

## OBJECTS AND REASONS

This Bill would amend the *Property Transfer Tax Act*, Cap. 84A to exempt from the payment of property transfer tax, any transfer of shares to a person who is resident outside Barbados, whether or not the transferor is resident in Barbados, where the assets of the company concerned as well as its income is derived solely from sources outside Barbados.

### *Arrangement of Sections*

#### *Section*

1. Short title
2. Amendment of section 6 of Cap. 84A.

**BARBADOS**

**A Bill entitled**

**An Act to amend the *Property Transfer Tax Act*.**

**ENACTED by the Parliament of Barbados as follows:**

- 1. This Act may be cited as the *Property Transfer Tax (Amendment) (No. 2) Act, 2009*. Short title.**

Amend-  
ment of  
section 6 of  
Cap. 84A.

2. Section 6 of the *Property Transfer Tax Act* is amended in subsection (1) by

(a) adding the following new paragraph immediately after paragraph (e):

"(f) any transfer of shares in a company to a person who is resident outside Barbados, whether or not the transfer is effected by a person who is resident in Barbados if,

(i) subject to subsection (1.1), the assets of the company consist of foreign assets, including investments comprising shares and securities in foreign companies; and

(ii) the income of the company is derived solely from sources outside Barbados."

(b) deleting the provision immediately after paragraph (e) which contains the definition of "qualifying insurance company"; and

(c) inserting the following new subsections immediately after subsection (1):

"(1.1) For the purposes of satisfying the provisions of paragraph (f)(i), no account shall be taken of assets owned by a company in Barbados where those assets are required for the operation of the company's business.

(1.2) For the purposes of

(a) paragraphs (d) and (e) "qualifying insurance company" has the meaning assigned to it by section 2(1) of the *Insurance Act*;

Cap. 310.

*(b)* paragraph *(f)*,

- (i) an individual is resident outside Barbados if that individual is not ordinarily resident in Barbados;
- (ii) a company is resident outside Barbados if that company is controlled by persons who are not ordinarily resident in Barbados."