Dawgen GLOBAL

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CARIBBEAN SERVICE DESK · EASTERN CARIBBEAN AND LESSER ANTILLES

Doing Business in Barbados

A practical guide to establishing, operating and growing a business in Barbados

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FOREWORD

Barbados has long been one of the Caribbean's most established places to do business, with stable institutions, a respected international business sector and a strong reputation for education and governance.

Investors choose Barbados for good reason: an English-speaking, common-law jurisdiction at the eastern edge of the Caribbean, with a well-educated workforce, a broad network of tax treaties and a long record in tourism and international business. Opportunity sits alongside complexity. Registration, tax, exchange control, employment and licensing rules all need careful handling from the first day.

This guide sets out what you need to know in plain language: how to choose a structure, how the set-up process works, what taxes apply, how to employ people, and which incentives may be available. It is written for investors, entrepreneurs and regional and international groups considering Barbados.

We serve clients in Barbados through Dawgen Global's Caribbean Service Desk, managed from our headquarters in Kingston, and we are ready to help you turn a plan into a well-run, compliant business.

Dr. Dawkins Brown, Ph.D., MCMI, ACFE

Executive Chairman, Dawgen Global

How to use this guide

This guide gives a practical overview of establishing and running a business in Barbados. It is general information, current to October 2026, and is not a substitute for advice on your circumstances. Rates and rules change; speak to us before you act.

OVERVIEW

01 Barbados at a glance

The most easterly Caribbean island, with an economy built on tourism, international business and financial services, and a growing digital sector.

CAPITAL
Bridgetown
Commercial, financial and government centre

POPULATION
About 270,000
Large diaspora in the UK, US and Canada

LANGUAGE
English
Official language of business and law

CURRENCY
Barbados dollar (BBD)
Pegged at BBD 2 to US$1; exchange controls apply

LEGAL SYSTEM
English common law
Final appeal to the Caribbean Court of Justice

TIME ZONE
UTC−4
Atlantic Standard Time all year; no daylight saving

CORPORATE INCOME TAX
9%
5.5% for approved small businesses

VALUE ADDED TAX
17.5%
Registration above BBD 350,000 a year

TRADE AGREEMENTS
CARICOM, EU, UK, US
CSME; EU and UK EPAs; Caribbean Basin Initiative

Leading sectors

- Tourism and hospitality
- International business
- Financial services and insurance
- Global services and ICT
- Renewable energy
- Manufacturing and rum
- Agriculture and agro-processing
- Creative industries
- Construction and real estate

Gateways

Grantley Adams International Airport has direct flights to North America, the UK and the region. The Port of Bridgetown handles cargo and is a major cruise port.

Public holidays

Twelve public holidays a year, including Errol Barrow Day (21 January), Emancipation Day (1 August), Kadooment Day and Independence Day (30 November). Work on a public holiday is paid at double time.

INVESTMENT CLIMATE

02 Why Barbados

Stable institutions, an educated workforce and a long record in international business make Barbados a natural regional base.

Strategic location

As the most easterly Caribbean island, Barbados is the closest to Europe, with direct flights to London, Miami, New York and Toronto. Businesses serve North America, Europe and the Caribbean from one base.

Educated, English-speaking workforce

Barbados has a long tradition of free public education and high literacy. The University of the West Indies Cave Hill campus and the island's colleges supply professional and technical skills.

Familiar legal framework

Company, contract and property law follow English common law, with final appeal to the Caribbean Court of Justice. Barbados has a wide network of tax treaties and investment agreements, and foreign nationals may own property.

A reforming economy

Since 2018 Barbados has pursued its Barbados Economic Recovery and Transformation (BERT) programme, supported by the International Monetary Fund to restructure public debt, rebuild reserves and modernise public services. In 2024 it reformed corporate tax to a 9% general rate and adopted the OECD global minimum tax.

The Barbados Stock Exchange provides a market for listed equities and debt, giving growing businesses access to local capital.

