



St. Christopher (St. Kitts) & Nevis Inland Revenue Department
International Taxation Unit

Industry Advisory

BASSETERRE, ST. KITTS, 12th August 2020 (Inland Revenue Department) – The St. Kitts and Nevis Inland Revenue Department (SKNIRD) wishes to advise all entities registered as Exempt Companies under the Companies Act Cap. 21.03 of the Revised Laws of SKN 2017, Nevis International Business Corporations (NIBCs) under the Nevis Business Corporation Ordinance, 2017 and Nevis Limited Liability Corporations (NLLCs) under the Nevis Limited Liability Company Ordinance, 2017, of the launch of the CIT-101 Tax Return which such entities would be required to file annually to the SKNIRD.

In March 2018, St. Kitts and Nevis (SKN) was listed by the European Union (EU) Code of Conduct Group (CoCG) as a non-cooperative jurisdiction and blacklisted as a result. Considering these assessments by the EU CoCG and the Organisation for Economic Co-operation and Development (OECD) Forum on Harmful Tax Practices (FHTP), the Government of SKN implemented necessary legislative reforms to the Companies Act, the NIBC Ordinance and the NLLC Ordinance to comply with international tax good governance principles. These reforms were done ahead of the agreed deadlines and resulted in SKN receiving a rating of Largely Compliant by the OECD FHTP and in February 2017 being removed from the EU's list of non-cooperative nations. Visit the OECD's website at www.oecd.org for more information on the Base Erosion and Profit Shifting (BEPS) Action 5 Minimum Standard Initiative - Countering Harmful Tax Practices more effectively, taking into account transparency and substance.

The Federation, in addition to amending the above-mentioned regimes instituted grandfathering provisions to cover existing entities. Therefore, in an effort to maintain our Largely Compliant rating and ensuring compliance with its international obligations, the Federation must put procedures in place to monitor the implementation of the grandfathering mechanisms and ensure its policies are working as designed. As such, the CIT-101 Tax Return has been created to serve this purpose.

Entities will be required to file the CIT-101 Tax Return electronically, via a link provided on the SKNIRD's website homepage at www.sknird.com. This link and instructions will be available as of Tuesday 18th August 2020. Filings must be submitted no later than Wednesday 26th August 2020.

The Government values the importance of the Financial Services sector and the SKNIRD is taking all necessary steps to ensure these vital services within the industry continue. The Department will continue to educate you our stakeholders on your obligations, including the publication of guidance notes applicable to your industry, and any other policy information that may be introduced. We ask for your cooperation as we implement these measures for the benefit of us all.