



### **Introduction to The Bahamas**

Starting 60 miles off the coast of South Florida and stretching as far south as Cuba, Haiti and the Dominican Republic, The Bahamas is a coral archipelago of 700 islands, 29 of which are inhabited, and over 2,000 rocks and cays.

With a population of some 284,000 people, most of who live on the major islands (New Providence, Grand Bahama, Eleuthera, Abaco, Exuma, Long Island, Inagua, Cat Island, Bimini and Andros), and with an adult literacy rate of 95%, The Bahamas has a capable and adaptable work force.

The Bahamas, an English speaking country which gained its independence from Britain on July 10, 1973, is one of the most politically stable countries; a parliamentary democracy has operated without interruption for 275 years.

The Bahamas has comprehensive and modern infrastructure, particularly on the two major islands, New Providence and Grand Bahama, where most of the population live. Electricity and water are in abundant supply. Telecommunications services and facilities in The Bahamas are state-of-the-art, with direct international links provided through a 100% digital switching system.

The economy of The Bahamas is driven by tourism and international banking and other financial services. Retail and wholesale distributive trades, manufacturing, agriculture and fisheries are the other major sectors of the economy. The Gross Domestic Product (CDP) of The Bahamas exceeds \$3 billion, 60% of which comes from tourism related activities. The per capita income of the country is \$11,000. The Bahamas is an independent monetary entity. The Bahamian dollar is on par with the U.S. dollar. There are no income and corporate taxes in The Bahamas.

### **Economic Policy**

The Government of the Commonwealth of The Bahamas is committed to building an economic environment in which free enterprise can flourish; where the Government assumes its proper role as regulator and facilitator of economic development; where the ideals of transparency, fair play and equality of treatment are paramount; and a policy that maintains a stable society in which all people are afforded the opportunity to realize their maximum potential.

In this regard, the National Investment Policy is designed to support an investment friendly climate; it guarantees the complimentarity of Bahamian and overseas investments; fosters appropriate linkages with all sectors of the economy, in particular, the tourism and financial services sectors; encourages the exploitation of our natural resources in an environmentally sound and sustainable manner; provides for the maximum level of employment, guarantees an acceptable level of economic security and generally fosters the economic growth and development of The Bahamas.

### **The Investment Environment**

To undergird the National Investment Policy, the Government will provide:

- A politically stable environment conducive to private investment
- An atmosphere where investments are safe and the expropriation of investment capital is not a considered option

- A legal environment based on a long tradition of parliamentary democracy, the rule of constitutional and statute laws and where security of life and personal property is guaranteed
- A stable macroeconomic environment bolstered by a prudent fiscal policy, a stable exchange rate, flexible exchange control rules and free trade
- An environment in which freedom from Capital Gains, Inheritance., Withholding, Profit Remittance, Corporate, Royalties, Sales, Personal Income, Dividends, Payroll and Interest Taxes is ensured
- Essential public services, an adequately equipped police constabulary, modern health and education facilities and other social services
- Dependable public utilities
- Essential public infrastructure such as roads, ports and airports.

### **International Financial Centre**

The Government is committed to enhancing the image of The Bahamas as an international financial centre. To this end the Government will:

- maintain The Bahamas as a leading financial services centre
- monitor all developments in the international financial markets and amend any rules, regulations or legislation that would preserve and enhance the competitiveness of the financial services sector of the Bahamian economy
- ensure the operation of a clean financial centre with specific rules and regulations to prevent the laundering of criminally derived assets
- support The Central Bank of The Bahamas in its commitment to bank supervision and promoting high standards of conduct and sound banking practices
- support the self regulatory measures of the Association of International Banks and Trust Companies (AIBT) particularly, the established code of conduct for banks and trust companies; continue enforcement of our bank secrecy laws

### **Preferential Trade Incentives**

Business located in The Bahamas may benefit from the following preferential trade arrangements:

- The Lome Convention
- General System of Preference (GSP)
- Caribcan
- Caribbean Basin Initiative

### **Establishing a Business In The Bahamas**

An international investor seeking to do business in The Bahamas should submit to BIA a project proposal, along with supporting documents. The proposal should provide the information indicated in the Project Proposal Guideline.

