BARBADOS

PRIVATE COMPANY LIMITED BY SHARES

CLIENT GUIDE 2026

Company formation, international holding benefits, taxation and annual compliance

Professional company formation and ongoing corporate administration

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COMPANY FORMATION OVERVIEW

Barbados Private Company at a Glance

A Barbados company incorporated under the **Companies Act, Cap. 308** is a separate legal entity from its shareholders. A private company may be formed by one or more competent incorporators and can have a single shareholder/director structure.

Topic	Current legal / practical position
Incorporator / shareholder	One or more competent individuals or bodies corporate may incorporate a company. CAIPO expressly confirms that a one-person company is permissible.
Director	A private company must have at least **one director**.
Registered office	A company must at all times maintain a registered office in Barbados.
Share structure	Articles specify the classes and any maximum number of shares authorised, rights/restrictions and director structure. No general statutory minimum paid-up capital is stated in CAIPO's current incorporation guidance.
Incorporation fee	**BDS $750** for Form 1 incorporation, plus **BDS $30** for name reservation.
Processing	CAIPO states approximately **5 business days or less** for incorporation.
Corporate income tax	From income year 2024, the general corporation tax rate is **9%**. Approved small businesses meeting the statutory conditions may qualify for **5.5%**.
VAT	Standard VAT **17.5%**; current registration threshold **BDS $200,000 annually**.
Capital gains	Barbados does **not impose a general capital gains tax**.

Key Benefits for International Clients

• 9% general corporation tax under the post-2024 corporate tax regime.

• 5.5% rate for qualifying approved small businesses with gross income of BDS $2 million or less.

• No general capital gains tax.

• Potential exemption for qualifying dividends received from a non-resident subsidiary where the Barbados company holds more than 10% and the investment is not a portfolio investment.

• Potential 0% Barbados withholding tax on dividends paid to a non-resident shareholder where the dividend is derived from foreign-source income.

• Single shareholder / single director company possible.

• Established treaty and international-finance jurisdiction.

• International shipping and specified insurance businesses have separate preferential/special tax regimes.

Important 2026 Tax Position

Barbados is attractive - but it is not a blanket 0% company jurisdiction

The general corporate income-tax rate is **9%**, not 0%. The old international-business/offshore regimes were closed to new entrants. However, Barbados retains important holding-company advantages, including no general capital gains tax and specific dividend exemptions.

The 2024 Corporation Tax Reform changed the general corporate rate to 9%. Qualifying approved small businesses with gross income of BDS $2 million or less can apply a 5.5% rate. International shipping retains the separate 5.5%-to-1% sliding scale, while insurance and in-scope multinational groups have their own rules.

Shareholders, Directors & Corporate Structure

Topic	Current legal / practical position
Shareholders	A company may be formed by one or more competent persons; corporate incorporators are permitted.
Director	At least one director for a private company.
Single-person company	CAIPO confirms a single incorporator may be the sole director, officer holder and shareholder.
Registered office	Must be maintained in Barbados at all times.
Secretary	Companies use the statutory secretary framework; appointment/change/cessation is notified through Form 9A.
Beneficial ownership	Accurate and up-to-date basic and beneficial ownership records must be maintained at the registered office.

Share Capital

The Articles of Incorporation specify the classes and any maximum number of shares the company is authorised to issue and the rights, privileges, restrictions and conditions attaching to them. CAIPO's current incorporation guidance does not state a general statutory minimum paid-up capital for an ordinary private company.

Use commercially appropriate capital

A flexible statutory share structure does not remove the need for adequate business funding. Banks, counterparties, regulators and service providers may expect capital and liquidity appropriate to the company's intended activities.

Corporate Income Tax - 9%

Barbados' enacted Corporation Tax Reform provides a **9% general corporation tax rate from income year 2024**. A company registered as an approved small business under the Small Business Development Act, with gross income of **BDS $2 million or less**, may qualify for a **5.5%** corporation tax rate.