Where the opportunities are

Sector	Examples of opportunity
International business	Regional headquarters, holding companies, insurance and wealth management
Tourism	Hotels and villas, attractions, restaurants, health and wellness, and supply chains for food and services
Global services	Shared services, finance and accounting outsourcing, software, fintech and digital services
Energy	Solar and other renewable generation, storage, energy efficiency and electric transport
Agriculture	Agro-processing, rum and spirits, food security and import substitution

Invest Barbados

Invest Barbados is the national investment promotion agency. It provides information on the investment climate and helps investors with approvals, incentives and introductions to government agencies.

LEGAL VEHICLES

03 Choosing a business structure

Most investors use a company incorporated under the Companies Act. Overseas companies may instead register as an external company. The right choice depends on liability, tax, financing and exit plans.

Vehicle	Key features	Typical use	Main obligations
Company limited by shares	Separate legal entity; shareholders' liability limited to their shares; at least one director; registered office in Barbados	Most operating businesses and subsidiaries of foreign groups	Annual return to CAIPO; corporate income tax returns; beneficial ownership information
Public company	Can offer securities to the public; may list on the Barbados Stock Exchange; stricter governance and disclosure	Larger businesses raising capital	Audited financial statements; securities law and listing rules
External company (branch)	Overseas company registered with CAIPO to carry on business in Barbados; not a separate legal entity	Projects, contracts and market entry by foreign companies	Registration with CAIPO; 9% tax on Barbados profits; branch filings
Society with restricted liability	Separate legal entity owned by members with limited liability; may suit some foreign tax positions	Joint ventures and foreign investors	Annual return to CAIPO; corporate income tax returns
Partnership	General or limited partnership; general partners may be personally liable	Professional practices and family businesses	Business name registration; partners taxed on their share of profits
Sole trader	Individual trading in their own name or a registered business name; unlimited liability	Small owner-managed businesses	Business name registration; personal income tax

Foreign ownership

Foreign investors may own 100% of a Barbados company in most sectors. Regulated activities, such as banking, insurance, securities and telecommunications, need a licence from the relevant regulator before trading starts.

Beneficial ownership

Companies must keep information on their beneficial owners at their registered office, certify it in the annual return and notify the Registrar of changes within 14 days. Failure to comply is an offence carrying heavy fines.

GETTING STARTED

04 Setting up: step by step

Companies are registered with the Corporate Affairs and Intellectual Property Office (CAIPO). Incorporation is quick once documents are ready; bank accounts and licences usually take longer.

1 **Plan the structure and name** — WEEK 1

Choose the vehicle, shareholding and directors, and search and reserve the proposed name with CAIPO.

2 **Incorporate with CAIPO** — WEEK 1–2

File the articles of incorporation with notices of the directors and registered office, usually through a Barbados attorney-at-law.

3 **Open a bank account** — WEEK 2–6

Banks apply full know-your-customer checks on the company, directors and beneficial owners. Allow extra time where owners are overseas.

4 **Register for tax and NIS** — WEEK 2–4

Register with the Barbados Revenue Authority for a taxpayer identification number, and for VAT if annual taxable supplies will exceed BBD 350,000. Register as an employer with the National Insurance and Social Security Service.

5 **Obtain licences and permits** — VARIES

Apply for sector licences, planning permission where you will build or change use, a foreign currency permit where eligible, and work permits for foreign staff.

6 **Register as a data controller** — BEFORE TRADING

Businesses processing personal data must comply with the Data Protection Act, 2019, including registration with the Data Protection Commissioner.

7 **Set up accounting and compliance** — BEFORE TRADING

Put in place bookkeeping, payroll, IFRS-compliant reporting, a tax and filing calendar, and anti-money laundering controls where your sector requires them.

Documents you will usually need

Certified passport and proof of address for each director, shareholder and beneficial owner; bank or professional references; a registered office address in Barbados; and, for an external company, certified constitutional documents, a certificate of good standing from its home registry and details of a person in Barbados authorised to accept service.

TAXATION

05 Tax at a glance

Barbados taxes resident companies on worldwide income and non-residents on Barbados-source income. There is no capital gains tax. The headline rates are below.

