prevents businesses from engaging in certain conduct generally, such as making false or unjustifiable allegations that is likely to discredit another's enterprise, or engaging in conduct that is likely to mislead the public with respect to another enterprise.

B. Attorneys

- Is it necessary to have local counsel?

It is recommended to retain the services of a local Attorney-at-law when doing business in Barbados.

- How can local counsel be found?

The Barbados Investment & Development Corporation and the Barbados Bar Association can provide a list of attorneys. Many attorneys have listings in various publications such as the Martindale-Hubbell International Law Directory. Attorneys are also listed in the Barbados telephone book yellow pages.

- How much are attorneys fees?

Attorney's fees vary depending on the nature of the transaction. Minimum scale fees are prescribed for non-contentious work under the Legal Profession (Attorneys-At-Law) (Remuneration for Non-Contentious Business) Rules 1997.

C. Bookkeeping Requirements

- Must the investor keep local books of accounts?

Yes.

- In what form must the investor keep accounts (e.g. GAP, in what language, etc.)?

The Council of the Institute of Chartered Accountants of Barbados has adopted International Financial Reporting Standards ('IFRS') as the national accounting standards of Barbados.

All entities doing business in Barbados do not use IFRS standards however. For various reasons, entities operating in Barbados may report in accordance with another set of standards. More common ones are Canadian, UK, or US Generally Accepted Accounting Principles. In such cases, the local subsidiary is usually applying the same reporting framework as its parent company to allow for easier consolidation of results at the head office level.

D. Business Ethics/Codes

- Are there certain business ethics or codes, which the investor must follow (e.g. GAAP for accountants, etc.)?

Audits of a company's financial statements must be carried out by a member in good standing of the Institute of Chartered Accountants of Barbados, who holds a practicing certificate.

The Council of the Institute of Chartered Accountants of Barbados has adopted IFRS Standards as the national accounting standard of Barbados.

E. Consumer Protection Laws

- Are there consumer protection laws, which apply to the investor's operations?

The Consumer Protection Act (Cap.326D) and the Consumer Guarantees Act (Cap.326E) of the laws of Barbados offer protection to consumers.

F. Construction

- What are the costs of construction?

The costs of construction can vary depending on the location, type and size of structure to be built. Other factors such as land topography, building materials and complexity of the building structure also impact on the costs of construction.

- Are permits required for construction?

Yes.

- How is authorization to construct obtained?

Applications for construction of a new building must be processed by the Town and Country Planning Office. Two application forms must be submitted to the permitted development division along with:

-Building Plans- showing position, boundaries and size of lot, the position of the lot with respect to roads, gutters and the provisions for drainage

-Site Plan- showing the layout and design of the proposed development in relation to neighbouring buildings as well as the layout of proposed roads or vehicular access

- Floor Plan- showing the arrangement of rooms
- Elevation Plans
- Prescribed application fees

Building Start: After permission has been granted to commence building, the Chief Town Planner must be notified in writing of the proposed commencement date for building. Proposed works must be set out for inspection by a Town and Country Planning Officer before commencement of work.

Certificate of Compliance: This is issued by the Chief Town Planner and verifies that the development is satisfactorily completed.

- How long does it take to receive authorization?

It takes several months to years, to receive permissions from the Town and Country Planning Office.

- What fees are involved?

The prescribed applications fees must be paid along with the submission of two application forms to the Town and Country Development Planning Office.

The cost of an inspection by a Town and Country Planning Officer is US\$75.00.

The fee for the Certificate of Compliance is US\$75.00.

G. Contracts

- Can the investor freely enter into local contracts?

Yes, subject to any requirement for the prior permission of the Central Bank of Barbados.

- Can the law of another country govern the contracts?

Under the common law principle of freedom of contract, parties are free to choose the country by which the contract should be governed.

H. Price Controls

- Are there applicable price controls?

The Miscellaneous Controls Act (Cap.329), grants the Minister of Commerce, Consumer Affairs and Business Development, the power to regulate the prices at which goods may be sold. It also establishes the Prices Commission whose role it is to advise and assist the Minister on matters relating to the control of prices of goods.

I. Product Registration

- Must the entity register its product?

There is no requirement for an entity to register its product in Barbados. An enterprise should ascertain from the Barbados National Standards Institute whether any standards exists, quality or otherwise, with which its product needs to comply.

- If so, how is registration obtained?

N/A

- How long does the process take?

N/A

- Are there fees involved?

N/A

J. Reductions or Return on Capital

- Can capital be repatriated while the corporation is still ongoing?

Subject to the solvency tests in the Companies Act, Chapter 308 of the laws of Barbados, and to any applicable exchange control permissions, a company can reduce its stated capital while the company is still ongoing.

K. Sale of Goods

- Are there restrictions on the manner, time or place of sale of goods?

The Consumer Protection Act (Cap.326D) contains various restrictions on the manner of sale of goods in Barbados such as false representations of goods, misleading or deceptive conduct in relation to goods and supplying goods to consumers which do not comply with general safety requirements.

The Sale of Goods Act (Cap.318) of the laws of Barbados provides for certain implied conditions and warranties in a contract for sale of goods. The Consumer Guarantees Act (Cap.326E) also imposes certain guarantees where goods are supplied to a consumer.

The Shops Act, 2015-30 provides that a shop may be opened for business from 7:00 hours on Mondays continuously through to 22:00 hours on Sundays except on a closed day. A closed day means Good Friday Easter Sunday, Independence Day and Christmas Day. The Chief Labour Officer may, on the application of the occupier, grant that occupier a licence on such conditions as may be specified by the Chief Labour Officer, authorising the occupier to open his shop for business on a closed day.

Shop is defined under the Shops Act, 2015-30 as a) any premises or place in which a person (i) conducts, manages or carries on any retail or wholesale trade or business; or (ii) conducts business by providing services in respect of the sale or hire of commodities, whether or not the business is conducted, managed or carried on to the exclusion of, or in addition to, any other business; and b) includes any place used for the storage of goods, the receipt of orders for goods, or the dispatch or delivery of goods dealt with in the business.

L. Trade Associations

- Are there trade associations the investor can or must join?

There are no mandatory trade associations which an investor must join in Barbados.

There are many optional trade associations in Barbados which an investor can join, for example, Barbados Chamber of Commerce and Industry, Barbados Employers Federation and Barbados International Business Association.

- If so, are there fees involved?

Depending on the trade association chosen, there may be a membership fee to be a part of that association in Barbados.

- Are there mandatory trade practices?

The Consumer Protection Act protects customers against misleading, deceptive and unfair trade practices by placing an obligation on businesses not to engage in conduct that is, or is likely to mislead or deceive consumers.

X. Cessation Or Termination Of Business

A. Termination

- What are the tax consequences of terminating the business?

Prior to the termination of a business under the Registration of Business Names Act, Chapter 317 of the laws of Barbados, the partners or individual proprietor will be liable to pay all taxes due from the firm or individual proprietor.

Prior to the voluntary liquidation of a company under the Companies Act, Chapter 308 of the laws of Barbados, the company will be liable to pay all taxes due. A Certificate of Clearance from the Barbados Revenue Authority and National Insurance Department must be issued to the Company.

- What costs are involved in termination?

The fee payable to CAIPO for a Notice of Cessation of a business under the Registration of Business Names Act is BDS\$50.00.

The fee for filing Articles of Dissolution for a voluntary liquidation under the Companies Act is BDS\$25.00.

Other legal and professional costs may have to be incurred.

- How long does it take to terminate the business?

The process for the cessation of business name can take approximately three (3) to five (5) working days.

The voluntary liquidation process can take minimum of three months to be completed since the Notice of Intent to Dissolve must be advertised for 30 days to give creditors time to make their claims.

- How is the investor's particular form of business treated in termination?

Under the Registration of Business Names Act, where a firm or individual ceases to carry on business, the partners of that firm or the individual proprietor, or his personal

representative (if he is deceased) must within three months after the business has ceased to be carried on, give the Registrar of Companies notice in the prescribed form that the firm or individual has ceased to carry on business. Any person whose duty it is to give such notice and fail to do so shall be liable on summary conviction to a fine of BDS\$96.00. On receipt of such notice the Registrar shall remove the firm or individual from the register of business names.

Upon the issue of a Certificate of Intent to Dissolve under the Companies Act, the company shall cease to carry on business except to the extent necessary for its liquidation; but its corporate existence continues until the Registrar issues a certificate of dissolution of the company.

- Can the business be terminated without government approval or intervention?

A business cannot be terminated in Barbados without the approval or intervention of the Registrar of Companies.

- What are the obligations toward creditors, employees and others upon termination?

All outstanding claims to creditors and debts owed to employees must be settled prior to termination of a business or dissolution of a company.

- What are the tax consequences of termination?

All taxes due to the government must be paid prior to the termination of a business. There are no taxes payable solely as a consequence of termination of a business.

