

# The Bahamas Country-by-Country Reporting Guidance Notes



Date of Issue: 10 December 2020

Version 1.1

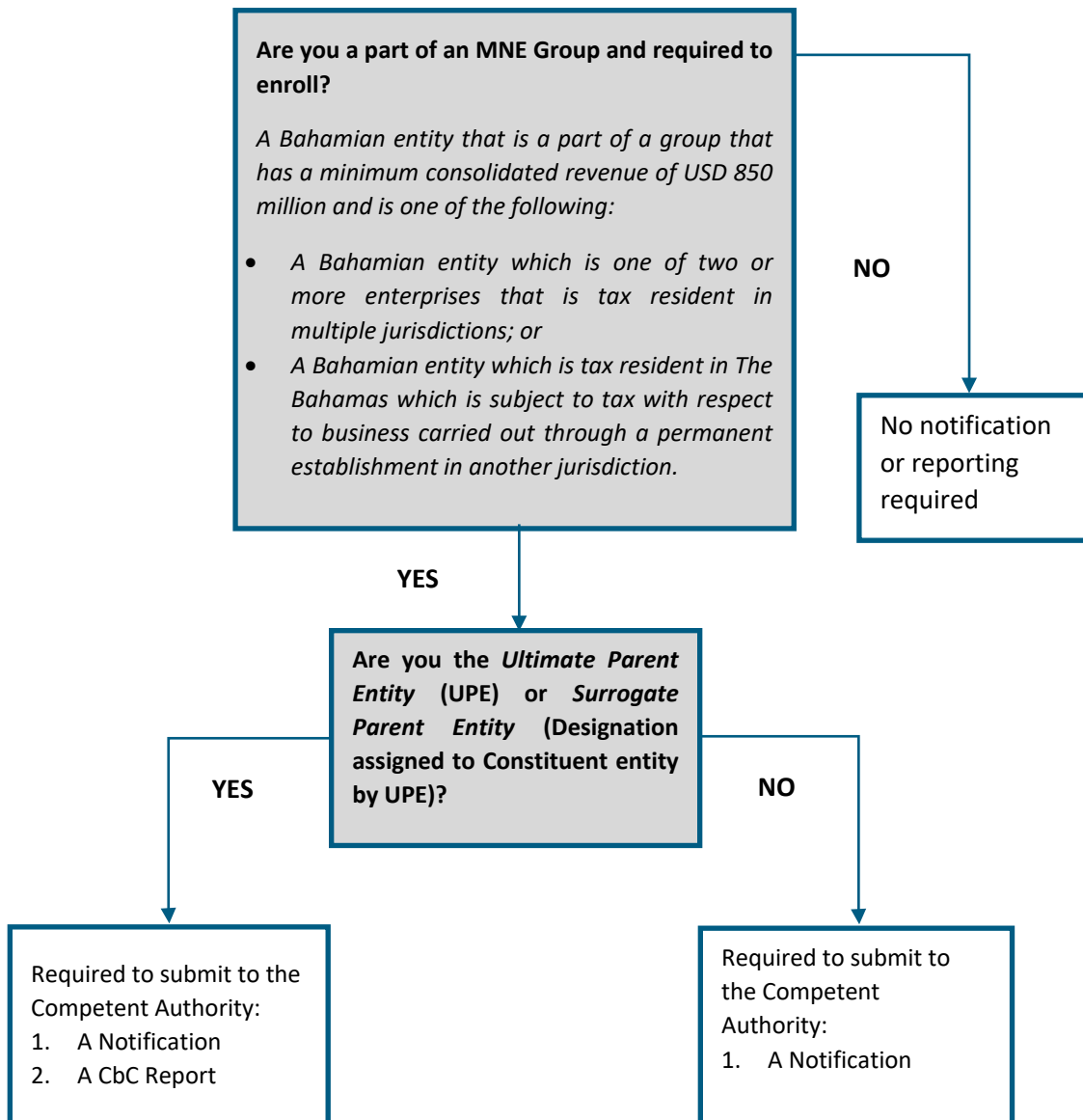
These Guidance Notes are issued under The Bahamas Multinational Entities Financial Reporting Act, 2018. This document will continually be under review with updates being issued periodically.

