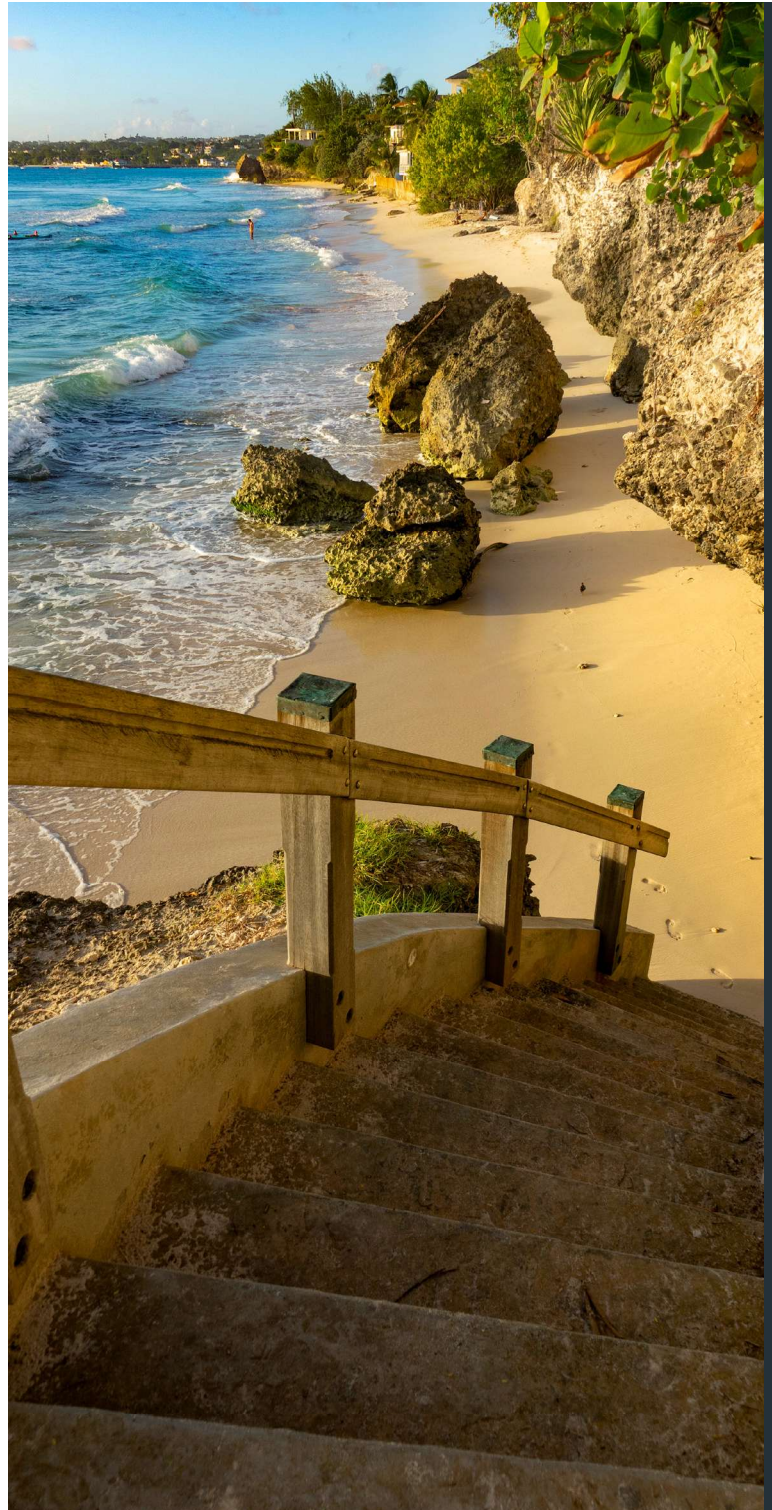


Why Barbados for Insurance?

