

COUNTRY GUIDE

THE BAHAMAS



Originally inhabited by the Lucayan tribe and made up of more than 700 islands, inlets and cays, this was the site where Christopher Columbus first set foot in the new world. Since then, The Bahamas have evolved from a small British colony, to the epicenter of piracy in the 17th and 18th centuries due to its favorable location to shipping lanes, to today being one of the most competitive jurisdictions for international business. Since attaining independence from the UK in 1973, The Bahamas has prospered through the development of its tourism, international banking, and investment management industries, which comprise up to 85% of the country's GDP.

A CARIBBEAN POWERHOUSE

Although The Bahamas is still a developing nation, due to its stable economy and thriving tourism and financial sectors, it ranks as one of the wealthiest nations in the Caribbean region.

BUSINESS FRIENDLY ENVIRONMENT

After the implementation of the International Business Companies Act of 1990, The Bahamas quickly transformed into a leading international business hub in the Americas. This law helped simplify the process and reduce the cost of incorporating a company for foreign businesses and investors. Along with these business friendly initiatives, The Bahamas does not impose taxes on personal income, inheritance, capital gains, or gifts, and currently has no requirements for annual filings of financial statements or auditing.

FINANCIAL SERVICES INDUSTRY

The financial services sector accounts for about 17% of GDP in The Bahamas. It is an attractive location for banking and finance with many institutions establishing a presence here because of its reputation and stability. Bahamian laws protect the right to privacy of financial services clients, however, the country has strict laws against illegal financial activities and has implemented regulations complying with OECD anti-money laundering and terrorism financing rules. The Bahamian Central Bank regulates all financial entities including foreign organizations operating within its borders, and aims to provide a safe environment for its financial services industry.

TOURISM

Much like its neighboring Caribbean nations, tourism is one of the most important economic activities in the country. It powers the rest of the services industry, contributing an estimated 60% to the country's GDP and employing about 50% of the labor force. It is an attractive destination especially for visitors from Canada and the U.S. Due to a steady growth in tourist arrivals year over year, The Bahamas experienced a significant increase in the construction of new resorts, hotels, and residences to accommodate visitors, helping to strengthen the tourism sector.



Geography

Location: The Bahamas is an island chain comprised of over 700 islands located in the North Atlantic Ocean, southeast of Florida, northeast of Cuba, and northwest of the Dominican Republic and Haiti.

Area: 13,880 sq km

Time zone: Eastern Standard Time (GMT-5)



Population

337,721 (July 2020 est.)



Language(s)

English (official)



Economy

Tourism, Banking, Oil Bunkering, Maritime Industries, Transshipment and Logistics, Minerals, and Pharmaceuticals



Capital City

Nassau



Currency

Bahamian Dollar (BSD)



Political structure

Parliamentary democracy under a constitutional monarchy; part of the UK's commonwealth nations



Legal system

Common law system based on the English model

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

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Main Types of Legal Entities

	INTERNATIONAL BUSINESS COMPANY (IBC)	LIMITED LIABILITY COMPANY (LLC)	SEGREGATED ACCOUNTS COMPANY (SAC)
Share capital			
Minimum paid-up	No requirement	No requirement	No requirement
Maximum authorized	No maximum	No maximum	No maximum
Usual currency	Bahamian Dollar (\$), US Dollar (\$) commonly used	Bahamian Dollar (\$), US Dollar (\$) commonly used	Bahamian Dollar (\$), US Dollar (\$) commonly used
Permitted currencies	Any	Bahamian Dollar (\$), US Dollar (\$) commonly used	Bahamian Dollar (\$), US Dollar (\$) commonly used
Domiciliation			
Registered address	Required	Required	Required
Directors			
Minimum number	One	One	Two
Minimum local	No requirement	No requirement	No requirement
Corporate directors	Allowed	Allowed	Allowed
Statutory			
Annual filing	Not required	Not required	Required
Company secretary	Not required	Not required	One locally appointed and licensed representative of the SAC
Annual general meeting (AGM)	No requirement	No requirement	No requirement
Beneficial owner reporting	Required, not publicly accessible	Required, not publicly accessible	Required, not publicly accessible
Re-domiciliation	Allowed	Allowed	N/A
Financial administration			
Audit required	Not required	Not required	Not required
Filing of annual return	Not required	Not required	Required
Tax			
Tax rates	0%	0%	0%
VAT	12%	12%	12%
Tax treaties	The Bahamas does not levy direct taxes, so there are no treaties between the Bahamas and other countries	The Bahamas does not levy direct taxes, so there are no treaties between the Bahamas and other countries	The Bahamas does not levy direct taxes, so there are no treaties between the Bahamas and other countries
Other taxes	Exempt from all taxes and stamp duties	Exempt from all taxes and stamp duties	Exempt from all taxes and stamp duties
Government fees			
Registry fee	\$400 if up to \$50K is paid in capital, and \$1200 if over \$50k is paid in capital	\$350	Depends under which act the company was incorporated (IBC Act or Companies Act), plus \$500
License fee	Depends on type of business	Depends on type of business	Special license is required to operate as an SAC.

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Main Types of Legal Entities

	INTERNATIONAL BUSINESS COMPANY (IBC)	LIMITED LIABILITY COMPANY (LLC)	SEGREGATED ACCOUNTS COMPANY (SAC)
Incorporation process			
Summary	<ul style="list-style-type: none"> ➤ Must be completed by a licensed financial and corporate service provider. ➤ Filing of company memorandum of association, articles of association, and KYC/UBO details with the Bahamian Registrar General's Department ➤ Payment of fees ➤ Director appointment and registration 	<ul style="list-style-type: none"> ➤ Must be completed by a licensed financial and corporate service provider. ➤ Filing of company memorandum of association, articles of association, and KYC/UBO details with the Bahamian Registrar General's Department ➤ Payment of fees ➤ Director appointment and registration 	<ul style="list-style-type: none"> ➤ Must be incorporated under the Companies Act or IBC Act ➤ Must obtain special permission from the Bahamian government to become an SEC by submitting application to the Registrar of Companies ➤ Payment of fees ➤ Publication of notice on the Official Gazette
Time	1-3 days	1-3 days	7-8 Days
Other			
Are shelf corporations available?	Yes	Yes	Yes

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 - Bankruptcy
- Document retrieval
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 - Memorandum of Association
 - Chamber of Commerce extract
- Authentications & legalization
- Board changes
- Company searches
- Incorporations
- Liquidation of entities
- Process agent appointments
- Translation services
- Global Entity Management

Corporate Secretarial Services

- Annual Compliance
 - Statutory filings
 - Annual board resolution drafting
 - Corporate minute book management
- Domiciliation/Registered Address
- Director Services and Legal Representation

To learn more about how CT can help you better manage your **global compliance needs**, contact a CT representative at **855.444.5358** (toll-free U.S.).

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