



**GUIDANCE ON MUTUAL AGREEMENT PROCEDURES
(BARBADOS)**

December 30, 2025

Table of Contents

Document Control.....	3
Revision History	3
<i>PREFACE</i>	3
<i>INTRODUCTION</i>	4
THE COMMITMENT OF THE BRA	4
WHAT IS A DOUBLE TAXATION AGREEMENT AND WHAT IS ITS PURPOSE?.....	5
WHAT IS MAP?	5
WHO MAY REQUEST COMPETENT AUTHORITY ASSISTANCE?	6
TYPES OF REQUESTS FOR COMPETENT AUTHORITY ASSISTANCE.....	7
THE ROLE OF TAXPAYERS IN MAP	7
PRE-FILING MEETING	8
MAKING A MAP REQUEST.....	8
Time Limit for Requests	9
Format of Request	9
TIMEFRAME FOR RESOLUTION OF MAP CASES	11
REJECTION OF MAP CASE.....	12
COMMENCEMENT OF NEGOTIATIONS	12
TAXPAYER UPDATE.....	12
CONFIRMATION BY TAXPAYER BEFORE COMPETENT AUTHORITY AGREEMENT	12
NOTIFICATION OF AN AGREEMENT	13
COMPETENT AUTHORITY AGREEMENT NOT REACHED	14
WITHDRAWAL OF A REQUEST	14
TERMINATION	14
DOMESTIC APPEALS – BARBADOS REVENUE APPEALS TRIBUNAL & SUPREME COURT OF BARBADOS	14
COLLECTIONS	15
INTEREST AND PENALITIES.....	15

CONFIDENTIALITY	15
MAP PROFILE	16
FURTHER INFORMATION	16

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PREFACE

The Government of Barbados, in an effort to improve existing international tax dispute procedures and develop supplementary dispute resolution mechanisms in compliance, has committed to implementing the OECD Base Erosion & Profit Shifting (“BEPS”) - Action 14, – **Making Dispute Resolution Mechanisms More Effective**, so as to ensure that it resolves tax treaty-related disputes in a timely, effective and efficient manner. To this end, the Government

of Barbados has agreed to the operation of Mutual Agreement Procedures (“MAP”) under its bilateral **Double Taxation Agreements (“DTA”)**.

This guidance document, therefore, seeks to provide basic information on access to MAP, the criteria for MAP, as well as the MAP process, by/for applicable to both Barbados’ taxpayers and treaty partners alike. Please note however, that this guidance document does not, and is not intended to modify, restrict or expand any rights or obligations contained in Barbados’ Double Taxation Agreements.

INTRODUCTION

The Barbados Revenue Authority (“BRA”) is the sole tax administrator in Barbados and is the Competent Authority with respect to the implementation of Barbados’ Double Taxation Agreements.

Please see the full list of Barbados Tax treaties at <https://bra.gov.bb/About/Global-Relations/Tax-Treaties>.

THE COMMITMENT OF THE BRA

The BRA is committed to ensuring the good faith interpretation and application of Barbados’ tax treaties. The BRA endeavors to resolve matters in an equitable manner in accordance with the [Income Tax Act](#), Cap. 73 of the Laws of Barbados, the Barbadian legal jurisprudence and the relevant double taxation agreement having regard to the appropriate persuasive commentary in the Organization for Economic Co-operation and Development’s (“OECD”) Model Tax Convention on Income and/or the United Nations Model Double Taxation Convention Between Developed and Developing Countries, where appropriate. It is with these in mind that we work assiduously to bring the case to an amicable resolution.

Therefore, **if the application appears to be justified**, and if the Competent Authority is not itself able to arrive at a satisfactory solution, the Competent Authority will make every effort to reach a mutually satisfactory resolution of the issue(s) involved, through engaging in fair, principled, reasoned and objective discussion with the taxpayer or the **Foreign Competent Authority** of the other contracting party, with each case being decided on its own merits.