Residence & Worldwide Income

The Barbados Revenue Authority states that a company is tax resident where its **central management and control** is located in Barbados and is domiciled in Barbados where incorporated there. A resident and domiciled company is taxed on worldwide income. This means foreign customers or foreign-source trading income do **not** automatically create a 0% result.

Holding Company - Foreign Dividends

A particularly valuable statutory exemption applies where a Barbados resident company receives dividends from a non-resident company and holds **more than 10% of the capital** of that company, provided the shareholding is not held solely as a portfolio investment. The Barbados Revenue Authority confirms that qualifying dividend income is not subject to corporation tax.

Dividends Paid to Non-Residents

The general domestic withholding rate on dividends from taxed profits to a non-resident is **15%**, subject to treaty relief and statutory exemptions. Importantly, the Income Tax Act exempts dividends paid by a resident Barbados company to a non-resident shareholder where those dividends are derived from **income earned from sources outside Barbados**. This can produce a genuine **0% Barbados dividend withholding** result in a qualifying international holding structure.

Capital Gains

The Barbados Revenue Authority states that there is **no tax on capital gains**. Transaction-specific property transfer taxes, stamp duties or income-characterisation issues can still arise and should be reviewed separately.

VAT

The standard VAT rate is **17.5%**. The current mandatory registration threshold published by BRA is **BDS $200,000 annually** (BDS $16,667 monthly). Certain supplies are zero-rated or exempt, and special rates apply to specified sectors/services.

Formation Process & Documents Required

1. Structure/tax review **2.** KYC/UBO and name preparation **3.** Name reservation **4.** Form 1 / registered office / directors **5.** CAIPO incorporation **6.** BRA tax/VAT registration, banking and ongoing compliance

CAIPO requires an approved **Form 33 name reservation** before Form 1 can be filed. The integrated incorporation e-form includes the registered-office and director information that historically appears in Forms 4 and 9.

Official Fees & Timing

CAIPO's current fee schedule and incorporation page state an official **BDS $750** incorporation filing fee plus **BDS $30** for name reservation. Processing is approximately **5 business days or less**. These are official fees only and exclude BRIS professional, registered-office, legal, accounting and other service charges.

Documents Required from the Client

- Passport / acceptable identification for shareholders, directors, officers and UBOs.
- Recent proof of residential address.
- For corporate shareholders: certificate/extract, constitutional documents, directors and full ownership chain.
- Proposed company name and business activities.
- Proposed Barbados registered office.
- Proposed share classes, shareholdings and director/officer structure.
- Expected countries of operation, customers/suppliers, turnover and transaction profile.
- Source-of-funds and, where appropriate, source-of-wealth evidence.
- Information needed to establish management/control and intended tax residence.
- Certified documents, apostilles/legalisation and professional references where required.

Beneficial Ownership & Corporate Records

Companies must maintain at the registered office an up-to-date record of basic and beneficial ownership, articles and by-laws and amendments, minutes and shareholder resolutions, statutory notices, shareholder registers and adequate accounting records. The annual-return certification also addresses maintenance of shareholder and beneficial-ownership information.

Annual Return

CAIPO states that domestic companies generally file **Form 35**. Companies incorporated from January to June file by **30 June**; those incorporated from July to December file by **31 December** in each succeeding year, subject to statutory exemptions. Late filing can attract BDS $10 per day up to BDS $3,000. The annual-return filing fee is currently **BDS $100**.

Corporate Tax Return & Financial Statements

Corporation tax returns are filed electronically through **TAMIS** and financial statements are required as supporting documents. BRA's ordinary filing timetable is March 15 for companies with fiscal year-ends January-September and June 15 for October-December year-ends, although administrative extensions can be granted, as occurred for income year 2025 filings in 2026.

Economic substance remains relevant

BRA's 2026 corporate filing guidance specifically requires entities conducting a Relevant Activity and subject to Economic Substance Requirements to complete and upload the Economic Substance Schedule. International companies should therefore review substance alongside tax residence, not merely the headline 9% rate.

