

INTERNATIONAL BUSINESS COMPANIES (AMENDMENT) BILL, 2012

OBJECTS AND REASONS

This Bill would amend the *International Business Companies Act, Cap. 77* to revise the rates of tax payable under the Act.

INTERNATIONAL BUSINESS COMPANIES (AMENDMENT) BILL, 2012

Arrangement of Sections

1. Short title
2. Amendment of section 10 of Cap. 77

BARBADOS

A Bill entitled

An Act to amend the *International Business Companies Act*.

ENACTED by the Parliament of Barbados as follows:

Short title

- 1.** This Act may be cited as the *International Business Companies (Amendment) Act, 2012*.

Amendment of section 10 of Cap. 77**2. Subsections (1) and (2) of section 10 of the International Business Companies Act, Cap. 77 are deleted and the following is substituted:**

“(1) Subject to this section and section 11, in lieu of tax at the rate specified in the *Income Tax Act*, Cap. 73, there shall be levied and paid to the Commissioner of Inland Revenue, a tax on the profits and gains of an international business company at the following rates:

- (a) in respect of the income year 1991 and each subsequent income year of the company,
 - (i) 2.5 per cent on all profits and gains up to \$10 000 000;
 - (ii) 2 per cent on all profits and gains exceeding \$10 000 000 but not exceeding \$20 000 000;
 - (iii) 1.5 per cent on all profits and gains exceeding \$20 000 000 but not exceeding \$30 000 000;
 - (iv) 1 per cent on all profits and gains in excess of \$30 000 000;
- (b) in respect of the income year 2012,
 - (i) 2.5 per cent on all profits and gains up to \$10 000 000;
 - (ii) 2 per cent on all profits and gains exceeding \$10 000 000 but not exceeding \$20 000 000;
 - (iii) 1.5 per cent on all profits and gains exceeding \$20 000 000 but not exceeding \$30 000 000;
 - (iv) 0.5 per cent on all profits and gains in excess of \$30 000 000;
- (c) in respect of the income year 2013 and each subsequent income year of the company,
 - (i) 2.5 per cent on all profits and gains up to \$10 000 000;

- (ii) 2 per cent on all profits and gains exceeding \$10 000 000 but not exceeding \$20 000 000;
 - (iii) 1.5 per cent on all profits and gains exceeding \$20 000 000 but not exceeding \$30 000 000;
 - (iv) 0.25 per cent on all profits and gains in excess of \$30 000 000.
- (2) An international business company may elect to take a credit in respect of taxes paid to a country other than Barbados where the election does not reduce the tax payable in Barbados to a rate less than
- (a) 1 per cent of the profits and gains of the company in respect of the income year 1991 and each subsequent income year;
 - (b) 0.5 per cent of the profits and gains of the company in respect of the income year 2012;
 - (c) 0.25 per cent of the profits and gains of the company in respect of the income year 2013 and each subsequent income year.”.

Read three times and passed the House of Assembly this
day of _____, 2012.

Speaker

Read three times and passed the Senate this _____ day of
_____, 2012.

President