WHAT IS A DOUBLE TAXATION AGREEMENT AND WHAT IS ITS PURPOSE?

A DTA can be broadly defined as, a legally binding international agreement or instrument between two (2) or more Jurisdictions relating to tax matters, more specifically, the avoidance of international double taxation of a person's income and/or property. The primary purpose of Barbados' tax treaties is to eliminate double taxation and prevent fiscal evasion. A tax treaty however, also provides for the use of MAP in order to resolve tax disputes. Tax treaties create rights and obligations between countries, but also give direct rights to taxpayers once they have entered into force.

It also serves, in effect, to allocate tax revenues on transactions taking place between residents of Barbados and another contracting party. As a result, a tax treaty may provide rules determining:

- (1) the Jurisdiction in which a taxpayer is resident;
- (2) the types of income or capital to which tax maybe applied;
- (3) the treatment given to specific types of income;
- (4) the allowable rates of withholding tax on specific types of cross-border payments;
- (5) the manner in which issues of taxation which have not been accorded the appropriate tax treatment in accordance with the tax treaty are to be resolved (i.e. the MAP process).

WHAT IS MAP?

MAP is a procedure conducted by the BRA with its contracting partners pursuant to the provisions of a DTA. The BRA negotiates/discusses cases with other Competent Authorities, which may arise due to misinterpretation or application of the tenant of a DTA.

The MAP process allows the Competent Authorities to interact with each other with a view to resolving international tax disputes. It is therefore, a mechanism independent from the ordinary legal remedies available under domestic law, through which the Competent Authorities of the contracting party may resolve differences or difficulties regarding the interpretation or application of a particular DTA on a mutually agreed basis. This allows an avenue for a resolution for a misinterpretation of application of the tenants of the treaty. It ensures the rights and benefits of the taxpayer are protected by the DTA.

It must be noted however, that while there is an obligation on the part of the BRA to use their best efforts to reach an agreement, the MAP Article in most DTAs do not compel Competent Authorities to actually reach an agreement. Therefore, there may be rare instances in which the tax dispute is not resolved and a compromise is necessary in order to eliminate double taxation or some other disadvantage. Notwithstanding the foregoing, the MAP Article typically outlines three (3) main areas where Contracting Parties will endeavor to resolve the tax dispute.

These are:

- (1) **Situations where a taxpayer believes that the actions of one (1) or both Contracting Parties have resulted or will result in taxation not in accordance with the provisions of the DTA** (this usually involves cases of double taxation; the existence of a Permanent Establishment (“PE”) including the amount of profits attributable to the permanent establishment or the application of withholding tax provisions to their income; and instances of Dual Residency where an individual is considered a resident for tax purposes of two (2) countries under their respective domestic laws);
- (2) **Questions of interpretation or application of the DTA; and**
- (3) **The elimination of double taxation in cases not otherwise provided for in a DTA.**

MAP is also used to resolve disputes relating to Advance Pricing Arrangements (“APAs”) so as to decide upon an appropriate set of criteria for the determination of transfer pricing for controlled transactions. **Please note however, that the BRA currently does not have an APA programme and is therefore unable to adjudicate MAP requests concerning APAs.**

WHO MAY REQUEST COMPETENT AUTHORITY ASSISTANCE?

A person who is **tax resident in Barbados**, or in some cases, a person who **is a national of Barbados**, may request BRA assistance where they consider that the actions of BRA (for example the BRA audit team) or the Competent Authority of the other Contracting Party, have resulted, or will result in taxation not in accordance with the treaty. Before submitting a MAP request, the taxpayer should review the applicable DTA and the Multilateral Instruments to determine whether they may request assistance from the BRA.

TYPES OF REQUESTS FOR COMPETENT AUTHORITY ASSISTANCE

Where a person considers that the actions of one (1) or both tax administrations have resulted or will result in taxation not in accordance with the tax treaty relied upon, the person may request assistance under the MAP Article of the applicable treaty.

