

INTERNATIONAL FINANCIAL SERVICES (AMENDMENT) BILL, 2012

OBJECTS AND REASONS

This Bill would amend the *International Financial Services Act*, Cap. 325 to revise the rates of tax payable under the Act.

INTERNATIONAL FINANCIAL SERVICES (AMENDMENT) BILL, 2012

Arrangement of Sections

1. Short title
2. Amendment of section 97 of Cap. 325

BARBADOS

A Bill entitled

An Act to amend the *International Financial Services Act*.

ENACTED by the Parliament of Barbados as follows:

Short title

1. This Act may be cited as the *International Financial Services (Amendment) Act, 2012*.

Amendment of section 97 of Cap. 325

2. Subsections (1) and (2) of section 97 of the International Financial Services Act, Cap. 325 are deleted and the following is substituted:

“(1) By way of income tax but *in lieu* of income tax at the rates specified in the *Income Tax Act*, Cap. 73, there shall be levied and paid to the Commissioner of Inland Revenue, upon the profits and gains of a licensee in respect of the international financial services carried on by the licensee from within Barbados, tax at the following rates:

- (a) in respect of the income year 2002 and each subsequent income year of the licensee,
 - (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) one 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 licensee,
 - (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) A licensee 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) one per cent of the profits and gains of the licensee in respect of the income year 2002 and each subsequent income year;
 - (b) 0.5 per cent of the profits and gains of the licensee in respect of the income year 2012;
 - (c) 0.25 per cent of the profits and gains of the licensee 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