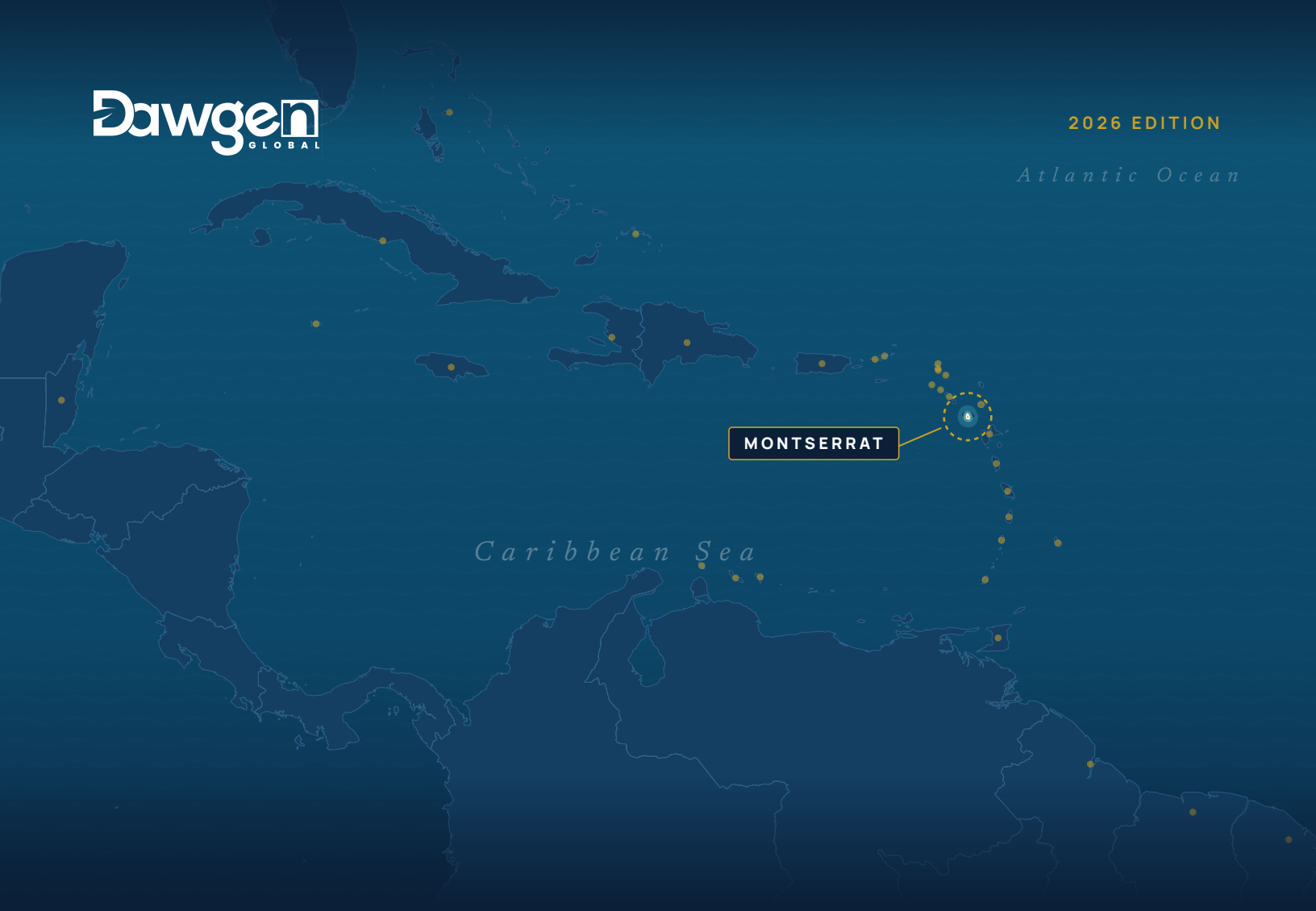
Dawgen GLOBAL

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CARIBBEAN SERVICE DESK · EASTERN CARIBBEAN

Doing Business in Montserrat

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

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FOREWORD

Montserrat is small, resilient and rebuilding: a British Overseas Territory whose new national infrastructure in the north is opening fresh opportunities for business.

