

## GUIDANCE NOTE

<b>Reference</b>	OGC No. 6 /2026
<b>Title</b>	De Minimis Exclusion
<b>Subtitle</b>	Guidance on the Application of the De Minimis Exclusion
<b>Purpose</b>	This guidance outlines the application of the De Minimis Exclusion under section 33 of the <i>Corporation Top-Up Tax Act, 2024-16</i> and the OECD/G20 Inclusive Framework Global Anti-Base Erosion (“GloBE”) Rules in Barbados.

### De Minimis Exclusion

Top-Up Tax for Constituent Entities (“CEs”) located in Barbados shall be deemed to be zero for a Fiscal Year where the De Minimis thresholds are satisfied.

Where the De Minimis Exclusion applies, the MNE Group is not required to compute the Effective Tax Rate (“ETR”) or calculate the amount of Top-Up Tax for CEs located in Barbados for that Fiscal Year.

The De Minimis Exclusion applies where all CEs located in the jurisdiction, in aggregate, have:

- (1) an Average GloBE Revenue of less than EUR 10 million; and
- (2) an Average GloBE Income or Loss that is either:
  - a loss; or
  - less than EUR 1 million.

The above thresholds are computed based on the average for the current Fiscal Year and the two preceding Fiscal Years.

The De Minimis Exclusion election is made annually pursuant to the domestic filing requirements under the Corporation Top-Up Tax Act, 2024-16 and subsequently reported or disclosed in the GloBE Information Return (“GIR”). This means that a jurisdiction can fall under the *de minimis* exclusion for a given Fiscal Year but not necessarily for the preceding or following year.

The following entities are not eligible for the De Minimis Exclusion:

**Guidance Note: De Minimis Exclusion, OGC No. 6/2026, 8 June 2026.**

- Stateless Constituent Entities, including flow-through entities; and
- Investment Entities, including investment funds and real estate investment vehicles.

The revenue and GloBE income or loss of such entities are excluded from the De Minimis computations.

The De Minimis Exclusion is intended to exclude entities that are both small in scale (low revenue) and low in profitability (low income).

**Example 1: Illustration of De minimis exclusion – short Fiscal Years taken into account in the average.**

ABC Group has one Constituent Entity (“A Co”) located in Barbados and uses the calendar year as its Fiscal Year. A Co was incorporated on 1 July 2022 and therefore had a short Fiscal Year in 2022.

<b>Fiscal Year</b>	<b>GloBE Revenue</b>	<b>GloBE Income / (Loss)</b>
2022 (6 months)	EUR 1 million	EUR 50,000
2023	EUR 1 million	EUR 100,000
2024	EUR 3 million	(EUR 200,000)

Where one (1) Fiscal Year is shorter, the average shall be computed by adjusting the corresponding GloBE Revenue and GloBE Income (or Loss) calculations in proportion to the period covered by the short Fiscal Year over a 12-month period. Accordingly, the 2022 amounts are multiplied by 2 (12/6):

- Adjusted 2022 GloBE Revenue = EUR 2 million
- Adjusted 2022 GloBE Income = EUR 100,000

The Average GloBE Revenue for the three-year period is:

$$\frac{2 \text{ million} + 1 \text{ million} + 3 \text{ million}}{3} = \text{EUR 2 million}$$

The Average GloBE Income / (Loss) for the three-year period is:

$$\frac{100,000 + 100,000 - 200,000}{3} = \text{EUR 0}$$

Since:

- the Average GloBE Revenue is < EUR 10 million; and
- the Average GloBE Income or Loss is < EUR 1 million,

the Top-Up Tax for Barbados Co may be deemed to be zero for 2024 where the Filing Constituent Entity makes the De Minimis Exclusion election under the GloBE Rules.