Business taxes	
Corporate income tax	9% general rate; 5.5% for approved small businesses
Special rates	International shipping 5.5% to 1%; insurance 0% to 2%; qualifying intellectual property income 4.5%
Top-up tax	15% minimum top-up tax for multinational groups with revenue of €750 million or more
VAT	17.5% standard; 10% on hotel accommodation; 22% on mobile services; registration above BBD 350,000 a year
Property transfer tax	2.5% on property above BBD 150,000 and private company shares above BBD 50,000; plus 1% stamp duty
Land tax	Annual, 0% to 1% of improved value for homes; 0.95% for non-residential property
Foreign exchange fee	2% on foreign currency purchases

Individuals	
Personal allowance	BBD 25,000 a year
Income tax rates	11.5% on the first BBD 50,000 of taxable income; 27.5% above BBD 50,000 (from income year 2026)

Withholding tax (non-residents)	Rate*
Dividends	5% (nil if paid from foreign-source income)
Interest, royalties and fees	Rates set by the BRA

*Domestic rates. Barbados has tax treaties with Canada, China, Cyprus, Italy, Luxembourg, Malta, Mexico, the Netherlands, Panama, Singapore, Spain, Switzerland, the UK, the US and CARICOM members, which may reduce these rates.

Recent changes

From 2024 a 9% general corporate rate replaced the tiered rates of 5.5% to 1%, with a 15% top-up tax for large groups. Group relief returned in 2025. The 2026 budget cut personal income tax rates and raised the VAT threshold to BBD 350,000 from 1 October 2026.

PEOPLE

06 Employing people

Employment law is protective but predictable. Employers must register with NIS, pay contributions monthly, and observe minimum standards on wages, leave and termination.

Minimum standards

- **Minimum wage:** BBD 10.71 an hour from 21 January 2026
- **Hours:** 40-hour week; overtime at time and a half; double time on public holidays
- **Vacation:** paid leave rising with service, as set by the Holidays with Pay Act
- **Sickness:** NIS sickness benefit after three days of certified illness
- **Maternity:** 12 weeks' leave, with NIS maternity benefit
- **Dismissal:** fair reason and procedure required; notice depends on service and contract
- **Severance:** after two years' service, 2.5 to 3.5 weeks' basic pay per year of service

Statutory payroll contributions

Contribution	Employee	Employer
Income tax (PAYE)	11.5% / 27.5%	—
National insurance and non-contributory	8.75%	8.75%
Unemployment, injury and severance	0.75%	2%
Training levy and health service	1.5%	2%
Resilience and Regeneration Fund	0.25%	0.25%

NIS totals 11% and 12.75% on earnings up to BBD 5,360 a month (2026); the Resilience Fund applies to all earnings. Due by the 15th of the following month.

Bringing in foreign staff

Work permits

Foreign nationals need a work permit from the Immigration Department, applied for by the employer, who must show that no suitably qualified Barbadian is available.

CARICOM skilled nationals

Qualified nationals of participating CARICOM states in approved categories, such as graduates, nurses, teachers and artisans, may work under a CARICOM Skills Certificate.

Residence routes

The 12-month Welcome Stamp suits remote workers employed overseas. The Special Entry and Reside Permit serves qualifying high-net-worth investors.

HR essentials from day one

Give every employee written terms of employment, keep accurate time, pay and leave records, register each employee's NIS number, and adopt a staff handbook covering conduct, grievances, data protection and health and safety. Most disputes we see start with missing paperwork, not bad intentions.

MONEY AND ASSETS

07 Banking, currency and property

Banking and finance

Barbados has well-established banks, credit unions, insurers and securities dealers, supervised by the Central Bank of Barbados and the Financial Services Commission.

- **Exchange controls:** payments abroad go through banks as authorised dealers; register foreign investment so it can be repatriated
- **Fixed currency:** pegged at BBD 2 to US$1 since 1975
- **Foreign currency accounts** are available; businesses earning only foreign currency may obtain a foreign currency permit
- **Capital markets:** the Barbados Stock Exchange lists equities and debt
- **Compliance:** expect thorough anti-money laundering and know-your-customer checks

Financial reporting

Companies prepare financial statements under International Financial Reporting Standards (IFRS). Companies above set revenue or asset thresholds need an audit.

Land and property

Foreign nationals and foreign-owned companies may buy property in Barbados. Register funds brought in with the Central Bank, through your bank, so sale proceeds can be repatriated. Careful title searches matter.

