

AS TABLED IN THE HOUSE ASSEMBLY

A BILL

entitled

FINANCIAL SERVICES TAX AMENDMENT ACT 2018

WHEREAS it is expedient to amend the Financial Services Tax Act 2017:

Be it enacted by The Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act may be cited as the Financial Services Tax Amendment Act 2018.

Amends sections 4 and 5

2 In section 4(c) and section 5(a)(iii) of the Financial Services Tax Act 2017 ("the principal Act"), delete "incoming and".

Inserts section 7A

3 After section 7 of the principal Act, insert—

"Nature of financial services tax

7A Financial services tax which is charged under this Act as a percentage of gross premiums written in a tax period by a domestic insurer (whether or not those premiums are actually paid by the insured persons in that or any other tax period) shall not be regarded as a tax computed on the profits or income of such an insurer, and so does not fall within section 2 of the Exempted Undertakings Tax Protection Act 1966."

Commencement

4 This Act shall come into operation on 1 April 2018.

FINANCIAL SERVICES TAX AMENDMENT BILL 2018

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Financial Services Tax Act 2017 (“the principal Act”).

Clause 1 is self-explanatory.

Clause 2 amends sections 4(c) and 5(a)(iii) of the principal Act so that financial services tax is payable by money services businesses on outgoing money transmission volume in a tax period only, and no longer also on incoming money transmission volume.

Clause 3 inserts new section 7A into the principal Act. This provides that financial services tax which is charged as a percentage of gross premiums written in a tax period by a domestic insurer (whether or not those premiums are actually paid by the insured persons in that or any other tax period), shall not be regarded as a tax computed on the profits or income of such an insurer, and so does not fall within section 2 of the Exempted Undertakings Tax Protection Act 1966.

Clause 4 provides for commencement.