



Business Licence Certification Requirement

February 1st, 2016 (Nassau, Bahamas) - The public is reminded that the deadline for the submission of all 2016 business licence renewal applications was January 31st, 2016. Renewal applications should have been submitted by this time to avoid the late application penalty of \$100. Businesses should settle licence fees by March 31, 2016 to avoid the late payment penalty.

Further, the public is reminded that the Business Licence (Amendment) Regulation, 2015 requires businesses with a turnover of \$100,000 or more to have their turnover certified. Certifications can be submitted up to March 31st 2016 without any penalty but will only be accepted from accountants who are licenced by the Bahamas Institute of Chartered Accountants (BICA) and who are independent from the entity for which they are providing certification.

All certifications must include the following information:

1. Whether the business is a part of a VAT Group or a **Parent Subsidiary Relationship** – Section 8(2) of the Business Licence (Amendment) Act, 2013 requires that “where a business is a body corporate, a subsidiary of a company shall pay business licence tax at the same rate as applies to its parent company”. Where such a relationship exists, a declaration must be made to that effect.
2. **Turnover** – “Total revenues in money and monies worth accruing to a person from his business activities in The Bahamas during the preceding year or in such other accounting period as the Secretary may allow, including all cash, credit sales and commissions without any deductions whatsoever;...”
3. **Period Covered by Certification** - Business licence fees are calculated on the turnover generated during the previous calendar year. In the case of the 2016 business licence, fees are calculated on the turnover generated from 2015 calendar year.
4. Confirmation that the Accountant providing the certification is independent from the entity from which the certification is being provided.

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