

2025-11-04

OBJECTS AND REASONS

This Bill would repeal the *Companies (Economic Substance) Act, 2019* (Act 2019-43) and provide for related matters.

Arrangement of Sections

1. Short title
2. Repeal of Act 2019-43
3. Transitional
4. Commencement

BARBADOS

A Bill entitled

An Act to repeal the *Companies (Economic Substance) Act, 2019*
(Act 2019-43).

ENACTED by the Parliament of Barbados as follows:

Short title

1. This Act may be cited as the *Companies (Economic Substance) (Repeal) Act, 2025*.

Repeal of Act 2019-43

2. The *Companies (Economic Substance) Act, 2019* (Act 2019-43) is repealed.

Transitional

3.(1) Notwithstanding section 2,

(a) all

- (i) rights, powers, privileges and functions relating to the administration and enforcement of the former Act shall continue to be exercisable;
- (ii) rights, obligations and liabilities of a company under the former Act and subsisting immediately before the commencement of this Act shall continue to subsist;
- (iii) remedies available under the former Act shall continue to be available; and
- (iv) proceedings commenced under the former Act may be continued,

in respect of any fiscal period ending on or before the 31st day of December, 2024, as if the former Act had not been repealed; and

(b) any Guidelines issued under the former Act shall, for the purposes of paragraph (a), continue to apply in respect of a fiscal period ending on or before the 31st day of December, 2024, as if the former Act had not been repealed.

(2) For the avoidance of doubt, in relation to any fiscal period ending in 2025 and for every subsequent fiscal period, the *Income Tax Act*, Cap. 73 shall apply in relation to any requirement for a company to have economic substance.

(3) In this section,

“economic substance” has the meaning assigned to it by section 52F of the *Income Tax Act*, Cap. 73;

“fiscal period” has the meaning assigned to it by section 85 of the *Income Tax Act*, Cap. 73;

“former Act” means the *Companies (Economic Substance) Act, 2019* (Act 2019-43).

Commencement

4. This Act is deemed to have come into operation the 1st day of January, 2025.