Form I-102: Instructions for preparation of the Simplified CIT Return Schedules

www.cita.bm

Introduction

Pursuant to the CIT Regulations, BCE Groups are required to file a return (referred to herein as the "CIT Return") for each fiscal year beginning on or after January 1, 2025. Article 1.1 of these instructions outlines the structure of the CIT Return as prescribed by the Agency, including the requirement that each CIT Return must be accompanied by:

- the **Simplified CIT Return Schedules** (Form S-102), to the extent that the de minimis exemption election has been made and the BCE Group meets other qualification requirements (see article 1.1.2.1); or

- in all other cases, the Standard CIT Return Schedules (Form S-101) along with any required "secondary" CIT Return Schedules.

These instructions are intended to provide further information related to the preparation of the **Simplified CIT Return Schedules**, and are structured as follows:

Chapter 1 provides an overview of the prescribed structure of the CIT Return and other key filing considerations.

Chapter 2 provides an overview of the **Simplified CIT Return Schedules**, including the overall structure of Schedule 1, data entry requirements, and other general preparation guidance.

Chapter 3 provides detailed instructions related to the preparation of Schedule 1.

These instructions are intended to provide general guidance related to the preparation of the **Simplified CIT Return Schedules** and are not intended to provide technical or interpretive guidance related to the application of the CIT legislation to a specific transaction, entity, or group. Nothing in the **Simplified CIT Return Schedules** or these instructions is intended to modify the provisions of the CIT legislation.

Form I-102: Instructions for preparation of the Simplified CIT Return Schedules

Table of Contents

Form I-102: Instructions for preparation of the
Simplified CIT Return Schedules

www.cita.bm

Acronyms and abbreviations

Unless otherwise noted, the terms referenced in the **Simplified CIT Return Schedules** or these instructions shall have the meanings given to such terms in the applicable CIT legislation.

Following is a list of the specific acronyms or abbreviations which have been referenced in the **Simplified CIT Return Schedules** or these instructions, and which are not referenced in the CIT legislation.

Any reference to legislation (whether in statute or regulations) is a reference to that legislation as amended from time to time.

BCE	Bermuda Constituent Entity
BCE Group	Bermuda Constituent Entity Group
CIT	Corporate income tax chargeable pursuant to the CIT Act
CIT Act	Corporate Income Tax Act 2023
CIT legislation	Corporate Income Tax Act 2023 and Corporate Income Tax (Administrative) Regulations 2025
CIT Regulations	Corporate Income Tax (Administrative) Regulations 2025
CIT Return	The corporate income tax return prescribed by the Agency pursuant to CIT Regulation 4, including the various required components summarised in article 1.1 of these instructions.
CIT Online Return	The component of the CIT Return required to be completed in CITA Online (see article 1.1.1).
CITA Online	The digital platform developed to support Bermuda's corporate income tax and tax credit benefit regimes.
FANIL	Financial accounting net income or loss
Filing BCE	Filing Bermuda Constituent Entity
TIN	The taxpayer identification number assigned by the Agency to an entity.

Chapter 1: Overview of the CIT Return

1.1 CIT Return components

Pursuant to the CIT Regulations, a BCE Group is required to file a CIT Return for each fiscal year.

The Agency has prescribed that the CIT Return of a BCE Group for a fiscal year shall be comprised of the following components:

1.1.1 CIT Online Return (Form 100)

The CIT Online Return provides a high-level summary of group information relevant to the determination of the CIT charge, if any, of the BCE Group for the fiscal year.

The CIT Online Return is a required component of the CIT Return and is accessed by logging into CITA Online.

Additional information regarding the CIT Online Return filing process can be found on the Agency website.

1.1.2 "Primary" CIT Return Schedules

The "primary" CIT Return Schedules provide detailed entity-level information relevant to the BCE Group for the fiscal year.

The "primary" CIT Return Schedules are Excel-based templates which may be downloaded from the Agency website. The relevant "primary" CIT Return Schedules are required to be uploaded to the CIT Online Return prior to submission.