MAP assistance applications may be filed in respect of:

- Bona fide self-initiated adjustment
- Transfer pricing adjustments
- Determination of the existence of tax residency
- Attribution of profits to profits to PE, whether or not the PE is admitted by the taxpayer
- Characterization or re-characterization of an expense, payment, item of income, or other receipt as a deductible expense or taxable income, as appropriate (e.g.,)
- Cases where the BRA has applied anti-abuse legislation

The BRA may initiate MAP proceedings and subsequent negotiations without a specific request from a taxpayer, in any situation where there is taxation not in accordance with the DTA.

The MAP request may also be for a multi-year resolution for recurring issues.

While most MAP requests are bilateral, there may be a situation where a MAP request is made involving more than two jurisdictions, and depending on the facts of the particular case and the treaty partners involved, it may be possible to initiate a multilateral MAP. The taxpayer may request a multilateral process in all jurisdictions and provide authorisations with respect to the exchange of information among all competent authorities involved before the BRA explores the possibility of a multilateral request. This request may also be initiated from a foreign competent authority.

THE ROLE OF TAXPAYERS IN MAP

MAP negotiations between the BRA and the other Contracting Party constitute a government-to-government process in which there is generally no direct involvement of the taxpayer. Therefore, the taxpayer's involvement in the MAP process is limited to presenting its view of the case and assisting the BRA with the gathering of facts. Taxpayers are therefore expected

to co-operate fully with the BRA by providing all necessary information and assistance when requested.

Once a MAP request has been accepted by the BRA, the taxpayer is responsible for supplying the BRA with the complete and accurate information required to resolve the case. **The onus is therefore on the taxpayer to keep the BRA informed of any and all material changes in the information or documentation previously submitted as part of, or in connection with the request, as well as any new information or documentation which becomes known or is created after the request is filed and which is relevant to the issue(s) under consideration.** Without proper information and the relevant documentation, the BRA may be unable to resolve the tax dispute expeditiously, and the risk of unrelieved double taxation significantly increases.

The failure of the taxpayer to co-operate with the BRA during any part of the MAP process may have direct consequences for whether relief can be provided under MAP. By way of an example, the BRA may request additional information beyond that which was previously requested or supplied, and it is to the taxpayer's benefit to be fully co-operative and transparent so as to ensure an efficient MAP process. It is therefore important for taxpayers to note that the timely provision of requested information is essential to enabling the BRA to reach an equitable and expeditious conclusion of the matter.

PRE-FILING MEETING

Any taxpayer requesting MAP assistance from the BRA, **may request** a meeting for guidance prior to the filing of the formal MAP request. All requests for a pre-filing meeting should be addressed to the Revenue Commissioner. Where the outcome of the pre-filing meeting merits consideration for MAP assistance, the BRA shall inform the taxpayer to submit the formal request.

MAKING A MAP REQUEST

In order to facilitate the administration of the MAP request, the taxpayer should submit a hard copy of the request addressed as outlined below (with all accompanying documents), as well as an electronic copy via email to: [MAP Application](#).

All MAP assistance request should be addressed to The Revenue Commissioner who is the chief executive officer of the BRA as appointed by the Minister of Finance. Administratively

however, the requests for MAP assistance are managed by the Global Relations Unit, and all MAP requests should therefore be sent to the attention of the following:

Revenue Commissioner

Barbados Revenue Authority

4th Floor, Weymouth Corporate Centre

Roebuck Street

Bridgetown

ST. MICHAEL BB11080

Barbados, W.I

Attention: Global Relations Unit

Time Limit for Requests

Where the DTA specifies a time limit to notify the Competent Authority, the MAP request **must** be made within the stipulated timeframe. The time limit is usually specified in the MAP Article of the particular tax treaty which is typically within a **(2) two or three (3) year** period of the first notification by the tax administration to the taxpayer of the action which has resulted or is likely to result in double taxation or taxation not in accordance to the treaty.

