



## **PUBLIC NOTICE**

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### **Relevant Reporting Period for Substance Requirements**

The Ministry of Finance has received a number of enquiries from the financial services industry with respect to the relevant reporting period for substance requirements, pursuant to the Commercial Entities (Substance Requirements) Act, 2018 (“CESRA”).

We wish to reiterate that the requirements of CESRA were applicable immediately as of 1 January 2019 to all commercial entities (as defined in section 2 of CESRA). A six-month transitional period was provided for entities in existence prior to 31 December 2018. Entities that were in existence prior to December 2018 and whose FY 2018 was on or prior to 31 December 2018 do not have an obligation to demonstrate substance requirements in The Bahamas during FY 2018. This principle also extends to a pre-existing entity whose FY 2018 ends between 1 January and 30 June 2019. No information on substance is needed on Form B for FY 2018 in this respect as their compliance with CESRA would not have been expected during this period of FY 2018. However, if an entity was in existence prior to 31 December 2018 and has a FY 2018 that ends after 30 June 2019, it will have to report on its substance in The Bahamas for the part of its fiscal year that covers the period following 30 June 2019.

Pre-existing entities should report on FY 2019 post 30 June 2019 as per the rule, i.e. within 9 months from the end of the fiscal year and include the required information on Form B as is applicable from 1 July 2019. It will, therefore, only report on Form B for the part of its FY 2019 that concerns the period after 30 June 2019.

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