Typical costs on a property purchase	
Property transfer tax	2.5% above BBD 150,000 (with a building), usually paid by the seller
Stamp duty	1%, usually paid by the seller
Legal fees	Agreed with the attorneys for each party
Land tax	Annual, 0% to 1% of improved value

Before you build

Development needs permission from the Planning and Development Department. Coastal and sensitive projects may also need the Coastal Zone Management Unit and Environmental Protection Department.

GROWTH LEVERS

08 Incentives, trade and customs

Barbados offers incentives mainly through targeted credits and sector regimes, alongside a low corporate tax rate and preferential access to regional and international markets.

Key incentive regimes

Regime	What it offers
Small Business Development Act	5.5% corporate tax and duty relief for approved, mainly locally owned small businesses
Foreign currency permits	Exchange control exemption and some duty and transfer tax relief for businesses earning only foreign currency
Tax credits	Jobs, research and development, employment and innovation credits for qualifying businesses, and a digitisation credit extended to 2026
Tourism Development Act	Capital allowances and duty concessions for approved tourism projects
Special Development Areas	Reduced tax, building allowances and duty relief for approved developments in designated areas

Eligibility and conditions apply to each regime. We can assess which incentives fit your project and prepare the applications.

Market access

- **CARICOM Single Market and Economy:** duty-free trade in qualifying goods across member states, with a Common External Tariff on imports
- **CARIFORUM–EU and CARIFORUM–UK Economic Partnership Agreements:** preferential access to Europe
- **Caribbean Basin Initiative:** duty-free access to the United States for many products
- **CARICOM trade agreements** with Colombia, Costa Rica, Cuba and the Dominican Republic

Customs

The Barbados Customs and Excise Department handles imports and exports through its electronic declaration system. Duty is charged on the customs value at tariff rates, generally 0% to 20%, with higher rates on some goods, plus VAT and, for certain products, excise tax.

COMPLIANCE

09 Regulators and compliance calendar

Who regulates what

Body	Role
CAIPO	Company and business registration, annual returns, beneficial ownership
Barbados Revenue Authority	Income tax, VAT, PAYE, land tax and property transfer tax
Customs and Excise Department	Imports, exports and duties
Central Bank of Barbados	Banks, deposit-taking and exchange control
Financial Services Commission	Insurance, securities, pensions and credit unions
Financial Intelligence Unit	Anti-money laundering reporting
NIS	National insurance and severance contributions
Immigration and Labour Departments	Work permits and labour standards
Data Protection Commissioner	Data protection
Planning and Development Department	Planning and development approvals

Key filing dates

When	What
15th of each month	PAYE and NIS contributions for the previous month; monthly corporate income tax prepayment
21st of the month after each VAT period	VAT return and payment, usually every two months
15 March	Corporate income tax return for year-ends from January to September
30 April	Individual income tax returns for the previous calendar year
15 June	Corporate income tax return and final payment for year-ends from October to December
Each year	Annual return to CAIPO, around the anniversary of incorporation

A December year-end company files by 15 June. Late filing and payment attract penalties and interest, which build quickly.

Anti-money laundering

Financial institutions and designated non-financial businesses, including real estate dealers, attorneys and accountants in certain activities, must meet anti-money laundering obligations and report suspicious transactions to the Financial Intelligence Unit.

ACTION PLAN

10 Your first 90 days: checklist

Use this checklist to track the essential steps from decision to first trading day.

Days 1–30: establish

- [ ] Agree business plan, structure and ownership
- [ ] Search and reserve the company name
- [ ] Gather KYC documents for directors and owners
- [ ] Appoint a Barbados attorney-at-law
- [ ] File incorporation documents with CAIPO
- [ ] Register with the BRA for a taxpayer number
- [ ] Record beneficial ownership information
- [ ] Apply to open business bank accounts

Days 31–60: register and license

- [ ] Register for VAT if above the BBD 350,000 threshold
- [ ] Register as an employer with NIS
- [ ] Apply for sector licences and planning approvals
- [ ] Apply for work permits for foreign staff
- [ ] Register as a data controller
- [ ] Assess eligibility for incentives
- [ ] Lease premises and arrange insurance cover

Days 61–90: operate

- [ ] Set up the accounting system and chart of accounts
- [ ] Set up payroll and statutory deductions
- [ ] Issue written employment terms
- [ ] Build the tax and filing calendar
- [ ] Put AML and data protection policies in place
- [ ] Agree year-end and audit arrangements

Ongoing

- [ ] Monthly PAYE, NIS and tax prepayments
- [ ] VAT returns every two months
- [ ] Annual tax return and financial statements
- [ ] Annual return to CAIPO
- [ ] Renew licences and permits on time

YOUR PARTNER

11 How Dawgen Global helps

One Dawgen Global team supports you through our Caribbean Service Desk, managed from our headquarters in Kingston.

