



Government of Barbados

**MINISTRY OF INDUSTRY, INTERNATIONAL BUSINESS
COMMERCE AND SMALL BUSINESS DEVELOPMENT
(INTERNATIONAL BUSINESS DIVISION)**

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Making Barbados Work Better

PRACTICE DIRECTION No.2 – 2014

**Concerning Procedures and Fees for International Business Companies (IBCs),
International Societies with Restricted Liability (ISRLs) as directed by
the International Business (Miscellaneous Provisions) Bill, 2014**

The following guidelines will apply to the licensing of International Business Companies (IBCs) and International Societies with Restricted Liability (SRLs) under the new International Business (Miscellaneous Provisions) Bill 2014 to be proclaimed shortly as the International Business (Miscellaneous Provisions) Act, 2014.

I. Initial Applications

- 1.** A cover letter indicating the name and contact number of the proposed licensee and the details of the service provider should accompany the application for an IBC, or ISRL. **The initial application should also be accompanied by an application fee of Bds\$250.00. A receipt will be given for payment made.**
- 2.** In all cases where the service provider is making a first time application the cover letter should be accompanied by the following information: due diligence and compliance procedures including acceptance procedures and know your customer policies (KYC) which were used in determining the acceptability of the prospective applicant for consideration for IBC and ISRL licensing.
- 3.** All required documentation must be submitted with the cover letter and application for licensing. Incorrectly completed application forms or applications which do not contain key supporting documentation will not be accepted.
- 4.** Once the application satisfies the requirements of the IBC or the SRL Act, the licence will be issued. **Payment of the prescribed licence fee (Bds\$1,000.00) will only be due upon issuance of the initial licence. A receipt will be given as proof of payment.**
- 5.** The licence issued will remain valid unless cancelled.

II. Existing Licences

6. All valid licences will be considered indefinite licences.
7. **It is a condition of every licence that a prescribed annual fee (Bds\$1,000.00) in respect of a year, be paid by December 31st of the preceding year. If the licensee fails to pay the prescribed annual fee by that time, the licensee should pay the prescribed annual fee (Bds\$1,000.00) in addition to a pecuniary penalty for the late payment (equal in the amount of the annual fee \$1,000.00) by 1st February of the year to which the fee relates. If the fee remains unpaid after 1st February of the year to which the fee relates, the company is considered to be unlicensed and a new application will have to be submitted for a new licence.**
8. **It is also a condition of every licence that an Annual Form providing information on any substantial changes to a company's structure as well as the company's expenditure in Barbados be submitted on payment of the prescribed annual fee.**
9. **On payment of the prescribed annual fee and submission of the Annual Form, a receipt will be issued immediately. Licence renewals will no longer be issued by the Ministry.**
10. **All Annual Forms** relative to IBCs and ISRLs must be accompanied by a cover letter indicating the name and contact details of the licensee and service provider. In cases where the service provider acting on the behalf of a licensee has changed, a letter signed by an official of the licensee (who should not be the Declarant) authorizing said new service provider to act on licensee's behalf must accompany the cover letter.
11. In preparation for payment of the Annual Fee for 2015 service providers are asked to ensure that previous licence fee payments for the licensee are up-to-date.

III. Transitional Provisions

12. Any company which was eligible to apply for the reinstatement of its licence will continue to be eligible for as long as it would have remained so eligible (i.e. within 5 years of the date of expiration of its licence) had the International Business (Miscellaneous Provisions) Act, 2014 not commenced. Where this application for reinstatement is approved, it shall be subject to such fee as was payable in respect of reinstatement of a licence immediately before the commencement of this Act.
13. Any application made for an initial licence before the commencement of the International Business (Miscellaneous Provisions) Act, 2014 shall be subject, if approved to such fee payable in respect of the issue of a licence immediately before the commencement of the International Business (Miscellaneous Provisions) Act, 2014.

14. Any application made for the renewal or reinstatement of a licence before the commencement of the International Business (Miscellaneous Provisions) Act, 2014) shall be subject if approved to such fee payable in respect of the renewal or reinstatement of a licence immediately before the commencement of the International Business (Miscellaneous Provisions) Act, 2014.

15. Any licence that was valid immediately before the commencement of the International Business (Miscellaneous Provisions) Act or that was issued renewed or reinstated after the commencement of this Act, shall be treated as indefinite licences in accordance with the provisions of the Act.

IV. Revised Fees

- Application Fee for Initial IBC/ISRL - Bds\$250.00
- Fee for Issue of a Licence - Bds\$1,000.00
- Prescribed Annual Fee IBC/ISRL - Bds\$1,000.00
- Penalty for Late Payment - Bds\$1,000.00
- Certified Copy of a Licence - Bds\$75.00

Transitional Provision Fees

- Reinstatement Fee - Bds\$2,100.00 (for licensees still eligible to benefit from this provision)
- Renewal Fee - Bds\$850.00 (for licensees whose renewal application was submitted before the commencement of the IBMP Act, 2014.
- Licence Fee - Bds\$850.00 (for licensees whose licence application was submitted before the commencement of the IBMP Act, 2014

16. If you have any queries on this matter, please contact the Director of International Business or Principal Legal Officer at 625-2225 or 625-2232.

**International Business Division
August 20, 2014**