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OFFICE OF THE GOVERNOR-GENERAL

**INTERPRETATION AND GENERAL CLAUSES ACT
(CHAPTER 2)**

Reprint of the Commercial Entities (Substance Requirements) Act, 2018 -
(No. 32 of 2018)

In exercise of the powers conferred by section 80 of the Interpretation and General Clauses Act (Chapter 2), I hereby authorize the Government Printer to print copies of the Commercial Entities (Substance Requirements) Act, 2018 (No. 32 of 2018), with all additions, omissions, substitutions and amendments effected by —

- (a) the Commercial Entities (Substance Requirements)(Amendment) Act, 2019 (No. 1 of 2019); and
- (b) the Commercial Entities (Substance Requirements) Act, 2018 (Rectification) Order, 2019.

Dated this 21st day of February, 2019.

Signed
MARGUERITE PINDLING
Governor-General

COMMERCIAL ENTITIES (SUBSTANCE REQUIREMENTS) ACT, 2018

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(No. 32 of 2018)

COMMERCIAL ENTITIES (SUBSTANCE REQUIREMENTS) ACT, 2018

AN ACT TO PROVIDE FOR SUBSTANTIAL ECONOMIC PRESENCE
AND ANNUAL REPORTING OF A COMMERCIAL ENTITY
CARRYING ON RELEVANT ACTIVITIES AND FOR CONNECTED
PURPOSES

[Date of Assent - 20th December, 2018]

Enacted by the Parliament of The Bahamas

PART I - PRELIMINARY

1. Short title and commencement.

- (1) This Act may be cited as the Commercial Entities (Substance Requirements) Act, 2018.
- (2) This Act shall come into force on such date as the Minister may appoint by Notice published in the *Gazette*.

2. Interpretation.

In this Act —

“**Authority**” means the Minister of Finance as Competent Authority under the Automatic Exchange of Financial Account Information, Act, 2016 (*No. 37 of 2016*);

“**commercial entity**” is an entity incorporated, registered or continued under the —

- (a) Companies Act (*Ch. 308*) and includes a foreign entity registered under Part VI thereof;
- (b) International Business Companies Act (*Ch. 309*);
- (c) Partnership Act (*Ch. 310*);
- (d) Partnership Limited Liability Act (*Ch. 311*); or
- (e) Exempted Limited Partnership Act (*Ch. 312*),

but does not include an entity under paragraphs (a) – (e) which —

- (i) is resident owned in The Bahamas and conducts its core income generating activities in The Bahamas; or
- (ii) is centrally managed and controlled outside The Bahamas and is tax resident in a jurisdiction other than The Bahamas;

“fiscal year” means an annual accounting period with respect to which the included entity prepares its financial statements;

“included entity” means an entity which —

- (a) is a commercial entity; and
- (b) is engaged in relevant activities;

“non-included entity” means any entity which is not an included entity and which is incorporated, registered or continued under the —

- (a) Companies Act (*Ch. 308*) and includes a foreign entity registered under Part VI thereof;
- (b) International Business Companies Act (*Ch. 309*);
- (c) Partnership Act (*Ch. 310*);
- (d) Partnership Limited Liability Act (*Ch. 311*);
- (e) Exempted Limited Partnership Act (*Ch. 312*);

“regulated entity” includes an entity regulated in accordance with —

- (a) the Banks and Trust Companies Regulation Act (*Ch. 316*);
- (b) the Securities Industry Act (*No. 10 of 2011*);
- (c) the Insurance Act (*Ch. 347*);
- (d) the External Insurance Act (*Ch. 348*);
- (e) the Financial and Corporate Services Providers Act (*Ch. 369*); and
- (f) the Investment Funds Act, 2018;

“resident owned in The Bahamas” means direct or indirect ownership of one hundred percent of the beneficial interests in an entity by one or more natural persons who —

- (a) are ordinarily resident and domiciled in The Bahamas; or

- (b) have been issued a certificate of annual or permanent residence and who physically resides in The Bahamas for a cumulative period of at least three months in every calendar year.

PART II – SUBSTANCE REQUIREMENTS

3. Requirements to meet substantial economic presence.

- (1) An included entity must have substantial economic presence in The Bahamas.
- (2) In order to satisfy the requirement under subsection (1), an included entity shall satisfy the requirements of sections 5 and 7.

