



4th Floor, Weymouth Corporate Centre, Weymouth, Barbados, BB 1129
Tel: (246)535-8312 | Fax: (246) 535-8376 | Email: compauth@bra.gov.bb

FREQUENTLY ASKED QUESTIONS


Country-By-Country (CbC) Reporting

August 2023

Global Relations Unit
Barbados Revenue Authority

August 2023

Frequently Asked Questions
Country by Country Reporting (CbCR)

Queries	Response
<p>What is Country-by-Country (“CbC”) Reporting?</p>	<p>Country-by-Country (“CbC”) is part of the OECD's Base Erosion and Profit Shifting (BEPS) Action Plan 13. In essence, large multinational enterprise (MNE) groups are required to submit an annual return to Revenue Authorities that analyses key elements of the financial statements by jurisdiction.</p>
<p>What is the purpose of CbC Reporting?</p>	<p>CbC Reporting is part of a suite of international measures aimed at combating tax avoidance. This is achieved through comprehensive exchanges of information between participating jurisdictions.</p>
<p>What legislation governs the CbC Reporting?</p>	<p>Income Tax (Country by Country Reporting) Act 2021-27 (“CbC Act”) is an Act to make provision for the annual filing of CbC reports by in-scope multinational enterprises.</p> <p><i><u>Please refer to the legislation attached:</u></i></p> <div style="text-align: center;">  <p>Income tax (Country by Country reporting)</p> </div>
<p>Is there any guidance on CbC Reporting?</p>	<p>With reference to CbC Reporting, the Authority has issued the following Guidance Notes -</p> <ul style="list-style-type: none"> • Appropriate Use of CbC Information • Jurisdiction List of Exchange Partners • Impact Currency fluctuations • CbC Notification Form • CbC AEOI Web Portal <p>Please visit the Authority’s website at https://bra.gov.bb/News/Guidance-Notes/ to view the guidance notes.</p>

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<p>What is a reporting entity?</p>	<p>A reporting entity refers to the entity filing the CbC Report with the Authority. This may include the Ultimate Parent Entity, Surrogate Parent Entity or a Constituent Entity. Generally the reporting entity is the ultimate parent entity, however, the Ultimate Parent Entity may appoint a Surrogate Parent Entity to file the CbC Report.</p> <p>Where either the Ultimate or Surrogate Parent Entity files a CbC Report in another jurisdiction but Barbados cannot access this report, one of the resident constituent entities in Barbados will be required to file the CbC Report on the behalf of the MNE Group.</p> <p>Upon submission of the CbC notification, the Authority will be able to advise accordingly, if necessary.</p> <p>Where a CbC Report is filed by the Ultimate or Surrogate Parent Entity it will be exchanged with Barbados' exchange partners.</p>
<p>Who is exempt from CbC Reporting?</p>	<p>An MNE Group which has total consolidated group revenue of less than USD\$850,000,000 during the fiscal year immediately preceding the reporting fiscal year as reflected in its consolidated financial statements for that preceding fiscal year is exempted from filing a CbC Report.</p>
<p>What data is captured in the CbC Report?</p>	<p>The CbC Report includes the following –</p> <ol style="list-style-type: none"> 1. MNE Group details 2. List of the Constituent Entities, address, residency, Tax Identification Number, business activity, 3. Unrelated revenue, related revenue, profit/loss, taxes paid, tax accrued, capital, number of employees and assets.

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Is CbC Reporting limited to financial institutions like FATCA and CRS?	No, CbC Reporting applies to all MNE Groups that meet the threshold regardless of their business activity.
When is the first reporting fiscal year?	The first reporting fiscal year is any fiscal year beginning on or after 1st January 2021.
When is the due date for filing a CbC Report?	The CbC Report is due no later than 12 months after the end of the reporting fiscal year.
Where do I file the CbC Report?	<p>A CbC Report must be filed with the Authority via the AEOI web portal.</p> <p>Please visit the website: https://aeoportal.bra.gov.bb:8443</p>
Can an agent file a CbC Report on behalf of an MNE Group?	Similar to FATCA and CRS an agent can file a CbC Report on behalf of a client.
What is a CbC notification?	<p>A CbC notification informs the Authority whether the Constituent Entity is the Ultimate Parent Entity (UPE) or the Surrogate Parent Entity of the MNE Group.</p> <p>Where a Constituent Entity of an MNE Group is not the Ultimate Parent Entity nor the Surrogate Parent Entity, the Constituent Entity must notify the Authority of the identity and tax residence of the reporting entity.</p>
How often must I file a CbC notification?	A CbC notification must be filed on an annual basis.
What is the deadline to file the CbC notification?	CbC notifications must be filed no later than the last day of the reporting fiscal year of the MNE Group.

