

COMMONWEALTH OF THE BAHAMAS
FINANCIAL PERIOD ENDED DECEMBER 31, 2020

▪ **ANNUAL ECONOMIC SUBSTANCE REPORTING**
Commercial Entities (Substance Requirements) Act, 2018 (the Act)

In 2018, the Bahamas enacted legislation requiring some legal entities carrying on relevant activities to demonstrate adequate economic substance in the Bahamas.

The legislation states that each company shall review and assess each one of the activities that it is carrying on and proceed to file an Economic Substance report through its Registered Agent. The relevant activities requiring economic substance in Bahamas are listed and defined in the [Schedule of Relevant Activities](#). The Economic Substance report must be filed even though the company is not carrying on any relevant activity.

This assessment needs to be done every financial period. The default financial period established in the legislation ends on December 30 of each year.

Companies are obliged to submit the report required by the Economic Substance legislation within nine (9) months of the end of their financial year. This report needs to be completed and submitted annually.

The financial period for 2020 was completed on December 30, 2020 and the deadline to submit the report is on September 30, 2021.

We have drafted a special certification of the relevant forms for our clients' easy completion to comply with the reporting obligations for the year 2020. In order to obtain your company's documents, please contact your representative at ICAZA or send an email to bahamases@icazalaw.com.

The non-compliance with these obligations may carry on both criminal and financial sanctions.

For further enquiries or additional information, do not hesitate to contact us at bahamases@icazalaw.com.