



Ministry of Finance



Statements of Turnover (Accountants' Reports)

GUIDANCE DOCUMENT



DEPARTMENT OF
INLAND REVENUE
Central Revenue Administration

THE DEPARTMENT OF INLAND REVENUE



INTRODUCTION

This guide is intended to provide businesses and Bahamas Institute of Chartered Accountants (“BICA”) licensees with the requirements for Statements of Turnover to be submitted to the Financial Secretary (“Secretary”) at the time of renewal of business licences. It should be read in conjunction with the Guidance Notes on Turnover, the Business Licence Act, 2023 (“BL Act” or “the Act”) and Business Licence Regulations, 2023 (“BL Regulations” or “the Regulations”), which can be found on the website of the Department of Inland Revenue (“DIR”). If there is a discrepancy between this guide and the Act and the Regulations, the provisions of the Act and Regulations will prevail.

Statement of Turnover Definition

A **Statement of Turnover** is a review report or audit report prepared by an **independent practitioner** on the activity of a business submitted for the purposes of the BL Act.

The report must be prepared in accordance with the definition of turnover and timing rules in the BL Act.

Purpose

The requirement to submit a Statement of Turnover serves two purposes:

Obtaining independent verification of turnover and assisting DIR to **ensure compliance** with the Act and the Regulations.

INDEPENDENT VERIFICATION

The Statement of Turnover serves as an independent assessment of the business' turnover amount. Independent practitioners (accountants) are obligated to conduct an examination of the business' financial records, and provide a review report or an audit report on the financial information of the business. During the examination, independent practitioners perform a series of comprehensive tests and verification procedures in accordance with the level of assurance required. These assessments aim to ascertain the reliability and completeness of the information included in the Business Licence Return and other financial information of the business.

COMPLIANCE WITH BUSINESS LICENCE LEGISLATION

The Statement of Turnover also helps DIR evaluate whether businesses are reporting their financial information in accordance with the BL Act. This assists the DIR to collect the correct amount of tax and to identify any potential violations or irregularities and take appropriate enforcement actions.



Types of Statements of Turnover and Who is Required To Submit

An important change in the BL Act relates to which categories of businesses are required to obtain and submit a Statement of Turnover. In addition, a new type of Statement of Turnover is required for large taxpayers.

WHICH BUSINESSES ARE REQUIRED TO SUBMIT A STATEMENT OF TURNOVER?

A Statement of Turnover is required for all businesses with turnover of \$250K and above. This means that businesses with turnover between \$100K and \$249.99K no longer have any submission requirements. However, the Secretary has the power to request any documents or information to verify the accuracy and reasonableness of the turnover reported by any business. Therefore, a Statement of Turnover may be requested by the Secretary for a business that reports its turnover below \$250K.

TYPES OF STATEMENT OF TURNOVER

i Review Reports (Turnover: \$250K to \$4.99M)

For businesses falling within the turnover range of \$250K to \$4.99M, the Statement of Turnover is a review report on the financial information in the Business Licence Return prepared by the business. The review is required to be conducted by an independent practitioner conducting a review engagement, as defined by the International Standard for Review Engagements 2400 ("ISRE 2400"). When performing a review, the independent practitioner is required to obtain sufficient appropriate evidence to provide limited assurance on the accuracy of the reported amounts. This level of assurance is less comprehensive than an audit, but is an internationally recognized benchmark for undertaking such engagements.


The review performed under the Standard:

- 1.) enhances the user's degree of confidence in the entity's financial information;
- 2.) provides a cost effective review;
- 3.) clearly distinguishes from an audit of financial statements.

ii Audited Financial Statements (Turnover: \$5M and above)

Businesses with turnover of \$5M and above are required to submit audited financial statements under a recognized financial reporting framework (e.g. US GAAP, IFRS, IFRS for SMEs). If the business does not use the calendar year for financial reporting, the financial statements may be prepared in accordance with the business' financial year. Note, however, that a Business Licence Return (BLR) must also be prepared that will do two things:

1. Reconcile turnover to the calendar year; and
2. Reconcile turnover from the revenue recognition principles under the financial reporting framework used by the business to prepare its financial statements, to the revenue recognition principles under the BL Act.



An audit engagement entails an independent practitioner conducting an audit in accordance with International Standards on Auditing (ISA), which provides a higher level of assurance than a review engagement. The implementation of more extensive verification processes is a strategic measure to ensure that the information provided by the accountant accurately reflects the financial reality of these Large Taxpayers.

Note that businesses with turnover of \$5M and above that are not audit ready may submit a review report for the 2023 calendar year only. The DIR will, however, impose fixed penalties for the failure to comply with the requirement for an audit.

