



BERMUDA

CORPORATE SERVICES TAX ACT 1995

1995 : 5

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WHEREAS it is expedient to make provision for the imposition of a tax on providers of corporate services:

*[Words of enactment omitted]*

Citation and commencement

1 This Act may be cited as the Corporate Services Tax Act 1995 and shall come into operation on 31 March 1995.

Interpretation

2 (1) In this Act, unless the context otherwise requires—

“the Commissioner” means the person holding the office of Tax Commissioner;

“corporate services” means any one or more of the following services that a provider provides to, or on behalf of, an exempted undertaking, that is to say—

- (a) the provision of corporate administrative services;
- (b) the provision of corporate management services;

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- (c) the provision of corporate secretarial services;
- (d) the provision of a registered office;
- (e) the performance of functions in the capacity of director where that director is an owner, officer or employee of a business which is a provider of corporate services;
- (f) the performance of functions in the capacity of resident representative for the purposes of the trade or business carried on by the exempted undertaking; and
- (g) subject to subsection 2(b), the provision of accounting and financial services;

“corporate services tax” means the corporate services tax chargeable under this Act and includes a penalty for late payment of tax;

“exempted undertaking” has the meaning assigned to that expression by section 2 of the Companies Act 1981 ;

“provider” includes an individual natural person, a company, partnership, association, or body of persons, whether corporate or unincorporate, but does not include an exempted undertaking;

“resident representative” means a resident representative referred to in section 130 of the Companies Act 1981 , or a resident representative appointed under section 17 of the Exempted Partnerships Act 1992 and includes a principal representative appointed under section 136A of the Companies Act 1981 ;

“tax period” means each and every period of three calendar months commencing with the months of April, May and June 1995.

(2) For the purposes of this Act “corporate services” does not include—

- (a) banking business transacted in Bermuda with and through a bank licensed under the Banks and Deposit Companies Act 1999;
- (b) the audit of financial statements; or
- (c) the management of an insurance company by a local company.

*[Section 2 amended by BR81/1999 effective 1 January 2000]*

### Imposition of corporate services tax

3 Subject to the provisions of this Act, corporate services tax shall be charged on a provider of corporate services in respect of gross earned revenue derived from an exempted undertaking to which, or on behalf of which, such services are provided.

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### Rate of corporate services tax

4 The rate at which corporate services tax shall be charged pursuant to this Act shall be seven per centum of gross earned revenue.

[Section 4 amended by 2013 : 7 s. 2 effective 1 April 2013; amended by 2015 : 6 s. 2 effective 1 April 2015]

### Time for payment of tax, etc.

5 Every provider chargeable to corporate services tax shall, within fifteen days after the end of each tax period—

- (a) submit to the Tax Commissioner a return specifying the gross earned revenue derived from the provision of such services; and
- (b) pay to the Tax Commissioner the corporate services tax due in respect of such gross earned revenue.

### Provider to register with Tax Commissioner, etc.

6 (1) A provider of corporate services shall, within thirty days after the coming into operation of this Act or, within thirty days after becoming a provider of corporate services, if that happens after the coming into operation of this Act, apply to the Tax Commissioner, in such form and manner as the Tax Commissioner shall determine, for registration under this section, and thereupon the Tax Commissioner shall register him under this section.

(2) For the purposes of subsection (1) the Tax Commissioner shall establish and maintain, in such manner as he shall determine, a register of providers of corporate services.

(3) A provider of corporate services who fails, without reasonable excuse, to comply with subsection (1) is guilty of an offence and liable, on conviction by a court of summary jurisdiction to a fine not exceeding \$1,000.

### Application of Act No 20 of 1976

7 The Taxes Management Act 1976 shall, *mutatis mutandis*, apply to the provisions of this Act.

[Assent Date: 31 March 1995]

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[Amended by:

BR 81 / 1999

2013 : 7

2015 : 6]