At present, there are two types of "primary" CIT Return Schedules – the **Simplified CIT Return Schedules** (Form S-102) and the Standard CIT Return Schedules (Form S-101). The CIT Return schedules applicable to the BCE Group (as discussed below) are a required component of the CIT Return. A BCE Group should not file both types of "primary" CIT Return Schedules for a given fiscal year.

1.1.2.1 Simplified CIT Return Schedules (Form S-102)

The **Simplified CIT Return Schedules** provide a streamlined reporting option for certain BCE Groups.

Form I-102: Instructions for preparation of the Simplified CIT Return Schedules

A BCE Group shall only be eligible to file the **Simplified CIT Return Schedules** for a fiscal year to the extent that each of the following requirements have been met:

(i) The de minimis exemption election (i.e. section 7(1) of the CIT Act) will be made on behalf of the BCE Group for the fiscal year. *If the de minimis exemption election will not be made for the fiscal year, the Filing BCE is required to file the Standard CIT Return Schedules.*

(ii) The election not to apply the economic transition adjustment provisions (i.e. section 33(8) of the CIT Act) will be made on behalf of all BCE members of the BCE Group. *If the section 33(8) election will not be made for one or more BCE members of the BCE Group, the Filing BCE is required to file the Standard CIT Return Schedules.*

(iii) The election to permanently disregard all:

a. opening tax loss carryforward allocations; and
b. net taxable loss allocations,

will be made pursuant to section 6(6) of the CIT Act on behalf of all BCE members of the BCE Group. *If the section 6(6) election will not be made with respect to all loss and loss carryforward allocations of the BCE members of the BCE Group, the Filing BCE is required to file the Standard CIT Return Schedules.*

(iv) No tax payments or distributable tax credit benefits have been applied to BCE members of the BCE Group for the fiscal year. *If any tax payments or distributable tax credit benefits have been applied to the BCE members of the BCE Group, the Filing BCE is required to file the Standard CIT Return Schedules.*

The Filing BCE of a BCE Group which meets the above requirements is permitted to file the Standard CIT Return Schedules for the fiscal year instead of the **Simplified CIT Return Schedules**.

Further information may be found in the Standard CIT Return Schedules Instructions (Form I-101).

1.1.2.2 Standard CIT Return Schedules (Form S-101)

To the extent that the BCE Group is not eligible to file (or the Filing BCE chooses not to file) the **Simplified CIT Return Schedules**, the Filing BCE must file the Standard CIT Return Schedules.

1.1.2.3 Failure to accurately file the "primary" CIT Return Schedules

To the extent that the CIT Online Return is not accompanied by an upload of the appropriate "primary" CIT Return Schedules, the Agency shall not regard the BCE Group as having satisfied its return filing requirement under the CIT Regulations.

Where the CIT Online Return is accompanied by an upload of the "primary" CIT Return Schedules, but where such Schedules are inaccurate, incomplete, or are inconsistent with the information reported in the CIT Online Return, the Agency may conclude that the BCE Group has not satisfied its return filing requirement under the CIT Regulations.

Penalties and interest may apply until the Agency is satisfied that the return filing requirement under the CIT Regulations has been satisfied through the submission of accurate and complete "primary" CIT Return Schedules.

1.1.3 "Secondary" CIT Return Schedules

The "secondary" CIT Return Schedules provide further information in support of specific technical provisions relevant to the determination of the CIT charge of certain BCE Groups.

The "secondary" CIT Return Schedules are Excel-based templates which may be downloaded from the Agency website. The relevant "secondary" CIT Return Schedules are required to be uploaded to the CIT Online Return prior to submission.

At present, there are two types of "secondary" CIT Return Schedules – the Opening Tax Loss Carryforward Schedules and the Creditable Foreign Tax Allocation Schedules.

The "secondary" CIT Return Schedules may only be filed to the extent that the Standard CIT Return Schedules are being filed for the fiscal year and should not be filed to the extent that the **Simplified CIT Return Schedules** are being filed.

