A country’s tax regime is always a key factor for any business considering moving into new markets. What is the corporate tax rate? Are there any incentives for overseas businesses? Are there double tax treaties in place? How will foreign source income be taxed?

Since 1994, the PKF network of independent member firms, administered by PKF International Limited, has produced the PKF Worldwide Tax Guide (WWTG) to provide international businesses with the answers to these key tax questions. This handy reference guide provides clients and professional practitioners with comprehensive tax and business information for over 90 countries throughout the world.

As you will appreciate, the production of the WWTG is a huge team effort and I would like to thank all tax experts within PKF member firms who gave up their time to contribute the vital information on their country’s taxes that forms the heart of this publication.

I hope that the combination of the WWTG and assistance from your local PKF member firm will provide you with the advice you need to make the right decisions for your international business.

Richard Sackin
Chairman, PKF International Tax Committee
Eisner Amper LLP
richard.sackin@eisneramper.com
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On a country-by-country basis, each summary addresses the major taxes applicable to business; how taxable income is determined; sundry other related taxation and business issues; and the country’s personal tax regime. The final section of each country summary sets out the Double Tax Treaty and Non-Treaty rates of tax withholding relating to the payment of dividends, interest, royalties and other related payments.

While the WWTG should not to be regarded as offering a complete explanation of the taxation issues in each country, we hope readers will use the publication as their first point of reference and then use the services of their local PKF member firm to provide specific information and advice.

In addition to the printed version of the WWTG, individual country taxation guides are available in PDF format which can be downloaded from the PKF website at www.pkf.com
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PKF International Limited (PKFI) administers the PKF network of legally independent member firms. There are around 300 member firms and correspondents in 440 locations in around 125 countries providing accounting and business advisory services. PKFI member firms employ around 2,270 partners and more than 22,000 staff. PKFI is the 11th largest global accountancy network and its member firms have $2.68 billion aggregate fee income (year end June 2012). The network is a member of the Forum of Firms, an organisation dedicated to consistent and high quality standards of financial reporting and auditing practices worldwide.

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Please visit www.pkf.com for more information.
STRUCTURE OF COUNTRY DESCRIPTIONS

A. TAXES PAYABLE
   FEDERAL TAXES AND LEAVES
   COMPANY TAX
   CAPITAL GAINS TAX
   BRANCH PROFITS TAX
   SALES TAX/VALUE ADDED TAX
   FRINGE BENEFITS TAX
   LOCAL TAXES
   OTHER TAXES

B. DETERMINATION OF TAXABLE INCOME
   CAPITAL ALLOWANCES
   DEPRECIATION
   STOCK/INVENTORY
   CAPITAL GAINS AND LOSSES
   DIVIDENDS
   INTEREST DEDUCTIONS
   LOSSES
   FOREIGN SOURCED INCOME
   INCENTIVES

C. FOREIGN TAX RELIEF
D. CORPORATE GROUPS
E. RELATED PARTY TRANSACTIONS
F. WITHHOLDING TAX
G. EXCHANGE CONTROL
H. PERSONAL TAX
I. TREATY AND NON-TREATY WITHHOLDING TAX RATES
## International Time Zones

**At 12 noon, Greenwich Mean Time, the standard time elsewhere is:**

**A**
- Algeria ........................................ 1 pm
- Angola .................................... 1 pm
- Argentina ................................ 9 am
- Australia -
  - Melbourne .......................... 10 pm
  - Sydney ................................ 10 pm
  - Adelaide ................................. 9.30 pm
  - Perth ...................................... 8 pm
- Austria .................................. 1 pm

**B**
- Bahamas ................................... 7 am
- Bahrain ................................... 3 pm
- Belgium .................................. 1 pm
- Belize ................................... 6 am
- Bermuda ................................... 8 am
- Brazil ................................... 7 am
- British Virgin Islands .................. 8 am

**C**
- Canada -
  - Toronto ................................. 7 am
  - Winnipeg ............................... 6 am
  - Calgary ................................ 5 am
  - Vancouver .............................. 4 am
  - Cayman Islands ...................... 7 am
  - Chile ................................... 8 am
- China - Beijing ......................... 10 pm
- Colombia ................................ 7 am
- Cyprus ................................... 2 pm
- Czech Republic ........................ 1 pm

**D**
- Denmark .................................. 1 pm
- Dominican Republic .................. 7 am

**E**
- Ecuador .................................... 7 am
- Egypt ....................................... 2 pm
- El Salvador ............................... 6 am
- Estonia ................................... 2 pm