C. Insolvency/Bankruptcy

- What is the extent of the investor's liability in the event of insolvency or bankruptcy?

Insolvency

The Companies Act makes provision for the insolvency and/or liquidation of a Company. The Regulations of the Companies Act specify that all taxes of every description due from the Company at the date of the appointment of a receiver or receiver manager by the Court shall take priority over all the following debts:

- all contributions payable pursuant to the National Insurance and Social Security Act;
- wages or salary of employee in respect of services rendered to the company four months before the date of the appointment of a Receiver;
- amounts due as severance payment under the Severance Payments Act; and
- holders of floating debentures.

Holders of fixed debentures however will have priority over all of the above stated debts.

Bankruptcy

The Bankruptcy and Insolvency Act (Cap.303) (the "B&I Act") governs bankruptcy and insolvency proceedings.

The B&I Act offers the debtor Company three options:

- Receivership
- Bankruptcy (Voluntary and Involuntary)
- Reorganisation (the making of a proposal to creditors for sorting out the insolvent debtor's affairs)

The B&I Act also provides that the proceeds realized from the property of a bankrupt shall be applied in priority of payment as follows:

In the case of bankruptcy:

- Secured creditors
- The funeral and testamentary expenses of a deceased bankrupt
- The costs of administering the estate of a deceased bankrupt
- A levy payable to the Supervisor of Insolvency
- Wages or salaries
- All taxes
- Outstanding rent
- Unsecured creditors

In the case of a reorganisation proposal:

- The funeral and testamentary expenses of a deceased bankrupt
- The costs of administering the estate of a deceased bankrupt
- A levy payable to the Supervisor of Insolvency
- Claims for wages, salaries, commissions or compensation of employees (excluding severance payment)
- Contributions payable by the bankrupt, as an employer, pursuant to the National Insurance and social security legislation
- All taxes including land taxes and income taxes
- Outstanding rent due to a landlord
- Secured creditors
- Unsecured creditors

Additionally the B&I Act places responsibility on the debtor to make full discovery as to the particulars of his assets and liabilities and the names and addresses of all his creditors.

- What choices, if any, are available to the investor with regard to the restructuring of the business?

The investor may utilize the provisions in the B&I Act to make a proposal to creditors.

XI. Labor Legislation, Relation, And Supply

- A. Employer/Employee Relations
- What laws govern employer/employee relations?

Employer/employee relations are governed by the common law and by several pieces of legislation. The primary pieces of legislation are as follows:

1. National Insurance and Social Security Act
2. Safety and Health at Work Act
3. Holidays with Pay Act
4. Employment Exchanges Act
5. Severance Payments Act
6. Shops Act
7. Trade Unions Act
8. Wages Council Act
9. Sugar Workers (Minimum Wage and Guaranteed Employment) Act
10. Public Holidays Act
11. Domestic Employees (Hour of Duty) Act
12. Occupational Training Act
13. The Employment Rights Act

- Are there obligations to train employees?

There is an obligation to train employees under the Safety and Health at Work Act (Cap. 356) which is aimed at ensuring that employees (except the military, armed forces and private household domestic service) are trained prior to the use of dangerous machines. Save for the Safety and Health at Work Act, there are no other statutory obligations to train employees.

By virtue of the Occupational Training Act (Cap.42), employers may undertake the obligation of training apprentices or trainees. If an employer wishes to do so, he must apply to the Director of Training of the Barbados Vocational Training Board for permission. The applicant's establishment is then reviewed to determine whether it can satisfactorily provide reasonable opportunities for the proper training of the number of persons he proposes to train as apprentices or trainees. The apprentice/trainee must be at least 16 years old (the consent of a parent or guardian is required if the apprentice/trainee is under the age of 18 years old).

B. Employment Regulations

- Must the investor hire nationals of the country?

As long as there are suitably qualified nationals of Barbados for any employment, an employer will not be permitted to employ a non-national to fill a vacancy. Non-nationals require work permits or work permit exemptions (if applicable).

Prior to employing a non-national, the employer must advertise the position in the newspapers. In the event that there are no suitable responses to the advertisement, the employer may then apply to the Chief Immigration Officer for a work permit for a non-national.

- Is there a minimum wage?

There is a minimum wage for sugar workers pursuant to the Sugar Workers (Minimum Wage and Guaranteed Employment) Act, Chapter 359 of the laws of Barbados.

There is also a minimum wage for domestic employees (i.e. a person employed for reward for the purpose of performing household duties in a private dwelling house).

- Is there a maximum number of hours an employee can work each week?

The number of hours in any one (1) week (excluding meal intervals) during which a shop assistant (i.e. a person wholly or mainly employed in a shop in connection with serving customers, receipt of money or orders for goods, or the delivery of goods) may remain or may be employed in a shop shall not exceed forty (40) hours. No domestic employee shall be employed for more than forty four (44) hours in any one week.

Work hours are otherwise largely dictated by the contract of employment. In Barbados, the custom is a forty hour work week, Monday to Friday. Unless overtime is a condition of employment, employees cannot be forced to work overtime.

Provided that the employer is not operating a shop, employers and employees may agree on the amount of payment for any overtime work performed.

- Is there a minimum number of vacation and sick days to be given?

Employees are entitled to a holiday with pay of three weeks per year after one year of employment. In the fifth year of employment, the employee is entitled to four weeks holiday per year.

An employee who is ill is allowed up to two days sick leave without presentation of a medical practitioner's certificate of incapacity. If the sick leave persists beyond the second day, the employee is required to provide a medical practitioner's certificate.

C. Hiring and Firing Requirements

- Must the investor employ a minimum number of people?

No.

- Must the investor employ a minimum number of nationals?

No.

- Must nationals hold certain positions in the company?

No.

- Are there rules to follow in hiring/dismissing personnel (e.g. notice)?

In addition to the common law principle that a contract for an indefinite period of time is terminable by reasonable notice, there are various statutory provisions which provide for the notice of termination which must be given to certain employees and the payment of severance, if applicable. Generally unless there is just cause for the termination of the employment, the employer is required to give notice of termination to the employee or payment in lieu of such notice.

- Does the investor have a continuing obligation towards dismissed employees?

As long as the employer has satisfied all monetary compensation payments due to the former employee, the employer will have no continuing obligation towards that employee.

D. Labor Availability

- Is adequate skilled or unskilled labor available for the anticipated business?

Barbados, as a result of its high standard of education, has a very skilled and well educated work force. Unskilled workers are also easily trained. As at 2014, the labour force was estimated at 162,318.

E. Labor Permits

- Are labor permits required?

Work permits are required for a non-national to commence work in Barbados.

- If so, how are they obtained?

See Section XVI. Immigration Requirements.

- How long does the process take?

See Section XVI. Immigration Requirements.

- What fees are involved?

See Section XVI. Immigration Requirements.

F. Safety Standards

- Are there safety codes that must be followed?

The Safety and Health at Work Act (Cap.356) governs the general health and safety of workers in all workplaces in Barbados except the military, armed forces and private household domestic service.

G. Unions

- Are unions recognized?

Unions are recognized in Barbados pursuant to the Trade Unions Act (Cap.361). Employees have the right to join the trade union of their choice.

- What are the unions in the investor's business?

There are four (4) major unions in Barbados:

- The Barbados Workers Union
- The National Union of Public Workers
- Congress of Trade Unions & Staff Associations of Barbados
- Barbados Union of Teachers

- What are these unions' political affiliations, if any?

N/A.

- Is there an obligation on the part of the employer to organize unions?

No.

Under the terms of the Social Partnership Agreement (a tripartite consultative and negotiating mechanism for policy-making and economic development), it is customary and

expected that a union will be consulted prior to commencing any corporate reorganization that may affect employees.

- Are there mandatory collective bargaining agreements for the business involved?

No.

XII. Tax On Corporations

A. Allowances

- What are the major allowances (e.g. capital cost depreciation)?

There is an initial capital allowance for plant and machinery at the rate of 20% for plant and machinery and 40% for capital expenditure on an industrial building or structure.

Capital allowances are as follows:

Basic industry 20%

Businesses entitled to export allowance for exports

Outside of the Caricom region	40%
Manufacture and refining of sugar	40%
Manufacture of clay and limestone products	40%

Subject to the rules relating to annual allowances, the Income Tax Act (Cap.73) also grants the following allowances:

- plant or machinery other than equipment for scientific research used in that business;
- an industrial building or structure used or to be used in that business for some purpose other than resale;
- equipment for scientific research used in that business or a field relating to that business;
- new plant machinery in the manufacturing sector;
- intellectual property.

Manufacturing allowance:

Companies involved in the manufacturing sector are granted an additional 50% of the annual allowance claimed in an income year. Such companies are often able to claim investment allowances.