- ❖ **It is important to note that failure to observe the time limit will result in the rejection of a MAP request.**

- ❖ **The time limit, however, usually commences from the date on which the relevant Notice of Assessment or the equivalent notification is issued to the taxpayer by the BRA or the other Contracting Party.**

Format of Request

The BRA considers an application, where the taxpayer has provided the below information. It is the responsibility of the applicant to ensure the completeness and accuracy of the information provided so as to promote the swift resolution of the case. There is no prescribed form for requesting Competent Authority assistance. However, the taxpayer must provide the following relevant information in order for the request to be deemed acceptable:

- a) the name, address and taxpayer identification number of the applicant;

- b) the name and address of the tax administration involved which has made or is proposing to make the relevant adjustment;
- c) the tax treaty Article(s) which the taxpayer asserts are not being correctly applied by the tax administration, and the taxpayer's interpretation of the application of the Article;
- d) for transfer pricing cases, the name, address and taxpayer identification number of any related foreign taxpayer(s) involved, and any relevant transfer pricing documentation;
- e) the situation or structure of the transactions, issues or related parties involved, and the relationship between the resident taxpayer and any related foreign taxpayer(s) also involved (**N.B.** applicants for MAP should also keep the BRA informed of any changes in these situations, structures or relationships which occur after the request has been filed with the BRA);
- f) the Taxation Years or Income Years involved;
- g) a summary of the facts and an analysis of the issues for which Competent Authority assistance is being requested, including any specific issues raised by the tax administration affecting the taxpayer and the related amounts of tax (these amounts should be shown in both currencies and should be supported by calculations, if applicable);
- h) a statement indicating whether the taxpayer has filed a Notice of Objection, a Notice of Appeal, or any comparable document in relation to the issue;
- i) a copy of any other relevant Competent Authority request(s) and all associated documents filed, or to be filed, with the foreign competent authority, including copies of any correspondence from the other tax administration, and copies of any briefs, objections, etc. submitted in response to the action or proposed action of the other tax administration (and if applicable, English translations of all copies of documents which are in a foreign language);
- j) Authorization letter giving agency to a third party representing the taxpayer in the MAP case.
- k) a statement indicating whether the taxpayer or a predecessor has made a prior request to the BRA for foreign competent authority assistance on the same or a related issue;
- l) any other facts pertinent to making a determination.
- m) a copy of any settlement or agreement reached with the foreign competent authority of which may affect the MAP process; and

- n) the taxpayer's views on any possible bases on which to resolve the issues involved.

The request should be signed by the taxpayer, or by an authorized person acting for and on behalf of the taxpayer, confirming that the information provided to the BRA is true and correct. **The taxpayer is solely responsible for the completeness and accuracy of the information contained in the MAP request, as the completeness and accuracy of the information has a direct impact on the time required for the BRA to carry out the MAP process. Further, to resolve a MAP case in an expeditious manner, the BRA requires sufficient details to analyze, understand and ultimately prepare to discuss a position with both the taxpayer and the Competent Authority of the other Contracting State.**

Where a taxpayer has failed to provide adequate information in their MAP request, the BRA will make a formal request for the required information or documentation from the taxpayer to be provided within four (4) weeks from the date of the said request. The BRA will also undertake a search of its own internal records to obtain any additional information which may be helpful to the taxpayer's case and will supply copies of the same to the taxpayer where necessary.

While the BRA will not deny a MAP request simply due to the failure of a taxpayer to provide all of the required documentation in its initial request, a MAP request may be denied where the taxpayer has failed to provide accurate information or has made false statements or misrepresentations. Per the Income Tax Act, Cap. 73 of the Laws of Barbados "(Income Tax Act") it is an offence to provide the BRA with false or deceptive information.

The BRA will notify all taxpayers whether their requests for Competent Authority assistance have been accepted or denied within a reasonable period of time, usually four (4) weeks. Where a request for MAP assistance is denied however, the BRA will also provide the taxpayer with reasons for its decision.