- The Opening Tax Loss Carryforward Schedules would not be relevant for the fiscal year if the **Simplified CIT Return Schedules** are being filed, given that the **Simplified CIT Return Schedules** may only be filed to the extent that the Filing BCE elects to permanently disregard all loss and loss carryforward allocations of all BCE members of the BCE Group pursuant to section 6(6) of the CIT Act.

- The Creditable Foreign Tax Allocation Schedules would not be relevant for the fiscal year if the **Simplified CIT Return Schedules** are being filed, given that the **Simplified CIT Return Schedules** may only be filed to the extent that the Filing BCE elects to apply the de minimis exemption pursuant to section 7(1) of the CIT Act, thereby resulting in a CIT charge of $Nil and a foreign tax credit of $Nil (i.e. pursuant to section 16 of the CIT Act, the foreign tax credit amount may not exceed the CIT charge).

1.1.4 Uploading additional documentation

In certain circumstances, additional documentation may be required to be uploaded to the CIT Online Return prior to submission, including:

- Explanatory statement for an amended return (see article 1.4.2)
- Supplemental disclosures filed pursuant to section 46E(2)(b) of the CIT Act (see the instructions to item S1B3 in article 3.3)

In addition, the Filing BCE may (but is not required to) upload additional explanatory information which supports the preparation of the **Simplified CIT Return Schedules**. Any such explanatory information is not treated as part of the CIT Return (and is therefore not compulsory to satisfy the return filing requirement), but any relevant material disclosed in this manner will be considered by the Agency in reviewing the CIT Return.

1.2 Due date of the CIT Return

The due date for filing the CIT Return shall be the last day of the tenth month following the end of the fiscal year to which the CIT Return relates. If the last day of the tenth month does not fall on a business day in Bermuda, the due date shall be the first business day in Bermuda following the last day of the tenth month.

Penalties may apply with respect to the failure to timely file the CIT Return.

1.3 Key concepts relevant to the CIT Return

Following is a summary of certain key concepts related to the CIT Return which are tracked in CITA Online and which should be reviewed prior to proceeding with preparation and submission of the CIT Return.

1.3.1 BCE

BCEs are defined in section 9 of the CIT Act.

Each BCE is required to be registered with the Agency, following which the BCE will be assigned a TIN.

Prior to proceeding with the preparation and submission of the CIT Return, please review CITA Online to ensure that all BCE members of the In Scope MNE Group have been registered with the Agency and have been assigned a TIN.

All BCEs must be included in a BCE Group, either alone or together with other BCE members of the In Scope MNE Group. No BCE may be included in more than one BCE Group of the In Scope MNE Group at any given time.

1.3.2 BCE Group

BCE Groups are defined in section 8 of the CIT Act.

The CIT charge (if any) for the fiscal year is charged at the level of the BCE Group rather than at the BCE level, although each BCE is jointly and severally liable for the aggregate CIT liability of all BCE Groups within the In Scope MNE Group.

A CIT Return must be filed with respect to each fiscal year of a BCE Group.

The composition of a BCE Group can be managed via CITA Online. Each BCE Group shall be assigned a CIT group TIN ending in “CIT”.

Prior to proceeding with the preparation and submission of the CIT Return, please review CITA Online to ensure that the appropriate BCEs have been included in the BCE Group and the BCE Group has been assigned a CIT group TIN.

1.3.3 Filing BCE

The Filing BCE is responsible for, amongst other things, filing the CIT Return and making any required CIT payments.

Each BCE Group shall designate one of its members as the Filing BCE. The Filing BCE is referred to as the "Controller" in CITA Online. The designation of the Filing BCE/Controller can be managed via CITA Online.

To the extent that a BCE Group fails to designate a Filing BCE, the Agency shall designate a member of the BCE Group as the Filing BCE.

Prior to proceeding with the preparation and submission of the CIT Return, please review CITA Online to ensure that the appropriate BCE has been designated as the Filing BCE/Controller.

1.3.4 Fiscal year

The CIT Return must be prepared with respect to the "fiscal year" of the In Scope MNE Group which includes the members of the BCE Group.

Pursuant to section 2(1) of the CIT Act, the term "fiscal year" means the accounting period with respect to which the UPE prepares its consolidated financial statements.