Market entry and structuring

Choice of vehicle, group and tax structuring, feasibility studies and business plans.

Incorporation and corporate secretarial

Company formation, statutory registers, annual returns and beneficial ownership filings.

Tax advisory and compliance

Registrations, planning, VAT, PAYE, returns, transfer pricing and tax audits, through our Caribbean Tax Service Desk.

Accounting and payroll outsourcing

Bookkeeping, management accounts, payroll and a Virtual CFO.

Audit and assurance

Statutory audits, reviews and special-purpose reporting for lenders and parent companies.

HR, immigration and legal support

Employment contracts, HR policies, work permits and legal process support, with our panel of attorneys.

Risk and compliance

AML programmes, data protection compliance, internal audit and governance.

Technology and cyber

Systems selection, digital transformation, cybersecurity and AI governance.

Incentive applications

Incentive and permit assessments and applications.

Start with a conversation

Tell us your plans for Barbados, and we will set out the steps, timeline and costs. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email **barbados@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the Barbados Caribbean Service Desk

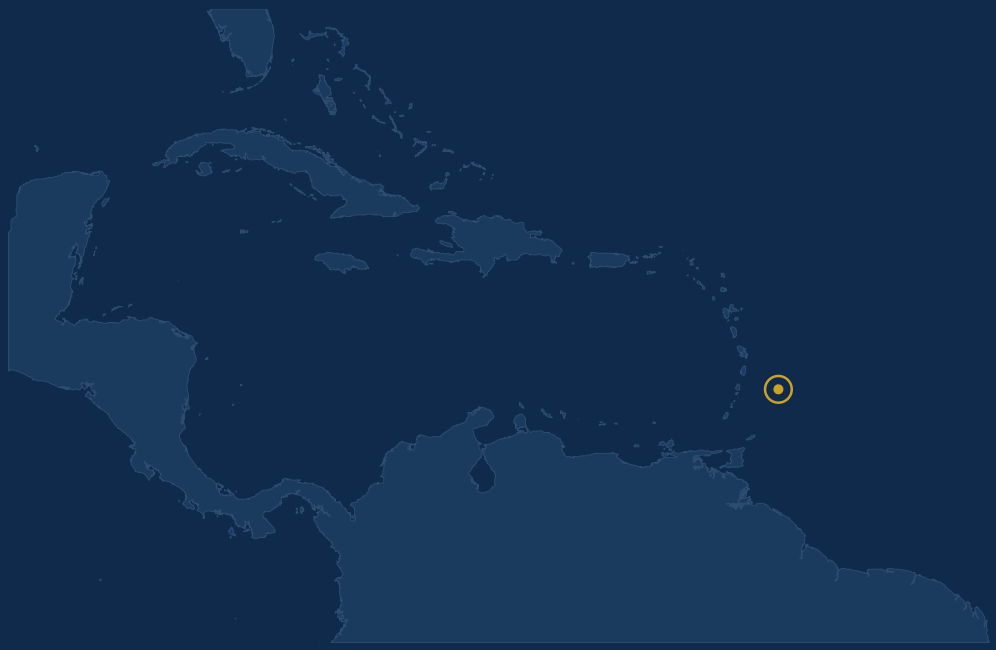
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Key official sources

- Barbados Revenue Authority (bra.gov.bb)
- Corporate Affairs and Intellectual Property Office (caipo.gov.bb)
- Invest Barbados (investbarbados.org)
- National Insurance and Social Security Service (nis.gov.bb)
- Central Bank of Barbados (centralbank.org.bb)
- Immigration Department (immigration.gov.bb)
- Barbados Customs and Excise Department (customs.gov.bb)
- Labour Department (labour.gov.bb)



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