

Changes to the Companies Act of Barbados

We take this opportunity to draw your attention to key provisions of the recently enacted Companies (Amendment) Act, 2019-51 (“the Act”).

Changes to the annual returns filing deadline

The Companies Act, Cap. 308 requires every company except an external company to file with the Registrar of Companies (“the Registrar”) an annual return and to pay the prescribed fee of \$100.00 at the time of filing. Section 15A (1) has been amended to impose new deadlines for the filing of annual returns. The deadline dates are now determined by the date of incorporation of the company as follows:

- If incorporated between 1 January and 30 June in any year, the company shall file its annual return **no later than 30 June**; and
- If incorporated between 1 July and 31 December in any year, the company shall file its annual return **no later than 31 December**.

A company in default of complying with these requirements is liable to a penalty, not exceeding \$3,000, of \$10 payable to the Registrar for every day during which the default continues.



Companies exempt from filing annual returns

The Act adds another category to the list of companies exempt from filing annual returns. According to the amended Section 15A(7)(h) of the Companies Act, the requirement to file an annual return and pay the prescribed fee does not apply to a company, the gross revenue of which exceeds \$1,000,000. The level of revenue is to be adjudged with reference to the most recent financial statements required to be filed in accordance with Section 147 of the Companies Act.

However, this exemption does not apply where the company is a service provider holding a license under the Corporate and Trust Service Providers Act, 2015-12 (“the CTSP Act”).

Companies requiring licensed service providers

Of critical importance is the new requirement for certain companies to have their corporate services performed by a service provider licensed under the CTSP Act.

A company which generates in excess of \$1,000,000 in gross revenue shall have its corporate services performed by a service provider licensed under the CTSP Act. This requirement does not apply where the company is also licensed or registered under any of the following legislation:-

1. The Financial Institutions Act, Cap. 324A;
2. The Financial Services Commissions Act, 2010-21; or
3. The Corporate and Trust Services Providers Act, 2015-12.



External companies requiring licensed service providers

An external company is required to have its corporate services provided by a service provider licensed under the CTSP Act irrespective of its level of gross revenue. Where an external company is also licensed or registered under the Financial Institutions Act, Cap. 324A or the Financial Services Commissions Act, 2010-21, the licensed service provider requirement will not apply.

Timing for compliance with licensed service provider requirement

Both domestic companies which generate in excess of \$1,000,000 in gross revenue and external companies will be required to satisfy this requirement within 180 days from the date of commencement of the Act, or within 180 days of meeting the characteristics described, whichever is later.

Timeline for Annual General Meetings

The directors of the company must call an annual meeting of shareholders within 18 months after the company comes into existence, and subsequently **no later than 12 months after holding the last preceding annual meeting**.

Other important amendments

- The register of shareholders must show the name and last known address of each shareholder; a statement of the shares held by each shareholder; the dates on which the shareholder began to hold the shares; and the date on which the shareholder ceased to hold shares.
- The Registrar will not approve the revival of an external company or domestic company unless the company files such documents required by the Registrar, pays the prescribed fee, and ensures that all penalties and fees due and outstanding at the time of cancellation or dissolution are paid in full.
- Articles of dissolution must be accompanied by the relevant clearance certificates and must state the name and address of the person appointed to take custody of the documents and records of the company upon dissolution.
- Any person granted custody of records after dissolution must not only retain the documents and records for **6 years** from the date of dissolution but must produce them where so required.



Please take careful note of these important changes and feel free to contact our PwC Corporate Services team should you require any assistance.

Ronaele Dathorne-Bayrd

T: +1 246 626 6652

E: ronaele.dathorne-bayrd@pwc.com



Lisa Kadirullah

T: +1 246 626 6650

E: lisa.kadirullah@pwc.com



Deidre Marquez-Padmore

T: +1 246 626 6680

E: deidre.marquez-padmore@pwc.com



Ava-Marissa Lee

T: +1 246 626 6816

E: ava-marissa.lee@pwc.com