---

## TABLE OF CONTENTS

<b>1. Decision Tree</b>	<b>3</b>
<b>2. Overview</b>	<b>4</b>
(a) <i>Abbreviation and Acronyms</i>	4
(b) <i>General</i>	4
<b>3. Purpose of this Guidance</b>	<b>5</b>
<b>4. OECD Core Documents</b>	<b>5</b>
<b>5. Applicable Legislation in The Bahamas</b>	<b>5</b>
<b>6. Interpretation</b>	<b>6</b>
<b>7. The Competent Authority</b>	<b>7</b>
<b>8. The Bahamas' Country-by-Country Reporting Portal</b>	<b>7</b>
<b>9. Notification and Reporting to the Competent Authority</b>	<b>8</b>
(a) <i>Notification Obligation</i>	8
(i) Preparation for Notification and Reporting on the CbCR Portal	8
(ii) Requirements for Notification	8
(iii) The two-part Notification Process	9
(iv) Notification Deadlines	9
(v) Notification Updates	9
(vi) Duplication of Notification	10
(vii) Deactivation of Notification	10
(b) <i>Reporting</i>	10
(i) Reporting Deadline	10
(ii) Country-by-Country Report	10
(iii) The Reporting Procedure on the CbCR Portal	11
(c) <i>Use and Confidentiality of Country-by-Country Report Information</i>	11
(d) <i>Electronic Transmission for Notifications and Reporting</i>	11
<b>10. Guidance on Technical Issues</b>	<b>11</b>
(a) <i>Constituent entities Required to Report</i>	11
(b) <i>Resident in The Bahamas</i>	11
(c) <i>Investment Funds</i>	11
(d) <i>Partnerships</i>	12
(e) <i>Joint Ventures</i>	12
(f) <i>Definition of Total Consolidated Group Revenue</i>	12
<b>11. Effective Implementation</b>	<b>13</b>
<b>APPENDIX A</b>	<b>14</b>
<i>Template for the Country-by-Country Report</i>	14
<i>Table 1. Overview of allocation of income, taxes and business activities by tax jurisdiction</i>	14
<i>Table 2. List of all the constituent entities of the MNE group included in each aggregation per tax jurisdiction</i>	14
<i>Table 3. Additional information</i>	15

## 1. Decision Tree



## 2. Overview

### (a) Abbreviation and Acronyms

<b>BEPS</b>	Base Erosion and Profit Shifting
<b>CbCR</b>	Country-by-Country Reporting
<b>MCAA</b>	Multilateral Competent Authority Agreement
<b>MNE</b>	Multinational Enterprises
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>QCAA</b>	Qualifying Competent Authority Agreement
<b>SPE</b>	Surrogate Parent Entity
<b>UPE</b>	Ultimate Parent Entity

### (b) General

Country-by-Country Reporting (CbCR) is an integral component of the Organisation for Economic Co-operation and Development/G20 Base Erosion and Profit Shifting Project Action Plan. BEPS Action 13 Report (Transfer Pricing Documentation and Country-by-Country Reporting) provides a template for Multinational Enterprises (MNE) to report annually for each tax jurisdiction in which it does business.

In December 2017, The Bahamas joined the Inclusive Framework on BEPS to participate in the project aimed at reducing multinational tax avoidance, including adopting Country-by-Country Reporting. The CbCR is implemented in The Bahamas through the Multinational Entities Financial Reporting Act, 2018 (MNE Act) and its subsequent amendments. The MNE Act came into effect on 2<sup>nd</sup> July 2018.

