Dawgen GLOBAL



2026 EDITION

CARIBBEAN SERVICE DESK · NORTHERN CARIBBEAN AND ATLANTIC

Doing Business in The Bahamas

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

CONTENTS

01	The Bahamas at a glance	3
02	Why The Bahamas	4
03	Choosing a business structure	5
04	Setting up: step by step	6
05	Tax at a glance	7
06	Employing people	8
07	Banking, currency and property	9
08	Incentives, trade and customs	10
09	Regulators and compliance calendar	11
10	Your first 90 days: checklist	12
11	How Dawgen Global helps	13

FOREWORD

The Bahamas sits on America's doorstep. For more than two decades we have helped Caribbean businesses start, grow and recover, and we are pleased to support investors here.

Investors are drawn to The Bahamas for good reason: an English-speaking, common-law jurisdiction near Florida, a currency at par with the US dollar, no income tax for most businesses, and established tourism and financial sectors. Opportunity sits alongside distinct rules. Investment approvals, exchange control, VAT and immigration need careful handling from day one.

This guide sets out in plain language how to choose a structure, how set-up and approvals work, what taxes apply, how to employ people and which incentives may apply in New Providence, Grand Bahama and the Family Islands. It is written for investors and groups considering The Bahamas.

Our Caribbean Service Desk in Kingston is ready to help you build a 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 The Bahamas. 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 The Bahamas at a glance

An archipelago of some 700 islands and cays off Florida, with an economy built on tourism, financial services and maritime activity.

CAPITAL
Nassau
On New Providence; Freeport is the second city

POPULATION
About 400,000
2022 census; most live on New Providence

LANGUAGE
English
Official language of business and law

CURRENCY
Bahamian dollar (BSD)
Pegged 1:1 to the US dollar; exchange controls apply

LEGAL SYSTEM
English common law
Final appeal to the Privy Council, London

TIME ZONE
UTC−5
Eastern Time, with US daylight saving

CORPORATE INCOME TAX
None
15% top-up tax for groups with €750m+ revenue

VALUE ADDED TAX
10%
Registration at BSD 100,000 of supplies a year

TRADE LINKS
CARICOM, EU, US
CARICOM; CARIFORUM–EU EPA; Caribbean Basin Initiative

Leading sectors

- Tourism and hospitality
- Banking and wealth management
- Funds and digital assets
- Maritime and ship registry
- Logistics and transshipment
- Real estate and construction
- Fisheries and agriculture
- Renewable energy

Gateways

Lynden Pindling International (Nassau) and Grand Bahama International (Freeport) offer US pre-clearance and direct flights to North America, with airports across the Family Islands. Freeport Container Port is a transshipment hub.

Public holidays

Eleven public holidays a year, including Majority Rule Day (10 January) and Independence Day (10 July). Overtime on a holiday is paid at double time.

INVESTMENT CLIMATE

02 Why The Bahamas

Proximity to the United States, no income tax and a mature financial sector make The Bahamas a natural base for tourism, wealth and maritime business.

Strategic location

The nearest islands lie about 50 miles from Florida, and Nassau is under an hour's flight from Miami. Businesses share the US Eastern time zone and sit on shipping routes to the Panama Canal.

Simple tax base

There is no personal or general corporate income tax, no capital gains tax and no withholding tax. Revenue comes mainly from VAT, customs duties, business licence tax and real property tax.

Familiar legal framework

Company, trust and contract law follow English common law, with financial services laws and regulators that international investors recognise. US dollars circulate alongside Bahamian dollars.

An established international centre

The Bahamas has decades of experience in banking, trust, funds and private wealth, and has updated its laws on beneficial ownership, tax transparency and anti-money laundering to meet international standards.

Investment spans New Providence (Nassau), the commercial centre; Grand Bahama (Freeport), with its port and industry; and the Family Islands, led by tourism.