4. Meaning of relevant activities.

For the purposes of this Act, a commercial entity is engaged in a relevant activity if that entity carries out any of the following activities, namely —

- (a) banking business;
- (b) insurance business;
- (c) fund management business;
- (d) financing and leasing business;
- (e) headquarters business;
- (f) distribution and service centres business;
- (g) shipping business;
- (h) commercial use of intellectual property; or
- (i) as a holding company engaged, or where one or more of its subsidiaries is engaged in one of the activities listed under paragraphs (a) to (h).

5. Meaning of core income generating activities.

- (1) An included entity carrying on relevant activities must conduct core income generating activities in The Bahamas.
- (2) Core income generating activities of an included entity presupposes adequate —
 - (a) amounts of annual operating expenditure;
 - (b) levels of qualified full-time employees;
 - (c) physical offices;
 - (d) levels of board management and control,

within The Bahamas.

- (3) Where any part of the core income generating activities are outsourced in The Bahamas there must be adequate —
 - (a) amounts of annual operating expenditure;
 - (b) levels of qualified full-time employees; and
 - (c) physical offices,within The Bahamas, and the included entity must be able to monitor and control the carrying out of that activity by the other entity.
- (4) The core income generating activities referred to in subsection (2) may include, but are not limited to the following if carrying on the business of —
 - (a) banking —
 - (i) the raising of funds, managing risk including credit, currency and interest risk;
 - (ii) taking hedging positions;
 - (iii) providing loans, credit or other financial services to customers;
 - (iv) managing regulatory capital, and preparing regulatory reports and returns;
 - (b) insurance —
 - (i) the predicting and calculating of risk;
 - (ii) insuring or re-insuring against risk, and providing client services;
 - (c) fund management —
 - (i) the taking of decisions on the holding and selling of investments;
 - (ii) calculating risks and reserves;
 - (iii) taking decisions on currency or interest fluctuations and hedging positions; and
 - (iv) preparing relevant regulatory or other reports for government authorities and investors;
 - (d) financing or leasing —
 - (i) the agreeing of funding terms;
 - (ii) identifying and acquiring assets to be leased, in the case of leasing,
 - (iii) setting the terms and duration of any financing or leasing,
 - (iv) monitoring and revising any agreements; and
 - (v) managing any risks;

- (e) headquarters —
 - (i) the taking of relevant management decisions;
 - (ii) incurring expenditures on behalf of group entities; and
 - (iii) co-ordinating group activities;
- (f) a distribution or service centre —
 - (i) the transporting and storing of goods;
 - (ii) managing stocks and taking orders; and
 - (iii) providing consulting or other administrative services;
- (g) shipping —
 - (i) the managing of the crew, including hiring, paying, and overseeing crew members;
 - (ii) hauling and maintaining ships;
 - (iii) overseeing and tracking deliveries;
 - (iv) determining what goods to order and when to deliver them, and organising and overseeing voyages; or
- (h) intellectual property asset activities —
 - (i) patents and similar intellectual property assets – research and development;
 - (ii) intangible intellectual property assets such as brand, trademark and customer data – marketing, branding and distribution.

6. Outsourcing of core income generated activities.

- (1) No included entity shall outsource any of its core income generating activities to an entity or person outside of The Bahamas.
- (2) An included entity may outsource any of its core income generating activities conducted in The Bahamas to an outsourcing service provider in The Bahamas, provided that the included entity is able to demonstrate supervision and control of the outsourcing service provider in respect of such outsourced core income generating activities.
- (3) The resources of the outsourcing service provider conducting outsourced core income generating activities in The Bahamas on behalf of the included entity must not be counted multiple times in respect of outsourced core income generating activities services to multiple included entities.
- (4) Any entity or person providing outsourcing services to an included entity shall report to the Authority on an annual basis in the manner set out in Form A of the *First Schedule*.

7. Direction and management.

An included entity demonstrates substance requirements when the following criteria are satisfied —

- (a) an adequate number of meetings of the Board of Directors are conducted in The Bahamas given the level of decision making required;
- (b) there is a quorum of the Board of Directors physically present with The Bahamas during the meetings referred to in paragraph (a);
- (c) strategic decisions of the included entity made at the meetings referred to in paragraph (a) must be recorded in the minutes of the meetings;
- (d) all included entity records and minutes are kept in The Bahamas; and
- (e) the Board of Directors, as a whole, has the necessary knowledge and expertise to discharge its duties.