REFERENCE TO INTERNATIONAL STANDARDS

It is important to note that the reference to the ISRE and the ISA only pertains to the extent of testing required to provide assurance on the accuracy of the amounts reported by the business. It does not authorize the practitioner to recognize revenue in accordance with any accounting standard that conflicts with the provisions of the Business Licence legislation. Compliance with the Business Licence legislation remains the guiding principle for revenue recognition and tax reporting.

Who Is Able To Provide a Statement Of Turnover?

A Statement of Turnover may ONLY be provided by a licensee of BICA who meets the following criteria:

BICA Licensee: The practitioner must hold a valid licence issued by BICA and must be authorized to issue the type of Statement of Turnover being submitted. This means that the practitioner must be in good standing, meet the annual continuing professional development requirements stipulated by the regulatory body, and be authorized to conduct reviews or audits. In addition, practitioners must undergo the requisite annual training designated by the DIR.

Independence: The practitioner providing the Statement of Turnover must be independent of the business being reported on. Independence ensures objectivity and eliminates any conflicts of interest that may compromise the integrity of the statement. The practitioner must not have any financial or personal relationships that could impair their impartiality or judgment and must follow independence rules as promulgated by the International Ethics Standards Board for Accountants.

Note, however, that IBCs and financial services entities that do not have domestic operations and which are reporting the maximum tax of \$100,000 may submit audited financial statements prepared by an independent auditor from another jurisdiction and are not required to submit an audited return on turnover.

Calculation Basis

The calculation methodology is crucial in ensuring accurate and consistent determination of tax liability:

BUSINESS LICENCE TAX DETERMINATION

The Business Licence Tax is determined based on two key factors: the turnover of the business and the nature of its activities. The turnover represents the total amount of revenue generated by the business from its operations in or from within The Bahamas within a specified calendar year. Additionally, the nature of the business activities, as defined in the BL Act, plays a role in determining the applicable rate of tax.

DEFINITION OF TURNOVER

The BL Act provides a specific definition of turnover, which must be adhered to when calculating the Business Licence Tax. The amount certified by the independent practitioner must be based on the turnover definition, timing rules and reporting period as stipulated in the BL Act. (**See Guidance note on Turnover**)

BUSINESS LICENCE RETURN AND FINANCIAL STATEMENTS

All businesses with annual turnover of \$250K and above will be required to prepare a Business Licence Return (BLR) in the template in Appendix 1. The BLR is more detailed than the return required to be submitted via the business' Online Tax Administration (OTAS) account at the time of applying to renew the business licence. The BLR comprises:

- i. Reconciliation to the Financial Statements for the calendar year then ended;
- ii. Statement of Revenue for the calendar year then ended;
- iii. Revenue Exclusions for the calendar year then ended;
- iv. Calculation of Turnover for the calendar year then ended;
- v. VAT Reconciliation for the calendar year then ended;
- vi. Final Reconciliation for the calendar year then ended;
- vii. Notes & Accounting Policies for the calendar year then ended.

It provides details of each revenue stream of the business and states the total turnover for all business activity under the taxpayer's TIN. Explanations must also be provided for each item in the BLR. In particular, there must be a thorough explanation of any deductions from amounts received or receivable by the business, the details of all related party transactions and the allocation of revenue to these transactions. If there are separate business units, i.e. multiple licences under the same TIN, the details should be provided for each business unit.

The BLR also reconciles the reported amounts to the turnover definition and timing rules in the BL Act where the business prepares its financial statements in accordance with IFRS, GAAP, or other financial reporting framework. In addition, if the business' financial year is not the calendar year, the BLR must reconcile the turnover amount to the calendar year.

REVIEW/AUDIT PROCEDURES

The independent practitioner must perform procedures to test the completeness and accuracy of the financial information reported by the business in line with the review/auditing standards. At a minimum, the following procedures are required to be performed by the independent practitioner for **ALL** reviews and audits:

- The independent practitioner must examine bank statements, sale & purchase records and other financial records of the business.
- A bank analysis must be conducted to ensure that the business' financial activity aligns with its financial statements. The bank analysis must include all accounts held with banks, credit unions and other financial institutions that are used in the operation of the business. If the business is a sole trader, the bank analysis must also include personal accounts in the name of the business owner. A reconciliation is required to explain any material variances as well as any material deposits that do not represent revenue. Any material amounts which are not able to be reconciled are required to be included in turnover.

- Where the business is a VAT registrant, the independent practitioner must compare the calculated Business Licence turnover and VAT Exclusive total supplies reported on line 9 of the VAT Returns (total supplies including bonded supplies, excluding VAT) for the comparable year and determine whether there are any variances. If a variance exists, the practitioner must conduct a reconciliation.
- An appropriate explanation for a material variance, for example, may be where there are differences between the provisions of the BL Act and the VAT Act, such as where the business reports for VAT on the cash basis, or where there was a sale of capital assets.
- If the business has related party transactions, the independent practitioner must request the price charged or revenue allocated for these transactions, as well as the total cost of providing the goods or services and the arm's length price charged in comparable transactions. If the revenue amount reported by the business for related party transactions is less than the total cost of providing the goods/services, the difference must be included in turnover.