CbCR requires Multinational Enterprises, which meet certain criteria to file a Country-by-Country report annually with tax administrations or tax authorities. CbC Reporting provides a breakdown of the amount of revenue, profits, taxes and other indicators of economic activities for each tax jurisdiction in which the MNE Group does business. For this purpose, “Group” means a collection of enterprises related through ownership or control such that it is either required to prepare Consolidated Financial Statements for financial reporting purposes under applicable accounting principles, or would be so required if equity interests in any of the enterprises were traded on a public securities exchange. A constituent entity uncertain of whether it meets the above criteria should seek confirmation from its Ultimate Parent Entity.

CbCR only applies to MNE groups with an annual consolidated group revenue of not less than eight hundred and fifty (850) million US dollars in the preceding fiscal year. CbCR does not apply to Excluded MNE Groups. An Excluded MNE Group is a group which does not meet the above-mentioned threshold.

Constituent entities, that are tax resident in The Bahamas and are also Ultimate Parent Entities or Surrogate Parent Entities of the MNE group are required to file a CbC Report. Constituent entities, resident in The Bahamas have notification obligations<sup>1</sup> under the MNE Act.

---

<sup>1</sup> MNE Act Section 4 Notification Obligation

In The Bahamas, reporting entities for MNE Groups are required to report to the Competent Authority. The Competent Authority automatically exchanges reports with partner jurisdictions that have satisfied the requisite confidentiality and data safeguards standards and have implemented the appropriate legal instruments and legislative framework.

All relevant materials on the MNE Act and reporting submission details are available on the Competent Authority's website: [www.taxreporting.finance.gov.bs](http://www.taxreporting.finance.gov.bs)

### 3. Purpose of this Guidance

This Guidance is intended to aid businesses that may have responsibilities to report information under the Multinational Entities Financial Reporting Act, 2018 and its subsequent amendments. It is also intended as a reference source for constituent entities, resident in The Bahamas, and relevant professionals. The Guidance should be used in conjunction with the MNE Act and OECD core documents.

A constituent entity resident in The Bahamas must apply the Multinational Entities Financial Reporting Act, 2018 and its subsequent amendments, with reference to any OECD explanatory materials for CbCR and this Guidance as applicable.

CbC Reports apply to a multitude of entity types across a broad range of industries. Therefore, this Guidance does not address specifics relating to all entity types or industries as it relates to CbC Reporting.

These guidance notes are not intended to take the place of independent professional advice. Consequently, constituent entities, resident in The Bahamas, are encouraged to seek professional advice if they are uncertain of their obligations under the CbCR framework.

### 4. OECD Core Documents

The following OECD documents contain the core elements of CbCR. Entities are encouraged to consult the documents for general information.

[OECD Transfer Pricing Documentation and Country-by-Country Reporting, Action 13: 2015 Final Report, OECD/G20 Base Erosion and Profit Shifting Project \(OECD Final Report\)](#)

[OECD Guidance on the Implementation of Country-by-Country Reporting – BEPS Action 13, OECD/G20 Base Erosion and Profit Shifting Project \(Implementation Guidance\)](#)

[OECD CbCR XML Schema: User Guide for Tax Administrations and Taxpayers \(User Guide\)](#)

The OECD has also published the [BEPS - Frequently Asked Questions Action 13 – Re-examine transfer pricing documentation](#), as well as Handbooks for Tax Administrations on Effective Implementation and Effective Tax Risk Assessment.

### 5. Applicable Legislation in The Bahamas

The Multinational Entities Financial Reporting Act, 2018 and the Multinational Entities Financial Reporting (Amendment) Act, 2019 require reporting entities resident in The Bahamas to collect, maintain and report information for exchange with partnering jurisdictions, and imposes a notification obligation on all the constituent entities resident in The Bahamas. The relevant taxable period for reporting is the fiscal year starting on or after January 2019.

## 6. Interpretation

All participating jurisdictions have committed to implementing CbC Reporting as described in the implementation package of the OECD Final Report (page 37) which includes model legislation for the introduction of CbCR requirements (OECD Model Legislation).

The legal basis for The Bahamas to exchange information under CbCR with other jurisdictions is contained in the Multilateral Competent Authority Agreement (MCAA). As of December 2019, The Bahamas became a signatory to the Multilateral Competent Authority Agreement.