8. Reduced substance requirements for holding companies.

- (1) An included entity that only engages in business as a pure equity holding company is subject to reduced substance requirements, as follows —
 - (a) it shall comply with all applicable laws and regulations of The Bahamas; and
 - (b) it shall have adequate human resources and adequate premises in The Bahamas for holding and managing equity participation in other entities.
- (2) A non included entity that is a passive holding entity is subject to reduced substance requirements of complying with all applicable laws and regulations of The Bahamas.
- (3) Where a holding company engages in any relevant activity, that company will be required to satisfy substance requirements in accordance with this Act.
- (4) For the purposes of this Act —
 - “pure equity holding company”** means a company which only holds equity participations and only earns dividends and capital gains or incidental income; and
 - “passive holding entity”** means an entity which does not by itself, or by any of its subsidiaries conduct any relevant activity but does not include a collective investment vehicle.

9. Enhanced substance requirements for intellectual property income generating included entities.

(1) Included entities carrying on —

(a) low-risk intellectual property activities shall satisfy the substance requirements of this Act by satisfying the requirements of section 3 and additionally demonstrate that the following activities are undertaken in The Bahamas —

(i) taking the strategic decisions and managing, as well as bearing the principal risks relating —

(aa) to the development and subsequent exploitation of the intellectual property asset; or

(bb) to the third-party acquisition and subsequent exploitation of the intellectual property asset; or

(ii) carrying on the underlying trading activities through which the intellectual property asset are exploited and which lead to the generation of revenue from a third-party;

(b) high-risk intellectual property activities in order to satisfy the substance requirements of this Act shall meet the requirements of section 3, and additionally demonstrate that the following activities are undertaken in The Bahamas —

(i) taking the strategic decisions and managing principal risks;

(ii) carrying on underlying trading activities within The Bahamas;

(iii) a high degree of control over the development, exploitation, maintenance, enhancement and protection of the intellectual property asset.

(2) In order to provide evidence —

(a) that income being generated is directly linked and justified by activities undertaken in The Bahamas; and

(b) of the matters referred to in subsection (1)(b),

the included entity shall provide additional information including —

(i) detailed business plan which clearly shows the commercial rationale of holding the intellectual property assets in The Bahamas;

(ii) employee information including level of experience, type of contracts, qualifications, and duration of employment; and

(iii) verification that decision making is taking place within The Bahamas.

(3) For the purposes of this section, an included entity carrying on intellectual property activities is —

- (a) low risk, if the intellectual property asset —
 - (i) is developed in-house;
 - (ii) is acquired from unrelated party;
 - (iii) is licensed to unrelated parties;
- (b) high-risk, if the intellectual property asset —
 - (i) is acquired from a related party; or
 - (ii) is not obtained through research and development activities within The Bahamas; or
 - (iii) is licensed or sold to a related party; or
 - (iv) is monetised through activities performed by a related party outside of The Bahamas.

PART III - REPORTING

10. Reporting requirement.

- (1) Reporting under this Act shall be carried out within nine months of the fiscal year end in the manner set out below —
 - (a) in Form B of the *First Schedule* by an included entity and a regulated entity;
 - (b) in Form C of the *First Schedule* by a holding company; and
 - (c) in Form D of the *First Schedule* by a non-included entity.
- (2) Any non-included entity that is centrally managed and controlled and claims to have tax residence in a jurisdiction outside of The Bahamas shall —
 - (a) report on its compliance with this Act to the Authority within nine months of its fiscal year end in the manner set out in Form D of the *First Schedule*; and
 - (b) append to its annual report, evidence that it is registered and compliant with the tax requirements in that jurisdiction.
- (3) Any entity which fails to report to the Authority in accordance with this section shall be liable to an administrative penalty or removal from the applicable register pursuant to section 15.

11. Compliance with reporting requirements.

- (1) An included entity shall comply with reporting requirements in section 10 through use of the electronic portal defined in subsection (5) or such other method as may be prescribed.