TIMEFRAME FOR RESOLUTION OF MAP CASES

The BRA aims to resolve MAP cases (including the implementation of any MAP agreement or solution) **within twenty-four (24) months of receiving the complete MAP request**. However, while the BRA will work to achieve a timely resolution of all MAP cases, the complexity of the issues involved in each case will ultimately determine the actual time needed to resolve the

case. In any event, the BRA will attempt to resolve all MAP requests received as quickly as possible and will keep the taxpayer informed of the status of the request.

Where the particular tax treaty specifies a time limit for implementation of either:-

1. an agreement reached between the BRA and the foreign Competent Authority, or
2. an arbitration decision, this time limit shall take precedence over any domestic time limits.

REJECTION OF MAP CASE

The BRA will notify the relevant Contracting Party of its decision to reject a case and allow the foreign competent authority the opportunity to comment before communicating in writing the decision to the taxpayer. A case may be rejected if it is deemed not justifiable or inadmissible due to failure to meet preliminary considerations, which include determining whether a DTA is in place, whether the person involved is a tax resident or national of Barbados, and whether the case has been presented within the required time frame. The BRA will seek to complete this exercise within four weeks; however, additional time may be required to allow the other Contracting Party sufficient opportunity to adequately review the BRA's decision and the information provided by the taxpayer, and may result in the BRA accepting the MAP case.

COMMENCEMENT OF NEGOTIATIONS

The BRA shall notify the taxpayer of the commencement of MAP negotiations on their behalf with the other Contracting Party. BRA is cognizant of the fact that some MAP requests may be resolved by unilateral action on the part of the BRA and in such circumstances, will endeavor to resolve the MAP request. However, where BRA is not itself able to arrive at a satisfactory solution, the BRA will engage with the other Contracting Party to set in motion the bilateral stage of the MAP process.

TAXPAYER UPDATE

BRA shall update the taxpayer on an ongoing basis on the status of the MAP request, to the extent that the update does not interfere with the MAP process.

CONFIRMATION BY TAXPAYER BEFORE COMPETENT AUTHORITY AGREEMENT

Where BRA recognizes that an agreement will be reached with the other Contracting Party, the BRA shall notify the taxpayer in writing of the contents of the proposed agreement. The

taxpayer shall then confirm in writing of their acceptance of the said agreement within four (4) weeks of the receipt of the proposed agreement. The BRA will only reach an agreement with the other Contracting Party after confirmation of the taxpayer's acceptance of the proposed agreement.

It is important to note that MAP agreements are not considered precedents neither for the taxpayer nor the BRA with respect to assessments/re-assessments relating to subsequent Income Years, nor for MAP negotiation on the same issues in the future. This is due to the fact that the BRA have negotiated an agreement which takes into account the particular facts of the case, the differences in the provisions of the tax laws in each jurisdiction and the effect of the economic indicators on the particular transaction(s) at the relevant time.

A taxpayer will not be allowed to only partially accept the terms of an agreement reached, since the original MAP request would have been for assistance in respect of all of the issues and Income Years involved. As such, the Competent Authorities would have considered all of the issues and Income Years involved in the negotiations, and where a taxpayer is not completely satisfied with the agreement, the taxpayer is not bound to accept it and may reject the agreement. If this occurs, the Competent Authorities will consider the case closed and will advise the taxpayer accordingly thereafter.

NOTIFICATION OF AN AGREEMENT

Where an agreement has been reached in the MAP process, the BRA will notify the taxpayer in writing of the date and contents of the said agreement within four (4) weeks of the Competent Authority meeting.

Where an agreement has been reached between the BRA and the other Contracting Party, the BRA will give effect to the mutual agreement and seek to ensure its implementation without delay. All mutual agreements will be implemented notwithstanding any domestic limitation periods.

- ❖ After an agreement has been reached the BRA will endeavor to undertake an assessment of the taxpayer pursuant to Sections 53 and 54 of the Income Tax Act, Cap 73.