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	Guidance Note PPG No. 7 of 2022 provides that an MNE Group whose fiscal year ended prior to the publication of this guidance note or whose fiscal year will end in September 2022 is required to submit the completed notification form on or before October 15, 2022.
Is a non-resident Constituent Entity required to file a CbC notification?	No, a CbC notification is not required to be filed by a non-resident Constituent Entity.
How do I file a CbC notification?	All CbC notifications must be filed electronically. To access the notification form visit our website at https://globalrelations.bra.gov.bb
Can an agent create an account and file CbC notifications on behalf of an MNE Group?	Yes, an agent can register and file CbC notifications on behalf of an MNE Group.
Can I see the CbC notification form before registering on the Global Relations Web Portal?	No, you are required to register via the Global Relations Web Portal and thereafter you can view the CbC notification form.
Where the MNE Group is an excluded MNE Group is it necessary to notify the Authority?	No. there is no obligation to notify the Authority. An excluded MNE Group is not required to file a CbC notification or a CbC Report.
What happens if I failed to file or submit the CbC Report by the prescribed time?	The Revenue Commissioner may impose pecuniary penalties of BBD \$10,000 under the Income Tax (Country-by-Country Reporting) Act, 2021-27.
Must I register on the Global Relations Web Portal before I can file a CbC notification?	Yes, you must first register on the portal before completing the CbC notification form.

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<p>What details should I insert during the registration process?</p>	<p>The details to be inserted depend on how the account will be used.</p> <p>A firm/business/company may decide to create one account which will be used by all officers to complete notifications or conduct any other business on the web portal. Alternatively, a firm/business/company may decide that each officer will create a separate account.</p>
<p>Can I do bulk CbC notifications?</p>	<p>No, there is no option for bulk notifications.</p>
<p>Is a not-for-profit MNE Group exempt from CbC Reporting?</p>	<p>The requirement to file exists where the consolidated gross revenue of the MNE group is equal to or above the USD850 million threshold.</p> <p>There are no exemptions for any:</p> <ol style="list-style-type: none"> 1. Specific industries; 2. Investment funds; 3. Entities with tax-exempt status; 4. Non-corporate entities; or 5. Entities that are not publicly listed. <p>Please note Section 4 of the Income Tax (Country-by-Country Reporting) Act, 2021-27 provides that a constituent entity which is not the UPE and is resident in Barbados shall file a CbC Report in Barbados where the UPE of the MNE Group is not obligated to file a CbC Report in its jurisdiction of tax residence.</p> <p>Constituent entities of the MNE Group located in Barbados are also required to file CbC notifications.</p>

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<p>When the year-end of the Constituent Entity differs from that of the UPE, do we use the fiscal year of the UPE? For example, if the constituent entity has a fiscal year end of 30 June but the UPE has a fiscal year of 31 March, should we use 31 March in the notification?</p>	<p>CbC notifications and Reports should be submitted based on the fiscal year end of the UPE.</p>
<p>In determining whether a CbC notification is required for fiscal year 2021, our interpretation of the legislation is that the \$850 million threshold of the MNE group must have been met for fiscal year 2020. Similarly, the CbC notification for fiscal year 2022 requires that the threshold must have been met for fiscal year 2021.</p>	<p>A CbC notification must be filed by all constituent entities of an in-scope MNE Group. An in-scope MNE Group is any MNE Group which has total a consolidated group revenue of less than USD\$850 million during the fiscal year immediately preceding the reporting fiscal year as reflected in its consolidated financial statements for that preceding fiscal year.</p>
<p>Where the UPE is located in the US which is not on the list of countries that will exchange information with Barbados and the group has also filed a CbC report in another country with which Barbados exchanges information, can one of these entities be chosen as the surrogate parent entity for Barbados?</p>	<p>The CbC Report is exchanged by the foreign competent authority where either the UPE or the Surrogate parent entity is located. Where the report is filed by a constituent entity that is neither the UPE nor the surrogate parent entity, Barbados will not receive the CbC Report.</p> <p><u>Example</u></p> <p>ABCD is an MNE Group. The UPE (ABCD US Ltd) is resident in the US and files a CbC Report. Local CbC Reports are also filed in Country A, Country X and Country Z. Barbados has an exchange relationship with Country Z. Country Z will not exchange the CbC Report with Barbados as the constituent entity in resident in Country Z is not the UPE or surrogate parent entity.</p> <p>Therefore, ABCD will have to file a CbC Report in Barbados through one of its constituent entities resident in Barbados.</p>