With respect to the minimum required procedures, reconciliations and explanations must be supported by documentation. The independent practitioner is also required to validate the explanations using sampling and other techniques.

Additional tests should be conducted bearing in mind the materiality, scoping, risk assessment and sampling considerations relevant for review and audit engagements under ISRE 2400, ISA 800 and ISA 805.

ADJUSTMENT OF REPORTED NUMBERS AND STATING CORRECT TURNOVER

In cases where the amount declared by the business is found to be materially inaccurate or not reported in accordance with the BL Act, the independent practitioner is required to propose that the business adjust the reported numbers. The independent practitioner is also required to modify their report, including a statement of what the correct turnover should be, to the extent that determining the correct amount is possible. This adjustment ensures that the Statement of Turnover reflects the correct turnover of the business, in compliance with the legislative requirements. The practitioner's role is to accurately state the turnover, based on the evidence and adjustments made during the review or audit process.

NB. The DIR reserves the right to request the working papers of the independent practitioner to determine the level of work conducted.

Format For Reviews

The format of the Statement of Turnover should align with the guidelines provided by the DIR, which will include specific templates and/or forms for submission.

The independent practitioner must submit a reviewed **BLR** and a **Report**.

REVIEWED BUSINESS LICENCE RETURN

The independent practitioner must review each line item in the BLR and make appropriate adjustments reconciling the numbers to the requirements of the BL Act and Regulations in accordance with the standards stipulated in ISRE 2400 and the verification tests outlined in this guide.

REVIEW REPORT

The Report must detail the accounting policies that were applied by the independent practitioner in determining whether the business recognized revenue in accordance with the Business Licence legislation. This is required to allow the DIR to evaluate the independent practitioner's interpretation of the Business Licence legislation.

The independent practitioner's report must also provide a modified or unmodified conclusion that is applicable to the circumstances and be submitted in the appropriate template in Appendix 2 of this guide.

Format For Audit

For audits the deliverables will be the following:

AUDITED FINANCIAL STATEMENTS

The financial statements that are required should provide a comprehensive overview of the financial performance, position, and cash flows of the business. Specifically, the following financial statements are required to be audited: Profit & Loss, Cash flow, Balance Sheet, and Comprehensive Income.

As indicated above, audits are required to be conducted under a recognized financial reporting framework (e.g. US GAAP, IFRS, IFRS for SMEs).

Consolidated financial statements may be submitted for related entities. However, a reconciliation showing the turnover for each entity and the taxable transactions between them must be provided in the BLR.

AUDITED RETURN

The independent practitioner must audit each line item in the BLR and make appropriate adjustments reconciling the numbers to the requirements of the BL Act and Regulations in accordance with the standards stipulated in ISA 800 and ISA 805 and the verification tests outlined in this guide.

AUDIT REPORT

The Audit Report must be addressed to the Secretary and indicate the independent auditor's opinion in relation to the financial statements and the BLR.

The Audit Report must also detail the accounting policies that were applied by the independent practitioner in determining whether the business recognized revenue in accordance with the Business Licence legislation.

The Audit Report with respect to the audit of the BLR must also provide a modified or unmodified opinion as applicable to the circumstances and be submitted in the appropriate template in Appendix 3 of this guide. The Audit Report in relation to the audit of the financial statements should be issued in the template in ISA 700 or ISA 701, whichever is applicable.

UPLOAD TO OTAS

The deliverables for reviews and audits that are mentioned above are required to be uploaded by the business in their OTAS account as supporting documents when filing their Business Licence Annual Actual.

Due Date

STATEMENT OF TURNOVER (TURNOVER: \$250K TO \$4.99M)

The reviewed BLR and Report are due by March 31.

STATEMENT OF TURNOVER (TURNOVER: \$5M AND ABOVE)

The Audited BLR, Audited Financial Statements and Audit Reports are also due by March 31.*

However, the DIR will grant an automatic extension of 30 days beyond this period to April 30 if required by the business. Any further extensions or delays will require an application for formal approval. Extensions will be granted up to June 30. These applications may either be submitted in writing and addressed to the Controller of Inland Revenue or submitted through OTAS by opening a query.

*** Please note that all businesses are required to pay business licence tax by March 31 based on the business' preliminary calculations of turnover. For businesses that are required to be audited, an amendment may be submitted if needed, once the audit is completed.**

Penalties For Inaccurate Statements

The DIR is committed to maintaining a tax system that promotes compliance and accountability. Punitive measures, including penalties, administrative processes, and professional reporting mechanisms, are established to ensure that businesses and independent practitioners fulfill their obligations while maintaining the highest standards of accuracy and integrity.