- (2) Any entity making an electronic filing shall be deemed to have affirmed or sworn an oath of the truth of the statements contained in the report.
- (3) The Authority shall notify included entities of the method of compliance with the notification and filing obligations by a —
 - (a) post on an official website providing information generally; or
 - (b) notice given to a particular included entity.
- (4) Unless the contrary is proved, a report that has been accepted by the electronic portal or such other method of compliance as prescribed shall be deemed to be made —
 - (a) in accordance with this Act;
 - (b) at the time the report was accepted by the portal or such other method of compliance as prescribed;
 - (c) by the person who made the report by using the portal; and
 - (d) with the approval of the entity on whose behalf the report purports to have been made.
- (5) For the purposes of this section —

“electronic address” includes an email address and the address of a digital mailbox;

“electronic portal” means the Authority’s electronic portal for the automatic exchange of information; and

“official website” means a website of the Authority.

12. Authority to report.

- (1) The Authority shall upon the receipt of a form filed by an included entity spontaneously exchange the same with a reportable jurisdiction of the legal or beneficial owner of such included entity where —
 - (a) the included entity engages in high risk intellectual property activities; or
 - (b) there is any non-compliance with the substance requirements of the Act by the included entity.
- (2) The Authority shall upon the receipt of a form filed by a non-included entity, pursuant to section 10(1)(c), spontaneously exchange the same to a reportable jurisdiction of the legal or beneficial owner of such non-included entity and also to the reportable jurisdiction of its claimed tax residence.
- (3) For the purposes of this section, the **“reportable jurisdiction”** of the legal or beneficial owner of the entity means a jurisdiction specified in the *Second Schedule* with whom The Bahamas has entered into an agreement for the purposes of forwarding reports made in accordance with this section.

13. Compliance measures.

- (1) The Authority may, from time to time and at the expense of a reporting entity, cause the conduct of an on-site inspection of the business of the reporting entity for the purpose of verifying the information sworn or affirmed to in the report submitted in accordance with section 10.
- (2) The Authority may, in such cases where it is unable to conduct an on-site inspection, designate an approved auditor to conduct the inspection, and that person shall submit a report thereon to the Authority.
- (3) If the information required by the Authority under this Act is outside of The Bahamas, the Authority shall request the reporting entity to provide such information to the Authority in The Bahamas, within a specified period and the included entity shall comply with such requirement.
- (4) The Authority shall provide all necessary resources to ensure effective supervision and monitoring of compliance with this Act.
- (5) A reporting entity shall retain for five years, any book, document, electronically-stored information or other record that relates to the information required to be reported to the Authority under this Act.
- (6) For the purposes of this section, "reporting entity" refers to any entity required to submit a report in accordance with section 10.

14. Approved auditor.

- (1) In order to be designated as an approved auditor in accordance with section 13(2), the auditor must —
 - (a) be a licensee in good standing of the Bahamas Institute of Chartered Accountants Act (*No. 13 of 2015*);
 - (b) not be barred or suspended by the Securities Commission from acting for any person registered under Part V of the Securities Industry Act, 2011 (*No. 10 of 2011*) a registered firm or a public issuer in The Bahamas;
 - (c) not be barred or suspended by any domestic regulatory authority or overseas regulatory authority from acting as auditor for any person under that regulatory authority's jurisdiction.
- (3) An approved auditor shall —
 - (a) comply with the International Code of Ethics for Professional Accountants of the International Federation of Accountants;
 - (b) be independent of the persons being audited; and
 - (c) not cause, assist or abet others in breaching any relevant laws of The Bahamas, any regulations made thereunder or standards made by the Bahamas Institute of Chartered Accountants.

- (4) For the purposes of subsection (3)(b), “independent” means without any direct or indirect material relationship with the person being audited.
- (5) Where an approved auditor, in the course of performing the duties required by section 13, determines that the information provided by the included entity in a report made in accordance with this Act cannot be verified, he shall notify the Authority immediately and cause a copy of the notice to be delivered promptly to the included entity being inspected.
- (6) The notice shall contain complete details about the nature of the circumstances giving rise to the notice.

PART IV - OFFENCES AND PENALTIES

15. Failure to meet substance requirements.

- (1) If the Authority determines that an entity has failed to meet the substance requirement based on information received pursuant to an inspection under section 13 or from a report received from a reportable jurisdiction that entity commits a breach of this Act.
- (2) Where a breach under subsection (1) has occurred, the Authority shall notify any relevant reportable jurisdiction.
- (3) An entity referred to under subsection (1) may —
 - (a) elect to pay its assessed taxation to the reportable jurisdiction and remain on the relevant register in The Bahamas; and
 - (b) must produce evidence of compliance with the tax requirements of the relevant reportable jurisdiction.
- (4) Where an entity is unable to produce evidence of compliance pursuant to subsection (3)(b), that entity shall be liable to be struck off the applicable register of incorporation.