Prior to proceeding with the preparation and submission of the CIT Return, please review CITA Online to ensure that the appropriate fiscal year has been designated for the BCE Group (see tab 11 of the "Manage profile information" guide).

1.4 Amendment of a previously filed CIT Return

Pursuant to the CIT Regulations, the Filing BCE may amend a previously filed CIT Return. Generally, a previously filed CIT Return may be amended on or before the later of the date that is:

- three years after the original due date of the CIT Return; or
- in the case of a CIT Return filed in response to a notice issued pursuant to CIT Regulation 24, twelve months after the date that the CIT Return was filed.

1.4.1 Circumstances requiring the filing of an amended CIT Return

To the extent that the Filing BCE:

- becomes aware that any required component of the original CIT Return is inaccurate or incomplete; or

- intends to revise the treatment of any item in the original CIT Return (e.g. modify an annual election made in the original CIT Return),

the Filing BCE should file an amended CIT Return as soon as the inaccuracy, omission, or change in treatment is identified.

An amended CIT Return is required to be filed regardless of the nature of the revision to the original CIT Return. For example, if a required change to the **Simplified CIT Return Schedules** does not result in a revision to the amounts disclosed in the CIT Online Return, an amended CIT Return (including an amended CIT Online Return and amended **Simplified CIT Return Schedules**) must nevertheless be filed for the fiscal year.

1.4.2 Filing procedures for amended CIT Returns

The filing procedures for amended CIT Returns, including the required CIT Return components (see article 1.1), are generally consistent with the filing procedures for original CIT Returns.

- The amended CIT Online Return must be filed via CITA Online.
- The amended CIT Online Return must be accompanied by all relevant "primary" and "secondary" CIT Return Schedules. To the extent that the CIT Return Schedules:
    - have been amended since the filing of the original CIT Return, only the amended version of the CIT Return Schedules should be included with the CIT Online Return; or
    - have not been amended since the filing of the original CIT Return, the original version of the CIT Return Schedules should be included with the CIT Online Return.
- The amended status of the CIT Return should be designated in the **Simplified CIT Return Schedules** (see item S1B1).
- In addition to the CIT Return Schedules, the Filing BCE is required to upload a statement to the CIT Online Return which describes the nature of the amendment(s).
    - The accompanying statement should clearly describe the nature of all changes made to the specific items in the CIT Return Schedules. It is not necessary to describe changes to the CIT Return which are incidental to the amended item (e.g. to the extent that an adjustment to FANIL is revised in the amended CIT return, the nature of the change to the FANIL adjustment should be described but it is not necessary to describe the incidental effect of such change on the calculation of taxable income).

Chapter 2: Overview of the Simplified CIT Return Schedules

The **Simplified CIT Return Schedules** are intended to support the determination of the aggregated amounts required to be reported in the CIT Online Return, and to provide the Agency with further information regarding the derivation of such amounts.

The **Simplified CIT Return Schedules** are divided into the following two key components:

- the CIT Return Schedules Summary; and
- Schedule 1.

2.1 CIT Return Schedules Summary

The CIT Return Schedules Summary aggregates all of the information entered in Schedule 1 in the manner in which the information is required to be entered in the CIT Online Return (see article 1.1.1).

- The section and item descriptions in the CIT Return Schedules Summary are consistent with the format of the CIT Online Return.
- The CIT Return Schedules Summary will populate automatically with information obtained from Schedule 1. No direct entry of data is permitted in the CIT Return Schedules Summary.
- The values in columns F and I of the CIT Return Schedules Summary are provided for information purposes only and should not be reported in the CIT Online Return.
- The information required to be entered in the CIT Online Return is presented in the green highlighted cells in column L of the CIT Return Schedules Summary. Cells containing amounts which are computed automatically in the CIT Online Return, or which are not required to be entered in the CIT Online Return based on the information entered in Schedule 1, will not be highlighted in green.
    - The information presented in a green highlighted cell is required to be entered in the CIT Online Return even if the cell contains a nil amount. Nil amounts are presented as a dash (-) in the CIT Return Schedules Summary and should be entered as a numerical value of zero (0) in the CIT Online Return.