Renewable energy allowance

Companies that have had an energy audit, retrofitted a building, or installed a system to provide electricity from sources other than fossil fuels are granted an additional 50% of the annual allowance claimed in an income year.

Commercial building allowance:

A deduction is available in respect of a commercial building. For each income year, the available allowance is calculated at 1% of the land tax improved value, or 10% of the land tax improved value if the building is registered with the National Trust.

Any company which is able to claim an investment allowance cannot also claim an initial allowance.

- What are the major deductible items?

Business expenses that are reasonable and incurred for the purpose of producing assessable income are deductible for tax purposes unless disallowed by a specific provision of the Income Tax Act.

- What are the major expenses that are excluded from deductibility?

Deduction of capital expenditures is specifically prohibited, but special provisions may allow tax depreciation on these expenditures.

Income-generating expenses are deductible when calculating taxable income.

There are no specific provisions in relation to deductions for start-up expenses. However, some of these are treated as costs incurred on account of capital expenditure. Such costs are therefore not allowable deductions for tax purposes.

Fines and penalties imposed are generally not deductible. Taxes on income are not deductible.

B. Calculation of Taxes

- How is the taxable base determined?

Taxable income is determined on the basis of accounts prepared in accordance with International Financial Reporting Standards, subject to specific adjustments identified in the Income Tax Act. The authorities generally accept a method of valuation of inventory that conforms to standard accounting practice in the trade or business provided it is applied consistently.

C. Capital Gains

- What are the federal or national tax rates on capital gains?

There is no capital gains tax in Barbados.

- What are the regional or state taxes on capital gains?

N/A.

- What are the municipal or local taxes on capital gains?

N/A.

D. Filing and Payment Requirements

- When must the corporation file its tax return, if any?

Under the provisions of section 52 of the Income Tax Act ("ITA"), a limited liability company or society with restricted liability is required to file a tax return with the Barbados Revenue

Authority (BRA) in respect of each year of its operations. This is whether or not it generates any assessable income from its operations (assessable income is defined in the ITA as any kind of income calculated in accordance with Divisions C to K and Division R of Part II of the ITA).

The due date for filing the tax return depends on the company's fiscal year-end as follows:

On 15th of March of the following year if the company's year-end is between 1st January and 30th September.

On 15th of June of the following year if the company's year-end is between 1st October and 31st December.

The ITA permits the Revenue Commissioner to grant an extension of time to an entity for filing a tax return provided that a written application is made to the Revenue Commissioner before the date prescribed by the ITA for the filing of a return in respect of the particular entity.

- When must the corporation pay its taxes?

A company whose fiscal period ends at any time during the period January 1st to September 30th (both dates inclusive) must pay 50% of tax paid for the previous income year on October 15th. The remainder of tax due as shown on the Corporation Tax Return for that year is to be paid on March 15th.

A company whose fiscal period ends at anytime during the period October 1st to December 31st (both dates inclusive) must pay 50% of tax paid for the previous income year on December 15th. 50% on March 15th. Any additional amount due as shown on the Corporation Tax Return for the year is to be paid on filing on or before June 15th.

- Are taxes paid in installments or annually?

A limited liability company or society restricted liability is required to pay its income tax obligations in respect of each financial year in two installments. The first installment (a prepayment) is calculated at 50% of the entity's tax liability as reported in the annual return filed with the Revenue Commissioner for the previous financial year. The second installment (balance) is an amount that represents the difference between the tax liability of the entity as reported on the entity's annual return submitted to the Revenue Commissioner and the first installment which was previously paid.

The scheduled dates for the payment of corporation tax are set out as follows:

Financial year-end of entity is between 1 January and 30 September:

- first installment (prepayment): 15 September of the relevant financial year;
- second installment (balance): 15 March of the following fiscal year.

Financial year-end of entity is between 1 October and 31 December:

- first installment (prepayment): 15 December of the relevant financial year;
- second installment (balance): 15 June of the following fiscal year.

A company can file its annual corporation tax return electronically with the Barbados Revenue Authority.

E. Miscellaneous Taxes Due

- Is there a tax on capital?

No.

- Is there a business license tax?

Exempt insurance companies, international business companies, international societies with restricted liability, banks, mutual funds, insurance companies and companies, for example, which are required by law to be licensed under a specific statute are required to pay annual licence fees.

- Is there an apprenticeship tax?

No.

- Is there a training tax?

No.

- Are there other taxes?

Yes, for example, customs duty, excise tax, land tax, banks tax on assets, property transfer tax, stampy duty and most recently, the national social responsibility levy, effective September 1, 2016.

- What are the filing and payment requirements?

This list is not exhaustive.

Customs Duty

Customs duty is levied on goods imported in accordance with the first Schedule of the Customs Act, (Cap.66). The rate is calculated either on an *ad valorem* basis of 0% to 20% but certain goods regarded as luxury items are taxed at a much higher rate. In addition some items which require a special licence are subject to a higher rate of tax. The Customs Department will release your goods after all import requirements have been met, including the payment of duties and taxes.

Excise Tax

There are four categories of goods (both locally manufactured as well as imported) which are subject to excise taxes. These are motor vehicles, spirituous beverages, tobacco products and petroleum products. Most excisable goods are subject tax at a specific rate, with the exception of motor vehicles, which are taxed on the basis of their value *ad valorem*).

Effective 1 August 2015, a 10% excise tax before VAT is levied on sweetened beverages.

Land tax

The following land tax rates apply on the improved value of each parcel of land for residential purposes

Up to \$150, 000	Nil
On the excess of the improved value greater than \$150,000 but not exceeding \$400,000	0.10%
One the excess of the improved value greater than \$400,000 but not exceeding \$1,000,000	0.45%
On the excess of the improved value greater than \$1,000,000	0.75%

On the improved value of each parcel of land on which there is a building other than a residence	0.70% of the improved value
On the site value of each parcel of unimproved land	0.80% of the site value

Land tax is capped at BDS\$60,000 where a dwelling house is used exclusively as a residence by the person who owns the land on which the dwelling house is erected.

Rebate of 50% granted to hotels, manufacturers,, agriculture and 25% granted to villas.

Banks Tax on Assets

The banks tax on assets is charged on the average domestic assets of a bank at a rate payable of 0.20% per annum and pro-rated and paid every three months.

Property Transfer Tax

Property transfer taxes are levied as set out in the following table:

Property	Transfer tax rate
Shares of companies listed on the Barbados Stock Exchange	Exempt
Shares of private companies	2.5% of value or amount of gross consideration above BBD 50,000
Land with a building	2.5% of value or amount of gross consideration above BBD 150,000
Land with no building	2.5% of value or amount of gross consideration
Leases of 25 years or more or shor-term leases that are continuously renewed for a period equal to 25 years or more	2.5% of value or amount of gross consideration

Any transfer of shares to a person who is resident outside of Barbados, whether or not the transferor is resident in Barbados, where the assets of the company concerned consists of foreign assets and its income is derived solely from sources outside Barbados, will not be subject to transfer taxes in Barbados.

Stamp duty

Stamp duty is payable on every written instrument at the varying rates (depending on the type of transaction), provided in the Stamp Duty Act, (Cap.91).

National Social Responsibility Levy (“NSRL”)

This tax was introduced by the Minister of Finance in the latest budget proposal in August 2016. Effective September 1, 2016, this levy will be applied at 2% on the customs value of all imports at the border with the exception of goods for manufacturing, agriculture and tourism sectors as covered under the Fiscal Incentives Act and Tourism Development Act and local or domestic production. The NSRL will not apply to exports.

Taxpayers must file a NSRL Return which will be due the same time as their VAT return. The return must be filed indicating the total sales for the period and the NSRL payable. The return must be filed and payment made 21 days after the end of the relevant period.

F. Registration Duties

- Are there registration duties due upon the incorporation of a company?

A filing fee of BDS\$780.00 is payable to the Registrar of Corporate Affairs and Intellectual Property on the incorporation of a company or society with restricted liability.

- Are there registration duties due upon an increase in capital?

No.

- Are there registration duties due upon the transfer of the company's shares?

Stamp duty and property transfer tax may be payable on a transfer of shares.

- Are there registration duties due upon a transfer of corporate assets?

Property transfer tax and stamp duty may be payable on transfers of corporate assets.

- Are there any other registration duties due?

N/A

G. Sales Tax or other Turnover Tax

- What is the system of sales tax (e.g. V.A.T., cumulative)?

Persons operating under Barbados' Value Added Tax ("**VAT**") regime must be registered for VAT. Effective January 1, 2016, the threshold for VAT registration is BDS\$200,000. Voluntary registration is permitted for persons whose annual turnover is less than BDS\$200,000.

There are certain prescribed exemptions from the application of VAT.

