Barbados

Summary of key findings

1. Consistent with the agreed methodology this first annual peer review covers: (i) the domestic legal and administrative framework, (ii) certain aspects of the exchange of information framework as well as (iii) certain aspects of the confidentiality and appropriate use of CbC reports. Barbados does not yet have a legal and administrative framework in place to implement CbC Reporting. It is recommended that Barbados finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible (taking into account its particular domestic legislative process) and put in place an exchange of information framework as well as measures to ensure appropriate use.

Part A: Domestic legal and administrative framework

2. Barbados does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Barbados. Barbados notes that it is currently in the initial process of drafting legislation and expects this to come into effect in October 2018. It is recommended that Barbados take steps to implement a domestic legal and administrative framework to impose and enforce CbC requirements as soon as possible taking into account its particular domestic legislative process.¹

Part B: Exchange of information framework

3. Barbados is a signatory to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol (OECD/Council of Europe, 2011) (signed on 28 October 2015, in force on 1 November 2016). It is not a signatory to the CbC MCAA. Barbados does not have bilateral relationships activated under the CbC MCAA. In respect of the terms of reference (OECD, 2017) under review,² it is recommended that Barbados take steps to sign the CbC MCAA or bilateral CAAs and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites. It is however noted that Barbados will not be exchanging CbC reports in 2018.

Part C: Appropriate use

4. In respect of the terms of reference under review,³ Barbados does not yet have measures in place relating to appropriate use. It is recommended that Barbados take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. It is however noted that Barbados will not be exchanging CbC reports in 2018.
Part A: The domestic legal and administrative framework

5. Part A assesses the domestic legal and administrative framework of the reviewed jurisdiction by reviewing the (a) parent entity filing obligation, (b) the scope and timing of parent entity filing, (c) the limitation on local filing obligation, (d) the limitation on local filing in case of surrogate filing and (e) the effective implementation of CbC Reporting.

6. Barbados does not yet have legislation in place to implement the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

Summary of terms of reference: Introducing a CbC filing obligation which applies to Ultimate Parent Entities of MNE Groups above a certain threshold of revenue, whereby all required Constituent Entities of the MNE Group are included in the CbC report and no entity is excluded from CbC Reporting other than permitted (paragraph 8 (a) of the terms of reference).

(b) Scope and timing of parent entity filing

Summary of terms of reference: Providing that the filing of a CbC report by an Ultimate Parent Entity commences for a specific fiscal year; includes all, and only, the information required; and occurs within a certain timeframe; and the rules and guidance issued on other aspects of filing requirements are consistent with, and do not circumvent, the minimum standard (paragraph 8 (b) of the terms of reference).

(c) Limitation on local filing obligation

Summary of terms of reference: If local filing requirements have been introduced, that such requirements may apply only to Constituent Entities which are tax residents in the reviewed jurisdiction, whereby the content of the CbC report does not contain more than that required from an Ultimate Parent Entity, whereby the reviewed jurisdiction meets the confidentiality, consistency and appropriate use requirements, whereby local filing may only be required under certain conditions and whereby one Constituent Entity of an MNE Group in the reviewed jurisdiction is allowed to file the CbC report, satisfying the filing requirement of all other Constituent Entities in the reviewed jurisdiction (paragraph 8 (c) of the terms of reference).

(d) Limitation on local filing in case of surrogate filing

Summary of terms of reference: If local filing requirements have been introduced, that local filing will not be required when there is surrogate filing in another jurisdiction when certain conditions are met (paragraph 8 (d) of the terms of reference).
(e) Effective implementation

Summary of terms of reference: Providing for enforcement provisions and monitoring relating to CbC Reporting’s effective implementation including having mechanisms to enforce compliance by Ultimate Parent Entities and Surrogate Parent Entities, applying these mechanisms effectively, and determining the number of Ultimate Parent Entities and Surrogate Parent Entities which have filed, and the number of Constituent Entities which have filed in case of local filing (paragraph 8 (e) of the terms of reference).

7. Barbados does not yet have its legal and administrative framework in place to implement CbC Reporting and thus does not implement CbC Reporting requirements for the 2016 fiscal year.

8. Barbados notes that it is currently in the initial process of drafting legislation. The process for passing the legislation is as follows:
   - The initial request with drafting instructions will be sent to the drafters (Chief Parliamentary Counsel);
   - Upon receipt of the drafting instructions, the drafters will review them and draft the legislation;
   - The proposed legislation will be sent to the Barbados Revenue Authority who will consult should any discrepancies arise until an agreement is reached; and
   - Thereafter the agreed draft would be submitted for approval and passed by Parliament.