Investors look at Montserrat for good reason: an English-speaking, common-law jurisdiction in the Leeward Islands, with the Eastern Caribbean dollar pegged to the US dollar, strong support from the United Kingdom and a programme of public investment in the port, the hospital, energy and housing. Opportunity sits alongside careful regulation. 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 how foreign buyers hold land. It is written for investors, entrepreneurs, returning nationals and regional groups considering Montserrat.

We serve clients in Montserrat 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 Montserrat. 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 Montserrat at a glance

A volcanic island in the Leeward Islands, with an economy built on public services, construction, real estate, financial services and niche tourism.

SEAT OF GOVERNMENT
Brades
Plymouth, the former capital, lies in the exclusion zone

POPULATION
Under 5,000
Large diaspora in the UK, US and nearby islands

LANGUAGE
English
Official language of business and law

CURRENCY
Eastern Caribbean dollar (XCD)
Pegged at XCD 2.70 to US$1; no exchange controls

LEGAL SYSTEM
English common law
Eastern Caribbean Supreme Court; final appeal to the Privy Council

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

CORPORATE INCOME TAX
30%
Flat rate on companies' chargeable income

VAT OR SALES TAX
None
Customs duty and consumption tax are charged on imports

STATUS
British Overseas Territory
Member of CARICOM, the OECS and the ECCU

Leading sectors

- Construction and infrastructure
- Real estate and housing
- Financial services
- Eco and dive tourism
- Geothermal and renewable energy
- Agriculture and fisheries
- Retail and distribution
- Professional services

Gateways

John A. Osborne Airport has short flights to Antigua, and a ferry links Little Bay with Antigua. A new jetty and berth at Little Bay are due for completion in 2026.

The volcano

Since 1995 the Soufrière Hills volcano has shaped the island. Much of the south remains an exclusion zone, with access set by hazard levels advised by the Montserrat Volcano Observatory.

INVESTMENT CLIMATE

02 Why Montserrat

A stable constitutional framework, a fixed currency and a large public investment programme make Montserrat a niche but real opportunity.

Stable framework

As a British Overseas Territory, Montserrat combines an elected local government with the UK's constitutional oversight. Courts follow English common law, with final appeal to the Privy Council in London.

Regional connections

Montserrat is a member of CARICOM, the Organisation of Eastern Caribbean States and the Eastern Caribbean Currency Union, sharing a currency and central bank with its neighbours.

Building the north

The volcano moved the island's centre to the north. Little Bay is being developed as the new commercial centre, with a new port, and areas south of the Belham valley are being reopened for homes and farming.

A rebuilding economy

The 2026/27 budget totals XCD 345.95 million, including a capital programme of about XCD 162.6 million funded mainly by the UK, the European Union and the Caribbean Development Bank. UK budgetary aid covers about two-thirds of recurrent revenue. Government projects growth of 3% in 2026.

Priorities include the new national hospital, the Little Bay port, air and sea access, the geothermal wells, housing and digital government.

Where the opportunities are

Sector	Examples of opportunity
Construction	Contracting and supply on public projects, housing and commercial development in the north
Tourism	Small hotels and villas, dive, hiking and volcano tourism, and a proposed hotel at Little Bay
Energy	Geothermal development, solar generation and energy efficiency
Services	Financial and professional services, retail, logistics and digital services
Local enterprise	Agriculture, fisheries and food production for import substitution

Business support

Government offers soft loans through the Montserrat Business Progressive Fund and small micro-enterprise and farmer loan schemes. Montserrat does not operate a citizenship or residence by investment programme.

LEGAL VEHICLES

03 Choosing a business structure

Companies are formed under the Companies Act, 2023 and its 2024 regulations, administered by the Companies and Intellectual Property Office of the Financial Services Commission. The right choice depends on liability, financing and exit plans.

Vehicle	Key features	Typical use	Main obligations
Private company limited by shares	Separate legal entity; shareholders' liability limited to their shares; at least one director; registered office in Montserrat	Most operating businesses and subsidiaries of foreign groups	Annual return to CIPO; income tax returns; persons with significant control information
External company	Overseas company registered to carry on business in Montserrat; not a separate legal entity	Projects, contracts and market entry by foreign companies	Registration with CIPO; licensed company manager as agent; tax on Montserrat profits
Partnership	General or limited partnership; general partners may be personally liable	Professional practices and family businesses	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 and annual return; personal income tax
Company limited by guarantee	No share capital; members guarantee a set amount	Charities, associations and non-profits	Annual return; non-profit obligations where relevant

Foreign ownership and agents

Foreign investors may own a Montserrat company. Larger companies (gross revenue above XCD 4 million or assets above XCD 2 million), public companies and external companies need a licensed company manager as registered agent. Land holding by non-belongers needs a licence, and regulated activities need a licence before trading starts.

