



TAX NEWSLETTER

August 2020

Important Nevis Company Tax Update

On 12 August 2020, the St Kitts & Nevis (SKN) Inland Revenue Department (IRD) announced that all entities registered under the Nevis Business Corporations Ordinance and the Limited Liability Companies Ordinance in Nevis will be required to file a Simplified Tax Return (STR). This is a direct response to the calls from the European Union (EU) and the Organisation for Economic Cooperation and Development (OECD) for St Kitts and Nevis “to comply with international tax good governance principles.”

The directors/managers of each entity will be required to sign a declaration and provide information regarding matters such as their tax residence, activities and income etc. The STR process was due to start on 18 August 2020 and to be completed by 26 August 2020. However, in our view, the late notice and timescales make compliance with these requirements operationally unachievable.

The Agents of the Corporations, Morning Star Holdings Ltd (MSH) & Meridian Trust Company Ltd (MTC) have formally written to the SKN IRD to state the position regarding the timeframe for compliance, to request an extension to file the STR’s and to request a meeting to discuss the announcement. In addition, they have written to the Nevis IRD outlining the amendments that should be made to the Nevis legislation to meet the obligations laid down by the EU/OECD.

Once we have clarity regarding the requirements for satisfying the EU/OECD, we will provide a further update and details on next steps.

Feel free to contact our office with any questions on this update.

August 24, 2020.