The MCAA contains the rules on the modalities of the exchange between The Bahamas' Competent Authority and partner jurisdictions' Competent Authorities. It also contains representations on confidentiality, safeguards and the existence of the necessary infrastructure for an effective exchange relationship.

For this reason, The Bahamas' MNE legislation is closely aligned with the OECD model legislation to the extent that its provisions apply to The Bahamas. It should be noted that where there is a conflict between the OECD Model Legislation and The Bahamas' MNE Legislation, The Bahamas' MNE Legislation takes precedence.

In this Guidance -

**"constituent entity"** means –

- a) any separate business unit of an MNE Group that is included in the consolidated financial statements of the MNE Group for financial reporting purposes, or would be so included if equity interests in such business unit of an MNE Group were traded on a public securities exchange;
- b) any such business unit that is excluded from the MNE Group's consolidated financial statements solely on size or materiality grounds; and
- c) any permanent establishment of any separate business unit of the MNE Group included in (a) and (b) provided the business unit prepares a separate financial statement for such permanent establishment for financial reporting, regulatory, tax reporting, or internal management control purposes;

**"excluded MNE Group"** means, with respect to any fiscal year of the Group, a Group having total consolidated group revenue of less than eight hundred and fifty million United States Dollars during the fiscal year immediately preceding the reporting fiscal year as reflected in its consolidated financial statements for such preceding fiscal year;

**"group"** means a collection of enterprises related through ownership or control such that it is either required to prepare consolidated financial statements for financial reporting purposes under applicable accounting principles or would be so required if equity interests in any of the enterprises were traded on a public securities exchange;

**"MNE Group"** means any Group that –

- a) includes two or more enterprises for which the tax residence is in different jurisdictions or includes an enterprise that is resident for tax purposes in one jurisdiction and is subject to tax with respect to the business carried out through a permanent establishment in another jurisdiction; and
- b) is not an Excluded MNE Group;

**"OECD Final Report"** means the document entitled "Transfer Pricing Documentation and Country-by-Country Reporting, Action 13 – 2015 Final Report" published by the Organization for Economic Co-operation and Development as part of the OECD/G20 Base Erosion and Profit Shifting Project as may be amended from time to time;

**“qualifying competent authority agreement”** means an agreement that –

- a) is between authorized representatives of those jurisdictions that are parties to an International Agreement; and
- b) requires the automatic exchange of country-by-country reports between the party jurisdictions;

**“reporting entity”** means the constituent entity which is required to file a Country-by-Country Report conforming to the requirements in Section 5 in its jurisdiction of tax residence on behalf of the MNE Group and which may be the ultimate parent entity or the surrogate parent entity;

**“surrogate parent entity”** means one constituent entity of the MNE Group that has been appointed by the MNE Group as a sole substitute for the ultimate parent entity to file the Country-by-Country Report in that constituent entity’s jurisdiction of tax residence on behalf of the said MNE Group when one or more of the conditions set out in section 3(2)(b) of the MNE Act applies;

**“ultimate parent entity”** means a constituent entity of an MNE Group that meets the following criteria –

- a) it owns directly or indirectly a sufficient interest in one or more other constituent entities of the MNE Group such that it is required to prepare consolidated financial statements under accounting principles generally applied in its jurisdiction of tax residence, or would be so required if its equity interests were traded on public securities exchange in its jurisdiction of tax residence; and
- b) there is no other constituent entity of the MNE Group that owns directly or indirectly an interest described in paragraph (a) in the first mentioned constituent entity.

## 7. The Competent Authority

The Commonwealth of The Bahamas’ Competent Authority for Tax Information Exchange is the Ministry of Finance, which is responsible for the implementation of the MNE Act.

In this capacity, the Competent Authority will annually exchange the CbC Reports received from each reporting entity that is resident in The Bahamas. The CbC Report will be included in The Bahamas’ CbC message transmitted to any other jurisdiction in which the constituent entities contained in the CbC Report is resident for tax purposes, if The Bahamas has activated its exchange relationship with that jurisdiction.

