



BERMUDA

CORPORATE INCOME TAX (ADMINISTRATIVE) AMENDMENT REGULATIONS 2025

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The Minister of Finance, in exercise of the power conferred by sections 47 and 52 of the Corporate Income Tax Act 2023 makes the following Regulations:

Citation

1 These Regulations, which amend the Corporate Income Tax (Administrative) Regulations 2025 (the “principal Regulations”), may be cited as the Corporate Income Tax (Administrative) Amendment Regulations 2025.

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Amends Regulation 2

2 Regulation 2(1) of the principal Regulations is amended—

- (a) by inserting, in the correct alphabetical order, the following new definitions—

“adjusted tax payments” has the meaning given to that term in section 46B of the CIT Act;

“business day” means any day excluding Saturday or Sunday and any other day which is a public holiday or is kept as a public holiday under the Public Holiday Act 1947;

“distributable tax credit benefit” has the meaning given to that term in section 2 of the Tax Credits Act;

“Qualifying Bermuda Group BCE” has the meaning given to that term in section 2 of the Tax Credits Act;

“Tax Credits Act” means the Tax Credits Act 2025;

“tax credit carryforward” means the tax credit carryforward determined in accordance with section 27 of the Tax Credits Act;

“tax payments” has the meaning given to that term in section 46B of the CIT Act;

“total accrued tax credit benefit” has the meaning given to that term in section 2 of the Tax Credits Act;

“total distributable tax credit benefits” means, in respect of a fiscal year, the aggregate of the distributable tax credit benefits determined for the fiscal year for each Qualifying Bermuda Group BCE which is a Bermuda Constituent Entity member of the Bermuda Constituent Entity Group for the fiscal year;”;

- (b) in the definition of “electronic signature”, by inserting, after the word “given”, the word “in”;

- (c) by revoking the definition of “tax” and substituting the following definition—

“tax” has the meaning given to that term in section 46B(1) of the CIT Act;”;

- (d) by revoking the definition of “tax due” and substituting the following definition—

“tax due” has the meaning given to that term in section 46B(1) of the CIT Act;”.

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Inserts Regulation 2A

3 The principal Regulations are amended by inserting, after the regulation 2, the following new regulation—

“Definition of shock loss

2A For the purposes of section 6(8)(b)(i) of the CIT Act, a shock loss shall be the loss of an insurer licensed under the Insurance Act 1978 which exceeds at least 90% of its Bermuda solvency capital requirement at the beginning of the fiscal year prior to the loss-absorbing capacity of deferred taxes determined in accordance with the applicable Prudential Standard Rules made under section 6A of the Insurance Act 1978.”.

Amends Regulation 5

4 Regulation 5(3)(b) of the principal Regulations is amended by inserting, after the words “designated by the”, the words “Filing Bermuda Constituent Entity on behalf of the”.

Amends Regulation 7

5 Regulation 7 of the principal Regulations is amended by inserting, after paragraph (6), the following new paragraph—

“(7) The Agency may refuse to register an organisation or person (or may revoke an existing registration) where such organisation or person is not a Bermuda Constituent Entity and the Agency considers that such organisation or person is seeking to access the Agency’s filing portal for a purpose other than the administration, filing or payment of corporate income tax.”.

Amends Regulation 8

6 Regulation 8 of the principal Regulations is amended—

- (a) in paragraph (2)(b), by deleting “or the Agency Act” and substituting “, the Agency Act or the Tax Credits Act”;
- (b) in paragraph (2), by revoking paragraph (c) and substituting the following—

“(c) the cancellation of the entity’s registration will not impair or prevent—

- (i) the collection of any tax which may become due;
- (ii) the refund of any overpayment; or

(iii) the application of any tax credit carryforward amount,

following the cancellation of the registration (including as a result of any assessment by the Agency), provided that the Agency may cancel an entity’s registration in circumstances

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where any of paragraphs (a), (b) or (c) are not satisfied but the Agency is satisfied that appropriate provision has been made, as provided in paragraph (3), for any tax due (or any tax which may become due), obligations or requirements of the entity notwithstanding the request for cancellation.”.

Amends Regulation 10

7 Regulation 10 of the principal Regulations is amended by inserting, after paragraph (3), the following new paragraph—

“(4) A Bermuda Constituent Entity may compute the amount of its allocated creditable foreign taxes in accordance with administrative guidance published on the Corporate Income Tax Agency website at www.cita.bm including, without limitation, guidance related to elections relevant to the determination of allocated creditable foreign taxes and limitations regarding the amount of allocated creditable foreign taxes which shall be recognised with respect to passive income.”.

