

## APPLEBY eALERT

## Bermuda Extends Assurance of Tax Neutrality

The Bermuda Government recently enacted the Exempted Undertakings Tax Protection Amendment Act 2011 (the "Amending Act"). The Amending Act extends the duration for which the Minister of Finance may grant an assurance to international businesses that are identified as exempted undertakings (which term as defined in the principal act, includes exempted companies, exempted partnerships, overseas companies and overseas partnerships) that in the event of certain taxes being introduced in Bermuda they will not be applicable to such entities or their operations.

Prior to the Amending Act the Minister of Finance could grant such an assurance up to 28 March 2016 and following the Amending Act this has been extended to 31 March 2035.

### Post 25 March 2011

Following 25 March 2011 (the operative date of the Amending Act), in order for an exempted undertaking to benefit from the extension of the tax assurance to 31st March 2035, an application must be submitted to the Minister of Finance together with the application fee of \$165.00.

Application for a tax assurance is not obligatory, but it is expected that most exempted undertakings will apply to secure the benefit provided by this very positive move from the Bermuda Government. Appleby will follow up with its clients in late 2011 to determine whether they wish us to make application on their behalf.

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