REPORTING TO THE POLICE:

Where the DIR suspects that a criminal offence has been committed by either an independent practitioner or a business, the matter may be reported to the police for investigation. Criminal offences under the BL Act include knowingly or recklessly making a false statement in any particulars submitted to the DIR or fraudulently evading or assisting any person to fraudulent evade tax. Depending on the nature and severity of the offence, if the offender is convicted by the Court, such person may be subject to a fine of up to \$100,000, a maximum imprisonment period of 2 years, or both.

ADMINISTRATIVE RESOLUTION:

As an alternative to criminal proceedings the DIR may address inaccurate reporting through administrative procedures. The DIR may impose a fixed penalty against an independent practitioner for any false statement in a Statement of Turnover or reviewed/audited return that is attributable to the practitioner's neglect, carelessness, wilful default or fraud. The maximum penalty that may be imposed is \$150,000.

PROFESSIONAL ACCOUNTABILITY:

In addition to the above, should concerns arise regarding the conduct of independent practitioners, the DIR will also submit a complaint of professional misconduct to BICA against such practitioners. The DIR may also refuse to accept review or audit reports from any such practitioner until the complaint is investigated and disciplinary action taken by BICA. This approach aims to uphold professional standards and foster accountability.

Contact Us

1-242-225-7280

taxinquiries@bahamas.gov.bs

Department of Inland Revenue
Central Revenue Administration
P.O. Box N 13 Nassau, N.P., Bahamas

inlandrevenue.finance.gov.bs

Appendix 1

BUSINESS LICENCE RETURN

RECONCILIATION TO FINANCIAL STATEMENT

ENTITY NAME:

TIN

-

-

FISCAL YEAR TOTAL REVENUE PER BOOKS & RECORDS
(OR WHERE APPLICABLE AUDITED FINANCIAL
STATEMENTS) OF THE REPORTING ENTITY

Reconciliation from fiscal year revenue to calendar year revenue per financial statement reporting framework

(a) Revenue related to prior calendar year included in fiscal year
(input as negative)

Plus (b) Revenue related to current calendar year excluded from
fiscal year (input as positive)

CALENDAR YEAR TOTAL REVENUE PER BOOKS &
RECORDS OF THE REPORTING ENTITY

-

BUSINESSLICENCE RETURN

REVENUE ITEMS

ENTITY NAME:

TIN:

1. REVENUE (CalendarYear):
Report revenueearnedfrom businessactivities in or from within The Bahamasfor eachbusinessunit per the books & records of the reporting entity

		1	2
	Description RevenueStream Per Books & Records	Revenue Amount	Revenue Amount
Line 1			
Line 2			
Line 3			
Line 4			
Line 5			
Line 6			
Line 7			
TOTAL		-	-

2. RELATED PARTY TRANSACTIONS (CalendarYear):
Report Related Party Transactions (other than transactionsunder Part B of Third Schedulewith other membersof the Reporting Entity's VAT Group)

	Name of Related Party	Price charged/Revenueallocated for the goods and services	Total Cost to provide the goods or services (including overheads)
1			10
2			
3			
4			
5			
TOTAL		0	10

CALENDAR YEAR TOTAL REVENUE PER BOOKS & RECORDS OF THE REPORTING ENTITY	10.00
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CHECK
(10.00)

BUSINESSLICENCE RETURN

EXCLUSIONS

ENTITY NAME:		
TIN		
CALENDAR YEAR TOTAL REVENUE PERBOOKS & RECORDSOF THE REPORTING ENTITY		
	10.00	
TRADING AS:		
Business Licence Number(s)		

Total Turnover per businessunit	1	5.00	2	5.00
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CHECK
-

Items not included in turnover per books & records and business licence

(a) Output tax collected		
(d) Amounts received by the taxpayer as an agentfor or on behalf of a principal		
(e) Amounts other than fees/commissions received by an Auctioneer for sale of goodsnot owned by Auctioneer		
(f) Gratuities collected by hotels or restaurantsthat are paid out in full to eligible employees		
	-	-
TOTAL ITEMSNOT IN BOOKSAND BUSINESS LICENCE		
	-	

Excluded items per the BusinessLicence Act per Business Unit:

(a) Output tax collected	-	
(b) Sale of Capital Assets(other than in the ordinary course of business)		
(c) Commissions derived by an insurer from reinsurance business(provided that tax was paid on the total reinsurance premium)		
(d) Amounts received by the taxpayer as an agentfor or on behalf of a principal	-	
(e) Amounts other than fees/commissions received by an Auctioneer for sale of goodsnot owned by Auctioneer	-	
(f) Gratuities collected by hotels or restaurantsthat are paid out in full to eligible employees	-	
(g) Revenuefrom transactions under Part B of Third Schedule		
(h) Revenuederived from services provided to non-business entities that share the sameultimate beneficial owner		
(i) Revenuederived from investment in government securities;		