Certain supplies are zero-rated, including exports, basic food items, prescription drugs, crude oil, and the supply of certain items to the international financial services sector (e.g. legal and accounting fees). There is a concessionary rate of 7.5% applicable to the supply of accommodation by guest houses, hotels, inns, or any similar place, including a dwelling house normally let or rented for use as a vacation or holiday home. This rate also applies to supplies of certain goods and services related to tourism, provided that the registrant satisfies certain criteria.

- Is input tax creditable against output tax?

Registered persons may deduct input tax from their output tax in calculating the tax payable for that accounting period. Where input tax exceeds output tax, the registrant will be entitled to a VAT refund.

- What are the tax rates?

VAT is levied at the rate of 17.5% on the value of a wide range of goods and services imported or supplied in Barbados by VAT-registered persons.

- What are the filing and payment requirements?

VAT returns must be filed within 21 days after the end of an accounting period.

H. Social Security and Welfare System Contributions

- Are social security contributions due?

National Insurance is a social security tax. The National Insurance Act (Cap.47) ("**NIS Act**") provides that every person who is over 16 years of age and younger than pensionable age, and is employed in Barbados under a contract of service, must be insured. This is in respect of several contingencies in relation to which benefits are provided under subsection 1 of section 21 of the NIS Act.

The total rate of contribution for private sector employees and employers is 21.35%, calculated as follows:

Employees: **10.1%** comprising of the following:

- national insurance: 6.75%;
- non-contributory: 2%;
- unemployment: 0.75%;
- training levy: 0.5%;
- catastrophe fund: 0.1%.

Employers: **11.25%** comprising of the following:

- national insurance: 6.75%;
- non-contributory: 2%;
- employment injury: 0.75%;
- unemployment: 0.75%;
- severance: 0.5%;
- training levy: 0.5%.

There is no exemption for persons in employment under a work permit or for non-resident employers.

- Are retirement or pension contributions due?

Contributions by a self-employed person or an employed person on his own behalf to a registered retirement plan; lower of 15% of assessable income or BDS\$10,000. Contributions by an employer and employee to a registered retirement plan; up to 15% of the employer's assessable income.

- Are unemployment insurance contributions due?

The total NIS contributions paid by an employer and employee include a rate of 0.75% for unemployment.

- What are the filing and payment requirements for any such contribution?

NIS contributions are determined as a percentage of insurable earnings, up to a maximum of insurable earnings of BDS\$4,360 per month or BDS\$1,006 per week.

Employers must be registered with the National Insurance Scheme and there must be a Barbados resident individual who will assume responsibility on the employer's behalf to submit the national insurance contributions due on the 15th day of each month. The employee's share is 10.1%, with the employer paying 11.25%. Failure to make payments within this time frame results in an interest fine of 1% for each month on the unpaid contribution.

The rate of contributions and the levy payable by self employed persons is 16.1% of insurable earnings to a maximum of \$3,720 per month for persons between 16 and 65. Self employed persons are required to file and pay their national insurance contributions every quarter.

I. Special Tax Schemes

- Are there particular tax consequences of doing business in the country?

Businesses in the manufacturing sector as well as international business companies and international societies with restricted liability are exempted from import taxes on equipment and raw materials required for the operation of the business.

J. Tax on Profits

- What are the federal or national income tax rates on profits?

The income of a company is the profit derived from that business or property in an income year. Amounts expended by the company for the purpose of producing taxable income, are deductible in the calculation of its total taxable income for that year of assessment. The rate of tax applicable generally to companies in Barbados is 25%. However, there are some exceptions to this.

Income	Corporation Tax Rate
Income of insurance companies carrying on general insurance business	25%
Income of insurance company carrying on life insurance business	5%
Income of manufacturing companies	15%
Income from rental of residential property	15%
Income of companies engaged in the construction of houses	15%

- What are the regional or state tax rates on profits?
N/A
- What are the municipal or local tax rates on profits?
N/A

K. Tax Treaties

- Are there any applicable tax treaties?

Barbados has concluded double taxation agreements (“DTAs”) with the following countries:

The United Kingdom (Revised 2012)
Canada
U.S.A
Finland

Norway
Sweden
Switzerland
CARICOM
Venezuela
Cuba
China
Malta
Mauritius
Botswana
Austria
Kingdom of the Netherlands
Republic of Seychelles
Republic of Mexico
Republic of Ghana
Luxembourg
Republic of Panama
Republic of Portugal
Spain
Czech Republic
Iceland
Bahrain
State of Qatar
San Marino
Singapore
United Arab Emirates
Rwanda
Republic of Italy
Slovak Republic

The DTAs with Republic of Ghana, Republic of Portugal, United Arab Emirates, Republic of Italy and Slovak Republic have not yet entered into force in Barbados.

Barbados has concluded tax information exchange agreements (“**TIEA**”) with the following countries:

Denmark
Greenland
Faroe Islands
South Africa
Colombia

The TIEA with Columbia has not yet entered into force in Barbados.

Barbados has concluded bilateral investment treaties (“**BITs**”) with the following countries:

The United Kingdom
Venezuela
Germany
Switzerland
Italy

Cuba
Canada
China
Mauritius
Republic of Ghana
Belgium -Luxembourg
Economic Union

The BITs with Republic of Ghana and Belgium–Luxembourg Economic Union are awaiting ratification.

- Are there any rules against treaty-shopping?

There are no specific anti-treaty shopping rules in Barbados.

L. Territoriality Rules

- Where is the corporation subject to tax?

For Barbados tax purposes, a company is subject to tax depending on whether the company is resident and/or domiciled in Barbados. A company is considered to be tax resident in Barbados if its central management and control is located in Barbados whereas it is deemed to be domiciled in Barbados where it is incorporated, continued or registered as an external company in Barbados.

- Is the corporation subject to tax on its worldwide income?

Broadly, corporation tax is charged on the worldwide income of resident companies, and on the income of non-resident companies derived from Barbados.

M. Treatment of Tax Losses

- How are corporate tax losses treated?

From income year 2015, losses can generally be carried forward for seven years after the income year in which they are incurred and may be applied in full against future taxable profits.

N. Wealth Tax

- Is there an applicable wealth tax?

No.

O. Withholding Taxes

- What are the rates of withholding tax on dividends?

Dividends other than a dividend on preferred shares paid to resident individuals by local companies out of profits derived after June 30, 1992 are subject to a single withholding tax at the rate of 12.5%.

Dividends paid to non-residents out of profits prior to July 1, 1992 are not taxable. Dividends paid to non-residents are taxed at 15% unless reduced by the provisions of the applicable double taxation treaty.

Dividends paid by companies licensed under the International Business Companies Act, the International Financial Services Act, Societies with Restricted Liability Act and the Exempt Insurance Act are exempt from withholding tax.

Dividends paid by a company from profits earned by a company during a tax holiday under the Fiscal Incentives Act are also exempt from tax.

Inter-company dividends where both companies are either registered or incorporated in Barbados are exempt from tax.

- What are the rates of withholding tax on royalties?

50% of the royalties earned in Barbados by authors, songwriters and computer programmers is exempt from tax¹.

- What are the rates of withholding tax on interest?

Interest paid by an IBC or an ISRL to foreign recipients is exempt from withholding tax in Barbados. Otherwise, a 15% withholding tax applies to interest payments to foreign recipients, unless reduced under a tax treaty.

There is no withholding tax on interest payments to local recipients.

- What are the rates of withholding tax on profits realized by a foreign corporation?

Offices, branch agencies of a non resident company engaged in business in Barbados which remits or has been deemed to remit any part of the profits of the non resident company accruing or derived in Barbados shall withhold a tax of 10%.

XIII. Tax On Individuals

A. Allowances

- What are the major allowances?

In respect of income year 2013, residents are entitled to deductions and allowances as follows:

Allowance	Amount BDS\$
Basic allowance for taxpayers other than pensioners	25,000
Basic allowance for pensioners	40,000
Dependant spouse allowance	3,000
Child allowance	1,000
Contributions to registered retirement (self-employed person)	Lower of 15% of assessable income and 10,000

¹ To be confirmed.

Allowance	Amount BDS\$
Registered retirement savings (contributions by an employee or self-employed person)	Lower of 15% of assessable income and 10,000
Contributions by an individual to a registered retirement plan and to a registered retirement savings plan	Lower of 15% of assessable income and 10,000 in respect of both plans
Registered retirement contributions by an employee towards a plan taken out by an employer	Total contributions up to 15% of pensionable income
Covenants to incapacitated individuals	5% of assessable income
Amounts paid to exempt charities	Allowed in full
Amounts of \$1 million or less paid to registered charities	10% of the donation
Amounts in excess of \$1 million paid to registered charities	50% of the donation
Investment in a registered venture capital fund or innovation fund	Up to 10,000
Rental allowance	Lower or 20% of rent paid and 3,000

In respect of residential property:

Description	Amount BDS\$
Retrofitting of residential property with roof straps and shutters	
Home allowance	Up to 10,000
150% of the cost of conducting energy audits and 150% of 50% of the cost of retrofitting premises or installing systems to produce electricity from sources other than fossil fuels	Up to 10,000

B. Calculation of Taxes

- How is the taxable base determined?

