

February 2020



Tricor operating companies that provide core services in Barbados:

Tricor Caribbean Limited Caribbean Corporate Services Ltd

Tricor, At Your Service



RECENT CHANGES TO THE COMPANIES ACT OF BARBADOS

A number of amendments were recently made to The Companies Act Cap. 308 of the Laws of Barbados (“the Companies Act”), the Companies (Amendment) (No.2) Act 2019-51, (“the Act”). The commencement date of the Amendment is December 3, 2019. Following is a summary of these amendments:

Amendments







Changes to the annual returns filing deadline:

Section 15A which, subject to certain conditions, required every company to file an annual return by January 31st every year, has been repealed and substituted with a new Section 15A which:

- requires every company except an external company (which has its separate annual return process) to file with the Registrar of Companies, an annual return in every succeeding year after incorporation, in the prescribed form and to pay the prescribed fee of US\$50.00 at the time of filing; and
- provides for new deadlines for the filing of these annual returns. The deadline dates are now determined by the date of incorporation of the company as follows:
 - If incorporated between 1 January and 30 June in any year, the company shall file its annual return no later than 30 June; and
 - If incorporated between 1 July and 31 December in any year, the company shall file its annual return no later than 31 December.

A company in default in complying with these requirements is liable to a penalty, not exceeding US\$1,500, of US\$5 payable to the Registrar for every day during which the default continues and every director and officer of the company who knowingly and wilfully authorizes or permits the default, is also liable to that penalty.

Amendments (continued)

	<p>Companies exempt from filing annual returns:</p> <p>External companies and the following listed entities were exempt from the filing of annual returns:</p> <ol style="list-style-type: none">an exempt insurance company;an international business company;an international society with restricted liability;an international financial services entity;a private trust company;a foreign sales corporation; andany entity that holds a valid foreign currency permit. <p>Section 15A(7)(h) of the Act now adds another category to the list of companies exempt from filing annual returns: a company, the gross revenue of which exceeds US\$500,000. The level of revenue is as shown in the most recent financial statements required to be filed in accordance with Section 147 of the Companies Act.</p> <p>This exemption does not apply where the company is a service provider holding a licence under the Corporate and Trust Service Providers Act, 2015-12 ("the CTSP Act").</p>
	<p>Calling of annual meetings:</p> <p>Section 105(a) of the Companies Act has been amended to require that the directors must call annual meetings subsequent to the first annual meeting after coming into existence, not later than 12 months after the last preceding meeting.</p> <p>It should be noted that this is a reduction in the previously allowed 15 months after the last preceding annual meeting.</p>
	<p>Companies requiring licensed service providers:</p> <p>A new Part IVA has been introduced to the Companies Act, which provides that certain companies be required to have their corporate services performed by a service provider licensed under the CTSP Act. A company, the gross revenue of which exceeds US\$500,000, shall have its corporate services performed by a service provider licensed under the CTSP Act. This requirement does not apply where the company is also licensed or registered under any of the following legislation:-</p> <ol style="list-style-type: none">The Financial Institutions Act, Cap. 324A;The Financial Services Commissions Act, 2010-21; orThe Corporate and Trust Services Providers Act, 2015-12. <p>An external company that does not hold a license under the Financial Institutions Act, Cap. 324A and is not registered or licensed under the Financial Services Commissions Act, 2010-21, is required to have its corporate services provided by a service provider licensed under the CTSP Act irrespective of its level of gross revenue.</p> <p>Both domestic companies which generate revenue in excess of US\$500,000 and external companies referenced above will be required to have their corporate services provided by a licensee under the CTSP Act within 180 days from the date of commencement of the Act, being December 3, 2019, or within 180 days of meeting the requirements mentioned before, whichever is later.</p>
	<p>Registers of shareholders:</p> <p>The register of shareholders, which must be maintained at the registered office of the company, must show:</p> <ol style="list-style-type: none">the name and last known address of each shareholder and whether the person holds or has held a prominent public office in Barbados or elsewhere;a statement of the shares held by each shareholder;the date on which a person was entered on the register as a shareholder; andthe date on which the shareholder ceased to be a shareholder. <p>It is noteworthy that the register must now reflect whether the person "held a prominent public office", i.e. is a Politically Exposed Person. In addition, up to date and accurate records of the basic and beneficial ownership information of the company, whether incorporated or registered in Barbados, is now required to be maintained at the registered office of the company.</p>

Amendments (continued)



Miscellaneous amendments:

- **Section 339:**
Where the registration of an external company has been cancelled or has ceased to be valid, the Registrar may revive the registration of the external company, once the company files such documents as may be required and pays the prescribed fee. The Amendment now also requires the payment of all penalties and fees due and outstanding at the time of cancellation of its registration or cessation of the validity of its registration in order to have the revival effected.
- **Section 362**
The Registrar shall not approve the revival of a company unless all penalties and fees due in respect of the company and outstanding at the time of its dissolution have been paid. This has been newly added.
- **Section 370**
Articles of dissolution must now be accompanied by the certificates of clearance indicating that the company has paid all the taxes and contributions required by any enactment and must state the name and address of the person appointed by the company to take custody of the documents and records of the company upon dissolution.
Any person granted custody of records after dissolution must not only retain the documents and records in Barbados for 6 years from the date of dissolution but must produce them where so required.



Prominent Public Office:

The definition of Prominent Public Office was introduced in the Companies (Amendment) Act, 2019-19. The Annual Return form subsequently issued requires confirmation of any director or beneficial owner or an affiliate holding a prominent public office.

Details of any person holding a Prominent Public Office are required for the Notice of Directors form filed to achieve incorporation and any subsequent Notices of Change of Directors.

Please contact us to discuss your company/group's obligations under the Act. The team at Tricor stands willing to assist as you navigate these Amendments.

Our Services include:

- Entity formation and organisation
- Ongoing statutory and governance compliance
- Short and long-term tax efficient structuring and advice
- In/Out-of-Scope Economic Substance Analysis and Reporting
- Financial Reporting
- Tax Compliance
- Payroll & Treasury Operations
- Executive & Employee Recruitment
- Entry & Work Permit Application



Legislative proposals do not become law until their enactment and may be modified before enactment.

The information on this leaflet is not exhaustive and contains only a brief summary of the recent amendments to the Companies Act Cap 308 of the Laws of Barbados. Please contact a Tricor executive or email info@bb.tricorglobal.com for assistance and enquiries.

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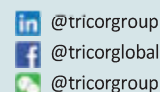
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