



Fast-track Startup Business Regime - The Commercial Enterprises Act

The Bahamas' is making substantial strides to improve the ease of doing business and attract new and diverse business. At the end of 2017 Parliament passed legislation designed to streamline and fast-track the startup of businesses in specified areas of the economy. The new regime, called the Commercial Enterprises Act ("**CEA**"), came into effect in 2018.

Whether Bahamian or non-Bahamian, the CEA provides incentives to establish in The Bahamas a specialized *commercial enterprise* in one of the following areas:

- Captive Insurance
- Reinsurance
- Mutual Fund Administration
- Arbitration
- Wealth Management
- International Trade
- International Arbitrage
- Computer Programming
- Software Design & Writing
- Bioinformatics & Analytics
- Nano Technology
- Biomedical Industries
- Boutique Health Facilities
- Data Storage or Warehousing
- Aviation Approved Maintenance Operations
- Aviation Registration
- Call Centers
- Manufacturing or Assembly of Manufactures
- Maritime Trade

Key Features of the CEA:

- To qualify as a *commercial enterprise*:
 - A person must intend to commence business in one of the above mentioned areas;
 - Make application to the Commercial Enterprise Facilitation Unit setting out details of their proposed business and submit requisite supporting documentation; and
 - Obtain approval in the form of a specified *commercial enterprise* certificate ("**Certificate**").
- Approval to operate as a *commercial enterprise* will be for an initial period of 1-year. Thereafter, application will have to be made for renewal/extension of the approval.
- Minimum investment requirements to qualify as a *commercial enterprise* are as follows:
 - **Bahamians** – none



- **Joint ventures/partnerships between Bahamians and non-Bahamians** – none
- **Non-Bahamians** – minimum of \$250,000.
- *Commercial enterprises* will have the following incentives:
 - Access to special economic zones; and
 - Accelerated granting of work permits for persons holding executive or managerial positions or those with specialized knowledge relating to the *commercial enterprise* (“**Key Persons**”), namely:
 - Key Persons will be allowed to enter The Bahamas for the purposes of setting up the *commercial enterprise* as soon as the Certificate has been issued;
 - Within 30 days of Key Persons entry into The Bahamas Key Persons application must be made to the Department of Immigration (“**DOI**”) for a work permit;
 - Within 14 days of submission of a work permit application (to include a copy of the Certificate) the DOI will either approve or deny the work permit, failing which the work permit is deemed to be approved for a period of 3 years; and
 - If deemed to be approved, the work permit may only be later withdrawn by the DOI on the basis of public safety, public morality or national security.
- If the *commercial enterprise* or its employees will be carrying on a regulated activity (e.g. as may be regulated by the Securities Commission, the Insurance Commission or other Bahamian regulatory agency) the *commercial enterprise* and its employees will, in addition, be required to comply with the relevant regulatory licensing requirements prior to operating.

Further information including a copy of the CEA may be found:

http://laws.bahamas.gov.bs/cms/images/LEGISLATION/PRINCIPAL/2017/2017-0019/CommercialEnterprisesAct2017_1.pdf

<https://thenassauguardian.com/2017/12/01/govt-amends-enterprises-bill/>

<https://thenassauguardian.com/2017/11/21/commercial-enterprise-bill-debated-tomorrow/>

Our team at DELANEY PARTNERS is well-equipped to advise you on all aspects of establishing a *commercial enterprise*. Please contact us info@delaneypartners.com.

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