Individuals who are resident in Barbados for more than 182 days in a year are required to pay tax. Gross assessable income up to BDS\$25,000 is not subject to tax.

Band of Taxable Income BDS\$ Rate of Tax % Cumulative Tax BDS\$

1-35,000	17.5	6,125
Over 35,000	35	

C. Capital Gains Tax

- Are capital gains taxable?

No.

D. Filing and Payment Requirements

- When must the individual file a tax return, if any?

Individual taxpayers must file income tax returns by 30 April following the income year, which ends 31 December. Self-employed persons must file returns regardless of the amount of their taxable income. They must also prepay income tax quarterly based on the tax payable for the

preceding year. The Barbados Department of Inland Revenue makes provision for taxpayers to file returns online via the website <https://etax.ird.gov.bb>.

- When must the individual pay his/her taxes?

Employees normally prepay their taxes. The amount of the tax is withheld from their wages or salary by their employers through the Pay-As-You-Earn (PAYE) system.

Individuals with employment income (includes salaries, commissions, bonuses, directors' fees, perquisites and pension income) only must pay 50% of any balance of tax due on filing; the remainder is payable by 30 September of that year.

Individuals with business income which exceeds 25% of their assessable income must make prepayments equal to one quarter of the corresponding tax payable on 15 June, 15 September, 15 December, and 30 April on filing.

E. Inheritance and Gift Tax

- Does the individuals' presence in the country subject him/her to inheritance or gift tax?

No.

- What kinds of assets are subject to tax?

N/A

- What are the tax rates?

N/A

- Are allowances available?

N/A

- What are the payment and filing requirements?

N/A

F. Miscellaneous Taxes Due

- What are the miscellaneous taxes to which the individual may be subject?

Examples are stamp duty, property transfer tax, customs duty, national social responsibility levies, land tax and excise tax. This list is not exhaustive

- What are the filing and payment requirements?

The filing and payment requirements will depend on the transaction and the tax payable.

G. Real Estate/Habitation Tax

- Is the individual subject to real estate or habitation tax?

Under the Barbados Land Tax Act, (Cap.78A), taxes are payable on an annual basis by property owners on the real property that they own.

H. Sales Tax

- Does the individual pay sales tax?

Yes.

Value Added Tax (“**VAT**”) charged on taxable supplies at the following rates:

- 1) the standard rate of VAT which is generally applicable to all taxable supplies of 17.5%;
- 2) the reduced rate of 7.5% reserved for the supply of accommodation in guest houses. Hotels, inns and similar accommodation; and
- 3) zero rate which applies to supplies outlined in the First Schedule to the VAT Act, Cap.87. These include the supply of a prescribed medical device, a supply of crude oil, a payment known as a service charge payable to hotels, guest houses, restaurants and the supply of international cruises.

I. Social Security and Welfare System Contributions

- Are contributions to social security due?

Individuals employed or exercising their employment in Barbados must make contributions to the National Insurance Scheme. It is based on their monthly insurable earnings up to a maximum of BB\$4,270 at the following rates:

	Percentage	Amount of Contribution
For employees	10.10%	BDS\$431.27
For employers	11.25%	BDS\$480.37
For self-employed persons	16.10%	BDS\$687.47

Employed persons under the age of 16 or over the age of 66 are required to make contributions to the National Insurance Scheme at the following rates:

	Percentage	Amount of Contribution
For employees	0.60%	BDS\$25.62
For employers	1.25%	BDS\$53.37

These payments are not tax deductible by the employees but contributions made by employers are tax deductible

Barbados has entered into social security or totalization agreements with Canada, CARICOM and the United Kingdom. These provide relief from an employee having to pay

social security taxes in more than one territory on the same earnings. They also ensure benefit coverage.

- Are contributions to the welfare system due?

Yes, under the National Insurance Scheme.

- If so, what are the payment and filing requirements?

Contributions to the National Insurance Scheme must be submitted on or before the 15th of the month following deduction.

J. Stock Option, Profit Sharing and Savings Plans

- Is there taxation of stock option plans?

Employees are taxed on the benefit arising on the purchase of shares acquired under a stock option plan at a price which is less than market value. The taxable amount is equal to the difference between the market price of the shares on the date the option is exercised and the price paid for the shares under the option, subject to a deduction of up to 10% of the employee's assessable income. The benefit is taxed in the same manner and at the same rates as other employment income. If the shares are disposed of within five years after the option is exercised, the 10% deduction is recaptured in the year the shares are sold.

- Is there taxation of profit sharing plans?

No.

- Is there taxation of savings plans?

No.

K. Taxation of Benefits in Kind

- What is the rate of taxation on benefits in kind (e.g. automobile, housing and utilities, education, etc.)?

The following amounts are deducted from the assessable income of individuals:

Housing	\$48,000.00
Motor cars	10% of the amount of the car
Entertainment allowance	12.5% of basic salary or \$7,800 per annum
Travelling allowance	12.5% of basic salary or \$7200.00 per annum

Other personal payments made on behalf of an employee will be treated as a taxable benefit for example, school fees, electricity, water, natural gas and household help.

L. Taxes on Dividends

- Are dividends taxable regardless of their form?

Dividends are subject to withholding tax in Barbados regardless of their form. Dividends other than a dividend on preferred shares paid to resident individuals by local companies out of profits are subject to a single withholding tax at the rate of 12.5%.

Dividends paid to non-residents are taxed at 15% unless reduced by the provisions of the applicable double taxation treaty.

M. Tax on Income

- What are the federal or national tax rates on income for residents?

Income tax is levied on the income of persons resident in Barbados, based on the Pay As You Earn (PAYE) system.

Individuals who are resident in Barbados for more than 182 days in a year are required to pay tax. Gross assessable income up to BDS\$25,000 is not subject to tax.

Band of Taxable Income BDS\$	Rate of Tax %	Cumulative Tax BDS\$
1-35,000	17.5	6,125
Over 35,000	35	

National Insurance Scheme (NIS):

All employees over 16 and under pensionable age are required to pay national insurance contributions. These contributions are deducted from the employees' wages or salaries, on earnings of up to BDS\$4360 (US\$2180) per month.

Employers must be registered with the National Insurance Scheme and payments should be made within 15 days after the end of each month. The employee's share is 10.1%, with the employer paying 11.25%.

- What are the federal or national tax rates on income for non-residents?

PAYE

In calculating the assessable income of a person for an income year, only income derived from Barbados shall be included. The tax rates above apply to income derived from Barbados.

National Insurance Scheme (NIS):

All employees over 16 and under pensionable age are required to pay national insurance contributions. These contributions are deducted from the employees' wages/salaries, on earnings of up to BDS\$4360 (US\$2180) per month. There is no exemption for persons in employment under a work permit or for non-resident employers.

Where the person is a resident of another state with which Barbados has a double taxation agreement, then the person may claim double taxation relief in accordance with Section 83 of the Income Tax Act and the double taxation treaty in force with the state in which he is resident residence.

- What are the regional or state tax rates on income for residents?

N/A

- What are the regional or state tax rates on income for non-residents?

N/A

- What are the municipal or local tax rates on income for residents?

N/A

- What are the municipal or local tax rates on income for non-residents?

N/A

N. Tax Treaties

- Are there any applicable tax treaties?

Barbados has concluded double taxation agreements (“DTAs”) with the following countries:

The United Kingdom (Revised 2012)

Canada

U.S.A

Finland

Norway

Sweden

Switzerland

CARICOM

Venezuela

Cuba

China

Malta

Mauritius

Botswana

Austria

Kingdom of the Netherlands

Republic of Seychelles

Republic of Mexico

Republic of Ghana

Luxembourg

Republic of Panama

Republic of Portugal

Spain

Czech Republic

Iceland

Bahrain

State of Qatar

San Marino

Singapore

United Arab Emirates

Rwanda

Republic of Italy

Slovak Republic

The DTAs with Republic of Ghana, Republic of Portugal, United Arab Emirates, Republic of Italy and Slovak Republic have not yet entered into force in Barbados.

Barbados has concluded tax information exchange agreements (“**TIEA**”) with the following countries:

Denmark
Greenland
Faroe Islands
South Africa
Colombia

The TIEA with Columbia has not yet entered into force in Barbados.

Barbados has concluded bilateral investment treaties (“**BITs**”) with the following countries:

The United Kingdom
Venezuela
Germany
Switzerland
Italy
Cuba
Canada
China
Mauritius
Republic of Ghana
Belgium -Luxembourg
Economic Union

The BITs with Republic of Ghana and Belgium–Luxembourg Economic Union are awaiting ratification.

- Are there any rules against treaty-shopping?