16. Measures to ensure compliance.

- (1) If the Authority determines that an entity has failed to meet the substance requirement on information received pursuant to an inspection under section 13 or from a reportable jurisdiction, that entity commits a breach of this Act.
- (2) If the entity fails to comply with subsection (1), that entity shall have a period of ninety days to comply with the substance requirements of this Act and satisfy the Authority of the compliance.
- (3) If the entity fails to comply with subsection (2), that entity shall be directed by the Authority to conduct a formal audit at the expense of the entity.

- (4) If an entity does not commence an audit within sixty days, the entity shall be subject to an administrative penalty of one hundred and fifty thousand dollars.
- (5) If an audit reveals deficiencies, the Authority shall, within thirty days, issue a notice of non-compliance to the entity stating the areas where remedial measures are required and a deadline for compliance of not more than thirty days.
- (6) If the entity fails to comply with subsection (5), the entity shall be —
 - (a) subject to an administrative penalty of three hundred thousand dollars;
 - (b) subject to strike off from the register.

17. Offences.

A person commits an offence, if the person —

- (a) contravenes section 11;
- (b) obstructs the Authority in performing its functions under this Act;
- (c) alters, destroys, mutilates, defaces, hides or removes information in a way that causes the person or another person to contravene this Act in relation to the information;
- (d) authorizes, advises or counsels another person to do anything referred to under paragraph (c); or
- (e) provides inaccurate information when filing a report under section 10 and —
 - (i) knows of the inaccuracy at the time the information is provided in the report, but does not inform the Authority of the inaccuracy at that time; or
 - (ii) discovers the inaccuracy after the information is provided in the report to the Authority and fails to take reasonable steps to inform the Authority of the inaccuracy.

18. Administrative penalty.

- (1) The Authority may impose an administrative penalty of one hundred and fifty thousand dollars, to be paid within thirty days of such penalty being imposed, where a person commits an offence under section 17.
- (2) Where the offence referred to under subsection (1) is continuing, to a further administrative penalty one thousand dollars for every day the offence has continued.
- (3) If the Authority decides to impose an administrative penalty, the Authority shall notify the person of its decision.
- (4) A notice referred to under subsection (3), shall —

- (a) be in such form as the Authority determines;
- (b) be within a reasonable time;
- (c) specify —
 - (i) the person's name;
 - (ii) the Authority's reasons, in writing, for imposing the penalty;
 - (iii) the amount of the penalty and when payment is due; and
 - (iv) a reasonable period (which may not be less than fourteen days) within which the person to whom the notice is given may make representations to the Authority.
- (5) Where representations are made under subsection (4)(iv), the Authority shall take them into account in deciding whether to impose an administrative penalty.
- (6) An administrative penalty for an offence —
 - (a) under section 17 (a), (b), (c) and (d) or 19 may be imposed within the period of twelve months beginning with the date on which the person became liable to the penalty; and
 - (b) under section 17(e) may be imposed —
 - (i) within the period of twelve months beginning with the date on which the inaccuracy first came to the attention of the Authority; and
 - (ii) within the period of six years beginning with the date on which the person became liable to the penalty.

19. Default penalty.

- (1) A person who fails to pay an administrative penalty imposed under section 18(1) shall be liable to an additional penalty of one thousand dollars for each day during which the penalty remains unpaid.
- (2) The Authority shall notify the person who has failed to pay the administrative penalty of its decision to impose a daily default penalty.
- (3) A notice under subsection (2) may be in such form as the Authority determines and shall include the person's name, the reasons for imposing the penalty, the amount of the penalty and when it becomes or became due.

20. Administrative penalty not to apply.

- (1) If a person is convicted in a court of an offence under this Act, that person shall not also be liable to an administrative penalty in relation to the same facts.

- (2) Where an administrative penalty is imposed under this Act, the person liable for that penalty shall not be subsequently or simultaneously charged with an offence under this Act in relation to the same facts.
- (3) An administrative penalty payable under this Act may be recovered by the the Attorney-General in a court as a civil debt.

21. Punishment on summary conviction.

Subject to section 18, a person who commits an offence under this Act is liable on summary conviction to a fine of ten thousand dollars or to imprisonment for a term of six months, or to both.