Where the opportunities are

Sector	Examples of opportunity
Tourism	Hotels and resorts, Family Island properties, marinas and supply chains
Financial services	Wealth management, trust services, investment funds and digital assets
Maritime and logistics	Transshipment, ship repair, storage and distribution, notably in Freeport
Food security	Agriculture, fisheries and agro-processing to replace imports
Energy	Solar generation, storage and resilient infrastructure across the islands

Bahamas Investment Authority

The Bahamas Investment Authority (BIA), in the Office of the Prime Minister, is the first point of contact for foreign investors. It reviews proposals for National Economic Council approval and coordinates incentives.

LEGAL VEHICLES

03 Choosing a business structure

Most operating businesses use a company under the Companies Act, 1992; International Business Companies (IBCs) serve business outside The Bahamas. The right choice depends on activity, ownership and exit plans.

Vehicle	Key features	Typical use	Main obligations
Company (Companies Act)	Separate legal entity with limited liability; directors, a secretary and a registered office in The Bahamas	Most operating businesses and subsidiaries of foreign groups	Annual filings with the Registrar General; business licence; beneficial ownership information
International Business Company	IBC Act, 2000; one director and one shareholder minimum; local registered agent	Holding and business outside The Bahamas	Annual fees; registers with the agent; business licence tax at IBC rates
Foreign company	Overseas company registered to do business locally; not a separate entity	Projects, contracts and market entry	Registration with the Registrar General; investment approvals; business licence
Partnership	General partnership or exempted limited partnership	Professional practices, funds and joint ventures	Registration; business licence; partnership records
Foundation, ICON or executive entity	Specialist vehicles under their own Acts	Private wealth, investment funds and governance roles	Registered agent; regulatory filings where licensed
Sole trader	Individual trading in their own name or a registered business name; unlimited liability	Small owner-managed businesses	Business licence; National Insurance as self-employed

Foreign ownership

Foreign investment needs BIA and National Economic Council approval. Activities such as retail and wholesale trade, real estate agencies, security services and commercial fishing are generally reserved for Bahamians. Regulated sectors need a licence.

Beneficial ownership

Entities must record their beneficial owners on the government's secure system, usually through a registered agent. 2025 amendments require disclosure of nominees and those they act for.

GETTING STARTED

04 Setting up: step by step

A company can be incorporated within days once documents are ready. For foreign investors, investment and exchange control approvals usually set the timetable.

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

Choose the vehicle, shareholding and directors, confirm the activity is open to foreign investment, and reserve the name with the Registrar General's Department.

2 **Obtain investment approvals** — 1–6 MONTHS

Submit a project proposal to the BIA for National Economic Council approval, and apply to the Central Bank for exchange control approval. Land purchases may need an Investments Board permit.

3 **Incorporate the company** — DAYS AFTER FILING

File the memorandum and articles of association and a statutory declaration with the Registrar General, and pay the stamp duty and fees.

4 **Register with Inland Revenue** — WEEK 2–4

Obtain a tax identification number and a business licence from the Department of Inland Revenue, and register for VAT if taxable supplies will reach BSD 100,000 a year.

5 **Open a bank account** — WEEK 2–8

Banks apply full know-your-customer checks on the company, directors and beneficial owners, and may ask for evidence of approvals. Allow extra time where owners are overseas.

6 **Register as an employer and obtain permits** — VARIES

Register with the National Insurance Board, apply for sector licences and building permits, and obtain labour certificates and work permits for foreign staff.

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

Put in place bookkeeping, VAT records, IFRS reporting, a filing calendar, data protection measures 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 and professional references; a project proposal for the BIA; and, for an overseas company, certified constitutional documents and a certificate of good standing from its home registry.

TAXATION

05 Tax at a glance

The Bahamas does not levy income tax on individuals or most companies. Businesses instead pay VAT, business licence tax, customs duty and real property tax. The headline rates are below.

