



## CIRCULAR

### Coronavirus (COVID-19) & Economic Substance Test (EST)

The Financial Services Commission has been made aware of concerns regarding the ability of some entities to comply with the EST in light of restrictions on travel and voluntary and mandatory social distancing in response to COVID-19.

Licensees are hereby advised that:

where there are, or will be, adjustments to operations as a result of the restrictions, for example, by hosting virtual meetings or conference calls where persons who would normally travel to Barbados to be physically present for board meetings and who are avoiding travel, or are self-isolating

such adjusted practices would not automatically be regarded as failing to meet the EST.

Licensees that have adjusted their operating procedures in response to 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.

March 20, 2020

Further, licensees are required to notify the Financial Services Commission and the Director of International Business, in writing, whenever circumstances arise as outlined above.

Notification should be sent by email to:

**Financial Services Commission**

Manager, Insurance: [insurance@fsc.gov.bb](mailto:insurance@fsc.gov.bb)

**International Business Unit**

Director: [kevin.hunte2@barbados.gov.bb](mailto:kevin.hunte2@barbados.gov.bb) or

Deputy Director [robert.folkes@barbados.gov.bb](mailto:robert.folkes@barbados.gov.bb)