Inquiries in relation to CbC Reporting can be forwarded to the Competent Authority at: [information@taxreporting.finance.gov.bs](mailto:information@taxreporting.finance.gov.bs)

## 8. The Bahamas’ Country-by Country Reporting Portal

The Bahamas’ CbCR Portal can be accessed at: [Portal Login Page](#)

If you have encountered challenges in accessing the CbCR Portal, please check with the information technology team of your reporting entity / MNE Group to ensure that your system allows access to the CbCR Portal Page.

As part of the enrolment process, an individual, appointed by the reporting entity / MNE Group as its primary user, must provide the required contact details and supporting documents in order to receive login credentials. The primary user is responsible for notification and reporting for the MNE Group. The notification and reporting procedures are described in this Guidance. Further instructions can be found in the [CbCR User Guide](#).

If there are questions regarding the CbCR Portal, please contact the Competent Authority at: [information@taxreporting.finance.gov.bs](mailto:information@taxreporting.finance.gov.bs)

## 9. Notification and Reporting to the Competent Authority

### (a) Notification Obligation

#### (i) [Preparation for Notification and Reporting on the CbCR Portal](#)

Any entity that is resident in The Bahamas must determine whether it is a constituent entity of an MNE Group for the purposes of the MNE Act. A constituent entity that is resident in The Bahamas must then identify the reporting entity of the MNE Group that it belongs to (which may be itself).

The reporting entity may be the Ultimate Parent Entity or Surrogate Parent Entity of the MNE Group.

In The Bahamas, notifications cannot be made by third party agents and must be submitted by the entity itself.

#### (ii) [Requirements for Notification](#)

The notification process requires the primary user to provide the information described in the following paragraphs:

##### [MNE Group](#)

The primary user must provide the MNE Group Name and additional information about the MNE Group.

##### [Primary User](#)

The Competent Authority requires each MNE Group with Bahamian constituent entities to appoint one individual as its primary user. The primary user need not be resident (or have an address) in The Bahamas. The primary user must provide their name, contact details and supporting documents.

The primary user is responsible for making the notification (and any changes) on behalf of the MNE Group's Bahamian constituent entities. Only the primary user is permitted to provide information for the MNE Group via The Bahamas' CbCR Portal. Only the primary user can modify and make modifications to MNE Group profile and file notifications on The Bahamas' CbCR Portal.

##### [Secondary User](#)

It is recommended that the primary user create a secondary user after enrolment. The secondary user is designated to support the primary user, fill-in as necessary if the primary user is unavailable, and submit a primary user change notice should the existing primary user exit the organization or be otherwise unable to continue as the primary user.

##### [Ultimate Parent Entity](#)

If the reporting entity is the Ultimate Parent Entity, the primary user must provide the name of the Ultimate Parent Entity, entity type, and tax number.

##### [Surrogate Parent Entity](#)

The Surrogate Parent Entity is a constituent entity of the MNE Group that has been appointed by the MNE Group as a sole substitute for the Ultimate Parent Entity to file the Country-by-Country Report in that constituent entity's jurisdiction of tax residence on behalf of the said MNE Group when one or more of these conditions applies:



- i) The Ultimate Parent Entity of the MNE Group is not obligated to file a CbC Report in its jurisdiction of tax residence;
- ii) The jurisdiction in which the Ultimate Parent Entity is resident for tax purposes has a current International Agreement to which The Bahamas is a party, but does not have a qualifying competent authority agreement in effect to which The Bahamas is a party by the time specified in the MNE Act and its subsequent amendments for filing the report for the reporting fiscal year; or
- iii) There has been a systemic failure of the jurisdiction of tax residence of the Ultimate Parent Entity that has been notified by the Competent Authority to the constituent entity resident in The Bahamas.

If the reporting entity is a Surrogate Parent Entity, the primary user must provide the name of the Surrogate Parent Entity, entity type, and tax number.