There are no anti-treaty shopping rules in Barbados.

O. Territoriality Rules

- Where is the individual subject to tax?

Barbados residents who are not domiciled in Barbados are taxed on income generated in Barbados and on foreign-sourced income remitted to Barbados. Non-residents are taxed on income generated in Barbados only.

Individuals are considered to be tax resident if:
they are present in Barbados for more than 182 days in an income year; or
they are ordinarily resident in Barbados in the relevant income year.

Individuals are deemed to be ordinarily resident if they have a permanent home in Barbados and notify the Barbados Revenue Authority that they intend to reside in Barbados for a period of two consecutive years, including the current income year.

Domicile is not defined in the Income Tax Act (Cap. 73). However, the Domicile Reform Act (Cap. 213) (“**DRA**”) of Barbados provides that, in determining the domicile of a person at or

before January 1st 1980, the common law concept of domicile would apply. Thereafter, the DRA would apply to the determination of an individual's domicile.

- Is the individual subject to tax on his/her worldwide income?

An individual who is resident and domiciled in Barbados for tax purposes is subject to income tax on worldwide income, regardless of whether the income is remitted to Barbados.

P. Wealth Tax

- Is the individual subject to tax based upon his/her wealth?

No.

- If so, what are the rates?

N/A

- Are there any allowances available?

N/A

- What are the payment and filing requirements?

N/A

Q. Withholding Tax

- Is salary subject to a withholding tax at the source?

Section 64(1)(a) of the Income Tax Act ("ITA") provides that every person paying to any other person a salary or wages, must deduct or withhold PAYE tax as prescribed under the Act. At the same time, the amount deducted or withheld must be paid to the Barbados Revenue Authority (BRA) as a prepayment of tax of the person to whom that amount would otherwise have been paid. However this requirement is waived where an employee's salary or wage is less than BDS\$480.77 per week, BDS\$2,083.00 per month or BDS\$25,000.00 per annum.

The rate of tax for individuals is 17.5 percent of every complete dollar of taxable income up to and including BDS\$35,000 (US\$17,500); and 35 percent of every complete dollar of taxable income above BBD35,000. This amount is to be deducted from salary and remitted to the BRA within 15 days after the period to which it relates.

- What is the treatment of residents as compared to non-residents?

There is no distinction in the ITA on whether the obligation to withhold taxes on income from salary or wages arises only where the payment is made by a Barbados resident employer as opposed to a non-resident employer.

Income of resident and non-resident persons (Barbados income only) is subject to withholding tax in Barbados.

Withholding tax rates may be reduced under a relevant double taxation treaty.

Resident Individuals	%
- Interest over \$100 paid to individuals	12.5

- Barbados Government Securities	12.5
- Ordinary dividends paid in cash to individuals	12.5
- Dividends received from shares under a dividend Reinvestment plan but restricted to 75% of the dividend up to \$7,500	Nil
- Investment withdrawn by an individual from a Mutual Fund or Capital Fund within 5 years of being invested	25
- Withdrawal of investment in shares in a Credit Union within 5 years of investment	20

Non resident individuals	%
- Barbados Government Securities	Nil
- Branch profits remitted or deemed to be remitted	10
- Covenants	20
- Dividends paid out of foreign source income	Nil
- Dividends paid from non-foreign source income	15
- Dividends from untaxed profits	25
- Interest	15
- Management, administrative or technical fees	15
- Royalties	15
- Services other than Management	25
- Rent	25
- Professional fees	Nil

Specially qualified expatriates working in the international business and financial services sector may qualify for a tax exemption ranging from 35% to 60% depending on the level of income, for an initial period of three years.

XIV. Tax On Other Legal Bodies

A. Allowances

- What are the major allowances (e.g. capital cost depreciation)?

An international business company (“**IBC**”) and an international society with restricted liability (“**ISRL**”) are subject to special tax rates of 0.25% to 2.5% depending on the level of profits and gains of the IBC or ISRL.

An IBC may import free of customs duty, consumption tax, ad valorem stamp duty and other like duties, taxes and imposts, such plant, machinery, equipment, fixtures, appliances, apparatus, tools and spare parts, and such raw materials, goods, components and articles, as are necessary for use exclusively in the international business of the company.

Similarly, an ISRL may import or purchase out of bond free of customs duty, consumption tax, ad valorem stamp duty and other like duties, taxes and imposts, such plant, machinery, equipment (excluding motor vehicles), fixtures, appliances, apparatus, tools and spare parts, and such raw materials, goods, components and articles, as are necessary for use exclusively by the ISRL.

Additional benefits of an IBC:

- No withholding tax on dividends, interest and other payments made to non-residents or to another IBC.
- Exemption from ad valorem stamp duty, except in respect of real estate situated in Barbados
- Exemption from exchange control

- Guarantee of benefits and exemptions for a period of 15 years
- Tax concessions for specially qualified employees
- Exemption from taxes on the transfer of any securities or assets of the IBC, other than the transfer of real property situated in Barbados

The general benefits of an ISRL are similar to those of an IBC, except that an ISRL's tax and duty exemptions are guaranteed for 30 years.

- What are the major deductible items?

N/A.

An IBC and ISRL are exempt from the provisions of the Income Tax Act (Cap.73), except as provided in section 10 of the IBC Act (Cap. 77) and section 43 of the ISRL Act (Cap. 318B) as it relates to the special tax rates of 0.25% to 2.5% which are levied on the profits and gains of the IBC or ISRL.

- What are the major expenses that are excluded from deductibility?

N/A.

An IBC and ISRL are exempt from the provisions of the Income Tax Act (Cap.73), except as provided in section 10 of the IBC Act (Cap. 77) and section 43 of the ISRL Act (Cap. 318B) as it relates to the special tax rates of 0.25% to 2.5% which are levied on the profits and gains of the IBC or ISRL.

B. Calculation of Taxes

- How is the taxable base determined?

The taxable base for an IBC and ISRL, from income year 2013 are as follows:

- 2.5% on all profits and gains up to BDS\$10,000,000;
- 2% on all profits and gains exceeding BDS\$10,000,000 but not exceeding BDS\$20,000,000;
- 1.5% on all profits and gains exceeding BDS\$20,000,000 but not exceeding BDS\$30,000,000; and
- 0.25% on all profits and gains in excess of BDS\$30,000,000.

An IBC or ISRL may elect to take a credit in respect of taxes paid to a country other than Barbados where the election does not reduce the tax payable in Barbados to a rate less than 0.25% of the profits and gains of the company in respect of income year 2013 and each subsequent income year.

C. Capital Gains

- What are the federal or national tax rates on capital gains?

There is no capital gains tax.

- What are the regional or state taxes on capital gains?

N/A

- What are the municipal or local taxes on capital gains?

N/A

D. Filing and Payment Requirements

- When must the entity file a tax return, if any?

The due date for filing the tax return depends on the company's fiscal year-end as follows:

On 15th of March of the following year if the company's year-end is between 1st January and 30th September.

On 15th of June of the following year if the company's year-end is between 1st October and 31st December.

- When must the entity pay taxes?

A company whose fiscal period ends at any time during the period January 1st to September 30th (both dates inclusive) must pay 50% of tax paid for the previous income year on October 15th. The remainder of tax due as shown on the corporation tax return for that year is to be paid on March 15th.

- Are taxes paid in installments or annually?

Taxes are paid in installments as outlined above.

E. Miscellaneous Taxes

- Are other taxes due?

Yes, land tax.

- What are the filing and payment requirements?

Land tax is payable by an owner of real property annually prior to October 31.

F. Registration Duties

- Are there registration duties or fees due upon the setting up of the legal body?

Yes.

The fee payable to CAIPO on the incorporation of an entity is BDS\$780 (approx. US\$390)

The application fee for an IBC or ISRL licence is BDS\$250.00 (US\$125.00). Upon approval of the application, the licence fee of BDS\$1000.00 (US\$500.00) is payable.

An IBC or ISRL is required to pay the annual fee of BDS\$1000.00 (US\$500.00), by December 31st of each year to maintain its licence.

- Are there registration duties or fees due upon a change in the capital of the legal body?

No.

- Are there registration duties due upon the transfer of capital?

The transfer of shares of a local company or society with restricted liability (i.e. an entity not licenced as an IBC or ISRL attract property transfer tax and stamp duty.

The transfer of the shares of an IBC or quotas of an ISRL attract a fixed preferential rate in stamp duty, and are exempt from property transfer tax, provided that the transfer is between non-residents. Transfers of the shares of an IBC or quotas of an ISRL to a resident attract both property transfer tax and stamp duty at *ad valorem* rates prescribed in the Stamp Duty Act. Cap.91

- Are there registration duties due upon a transfer of assets?

The transfer of real property attracts stamp duty and property transfer tax. Conveyances of real estate must also be recorded at the Land Registry upon payment of a fee.