**F**
- Fiji ........................................... 12 midnight
- Finland ................................... 2 pm
- France .................................... 1 pm

**G**
- Gambia (The) ............................. 12 noon
- Germany .................................. 1 pm
- Ghana ..................................... 12 noon
- Greece .................................... 2 pm
- Grenada ................................... 8 am
- Guatemala ................................. 6 am

- Guernsey ................................. 12 noon
- Guysey .................................... 12 noon

**H**
- Hong Kong ................................ 8 pm
- Hungary .................................... 1 pm

**I**
- India ......................................... 5.30 pm
- Indonesia .................................. 7 pm
- Ireland ...................................... 12 noon
- Isle of Man ................................ 12 noon
- Israel ....................................... 2 pm
- Italy ........................................ 1 pm

**J**
- Jamaica ..................................... 7 am
- Japan ........................................ 9 pm
- Jordan ...................................... 2 pm

**K**
- Kenya ....................................... 3 pm

**L**
- Latvia ...................................... 2 pm
- Lebanon ..................................... 2 pm
- Luxembourg ................................ 1 pm

**M**
- Malaysia ................................... 8 pm
- Malta ........................................ 1 pm
- Mexico ...................................... 6 am
- Morocco .................................... 12 noon

**N**
- Namibia ..................................... 2 pm
- Netherlands (The) ..................... 1 pm
- New Zealand .............................. 12 midnight
- Nigeria ..................................... 1 pm
- Norway ..................................... 1 pm

**O**
- Oman ....................................... 4 pm

**P**
- Panama ..................................... 7 am
- Papua New Guinea ....................... 10 pm
- Peru ......................................... 7 am
- Philippines ............................... 8 pm
- Poland ....................................... 1 pm
- Portugal .................................... 1 pm

**Q**
- Qatar ....................................... 8 am

**R**
- Romania .................................... 2 pm
Russia -
   Moscow .................. 3 pm
   St Petersburg .......... 3 pm

S
   Singapore ................. 7 pm
   Slovak Republic .......... 1 pm
   Slovenia .................. 1 pm
   South Africa ............ 2 pm
   Spain ..................... 1 pm
   Sweden .................... 1 pm
   Switzerland .............. 1 pm

T
   Taiwan ..................... 8 pm
   Thailand ................... 8 pm
   Tunisia .................... 12 noon
   Turkey, ..................... 2 pm
   Turks and Caicos Islands . 7 am

U
   Uganda ...................... 3 pm
   Ukraine .................... 2 pm
   United Arab Emirates ...... 4 pm
   United Kingdom .......... (GMT) 12 noon
   United States of America -
      New York City .......... 7 am
      Washington, D.C....... 7 am
      Chicago ................ 6 am
      Houston ................ 6 am
      Denver .................. 5 am
      Los Angeles ............ 4 am
      San Francisco .......... 4 am
      Uruguay ................ 9 am

V
   Venezuela ................ 8 am

Z
   Zimbabwe .................. 2 pm
A. TAXES PAYABLE

The Bahamas offers the offshore financial sector freedom from corporate, personal income, capital gains, withholding, inheritance, and estate taxes. However, income received in the Bahamas may be subject to the taxes in the country of origin. There are tax information exchange agreements (TIEAs) between the Bahamas and other countries. The financial sector advantages are supported by a strong respect for privacy, flexible exchange controls, geographical location and continued record of political stability.

Government Tax Revenue is derived from the following sources:

- Import and export duties
- Property tax
- Motor vehicles
- Gaming tax
- Tourism tax
- Stamp tax
- Company fees
  - the registration fee for a foreign company is B$50 and stamp duty is payable in the amount of B$600. All foreign companies must also pay an annual licence fee of B$1,000
  - private companies are required to pay a fee of B$300 upon filing their Memorandum of Association and an additional fee of B$30 for the filing of the Articles of Association. An annual licence fee of B$1,000 is also payable
  - additionally, stamp duty is payable on the authorised capital of a company. Where the authorised capital is B$5,000 or less, the stamp duty is B$60. For every additional B$1,000 or fraction thereof, the stamp duty will be B$300.
- Bank and trust company fees
- Insurance company fees
- Other fees, including business licence fees
  - With the Amended Business Licence Act, licence fees are levied on the turnover of a business at varying percentage rates or amounts, based on the company’s turnover, and classification of business.