

Guidance on Changes to the International Business Unit's Processes due to Corona Virus (COVID-19)

Economic Substance

Concerns have arisen that measures taken to prevent the spread of COVID-19, such as restrictions on travel and voluntary and mandatory social distancing, may cause difficulties for resident companies required to meet the economic substance test pursuant to the **Economic Substance Act 2019-43**.

Where resident companies' operating practices have to be adjusted in response to the COVID-19 pandemic, for example, directors who would normally travel to Barbados to be physically present at board meetings, but are now avoiding travel, self-isolating or holding meetings virtually (or via telephone), the Director would not automatically regard this activity as failing to meet the economic substance test.

Resident companies that have adjusted their operating procedures as a result of COVID-19 should clearly record in their books and records, and particularly in board minutes for meetings, when directors have not been physically present due to implementation of such measures.

Resident companies are required to notify the Director of International Business in writing whenever circumstances arise as outlined above. This notification can be emailed to the Director at kevin.hunte2@barbados.gov.bb or to the Deputy Director at robert.folkes@barbados.gov.bb.

Licensing and Payment of Fees

In the event that the Ministry of International Business and Industry relocates off-site due to COVID-19 measures, guidance will be issued on the processing of applications for Foreign Currency Permits in electronic format. On approval by the Director of International Business, licences, permits and certificates will be issued also in an electronic format.

Please be guided accordingly.

International Business Unit
Ministry of International Business and Industry
March 18th, 2020.