Inserts regulation 10A

8 The principal Regulations are amended by inserting, after regulation 10, the following new regulation—

“Obligation to provide information in advance of filing return

10A (1) In connection with each of the first instalment and the second instalment, the Filing Bermuda Constituent Entity of a Bermuda Constituent Entity Group shall file—

- (a) information regarding the amount of any reduction in the instalment attributable to total distributable tax credit benefits; and
- (b) such other information and documentation as the Agency may prescribe,

on such form and in such manner as shall be prescribed by the Agency, and the deadline for the filing of such form shall be as specified in paragraph (6).

(2) The obligation to supply information or documentation pursuant to paragraph (1) with respect to an instalment for a fiscal year shall apply even where the amount of the instalment is nil, provided that paragraph (1) shall not apply to the extent that—

- (a) the instalment payment is not required to be made for the fiscal year pursuant to regulation 12(2) or (3); or
- (b) the de minimis exemption election will be made with respect to the Bermuda Constituent Entity Group for the fiscal year in accordance with section 7 of the CIT Act.

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(3) Where information or documentation is required to be filed pursuant to this regulation with respect to an instalment and such information or documentation is not submitted by the deadline described in paragraph (6) or is, in the opinion of the Agency, incomplete or incorrect, then any payment related to such instalment shall be deemed not to have been made prior to the earlier of—

- (a) the date on which the information or documentation has been filed with the Agency in accordance with this regulation; or
- (b) the original due date for the Bermuda Constituent Entity Group's return for the fiscal year to which the instalment relates,

provided that where paragraph (4) applies and where such information or documentation is correctly and fully submitted on behalf of the Bermuda Constituent Entity Group within 14 days of being notified by the Agency, then the date described in paragraph (a) shall be the date of the Agency notification.

(4) Where, pursuant to paragraph (3), the Agency determines that any information or documentation filed with respect to an instalment is incomplete or incorrect, then it shall notify the Filing Bermuda Constituent Entity of the Bermuda Constituent Entity Group as soon as reasonably practicable following such determination.

(5) This regulation shall be without prejudice to any penalties which may apply under the CIT Act.

(6) The deadlines applicable to this regulation shall—

- (a) in the case of first and second instalments due prior to 31 December 2025, be 31 January 2026 in respect of information pertaining to both instalments, provided that paragraph (3) of this regulation shall not apply in such cases; and
- (b) in the case of all other instalments, be the same as the deadline for the payment of the respective instalment specified by regulation 13 or 14, as the case may be.”.

Amends Regulation 13

9 Regulation 13 of the principal Regulations is amended—

- (a) by inserting, after paragraph (1), the following new paragraph (2)—

“(2) The first instalment shall be equal to—

- (a) the amount determined pursuant to paragraph (3) for the fiscal year reduced, but not below zero; by
- (b) the lesser of—
 - (i) 50% of the total distributable tax credit benefits for the fiscal year; or

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- (ii) the amount filed pursuant to regulation 10A(1)(a) with respect to the instalment,

provided that in respect of a first instalment payment due prior to 31 December 2025, the amount described in subparagraph (ii) shall be deemed to be equal to the amount described in subparagraph (i).”;

- (b) by renumbering paragraphs (2) to (4) as (3) to (5), respectively;

- (c) in the renumbered paragraph (3)—

- (i) by deleting the chapeau and substituting the following—

“(3) For the purposes of paragraph (2)(a), the amount determined pursuant to this paragraph shall be the lesser of—”;

- (ii) in subparagraph (b), by inserting, after subparagraph (i)(D), the following new subparagraph—

“(E) the adjustment described in section 26(1) was determined based on 50% of the total accrued tax credit benefits for the fiscal year; and”;

- (d) in the renumbered paragraph (4), by deleting the words “paragraph (2)(b)” and substituting “paragraph (3)(b)”; and

- (e) in the renumbered paragraph (5), by deleting the words “paragraph (2)(b)”, in the two instances in which they occur, and substituting “paragraph (3)(b)”.

