

Bermuda issues public communication on CIT administration provisions



December 2024

In brief:

On 27 November 2024, the Government of Bermuda's Ministry of Finance released a public communication discussing certain administrative matters related to Bermuda Corporate Income Tax (CIT) following the first public consultation paper discussing CIT administration provisions which was released in August 2024. The primary focus of this guidance relates to the registration process for Bermuda CIT purposes as discussed in the August 2024 consultation paper.

Per this latest proposed guidance, the Government of Bermuda has determined that the Bermuda CIT registration process will be incorporated into the Annual Return with the Bermuda Registrar of Companies. As such, this public communication includes proposed amendments to the Company, Limited Liability Company and Partnership Laws in Bermuda to facilitate the administration of the Bermuda Income Tax Act 2023 (the Act).

In detail:

- The Ministry of Finance is proposing changes to various governance acts in Bermuda (e.g., the Companies Act 1981, the Exempted Partnerships Act 1992, etc.) to incorporate the required Bermuda CIT disclosures on the Annual Return which is filed with the Bermuda Registrar of Companies.
- The Government of Bermuda believes this process will reduce duplicative reporting / efforts for Bermuda entities given certain informational reporting items required for Bermuda CIT purposes are already reported annually to the Registrar.
- As proposed, two items will be added to the Annual Return:
 1. A question as to whether the Bermuda entity is a Bermuda Constituent Entity ("BCE") for Bermuda CIT purposes (i.e., 'in scope'). If the Bermuda entity believes it is not a BCE, such Bermuda entity must provide a reason as to why it has determined it is not a BCE (e.g., the Bermuda entity is not part of an In-Scope Multinational Enterprise, the Bermuda entity is an excluded entity as defined in the Act, etc).
 2. If the Bermuda company has determined that it is a BCE, a Bermuda 'representative entity' must be provided along with the requested contact information. This representative entity can be the entity completing the Annual Return or another related Bermuda tax resident entity.
- If Annual Return has been filed before the enactment of these proposed amendments, a further filing may be required by the Registrar without penalty.
- Per this public communication, further guidance on other administrative matters is expected in early Q1 2025. No significant changes are expected in relation to tax deposits and filings as discussed in the August 2024 public consultation. See [PwC's brief](#) specific to the August 2024 consultation paper for further details.

Suggested takeaways:

Businesses in Bermuda should familiarize themselves with the Act and potential impact including the CIT administrative provisions as discussed in recent guidance issued by the Bermuda Government. Companies should be prepared to respond to the new questions on the Registrar of Companies Annual Return as early as January 2025.

Our services:

PwC Bermuda offers consultation and advisory services for all aspects of Bermuda CIT. Our experts provide insights and recommendations specific to your business needs and will provide a suite of services including application of the law to all companies as well as comprehensive tax compliance assistance.

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