INTERNATIONAL BUSINESS COMPANIES (REPEAL) ACT, 2018-40

Arrangement of Sections

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I assent
S. MASON
Governor-General
24th December, 2018.

2018-40


[Commencement: 1st January, 2019]

ENACTED by the Parliament of Barbados as follows:

**Short title**

1. This Act may be cited as the *International Business Companies (Repeal) Act, 2018*. 
Repeal

2. The *International Business Companies Act*, Cap. 77, is repealed.

Savings of right and benefits

3.(1) Notwithstanding the repeal effected by section 2, the rights and benefits conferred upon International Business Companies under the *International Business Companies Act*, Cap. 77 are saved or shall cease as is hereinafter provided:

(a) an international business company that does not hold intellectual property assets but holds a valid licence issued prior to 17th October 2017 shall be entitled to receive its benefits until 30th June 2021;

(b) an international business company that does not hold intellectual property assets but holds a valid licence issued on or after 17th October 2017 shall cease to be entitled to any benefits after 31st December 2018;

(c) without affecting paragraphs (a) and (b) an international business company that holds a valid licence issued on or before 30th June 2018 and also holds intellectual property assets acquired after 17th October 2017 but before 1st July 2018 where

(i) the intellectual property assets were already benefitting from a back-end regime; or

(ii) the intellectual property assets were acquired from an unrelated party

the company shall be entitled to receive those benefits in respect of those intellectual property assets until 30th June 2021; and

(d) an international business company that holds a valid licence issued on or before 30th June 2018 and also holds intellectual property assets acquired after 17th October 2017 from a related party shall cease to be
entitled to any benefits in respect of those intellectual property assets after 31st December 2018.

(2) With effect from income year commencing on or after January 1, 2019 and for every succeeding income year thereafter, the rate of tax for the taxable income in excess of $30 000 000 shall be 1 per cent.

**Saving of obligations and penalties**

4. Notwithstanding the repeal effected by section 2, any obligation or penalty incurred by an International Business Company during the period of operation of the Act shall not be affected and any investigation, legal proceeding or remedy in respect thereof may be instituted, continued or enforced and such penalty imposed as if the Act had not been repealed.

**Transitional**

5. Notwithstanding the repeal effected by section 2 of this Act, the articles of a company carrying on business under the *International Business Companies Act*, Cap. 77, immediately before the commencement of this Act shall be deemed to have been amended to comply with the *Companies Act*, Cap. 308, and that company shall continue after the commencement of this Act to carry on business under and in accordance with the *Companies Act*, continue to provide services in accordance with that Act after the commencement of this Act.

**Interpretation**

6. For the purposes of sections 3 and 4,

“Act” means the *International Business Companies Act*, Cap. 77 repealed by this Act;

“back-end regime” means a preferential, no tax or low tax regime that applies to the income earned from the exploitation of the intellectual property assets;

“intellectual property assets” means assets generating income defined as “royalties” in the *Income Tax Act*, Cap. 73.
Commencement

7. This Act shall come into operation the 1st day of January 2019.