



BAHAMAS

Bahamas - Common law

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Incorporating a company in Bahamas

Bahamas taxes

If you want to incorporate a company in Bahamas, this article will educate you on the tax laws for an IBC which is the most common legal entity in Bahamas.

Bahamas does not levy corporate income tax. This ranks Bahamas as 1st overall with regards to corporate tax rate worldwide. International Business Companies (IBCs) conducting business outside the country are exempted of taxes and stamp duties and may not have foreign exchange control restrictions. IBCs in Bahamas may trade with residents and may own real estate within the territory, but exchange control and stamp duties on authorized capital will apply in these cases.

IBCs common uses are international trading, asset protection, estate and inheritance security, holding company and other commercial and financial activities.

IBCs in Bahamas may be formed by one or more shareholders and one or more directors, who can be individuals or corporations. Nominee shareholders are allowed. IBCs may be required to appoint local registered agent. Minimum capital required is B\$1, shares may be in any currency and may be issued at a par or non-par value. Bearer shares are not allowed. Details of shareholders and beneficiaries may not be publicly disclosed. IBCs may be required to maintain accounts and prepare financial statements. But there may not be required to file annual returns, tax returns or financial statements. IBCs may not be required to audit its accounts.

The value added tax (VAT) rate in Bahamas is 7.50%, which ranks Bahamas as 44th overall with regards to value added tax rate worldwide. In terms of other taxation, an employer will contribute 5.90% to the equivalent of a social security fund and an employee will contribute 3.90%. The overall complexity of the tax system is low. This is measured by average time to comply with a country's labor tax requirements is as it is 48hours. Contributing to this is the number of yearly labor tax payments, which is 6 in BS.

Thin cap rules are not in play. This refers to any type of restrictions on given company with respect to debt-to-asset ratios. Dividends are tax exempted. Dividends are distributions of a portion of the earnings of the business, voted by the board of directors, to a class of its shareholders. Dividends can be either cash payments, shares of stock, or other property. Capital Gains are not subject to taxation. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

There are withholding taxes in Bahamas. This means that payments to non-residents on dividends, interests, royalties or fees are not taxed.

There is no known tax on wealth in Bahamas. There are real property taxes placed on certain estates. There are no known inheritance taxes in Bahamas.

The above is not tax or legal advice for your particular personal tax obligations. Incorporations.io can refer you to a lawyer in Bahamas who will advise you. Want to work together? Click the free consultation button above.

The vat rate in Bahamas is 7.5% which ranks 41 in the world.

- ✗ Patent box
- ✗ RND credit
- ✗ Wealth tax
- ✓ Estate tax
- ✗ Transfer taxes
- ✗ Asset taxes

- 31 Tax treaties
- 0% Offshore Tax
- 0% Corp rate
- Loss carryback years
- Corporate time
- 7.5% VAT rate

Bahamas Legalese

The underlying legal code in BAHAMAS is common law law. Common law jurisdictions are generally regarded as easier to structure. One is permitted to electronically sign documents.

The abbreviation BS is for BAHAMAS and the most common company type in BAHAMAS is an IBC.

You should expect a wait time of 1-7 Days to incorporate an IBC in BS. The types of currencies you can use to fund your legal entity is often BSD, USD, and Any legal tender.

Yes, one is allowed to re-domicile an IBC from BS. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own an IBC in BS by yourself. Corporate Shareholders are encouraged, which means you can have a corporate shareholder. Foreign ownership is tolerated, up to 100% of the ownership of the IBC.

An IBC is only required to have 1 director on the board. Speaking of shareholders, corporate directors are permitted. Directorship information is usually not shared with the general public.

A registered legal firm must be retained for an address, paid by the company on an annual basis, for a professional firm which can receive a service of process on behalf of the company. A related requirement, a corporate secretary is not always necessary, at least not by law.

There is a not currently a requirement to file annual returns. This won't exclude the business or its owners from additional tax or reporting obligations elsewhere and you would be wise to receive personal advice on your own tax obligation. On that note, there is not typically a requirement to have these accounts audited.

Overall we think Bahamas is a good option and have given it a score of 84 as an IO score, using the Incorporations.IO proprietary formula.

- ✓ **Directors not disclosed in a public registry**
- ✓ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ✓ **Local Director not required**
- ✓ **Electronic signature**

- 1 **Shareholders required**
- 1 **Directors required**
- 1-7 Days **to form**



BAHAMAS

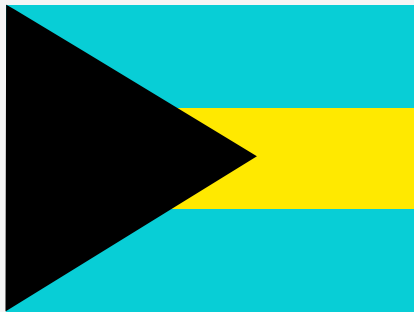
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Country Info



🏴 National Flag of

**Commonwealth of the
Bahamas (eng)**

\$ Currency

BSD

☎ Area Code

+1242

🏰 Capital

Nassau

✈ Region

Caribbean

🌿 Native Languages

English