Other excluded items per Business Unit:

(j) Unrealized gains included in revenue/otherincome		
(k) Deferred revenue reported and taxed as revenue received in prior year		
(l) Amounts billed but not earned/receivedreported and taxed as revenue due in prior year		
(m) Freeport revenue		
(n) Revenuetaxed in prior yearswritten off/returned in curret year		
(o) Freeport revenuetaxed by port authority		
(p) Other exclusions (please describe and explain)		
	-	-
TOTAL EXCLUSIONS	-	

Inclusions per Business Unit:

(r) Cash received and reported as deferred revenue	-	
(s) Amounts billed but not collected or earned		
(t) Other inclusions (please describe and explain)		
	-	-
TOTAL INCLUSIONS	-	

BUSINESSLICENCE RETURN

CALCULATION OF TURNOVER

ENTITY NAME:	-
TIN	-
CALENDAR YEAR TOTAL REVENUE PERBOOKS & RECORDSOF THE REPORTING ENTITY	\$10.00
TOTAL ITEMS NOT IN BOOKSAND BUSINESS LICENCE	\$0.00
TOTAL EXCLUSIONS	\$0.00
TOTAL INCLUSIONS	\$0.00
CALENDAR YEAR BUSINESSLICENCE TURNOVER	\$10.00

BUSINESSLICENCE RETURN

VAT RECON

ENTITY NAME:	-
TIN	-

CALENDAR YEAR VAT TURNOVER	
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Reconciliation from fiscal year revenue to calendar year revenue per financial statement reporting framework

Pleasedescribe and explain rationale for any negative adjustments (input as negative)	
Pleasedescribe and explain rationale for any positive adjustments (input as positive)	

CALENDAR YEAR BUSINESSLICENCE TURNOVER	-
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CHECK
(10.00)

BUSINESSLICENCE RETURN

FINAL RECON

ENTITY NAME:	-
TIN	-

CALENDAR YEAR BUSINESSLICENCE TURNOVER SUBMITTED JAN 31	
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Reconciliation from fiscal year revenue to calendar year revenue per financial statement reporting framework	
Please describe and explain rationale for any negative adjustments (input as negative)	
Please describe and explain rationale for any positive adjustments (input as positive)	

<u>CALENDAR YEAR BUSINESSLICENCE TURNOVER</u>	-
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CHECK
(10.00)

BUSINESSLICENCE RETURN

ENTITY NAME:

TIN:

The BusinessLicence Return of the Taxpayer as at December31, (XXXX) hasbeenpreparedin accordancewith the financial reporting provisions of the BusinessLicence Act, 2023. Referenceto the Business Licence Act, 2023 in this Return includes a reference to the Business Licence Regulations, 2023 and Guidelines issued by the Department of Inland Revenue ("DIR") under the BusinessLicence Act, 2023.

1. REVENUE:

Report revenueearnedfrom businessactivities in or from within The Bahamasfor eachbusinessunit

		1 Revenue Recognized	2 Revenue Recognized	3 Revenue Recognized	4 Revenue Recognized
	Description Revenue Stream	When Earned	When Received	When Billed But not Earned or Received	Total
Line 1					
Line 2					
Line 3					
Line 4					
Line 5					
Line 6					
Line 7					
CALENDAR YEAR BUSINESSLICENCE TURNOVER		-		-	-

CHECK
10.00

2. REVENUE RECOGNITION ACCOUNTING POLICIES

Describe how revenue is earned andthe accounting policies

Line 1

Line 2

Line 3

Line 4

Line 5

Line 6

Line 7

3. ACCOUNTING POLICESRELATED TO EXCLUSIONS
AND INCLUSIONS

Excluded items per the BusinessLicence Act per Business Unit:

(a) Output tax collected

(b) Sale of Capital Assets(other than in the ordinary course of
business)

(c) Commissions derived by an insurer from reinsurance business
(provided that tax was paid on the total reinsurance premium)

(d) Amounts received by the taxpayer as an agentfor or on behalf
of a principal

(e) Amounts other than fees/commissions received by an
Auctioneer for sale of goods not owned by Auctioneer

(f) Gratuities collected by hotels or restaurants that are paid out in
full to eligible employees

(g) Revenue from transactions under Part B of Third Schedule

(h) Revenue derived from services provided to non-business
entities that share the same ultimate beneficial owner

(i) Revenue derived from investment in government securities;

Other excluded items per Business Unit:

(j) Unrealized gains included in revenue/other income

(k) Deferred revenue reported and taxed as revenue received in
prior year

(l) Amounts billed but not earned/received reported and taxed as
revenue due in prior year

