



MINISTRY OF FINANCE, ECONOMIC AFFAIRS
AND INVESTMENT
GOVERNMENT OF BARBADOS
Government Headquarters
Bay Street, St. Michael, Barbados



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Our Ref.: 5043/67

Date: May 13, 2024

Dear Stakeholders,

Public Consultation - Investment Fund Reform 2024

The Government of Barbados is inviting all interested parties to provide written comments on the draft legislation implementing the 2024 Corporation Tax Reform.

INTRODUCTION

As announced in the Budgetary Proposals and Financial Statement 2024 by the Prime Minister and Minister of Finance, Economic Affairs and Investment, the Honourable Mia Amor Mottley, M.P., S.C., the Government of Barbados is undertaking a process of modernization and reform of its legislation on investment funds and asset management.

The aim of this effort is to create an environment conducive to investments, thereby promoting economic growth and enhancing the country's position as a competitive destination for investment funds and the asset management industry. In this context, best practices and sustainability metrics for sustainable investment strategies will be integrated.

The 2024 Budgetary Proposals and Financial Statement identifies the following main areas of reform:

- **Categories of Investment Funds:** modernization and expansion of the categories of investment funds and vehicles to address evolving market trends, investor demands, and financial innovation.
- **Categories of Fund industry operators:** streamlining the regulatory framework for Fund industry operators to encourage efficiency, accountability, and professionalism across the fund industry.

- **Fund Management and licensing process:** to clarify the public's understanding of what should be regarded as a regulated activity under the Barbadian regulatory framework.
- **Supervision and enforcement:** enhancing regulatory certainty and trust in the authorities by clearly defining their powers and limits.
- **Taxation:** ensuring tax neutrality for investors while remaining compliant with international standards and obligations.

INPUT REQUESTED

Input is requested on actions to be undertaken to increase Barbados' competitiveness and it is specifically requested on the following questions:

Regulatory framework

1. Are there any specific regulatory changes or additions you believe would significantly enhance the efficiency and attractiveness of Barbados' fund industry?
2. Could you identify any specific areas within the current regulatory framework that you find particularly burdensome or restrictive regarding the incorporation or operation of local / foreign fund structures and fund houses in Barbados?
3. In which jurisdictions do you operate?
4. Can you provide examples of any unique fund categories or structures that have been developed in other jurisdictions to meet evolving investor demands?
5. What measures could be implemented to foster the activities of fund service providers and professionals in Barbados, in particular in relation to fund domiciliation and administration?
6. How could Barbados improve its licensing and registration process and what specific changes would you recommend?
7. What challenges do you foresee in implementing standardized sustainability metrics within the fund industry in Barbados?
8. What reform would you envisage to support fund managers and industry operators in enhancing Green & Blue related activities in the fund industry?

Tax framework

1. What tax measures should be adopted to enhance the competitiveness of Barbados in relation to asset / investment management activities?
2. What tax measures should be adopted to enhance the competitiveness of Barbados in relation to investment advisory activities?
3. What tax measures should be adopted to enhance the competitiveness of Barbados in relation to fund domiciliation services?
4. What tax measures should be adopted to enhance the competitiveness of Barbados in relation to fund administration services?
5. What challenges do you encounter in terms of tax compliance and reporting obligations regarding investment funds in Barbados?

Comments should be provided on or before June 15, 2024 to email address CorpTaxReform@barbados.gov.bb.

Yours faithfully,



Nancy Headley (Mrs)
Permanent Secretary, Finance