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PwC Barbados Tax and Legal Services

**Solutions for medium-sized MNEs and
private businesses**



Strictly private and confidential



Discover the unique business advantages of Barbados with PwC

1. Achieve tax efficiency

We help you to utilize the tax benefits offered by Barbados which include:

- No capital gains tax
- Dividend exemption
- 9% standard corporate tax rate
- Extensive double taxation treaty network
- Availability of foreign tax credits

We can navigate you through the tax effective structuring of your operations to support greater profitability for your group.

3. Operational efficiency

Barbados has a stable political and economic environment with qualified and experienced professionals available locally. Centralising your operations can lead to significant cost savings and minimise the number of systems and processes required.

Your tax strategy should be led by your business needs. A Barbados hub can offer improved operational efficiency.

Improve margins

One-stop solution

Generate Sustainable Value

Lower operational costs

Achieve efficiencies

2. Turn-key operational and governance support

We make your international expansion easier through:

- Legal, governance and tax structuring support
- Outsourcing of operational functions to PwC
- Support with your immigration and local hiring processes

We support your operations with the right expertise, add value to your business and meet economic substance requirements.

4. Global teaming with PwC

We work with our global PwC network across the jurisdictions in which you operate to provide seamless advice that aligns both operational and tax strategies to deliver cost efficiency and revenue growth across your group.

We provide you with access to knowledge and expertise across the PwC network to support your growth strategy.

Identifying and generating value for you

Key opportunities – Opportunities to improve your tax and operational efficiency through a Barbados hub

Centralised treasury and asset management

Centralised treasury hub with key functions outsourced to PwC under the supervision of the Board of Directors and the group's treasury function.

A centralised treasury hub in Barbados can offer your group the following benefits:

- less expensive capital
- opportunities for reinvestment into business
- improved cash flow
- reduced financial risks and associated costs
- strategic planning capabilities
- greater efficiency and streamlined processes

Warranty services

A group in the manufacturing or retail industry can establish a company in Barbados to manage and administer group warranties offered to third-party customers. This can allow the group to tailor its warranty coverage to best suit its operational needs.

The benefits of a Barbados warranty company include:

- improved operational efficiency
- increased revenue through sale of extended warranties and service contracts
- greater ability to manage risk through direct control over the claims process

Mining, streaming and headquarter services

A management headquarter and holding company in Barbados enables the group to have greater access to foreign investment, where such access is subject to restrictions in other jurisdictions.

The tax treatment of streaming activities generally follows the applicable accounting treatment.

The risk of double taxation can be mitigated through the use of available tax treaties.

Research and development (R&D) innovation hub

A centralised R&D hub for the development and/or management of IP in Barbados has benefits both with respect to tax efficient management of income arising from the IP as well as any exit or migration of the IP, as there is no capital gains tax on disposal of the asset.

Identifying and generating value for you

Challenge - Your current operating model results in a high effective tax rate (ETR)

Our solution – Manage your effective tax rate through tax planning

Transfer key value added functions or shared services to a hub in Barbados to benefit from the Barbados rates of 0%-9% on the profits generated from those functions.

No capital gains tax

Barbados does not impose capital gains taxes. The absence of capital gains taxation is particularly advantageous for investors looking to expand their portfolios through the acquisition and holding of assets.

Foreign tax credits

Foreign tax credits can operate to reduce your effective tax rate to 1%.

Dividend exemption

Dividends received from a non-resident company are not subject to tax where the Barbados holding company owns more than 10% of the capital of the non-resident company and the investment is not held as a portfolio investment.

There are no withholding taxes on dividends paid by a Barbados holding company to a non-resident shareholder where dividends are paid out of income derived from sources outside of Barbados.

Extensive double taxation treaty network

Barbados has an extensive network of double taxation treaties with over 40 countries.

These treaties are strategically designed to prevent double taxation, ensuring that investors do not face taxation on the same income in multiple jurisdictions.

Corporate tax rates and incentives

- 0%-2% tax rate on insurance business
- 4.5% tax rate on qualifying intellectual property income
- 5.5%-1% tax rate on international shipping business
- 9% standard corporate tax rate

Up to 50% refundable tax credit on research and development (R&D) expenditure.

Up to 100% refundable tax credit on payroll expenditure.

Productivity and innovation tax credit of up to 25% of qualifying expenditure.

Identifying and generating value for you

Challenge – You are seeking to lower your operational costs to improve margins

Our solution – Utilise the operational efficiency of a hub located in a lower cost jurisdiction / Turn-key operational support – PwC managed services

A centralised hub in Barbados for shared services or dedicated functions can improve both operational and tax efficiency for your group.

Operational support from PwC ensures that, even if you currently have no operations in Barbados, you can quickly and cost effectively build sufficient capacity in your new operations to add value to your group and meet the compliance requirements for economic substance and transfer pricing.

Outsourcing of key functions

Our managed services offering enables you to outsource core income-generating activities to PwC to ensure that these are conducted in Barbados in an efficient and cost-effective manner while satisfying economic substance requirements.

PwC can further:

- support your governance and management and control requirements;
- facilitate the tax, immigration and payroll process of employees you hire locally or transfer to Barbados;
- support recruitment and capacity building of your team with locally based personnel.

Political and economic stability

Barbados offers a stable political and economic environment, which provides foreign companies with a secure and predictable setting for their operations, reducing risks associated with political unrest or economic volatility.

Lower labour costs

The cost of labour in Barbados is generally lower compared to many English speaking developed countries, as well as comparable international financial services centres. This allows companies to reduce their operational expenses and increase profitability, while maintaining a high standard of living for employees.

Streamlined processes

Centralising your business functions in Barbados makes it easier for your group to consolidate operations and improve overall efficiency and coordination.

Identifying and generating value for you

Challenge – Maintaining consistent quality as your business expands internationally

Our solution – Our global PwC network partnering with you

Central contact

Designate a single PwC point of contact for better control and visibility of the services offered. This contact can either be for your operations in Barbados or we can report through to your key PwC contact in your head office jurisdiction.

PwC's integrated approach involves collaboration and communication with other PwC teams supporting your business, enhancing efficiency and productivity across various functions and geographies for a seamless experience.

Consistency and quality control

PwC provides a standardised approach to service delivery, ensuring consistent quality and control across all regions.

Working with PwC across the group helps in maintaining high standards and uniformity in services.

Access to specialised resources and expertise

PwC's global network offers access to a wide range of specialised resources and expertise.

This allows you to leverage PwC's deep knowledge in various areas, from tax and legal services to consulting and technology.

Let's talk



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At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 151 countries with more than 364,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

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