No taxes or duties shall be levied on an IBC, its shareholders or transferees in respect of any transfer of any securities or assets of a company, other than a transfer of taxable assets, to a person who is not resident in Barbados or who, if so resident, holds an IBC licence. Taxable assets in the hands of an IBC are a) real property situated in Barbados held by or on behalf of the company; and b) all office equipment, supplies, furnishings and fixtures, machinery, vehicles and equipment used in Barbados in carrying on the business and affairs of the company.

- Are there any other registration duties due?

Stamp duty is payable upon the registration of a charge at CAIPO.

E. Sales Tax or other Turnover Tax

- Is the legal body subject to sales tax or any other turnover tax (e.g. VAT., cumulative)?

Entities are subject to VAT, as indicated above.

An IBC or ISRL is exempt from the payment of VAT under the Value Added Tax Act (Cap. 87).

- Is input tax creditable against output tax?

N/A.

- What are the tax rates?

N/A

- What are the filing and payment requirements?

N/A

H. Social Security and Welfare System Contributions

- Are social security contributions due?
 Yes.

Individuals employed or exercising their employment in Barbados must make contributions to the National Insurance Scheme. It is based on their monthly insurable earnings up to a maximum of BB\$4,270 at the following rates:

	Percentage	Amount of Contribution
For employees	10.10%	BDS\$431.27
For employers	11.25%	BDS\$480.37
For self-employed persons	16.10%	BDS\$687.47

Employed persons under the age of 16 or over the age of 66 are required to make contributions to the National Insurance Scheme at the following rates:

	Percentage	Amount of Contribution
For employees	0.60%	BDS\$25.62
For employers	1.25%	BDS\$53.37

- Are retirement or pension contributions due?
 Retirement and pension plans are voluntary.
- Are unemployment insurance contributions due?
 No.
- What are the filing and payment requirements for any such contribution?

National insurance contributions are payable monthly.

I. Special Tax Themes

- Are there particular tax consequences of doing business in the country under the form of the particular legal body?

Entities which operate in the international business and financial services sector, which are licenced under the International Business Companies Act, the Societies with Restricted Liability Act, the Exempt Insurance Act, the Insurance Act and the International Financial Services Act, are taxed at preferential rates.

J. Tax on Profits

- What are the federal or national income tax rates on profits?

Under the IBC Act, the SRL Act and the IFSA² the rates of tax are between 0.25% and 2.5% depending on their gross revenue and assets as follows:

Gross Revenue and Assets	Rate
Under BDS\$10,000,000	2.5%
BDS\$10,000,000 – BDS\$20,000,000	2%

² Confirm rates and base

BDS\$20,000,000 – BDS\$30,000,000	1.5%
Over BDS\$30,000,000	0.25%

- What are the regional or state tax rates on profits?

N/A

- What are the municipal or local tax rates on profits?

N/A

K. Tax Treaties

- Are there any applicable tax treaties?

The United Kingdom (Revised 2012)

Canada

U.S.A

Finland

Norway

Sweden

Switzerland

CARICOM

Venezuela

Cuba

China

Malta

Mauritius

Botswana

Austria

Kingdom of the Netherlands

Republic of Seychelles

Republic of Mexico

Republic of Ghana

Luxembourg

Republic of Panama

Republic of Portugal

Spain

Czech Republic

Iceland

Bahrain

State of Qatar

San Marino

Singapore

United Arab Emirates

Rwanda

Republic of Italy

Slovak Republic

The DTAs with Republic of Ghana, Republic of Portugal, United Arab Emirates, Republic of Italy and Slovak Republic have not yet entered into force in Barbados.

- Are there any rules against treaty-shopping?

There are no anti-treaty shopping rules in Barbados.

L. Territoriality Rules

- Where is the legal body subject to tax?

Barbados.

- Is the legal body subject to tax on its worldwide income?

No.

M. Treatment of Tax Losses

- How are tax losses treated?

N/A

N. Wealth Tax

- Is there an applicable wealth tax?

No.

O. Withholding Taxes

- What are the rates of withholding tax on the legal body's activities?

15%

XV. General Tax Considerations

A. Taxes Generally

- Is there a generally accepted way of structuring the company or other entity so as to ensure the desired tax consequences?

Individuals and corporations may engage in tax planning, provided that the structuring has a real business purpose.

- Is there an advance tax ruling that can be used to validate or invalidate the chosen form of doing business?

It is possible to make an application to the Barbados Revenue Authority for a ruling in some circumstances.

- Is there a general anti-tax avoidance system?

No.

- Can the chosen form of business be treated as a different form for tax purposes?

No.

XVI. Immigration Requirements

A. Immigration Controls

- Are there immigration quotas?

No.

- Are vaccinations required?

No vaccinations are required for immigration into Barbados except for persons coming from countries which have had outbreaks of communicable diseases such as yellow fever. The list of countries varies depending on the current levels of disease worldwide.

- Are medical certificates required?

Yes, in connection with applications for work permits, permanent residence or citizenship.

- Are entry permits required?

No.

- If so, must you apply for an entry permit before entering the country?

N/A

- Are exit permits required?

No.

Are re-entry permits required?

-

No.

B. Immigration Requirements/Formalities

- Is a residence permit required?

Persons seeking to work in Barbados, must apply for a work permit. The stated policy of the Government of Barbados is that all jobs should first be offered to Barbadian nationals before an offer is made to a non-national to fill the position. A short term work permit covers periods of up to one year. A long term work permit covers a period of up to three years.

Persons seeking to reside permanently in Barbados, must apply for permanent residency. Permanent residency is granted only after the applicant has had immigrant status in Barbados for at least 5 years. An application for immigrant status may take a minimum of six months to be processed.

- If so, does the investor have to apply for one before entering the country?

An application for a work permit or for immigrant status should be made and obtained before coming to Barbados.

Foreign nationals may not work in Barbados without a work permit.

- What information must be supplied to the immigration authorities?

An application for permanent residence should be accompanied by:

- Applicant's birth certificate
- Four (4) passport sized photographs
- Marriage Certificate (if applicable)
- Death Certificate or Decree Absolute (if applicable)
- Medical Certificate
- Police Certificate of Character of each country in which applicant resided from age 16 or over. A sworn affidavit of character in lieu of Police Certificate of Character from the U.K. as well as a disclosure form.
- Income Tax Clearance Certificate
- Letter from school(s) attended in Barbados
- Letter of employment
- Proof of qualifications (if any)
- Application fee of BDS\$300.00

If approved, a final fee of BDS\$1200.00 is payable to the Immigration Department.

See Section XVII (J) for short term and long term work permit requirements.

- How long does it take to receive authorization?

An application for permanent residence takes a minimum of two to three months to be approved.

A short term work permit takes a minimum of six weeks to obtain and a long term work permit takes a minimum of three months to obtain.

C. Visas

- Is a visa required for travel or stay in the country?

Visas are required for citizens from:

Afghanistan	Kuwait
Algeria	People's Republic of China
Andorra	Lebanon
Angola	Liberia
Bahrain	Libya
Benin	Madagascar
Bhutan	Monaco
Bolivia	Macao Bosnia
Herzegovina	Morocco
Burkina Faso	Mongolia
Burundi	Mozambique
Cambodia	Myanmar
Cameroon	Namibia Cape
Verde	Nepal

Central African Republic	Niger
Chad	Oman China
	Pakistan
Comoros	Paraguay
Congo	Philippines
Djibouti	Qatar
Dominican Republic	Rwanda
Ecuador	San Marino
Egypt	Sao Tome & Principe
El Salvador	Saudi Arabia
Equatorial Guinea	Senegal
Ethiopia	Somalia
Gabon	The Sudan
Guatemala	Syria
Guinea	Thailand
Guinea — Bissau	Taiwan
Haiti	Togo
Honduras	United Arab Emirates
India	Vatican City
Indonesia	Vietnam
Iran	People's Democratic Republic of Yemen
Iraq	Yemen Arab Republic
Ivory Coast	Yugoslavia
Jordan	Zaire
Kampuchea	

- If so, for how long is the visa valid?

Visas are single or multiple entry.

A single entry visa is valid for one entry within a three-month period. A multiple entry visa is valid for numerous entries within a six-month period.

- How does the investor apply for a visa?

An investor from any of the countries listed above must complete one (1) application form for submission to the Immigration Department.

Visa applications are accepted at our missions and consulates abroad. Offices are located in North America (New York, Miami, Washington, Toronto and Ottawa) and Europe (London, Brussels, Geneva.)

- What documents are required?

The form must be accompanied by:

- one passport sized photograph.
- copies of outer cover and biometric page of passport.
- birth certificate, marriage certificate (where applicable).
- cover letter addressed to 'Chief Immigration Officer' bearing a return address, phone number, fax number and email address outlining the purpose of visit, the proposed date of entry and the duration of visit.
- An employment letter; letter from school college or university.