(iii) **The two-part Notification Process**

Part 1 – Enrolment Form

In Part 1, the primary user must provide information on the constituent entity and the primary user. The required information includes reporting the entity's name, entity type and reporting type, which will be *CbC*. The primary user must also provide their full name, email address, telephone number and a letter from the appropriate authority of the MNE.

An email confirmation will be sent to the primary user's email address containing the login address, the username and a temporary password which needs to be changed on the first login.

Each constituent entity must enroll separately.

Part 2 – Article 3 Notification

After the Enrolment is approved by the Competent Authority for CbCR, each constituent entity must complete an Article 3 Notification filing.

The constituent entity must provide its activity, commercial registration number, Ultimate Parent Entity or Surrogate Parent Entity, MNE Group name, MNE Group additional information and a description of CbC filing and notification type.

(iv) **Notification Deadlines**

The notification deadline with respect to constituent entities of an MNE Group is no later than the last day of the reporting fiscal year of the MNE Group.

(v) **Notification Updates**

Notification is a one-off process and does not need to be submitted annually. Changes to notification details must, however, be submitted by email to the Competent Authority by the end of the Fiscal Year in which the change occurred.

Any entity which becomes, or ceases to be, a constituent entity subsequent to the above dates (as applicable) must arrange for its reporting entity to notify the Competent Authority of that fact before the end of the fiscal year of the MNE Group, whether the notification is being done for the first-time or by way of an update to an existing notification.

If the reporting entity of an MNE Group ceases to be the reporting entity of the MNE Group or if the MNE Group ceases to be an MNE Group, the primary user must email the Competent Authority explaining the circumstances and the changes required to

the MNE Group's current notification. This must be done as soon as practicable after the changes take effect or prior to the changes where the primary user will cease to have access to the email addresses previously provided to the Competent Authority via The Bahamas' CbCR Portal. For example, the primary user may need to confirm the identity of any successor reporting entity and primary user of the MNE Group, and whether it has been agreed that the successor primary user should take over the MNE Group's profile on The Bahamas' CbCR Portal, or will establish a new MNE Group profile.

(vi) **Duplication of Notification**

For the avoidance of doubt, a constituent entity must comply with its notification obligation under the CbCR requirements, even if it has a similar CbCR notification obligation in another jurisdiction. The Competent Authority recognizes that there may be some instances of duplication of CbCR notifications for the same constituent entity in different jurisdictions.

(vii) **Deactivation of Notification**

Where an MNE Group that has a profile on the CbCR Portal subsequently ceases to have any constituent entities resident in The Bahamas, the reporting entity's primary user should send an email to the Competent Authority with the subject "Deactivation of Notification". The email should request deactivation of the notification in the circumstances when the MNE Group no longer has any constituent entities resident in The Bahamas. The email should include supporting evidence, such as any relevant Certificate(s) of Dissolution and/or Transfer by Continuation.

The Competent Authority will review the request and consider whether the reporting entity or those constituent entities had any outstanding obligations under the MNE Legislation. The Competent Authority may require further information regarding the status of any such obligations that appear to be outstanding.

(b) **Reporting**

Any reporting entity, being either the Ultimate Parent Entity or the Surrogate Parent Entity, that is resident in The Bahamas, must file a Country-by-Country Report with the Competent Authority. For the avoidance of doubt, a reporting entity must comply with its reporting obligation under the MNE Act even if it has a similar CbC Reporting obligation in another jurisdiction or another constituent entity made a CbC Report in another jurisdiction. The Competent Authority recognises that there may be some instances of duplication of CbC Reports for the same MNE Group.

(i) **Reporting Deadline**

The Country-by-Country Report must be filed no later than twelve (12) months after the last day of the reporting fiscal year of the MNE Group.

(ii) **Country-by-Country Report**

The Country-by-Country Report must be supplied in an XML data file compliant with the CbC XML schema specification as published by the OECD. It is not possible to edit any part of the filing manually by typing data into an electronic form online. The OECD's *Template for the Country-by-Country Report* which details information required for the CbC Report can be found at Appendix A in this Guidance.