(m) Freeport revenueAmounts received by the taxpayer as an
agentfor or on behalf of a principal

(n) Revenue taxed in prior yearswritten off/returned in curret year

(o) Freeport revenue taxed by port authority

(p) Dividends from subsidiaries

(q) Other exclusions (please describe & explain)

Inclusions per Business Unit:

(r) Cash received and reported as deferred revenue

(s) Amounts billed but not collected or earned

(t) Other inclusions (please describe and explain)

Appendix 2

Form and Content of Independent Practitioner's Review Report with Unmodified Conclusion

INDEPENDENT PRACTITIONERS' REVIEW REPORT
TO FINANCIAL SECRETARY
THE MINISTRY OF FINANCE NASSAU, BAHAMAS

Report of an Independent Practitioner for a Review Engagement under the Business Licence Act, 2023

We have reviewed the accompanying financial information of [Name of Entity] (the **Taxpayer**) set forth in the attached Business Licence Return in respect of the year ended {Month-Day-Year}.

The Taxpayer's Business Licence Return comprises:

1. Reconciliation to the Financial Statements for the calendar year then ended;
2. Statement of Revenue for the calendar year then ended;
3. Revenue Exclusions for the calendar year then ended;
4. Calculation of Turnover for the calendar year then ended;
5. VAT Reconciliation for the calendar year then ended;
6. Final Reconciliation for the calendar year then ended;
7. Notes & Accounting Policies for the calendar year then ended.

References to the Business Licence Act, 2023 in this Report includes a reference to the Business Licence Regulations, 2023 and Guidelines issued by the Department of Inland Revenue ("DIR") under the Business Licence Act, 2023.

Taxpayer's Responsibility for the Financial Information

The **Taxpayer** is responsible for the preparation of the financial information in accordance with the accounting policies described in note 7 to the Business Licence Return and the financial reporting provisions of the Business Licence Act, 2023. The Taxpayer is also responsible for such internal control as the Taxpayer determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

The Business Licence Return is prepared for the purpose of determining the turnover of the Taxpayer as defined in the Business Licence Act, 2023 and as such the applicable tax payable by the Taxpayer for the calendar year ended 20XX. The Taxpayer does not have a choice of

financial reporting frameworks in the preparation of the Business Licence Return, and must report the information therein in accordance with the accounting policies described in note 7 to the Business Licence Return and the financial reporting provisions of the Business Licence Act, 2023.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial information in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this financial information.

Report on Other Legal and Regulatory Requirements

We also have the following responsibilities under the Business Licence Act, 2023. If we conclude that the Business Licence Return has not been prepared in all material respects in accordance with the provisions of the Business Licence Act, 2023, our responsibility is to express a conclusion on the correct turnover of the Business in accordance with the Business Licence Act, 2023 and to explain what adjustments were made to determine the correct turnover.

We have complied with the review requirements detailed in the Business Licence Act, 2023 including conducting the minimum procedures set out in the Guidelines issued by the DIR.

In conducting our review, we have examined the following financial records:

[\[Insert list of records examined\]](#)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Business Licence Return of the Taxpayer for the calendar year ended _____ is not prepared, in all material respects, in accordance with the accounting policies described in note 7 to the Business Licence Return and the financial reporting requirements of the Business Licence Act, 2023.

Basis of Accounting

Without modifying our conclusion, we draw attention to Note 7 to the financial information, which describes the basis of accounting.

Independence

We are independent of the Taxpayer in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Restriction of Use

This report is intended solely for the Financial Secretary and the DIR; and should not be distributed to or used by parties other than the Taxpayer, the Financial Secretary and the DIR; it relates only to the financial information specified above of the Taxpayer

{Date}

{Name}

{Address}

Bahamas Institute of Chartered Accountants Licence {# XXX}

Form and Content of Independent Practitioner's Review Report with Qualified Conclusion

INDEPENDENT PRACTITIONERS' REVIEW REPORT
TO FINANCIAL SECRETARY
THE MINISTRY OF FINANCE NASSAU, BAHAMAS

Report of an Independent Practitioner for a Review Engagement under the Business Licence Act, 2023

We have reviewed the accompanying financial information of **[Name of Entity]** (the **Taxpayer**) set forth in the attached Business Licence Return in respect of the year ended **{Month-Day-Year}**.

The Taxpayer's Business Licence Return comprises:

1. Reconciliation to the Financial Statements for the calendar year then ended;
2. Statement of Revenue for the calendar year then ended;
3. Revenue Exclusions for the calendar year then ended;
4. Calculation of Turnover for the calendar year then ended;
5. VAT Reconciliation for the calendar year then ended;
6. Final Reconciliation for the calendar year then ended;
7. Notes & Accounting Policies for the calendar year then ended.

