



*EXTRAORDINARY*  
**OFFICIAL GAZETTE**  
**THE BAHAMAS**  
PUBLISHED BY AUTHORITY

---

NASSAU

21<sup>st</sup> December, 2018

---

# REMOVAL OF PREFERENTIAL EXEMPTIONS ACT, 2018

## Arrangement of Sections

---

### Section

1.	Short title and commencement.....	2
2.	Application of Act.....	2
3.	Removal of certain preferential exemptions.....	2
4.	Conflict with Act.....	3
5.	Savings. ....	3



(No. 31 of 2018)

## REMOVAL OF PREFERENTIAL EXEMPTION

ACT, 2018

### AN ACT TO REMOVE EXEMPTIONS FOR A CERTAIN CATEGORY OF COMPANIES OR ENTITIES INCORPORATED IN THE BAHAMAS

[Date of Assent – 20<sup>th</sup> December, 2018]

Enacted by the Parliament of The Bahamas

**1. Short title and commencement.**

- (1) This Act may be cited as the Removal of Preferential Exemptions Act, 2018.
- (2) This Act shall come into force on a date to be appointed by the Minister to be published by notice in the *Gazette*.

**2. Application of Act.**

This Act applies to a company or entity, the operations of which are or are intended to be exclusively carried on outside of The Bahamas, and which is entitled to preferential exemptions and —

- (a) such exemptions are not afforded to a company or entity, the operation of which is carried out in The Bahamas; or
- (b) that company or entity is not authorized to operate within The Bahamas.

**3. Removal of certain preferential exemptions.**

- (1) From the date of commencement of this Act, every company or entity to which this Act applies, shall be subject to the payment of any tax which is non-nominal meaning that it is not equal to zero or almost zero.
- (2) Any provision of any of the Acts specified in the first column of the *First Schedule* which grants exemption from any tax to a company or entity which is preferential to those accorded to any other company or entity the

operations of which are carried out in The Bahamas, shall have no force or effect from the date of commencement of this Act.

- (3) Without prejudice to the generality of subsection (2), the Acts specified in the first column of the *First Schedule* shall be amended to the extent specified in the second column of the *First Schedule*.
- (4) For the purposes of this section, a “company or entity” means a body incorporated, registered or continued in accordance with —
  - (a) the International Business Companies Act (*Ch. 309*);
  - (b) the Exempted Limited Partnership Act (*Ch. 312*);
  - (c) the Investment Condominium Act, 2014 (*No. 38 of 2014*); and
  - (d) the Executive Entities Act, 2011 (*No. 52 of 2011*).

#### 4. Conflict with Act.

Nothing in this Act shall be deemed to derogate from the —

- (a) International Business Companies Act (*Ch. 309*);
- (b) Exempted Limited Partnership Act (*Ch. 312*);
- (c) Investment Condominium Act, 2014 (*No. 38 of 2014*);
- (d) Executive Entities Act, 2011 (*No. 52 of 2011*); or
- (e) Exchange Control Regulations Act (*Ch. 360*).

or any regulations made thereunder, and in the event of any conflict between the provisions of this Act and any of the aforementioned Acts or regulations, the provisions of this Act shall prevail.

#### 5. Savings.

- (1) Notwithstanding section 3, the period of exemption for a company or entity incorporated, registered or continued and in existence prior to the commencement of this Act specified —
  - (a) in subsection (8) of section 187 and section 187A of the International Business Companies Act (*Ch. 309*);
  - (b) in subsection (6) of section 17 of the Exempted Limited Partnership Act (*Ch. 312*); and
  - (c) in subsection (7) of section 25 of the Investment Condominium Act, 2014 (*No. 38 of 2014*),

is hereby saved and shall have force and effect until the expiration of the relevant period specified in the *Second Schedule*.

- (2) Notwithstanding the repeal of Part X of the International Business Companies Act (*Ch. 309*), a limited duration company incorporated, registered or continued thereunder shall continue to exist until the

expiration of the relevant period of duration stipulated in its Memorandum of Association as if the Part had not been repealed.

### FIRST SCHEDULE

(section 4 (3))

Act	Amendment
International Business Companies Act (Ch. 309)	(a) Repeal Part X  (b) Repeal Part XII
Exempted Limited Partnership Act (Ch. 312)	Delete section 17
Investment Condominium Act, 2014 (No. 38 of 2014)	Delete section 25
Executive Entities Act, 2011 (No. 52 of 2011)	Delete section 64

### SECOND SCHEDULE

(section 5(1))

Act	Specified Period
International Business Companies Act (Ch. 309)	A period of three years from the date of commencement of this Act.
Exempted Limited Partnership Act (Ch. 312)	
Investment Condominium Act, 2014 (No. 38 of 2014)	