Business taxes	
Corporate income tax	None for most businesses
Domestic minimum top-up tax	15% minimum for groups with revenue of €750 million or more, generally from fiscal years starting 1 January 2025
Business licence tax	On annual turnover: nil below BSD 100,000; 0.5% to BSD 500,000; 0.75% to BSD 5 million; 1.25% above. Special rates for IBCs and financial services
VAT	10% standard rate; unprepared food exempt and 5% on certain essential items and medicines from 1 April 2026
VAT on real property	Replaces stamp duty on transfers: 10% where any party is foreign; 2.5% to 10% by value for Bahamians
Real property tax	Annual, on assessed market value, at banded rates by category
Customs	Duty on CIF value by tariff heading, among the highest in the region, plus excise and levies on some goods

Individuals	
Income tax	None on employment, business or investment income
Other personal taxes	No capital gains, inheritance or wealth tax

Withholding tax (non-residents)	Rate
Dividends	None
Interest	None
Royalties and fees	None

The Bahamas has no comprehensive tax treaties. It has tax information exchange agreements with more than 30 jurisdictions and applies FATCA and the Common Reporting Standard.

Recent changes

The Domestic Minimum Top-up Tax Act, 2024 applies the OECD Pillar Two minimum tax; top-up tax is credited against business licence tax. Unprepared food became VAT-exempt on 1 April 2026. The 2026/27 Budget proposed changes to real property tax for foreign-owned homes and first-time homeowners; confirm whether they are in force before relying on them.

PEOPLE

06 Employing people

Employment law sets clear minimum standards. Employers must register with the National Insurance Board, pay contributions monthly and observe rules on wages, leave and termination.

Minimum standards

- **Minimum wage:** BSD 260 a week (BSD 6.50 an hour) since 1 January 2023
- **Hours:** 8 hours a day and 40 a week; overtime at time and a half, and double time on holidays
- **Vacation:** two weeks' paid leave after a year's service, three weeks after seven years
- **Sick leave:** paid sick leave after qualifying service, supported by a medical certificate
- **Maternity:** 12 weeks for qualifying employees, paid by the employer and NIB
- **Notice:** one week after six months; two weeks after a year (one month for managers)
- **Redundancy:** consultation, and pay by length of service, capped by statute

Statutory payroll contributions

Contribution	Employee	Employer
Income tax (PAYE)	None	—
National Insurance	4.65%	6.65%
Self-employed	10.3% of insurable income	

Contributions apply to earnings up to BSD 830 a week (BSD 3,597 a month) from 1 July 2026, and are paid to NIB by the 15th of the following month.

Bringing in foreign staff

Work permits

Foreign nationals need a work permit from the Department of Immigration, applied for by the employer, usually after a labour certificate shows no suitable Bahamian is available.

CARICOM nationals

The Bahamas does not take part in CARICOM free movement of skilled nationals, so CARICOM citizens generally need work permits.

Spouses and residents

Spouses of Bahamian citizens may apply for permits to reside and work, and some permanent residents hold the right to work.

HR essentials from day one

Give every employee written terms of employment, keep accurate time, pay and leave records, register each employee with NIB, 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

Banks and trust companies are regulated by the Central Bank of The Bahamas; securities, funds and digital assets by the Securities Commission.

- **Fixed currency:** the Bahamian dollar is pegged at par to the US dollar
- **Exchange control:** the Central Bank approves non-resident investment so capital and returns can be repatriated
- **Foreign currency accounts** are available to non-residents and, with approval, residents
- **Capital markets:** the Bahamas International Securities Exchange (BISX)
- **Compliance:** expect thorough anti-money laundering and know-your-customer checks

Financial reporting

Companies report under IFRS. Business licence renewals need audited accounts where turnover is BSD 5 million or more.

Land and property

Non-Bahamians may buy a single home without a permit, registering the purchase afterwards; larger holdings and commercial land need a permit under the International Persons Landholding Act.

Typical costs on a property purchase	
VAT on transfer	10% where a party is foreign; 2.5% to 10% for Bahamians; often shared
VAT on mortgages	1% of the sum secured
Legal fees	Agreed with the attorneys for each party
Real property tax	Annual; first BSD 300,000 of an owner-occupied home exempt

Before you build

Development needs building approval from the Ministry of Works, or the Grand Bahama Port Authority in Freeport, and larger projects may need environmental approval.

