

Are you Compliant?

PwC Bahamas is here to assist!



Legislative Update

The Commercial Entities (Substance Requirements) Act 2018 ("CESRA") was enacted by the Bahamian Government on 31st December, 2018 to ensure that commercial entities have a substantial economic presence in The Bahamas. The deadline under the CESRA for filing to be made by Bahamian entities has been extended to 31 January 2021. The original deadline was 31 December 2020.



Period of compliance and reporting

CESRA outlines that companies should be in compliance with the provisions of the Act by June 2019. Additionally, a company will have 9 months following its fiscal year end to report to the Ministry of Finance regarding the substance requirements.



Who does it affect?

All companies incorporated/registered in The Bahamas. In particular, companies incorporated pursuant to the Companies Act and the International Business Companies Act, amongst others.



What is required?

Companies conducting relevant activity, as defined in CESRA, must have a real presence and substantial economic activity within The Bahamas. While some companies may not have to meet a substance requirement, all companies have an obligation to file a substance report. Reporting is done via the Ministry of Finance portal <https://substancereporting.revenue.gov.bs/>.



Penalties for non-compliance

A company can face administrative penalties of up to \$150,000 in the first instance, and/or \$1000 per day, or striking off the register of companies, amongst other things.

PwC Bahamas remains available, upon engagement, to assist with reviewing a company's activities and advising on its economic substance obligations. If the company is not compliant, we can suggest mitigating strategies for the company's consideration in order to ensure compliance is achieved. Please feel free to reach out to one of the contacts below if you require assistance.

For a deeper conversation, please contact:

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