

The Bahamas

1. The Bahamas was first reviewed during the 2018/2019 peer review. This report is supplementary to that previous report (OECD, 2018^[2]).
2. The first filing obligation for a CbC report in the Bahamas applies to reporting fiscal years commencing on or after 1 January 2018.

Summary of key findings

3. The Bahamas meets all the terms of reference relating to the domestic legal and administrative framework (OECD, 2017^[3]).
4. It is recommended that the Bahamas take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. This recommendation remains in place since the 2018/2019 peer review. It is noted that steps to address this recommendation by the Bahamas have been delayed as a result of the effects of hurricane Dorian.
5. The Bahamas' 2018/2019 peer review report included a recommendation that the Bahamas amend the deadline for filing a CbC report with respect to the specific filing deadline relating to the reporting fiscal years that began on or before 31 May 2018. The Bahamas made a legislative amendment in April 2019 to make this amendment and the recommendation is therefore removed.
6. The Bahamas' previous peer review included a recommendation that it take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which the Bahamas has international agreements which allow for the automatic exchange of tax information. Bilateral relationships are now in place so the recommendation is removed.

Part A: The domestic legal and administrative framework

7. The Bahamas meets all the terms of reference relating to the domestic legal and administrative framework.

(a) Parent entity filing obligation

8. No changes were identified.

(b) Scope and timing of parent entity filing

9. The Bahamas' 2018/2019 peer review report included a recommendation that the Bahamas amend the deadline for filing a CbC report with respect to the specific filing deadline relating to the reporting fiscal years that began on or before 31 May 2018. The Bahamas made a legislative amendment in April 2019 to make this amendment and the recommendation is therefore removed.

(c) Limitation on local filing obligation

10. No changes were identified¹.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified.

(e) Effective implementation

12. No changes were identified².

Conclusion

13. The Bahamas meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework**(a) Exchange of information framework**

14. The Bahamas' previous peer review included a recommendation that it take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which the Bahamas has international agreements which allow for the automatic exchange of tax information. Bilateral relationships are now in place so the recommendation is removed.

15. As of 31 March 2020, the Bahamas has 41 bilateral relationships in place for the exchange of CbC reports, activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of tax information, the Bahamas has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding the Bahamas' exchange of information framework, no inconsistencies with the terms of reference were identified.³

(b) Content of information exchanged

16. No changes were identified.

(c) Completeness of exchanges

17. No changes were identified.

(d) Timeliness of exchanges

18. No changes were identified.

(e) Temporary suspension of exchange or termination of QCAA

19. No changes were identified.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

20. No changes were identified.

(g) Format for information exchange

21. No changes were identified.

(h) Method for transmission

22. No changes were identified.

Conclusion

23. It is recommended that the Bahamas take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. This recommendation remains unchanged since the 2018/2019 peer review. It is noted that steps to address this recommendation by the Bahamas have been delayed as a result of the effects of hurricane Dorian

Part C: Appropriate use**Appropriate use**

24. No changes were identified.

Conclusion

25. The Bahamas is a non-reciprocal jurisdiction and, as such, will not receive CbC reports submitted to tax authorities in other jurisdictions, and will not apply local filing. It is not necessary for this peer review evaluation to reach any conclusion with respect to appropriate use.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	It is recommended that the Bahamas take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.
Part C	Appropriate use	

References

OECD (2018), *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 1): Inclusive Framework on BEPS: Action 13*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264300057-en>. [2]

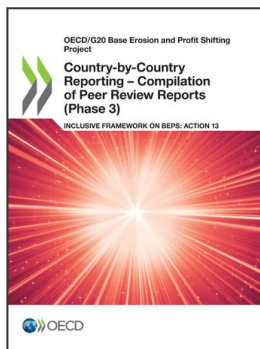
OECD (2017), *Terms of reference for the conduct of peer review of the Action 13 minimum standard on country-by-country reporting*, OECD Publishing, <https://www.oecd.org/tax/beps/beps-action-13-on-country-by-country-reporting-peer-review-documents.pdf>. [3]

Notes

¹ The Bahamas 2018/2019 peer review included a monitoring point which remains in place. It was noted that the Bahamas' legislation includes provisions relating to (i) the deactivation of local filing in case of surrogate filing (see Section 3(4) of The Bahamas CbC Act) and (ii) the fact that a single Constituent Entity could file a CbC report that satisfies the filing requirement of all Constituent Entities of such MNE Group that are resident in the Bahamas (see Section 3(3) of The Bahamas CbC Act). While these provisions do not seem to create a filing obligation on Constituent Entities in the Bahamas (being noted that according to Section 3(1) and 3(2), only Ultimate Parent Entities and Surrogate Parent Entities shall file a CbC report in the Bahamas), they may introduce uncertainty for taxpayers. This will be monitored to ensure that no local filing obligations arise from Section 3 of the act.

² The Bahamas 2018/2019 peer review included a monitoring point which remains in place. There are no specific processes in place that would allow the Bahamas to take appropriate measures in case it is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. However, the Bahamas indicates that the penalties will be applied to any person providing inaccurate information under Section 19 of the CbC Act. As no exchange of CbC reports has yet occurred, no recommendation is made but this respect will be further monitored.

³ No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.



From:

Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 3)

Inclusive Framework on BEPS: Action 13

Access the complete publication at:

<https://doi.org/10.1787/fa6d31d7-en>

Please cite this chapter as:

OECD (2020), “The Bahamas”, in *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 3) : Inclusive Framework on BEPS: Action 13*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/07c72076-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.