Dawgen GLOBAL

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CARIBBEAN SERVICE DESK · EASTERN CARIBBEAN

Doing Business in Grenada

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

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FOREWORD

Grenada, the Spice Isle, is a tri-island state of Grenada, Carriacou and Petite Martinique, with a growing tourism and education economy and a place at the heart of the Eastern Caribbean Currency Union.

Investors are drawn to Grenada for good reason: an English-speaking, common-law jurisdiction with a stable currency pegged to the US dollar, free movement of people and goods across the OECS, and established strengths in tourism, education services and agriculture. Opportunity sits alongside complexity. Registration, tax, land holding, 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 Grenada.

We serve clients in Grenada 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 Grenada. 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 Grenada at a glance

A tri-island state of Grenada, Carriacou and Petite Martinique, with an economy built on tourism, education services and agriculture.

CAPITAL

St George's

Commercial and government centre; Hillsborough on Carriacou

POPULATION

About 115,000

Large diaspora in the UK, US and Canada

LANGUAGE

English

Official language of business and law

CURRENCY

East Caribbean dollar (XCD)

Pegged at XCD 2.70 to US$1 by the Eastern Caribbean Central Bank

LEGAL SYSTEM

English common law

Final appeal to the Privy Council, London

TIME ZONE

UTC−4

Atlantic Standard Time all year; no daylight saving

CORPORATE INCOME TAX

28%

Same rate for branches; no capital gains tax

VALUE ADDED TAX

15%

10% for tourism; registration at XCD 300,000 of supplies a year

TRADE AGREEMENTS

CARICOM, OECS, EU, UK

CSME; OECS Economic Union; EU and UK EPAs

Leading sectors

Tourism and hospitality · Education services · Nutmeg, cocoa and spices · Agro-processing · Fisheries and the blue economy · Construction and real estate · Renewable energy · Financial services · Creative industries

Gateways

Maurice Bishop International Airport has direct flights to North America, the UK and the region; Carriacou has Lauriston Airport and ferries. St George's port handles cargo and cruise calls.

Public holidays

Around fourteen public holidays a year, including Independence Day (7 February), Emancipation Day (1 August), Carnival Monday and Tuesday in August, and Thanksgiving Day (25 October).

INVESTMENT CLIMATE

02 Why Grenada

A stable currency, regional free movement and established strengths in tourism and education make Grenada a practical base in the Eastern Caribbean.

Strategic location

Grenada lies at the southern end of the Windward Islands, close to Trinidad and Tobago and South America. Direct flights link it with Miami, New York, Toronto and London.

Stable currency and regional market

As a member of the Eastern Caribbean Currency Union, Grenada shares the East Caribbean dollar, pegged to the US dollar since 1976. The OECS Economic Union allows OECS nationals to live and work in Grenada without work permits.

Familiar legal framework

Company, contract and property law follow English common law, with the Eastern Caribbean Supreme Court and final appeal to the Privy Council. Foreign nationals may own land with an Alien Landholding Licence.

A reforming economy

Since its 2014 home-grown structural adjustment programme, Grenada has reduced public debt under fiscal responsibility rules, modernised tax administration with online filing and payment, and invested in roads, ports and digital public services. Rebuilding Carriacou and Petite Martinique after Hurricane Beryl in 2024 remains a priority.

The Eastern Caribbean Securities Exchange gives businesses access to regional capital.

Where the opportunities are

Sector	Examples of opportunity
Tourism	Boutique hotels and resorts, yachting and marinas, dive and eco-tourism, and supply chains for food and services
Education services	Student housing, health services and support businesses around St George's University and other institutions
Agriculture	Nutmeg, cocoa and spice processing, specialty chocolate, food security and import substitution
Energy	Solar and other renewable generation, storage and energy efficiency
Construction	Housing, resilient rebuilding and approved real estate projects

GIDC

The Grenada Investment Development Corporation (GIDC) is the national investment promotion agency. It provides information on the investment climate, processes applications for incentives and helps investors with approvals.