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<p>Is an MNE Group that is exempt from CbC Reporting in the US required to file a CbC notification in Barbados?</p>	<p>The requirement to file exists where the consolidated gross revenue of the MNE group is equal to or exceeds the USD850 million threshold. There are no exemptions for any specific industries, investment funds, entities with tax-exempt status, non-corporate entities or entities that are not publicly listed.</p> <p>Please note Section 4 of the Income Tax (Country-by-Country Reporting) Act, 2021-27 provides that a constituent entity which is not the UPE and resident in Barbados shall file a CbC Report in Barbados where the UPE of the MNE Group is not obligated to file a CbC Report in its jurisdiction of tax residence.</p> <p>The constituent entities in Barbados are required to submit the relevant CbC notification per Section 5 of the Act and file a CbC Report with the Authority no later than 12 months after the last day of the reporting.</p>
<p>What is the treatment of segregated cell companies for CbC purposes?</p>	<p>There is no special treatment for segregated cell companies. Please apply the general CbC Reporting principles having regard to the MNE structure.</p>
<p>What is the process when there is a change in the ownership of the UPE due to merger?</p>	<p>The CbC notifications and Reports should be filed based on the fiscal period of the UPE.</p> <p>For the year in which a merger/acquisition/demerger occurs, the determination of whether the Group is or is not an Excluded MNE Group shall be based on the Group's total consolidated group revenue during the Fiscal Year immediately preceding the Reporting Fiscal Year, as reflected in its consolidated financial statements for such preceding Fiscal Year.</p> <p>There is no need to adjust the consolidated group revenue for the preceding Fiscal Year due to a merger/acquisition/demerger occurring during the following year.</p>

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<p>Can a reporting fiscal year be for a period of other than 12 months?</p>	<p>In the majority of cases, the UPE of an MNE Group will prepare consolidated financial statements for a period of 12 months. However, there may be cases where consolidated financial statements are prepared for a period that is shorter than 12 months or longer than 12 months, for example, the first accounting period of a newly incorporated entity or upon a change in the financial reporting date of the entity.</p>
<p>Is an entity required to file a CbC notification or report even though the entity has an intent to dissolve?</p>	<p>Yes, a constituent entity that has filed a Statement of Intent to dissolve is required to file a CbC Notification, or Report when applicable.</p>
<p>What happens if I submit a CbC notification with errors?</p>	<p>The form will be deemed not submitted where errors are noted and penalty may apply.</p>

Please note below the screenshots to the Global Relations Web Portal to assist with the registration.

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STEP 1

- Insert a valid email address and a password.

New Registration

Already registered? [Log in here.](#)

• **EMAIL ADDRESS**

• **PASSWORD**

CONTINUE

STEP 2

- This option is not mandatory.

New Registration

Already registered? [Log in here.](#)

• **MOBILE NUMBER**

CONTINUE

SKIP MOBILE NUMBER

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STEP 3

- Select the registration type of the person seeking to create the account. For example, where a partnership is seeking to create an account, you may select the “Partnership” option.

New Registration

Already registered? [Log in here.](#)

• **REGISTRATION TYPE**

CONTINUE

or [go back?](#)

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STEP 4

- Complete the required fields. This information relates to the person registering.

• REGISTRATION TYPE
Partnership
• PARTNERSHIP REGISTRATION #
12345675412
• PARTNERSHIP NAME
James Bond Law Firm
• CONTACT PERSON FIRST NAME
James
• CONTACT PERSON LAST NAME
Bond
• TAX IDENTIFICATION #
1234567891234
• DATE OF REGISTRATION
January
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2022
CONTINUE or go back?

NOTES

- (a) Contact Person – You decide who the contact person is. The Authority will reach out to the contact person, if necessary, to follow up on a notification/application submitted.
- (b) Date of Registration – Where this is not applicable – simply enter the date of the account is created.