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| **RESPONSE TEMPLATE** |
| This template is intended to assist industry groups, businesses and private individuals respond to the questions outlined in the Green Paper. | General1. The Government of The Bahamas appreciates your participation in this important tax policy initiative. To ensure that the consultation is focused, we ask that respondents kindly observe the following guidelines:
	1. Utilize the template provided to organize and submit your responses to the questions outlined in the Green Paper and any general feedback you may have.
	2. In the space provided, identify yourself and, where applicable, the organization you represent to enable us to contact you, should clarification be needed.
	3. Be clear and concise in your comments.
2. Completed templates should be emailed to: GPCIT@bahamas.gov.bs

Consultation Period1. The public consultation is from May 17, 2023 to July 3, 2023.

Summary of Responses1. The Ministry of Finance will publish a summary of the main comments received on the Ministry of Finance’s website (www.bahamas.gov.bs/finance), together with its responses, by July 1, 2023. The identity of respondents will not be disclosed in the summary.

Documents to Download1. For reference, please click [here](https://www.bahamas.gov.bs/wps/wcm/connect/8085f4af-e0c1-46b7-aa0f-9a4aad4a09ab/Green%2BPaper%2Bon%2BCIT%28May2023%29_a.pdf?MOD=AJPERES) to download a copy of the Green Paper on Corporate Income Tax Strategies for The Bahamas. Alternatively, interested persons may visit the Ministry of Finance website at (www.bahamas.gov.bs/finance) for copies of this document.
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| **Date Submitted:** |  |
| **Name:** | Individual/company, institution or association and provide the name of a contact person. |
| **Contact Details:** | (e.g., email address; telephone number) |

| **#** | **Questions** | **Responses** |
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| **1.** | Do you agree with the characteristics of the existing Business Licence Fee system outlined here? Please provide any comments you have on the existing system. |  |
| **2.** | If your business benefits from reliefs to the Business Licence Fee (e.g., Heads of Agreement), what type of investment or employment activities has the benefit enabled your business to pursue?? |  |
| **3.** | Does your business have the relevant systems in place (e.g., accounting capabilities, technology) to benefit from the common deductions and exemptions for a corporate income tax listed here? If the answer is no, is this something which you would be able to achieve in the next 12-24 months? |  |
| **4.** | Considering the common deductions and exemptions for a corporate income tax system listed here (loss deduction, tax depreciation for goodwill/capital expenditure, R&D tax credits, limits on interest deduction), which would be of most relevance to your business? Please explain why. |  |
| **5.** | Considering types of business income, are there any exemptions that would incentivise investment or employment in your business? Please explain why. |  |
| **6.** | If your business is part of an organisation which falls into the remit of Pillar Two, are you aware that certain jurisdictions are seeking to implement Pillar Two rules with effect from January 2024? If yes, in which jurisdiction is your parent company located, and has there been an impact to your future business plans? Please outline your business response to the OECD Pillar Two initiative. |  |
| **7.** | Considering the feedback from the Business Advisory Committee, which points are of most relevance to your business, and why? Are there any feedback points which you strongly agree or disagree with? |  |
| **8.** | Are there any points of the preliminary feedback which you would like to elaborate on, or are there any omissions you would like to highlight? |  |
| **9.** | Considering the evidence presented on the domestic and international landscape, and given your own experience, are there any considerations for a CIT in The Bahamas missing from this list? |  |
| **10.** | If a CIT regime were adopted for all businesses, if your business is a small or medium sized business under the existing BLF system, would it be beneficial for businesses to have the option to elect to use a cash-flow based tax system (rather than one based on accruals accounting)? Please provide details of the potential advantages and disadvantages such a system may give rise to for your business. |  |
| **11.** | What are your views on the potential to remove the Business Licence fee system for all businesses and replace it with a CIT regime? |  |
| **12.** | Considering the design features of the CIT policy options outlined in Table 3, are there any assumptions that you agree or disagree with from the perspective of your business? For example, the treatment of losses, the treatment of depreciation and amortization, R&D tax credits or interest rate deduction. Please explain. |  |
| **13.** | Keeping practicalities with respect to data availability in mind, are there any other areas that might reasonably be assessed (quantitatively) in respect of the impact of CIT? Are there any other impacts which you would expect to see assessed? |  |
| **14.** | Given your understanding of the Bahamian economy, which of these options do you think increases the average tax burden for different firm types (size or sector) by an amount that best reflects economic activity? |  |
| **15.** | Considering the sector in which your business operates, and the formulation of the options being assessed, are the economic impacts as you would expect? Would you expect the impact on your sector of change from BLF to corporate income tax to be smaller or greater than that estimated for the economy? Please consider employment, investment, and output separately. |  |
| **16.** | If your business is part of an organisation which falls into the remit of Pillar Two, do you agree with the view that the introduction of a corporate income tax would not lead to a large change in direct investment into The Bahamas due to similar policy responses in competitor jurisdictions? Please explain your answer. |  |
| **17.** | If your business is part of an organisation which falls into the remit of Pillar Two, would your business consider relocating activity out of The Bahamas as a result of the introduction of a corporate income tax system such as those suggested in this consultation document? Please explain your answer, and where possible state the size of the impact in terms of employment and/or annual investment. |  |
| **18.** | If your business is within the scope of Pillar Two, would you be in favour of staggering the implementation of a new CIT system so that a QDMTT could be implemented with effect from January 2024? Please explain why. Would your view be different if implementing a QDMTT from January 2024 involved retroactive legislation? |  |
| **19.** | If your business is not within the scope of Pillar Two, do you have any concerns about staggering the implementation of a new CIT system? If so, please explain why? |  |
| **20.** | Is there any evidence missing from this qualitative risk assessment that should be considered by the Government? |  |
| **21.** | In your view, are there any additional steps that the Government should take in the planning and implementation stage of a corporate income tax? |  |
| **22.** | In the design stage with sector specific deep dives, which sectors would you expect to be considered? Please justify your answer and suggest areas which the Government might look at. |  |

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| **Summary of Comments:** |  |