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
Private company	Separate legal entity; shareholders' liability limited to their shares; at least one director; registered office	Most operating businesses and subsidiaries of foreign groups	Annual return to CAIPO; corporate income tax returns; registers of members and owners
Public company	Can offer securities to the public; may list on the Eastern Caribbean Securities 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 Grenada; not a separate legal entity	Projects, contracts and market entry by foreign companies	Registration with CAIPO; 28% tax on Grenada profits; branch filings
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
Non-profit company	No share capital; activities for charitable, social or similar purposes	Charities, associations and non-profits	Annual return; beneficial ownership disclosed at incorporation

Foreign ownership

Foreign investors may own 100% of a Grenada company in most sectors. A company with foreign owners may need an Alien Landholding Licence to hold land. Regulated activities, such as banking, insurance and telecommunications, need a licence before trading starts.

Beneficial ownership

Companies must keep up-to-date registers of members and information on the individuals who ultimately own or control them, available to the authorities. Companies that fail to file annual returns can be struck off.

GETTING STARTED

04 Setting up: step by step

Companies are registered with the Corporate Affairs and Intellectual Property Office (CAIPO) in St George's. Incorporation is quick once documents are ready; bank accounts, land licences and permits 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 Grenada 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 Inland Revenue Division for a taxpayer number, and for VAT if annual taxable supplies will reach XCD 300,000. Register as an employer with the National Insurance Scheme.

5 **Obtain licences and permits** — VARIES

Apply for sector licences, planning approval where you will build, an Alien Landholding Licence where foreign owners will hold land, and work permits for foreign staff.

6 **Prepare for data protection** — BEFORE TRADING

The Data Protection Act, 2023 sets rules for handling personal data and provides for an Information Commission. Check which provisions are in force and build compliant practices from the start.

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 Grenada; and, for an external company, certified constitutional documents, a certificate of good standing from its home registry and details of a local representative.

TAXATION

05 Tax at a glance

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

Business taxes	
Corporate income tax	28%, for companies and branches; losses carried forward up to six years
VAT	15% standard; 10% tourism; 7.5% electricity; registration at XCD 300,000 a year
Annual Stamp Tax	On gross business income: nil up to XCD 36,000, then 0.5%, and 0.7% at XCD 300,000 or more
Property transfer tax	5% for citizen sellers; 15% for non-citizen sellers; non-citizen buyers pay a charge
Property tax	Annual, by use, at rates the IRD sets
Stamp duty	Generally 1% on conveyances and certain instruments
Customs	Duty under the CARICOM Common External Tariff, plus a customs service charge and VAT

Individuals	
Personal allowance	XCD 36,000 a year
Income tax rates	10% on the next XCD 24,000 of income; 28% on income above XCD 60,000

Withholding tax (non-residents)	Rate*
Dividends	15%
Interest and royalties	15%
Technical and management fees	15%

*Domestic rates. Grenada's only income tax treaty is the CARICOM multilateral agreement, which may reduce these rates for payments to member states.

Recent changes

VAT returns are filed online from 1 January 2026. The 2026 budget introduced no new taxes; it kept VAT relief on 20 essential items, halved VAT for households using 99 to 150 kWh of electricity a month, and held fuel tax at XCD 3.50 a gallon. Grenada has not committed to the OECD global minimum tax.

PEOPLE

06 Employing people

Employment is governed mainly by the Employment Act. Employers must register with NIS, deduct PAYE and contributions monthly, and observe minimum standards on wages, leave and termination.

Minimum standards

- **Minimum wage:** set by category under the Minimum Wages Order, 2023, from 1 January 2024; for example XCD 1,200 a month for clerical workers
- **Vacation:** at least 14 working days' paid leave after a year's service
- **Sickness:** paid sick leave after qualifying service, with NIS sickness benefit
- **Maternity:** 13 weeks' leave, with NIS maternity benefit
- **Notice:** from one week (under 3 months' service) to two months (5 years or more)
- **Severance:** at least one week's wages per year of service, after a year's continuous service

Statutory payroll contributions

Contribution	Employee	Employer
Income tax (PAYE)	10% / 28%	—
National Insurance Scheme (2026)	6.25%	7.25%

NIS applies to insurable earnings up to XCD 5,200 a month. Rates rise by 0.25% for each party every January, to 7.5% and 8.5% in 2031.

