

Barbados issues updated guidance on country-by-country reporting

October 19, 2022

In brief

The Barbados Revenue Authority (BRA) on September 23 issued updated guidance (Barbados Revenue Authority (2022), Guidance Note P&F No. 10/2022) on implementation of country-by-country reporting (CbCR). In addition, the BRA issued taxpayer CbCR notification forms for electronic filing and provided access details to the CbCR filing portal. The guidance, in the form of frequently asked questions, aligns with the recommended OECD BEPS Action 13 guidance on implementation of CbCR (OECD (2019) Guidance on the Implementation of Country-by-Country Reporting).

Takeaway: Country-by-country reports are a key tool by which tax authorities can assess tax and transfer pricing risks arising from transactions undertaken by tax-resident entities. Barbados currently has a requirement for transactions with related parties to be conducted at arm's length. Further, the government indicated in the 2019 national budget that it intends to enact specific transfer pricing legislation.

Entities subject to CbCR requirements in Barbados should (1) review whether related-party transactions with entities in Barbados would meet the arm's-length standard and (2) take any needed steps to comply with CbCR notification and filing deadlines for Barbados.

In detail

Scope of the CbCR requirements in Barbados

An entity that is tax resident in Barbados would fall under the scope of the provisions where:

- the entity is a constituent of a multinational enterprise (MNE) group; and
- the MNE group has total consolidated group revenue equal to or greater than USD 850 million during the fiscal year immediately preceding the reporting fiscal year.

Effective date

The first reporting fiscal year is any fiscal year beginning on or after January 1, 2021.

Filing of reports

CbCR reports must be filed within 12 months after the end of the fiscal year of the ultimate parent.

MNE groups with an ultimate parent located outside of Barbados may be required to file the report locally in Barbados in circumstances where the CbC report would not be automatically exchanged with the Barbados Revenue Authority. The CbCR [portal](#) for filing reports was open as of September 23, 2022.

There is a penalty of BDS10,000 for failure to comply with the filing requirements.

Notification requirements

All resident constituent entities of an MNE Group must complete an electronic notification form on an annual basis to provide requested information on the entity that will be filing the CbC report for the respective fiscal year.

The standard notification deadline is the last day of the reporting fiscal year of the MNE group. A transitional deadline of October 15, 2022 was provided for fiscal years commencing on or after January 1, 2021 and ending on or prior to September 20, 2022.

Let's talk

For a deeper discussion of how the updated guidance might affect your business, please contact:

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