Beneficial ownership

Under the Persons with Significant Control (Registration) Regulations, 2024, ownership and control details are recorded at incorporation and kept up to date. Montserrat runs a publicly accessible register of beneficial ownership, with screening of directors and owners.

GETTING STARTED

04 Setting up: step by step

Companies are registered online through the CIPO portal of the Financial Services Commission. A straightforward company can be formed quickly once documents are ready; bank accounts, licences and land approvals usually take longer.

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

Choose the vehicle, shareholding and directors, decide on a resident director or licensed company manager, and check that the proposed name is available.

2 **Incorporate through CIPO** — WEEK 1–2

File the articles, registered office, director and significant control details through the online portal. Paper filings are no longer accepted.

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 taxes and social security** — WEEK 2–4

Register with the Montserrat Customs and Revenue Service for income tax and as an employer for PAYE, and register with the Social Security Fund before taking on staff.

5 **Obtain licences and permits** — VARIES

Apply for sector licences, planning permission, an Alien Landholding Licence where non-belongers will hold land, and work permits for foreign staff.

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

Put in place bookkeeping, payroll, IFRS-based 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 person with significant control; bank or professional references; and, for an external company, certified constitutional documents and a certificate of good standing from its home registry.

TAXATION

05 Tax at a glance

Montserrat levies income tax on companies and individuals, but has no VAT, general sales tax or capital gains tax. Customs duty and consumption tax on imports are major sources of local revenue.

Business taxes	
Corporate income tax	30% flat rate on chargeable income; no capital gains tax
VAT or sales tax	None in 2026; the 2026/27 budget introduced no new taxes
Customs duty	Charged on imports by tariff item, on a CIF value with a reduced freight element
Consumption tax	Charged on imports alongside customs duty, at rates set by tariff item
Stamp duty	On land transfers and other instruments, at rates set by the Customs and Revenue Service
Property tax	Annual tax on land and buildings at low rates

Individuals	
Personal allowance	XCD 18,000 a year, plus XCD 1,500 for each child, up to three
Income tax rates	5% from XCD 18,001, rising through 20%, 25% and 30% to 40% above XCD 150,000

Withholding tax (non-residents)	Position*
Dividends, interest, royalties and fees	Tax withheld at source
Branch profits	Tax on profits remitted abroad

*Payers must withhold tax on payments to non-residents at the rates in the Income and Corporation Tax Act, and deductions are denied until it is paid. Montserrat has a few older double taxation arrangements and exchanges tax information under TIEAs and the Common Reporting Standard.

Recent changes

From 2024 the personal allowance rose to XCD 18,000 with new bands. The 2025/26 budget reinstated the child allowance, taxed overtime at normal rates, halved the freight element in import valuation and cut duty on building materials (5% customs duty and 5% consumption tax from 1 September 2025 to 31 March 2028). The 2026/27 budget added no new taxes.

PEOPLE

06 Employing people

The Labour Code sets minimum standards on wages, hours, leave and termination. Employers must register with the Social Security Fund and the Customs and Revenue Service and pay deductions monthly.

Minimum standards

- **Minimum wage:** XCD 12.50 an hour from 1 April 2026
- **Hours:** 8-hour day and 40-hour week; overtime at time and a half, and double time on public holidays
- **Vacation:** two weeks a year, three weeks after 10 years and four weeks after 20 years
- **Sick leave:** up to 24 paid days a year after 13 weeks' service, less social security benefit
- **Maternity:** three months' paid leave after 12 months' service, less social security benefit
- **Notice:** from 1 week (under 2 years' service) to 8 weeks (15 years or more)
- **Severance:** on redundancy, 2 to 3½ weeks' pay per year of service, rising with length of service

Statutory payroll contributions

Contribution	Employee	Employer
Income tax (PAYE)	5% to 40%	—
Social security (2026)	7%	8%

The employer rate includes 1% for employment injury. Contributions apply to insurable earnings up to a ceiling set by regulation (XCD 4,000 a month under the 2022 schedule). Income tax and contributions are paid monthly for the previous month.

