



# A Guide to International Business Companies (IBC) of the Bahamas

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HONG KONG PANAMA

## Bahamas International Business Companies

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### KEY CORPORATE FEATURES

#### General

Type of Company	IBC
Type of Law	Common
Shelf company availability	Yes
Our time to establish a new company	2 - 5 days
Minimum government fees (excluding taxation)	US\$350
Corporate Taxation	Nil
Double Taxation Treaty Access	No
Share capital or equivalent	
Standard currency	US\$
Permitted currencies	Any
Minimum paid up	US\$1
Usual authorised	US\$50,000
Directors	
Minimum number	One
Local required	No
Publicly accessible records	Yes
Location of meetings	Anywhere
Shareholders	
Minimum number	One
Publicly accessible records	No
Location of meetings	Anywhere
Company Secretary	No

Aspen recommends the use of a professional company secretary to ensure prompt and correct compliance at the jurisdiction.

#### Accounts

Requirements to prepare	Yes
Audit requirements	No
Requirements to file accounts	No
Publicly accessible accounts	No

#### Recurring Government Costs

Minimum Annual Tax / Licence Fee	US\$350
Annual Return Filing Fee	Nil

#### Other

Requirement to file annual return	No
Change in domicile permitted	Yes

## **GENERAL INFORMATION**

The Bahamas extends in a 1,225 km arc from 78 km east of Palm Beach, Florida, to just north of Haiti. The Bahamas consists of an archipelago of approximately 700 islands and 2,400 cays.

### **Population and Political Structure**

The population of the Bahamas is approximately 310,000. In July 1973, the Bahamas gained its independence and became a Member of the Commonwealth of Nations. The Government follows a British Constitutional pattern and has a Prime Minister, Cabinet of Ministers, an appointed Senate, and a House of Assembly elected by the people to control and administer the day to day affairs of the Bahamas. The Head of State is HM Queen Elizabeth II and she is represented by a Governor General. The law of the Bahamas is based on English Common Law and the Court System, also modeled after the British system with Magistrates Courts, and a Supreme Court.

### **Infrastructure and Economy**

The Bahamas has excellent communications. There are direct flights from Europe as well as many US cities. Miami is only 30 minutes away and New York is less than three hours away.

### **Language**

The official and spoken language is English.

### **Currency**

Bahamas Dollar is on a par with the US Dollar.

### **Exchange Control**

Residents are subject to Exchange Control, but International Business Companies are exempted.

### **Type of Law**

Statute Law and Common Law based on English Common Law.

### **Principal Corporate Legislation**

International Business Companies Act 2000 and the International Business Companies (Amendment) Act 2004.

## **BAHAMAS COMPANY INFORMATION**

### **Procedure to Incorporate**

Registered Agent prepares the Memorandum of Association, which after being signed by the two subscribers is delivered to the Registry. The Articles of Association can either be filed at the same time as the Memorandum of Association or within 30 days from the date of incorporation.

### **Restrictions on Trading**

IBCs can conduct business with Bahamians and may also own Bahamian real estate, but local exchange

controls and stamp duty will apply in these cases. Unless government permission is granted, cannot undertake the business of banking, insurance, assurance, reinsurance, fund management, collective investment schemes, trust management, trusteeship, the rendering of investment advice or any other activity that would suggest an association with the banking or insurance industries. Cannot sell its own shares or solicit funds from the Public.

### **Registered Office Required**

Yes, must be maintained in the Bahamas at the address of a licensed management company or law firm together with a Registered Agent.

### **Name Restrictions**

Any name that has already been incorporated, or a name that is so similar as to cause confusion. Names such as royal or imperial. Any name which, in the opinion of the Registrar, is considered undesirable, obscene or offensive, or any name, which suggests the patronage of the Bahamas Government. Names containing the words: Bank, building society, savings, loans, insurance, assurance, reinsurance, fund management, investment fund, trust, trustees, Chamber of Commerce, university, municipal or their foreign language equivalents or any name in English or a foreign language that may suggest association with the banking or insurance industries all require special consent and/or licence.

The name can be in any language using the Latin alphabet. The Registrar may require an English translation to ensure that the proposed name is not on the list of restricted names.

All company names must end in with the suffix: Limited, Corporation, Incorporated, Société Anonyme, Sociedad Anónima, Gesellschaft mit beschränkter Haftung or the relevant abbreviations.

## **BAHAMAS COMPLIANCE**

### **Authorised and Issued Share Capital**

The normal authorised share capital is US\$50,000; divided in to 50,000 shares of US\$1, this being the maximum capital for the minimum duty payable at the time of incorporation and the maximum authorised share capital for the minimum licence fee payable annually. The share capital may be expressed in any currency. The minimum issued capital is either two shares of no par value or two shares of par value.

### **Classes of Shares Permitted**

Registered shares, shares of no par value, preference shares, redeemable shares and shares with or without voting rights.

### **Taxation**

The Bahamas is a pure tax haven and has no direct taxation in the form of income tax, capital gains tax, gift tax or inheritance tax.

## **Double Taxation Agreements**

The Bahamas is not a party to any double tax treaties.

## **Licence Fee**

Companies with an authorised share capital, with a par value, up to US\$50,000 pay the sum of US\$350 per year. Companies with an authorised share capital with a par value greater than US\$50,001 pay the sum of US\$1,000 per year.

## **Financial Statements Requirements**

The new rules in relation to section 67 of the Bahamas International Business Companies (Amendment) Act 2011 came into force on 1st January 2013.

Key Requirements are:

A company must keep reliable accounting records in relation to:

- all sums of money received and expended by the company and the manner in which this takes place, inclusive of all sales, purchases and other transaction
- the assets and liabilities of the company
- Records must be maintained for a minimum of five years from the date of the transaction to which they relate.

The Accounting Records maintained by the company must:

- correctly explain all transactions
- enable the financial position of the company to be determined with reasonable accuracy at any time
- allow financial statements to be prepared
- include the underlying documentation, including invoices, contracts and receipts.

The accounting records and underlying documentation may be maintained in the Bahamas or in another jurisdiction. Where the documentation is kept outside the Bahamas, the company must confirm in writing to its Bahamian registered agent the physical address where the records are kept and any changes in their location.

## **Directors**

The minimum number of directors is one. Directors may be natural persons or bodies corporate. They may be of any nationality and need not be resident in the Bahamas.

## **Company Secretary**

The International Companies Act 2000 makes no specific reference to a company secretary, but one is normally appointed to facilitate signing obligations.

## **Shareholders**

Minimum number of shareholders: two subscribers, but the shares can be transferred to a single person. A register of members needs to be maintained at the Registered Office but is not open to the public.

*The foregoing does not constitute legal advice and it is merely Aspen Global Incorporations opinion based on use and experience. If you are not a professional service provider, please consult a tax attorney, solicitor, and/or accountant before you pursue any venture in a tax free environment. Aspen Global Group will be glad to meet with you and assess your requirements. Legal evaluations in each jurisdiction are available at a time cost fee.*

*If you would like additional information on this jurisdiction or our current shelf list, please contact us at [enquiries@aspenoffshore.com](mailto:enquiries@aspenoffshore.com); or contact any of our offices.*

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