- ❖ Where a double taxation is on the part of the BRA and funds have been collected the taxpayer may follow procedure as stated in Section 68 (1) of the Income Tax Cap 73.

COMPETENT AUTHORITY AGREEMENT NOT REACHED

In the event that the BRA is unable to reach an agreement with the other Contracting Party, and in the absence of mandatory binding arbitration, the BRA will notify the taxpayer in writing within four (4) weeks of the date of the Competent Authority meeting, setting out the reasons for an agreement not being reached. Except for cases involving arbitration, is not obliged to engage in further discussions with the other Contracting Party where the BRA or the other Contracting Party believes that an agreement cannot be reached.

WITHDRAWAL OF A REQUEST

A taxpayer may withdraw his/her/its request for MAP at any time before a MAP agreement is reached. The withdrawal shall be made to the BRA in writing and shall articulate the reasons for withdrawing the request. After receiving the written notice of withdrawal, the BRA will notify the Competent Authority of the other Contracting Party of the termination of the MAP assistance by the taxpayer.

TERMINATION

The BRA reserves the right to propose to the Competent Authority of the other Contracting Party that the MAP process be terminated under the following circumstances:

- (a) the subject of the MAP request is not within the scope of the MAP Article under the applicable Double Taxation Agreement/tax treaty;
- (b) the application for MAP assistance or the attachments thereto contain incorrect/false information;
- (c) the taxpayer has failed to provide the requested documentation necessary for effective and efficient MAP assistance;
- (d) the taxpayer does not accept the proposed agreement reached by the Competent Authorities via the MAP process;
- (e) it is recognized that continuation of the MAP process will not reach an agreement;
- (f) any other reasons not mentioned above.

DOMESTIC APPEALS - BARBADOS REVENUE APPEALS TRIBUNAL & SUPREME COURT OF BARBADOS

A taxpayer may request MAP assistance irrespective of the remedies provided by Barbados' domestic law. Where a taxpayer has filed a MAP request with the BRA, the taxpayer will not

be deprived of their right to file an appeal under Section 59 of the Income Tax Act, where the actions of the Barbados tax administration have resulted or will result in taxation not in accordance with the provisions of the particular tax treaty. It is important to note that the usual procedures outlined under the Act for the filing of an appeal will still be applicable in this case. However, while the domestic legal remedies are still available to a taxpayer, the BRA may require that the taxpayer agree to the suspension of these remedies if the MAP request is accepted.

Finally, notwithstanding the foregoing, the BRA will be bound by any decision issued by the Barbados Revenue Appeals Tribunal or by the Supreme Court of Barbados.

COLLECTIONS

An application for Competent Authority assistance does not suspend the taxpayer's obligation to pay their tax liability coupled with any interest and penalties thereon, nor does it suspend any form of collection action which may be taken by the BRA.

INTEREST AND PENALTIES

The BRA may write to the Ministry of Finance, Economic Affairs and Investment recommending that the penalties and interest be waived and seeking the Ministry's permission to waive same. Please note that where an application for MAP assistance has been rejected. The BRA will only support a waiver of the period during the deliberation of the MAP case.

CONFIDENTIALITY

All information and documentation obtained or generated during the MAP process is protected by the confidentiality provisions of the Income Tax Act the confidentiality provisions contained in any other Laws of Barbados referenced within treaty provisions and the provisions of the applicable Double Taxation Agreement. The BRA is therefore committed to ensuring the confidentiality of all taxpayers' information and documentation under the provisions of the Double Taxation Agreement and the respective domestic laws.

MAP PROFILE

More information on the application of MAP in Barbados can be found in the Barbados MAP Profile published on the OECD's website at <https://www.oecd.org/tax/dispute/countrymap-profiles.htm>

FURTHER INFORMATION

If you have any comments, feedback or queries about this Guidance Document, or the services rendered by the BRA, please feel free to contact us via email at compaauth@bra.gov.bb. You may also write to us at the address noted above in the "Making a MAP Request" section of this Guidance Document.