

## COUNTRY GUIDE

# BARBADOS

When the British first arrived on the island in 1627, it was uninhabited unlike many of its neighboring islands. The British established a thriving agricultural industry mainly based on sugarcane production and remained that way through most of the 20th century. Barbados gained its independence from the UK in 1966. While the country has historically depended on agriculture, today its economy has diversified into light industry, tourism, international trade, and financial services. Barbados is one of the wealthiest and most developed countries in the Eastern Caribbean, with a highly educated workforce, and enjoys one of the highest per capita incomes in the region.



### INVESTMENT CLIMATE

The island's pro-business government focuses heavily on improving the investment climate of the country, from enhancing the infrastructure to support increased business activity to developing a favorable regulatory environment. The country also benefits from a long tradition of political and social stability, a highly-skilled and productive English-speaking workforce, and sophisticated international telecommunication services.

### INTERNATIONAL TRADE AND FINANCIAL SERVICES

International trade and financial services have played a major role in shaping Barbados' economy. This sector is one of the largest contributors to the country's GDP and has helped diversify its economy away from being more agriculturally dependent.

### ECONOMIC SUBSTANCE REGULATIONS

The Barbados Business Companies (Economic Substance) Act went into effect in 2019 in response to recent OECD anti-money laundering rules. The act provides for the imposition of an economic substance test on companies incorporated in Barbados. Companies carrying on relevant business activities in and out of Barbados must comply with this new regulation.

### AGRICULTURE

Agriculture has historically been an important driver of the Barbadian economy. It is still one of the main contributors to the country's GDP and employs over 25% of the population. The country's main crop is sugarcane.

 <b>Geography</b> 	<b>Location:</b> Barbados is the most easterly island of the Caribbean Lesser Antilles. It is located east of St. Vincent & the Grenadines and St. Lucia, and north of Trinidad and Tobago. <b>Area:</b> 430 sq km <b>Time zone:</b> Atlantic Standard Time (GMT-4)
 <b>Population</b>	294,560 (July 2020 est.)
 <b>Language(s)</b>	English (official), Bajan
 <b>Economy</b>	Main industries include: Tourism, Financial Services, Sugar, Agriculture & Manufacturing
 <b>Capital City</b>	Bridgetown
 <b>Currency</b>	Barbadian Dollar (BBD \$)
 <b>Political structure</b>	Parliamentary democracy (an independent member of the UK Commonwealth)
 <b>Legal system</b>	English Common Law

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

	REGULAR BARBADOS COMPANY (RBC)	SOCIETIES WITH RESTRICTED LIABILITIES (SRL)
<b>Share capital</b>		
Minimum paid-up	No minimum requirement	No minimum requirement
Maximum authorized	No requirement	No requirement
Usual currency	Barbadian Dollar (BBD)	Barbadian Dollar (BBD)
Permitted currencies	No restrictions	No restrictions
<b>Domiciliation</b>		
Registered address	Required	Required
<b>Directors</b>		
Minimum number	One (three for public companies)	One (three for public companies)
Minimum local	No requirement	No requirement
Corporate directors	Allowed	Allowed
<b>Statutory</b>		
Annual filing	Required	Required
Company secretary	No requirements, but a local registered agent is required	No requirements, but a local registered agent is required
Annual general meeting (AGM)	Required, can take place anywhere	Required, can take place anywhere
Beneficial owner reporting	Required, however not publicly accessible	Required, however not publicly accessible
Re-domiciliation	Permitted	Permitted
<b>Financial administration</b>		
Audit required	Required, only if assets and/or revenue exceeds \$2M	Required, only if assets and/or revenue exceeds \$2M
Filing of annual return	Required	Required
<b>Tax</b>		
Tax rates	1-5.5%	1-5.5%
VAT	17.5%	17.5%
Tax treaties	Negotiated with 31+ countries	Negotiated with 31+ countries
Other taxes	Withholding tax, Excise tax, Stamp duties, etc.	Withholding tax, Excise tax, Stamp duties, etc.
<b>Government fees</b>		
Registry fee	BBD \$750	BBD \$750
License fee	Depending on industry/business being carried on	Depending on industry/business being carried on

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# Main Types of Legal Entities

	REGULAR BARBADOS COMPANY (RBC)	SOCIETIES WITH RESTRICTED LIABILITIES (SRL)
<b>Incorporation process</b>		
<b>Summary</b>	<ul style="list-style-type: none"> <li>➤ Submit incorporation/organization documents</li> <li>➤ Application for a Foreign Currency Permit (FCP), if 100% of income in foreign currency</li> <li>➤ Name reservation and approval</li> <li>➤ Registered address</li> <li>➤ Registered agent details</li> <li>➤ Director details</li> <li>➤ Shareholder details</li> <li>➤ Details of business that the company proposes to carry on</li> <li>➤ Details of persons to be employed by the company who will require work permits</li> <li>➤ KYC, UBO due diligence details.</li> <li>➤ Statutory declaration of a director/manager, if income earned in foreign currency</li> </ul>	<ul style="list-style-type: none"> <li>➤ Submit incorporation/organization documents</li> <li>➤ Application for a Foreign Currency Permit (FCP), if 100% of income in foreign currency</li> <li>➤ Name reservation and approval</li> <li>➤ Registered address</li> <li>➤ Registered agent details</li> <li>➤ Director details</li> <li>➤ Shareholder details</li> <li>➤ Details of business that the company proposes to carry on</li> <li>➤ Details of persons to be employed by the company who will require work permits</li> <li>➤ KYC, UBO due diligence details.</li> <li>➤ Statutory declaration of a director/manager, if income earned in foreign currency</li> </ul>
<b>Time</b>	Within 5 business days	Within 5 business days
<b>Other</b>		
<b>Are shelf corporations available?</b>	No	No

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# CT Service Offerings – Barbados



## Global Transactional Services

- Due diligence searches
  - Certificate of Good Standing (or equivalent)
  - Health check services
  - Liens/charges
  - Litigation
  - Bankruptcy
- Document retrieval
  - Articles of Incorporation
  - Memorandum of Association
  - Chamber of Commerce Extract
- Authentications & legalizations
- 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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