The OECD Final Report (page 31) includes detailed instructions and guidance on how to complete CbC Reports and should be reviewed in full in advance of completing CbC Reports.

(iii) [The Reporting Procedure on the CbCR Portal](#)

Please refer to *The Bahamas' Competent Authority CbCR User Guide* for guidance on how to submit the CbC Report, pursuant to the MNE Act, to the Competent Authority via The Bahamas' CbCR Portal.

(c) **Use and Confidentiality of Country-by-Country Report Information**

The Competent Authority shall use the Country-by-Country Report and any other information obtained pursuant to the MNE Act for purposes of collaboration on compliance and enforcement with other competent authorities pursuant to a Qualifying Competent Authority Agreement.

The Competent Authority shall preserve the confidentiality of the information contained in the Country-by-Country Report at least to the same extent that would apply if such information were provided to it under the provisions of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.

(d) **Electronic Transmission for Notifications and Reporting**

Constituent entities and reporting entities must comply with their notification and reporting obligations according to the MNE Act via The Bahamas' CbCR Portal.

The Bahamas' reporting schema for the CbC Report is the OECD published CbC XML Schema.

## 10. [Guidance on Technical Issues](#)

(a) **Constituent entities Required to Report**

The following type of constituent entities will be required to file CbC Reports in The Bahamas:

- i. An Ultimate Parent Entity of an MNE Group resident in The Bahamas for tax purposes; and
- ii. A Surrogate Parent Entity of an MNE Group resident in The Bahamas for tax purposes.

A constituent entity of an MNE Group in The Bahamas that is neither an Ultimate Parent Entity nor Surrogate Parent Entity is not required to file a CbC Report in The Bahamas.

(b) **Resident in The Bahamas**

"Resident in The Bahamas" for a constituent entity means -

- i. being incorporated or established<sup>2</sup> in The Bahamas; or
- ii. having a place of effective management<sup>3</sup> in The Bahamas.

The reporting entity should report all of the tax jurisdictions in which constituent entities of the MNE Group are resident for tax purposes.

(c) **Investment Funds**

As stated in paragraph 55 of the Action 13 Report, there is no general exemption for investment funds. Therefore, the governing principle to determine an MNE Group is to follow the accounting consolidation rules.

---

<sup>2</sup> The word "established" includes partnerships and trusts that are formed in The Bahamas but does not include legal persons or legal arrangements formed outside of The Bahamas.

<sup>3</sup> For example, this could refer to a place where key management and commercial decisions are made that are necessary for the conduct of the entity's business as a whole; depending on the facts, this may include certain legal persons and legal arrangements that are formed outside of The Bahamas that have a branch or office in The Bahamas.

For example, if the accounting rules instruct investment entities to not consolidate with investee companies (e.g. because the consolidated accounts for the investment entity should instead report fair value of the investment through profit and loss), then the investee companies should not form part of a Group or MNE Group (as defined in the model legislation) or be considered as constituent entities of an MNE Group. This principle applies even where the investment entity has a controlling interest in the investee company.

On the other hand, if the accounting rules require an investment entity to consolidate with a subsidiary, such as where that subsidiary provides services that relate to the investment entity's investment activities, then the subsidiary should be part of a Group and should be considered as a constituent entity of the MNE Group (if one exists).

It is still possible for a company, which is owned by an investment fund, to control other entities such that, in combination with these other entities, it forms an MNE Group. In this case, and if the MNE Group exceeds the revenue threshold, it would need to comply with the requirement to file a CbC Report.

#### (d) Partnerships

Similarly, as in the case of Investment Funds, the Implementation Guidance confirms that for Partnerships the governing principle to determine an MNE Group is to follow the accounting consolidation rules. If the accounting consolidation rules apply to a Partnership, then that Partnership may be a constituent entity of an MNE Group subject to CbC Reporting.