As discussed in article 1.1.2, the **Simplified CIT Return Schedules** (including the CIT Return Schedules Summary) must be uploaded to the CIT Online Return prior to submission. To the extent that the information entered in the CIT Online Return is not consistent with the information summarised in the green highlighted cells of the CIT Return Schedules Summary uploaded to the CIT Online Return, the Agency may treat the submission of the CIT Online Return as inaccurate or incomplete (see item 1.1.2.3).

To the extent that the **Simplified CIT Return Schedules** are being filed:

- the "Instalment Support Table"; and
- the "Support for Allocation of the Overpayment to Another BCE Group" table,

are not required to be completed in the CIT Online Return. As such, these sections of the CIT Return Schedules Summary will be left blank (i.e. will not automatically populate with information from Schedule 1).

2.2 General structure and preparation of Schedule 1

This article provides an overview of the general structure and preparation methods applicable to Schedule 1. See Chapter 3 for detailed instructions related to the preparation of specific sections in Schedule 1.

2.2.1 Data entry

Data entry is only permitted in the **dark blue cells** in the schedules. All other cells in the schedules contain static data or automatically calculated amounts.

Depending on the item, data entry may be restricted to a specific format, including:

- selection of an option from a drop-down menu (e.g. see item S1A5);
- entry of a date in MM-DD-YY format (e.g. see item S1A3);
- entry of a positive or negative numerical value (e.g. see item S1D11); or
- entry of a positive numerical value only (e.g. see item S1A8).

To the extent that data is entered in a format which is not permitted for the specific item, an error message may appear and the entry may be rejected.

Data entry may also be restricted to the extent that the proposed entry is not consistent with other data elements in the **Simplified CIT Return Schedules**. For example, no entry will be permitted in item S1A7 unless "Other (FC)" is selected in item S1A6.

Appendix A includes further information regarding the requirements to complete various sections of Schedule 1, based on the specific facts and circumstances of the BCE Group.

2.2.2 Item references and descriptions

Each item in Schedule 1 has been assigned a unique reference (see column C), as follows:

- each election has been assigned a unique reference beginning with “E”;

- all other items have been assigned a unique reference which begins with “S” and is followed:

    - first, by the number identifying the schedule which contains the item;
    - second, by the letter identifying the section which contains the item; and
    - last, by the number indicating the item’s location in the section.

    For example, the item reference “S1B2” refers to the second item in Schedule 1, Section B.

In addition, column D generally includes a brief description of each item as well as relevant citations from the CIT Act, the CIT Regulations, and/or cross-references to other relevant items in the **Simplified CIT Return Schedules**.

All item references included in these instructions relate to the **Simplified CIT Return Schedules**.

2.2.3 BCE and BCE Group presentation

Information relevant to the overall BCE Group (including the aggregate of the values entered for each of the BCEs in the BCE Group) is summarised in column G of Schedule 1.

Information relevant to a specific BCE is included in the same column throughout Schedule 1. For example, to the extent that the name of a BCE is entered in item S1B5, column L:

- the BCE’s name will generally appear in column L at the top of each section in Schedule 1;

- any data relevant to the BCE should only be entered in column L in Schedule 1; and

- any data relevant to other BCEs should not be entered in column L.

At present, the **Simplified CIT Return Schedules** can accommodate 250 BCEs. To the extent that a BCE Group has more than 250 BCEs, the Filing BCE should contact the Agency via CITA Online.

2.2.4 Foreign currency considerations

Pursuant to the CIT legislation:

- the CIT charge of the BCE Group is required to be determined in the currency in which the UPE prepares its consolidated financial statements; and

- to the extent that the UPE prepares its consolidated financial statements in a currency other than the U.S. dollar, the non-U.S. dollar denominated CIT charge is required to be converted into the equivalent U.S. dollar amount in accordance with CIT Regulation 39(a) to (c).

