



*EXTRAORDINARY*

**OFFICIAL GAZETTE**

**THE BAHAMAS**

PUBLISHED BY AUTHORITY

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NASSAU

1<sup>st</sup> July, 2019

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# BUSINESS LICENCE (AMENDMENT) ACT, 2019

## Arrangement of Sections

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### SCHEDULE



**No. 16 of 2019**

**BUSINESS LICENCE (AMENDMENT) ACT, 2019**

**AN ACT TO AMEND THE BUSINESS LICENCE ACT**

[Date of Assent - 28<sup>th</sup> June, 2019]

**Enacted by the Parliament of The Bahamas**

**1. Short title and commencement.**

- (1) This Act, which amends the Business Licence Act, 2010 (*No. 25 of 2010*), may be cited as the Business Licence (Amendment) Act, 2019.
- (2) This Act shall come into force on the 1<sup>st</sup> day of July, 2019.

**2. Amendment of section 2 of the principal Act.**

Section 2 of the principal Act is amended —

- (a) by renumbering the section as subsection (1) and by inserting the following—
  - (i) by the deletion of the word “**business**” and the definition relating thereto and the substitution of the following —

“**business**” includes —

    - (a) a trade, profession, vocation, venture or undertaking;
    - (b) the provision of personal services, or technical and managerial skills, and any adventure or concern in the nature of trade that does not include employment;
    - (c) the provision by a club, association or organisation, for a subscription or other consideration, of the facilities or advantages available to its members;
    - (d) the admission, for consideration of persons to any premises, save and except any activities specified in section 13(3);

- (e) the exploitation of tangible or intangible property for the purpose of obtaining income on a continuing basis from such property, but does not include —
  - (i) the carrying out of activities as a passive holding entity; or
  - (ii) the rental of a building, premises, structure or other place or any part thereof that is not a commercial rental establishment;”;
- (ii) by the deletion of the word **“turnover”** and its definition and the substitution of the following —

**“turnover”** means total revenues in money and money’s worth accruing to a person from his business activities within The Bahamas during the prior financial year, including all cash, credit sales and commissions without any deductions whatsoever, but does not include —

  - (a) output tax collected by a business in accordance with the Value Added Tax Act, 2014 (*No. 32 of 2014*);
  - (b) the sale of capital assets, including real property unless such sale is in the ordinary course of the business;
  - (c) an amount received for or on behalf of a principal in an agency relationship except for agency fees or commission on sales or any similar amounts designed to remunerate the agent for its role or involvement in the sale or transaction;
  - (d) an amount received on items sold by an auctioneer, where the auctioneer has no title or any interest in the goods sold, except for the auctioneer fee or commission;
  - (e) export turnover;
  - (f) revenue accruing from transactions between members of a group under section 8(2A) which fall within the exclusions specified in Part B of the *Sixth Schedule*;
  - (g) revenue derived from services provided by a business to an entity where —

- (i) the ultimate beneficial owner of 90 % of the shares or equivalent ownership interest in both the business and the entity is the same person; and
    - (ii) the entity is not a business under this Act; and
  - (h) any other exclusion as the Minister may by order allow;” and
- (iii) by the insertion, in the appropriate alphabetical order of the following new definitions —
  - “**commercial rental establishment**” has the meaning assigned to it under the Value Added Tax Regulations, 2014 (*S.I. 87/2014*);
  - “**export turnover**” means turnover generated by the supply of services where the benefit or advantage is obtained outside The Bahamas;
  - “**fair market value**” has the meaning assigned thereto in the Value Added Tax Regulations, 2014 (*S.I. 87/2014*);
  - “**financial services entity**” means a business that is subject to the payment of a licensing or other fee and is regulated in accordance with —
    - (a) the Banks and Trust Companies Regulation Act (*Ch. 316*);
    - (b) the Securities Industry Act, 2011 (*No. 10 of 2011*);
    - (c) the Insurance Act (*Ch. 347*);
    - (d) the External Insurance Act (*Ch. 348*);
    - (e) the Financial and Corporate Services Providers Act (*Ch. 369*); or
    - (f) the Investment Funds Act, 2019 (*No. 2 of 2019*);
  - “**financial year**” means a period of twelve months commencing on any one of the dates specified in section 3(3);
  - “**supply of services**” has the meaning assigned thereto in the Value Added Tax Act, 2014 (*No. 32 of 2014*);
  - “**value**” has the meaning assigned thereto in the Value Added Tax Act, 2014 (*No. 32 of 2014*).”;
- (b) by the insertion a subsection (2) —