

SOCIETIES WITH RESTRICTED LIABILITY (AMENDMENT) (NO. 2)
BILL, 2012

OBJECTS AND REASONS

This Bill would amend the *Societies With Restricted Liability Act*, Cap. 318B primarily to revise the rates of tax payable by an international society and to make the auditing requirements for a society and the qualifications for appointment as an auditor consistent with those under the *Companies Act*, Cap. 308.

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Arrangement of Sections

- 1. Short title**
- 2. Amendment of section 25 of Cap. 318B**
- 3. Amendment of section 43 of Cap. 318B**
- 4. Amendment of section 53 of Cap. 318B**
- 5. Amendment of section 54 of Cap. 318B**
- 6. Amendment of section 63 of Cap. 318B**

BARBADOS

A Bill entitled

An Act to amend the *Societies With Restricted Liability Act*.

ENACTED by the Parliament of Barbados as follows:

Short title

1. This Act may be cited as the *Societies With Restricted Liability (Amendment) (No. 2) Act, 2012*.

Amendment of section 25 of Cap. 318B

2. Subsections (1) and (2) of section 25 of the Societies With Restricted Liability Act, Cap. 318B, in this Act referred to as the principal Act, are deleted and the following is substituted:

“(1) The annual financial statements of a society the gross revenue or assets of which exceed

- (a) \$1 000 000 for any period prior to 1st January, 2011;
- (b) \$2 000 000 for any period from 1st January, 2011 to 31st December, 2013; or
- (c) \$4 000 000 for any period from 1st January, 2014,

shall be audited at least once in every financial year by an auditor appointed by the society.

(2) An auditor appointed pursuant to subsection (1) shall be a person who qualifies under section 153 of the *Companies Act*, Cap. 308 for appointment as an auditor of a company.”.

Amendment of section 43 of Cap. 318B

3. Subsections (1) and (2) of section 43 of the principal Act are deleted and the following is substituted:

“(1) Subject to this section and section 44, 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 a society as follows:

- (a) in respect of the income year 1996 and each subsequent income year of the society,
 - (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 society,
- (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 society 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 society in respect of the income year 1996 and each subsequent income year;
 - (b) 0.5 per cent of the profits and gains of the society in respect of the income year 2012;

- (c) 0.25 per cent of the profits and gains of the society in respect of the income year 2013 and each subsequent income year.”.

Amendment of section 53 of Cap. 318B

4. *Section 53(2) of the principal Act is amended in paragraph (b) by deleting the word “incorporation” and substituting the word “organisation”.*

Amendment of section 54 of Cap. 318B

5. *Section 54(1) of the principal Act is amended by deleting the word “external” in the two places that it occurs and substituting the word “overseas” in each place.*

Amendment of section 63 of Cap. 318B

6. *Section 63(9) of the principal Act is amended in paragraph (a) by deleting the word “for” in the second place where it occurs and substituting the word “of”.*

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