The currency in which the UPE prepares its consolidated financial statements (and, in the case of a currency other than the U.S. or the Bermuda dollar, the relevant foreign exchange rate) are required to be entered in items S1A6 through S1A8. To the extent that a specific item in Schedule 1 is required to be determined in:

- the currency in which the UPE prepares its consolidated financial statements, the abbreviation for the currency entered in item S1A6 will appear in column F with respect to the item. For example, if "British Pound (GBP)" is selected in item S1A6 with respect to the BCE Group, the abbreviation "GBP" will appear in column F with respect to an item which is required to be determined in British Pounds;

- Euros, the abbreviation "EUR" will appear in column F with respect to the item (e.g. item S1D9); or

- U.S. dollars, the abbreviation "USD" will appear in column F with respect to the item (e.g. item S1E7).

2.2.5 Rounding

Unless otherwise indicated, all numerical values entered in the **Simplified CIT Return Schedules** should be rounded to two decimal places.

Chapter 3: Detailed instructions for Schedule 1

3.1 Structure of this schedule

Schedule 1 consists of the following sections:

Section A	includes information regarding various attributes of the relevant In Scope MNE Group.
Section B	includes information regarding each BCE member of the BCE Group, and further information regarding the CIT Return with respect to which the **Simplified CIT Return Schedules** are being prepared.
Section C	includes information related to the CIT elections made by the Filing BCE in connection with the filing of the **Simplified CIT Return Schedules**.
Section D	includes information supporting the determination of whether the BCE Group is eligible for the de minimis exemption.
Section E	includes information supporting the determination of taxable income (loss) of the BCE Group for the fiscal year.

Further information regarding each section is summarised in articles 3.2 to 3.6 below.

3.2 Section A: In Scope MNE Group information

Following are further instructions related to the completion of Section A:

Item S1A1: Enter the full legal name of the UPE of the In-Scope MNE Group, with no abbreviations.

Item S1A2: To the extent that the UPE is:

- a BCE, enter its Bermuda TIN; or
- not a BCE, enter its DUNS number (if any).

Enter the nine digits of the TIN or DUNS number (as appropriate) without dashes. *This item is required to the extent that the UPE has a Bermuda TIN or a DUNS number (if not, item S1A2 should be left blank).*

Item S1A2.1: Select the type of identifying number reported in item S1A2 from the drop-down menu in item S1A2.1 (i.e. Bermuda TIN or DUNS number). *This item is required to the extent that an identifying number has been reported in item S1A2 (if not, item S1A2.1 should be left blank).*

Items S1A3 and S1A4: The first and last day of the fiscal year for which the CIT Return is being filed should be entered in MM-DD-YY format.

Item S1A5: Select the financial accounting standard used in preparing the consolidated financial statements of the UPE. A selection of "Other" should only be made to the extent that the relevant financial accounting standard does not appear amongst the remaining options in the drop-down menu.

Item S1A6: Select the currency in which the consolidated financial statements of the UPE are presented for the fiscal year (see article 2.2.4). A selection of "Other (FC)" should only be made to the extent that the relevant currency does not appear amongst the remaining options in the drop-down menu.

Item S1A7: To the extent that "Other (FC)" has been selected in item S1A6, enter a description of the relevant currency. Otherwise, item S1A7 should be left blank.

Item S1A8: Enter the average foreign exchange rate used to convert non-U.S. dollar denominated CIT amounts into U.S. dollars pursuant to CIT Regulation 39(a) to (c). The average foreign exchange rate should be rounded to four decimal places and should be determined based on the "multiply by" convention (i.e. the rate which, when multiplied by the non-U.S. dollar denominated amount, would result in the equivalent U.S. dollar amount). *This is a required data field to the extent that a currency other than "U.S. Dollar (USD)" or "Bermuda Dollar (BMD)" was selected in item S1A6 (otherwise, enter 1.0000 or leave blank).*

3.3 Section B: BCE Group information

Following are further instructions related to the completion of Section B:

Item S1B1: Select whether the **Simplified CIT Return Schedules** have been prepared in support of an original CIT Return or an amended CIT Return. See article 1.4 for further guidance related to amended CIT Return filing procedures.

Item S1B2: If it is anticipated, at the time of filing the CIT Return for a fiscal year, that the BCE Group will not be required to file a CIT Return for the immediately succeeding fiscal year, the Filing BCE should select "Final" in item S1B2.