Amends Regulation 14

10 Regulation 14 of the principal Regulations is amended—

- (a) by inserting, after paragraph (2), the following new paragraph (2)—

“(2) The second instalment shall be equal to—

- (a) the amount determined pursuant to paragraph (3) for the fiscal year reduced, but not below zero, by;

- (b) the lesser of—

- (i) 90% of the total distributable tax credit benefits for the fiscal year; or

- (ii) the amount filed pursuant to regulation 10A(1)(a) with respect to the instalment,

provided that in respect of a second instalment payment due prior to 31 December 2025, the amount described in subparagraph (ii) shall be deemed to be equal to the amount described in subparagraph (i).”;

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- (b) by renumbering paragraphs (2) to (4) as (3) to (5), respectively;
- (c) in the renumbered paragraph (3)—
 - (i) by deleting the chapeau and substituting the following—

“(3) For the purposes of paragraph (2)(a), the amount determined pursuant to this paragraph shall be the lesser of the amounts described in subparagraphs (a) or (b) below, reduced, in either case (but not below zero) by the amount of the first instalment—”;

- (ii) in subparagraph (b), by inserting, after subparagraph (i)(D), the following new subparagraph—

“(E) the adjustment described in section 26(1) was determined based on 75% of the total accrued tax credit benefits for the fiscal year; and”

- (d) in the renumbered paragraph (4), by deleting the words “paragraph (2)(b)” and substituting “paragraph (3)(b)”;
 - (e) in the renumbered paragraph (5), by deleting the words “paragraph (2)(b)”, in the two instances in which they occur, and substituting “paragraph (3)(b)”.

Amends Regulation 16

11 Regulation 16 of the principal Regulations is amended by revoking paragraph (2) and substituting the following—

“(2) The underpayment described in paragraph (1), or any portion thereof, shall be treated as existing during the period—

- (a) beginning on the day succeeding the relevant due date as provided under this Part; and
- (b) ending on the earlier of—
 - (i) the date on which the underpayment, or such portion thereof, is paid; or
 - (ii) the original due date for the filing of a return for the fiscal year to which the instalment relates.”.

Amends Regulation 18

12 Regulation 18(1) of the principal Regulations is amended by deleting the words “made payments” and substituting “made tax payments”.

Amends Regulation 19

13 Regulation 19 of the principal Regulations is amended—

- (a) by revoking paragraph (1) and substituting the following—

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“(1) Interest shall be chargeable to a Bermuda Constituent Entity Group at the underpayment rate determined in accordance with these Regulations, beginning with the day following the day on which the underpayment has arisen (but subject to regulation 18(3) and paragraphs (2) and (3) below) and ending with the day on which the underpayment has been satisfied by the application of an adjusted tax payment (provided that where only a portion of the underpayment has been satisfied, interest shall only cease to be chargeable on that portion which has been satisfied).”;

- (b) in paragraph (2), by deleting the words “such amount is paid” and substituting “such amount is satisfied by the application of an adjusted tax payment”;
- (c) in paragraph (5), by deleting the word “annually” and substituting “monthly”;
- (d) in paragraph (6), by deleting the word “credit”, in the two instances it occurs, and substituting “application”;
- (e) by inserting, after paragraph (7), the following new paragraph—

“(8) If any portion of the underpayment for a fiscal year is satisfied by the application of total distributable tax credit benefits for the fiscal year, then for the purposes of paragraph (1) such portion of the underpayment shall be regarded as satisfied on the day determined in accordance with regulation 20(4)(b).”.

Amends Regulation 20

14 Regulation 20 of the principal Regulations is amended—

- (a) by revoking paragraph (1) and substituting the following—

“(1) An overpayment shall arise with respect to a fiscal year to the extent that the adjusted tax payments for the fiscal year exceed the sum of—

- (a) tax for the fiscal year; plus
- (b) interest in respect of underpayments (or non-payments) of instalments determined pursuant to regulation 16 for the fiscal year.”;

- (b) by revoking paragraph (3) and substituting the following—

“(3) The date on which an overpayment (or portion thereof) shall arise shall be—

- (a) the date of the tax payment or the application of the first amount which, when added to earlier payments, causes an excess as specified in paragraph (1); and

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- (b) the dates of payment or the application of all amounts subsequently paid or applied (provided that an excess as specified in paragraph (1) still exists as of such dates).”;
- (c) by revoking paragraph (4) and substituting the following—
 - “(4) For the purposes of paragraph (3)—
 - (a) payments (including instalment payments) for the fiscal year which are made prior to the original due date for a return for the same fiscal year, and any overpayments credited to the fiscal year pursuant to regulation 21, shall be deemed paid—
 - (i) on the original due date, to the extent the overpayment arises with respect to a return or amended return filed on or before the original due date for a return for the same fiscal year; or
 - (ii) on the date the return is filed, to the extent the overpayment arises with respect to an original or amended return filed after the original due date for the return; and
 - (b) total distributable tax credit benefits for the fiscal year shall be applied as an adjusted tax payment on the later of—
 - (i) the date determined in accordance with subparagraph (a); or
 - (ii) the date on which the relevant tax credit claim form is filed.”.

