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PUBLIC SERVICE (APPOINTMENTS) ACT, 2025

OBJECTS AND REASONS

This Bill would alter the *Constitution* to provide for the appointment or promotion, as the case may be, of persons who have been temporarily employed or acting in a post in the Public Service for a period of 3 years or more on the date immediately preceding 1st January, 2026.

PUBLIC SERVICE (APPOINTMENTS) ACT, 2025

Arrangement of Sections

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BARBADOS

A Bill entitled

An Act to alter the *Constitution* to provide for the appointment or promotion, as the case may be, of persons who have been temporarily employed or acting in a post in the Public Service for a period of 3 years or more on the date immediately preceding 1st January, 2026.

ENACTED by the Parliament of Barbados in accordance with the provisions of section 49 of the *Constitution* as follows:

Short title

1. This Act may be cited as the *Public Service (Appointments) Act, 2025*.

Interpretation

2. In this Act,

“Chief Medical Officer” means a person who holds the office of Chief Medical Officer established by the *Public Service (General) Order, 2020 (S.I. 2020 No. 41)*;

“Medical Board” means a board, comprising 2 or 3 registered medical practitioners, which is appointed by

- (a) the Chief Medical Officer, in respect of an officer in the Public Service serving in Barbados; or
- (b) an agency which represents Barbados and is authorised to appoint such a board, in respect of an officer in the Public Service serving outside Barbados,

to determine whether the officer is physically or mentally fit to perform the duties of his office or any other office in the Public Service;

“Medical Officer” means a person who holds the office of Medical Officer of Health established by the *Public Service (General) Order, 2020 (S.I. 2020 No. 41)*;

“public officer” or “officer” has the meaning assigned to it by section 2 of the *Public Service Act, Cap. 29*;

“Public Service” has the meaning assigned to it by section 2 of the *Public Service Act, Cap. 29*;

“temporary office” has the meaning assigned to it by section 2 of the *Public Service Act, Cap. 29*.

Alteration of Part 2 of Chapter VIII of the Constitution

3. Part 2 of Chapter VIII of the *Constitution* is hereby altered to the extent necessary to give effect to the provisions of this Act.

Appointment of persons employed in the Public Service for a period of 3 years or more

4. Notwithstanding the provisions of Part 2 of Chapter VIII of the *Constitution*, sections 13, 18, 19 and 20 of the *Public Service Act*, Cap. 29, the Recruitment and Employment Code of the *First Schedule* to the *Public Service Act*, Cap. 29 and paragraph 3 of the *Public Service (Qualifications) Order, 2016* (S.I. 2016 No. 92),

(a) section 5(1) shall apply to any person who is not appointed to the Public Service and who has been employed in

- (i) a temporary office;
- (ii) an established office; or
- (iii) a combination of a temporary office and an established office; and

(b) section 5(2) shall apply to any person who is a public officer and who has been acting in a post,

for 3 years or more immediately before 1st January, 2026.

Establishment of offices at 1st January, 2026

5.(1) Any person who at 1st January, 2026

- (a) is not appointed to the Public Service; and
- (b) has been employed in
 - (i) a temporary office; or
 - (ii) an established office,

for 3 years or more immediately before 1st January, 2026 shall be entitled to be appointed to the office with effect from 1st January, 2026 and shall be deemed to be so appointed.

(2) A public officer who has been acting in a post for 3 years or more immediately before 1st January, 2026 shall be deemed to be appointed to the office with effect from 1st January, 2026.

(3) For the purposes of this Act and subject to subsections (1) and (2), where no vacancy or relevant office exists, a supernumerary office is deemed to be established.

(4) This section does not apply to the Police Service or the Prison Service.

Ineligibility for appointment under section 5

6.(1) A person shall not be eligible for appointment to an office under section 5 where the person

- (a) is the subject of a disciplinary matter commenced pursuant to the provisions of the *Public Service Act*, Cap. 29 or any other relevant enactment;
- (b) is the subject of an ongoing criminal matter;
- (c) was convicted of an offence and his conviction has not been expunged from his criminal record;
- (d) has been on medical leave for a period of at least 3 months accumulatively in any one calendar year and has had his case processed by the Director General for referral to a Medical Officer or a Medical Board for examination;
- (e) has in his personnel records a negative report or a report of conduct which contravenes the *Public Service Act*, Cap. 29 or any other relevant enactment.

- (2) Notwithstanding subsection (1), where
- (a) a person is exonerated in respect of a disciplinary matter or criminal matter; or
 - (b) a person described in subsection (1)(c) is deemed fit for employment within the Public Service by the Medical Officer or the Medical Board to which his case was referred by the Director General,

the person shall be retroactively appointed to the relevant office in accordance with section 5.