PART V – MISCELLANEOUS

22. Anti-avoidance.

If a person enters into an arrangement, the main purpose of which is to avoid an obligation under this Act, the arrangement, for the purposes of this Act, shall be deemed to be one which was not entered into and this Act shall have effect as if the arrangement had never been in existence.

23. Removal from the register.

- (1) Any company or entity, which fails to comply with any provision of this Act shall be deemed to be non-compliant with the Act under which it is incorporated, registered or continued.
- (2) In the event that the Authority concludes that the Entity is in wilful non-compliance, the Authority shall direct the Registrar General that the entity be removed from the register pursuant to the relevant Act.

24. Appeals.

- (1) A person upon whom an administrative penalty is imposed may, subject to this section, appeal against it to the Supreme Court and such appeal shall act as a stay on the enforcement of the administrative penalty.
- (2) An appeal under this section may be made on questions of law or fact or both and the Supreme Court may affirm or reverse the penalty or substitute its own penalty for that imposed by the Authority.
- (3) A person upon whom an administrative penalty is imposed may appeal —
 - (a) the penalty on the ground that liability to such penalty does not arise; and
 - (b) against the amount imposed by the Authority.

- (4) For the avoidance of doubt, this section does not limit or otherwise affect any obligation of the person under this Act.

25. Regulations.

The Minister of Finance may make regulations for the better carrying out of the provisions of this Act and for prescribing —

- (a) adequate levels of qualified full-time employees and physical office resources; and
- (b) the circumstances which amount to outsourcing and the prohibition thereof.

26. Guidelines.

The Authority may issue guidelines for complying with this Act and any person or entity subject to the Act shall comply with such guidelines.

27. Transitional.

Notwithstanding the provision of any other law —

- (a) an included entity not engaged in the commercial use of intellectual property incorporated or registered before the date of commencement of this Act; or
- (b) an included entity engaged in the commercial use of intellectual property incorporated or registered before the date of commencement of this Act,

shall, within six months from the date of commencement of this Act, meet the substance requirements under this Act.

28. Consequential amendments.

The Acts specified in the first column of the *Third Schedule* shall be amended to the extent specified in the second column of the *Third Schedule*.

FIRST SCHEDULE

(Sections 6 and 10)

FORM A**Outsourcing Service Provider**

Name of Outsourcing Service Provider		
Registration Number		
Type	<input type="checkbox"/> Companies Act (Ch. 308)	<input type="checkbox"/> International Business Companies Act (Ch. 309)
Business Licence No.		
Mailing Address of Outsourcing Service Provider		Physical Address of Outsourcing Service Provider
Email Address:		
Telephone Contact:		
Description and nature of outsourcing services rendered		
No. of Full-Time Employees		
Qualifications of Full-Time Employees to Perform Outsourced Activities		
No. of Clients by Service		
I certify that the particulars set out in this Form are true and correct to the best of my knowledge, information and belief.		

.....
(Name of Director)

.....
(Date)

FORM B

Included Entities and Regulated Included Entities

Name of entity			
Registration Number			
Type	<input type="checkbox"/> Companies Act (Ch. 308)	<input type="checkbox"/> International Business Companies Act (Ch. 309)	
Please indicate whether Included Entity or Regulated Included Entity	<input type="checkbox"/> Included Entity	<input type="checkbox"/> Regulated Included Entity	
Is the entity engaged in the commercial use of intellectual property?	<input type="checkbox"/> Yes	If yes,	<input type="checkbox"/> Low risk
	<input type="checkbox"/> No		<input type="checkbox"/> High risk
Description of the nature of business			
Registered Address of entity		Physical Address of entity	
DETAILS OF CONTROLLING PERSONS			
Directors (make an entry in respect of every Director)			
Name		Name	
Address		Address	
Contact Information		Contact Information	
Registered Shareholders (make an entry in respect of every Shareholder)			
Name		Name	
Address		Address	
Contact Information		Contact Information	
Jurisdiction of Tax Residence		Jurisdiction of Tax Residence	
SUBSTANCE REQUIREMENT INFORMATION			
Details of amount and type of gross income			

Description of amount and type of expenses and assets	
Number of full-time employees	
Summary and description of core income generating activities (section 5)	
Summary and description of management and control activities (section 7)	
If applicable, append additional information (section 10)	
I certify that the particulars set out in this Form are true and correct to the best of my knowledge, information and belief.	