9. Barbados expects the draft legislation to come into effect in October 2018.

10. It is recommended that Barbados finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible, taking into account its particular domestic legislative process.

Conclusion

11. In respect of paragraph 8 of the terms of reference (OECD, 2017), Barbados does not yet have a complete domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Barbados. It is recommended that Barbados finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible, taking into account its particular domestic legislative process.

Part B: The exchange of information framework

12. Part B assesses the exchange of information framework of the reviewed jurisdiction. For this first annual peer review process, this includes reviewing certain aspects of the exchange of information framework as specified in paragraph 9 (a) of the terms of reference (OECD, 2017).

Summary of terms of reference: within the context of the exchange of information agreements in effect of the reviewed jurisdiction, having QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites (paragraph 9 (a) of the terms of reference).
13. Barbados does not have a domestic, legal basis to automatically exchange information on CbC reports. Barbados is a Party to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol (OECD/Council of Europe, 2011) (signed on 28 October 2015, in force on 1 November 2016, not in effect for 2016). It is not a signatory to the CbC MCAA. Barbados reports that it has 36 bilateral Double Tax Agreements (DTAs) and five Tax Information Exchange Agreements (TIEAs). 

14. As of 12 January 2018, Barbados does not yet have bilateral relationships activated under the CbC MCAA or under bilateral CAAs. It is recommended that Barbados take steps to sign the CbC MCAA or bilateral CAAs and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites. It is however noted that Barbados will not be exchanging CbC reports in 2018.

**Conclusion**

15. In respect of the terms of reference under review, it is recommended that Barbados take steps to sign the CbC MCAA or bilateral CAAs and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites. It is however noted that Barbados will not be exchanging CbC reports in 2018.

**Part C: Appropriate use**

16. Part C assesses the compliance of the reviewed jurisdiction with the appropriate use condition. For this first annual peer review process, this includes reviewing certain aspects of appropriate use.

Summary of terms of reference: (a) having in place mechanisms (such as legal or administrative measures) to ensure CbC reports which are received through exchange of information or by way of local filing are only used to assess high-level transfer pricing risks and other BEPS-related risks, and, where appropriate, for economic and statistical analysis; and cannot be used as a substitute for a detailed transfer pricing analysis of individual transactions and prices based on a full functional analysis and a full comparability analysis; and are not used on their own as conclusive evidence that transfer prices are or are not appropriate; and are not used to make adjustments of income of any taxpayer on the basis of an allocation formula (paragraphs 12 (a) of the terms of reference).

17. Barbados does not yet have measures in place relating to appropriate use. It is recommended that Barbados take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. It is however noted that Barbados will not be exchanging CbC reports in 2018.

**Conclusion**

18. It is recommended that Barbados take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. It is however noted that Barbados will not be exchanging CbC reports in 2018.
## Summary of recommendations on the implementation of Country-by-Country Reporting

<table>
<thead>
<tr>
<th>Aspect of the implementation that should be improved</th>
<th>Recommendation for improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part A Domestic legal and administrative framework</td>
<td>It is recommended that Barbados finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible, taking into account its particular domestic legislative process.</td>
</tr>
<tr>
<td>Part B Exchange of information</td>
<td>It is recommended that Barbados take steps to sign the CbC MCAA and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites.</td>
</tr>
<tr>
<td>Part C Appropriate use</td>
<td>It is recommended that Barbados take steps to ensure that the appropriate use condition is met ahead of the first exchanges of CbC reports.</td>
</tr>
</tbody>
</table>

### Notes

1. Paragraph 8 of the terms of reference (OECD, 2017).
2. Paragraph 9 (a) of the terms of reference (OECD, 2017).
3. Paragraph 12 (a) of the terms of reference (OECD, 2017).
4. The « summary of terms of reference » is provided to facilitate the reading of the report. Reference should be made to the exact wording of the terms of reference published in February 2017 (OECD, 2017).
5. See [https://investbarbados.org/treaties_home.php](https://investbarbados.org/treaties_home.php) (accessed 10 April 2018) for the list of DTAs and TIEAs.

### References


From:
Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 1)
Inclusive Framework on BEPS: Action 13

Access the complete publication at:
https://doi.org/10.1787/9789264300057-en

Please cite this chapter as:


DOI: https://doi.org/10.1787/9789264300057-10-en

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d’exploitation du droit de copie (CFC) at contact@cfcopies.com.