

B'dos signals changes to Economic Substance Act

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THE Barbados government has hinted at the possibility of changes being made to the Economic Substance Act, changing the number of ways in which the island moves from being a nominal tax jurisdiction to being a preferential tax jurisdiction.

Energy and Business Minister Lisa Cummins, addressing the media launch of Global Business Week 2025, said there is under way now a process of regulatory reform.

'You've seen much of this happening since last year January, when we had the corporation tax reform. And I'm happy to share with you, if it has not already hit your desk, that the (new) Economic Substance Bill is going to be coming up for consultation on some changes that are going to come down the pipe.

'Together with the International Business Unit and the Barbados Revenue Authority, we are going to be making some changes to the Economic Substance Act, and that will change a number of the ways in which we move from being a nominal tax jurisdiction to being a preferential tax jurisdiction, and that will have significant implications, in a positive way, for the global business sector,' Cummins said.

Global Business Week will be observed from October 19 to 25, under the theme 'Resilience: Adapting Transforming, Thriving'.

Cummins said business facilitation was now moving into a digitised space, noting Business Barbados had partnered with Microsoft, and over the next eight months, expected to transition to a new digital platform.

She noted the importance of the creation of Business Barbados while acknowledging it was not yet perfect and that the chairman of Business Barbados, Connie Smith, and her team are steering this ship in the right direction, but it will take time.

'In rearing a child, you don't change behaviour overnight. It takes some time...training, and...reorientation, and that training and re-orientation have firmly begun in Business Barbados,' she said, noting the global environment is changing, and it is challenging because a slower and more fragmented world economy is being seen.

'It's reducing trade, closing borders and dampening investment. For Barbados, what this means is that there's fiercer competition for mandates. We have...under the treaty negotiating team for Barbados, this year, completed negotiations with Hong Kong in just one round of negotiations.