Bringing in foreign staff

Work permits

Foreign nationals need a work permit from the Ministry of Labour, applied for by the employer before work starts. The role must usually be advertised locally. Permits run for one year, with fees set by nationality.

OECS and CARICOM nationals

OECS nationals do not need a work permit. Qualified CARICOM nationals in approved categories may work under a CARICOM Skills Certificate.

Citizenship by Investment

Investors who obtain citizenship through the CBI programme may live and work in Grenada without a work permit.

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

Grenada has commercial banks, credit unions, insurers and a development bank. Banks are supervised by the Eastern Caribbean Central Bank, and non-bank financial institutions by GARFIN.

- **No foreign exchange transaction limits:** profits and capital can generally be moved through banks
- **Fixed currency:** pegged at XCD 2.70 to US$1 since 1976
- **US dollars** are widely accepted, and foreign currency accounts are available
- **Capital markets:** the Eastern Caribbean Securities Exchange lists regional equities and government securities
- **Compliance:** expect thorough anti-money laundering and know-your-customer checks

Financial reporting

Companies prepare financial statements under International Financial Reporting Standards (IFRS), and file them with their corporate income tax return.

Land and property

Non-citizens, and companies they own or control, need an Alien Landholding Licence before taking title. Applications go through an attorney after the sale agreement and can take several months.

Typical costs on a property purchase	
Transfer tax (seller)	5% for citizens; 15% for non-citizens, on value above XCD 20,000
Non-citizen buyer	Charge linked to the Alien Landholding Licence
Stamp duty and legal fees	About 1% stamp duty; legal fees agreed with the attorneys
Property tax	Annual, at rates set by the IRD

Before you build

Development needs approval from the Physical Planning Unit, and larger, coastal or sensitive projects may need an environmental impact assessment.

GROWTH LEVERS

08 Incentives, trade and customs

Grenada offers incentives for approved projects through GIDC, complemented by Citizenship by Investment projects and preferential access to regional and international markets.

Key incentive regimes

Regime	What it offers
Investment Act and GIDC	Relief from import duty and VAT on qualifying capital goods and materials, and tax relief for approved projects
Hotel Aids and Fiscal Incentives	Concessions for approved hotels, tourism and manufacturing projects
MSME programmes	Duty and tax concessions and Grenada Development Bank finance for small businesses
Citizenship by Investment	Citizenship for a National Transformation Fund contribution from US$235,000, or investment in an approved real estate project

Eligibility and conditions apply to each regime. The CBI law is being replaced and a regional regulator set up, with tighter due diligence and higher fees from September 2026. 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
- **OECS Economic Union:** free movement of goods and OECS nationals
- **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

Customs

The Customs and Excise Division handles imports and exports through its electronic declaration system. Duty is charged on the customs value at tariff rates, plus a customs service charge and VAT, with excise tax on certain products.

COMPLIANCE

09 Regulators and compliance calendar

Who regulates what

Body	Role
CAIPO	Company and business registration, annual returns, intellectual property
Inland Revenue Division	Income tax, VAT, PAYE, Annual Stamp Tax and property tax
Customs and Excise Division	Imports, exports and duties
Eastern Caribbean Central Bank	Banks and the currency
GARFIN	Insurance, credit unions and other non-bank financial institutions
Financial Intelligence Unit	Anti-money laundering reporting
National Insurance Scheme	Social security contributions
Ministry of Labour	Work permits and labour standards
Investment Migration Agency	Citizenship by Investment
Physical Planning Unit	Planning and development approvals

