

KEY FACTS

REGULAR BUSINESS COMPANIES

A REGULAR BUSINESS COMPANY (RBC), WHICH IS SOMETIMES REFERRED TO AS A DOMESTIC COMPANY, IS CREATED UNDER THE COMPANIES ACT CAP. 308 AND MAY UTILISE ALL BENEFITS PROVIDED FOR UNDER BARBADOS' EXTENSIVE NETWORK OF DOUBLE TAX AGREEMENTS.

Effective 31 December 2018, the international business companies (IBC) regime was discontinued in Barbados and any IBC that was not grandfathered in became a RBC by operation of law. However, entities that earned 100% of their income as foreign currency were able to receive a foreign currency permit (FCP) to garner the same types of benefits and exchange control exemptions as were previously attributable to IBCs.

The use of an RBC can therefore be an effective vehicle for international planning as it has no business restrictions.

KEY FEATURES OF THE RBC

- > There are now lower tax rates for RBCs, which were previously taxed at 25%
- > An RBC is now taxed on a sliding scale as follows:
 - > Up to \$1,000,000 5.5%
 - > \$1,000,001–\$20,000,000 3%
 - > \$20,000,001–\$30,000,000 2.5%
 - > Over \$30,000,001 1%
- > An RBC can freely apply all provisions of a double taxation agreement
- > An RBC is taxed on its worldwide income but is eligible for a tax credit in respect of foreign taxes paid abroad, which has the effect of potentially reducing the tax payable to less than 1% of taxable income
- > An RBC can conduct business with residents of Barbados
- > There are no minimum capital requirements
- > Capital gains are not subject to tax
- > The approval of the Central Bank of Barbados is required for the issue or transfer of shares in an RBC to a non-resident shareholder
- > Payment for shares issued by an RBC to a non-resident shareholder must be received in Barbados and registered with the Central Bank of Barbados

OUR SERVICES

- > Supervising the incorporation of the RBC and serving as the registered agent in Barbados
- > Arranging for the services of a Barbados resident director
- > Arranging for the appointment of a Barbados auditor
- > Holding shareholders' and directors' meetings
- > Maintaining the company records and stock register
- > Preparing annual minutes of shareholders' and directors' meetings

- > Filing all required Barbados elections, reports and returns
- > Filing economic substance declarations
- > Under the Barbados Companies Act, a secretary must be appointed and the appointment of other officers (president, treasurer) is optional; to ensure compliance with local law we recommend the appointment of Trident Corporate Services (Barbados) Limited as secretary or assistant secretary
- > Additional services, which go beyond the normal administration and maintenance of an RBC, can, upon request, be provided on a continuing or ad-hoc basis

- ▶ PEOPLE LED
- ▶ TECH ENABLED
- ▶ GLOBAL COVERAGE
- ▶ TAILORED SERVICE

- ▶ 1,000 STAFF
- ▶ 25 JURISDICTIONS
- ▶ 38,000 ENTITIES
- ▶ \$140BN AUA

- ▶ FUNDS
- ▶ PRIVATE CLIENTS
- ▶ CORPORATE CLIENTS
- ▶ MARITIME

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