- (3) Notwithstanding subsection (1) and paragraph 21(1) of the *Second Schedule* to the *Public Service Act*, Cap. 29, where a person's conviction is expunged from his criminal record, the person shall be retroactively appointed to the relevant office in accordance with section 5.

Exceptions to sections 4 and 5

7.(1) Sections 4 and 5 shall not apply to temporary offices that were created in respect of a specific project; and the determination as to whether a temporary office was so created shall be made by the Ministry responsible for the Public Service.

(2) Where an officer to whom section 4 or 5 applies is prejudiced by the operation of either section, in respect of an appointment to an office by virtue of the provisions of either section, the President may appoint the officer to an office, the appointment of which results in the remedying of the prejudice.

Status of officers appointed pursuant to this Act

8. For the avoidance of doubt, notwithstanding that the persons to whom this Act applies were appointed by this Act and not by the President, acting in accordance with the advice of the Administrative, General and Professional Service Commission, the Teaching Service Commission, the Judicial and Legal Service Commission or the Protective Services Commission, as the case may be, those persons are nonetheless public officers and are subject to the disciplinary

9. This Act shall come into operation on the 1st day of January, 2026.

Speaker

President



INCOME TAX (AMENDMENT) ACT, 2025-30

Arrangement of Sections

1. Short title
2. Insertion of new Division into Cap. 73
3. Commencement

BARBADOS

I assent
J. D. BOSTIC
President of Barbados
11th December, 2025.

2025-30

An Act to amend the *Income Tax Act*, Cap. 73.

[Commencement: 1st January, 2025]

ENACTED by the Parliament of Barbados as follows:

Short title

1. This Act may be cited as the *Income Tax (Amendment) Act, 2025*.

Insertion of new Division into Cap. 73

2. *The Income Tax Act, Cap. 73 is amended by inserting after Division V, the following:*

“DIVISION VA

Economic Substance Compliance and Reporting

Application of Division VA

52A.(1) This Division applies in respect of income year 2025 and every subsequent income year.

(2) Sections 52B, 52C and 52D apply to a company that

- (a) derives income from carrying on a relevant activity in an income year; and
- (b) is liable to tax at a rate of less than 9 per cent under section 43A(3A) or 43(9)(b).

(3) Section 52E applies to a company that is liable to tax at a rate of less than 9 per cent under section 43B.

Economic substance requirements

52B.(1) A company described in section 52A(2) shall have economic substance.

(2) Subject to subsection (6), the company shall, for the purposes of subsection (1),

- (a) conduct its core income-generating activities in Barbados; and
- (b) comply with the requirements set out in subsection (3),

in relation to a relevant activity carried on in Barbados in an income year.

(3) The requirements referred to in subsection (2)(b) are that the company

- (a) is directed and managed in Barbados, and its decision-making processes are carried out in Barbados; and
- (b) has, having regard to the nature and level of income derived from the relevant activity,
 - (i) an adequate amount of operating expenditure incurred in Barbados, which is proportionate to the level of activity carried on in Barbados;
 - (ii) an adequate physical presence in Barbados, including maintaining a place of business, an office, premises or plant, property and equipment for the purpose of carrying on the activity; and
 - (iii) an adequate number of employees or other personnel, with appropriate qualifications, who are physically present in Barbados.

(4) A company may outsource to another person in Barbados its core income-generating activities in relation to a relevant activity carried on in Barbados, if the company is able to monitor and control the conduct of the core income-generating activity by the other person.

(5) A company is directed and managed in Barbados if

- (a) the board of directors of the company meets in Barbados at an adequate frequency, given the level of decision-making required;
- (b) during each meeting of the board of directors, there is a quorum of directors physically present at the meeting in Barbados;

- (c) strategic decisions of the company are made at meetings of the board of directors, and minutes of the meetings reflect the decisions;
 - (d) the board of directors, as a whole, have the necessary knowledge and expertise to discharge its duties as a board; and
 - (e) the minutes of all board meetings and the records of the company are kept in Barbados.
- (6) A company is not required to comply with subsections (1), (2) and (3) in an income year if it has no gross income in relation to the relevant activity carried on in the income year.

Economic substance reporting

52C.(1) A company shall, in respect of income year 2025 and for every subsequent income year, include in its return filed pursuant to section 52 such information as the Commissioner may require for the Commissioner to determine whether the company complies with section 52B.

(2) The information referred to in subsection (1) shall be provided in the manner and form prescribed by the Commissioner.

Economic substance compliance audit etc.

52D.(1) The Commissioner may conduct an audit of a company to determine whether the company complies with section 52B.

