

No: 9 of 2001. *The International Business Corporation
(Amendment) Act 2001.*

1 ANTIGUA
AND
BARBUDA



[L.S.]

I Assent,

James B. Carlisle,
Governor-General.

16th May, 2001.

ANTIGUA AND BARBUDA

No. 9 of 2001

AN ACT to amend the International Business Corporation Act,
Cap. 222.

[17th May, 2001]

ENACTED by the Parliament of Antigua and Barbuda as follows —

1. This Bill may be cited as the International Business Corporation (Amendment) Act 2001. short title.

2. The International Business Corporation Act, in this Act referred to as the principal Act, is amended by the repeal of section 272 and by the substitution of the following — Amendment of
section 272.

"272 (1) Except as provided by this Act, no income tax, capital gains tax or other direct tax or impost shall be levied in Antigua and Barbuda upon the profits or gains of an exempt corporation in respect of the international trade and business it carries on from within Antigua and Barbuda.

(2) Except as provided in this Act, no income tax, capital gains tax or other direct tax or impost shall be levied in Antigua and Barbuda in respect of any dividends or earn-

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ings attributable to shares, securities or assets of an exempt corporation that are beneficially owned by another corporation incorporated under this Act or by a person who is not a resident.

(3) Except as provided by this Act, no estate, inheritance, succession or similar tax or impost shall be levied in Antigua and Barbuda in respect of any shares, securities or assets of an exempt corporation that are beneficially owned by an exempt corporation or a person who is not a resident.

(4) Except as provided in this Act, no tax or impost shall be levied upon the increment in value of the property or other assets in Antigua and Barbuda or elsewhere of an exempt corporation other than upon such of them as are distributed to residents.

Repeal and substitution of section 273.

3. (1) Except as provided by this Act, no tax, duty or other impost shall be levied upon an exempt corporation, its shareholders, or security holders, or transferees in respect of the transfer of all or any part of its securities or other assets to another exempt corporation or to a person who is not a resident of Antigua and Barbuda.

(2) Where an exempt corporation or a person who is not a resident of Antigua and Barbuda transfers shares, securities or assets of an exempt corporation that are held by that exempt corporation or person to another exempt corporation or to another person who is not a resident of Antigua and Barbuda, the transfer is exempt from the payment of any tax, duty, or other impost thereon.

(3) Except as is provided by this Act, no income tax or capital gains tax, and no other direct tax or impost may be levied or collected in Antigua and Barbuda, in respect of any dividends, interests or returns from any shares, securities, deposits or borrowings of an exempt corporation or any assets managed by the exempt corporation, if the dividends, interests or other returns are in respect of shares, securities, deposits, borrowings or assets beneficially owned by another exempt corporation or a person who is not resident in Antigua and Barbuda; but the onus of establishing ownership lies upon the exempt corporation holding or managing the deposits, borrowings or assets.

4. Section 280 of the principal Act is repealed and the following substituted — **Section 280
repealed and
substituted.**

**Exemption from
exchange control
and stamp duty
Act.**

280. (1) The income, profits, gains, dividends, securities, other revenue and funds of an exempt corporation that are generated, acquired or managed in the course of international trade or business of the exempt corporation are exempt from the Exchange Control Act; and unless the exempt corporation is a resident of Antigua and Barbuda, the income, profits, dividends, gains and other revenues of the exempt corporation are also exempt from that Act.

(2) The Stamp Act shall not apply to an exempt corporation in respect of all transactions entered into in relation to the exempted corporation's international trade or business.

5. Section 281 of the principal Act is repealed and the following substituted — **Section 281
repealed and
substituted.**

**"Tax on gross
income.**

281. (1) Notwithstanding anything contained in the Income Tax Act, in this section referred to as "the Act", every exempt corporation carrying on the business of banking under this Act shall be chargeable to income tax imposed by the Act in respect of gross income from the operations and investments of its business.

(2) The income tax imposed by the Act upon the chargeable income of an exempt corporation carrying on the business of —

- (a) banking from Antigua and Barbuda, shall be charged at the rate of three **percentum** (3%) on the gross income of its operations and investment;
- (b) internet gaming, sportsbooks and virtual casinos **from** Antigua and

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Barbuda shall be charged at the rate of three (3%) **percentum** of the gross handle.

(3) For the purposes of the Division —

- (a) gross income in relation to banking business carried on under this Act means interest income and fees derived from the operations and investments of the banking business minus interest expense;
- (b) gross handle in relation to internet gaming, sports book and virtual casinos **carried** on under this Act, means gross take-in minus payouts to clients on bets.

(4) An exempt corporation shall, for the purposes of the Division, be deemed to be a company and, subject to this Act, the provisions of the Act as to liability to assessment and collection of the **income** tax imposed by the Act shall apply *mutatis mutandis* to an exempt corporation.

Amendment of
section 316.

6. Section 316 of the principal Act is amended as follows —

- (a) in subsection (5) by the deletion of **the full** stop after the word Minister and the substitution thereof of a colon; and
- (b) by inserting after the colon the following —

"is a shareholder, director, officer or employee of a banking, insurance or trust corporation licensed under this Act."

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Passed the House of Representatives this
11th day of April, 2001.

Passed the Senate this 26th day
of April, 2001.

*B. Harris,
Speaker.*

*M. Pereival,
President.*

*Y. Henry,
Acting Clerk of the House of Representatives.*

*Y. Henry,
Acting Clerk to the Senate.*

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