References to the Business Licence Act, 2023 in this Report includes a reference to the Business Licence Regulations, 2023 and Guidelines issued under the Business Licence Act, 2023.

Taxpayer's Responsibility for the Financial Information

The **Taxpayer** is responsible for the preparation of the financial information in accordance with the accounting policies described in note 7 to the Business Licence Return and the financial reporting provisions of the Business Licence Act, 2023. The Taxpayer is also responsible for such internal control as the Taxpayer determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

The Business Licence Return is prepared for the purpose of determining the turnover of the Taxpayer as defined in the Business Licence Act, 2023 and as such the applicable tax payable by the Taxpayer for the calendar year ended 20XX. The Taxpayer does not have a choice of

financial reporting frameworks in the preparation of the Business Licence Return, and must report the information therein in accordance with the accounting policies described in note 7 to the Business Licence Return and the financial reporting provisions of the Business Licence Act, 2023.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial information in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this financial information.

Report on Other Legal and Regulatory Requirements

We also have the following responsibilities under the Business Licence Act, 2023. If we conclude that the Business Licence Return has not been prepared in all material respects in accordance with the provisions of the Business Licence Act, 2023, our responsibility is to express a conclusion on the correct turnover of the Business in accordance with the Business Licence Act, 2023 and to explain what adjustments were made to determine the correct turnover.

We have complied with the review requirements detailed in the Business Licence Act, 2023 including conducting the minimum procedures set out in the Guidelines issued by the DIR.

In conducting our review, we have examined the following financial records:

[\[Insert list of records examined\]](#)

Basis for Qualified Conclusion

[Outline the basis for the qualified conclusion, including a statement of what the correct turnover should be, to the extent that this is possible, and an explanation of what adjustments were made to determine the correct turnover]

Qualified Conclusion

Based on our review, except for the effects of the matters described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the Business Licence Return of the Taxpayer for the calendar year ended _____ was not prepared, in all material respects, in accordance with the requirements of the Business Licence Act, 2023.

Basis of Accounting

We draw attention to Note 7 to the financial information, which describes the basis of accounting.

Independence

We are independent of the Taxpayer in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Restriction of Use

This report is intended solely for the Financial Secretary and the DIR; and should not be distributed to or used by parties other than the Taxpayer, the Financial Secretary and the DIR.

[Date]

[Signature]

[Name]

[Address]

Bahamas Institute of Chartered Accountants Licence [# XXX]

Form and Content of Independent Practitioner's Review Report with Adverse Conclusion

INDEPENDENT PRACTITIONERS' REVIEW REPORT
TO FINANCIAL SECRETARY
THE MINISTRY OF FINANCE NASSAU, BAHAMAS

Report of an Independent Practitioner for a Review Engagement under the Business Licence Act, 2023

We have reviewed the accompanying financial information of **[Name of Entity]** (the **Taxpayer**) set forth in the attached Business Licence Return in respect of the year ended **{Month-Day-Year}**.

The Taxpayer's Business Licence Return comprises:

1. Reconciliation to the Financial Statements for the calendar year then ended;
2. Statement of Revenue for the calendar year then ended;
3. Revenue Exclusions for the calendar year then ended;
4. Calculation of Turnover for the calendar year then ended;
5. VAT Reconciliation for the calendar year then ended;
6. Final Reconciliation for the calendar year then ended;
7. Notes & Accounting Policies for the calendar year then ended.

References to the Business Licence Act, 2023 in this Report includes a reference to the Business Licence Regulations, 2023 and Guidelines issued under the Business Licence Act, 2023.

Taxpayer's Responsibility for the Financial Information

The **Taxpayer** is responsible for the preparation of the financial information in accordance with the accounting policies described in note 7 to the Business Licence Return and the financial reporting provisions of the Business Licence Act, 2023. The Taxpayer is also responsible for such internal control as the Taxpayer determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

The Business Licence Return is prepared for the purpose of determining the turnover of the Taxpayer as defined in the Business Licence Act, 2023 and as such the applicable tax payable by the Taxpayer for the calendar year ended 20XX. The Taxpayer does not have a choice of financial reporting frameworks in the preparation of the Business Licence Return, and must report the information therein in accordance with the accounting policies described in note 7 to the Business Licence Return and the financial reporting provisions of the Business Licence Act, 2023.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial information in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this financial information.

Report on Other Legal and Regulatory Requirements

We also have the following responsibilities under the Business Licence Act, 2023. If we conclude that the Business Licence Return has not been prepared in all material respects in accordance with the provisions of the Business Licence Act, 2023, our responsibility is to express a conclusion on the correct turnover of the Business in accordance with the Business Licence Act, 2023 and to explain what adjustments were made to determine the correct turnover.

