



Commercial Entities (Substance Requirements) Act, 2019 ("CESRA") Filing Deadline Approaching

The filing deadline under the CESRA is fast approaching for Bahamian entities.

The Commercial Entities (Substance Requirements) Act, 2019 is intended to ensure that commercial entities claiming to be tax resident in The Bahamas have a real nexus to the jurisdiction.

Which legal entities are required to file?

CESRA requires an annual filing to be completed by all entities in The Bahamas registered, incorporated or continued under the following legislation:

- Companies Act;
- International Business Companies Act;
- Partnership Act;
- Partnership Limited Liability Act; and
- Exempted Limited Partnership Act.
(collectively "commercial entities").

When are you required to file?

In 2020, all commercial entities incorporated, continued or registered in The Bahamas prior to 31 December 2019 will have to report in relation to the economic substance in The Bahamas for the period 01 July 2019 (or such later date of incorporation, continuation or registration as applicable) to 31 December 2019.

- Commercial entities with a financial year ending 31 March 2019, 30 June 2019 or 30 September 2019 ought to have completed the CESRA filing. If any has not yet done so, it should do so immediately.
- Commercial entities with a financial year end 31 December 2019 have until 31 December 2020 to complete the CESRA filing.
- Commercial entities incorporated, registered on continued in 2020 do not have to report until 2021.

What happens if you do not complete your CESRA filing?

Commercial entities that fail to comply with the CESRA reporting requirements commit an offence and will be subject to an administrative penalty for non-compliance of \$150,000 or struck off from the applicable register.

Where can the CESRA e-portal be accessed?

The CESRA e-portal is accessible at: <https://substancereporting.revenue.gov.bs/>.



<https://delaneypartners.com>

Where can I access more information?

A helpful user guide to the CESRA e-portal may be found at:

- <https://www.taxreporting.finance.gov.bs/wp-content/uploads/2020/06/Substance-filing-user-guide-UX.pdf>

Additionally, our law firm affiliate, Delaney Partners, previously prepared a helpful CESRA summary and an update to same which are available here:

- CESRA Summary: <https://delaneypartners.com/2019/03/economic-substance-requirements-for-commercial-entities-in-the-bahamas/>
- CESRA Summary Update: <https://delaneypartners.com/2020/01/economic-substance-requirements-for-commercial-entities-in-the-bahamas-reporting-obligations-update/>

You may also regularly check <https://www.taxreporting.finance.gov.bs/> for important CESRA and other tax/financial reporting updates.

If you have further questions or require assistance regarding your CESRA filing, please contact the commercial lawyers of Delaney Partners at info@delaneypartners.com.

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