

BARBADOS: A HUB FOR GLOBAL BUSINESS

BARBADOS STANDS OUT AMONG OTHER CARIBBEAN JURISDICTIONS FOR ITS EXTENSIVE TAX AND INVESTMENT TREATY NETWORK. COMBINED WITH THE JURISDICTION'S REGULAR BUSINESS COMPANIES (RBC) REGIME, THIS MAKES BARBADOS AN ATTRACTIVE DESTINATION FOR INTERNATIONAL BUSINESSES AND INVESTORS SEEKING TO STREAMLINE THEIR ACTIVITIES.

Barbados currently has tax treaties in place with 30 countries: Austria, Botswana, Canada, Cuba, Cyprus, Czech Republic, Finland, Iceland, Bahrain, the Netherlands, Spain, Luxembourg, Malta, Norway, China, Italy, Panama, Portugal, Seychelles, Singapore, Mauritius, Mexico, Venezuela, San Marino, Qatar, Sweden, Switzerland, United Arab Emirates, United Kingdom, and United States of America.

In addition, Barbados maintains bilateral investment protection treaties with key partners like Canada, Cuba, Germany, China, Italy, Mauritius, Venezuela, Switzerland, and the United Kingdom.

TAX TREATIES - SPOTLIGHT ON CANADA

The tax treaty with Canada is particularly notable, as it provides an opportunity for Canadian investors to minimise taxes on dividends earned from their Barbados RBCs.

Under the current Canadian tax regime, a Canadian shareholder of a Barbados RBC that meets certain business activity requirements and is deemed to be a "foreign affiliate", can benefit from a full deduction for dividends sourced from the RBC's "exempt surplus", which is its active business income earned in Barbados. Such dividends will only be subject to Canadian tax as and when the company pays those dividends to its Canadian shareholders.

Moreover, effective from 1 January 2024, RBCs are subject to a competitive tax rate of 9%, with potential for further reductions through tax credits in respect of foreign taxes paid abroad. In order to qualify, the RBC must engage in various substantive business activities in Barbados, such as maintaining a local board of directors and holding board meetings locally. In the case of certain business activities (e.g. captive insurance) the RBC must meet the prescribed requirements of the Economic Substance Act.

BILATERAL INVESTMENT PROTECTION TREATIES

Barbados' investment protection treaties provide comprehensive protection for investments made by a Barbados company in partner countries. The treaties address the issues of nationalization, discrimination and expropriation of assets owned by a company that is a resident of the other partner country. Specifically, the treaties ensure compensation for losses, guarantee most favoured nation and national treatment, repatriation of investments and allow for subrogation of claims.

HOW WE CAN ASSIST

Trident is one of the longest-established providers of corporate administration services in Barbados with a team of professionally qualified and experienced individuals. We can assist with the establishment, administration and regulatory compliance for RBCs that seek to take advantage of the provisions of any tax and investment protection treaties to which Barbados is a party.

Our services include:

- > Supervising the incorporation of the RBC and serving as the local registered agent
- > Providing Barbados Resident Directors
- > Appointing a Barbados auditor

- > Holding shareholders' and directors' meetings
- > Maintaining the company records and registers
- > Preparing annual minutes of shareholders' and directors' meetings
- > Filing all required Barbados elections, reports and returns
- > Filing economic substance declarations
- > Serving as company secretary
- > Additional services, which go beyond the normal administration and maintenance of an RBC, can, upon request, be provided on a continuing, one-off or ad-hoc basis

DISCLAIMER

The information contained in this memo is subject to the general anti-abuse and anti-avoidance rules. Trident Trust does not provide legal, tax, or investment advice. All contents in this publication are for general informational purposes only. The contents in this publication do not and are not intended to constitute legal, tax, or investment advice. You should contact your own qualified advisor to obtain professional advice on your particular circumstances in the relevant jurisdictions. All liability with respect to actions taken or not taken based on the contents of this publication are hereby expressly disclaimed.

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

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

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

[TRIDENTTRUST.COM](https://tridenttrust.com)