

## CHAPTER 221

### THE INTERNATIONAL BUSINESS COMPANIES (EXEMPTION FROM INCOME TAX) ACT

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### INTERNATIONAL BUSINESS COMPANIES (EXEMPTION FROM INCOME TAX)

(27th July, 1967.)

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**1.** This Act may be cited as the International Business Companies (Exemption from Income Tax) Act and shall be read and construed as one with the Income Tax Act (hereinafter called the Income Tax Act) and all amendments thereto.

Short title and construction.

Cap. 212.

**2.** (1) In this Act—

Interpretation.

“exempted company” means an international business company resident in Antigua and Barbuda which does not carry on trade in the buying or selling of goods or services in, or originating in, Antigua and Barbuda;

“goods” includes commodities, products and securities;

“international business company” means a body corporate, engaged in trade, whether incorporated under the laws of Antigua and Barbuda or not, in the case of which all of the following conditions are fulfilled:

(a) the body corporate is not by any means controlled (whether directly or indirectly) by persons resident in Antigua and Barbuda;

(b) more than one-tenth of the sums which on a liquidation thereof, would be receivable by holders of share or loan capital would not be receivable (directly or indirectly) by or for the benefit of persons resident in Antigua and Barbuda;

(c) more than one-tenth of the assets which, on a liquidation thereof, would be available for distribution after the payment of creditors would not be receivable (directly or indirectly) by or for the benefit of persons resident in Antigua and Barbuda;

(d) more than one-tenth—

(i) of the interest payable on its loan and loan capital, if any; and

(ii) of the dividends payable on its preference share capital, if any; and

(iii) of the dividends payable on its share capital, if any, not being preference share capital,

is not receivable (directly or indirectly) by or for the benefit of persons resident in Antigua and Barbuda;

(e) the body corporate does not carry on banking or insurance business in Antigua and Barbuda;

“investment company” means a body corporate, whether incorporated under the law of Antigua and Barbuda or not, engaged exclusively in the business of buying, selling, holding or managing securities;

“securities” means shares, stock, bonds, notes (other than promissory notes), debentures, debenture stock, units under a unit trust scheme and any other securities prescribed by the Governor-General for the purpose of this Act;

“the Commissioner” means the Commissioner of Inland Revenue;

“trade” means every trade, business, manufacture, adventure or concern in the nature of trade or business.

(2) A shareholder of an international business company shall not be deemed for the purposes of this Act to be a person resident in Antigua and Barbuda by reason only that he visits Antigua and Barbuda from time to time for the purpose of supervising the operations of that company.

**3.** (1) The profits or gains of an international business company which is not an investment company shall be exempt from income tax if, within the prescribed time after the expiration of an income year the company satisfies the Commissioner that during the whole of that income year, it was an exempted company within the meaning of this Act.

**Exemption of profits and gains from income tax.**

(2) In lieu of tax at the rates specified in section 5 of the Income Tax Act, income tax at a reduced rate of two and one-half cents on every dollar shall be levied and paid upon the profits or gains of an international business company which is an investment company if, within the prescribed time after the expiration of an income year, the company satisfies the Commissioner that during the whole of that income year it was an exempted company within the meaning of this Act.

**4.** (1) Any dividend paid by an international business company which is not an investment company to a person

**Dividends.**

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*(Exemption from Income Tax)*

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not resident in Antigua and Barbuda out of profits or gains which are exempt from income tax in accordance with subsection (1) of section 3 shall be exempt from income tax.

(2) In lieu of tax at the rates specified in the Income Tax Act, income tax at the rate of two and one-half cents on every dollar shall, subject to the provisions of that Act, be levied and paid upon any dividend paid by an international business company which is an investment company to a person not resident in Antigua and Barbuda out of profits or gains which are liable to income tax at a reduced rate in accordance with subsection (2) of section 3, and the company paying the dividend shall be entitled to deduct out of the dividend the income tax payable thereon in accordance with this subsection.

(3) Subject to the provisions of the Income Tax Act, income tax at the appropriate rate specified in or under that Act shall be levied and paid upon any dividend paid by any international business company to a person resident in Antigua and Barbuda and the company paying the dividend shall be entitled to deduct income tax therefrom at the rate of forty cents on every dollar thereof.

(4) An international business company making deduction of income tax pursuant to subsection (2) or subsection (3) shall be deemed to be collecting tax on behalf of the Commissioner and shall pay to the Commissioner, or to such person as he may direct, the amounts so deducted.

(5) Save as otherwise provided in this Act, the provisions of the law relating to income tax shall apply to dividends paid by an international business company.

**Regulations.**

5. The Governor-General may make regulations for the following purposes—

(a) to provide for the returns to be submitted and the information to be furnished for the purpose of claiming exemption under this Act;

(b) to prescribe any matters required by this Act to be prescribed;

(c) generally for giving effect to the purposes of this Act.

**6.** Except so far as this Act may operate to exempt **Saving.** an international business company from liability to income tax under the law relating to income tax, all the provisions of that law which are applicable to a company shall apply to an international business company.

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