Item S1B3: Select "Supplemental" to the extent that the Filing BCE is providing supplemental disclosures in accordance with section 46E(2)(b) of the CIT Act.

Supplemental disclosures must be uploaded to the CIT Online Return prior to submission and should be sufficiently detailed to enable the Agency to assess the nature, scope, and effect of the disclosed matter.

Item S1B4: Enter the first six digits (without dashes) of the Group TIN. The last three characters will auto-populate with "CIT".

Item S1B5: Enter the full name of each BCE in the BCE Group. The name entered in item S1B5 should align with the name of the BCE in its CITA Online profile. *As discussed in article 2.2.3, the name of the BCE entered in item S1B5 will appear at the top of each section in Schedule 1 in the relevant data entry column for such BCE.*

Item S1B6: Enter the nine digits (without dashes) of each BCE's Bermuda TIN.

Item S1B7: To the extent that a BCE was only a member of the BCE Group for a portion of the fiscal year, the Filing BCE should select the reason for the change in group membership. A selection of "Other" should only be made to the extent that the reason for the change does not appear amongst the remaining options in the drop-down menu.

Item S1B8: Indicate whether the BCE is a Bermuda Tax Resident Entity or a Bermuda Permanent Establishment ("PE").

3.4 Section C: Corporate income tax elections

As summarised in article 1.1.2.1, the **Simplified CIT Return Schedules** may only be filed for the fiscal year to the extent that:

(i) The de minimis exemption election (i.e. section 7(1) of the CIT Act) has been made on behalf of the BCE Group for the fiscal year.

*Item E11 has been preset as "Elected" in Schedule 1. By filing the **Simplified CIT Return Schedules**, the Filing BCE is confirming that the de minimis exemption election has been made for the BCE Group for the fiscal year (and that the BCE Group satisfies the criteria for making such election – see section 3.5).*

(ii) The election not to apply the economic transition adjustment provisions (i.e. section 33(8) of the CIT Act) will be made on behalf of all BCE members of the BCE Group.

*Item E28 has been preset as "Elected" in Schedule 1. By filing the **Simplified CIT Return Schedules**, the Filing BCE is confirming that the section 33(8) election has been made for all BCE members of the BCE Group.*

(iii) The election to permanently disregard all opening tax loss carryforward and net taxable loss allocations will be made pursuant to section 6(6) of the CIT Act on behalf of all BCE members of the BCE Group.

*Item E39 has been preset as "Elected" in Schedule 1. By filing the **Simplified CIT Return Schedules**, the Filing BCE is confirming that the section 6(6) election has been made for all opening tax loss carryforward and net taxable loss allocations of the BCE members of the BCE Group.*

3.5 Section D: De minimis exemption information

Pursuant to section 7 of the CIT Act, the de minimis exemption election may only be made with respect to a BCE Group if all of the following requirements are met:

- all BCE Groups within the In Scope MNE Group (other than BCE Groups which are comprised exclusively of stateless entities and/or investment entities) must make the election for the fiscal year (see item S1D1);

- an electing BCE Group may not include any BCE members which are stateless entities or investment entities during the fiscal year (see item S1D2);

- the average revenue of all BCEs within the In Scope MNE Group (other than stateless entities and investment entities), as determined in accordance with section 7 of the CIT Act, must be less than EUR 10 million in the aggregate for the fiscal year (see Section D, Part 1); and

- the average taxable income of all BCEs within the In Scope MNE Group (other than stateless entities and investment entities), as determined in accordance with section 7 of the CIT Act, must be less than EUR 1 million in the aggregate for the fiscal year (see Section D, Part 2).

To the extent that the information provided in Section D indicates that one or more of the above requirements have not been met for the fiscal year, the de minimis exemption provisions will not be applied in the **Simplified CIT Return Schedules**. For example, if the response to item S1D1 is "No" (i.e. indicating that the first requirement described above has not been met), the response to item 4 in the "General Information" section of the CIT Return Schedules Summary will be "No" regardless of whether the de minimis exemption election is selected in item E11.

