



PRESS RELEASE

New Year to bring several ‘ease of doing business’ reforms for starting a new business

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The Ministry of Finance will roll out a provisional business license in the New Year to significantly reduce the time it takes to start a new business. This addition was approved by Parliament during the 2018/2019 budget exercise, and will be implemented by the Department of Inland Revenue in the first quarter of 2019.

“With a provisional licence it will take just five days or less to start a new business. This will be available to all low-risk businesses. It will be valid for 90 days, which means entrepreneurs can be up and running while they work to complete the full business licence process,” said Marlon Johnson, Financial Secretary.

The fee for starting a new business has also been removed, eliminating another barrier for entrepreneurs.

“Ultimately, new businesses will still need agency approvals from the National Insurance Board, Department of Environment Health, Department of Physical Planning and other relevant entities. However, while these processes are underway, the provisional licence will enable them to move forward with critical tasks to get up and running immediately,” said Mr Johnson.

Businesses should note there is no longer a need to visit each external agency separately as there is a consolidated agency application form on the Department of Inland Revenue website. This makes it easier for businesses to apply for all external agency approvals in one location, using one form.

“A lot of work is underway to reform the business licence process. We are exploring a full range of intermediate and more radical ideas all in the interest of improving the ease of doing business. Last week we announced that business licence fees starting in 2020 will be calculated differently.

Instead of annual gross turnover, there will be a value-based calculation using revenue that is subject to value added tax,” said Mr Johnson.

This will be applicable to all businesses registered under the Companies Act and the International Business Companies Act, with the exception of financial institutions that have a separate three-tiered fee structure that includes registration fees, user fees and other regulatory fees where relevant.

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