(2) An audit may include

- (a) a review of the financial records of the company, including accounting documents, invoices and contracts, in order to assess the adequacy of operating expenditure incurred in Barbados;

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- (b) a verification of the physical presence of the company in Barbados, including the location and nature of its premises, plant, property, and equipment;
 - (c) an examination of the employment records and contracts of the company in order to assess the number, qualifications and roles of employees or other personnel present in Barbados;
 - (d) a review of the governance and decision-making processes of the company to ensure that it is directed and managed in Barbados; and
 - (e) any other investigation relevant to determining whether the company has complied with section 52B.
- (3) Subsections (1) and (2) are without prejudice to any duties or powers imposed or conferred under section 76 in relation to the administration and enforcement of this Act, including the power to request additional information.
- (4) Where, after an audit under this section or an assessment under section 53, the Commissioner determines that a company has not complied with section 52B in respect of an income year
- (a) section 43(9)(b) or 43A(3A), as the case may be, shall not apply to the company; and
 - (b) the Commissioner shall make an assessment or re-assessment, as the case may be, of the amount of tax payable for the income year by the company at the rate specified in section 43(8).
- (5) Where the Commissioner assesses or re-assesses the amount of tax payable for an income year by a company as a result of its failure to comply with section 52B, the Commissioner shall deliver a notice of

assessment or notice of re-assessment to the company, as the case may be, setting out

- (a) the basis on which the assessment or re-assessment was made;
 - (b) the amount of tax payable as a result of the assessment or re-assessment; and
 - (c) the period within which the tax must be paid.
- (6) The provisions of this Act relating to objections under section 57 and appeals under sections 58 to 63 apply, with the necessary modifications and adaptations, in relation to an assessment or reassessment made under this section.

Companies taxed under section 43B

52E. For the avoidance of doubt, a company that is liable to tax under section 43B shall be regarded as having economic substance.

Interpretation of Division VA

52F. In this Division,

“core income-generating activities” means activities required for a company to generate income in relation to a relevant activity, and includes in respect of

- (a) insurance business,
 - (i) predicting or calculating risk or oversight of the prediction or calculation of risk;
 - (ii) insuring or re-insuring against risk; and
 - (iii) providing insurance business services to clients;

(b) international shipping business

- (i) managing crew, including hiring, paying and overseeing crew members;
- (ii) overhauling and maintaining ships;
- (iii) overseeing and tracking deliveries;
- (iv) determining what goods to order and when to deliver them; and
- (v) organising and overseeing voyages;

“economic substance”, in relation to a company, means a real and substantial economic presence in Barbados;

“relevant activity” means insurance business or international shipping business.”.

Commencement

3. *This Act is deemed to have come into operation on the 1st day of January, 2025.*



COMPANIES (ECONOMIC SUBSTANCE) (REPEAL) ACT, 2025-31

Arrangement of Sections

- 1.** Short title
- 2.** Repeal of Act 2019-43
- 3.** Transitional
- 4.** Commencement

BARBADOS

I assent
J. D. BOSTIC
President of Barbados
11th December, 2025.

2025-31

An Act to repeal the *Companies (Economic Substance) Act, 2019*
(Act 2019-43).

[Commencement: 1st January, 2025]

ENACTED by the Parliament of Barbados as follows:

Short title

1. This Act may be cited as the *Companies (Economic Substance) (Repeal) Act, 2025*.

Repeal of Act 2019-43

2. The *Companies (Economic Substance) Act, 2019* (Act 2019-43) is repealed.

Transitional

3.(1) Notwithstanding section 2,

(a) all

(i) rights, powers, privileges and functions relating to the administration and enforcement of the former Act shall continue to be exercisable;

(ii) rights, obligations and liabilities of a company under the former Act and subsisting immediately before the commencement of this Act shall continue to subsist;

(iii) remedies available under the former Act shall continue to be available; and

(iv) proceedings commenced under the former Act may be continued,

in respect of any fiscal period ending on or before the 31st day of December, 2024, as if the former Act had not been repealed; and

(b) any Guidelines issued under the former Act shall, for the purposes of paragraph (a), continue to apply in respect of a fiscal period ending on or before the 31st day of December, 2024, as if the former Act had not been repealed.

(2) For the avoidance of doubt, in relation to any fiscal period ending in 2025 and for every subsequent fiscal period, the *Income Tax Act*, Cap. 73 shall apply in relation to any requirement for a company to have economic substance.

(3) In this section,

“economic substance” has the meaning assigned to it by section 52F of the *Income Tax Act*, Cap. 73;

“fiscal period” has the meaning assigned to it by section 85 of the *Income Tax Act*, Cap. 73;

“former Act” means the *Companies (Economic Substance) Act, 2019* (Act 2019-43).

Commencement

4. This Act is deemed to have come into operation the 1st day of January, 2025.