- For persons residing in a country other than his/her place of birth, proof of status in the adoptive country in the form of work permit, student visa or residence permit must be copied and submitted.
- Banker's draft addressed to Chief Immigration Officer duly signed and dated with the type of visa requested and fee paid.

The applicant's passport is not required unless applicant wishes to have visa endorsed in passport. The visa is issued in the form of a letter which is accepted at the airline check-in counter and by Barbados immigration officials at the ports of entry.

The Immigration Department reserves the right to call for further documentation as it may require.

Documents in a language other than English must be accompanied by a certified copy of the English translation.

- How long does it take to receive a visa?

Applications for visas are processed within three (3) weeks.

- What fees are involved?

The fee for a single entry visa is US\$104.00 and for a multiple entry visa is US\$208.00.

XVII. Expatriate Employees

A. Cost of Living and Immigration

- How does the cost of living compare to that in the investor's home country?

Please see the Central Bank of Barbados website for current information (centralbank.org.bb)

- What is the rate of inflation?

The inflation rate in Barbados was recorded at -1.30 percent in March of 2016.

B. Drivers' Licenses

- Must the investor obtain a driver's license for that country?

Yes.

International drivers' licences are recognised.

- How does the investor obtain a driver's license?

On production of a valid driver's licence, a Barbados visitors' driver's licence can be obtained either from the rental car company or from the Worthing or Holetown Police Stations.

- What fees are involved?

BDS\$10.00.

- Is an examination, either practical or written, required?

No.

C. Education

- What types of schools are available for the investor's family?

Private primary and secondary schools, government primary and secondary schools, and an IB school.

- What fees are involved?

Private schools have a range of fees of up to approximately BDS\$2,000.00 per term.

- What is required for enrollment?

Enrolment in any school requires a student visa from the Barbados Immigration Department, which must be obtained before the child is given a place in a school. Children must comply with the entrance requirements for each school.

- Can the investor or company receive a tax benefit?

No.

D. Housing

- What type of housing is available for the investor?

A wide range of housing is available, including villas, executive mansions, townhouses, condominiums and apartments of all classes.

- Can the investor own property?

Yes.

- Must the investor have housing before entering the country?

An investor must declare the address in Barbados at which he is staying upon entry into Barbados.

- Can the investor subsidize housing and receive a tax benefit?

A company in Barbados can include a housing allowance in its expenses for tax purposes. A housing allowance granted to an individual is a taxable benefit for income tax purposes.

E. Importing Personal Possessions

- How can the investor import personal belongings?

Personal items may be imported by air or by sea.

- Are import duties payable?

No import duties are payable on household effects and personal possessions. Motor cars, boats etc. are not considered personal possessions and are subject to the payment of duty.

The household effects and personal possessions must be shown to have been in the importer's possession for at least one year. The onus is on the importer to prove this, either through the general appearance of the items or the presentation of proof of purchase.

- Are there requirements for clearing the belongings through customs?

The importer must visit the Customs Office at the Bridgetown Port or other port of entry and make arrangements to have a customs officer present when the container is opened.

Alternatively, the importer may use the services of a customs broker.

F. Medical Care

- What level of medical care is available?

Barbados can provide a high standard of medical care.

- Is there national health care?

Yes, there is a national health care service, but expatriates may not qualify. There are treaties with some countries, for example the United Kingdom, that do permit some level of care for their nationals under the health care service in Barbados.

G. Moving Costs

- What costs are involved in moving?

Costs associated with work permit or permanent residence, rental costs, transportation costs.

- Can the investor receive any tax allowances?

A company in Barbados can include a housing allowance in its expenses for tax purposes. A housing allowance granted to an individual is a taxable benefit for income tax purposes.

There are no tax allowances for relocation expenses.

H. Tax Liability

- What is the expatriate's tax liability? (See also Section XIII)

If the expatriate employee is resident in Barbados for more than 182 days, he or she will be liable for Barbados income tax as follows:

- First BDS\$24,200.00 taxed at 20%
- Thereafter taxed at 35%

Specially qualified expatriates working in the international business and financial services sector may qualify for a tax exemption ranging from 35% to 60% depending on the level of income for an initial period of 3 years.

Under the Exempt Insurance Act, the International Financial Services Act and the International Business Companies Act, where a company requires the services of specially qualified individuals in order to carry out its business effectively from within Barbados, is unable to acquire those services in Barbados and is unable to retain those services from outside Barbados without special tax concessions, the Minister of Finance and Economic Affairs may grant a tax concession which allows up to 35% of such person's salary or fee to be exempt from income tax in Barbados and paid in foreign currency in or outside of Barbados.

- What are the allowances?

None.

- Are there any applicable tax treaties?

Agreements for the avoidance of double taxation of income exist between the Government of Barbados and the following countries:

The United Kingdom (Revised 2012)

Canada

U.S.A

Finland

Norway

Sweden

Switzerland

CARICOM

Venezuela

Cuba

China

Malta

Mauritius

Botswana

Austria

Kingdom of the Netherlands

Republic of Seychelles

Republic of Mexico

Republic of Ghana

Luxembourg

Republic of Panama

Republic of Portugal

Spain

Czech Republic

Iceland

Bahrain

State of Qatar

San Marino

Singapore

United Arab Emirates

Rwanda

Republic of Italy

Slovak Republic

The DTAs with Republic of Ghana, Republic of Portugal, United Arab Emirates, Republic of Italy and Slovak Republic have not yet entered into force in Barbados.

I. Work Contracts

- Does the investor need a work contract to work in the country?

The requirement for a written employment contract is dependent upon the job and may be required in some circumstances. A written employment contract is generally recommended.

- If so, does the contract have to be for a certain duration, for the performance of a specific job or for a specific position?

No.

- Does the contract have to be with a national or resident of the country or related state?

Yes.

J. Work Permits

- Does the investor need a work permit to work in the country?

Yes, unless the investor is a citizen of one of the member states of the Caribbean Community (Caricom)³ with certain qualifications. In that case they may apply for a qualified Caricom skilled nationals certificate.

- How and where does the investor apply for the permit?

It is recommended that the investor retain a service provider in Barbados, or have the prospective employer in Barbados make the application for the work permit on his or her behalf, to the Immigration Department in Barbados.

- What documents are required?

On an application for a work permit, the following are required:

Long term

- Completed form C-1 in duplicate — statement of qualifications of non-immigrant
- Completed form C-2 in duplicate — job offer for non-immigrant employment (to be completed by employer)
- 4 passport size photographs
- Police certificate of character from each place the applicant resided after the age of 18 or a Sworn Affidavit in lieu of the Police Certificate of Character
- Two written character references

³ Antigua and Barbuda. Bahamas. Barbados. Belize. Dominica. Grenada. Guyana. Haiti. Jamaica. Montserrat. Saint Lucia. St Vincent and the Grenadines. Suriname. Trinidad and Tobago.

- Evidence of educational and professional qualifications — originals and a photocopy of each (original will be examined and returned).
- Medical form completed by a doctor
- Chest x-ray — If the x-ray is done by the consultant at the radiology department at the Queen Elizabeth Hospital, the x-ray itself need not be submitted. If anyone else does it, the original x-ray must be submitted
- If the applicant has been living in Barbados, a tax clearance certificate
- Cover letter setting out the nature of the business in which the applicant will be engaged
- the full page of the newspaper showing the advertisement for the job in a newspaper in Barbados, for all issues in which the advertisement was published.
- The originals and copies of the Certificate of Registration/Incorporation/Organisation of the employer entity, as well as any applicable licences or registrations.

Short Term

- 4 passport sized photographs
 - Cover letter from employer
 - Police record from home country. If the individual is a resident of the United Kingdom, an affidavit must be sworn by the individual in the presence of a Notary Public attesting to the character of that individual
 - Police Certificate of Character from each place that the prospective employee has been residing for more than six (6) months
 - Completed Form C-3 Application for short-term work permit in duplicate
 - Cover letter setting out the nature of the business in which the applicant will be engaged.
 - The originals and copies of the Certificate of Registration/Incorporation/Organisation of the employer entity, as well as any applicable licences or registrations.
- What fees are involved?

The application fee for both a long term and short term work permit is BDS\$300.00 (approximately US\$150.00).

The fee payable for the issue of a term work permit vary according to the length of time the employee will remain in Barbados, and the level of his position. The fee must be paid to the Immigration Department in order to obtain the work permit.

- How long does it take to receive the permit?

A short term work permit takes a minimum of six weeks to obtain and a long term work permit takes a minimum of three months to obtain.

There is a fast track process for work permit applications available for applicants who will be employed by international business companies, international SRLs or international banks.

- For how long is the permit valid?

A short term work permit is valid for a period of up to one (1) year. A long term work permit is valid for a period of one (1) to three (3) years.