#### (e) Joint Ventures

In the case of a joint venture and similar entities, where the entity is owned and/or operated by more than one unrelated MNE Groups, the treatment of the entity for CbC Reporting purposes should be determined under the accounting rules applicable to each of the unrelated MNE Groups separately. If the applicable accounting rules require an entity to be consolidated into the consolidated financial statements of an MNE Group, the entity would be considered as a constituent entity of that group. Accordingly, the financial data of such an entity should be reported in the CbC Report of the MNE Group.

#### (f) Definition of Total Consolidated Group Revenue

In determining whether the total consolidated group revenue of an MNE Group is less than the threshold of eight hundred and fifty (850) million US dollars, all of the revenue that is (or would be) reflected in the consolidated financial statements should be used. A jurisdiction, where the Ultimate Parent Entity resides, is allowed to require inclusion of extraordinary income and gains from investment activities in total consolidated group revenue, if those items are presented in the consolidated financial statements under applicable accounting rules.

For financial entities, which may not record gross amounts from transactions in their financial statements with respect to certain items, the item(s) considered similar to revenue under the applicable accounting rules should be used in the context of financial activities. Those items could be labelled as 'net banking product', 'net revenues' or otherwise depending on accounting rules. For example, if the income or gain from a financial transaction, such as an interest rate swap, is appropriately reported on a net basis under applicable accounting rules, the term 'revenue' means the net amount from the transaction.

An MNE Group that complies with the rules of the jurisdiction of the Ultimate Parent Entity or the Surrogate Parent Entity on the calculation of consolidated group revenue for the purposes of determining its CbC filing obligations, should not be exposed to local filing in

any other jurisdiction provided the rules of the jurisdiction where the Ultimate Parent Entity or Surrogate Parent Entity is resident for tax purposes are consistent with the Action 13 minimum standard, as supplemented by the implementation guidance.

## 11. Effective Implementation

The Bahamas has legal mechanisms in place to enforce compliance with the OECD minimum standard regarding CbCR, including the notification mechanisms that apply to all constituent entities. It is an offence to contravene notification, reporting and monitoring obligations. The following penalties are in place in relation to the CbC Reporting and notification obligations:

- i. an administrative penalty;
- ii. a daily default penalty; and
- iii. penalties for inaccurate information.

Where a person is found to be in contravention of the MNE Act, they can be subject to fines, administrative penalties and imprisonment. Details relative to offences and penalties can be found in sections 11 through 21 of the MNE Act.

The MNE Act directs the constituent entity to retain records for six (6) years of any book, document, or electronically stored information required to be reported to the Competent Authority.

## APPENDIX A

### Template for the Country-by-Country Report

Table 1. Overview of allocation of income, taxes and business activities by tax jurisdiction

Name of the MNE group:										
Fiscal year concerned:										
Currency:										
Tax Jurisdiction	Revenues			Profit (Loss) Before Income Tax	Income Tax Paid (on cash basis)	Income Tax Accrued – Current Year	Stated capital	Accumulated earnings	Number of Employees	Tangible Assets other than Cash and Cash Equivalents
	Unrelated Party	Related Party	Total							

Table 2. List of all the constituent entities of the MNE group included in each aggregation per tax jurisdiction

Name of the MNE group:														
Fiscal year concerned:														
Tax Jurisdiction	Constituent Entities resident in the Tax Jurisdiction	Tax Jurisdiction of organisation or incorporation if different from Tax Jurisdiction of Residence	Main business activity(ies)											
			Research and Development	Holding/managing intellectual property	Purchasing or Procurement	Manufacturing or Production	Sales, Marketing or Distribution	Administrative, Management or Support Services	Provision of services to unrelated parties	Internal Group Finance	Regulated Financial Services	Insurance	Holding shares or other equity instruments	Dormant
	1.													
	2.													
	3.													
	4.													
	5.													

2. Please specify the nature of the activity of the Constituent Entity in the “Additional Information” section.

**Table 3. Additional information**

Name of the MNE group: Fiscal year concerned:
Please include any further brief information or explanation you consider necessary or that would facilitate the understanding of the compulsory information provided in the country-by-country report.