

POLICY NOTE

Reference No.	OGC: 08 /2025
Title	Corporation Tax
Subtitle	Eligibility Criteria for 5.5% Tax Rate and Prepayment Obligations
Purpose	This Policy Note serves to inform companies of their eligibility for the 5.5% tax rate, as well as their prepayment obligations.

Eligibility Criteria

Effective January 1, 2024, a company may qualify for a 5.5% tax rate on its taxable income (i.e. income earned after January 1, 2024) if it meets the following conditions:

- (1) The company has gross income of \$2,000,000 or less;
- (2) The company has paid-up capital of \$1,000,000 or less;
- (3) The company has no more than 25 employees;
- (4) At least 75% of the shares of the company are beneficially owned by a resident of Barbados; and
- (5) Where the company is a member of a group, all members of the group must meet the criteria (1) through to (4).

The following companies do NOT qualify for the 5.5% tax rate:

- (a) **Holders of Foreign Currency Permits:** A company, firm, or society that earns 100% of its income in foreign currency and that has been granted a Foreign Currency Permit.
- (b) **Tax Concessions:** A company which has been granted a tax concession or exemption under any other enactment including a company operating under the *Tourism Development Act*, Cap. 341. This excludes a company which is an Approved Small Business under the *Small Business Development Act*, Cap. 318C.
- (c) **Holding Companies:** A company whose primary purpose is holding shares in other companies or holding real estate.

Prepayment Obligations

A company that qualifies for the 5.5% tax rate will continue to prepay twice in each income year, the same as it was before.

A company that qualifies for the 5.5% tax rate is NOT required to make monthly prepayments as its prepayment obligations have not changed.

Prepayments are based on the tax payable from the previous income year.

Payment Schedule*

Fiscal Period	First Prepayment	Second Prepayment	Remaining Balance
1st January to 30 th September	50% due by 15th September	None	Due when filing the return by 15th March
1st October to 31st December	50% due by 15th December	50% due by 15th March	Due when filing the return by 15th June

*this is as it was before for small businesses.

Prepayment Determinations*

Newly formed companies are required to enter an estimate of taxable income and thereafter make the appropriate prepayments.

Companies requesting a reduction in prepayments should do so by requesting a determination of prepayments payable from the Barbados Revenue Authority.

Adequate supporting documentation **MUST** be submitted for consideration.

*this is as it was before for small businesses.

Filing

Companies are reminded that they are required to submit their tax returns by the following deadlines, based on the end of their fiscal period:

Fiscal period end	Return due date
1st January to 30th September	15th March of the following year.
1st October to 31st December	15th June of the following year.

How to Pay Corporation Tax/Pre-payments

Online

Corporation tax (including prepayments) must be paid online through the Tax Administration Management Information System (TAMIS) at <https://tamis.bra.gov.bb>.

How to Pay Online:

- (1) Log in to TAMIS and navigate to the payment tab on the payments page.
- (2) Choose your payment method: You can pay using a credit card or by debit account (bank-to-bank transfer).

By Wire Transfer

For payments in **Barbadian Dollars (BBD)**, please use the following bank account for wire transfer:

<p>Bank Name: Republic Bank (Barbados) Limited SWIFT Code: BNBABBBB Branch Code: 00002 Beneficiary Name: Barbados Revenue Authority Beneficiary Address: 4th Floor, Weymouth Corporate Centre Beneficiary Account Number: 018313262002</p>
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For payments in **United States Dollars (USD)** via wire transfer please use the following bank account:

<p>Bank Name: Wells Fargo Bank, New York SWIFT Code: PNBPUS3NNYC ABA Code: 026005092 For Credit To: FirstCaribbean International Bank (Barbados) Limited SWIFT Code: FCIBBBBB Beneficiary Name: Barbados Revenue Authority Beneficiary Account Number: 1001235129</p>
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In-person or by cheque

Payments can be made at any of the Barbados Revenue Authority offices listed below, using a cheque, cash, or card.

To facilitate the payment process, please generate the Electronic Payment Advice (EPA) in the TAMIS system and present it to the cashier along with the appropriate funds.

If you choose to pay by cheque, please write the EPA number on the back or attach a printed version of the EPA.

Additionally, you may deposit the cheque and the EPA in one of the designated drop boxes located at the BRA offices. Thank you for your attention to these details.

Locations	Opening Hours
Bridgetown Street Mall, Bridge Street, Bridgetown	7:30 a.m. - 3:30 p.m.
Warrens Tower II, Warrens, St. Michael	7:30 a.m. - 3:30 p.m.
Holetown Public Centre, Holetown, St. James	7:30 a.m. - 3:30 p.m.
Southern Plaza, Oistins, Christ Church	8:15 a.m. - 3:30 p.m.
Pine East-West Boulevard	7:30 a.m. - 4:30 p.m.

Penalties and Interest

The penalties and interest for failing to file a return on time and pay the corporation tax due are as follows:

- Penalty for failing to file a corporation tax return by the due date is BBD 500 plus 5% of the tax assessed at the due date.
- Penalty for failing to pay corporation tax by the due date is 5% of the tax assessed and unpaid at the due date.
- Interest charge of 1% per month on the tax and penalties calculated for each month during which any amount of tax and penalties remain unpaid on the largest amount of tax and penalties that were due and unpaid at any time during that month.

The penalty for failing to make a prepayment of corporation tax by the due date is 10% of the prepayment due, plus interest at 0.5% per month on the outstanding prepayment.

**Office of the General Counsel
Barbados Revenue Authority
January 2025**