Inserts Part 6

15 The principal Regulations are amended by inserting, after regulation 37, the following new Part 6—

“PART 6

FOREIGN EXCHANGE

Conversion of Euro denominated thresholds in the CIT Act

38 (1) For the purposes of the CIT Act, in determining the equivalent amount specified in Euro denominated thresholds, as specified in paragraph (2), the following applies—

- (a) non-Euro denominated amounts for the fiscal year shall be converted by multiplying such amounts by the average foreign exchange rate for the month of December in the immediately preceding fiscal year;
- (b) the average foreign exchange rate for the month of December shall be published by the Agency on a periodic basis on its website at www.cita.bm, and shall be determined based on foreign exchange rates quoted by the European Central Bank, provided that—

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- (i) amounts presented in Bermuda dollars shall be converted at the foreign exchange rate quoted by the European Central Bank for the conversion of U.S. dollars into Euros; and
- (ii) for currencies other than Bermuda dollars, if the European Central Bank does not provide a foreign exchange rate for the local currency of a jurisdiction, the average foreign exchange rate will be determined based on the foreign exchange rates quoted by the central bank of such jurisdiction.

(2) This regulation shall apply to the following amounts in relation to the applicable sections of the CIT Act—

- (a) the EUR 750 million thresholds referenced in section 11 of the CIT Act;
- (b) the EUR 10 million and EUR 1 million thresholds referenced in section 7(1)(a) and (b), of the CIT Act;
- (c) the EUR 50 million threshold referenced in section 13(1)(b) of the CIT Act;
- (d) the EUR 1 million threshold referenced in section 21(1)(b)(i) of the CIT Act;
- (e) the EUR 75 million threshold referenced in paragraph (c) of the definition of “consolidated financial statements” in section 2(1) of the CIT Act; and
- (f) the EUR 50,000 threshold referenced in paragraph (b) of the definition of “policy disallowed expenses” in section 2(1) of the CIT Act,

provided that to the extent the thresholds described in subparagraph (a) or (b) are determined based on average revenue, or average income or loss, for the current fiscal year and one or more preceding fiscal years, the provisions of paragraph (1) shall be applied separately to each such fiscal year.

Conversion of non-U.S. dollar amounts for payment of tax due in U.S. dollars

39 For the purposes of determining the equivalent U.S. dollar amount that is required to be paid to discharge a tax liability under the CIT Act and regulations made thereunder, the following applies—

- (a) non-U.S. dollar denominated tax amounts shall be converted by multiplying such amounts by the average foreign exchange rate for the fiscal year to which the tax relates;
- (b) the average foreign exchange rate for a fiscal year shall be determined based on foreign exchange rates quoted by the European Central Bank, provided that if the European Central Bank does not provide a foreign exchange rate for the local

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currency of a jurisdiction, the average foreign exchange rate will be determined based on the foreign exchange rates quoted by the central bank of such jurisdiction (or equivalent);

- (c) the Agency may periodically publish average foreign exchange rates determined in accordance with subparagraph (b) on its website at www.cita.bm and, to the extent that an average foreign exchange rate is published by the Agency with respect to a local currency for a fiscal year, such average foreign exchange rate shall be applied for the purposes of converting tax amounts denominated in such local currency for such fiscal year for the purposes of subparagraph (a); and
- (d) for the purposes of calculating interest on underpayments in respect of instalments due before the end of the fiscal year, the methodology in regulation 38(1) shall be applied, such that the rate used shall be the average foreign exchange rate for the month of December for the preceding fiscal year.”.

Renumber regulation 38 as regulation 40

16 The principal Regulations are amended by renumbering regulation 38 as regulation 40.

Made this 12th day of December 2025

Minister of Finance

[Operative Date: 12 December 2025]