#### **Project Proposal Guideline**

The following information must be provided:

**Name:** Please give the name of the applicant, whether corporate or personal. For a corporate entity, it could be a proposed or reserved name.

**Address:** Please include telephone and /or fax.

**Description of Proposal:** Please provide a comprehensive executive summary of the project

**Principals:** Please list all of the principals in the venture (major beneficial owners), along with identifying particulars such as place and date of birth and passport or social security number, for each one.

**Proposed Location:** It is important to state where in The Bahamas the project will be located.

**Land Requirements:** If a request is being made for publicly owned land, please state the acreage and location. Applicants who wish to acquire privately held land must also apply for a permit to do so.

**Proposed Start-up Date:** Please indicate the maximum time for the commencement, and if possible, completion of the project.

**Management/Personnel Requirements:** Please state the number of work permits that may be required for key personnel for administration and financial management.

**Capital Investment (Minimum - B\$250,000):** Please indicate the total capital investment to be made in the project, and provide a break-down of the items involved and an estimate for start-up costs.

**Employment Projection:** Please indicate the number of Bahamians to be employed in construction and/or operation of the project in the first year.

**Financial Arrangements:** Please provide proof of financial capability, that is, a letter of credit from a financial institution or a net worth statement for each principal or verification of deposit of funds in a Bahamian bank.

**Environmental Impact:** Please indicate any possible harmful environmental effects and list the mitigating measures that would be employed to deal with them.

**NB: All information shall be held in the strictest confidence.**

### **Work Permits**

Necessary work permits for key personnel will be granted. Businesses requiring permits for persons other than key personnel are encouraged to discuss these requests with The Bahamas Investment Authority in advance.

### **International Owner of Second Homes**

Overseas Investors may acquire residential properties in The Bahamas of up to five acres without prior Government approval. Such acquisitions are required to be registered in accordance with the International Persons Landholding Act. Second Home Owners are eligible for a Home Owners Residence Card, renewable annually. This card will facilitate entry into The Bahamas and entitle the owner, his spouse and minor children to enter and remain in The Bahamas for the duration of the validity of the card. Application may be made to the Director of Immigration.

### **Annual or Permanent Residence**

Accelerated consideration of applications for annual or permanent residence will be given to major international investors and fit and proper owners of residence valued at \$500,000 or more.

### **Areas Especially Targeted for Overseas Investors**

- Touristic Resorts
- Upscale Condominium, Time share and Second Home Development  
Marinas
- Information and Data Processing Services
- Assembly Industries
- High-Tech Services
- Ship Repair and other services
- Light Manufacturing for export
- Agro-Industries
- Food Processing
- Mariculture
- Banking and other Financial Services
- Captive Insurance
- Aircraft Services
- Pharmaceutical Manufacture
- Off-shore Medical Centres

NB: This list is not exhaustive and investors interested in areas not included above are encouraged to bring their interest to the attention of BIA. Please note that investments of less than \$250,000 will not be considered.

### **Local Partners in joint Ventures**

International investors are encouraged to establish joint ventures with Bahamian partners. The choice of such Bahamian partners is in the absolute discretion of the investor.

### **Areas Reserved for Bahamians**

- Wholesale and Retail Operations
- Commission agencies engaged in the import/ export trade
- Real estate and domestic property management agencies
- Domestic newspapers and magazine publications
- Domestic advertising and public relations firms
- Nightclubs and restaurants, except specialty, gourmet and ethnic restaurants and restaurants operating in a hotel, resort complex or tourist attraction
- Security services
- Domestic distribution of building supplies
- Construction companies, except for special structures for which international expertise is required
- Personal cosmetic/beauty establishments
- Shallow-water scale-fish, crustacea, mollusks and sponge-fishing operations
- Auto and appliance service operations
- Public transportation

International Investors may engage in the wholesale distribution of any product they produce locally.

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