GROWTH LEVERS

08 Incentives, trade and customs

With no income tax to relieve, incentives focus on duty and real property tax concessions for approved projects, notably in tourism, Grand Bahama and the Family Islands.

Key incentive regimes

Regime	What it offers
Hotels Encouragement Act	Duty concessions on materials and furnishings, and property tax relief, for approved hotels
Family Island Development Encouragement Act	Duty-free building materials for approved Family Island businesses
Industries Encouragement Act	Duty-free machinery and materials for approved manufacturers, and real property tax relief on factory premises
Hawksbill Creek Agreement (Freeport)	Duty and tax exemptions for Grand Bahama Port Authority licensees; recently in arbitration, so confirm the position
Free trade zones	Relief from import and export duties and VAT on qualifying transactions

Concessions carry conditions. We can assess which incentives fit your project and prepare the applications.

Market access

- **CARICOM:** a member of the Community, but outside the single market and the Common External Tariff
- **CARIFORUM–EU Economic Partnership Agreement:** preferential access to the European Union
- **Caribbean Basin Initiative:** duty-free access to the United States for many products
- **US pre-clearance** at Nassau and Freeport airports eases travel to the United States

Customs

Bahamas Customs and Excise handles imports and exports through its electronic declaration system. Duty is charged on the CIF value at tariff rates, with VAT, excise and environmental levies on top where they apply.

COMPLIANCE

09 Regulators and compliance calendar

Who regulates what

Body	Role
Registrar General's Department	Company and business name registration and filings
Department of Inland Revenue	VAT, business licence, real property tax, top-up tax
Bahamas Customs and Excise	Imports, exports and duties
Bahamas Investment Authority	Foreign investment approvals and incentives
Central Bank of The Bahamas	Banks, trust companies and exchange control
Securities Commission	Securities, investment funds and digital assets
Insurance Commission	Insurance and intermediaries
Compliance Commission and FIU	AML supervision and suspicious transaction reports
Immigration and Labour	Work permits, labour certificates and standards
Data Protection Commissioner	Data protection

Key filing dates

When	What
15th of each month	National Insurance contributions for the previous month
21 days after each VAT period	VAT return and payment; monthly where turnover is BSD 5 million or more, otherwise quarterly
31 January	Business licence renewal
31 March	Business licence tax payment; real property tax payment
15 months after year-end	Top-up tax and GloBE returns for in-scope groups
Each year	Annual filings with the Registrar General; beneficial ownership updates

The business licence year is the calendar year. Late filing and payment attract penalties and interest, which build quickly.

Anti-money laundering

Financial institutions and designated non-financial businesses, including real estate brokers, attorneys and accountants in certain activities, must meet obligations under the Financial Transactions Reporting Act and Proceeds of Crime Act, and report 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
- [ ] Confirm the activity is open to foreigners
- [ ] Gather KYC documents for directors and owners
- [ ] Submit the project proposal to the BIA
- [ ] Apply for Central Bank exchange control approval
- [ ] Reserve the name and incorporate the company
- [ ] Record beneficial ownership information
- [ ] Apply to open business bank accounts

Days 31–60: register and license

- [ ] Obtain a TIN and business licence
- [ ] Register for VAT if at or above BSD 100,000
- [ ] Register as an employer with NIB
- [ ] Apply for labour certificates and work permits
- [ ] Apply for sector licences and building permits
- [ ] Assess eligibility for concessions
- [ ] Arrange insurance cover

Days 61–90: operate

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

Ongoing

- [ ] Monthly NIB contributions
- [ ] Monthly or quarterly VAT returns
- [ ] Annual business licence renewal and tax
- [ ] Annual property tax and registry filings
- [ ] Renew licences and permits on time

YOUR PARTNER

11 How Dawgen Global helps

From the first conversation to your first audit, one Dawgen Global team supports you through our Caribbean Service Desk in Kingston.

Market entry and structuring

Choice of vehicle, structuring, business plans and BIA proposals.