Barbados is a successful business centre that enables investors to enhance their global competitiveness. Following are the main advantages that make the jurisdiction attractive particularly for insurance businesses:

- Good infrastructure for international insurance companies including experienced management companies, banks, investment companies, auditors and lawyers
- Appropriate regulation and governance
- Educated and experienced local workforce
- Ease of business incorporation and licensing
- Availability of segregated cells and separate accounts
- Low capital and flexible solvency requirements
- No restriction on insurance business written
- For Canadian captives, dividends paid to a Canadian company out of income earned from an active insurance business in Barbados may be considered as exempt surplus for Canadian tax purposes and are therefore not subject to tax in Canada, when repatriated.
- For USA Captives, under the Barbados/USA tax treaty, a company controlled by USA investors, may be able to carry out prescribed activities in the USA without being deemed to have a taxable presence there.





EXPANDING TREATY
NETWORK



MODERN
TELECOMMUNICATIONS



EDUCATED
WORKFORCE



COMPETITIVE
TAX REGIME



POLITICAL & SOCIAL
STABILITY

Other General Advantages

- An expanding Treaty Network that gives investors operating in Barbados access to a number of partners in Africa, Asia, Latin and North America, greatly assisting in enhancing their global competitiveness
- Capital gains not subject to tax in Barbados
- Foreign Currency Permit (FCP): All business entities that earn 100% of their income in foreign currency are eligible to receive a FCP affording them the following benefits:
 - Exemption from exchange control
 - Exemption from withholding tax on all payments, including dividends to non-residents
 - Exemption from payment of stamp duty and property transfer tax
- Modern telecommunications and transport infrastructure: Barbados boasts an efficient ICT framework comprising a reliable island wide fibre-optic network, Wi-Fi and high-speed 4G data services. The country also has an international airport offering direct daily flights to major cities and a modern seaport
- Nearshore location and favourable time zone: Location within similar time zone as the North American East Coast
- Political, social and economic stability: Known for being one of the most stable countries globally, Barbados has continued its long-standing tradition of parliamentary democracy and pragmatic management of its economy. Additionally, the warm and friendly nature of Barbadians is a welcome attraction to global investors
- Business friendly: The process to start a business is straightforward and is complemented by transparent policies and regulations, as well as a supportive institutional framework for global business. There are also no restrictions on the ownership of property
- Quality of lifestyle: Barbados boasts a highly developed standard of living, which makes it an attractive place to live, work and enjoy. This is evidenced by the country's ranking in the UN Human Development Index 2021, of 11th in the Americas and 70th in the world

Insurance Regime

Insurance companies are licensed under the Insurance Act, Cap 310 and are categorised into one of three Classes with a single tax regime as follows:

Class	Activity	Tax Rate
Class 1 Licensee	An insurance company which underwrites related party business	0%
Class 2 Licensee	Includes an insurance company which underwrites risks of third parties	2%
Class 3 Licensee	Includes insurance intermediaries, management and holding companies	2%

The FSC decides the class of licence to be issued to each company. The classification process is based on the following:

- The structure or operations of the company
- The nature of the intended relationship between the body corporate and its intended policyholders
- The interest of those policyholders
- The nature of the risk
- The level of regulation which is applicable to the risks associated with the insurance business

The annual requirements for insurance entities are as follows:

- An annual licence fee must be paid by January 31
- Audited financial statements are to be filed six (6) months after the financial year end of the company (under review)
- Corporation tax returns to be filed on or before March 15 or June 15 based on the financial year end of the company

- Annual general meetings of shareholders are required within 18 months of incorporation, and thereafter within 12 months of the previous annual general meeting

Substance Requirements

Resident companies engaged in “relevant activities” including captive insurance, are required to satisfy an economic substance test. The test involves an assessment related to the following:

- The extent to which the company is being directed, managed and controlled in Barbados (i.e., no. of board meetings and quorum of directors physically present in Barbados, knowledge and expertise of board members)
- Level of relevant activity (no. of employees, expenditure, physical assets in country)
- Confirmation of the core income generating activities