Annual Compliance Checklist

- ■ Maintain Barbados registered office and current CAIPO particulars.
- ■ Maintain directors, officers, shareholders and beneficial-owner records.
- ■ File Form 35 annual return where required and pay the prescribed fee.
- ■ Maintain adequate accounting records and financial statements.
- ■ File corporation tax return in TAMIS and pay/prepay tax as required.
- ■ Complete Economic Substance Schedule where relevant.
- ■ Register/file VAT where the threshold or other registration conditions are met.
- ■ Review 9% / 5.5% / special-sector tax eligibility annually.
- ■ Review dividend exemption and withholding-tax treatment before distributions.
- ■ Review treaty relief and foreign-tax credits for cross-border income/payments.
- ■ Maintain payroll/PAYE and third-party information reporting where applicable.
- ■ Maintain bank/service-provider AML/KYC and evidence of genuine business activity.

International Holding & Tax Planning

Barbados can be attractive as a substantive international holding jurisdiction. The modern framework combines a **9% general corporation tax rate**, no general capital gains tax, a qualifying exemption for dividends received from a non-resident subsidiary where the Barbados company holds more than 10% (and the investment is not a portfolio investment), and a statutory exemption from Barbados dividend withholding where a resident company distributes dividends derived from foreign-source income to a non-resident shareholder.

This is not the old Barbados IBC regime

The historical international-business regimes were closed to new entrants from 31 December 2018. New companies should be structured under Barbados' modern unified corporate-tax framework, not marketed as old-style 1%-2.5% IBCs.

Large Multinational Groups

Barbados has implemented a Corporation Top-Up Tax framework for in-scope multinational enterprise groups under the OECD/G20 global minimum-tax rules. BRA issued further guidance in June 2026. In-scope groups require specialist Pillar Two analysis and should not rely solely on the domestic 9% rate.

How BRIS Group Supports You

Structure & tax review - Review the 9% regime, approved-small-business rate, foreign-dividend exemption, withholding exemptions, treaty position and economic substance.

Formation - Coordinate name reservation, Articles, registered office, directors and CAIPO incorporation.

KYC / UBO - Coordinate shareholder, director, officer, beneficial-owner and source-of-funds/wealth due diligence.

Accounting & compliance - Coordinate bookkeeping, financial statements, TAMIS corporation tax, VAT, annual returns and economic-substance reporting.

Banking - Prepare corporate/KYC documentation and coordinate banking introductions where available.

Professional Fees & Quotations

Tailored quotation

This guide is informational and is not a fee quotation. BRIS Group professional fees, CAIPO/government charges, registered-office services, accounting/tax, substance support, certifications, banking support and other optional services are quoted separately according to the required work.

Important Legal Notes & Official Sources

Barbados is not a blanket 0% foreign-source company jurisdiction. The enacted post-2024 general corporate rate is 9%. Genuine international holding benefits nevertheless exist, including qualifying foreign-dividend exemption and, in specified circumstances, 0% Barbados withholding on dividends paid from foreign-source income to non-resident shareholders.

Official sources reviewed: Corporate Affairs and Intellectual Property Office / Business Barbados - Companies Act Cap. 308, incorporation, fees, annual returns and beneficial ownership; Barbados Parliament - Corporation Tax Reform 2024 and Income Tax amendments; Barbados Revenue Authority - residency, corporation tax, VAT, filing/payment and 2026 economic-substance guidance; Financial Services Commission Barbados - official international-finance guidance; Corporation Top-Up Tax Act 2024-16.

Source hierarchy used for the 2026 tax rate

Some indexed BRA informational material still shows pre-reform sliding rates. This guide follows the **enacted 2024 legislation and official reform framework**: general corporation tax is **9%**, with the statutory 5.5% approved-small-business exception and separate special regimes.

Information reviewed: August 2026. Tax residence, treaty entitlement, economic substance, small-business approval, dividend exemptions, withholding, Pillar Two and regulated activities should be reconfirmed for the client's actual circumstances.

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