Incorporation and corporate secretarial

Company formation, registers, annual filings and beneficial ownership.

Tax advisory and compliance

VAT, business licence, top-up and property tax, through our Caribbean Tax Service Desk.

Accounting and payroll outsourcing

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

Audit and assurance

Statutory audits, reviews and turnover reports for licensing and lenders.

HR, immigration and legal support

Employment contracts, HR policies, work permit applications and legal process support, with our panel of attorneys where needed.

Risk and compliance

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

Technology and cyber

Systems selection, digital transformation, cybersecurity and AI governance.

Approvals and incentives

Exchange control and concession applications.

Start with a conversation

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

Talk to The Bahamas Caribbean Service Desk

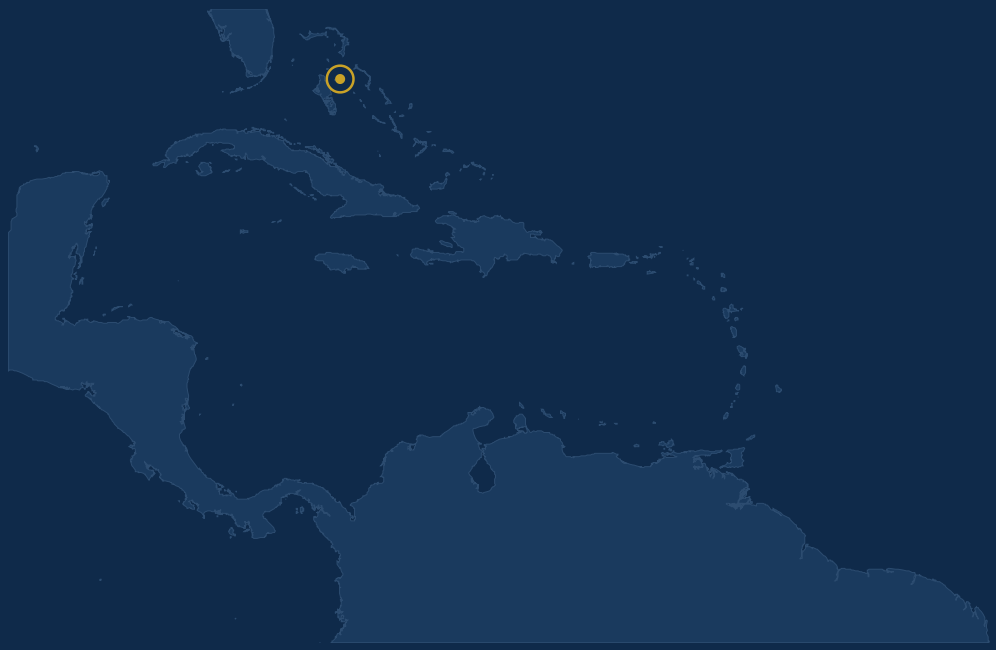
Contact

bahamas@dawgen.com

Dawgen Global, Dawgen Towers
47-49 Trinidad Terrace, Kingston 5, Jamaica
(876) 926-5210 · (876) 630-2011
(876) 929-3670 · (876) 929-3870
US toll free 855-354-2447
info@dawgen.global · dawgen.global

Key official sources

- Department of Inland Revenue (inlandrevenue.finance.gov.bs)
- Registrar General's Department (bahamas.gov.bs)
- Bahamas Investment Authority, Office of the Prime Minister (opm.gov.bs)
- Central Bank of The Bahamas (centralbankbahamas.com)
- National Insurance Board (nib-bahamas.com)
- Department of Immigration (immigration.gov.bs)
- Bahamas Customs and Excise Department (bahamascustoms.gov.bs)
- Securities Commission of The Bahamas (scb.gov.bs)



This publication contains general information only, current to October 2026, and is not professional advice. Tax rates, thresholds and procedures change frequently; confirm the current position with Dawgen Global or the relevant authority before acting. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request.
© 2026 Dawgen Global Caribbean Limited. All rights reserved. Maps: Dawgen Global.