Bringing in foreign staff

Work permits

Non-nationals need a work permit under the Labour Code. The employer applies through the Labour Department, and permits are approved by the Governor acting on Cabinet's advice.

Long-term residents

The 2025/26 budget said residents of over three years who pay the current permit will be exempt from future permits. Confirm before relying on it.

Immigration

Foreign workers also need permission to remain. Government is reviewing the Immigration Act and stepping up compliance checks.

HR essentials from day one

Give every employee written terms of employment, keep accurate time, pay, leave and work permit records, register each employee with the Social Security Fund, and adopt a staff handbook covering conduct, grievances 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

Montserrat is served by a small banking sector, led by the locally owned Bank of Montserrat, and a credit union. Banks are supervised by the Eastern Caribbean Central Bank, and other financial services by the Financial Services Commission.

- **No exchange controls:** funds, profits and capital can be moved in and out freely
- **Fixed currency:** the Eastern Caribbean dollar has been pegged at XCD 2.70 to US$1 since 1976
- **US dollars** are widely accepted
- **Capital markets:** the Eastern Caribbean Securities Exchange serves the currency union
- **Compliance:** expect thorough anti-money laundering and know-your-customer checks

Financial reporting

Companies generally prepare financial statements under IFRS, or IFRS for SMEs where eligible, and larger companies may need audited accounts.

Land and property

Non-belongers, including foreign-owned companies, need an Alien Landholding Licence to hold land. Approval usually takes four to eight weeks, so purchase contracts are made conditional on the licence.

Typical costs on a property purchase	
Alien Landholding Licence	5% of the price, or XCD 2,500 if greater
Stamp duty and fees	Set by the Revenue Service; usually paid by the buyer
Legal fees	Agreed with the attorneys for each party
Property tax	Annual, on land and buildings

Before you build

Development needs planning permission from the Physical Planning Unit. Check volcanic hazard zoning and title at the Land Registry before committing, as access to parts of the south is restricted.

GROWTH LEVERS

08 Incentives, trade and customs

Montserrat's incentives are mainly duty and tax concessions granted by statutory order, alongside membership of the Eastern Caribbean Currency Union and CARICOM.

Key incentive regimes

Regime	What it offers
Fiscal Incentives Act	Income tax holidays of up to 15 years and duty-free imports of plant and inputs for approved manufacturing and processing enterprises
Concession orders	Customs duty and consumption tax relief for property developers, private home builders and returning nationals, currently under review
Project exemptions	Income tax and duty exemptions granted by order for approved projects and contractors
Building materials	Reduced duty and consumption tax on listed materials until 31 March 2028

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

Market access

- **CARICOM:** full membership, with duty-free trade in qualifying goods and a Common External Tariff on imports
- **OECS and ECCU:** a shared currency and central bank with seven other Eastern Caribbean economies
- **Antigua gateway:** air and ferry links to Antigua, a regional air and shipping hub
- **United Kingdom:** constitutional links and development funding as a British Overseas Territory

Customs

The Montserrat Customs and Revenue Service handles imports and exports. Customs duty and consumption tax are charged on the CIF value of imports, with goods of CARICOM origin entitled to relief on duty. Concessions for approved projects must be in place before goods arrive.

COMPLIANCE

09 Regulators and compliance calendar

Who regulates what

Body	Role
Companies and Intellectual Property Office	Company and business name registration, annual returns, beneficial ownership
Montserrat Customs and Revenue Service	Income tax, PAYE, customs duty, consumption tax and stamp duty
Eastern Caribbean Central Bank	Banks and currency
Financial Services Commission	Insurance, company managers, money services, credit unions and other financial services
Social Security Fund	Social security contributions and benefits
Labour Department	Work permits and labour standards
Lands and Survey Department	Land registration and Alien Landholding Licences
Physical Planning Unit	Planning and development approvals

Key filing dates

When	What
Monthly	PAYE and social security contributions for the previous month; withholding tax on payments to non-residents
28 February	Employer returns of employees' earnings for the previous year
31 March	Income tax returns for the previous calendar year
1 April	Annual return to CIPO (XCD 25 a day penalty for late filing)
Each year	Renewal of licences and work permits

The year of assessment follows the calendar year. Late filing and payment attract penalties and interest, which build quickly.