Key filing dates

When	What
Each month	PAYE and NIS contributions for the previous month; withholding tax on payments to non-residents
20th of each month	VAT return and payment for the previous month, filed online
Within 3 months of year-end	Corporate income tax return, financial statements and payment
31 March	Individual income tax returns and payment for the previous year
Each year	Annual Stamp Tax on gross business income
Each year	Annual return to CAIPO

A December year-end company files by 31 March. 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 obligations under the Proceeds of Crime Act 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 Grenada attorney-at-law
- [ ] File incorporation documents with CAIPO
- [ ] Register with the Inland Revenue Division
- [ ] Record beneficial ownership information
- [ ] Apply to open business bank accounts

Days 31–60: register and license

- [ ] Register for VAT if at the XCD 300,000 threshold
- [ ] Register as an employer with NIS
- [ ] Apply for sector licences and planning approvals
- [ ] Apply for an Alien Landholding Licence if needed
- [ ] Apply for work permits for foreign staff
- [ ] Assess eligibility for GIDC 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 VAT filings
- [ ] Annual Stamp Tax on gross income
- [ ] 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 across all three islands through our Caribbean Service Desk, managed from 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 records.

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

GIDC incentive and Alien Landholding Licence assessments and applications.

Start with a conversation

Tell us your plans, 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 **grenada@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the Grenada Caribbean Service Desk

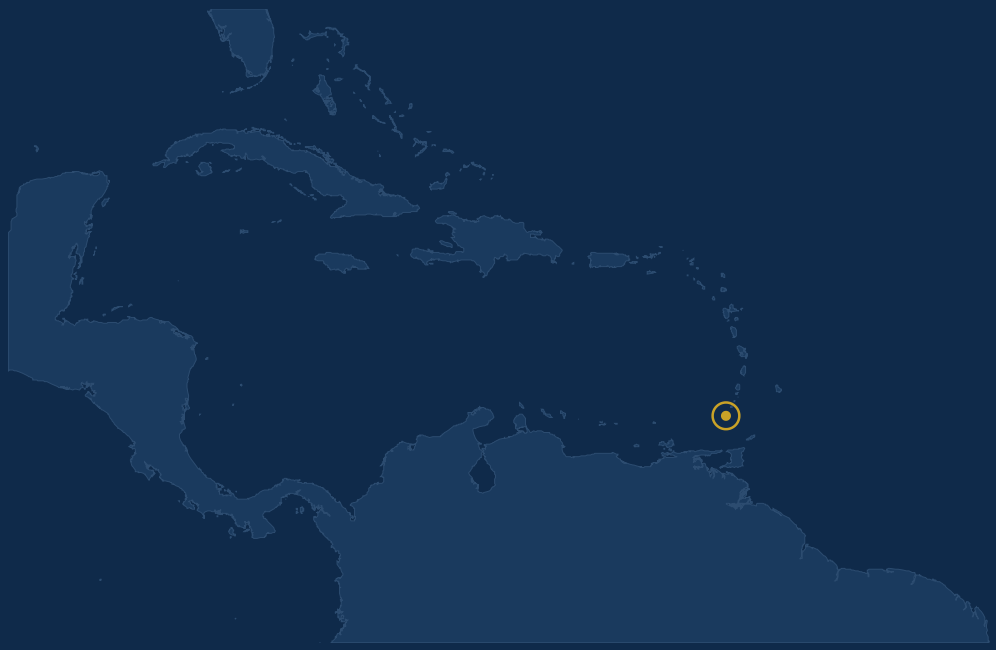
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Key official sources

- Inland Revenue Division (ird.gov.gd)
- Corporate Affairs and Intellectual Property Office (caipo.gov.gd)
- Grenada Investment Development Corporation (grenadaidc.com)
- National Insurance Scheme (nisgrenada.org)
- Ministry of Finance (finance.gd)
- Eastern Caribbean Central Bank (eccb-centralbank.org)
- Ministry of Labour (Ilca.gov.gd)
- Investment Migration Agency Grenada (imagrenada.gd)



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