.....
(Name of Director)

.....
(Date)

FORM C
Holding Entities

Name of Entity		
Registration Number		
Type	<input type="checkbox"/> Companies Act (Ch. 308)	<input type="checkbox"/> International Business Companies Act (Ch. 309)
Registered Address of Holding Entity		Physical Address of Holding Entity
I certify that — (a) the (Name of Entity) is a holding entity for the purposes of the Commercial Entities (Substance Requirements) Act, 2018; (b) the (Name of Entity) is in good standing and complies with all laws and regulations of the Commonwealth of The Bahamas; and (c) the particulars set out in this Form are true and correct to the best of my knowledge, information and belief.		

.....
(Name of Director)

.....
(Date)

FORM D

Non-Included Entities

Name of Entity		
Registration Number		
Type	<input type="checkbox"/> Companies Act (Ch. 308)	<input type="checkbox"/> International Business Companies Act (Ch. 309)
Description of the nature of business		
Registered Address of Non-Included Entity		Physical Address of Non-Included Entity
JURISDICTION OF TAX RESIDENCE <i>(If the entity is asserting tax residency in a jurisdiction other than The Bahamas, append additional information (section 10))</i>		
DETAILS OF CONTROLLING PERSONS		
Directors <i>(make an entry in respect of every Director)</i>		
Name	Name	
Address	Address	
Contact Information	Contact Information	
Registered Shareholders <i>(make an entry in respect of every Shareholder)</i>		
Name	Name	
Address	Address	
Contact Information	Contact Information	
Jurisdiction of Tax Residence	Jurisdiction of Tax Residence	
I certify that the particulars set out in this Form are true and correct to the best of my knowledge, information and belief.		

.....
(Name of Director)

.....
(Date)

SECOND SCHEDULE

(Section 12)

Reportable Jurisdictions

The Commonwealth of Australia
Republic of Austria
Kingdom of Belgium
Federative Republic of Brazil
Republic of Bulgaria
Republic of Colombia
Republic of Croatia
Republic of Cyprus
The Czech Republic
Kingdom of Denmark
Republic of Estonia
Republic of Finland
France Republic
Federal Republic of Germany
Hellenic Republic (Greece)
The Bailiwick of Guernsey
Hungary
Republic of India
Republic of Indonesia
Ireland
Isle of Man
Italian Republic
Japan
The Bailiwick of Jersey
Republic of Latvia
Republic of Lithuania
Grand Duchy of Luxembourg
The Federation of Malaysia
Republic of Malta

United Mexican States
Kingdom of the Netherlands
Kingdom of Norway
New Zealand
Oriental Republic of Uruguay
Republic of Poland
Portuguese Republic
Romania
Republic of Seychelles
Republic of Singapore
The Slovak Republic
Republic of Slovenia
Kingdom of Spain
Kingdom of Sweden
United Kingdom Great Britain and Northern Island

THIRD SCHEDULE

(section 28)

Act	Amendment
Companies Act (<i>Ch. 308</i>)	<p>In section 271, insert immediately after subsection (1), the following —</p> <p>“(1A) The Registrar shall, after being duly notified by the Authority established under section 2 of the Commercial Entities (Substance Requirements) Act, 2018 that a company is non-compliant under that Act, remove such company from the register of companies.</p> <p>(1B) Before removing a company from the register, the Registrar shall send a notice to that company advising it as to the default and stating that, unless the default is remedied within twenty-one days after receipt of the notice, the company shall be removed from the register of companies.”.</p>
International Business Companies Act (<i>Ch. 309</i>)	<p>In section 165 —</p> <p>(a) insert immediately after subsection (1) the following —</p> <p>“(1A) The Registrar shall, after being duly notified by the Authority established under section 2 of the Commercial Entities (Substance Requirements) Act, 2018 that a company is non-compliant under that Act, serve an order for compliance as prescribed in Part A of the <i>Second Schedule</i>.”.</p> <p>(b) in subsection (2), insert immediately</p>

	<p>after the words “in subsection (1)” the words “or subsection (1A)”.</p> <p>In Part A of the <i>Second Schedule</i>, insert immediately after the words “requirements of the above-mentioned sections” the following words —</p> <p>“A company that does not satisfy the requirements of the Commercial Entities (Substance Requirements) Act, 2018, shall be struck off the Register. You have 90 days within which to comply with the requirements of the above-mentioned sections.”</p>
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