We have complied with the review requirements detailed in the Business Licence Act, 2023 including conducting the minimum procedures set out in the Guidelines issued by the DIR.

In conducting our review, we have examined the following financial records:

[\[Insert list of records examined\]](#)

Basis for Adverse Conclusion

[Outline the basis for the adverse conclusion, including a statement of what the correct turnover should be, to the extent that this is possible, and an explanation of what adjustments were made to determine the correct turnover]

Adverse Conclusion

Based on our review, due to the significance of the matters described in the Basis for Adverse Conclusion paragraph, the Business Licence Return of the Taxpayer for the calendar year ended

_____ was not prepared in accordance with the requirements of the Business Licence Act, 2023.

Basis of Accounting

We draw attention to Note 7 to the financial information, which describes the basis of accounting.

Independence

We are independent of the Taxpayer in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Restriction of Use

This report is intended solely for the Financial Secretary and the DIR; and should not be distributed to or used by parties other than the Taxpayer, the Financial Secretary and the DIR.

[Date]

[Signature]

[Name]

[Address]

Bahamas Institute of Chartered Accountants Licence [# XXX]

APPENDIX 3

Appendix 3 – Form and Content of Independent Practitioner’s Audit Report on the Business Licence Return with Unmodified Opinion

INDEPENDENT AUDITORS’ REPORT

TO THE FINANCIAL SECRETARY

THE MINISTRY OF FINANCE

NASSAU, BAHAMAS

Report on the audit of the Business Licence Return

Our opinion

In our opinion, the Business Licence Return of [Name of Entity] (the Taxpayer) for the calendar year then ended 31 December 20XX, is prepared, in all material respects, in accordance with the accounting policies described in note 7 to the Business Licence Return and with the financial reporting provisions of the Business Licence Act, 2023.

What we have audited

The Taxpayer’s Return comprises:

1. Reconciliation to the Financial Statements for the calendar year then ended;
2. Statement of Revenue for the for the calendar year then ended;
3. Revenue Exclusions for the calendar year then ended;
4. Calculation of Turnover for the calendar year then ended;
5. VAT Reconciliation for the calendar year then ended;
6. Final Reconciliation for the calendar year then ended;
7. Notes & Accounting Policies for the calendar year then ended.

References to the Business Licence Act, 2023 in this Report includes a reference to the Business Licence Regulations, 2023 and Guidelines issued under the Business Licence Act, 2023.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the Certified Statement of Turnover* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Taxpayer in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Emphasis of Matter - Basis of accounting and restriction on distribution and use

We draw attention to Note 7, which describes the basis of accounting. The Return is prepared to report to the Financial Secretary of the Ministry of Finance (the Secretary) and the Department of Inland Revenue (DIR) under the Business Licence Act, 2023. As a result, the Return may not be suitable for another purpose.

Our report is intended solely for the Taxpayer, the Secretary and the DIR and should not be distributed to or used by parties other than the Taxpayer, the Secretary and the DIR.

The Return does not comprise a full set of financial statements prepared in accordance with [IFRS, US GAAP, IFRS for SMEs]. A separate opinion is provided in respect of the Taxpayer's financial statements.

Responsibilities of management and those charged with governance for the Return

The Taxpayer is responsible for the preparation of the Return in accordance with the accounting policies described in Note 7 to the Business Licence Return and the financial reporting provisions of the Business Licence Act, 2023 and for such internal control as the Taxpayer determines is necessary to enable the preparation of the Return that is free from material misstatement, whether due to fraud or error

The Return is prepared for the purpose of determining the turnover of the Taxpayer as defined in the Business Licence Act, 2023 and as such the applicable tax payable by the Taxpayer for the calendar year ended 20XX. The Taxpayer does not have a choice of financial reporting frameworks in the preparation of the Business Licence Return, and must report the information therein in accordance with the provisions of the Business Licence Act, 2023.

In preparing the Return, the Taxpayer is responsible for assessing their ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Taxpayer or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Taxpayer's financial reporting process.

Auditor's responsibilities for the audit of the Business Licence Return

Our objectives are to obtain reasonable assurance about whether the Return as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Return.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Return, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Return or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We also have the following responsibilities under the Business Licence Act, 2023. If we conclude that the Business Licence Return has not been prepared in all material respects in accordance with the provisions of the Business Licence Act, 2023, our responsibility is to express an opinion on the correct turnover of the Business in accordance with the Business Licence Act, 2023 and to explain what adjustments were made to determine the correct turnover.

We have complied with the audit requirements detailed in the Business Licence Act, 2023 including conducting the minimum procedures set out in the Guidelines issued by the DIR.

Records examined

In conducting our audit, we have examined the following financial records:

[Insert list of records examined]

[Name]

[Signature]

[Auditor Address]

Bahamas Institute of Chartered Accountants Licence [# XXX]

[Date]