Anti-money laundering and data

Financial institutions and designated non-financial businesses must meet anti-money laundering obligations under the Proceeds of Crime Act and report suspicious activity to the Reporting Authority. Montserrat has no general data protection law yet; Government has committed to introduce one.

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
- [ ] Appoint a resident director or company manager
- [ ] Check the company name
- [ ] Gather KYC documents for directors and owners
- [ ] Incorporate through the CIPO portal
- [ ] Record persons with significant control
- [ ] Apply to open business bank accounts

Days 31–60: register and license

- [ ] Register with the Customs and Revenue Service
- [ ] Register with the Social Security Fund
- [ ] 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 duty and tax concessions
- [ ] Lease premises and arrange insurance cover

Days 61–90: operate

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

Ongoing

- [ ] Monthly PAYE and social security filings
- [ ] Annual income tax return by 31 March
- [ ] Annual return to CIPO by 1 April
- [ ] Financial statements for each year
- [ ] 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, structuring, feasibility studies and business plans.

Incorporation and corporate secretarial

Company formation support, statutory registers, annual returns and significant control filings.

Tax advisory and compliance

Registrations, income tax, PAYE and cross-border planning, through our Caribbean Tax Service Desk.

Accounting and payroll outsourcing

Bookkeeping, management accounts, payroll and a Virtual CFO service.

Audit and assurance

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 readiness, internal audit and governance.

Technology and cyber

Systems selection, digital transformation, cybersecurity and AI governance.

Licence and concession applications

Land holding, incentive and concession applications.

Start with a conversation

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

Talk to the Montserrat Caribbean Service Desk

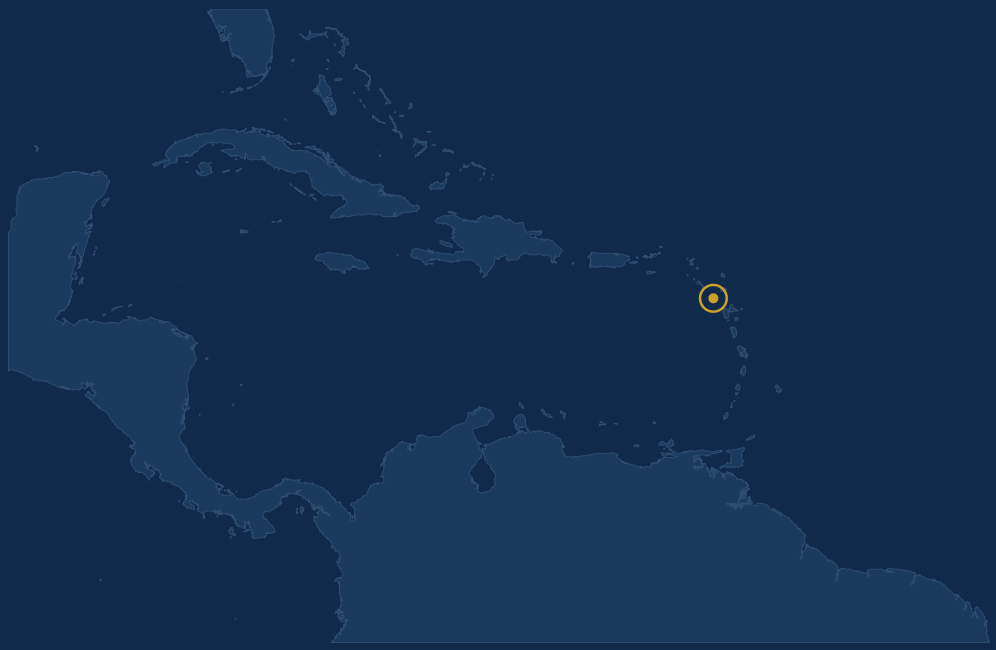
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Key official sources

- Government of Montserrat (gov.ms)
- Montserrat Customs and Revenue Service (gov.ms)
- Financial Services Commission (fscmontserrat.org)
- Companies and Intellectual Property Office (cipo.fsc.ms)
- Legislative Assembly of Montserrat (parliament.ms)
- Montserrat Social Security Fund (gov.ms)
- Eastern Caribbean Central Bank (eccb-centralbank.org)
- Caribbean Development Bank (caribank.org)



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