Following are further instructions related to the completion of Section D:

Item S1D1: Select "Yes" if the de minimis exemption election has been made with respect to all BCE Groups within the same In Scope MNE Group (other than BCE Groups which are comprised exclusively of stateless entities and/or investment entities). If "No" is selected in item S1D1 (or if item S1D1 is left blank), the BCE Group will not be regarded as eligible for the de minimis exemption election for the fiscal year.

Item S1D2: Select "No" if none of the BCE members of the BCE Group are stateless entities or investment entities. If "Yes" is selected in item S1D2 (or if item S1D2 is left blank), the BCE Group will not be regarded as eligible for the de minimis exemption election for the fiscal year.

Part 1: Determination of average revenue

Information relevant to the application of the de minimis threshold for average revenue (EUR 10 million) for the fiscal year is summarised in Part 1.

Items S1D3, S1D5, and S1D7: These amounts are computed automatically based on information provided in Parts 3 to 5, as applicable (see instructions below). Only revenue amounts earned by the BCE members of the BCE Group should be reported in Parts 3 to 5.

Items S1D4, S1D6, and S1D8: The de minimis threshold for average revenue is required to be determined in the aggregate for all BCE Groups within the In Scope MNE Group. The relevant revenue amounts for all other BCE Groups (i.e. excluding the BCE Group for which the **Simplified CIT Return Schedules** are being prepared), if any, should be entered in items S1D4, S1D6, and S1D8, as applicable.

The amounts entered in items S1D4, S1D6, and S1D8 should be determined in the same manner as the amounts in Parts 3 to 5. For example:

- the amounts entered in S1D4, S1D6, and S1D8 should be adjusted in accordance with Parts 5 and 6 of the CIT Act (as modified pursuant to subsection 7(3)(c) and (d), and subsection 7(4)) and converted into Euros in accordance with CIT Regulation 38(1); and

- amounts should not be entered in items S1D6 or S1D8 to the extent that the item represents a year which precedes the first fiscal year in which the BCE Group is subject to the CIT Act (i.e. the first fiscal year in which the In Scope MNE Group meets the requirements of section 11(1), see section 7(3)(b) of the CIT Act).

Item S1D9: The average revenue amount is computed automatically in item S1D9. The first preceding fiscal year and/or the second preceding fiscal year will be excluded from the computation of average revenue in item S1D9 to the extent that section 7(3)(a) applies (i.e. fiscal years with no revenue or loss are required to be excluded from the computation of average revenue).

Part 2: Determination of average taxable income (loss)

Information relevant to the application of the de minimis threshold for average taxable income (EUR 1 million) for the fiscal year is summarised in Part 2.

Items S1D10, S1D12, and S1D14: These amounts are computed automatically based on information provided in Parts 6 to 8, as applicable (see instructions below). Only taxable income (loss) amounts earned by the BCE members of the BCE Group should be reported in Parts 6 to 8.

Items S1D11, S1D13, and S1D15: The de minimis threshold for average taxable income is required to be determined in the aggregate for all BCE Groups within the In Scope MNE Group. The relevant taxable income (loss) amounts for all other BCE Groups (i.e. excluding the BCE Group for which the **Simplified CIT Return Schedules** are being prepared), if any, should be entered in items S1D11, S1D13, and S1D15, as applicable.

The amounts entered in items S1D11, S1D13, and S1D15 should be determined in the same manner as the amounts in Parts 6 to 8. For example:

- the amounts entered in S1D11, S1D13, and S1D15 should be determined in accordance with section 7(5) of the CIT Act (as modified pursuant to section 7(3)(c) and (d)) and converted into Euros in accordance with CIT Regulation 38(1); and

- amounts should not be entered in items S1D13 or S1D15 to the extent that the item represents a year which precedes the first fiscal year in which the BCE Group is subject to the CIT Act.

Item S1D16: The average taxable income (loss) amount is computed automatically in item S1D16. The first preceding fiscal year and/or the second preceding fiscal year will be excluded from the computation of average taxable income (loss) in item S1D16 to the extent that section 7(3)(a) applies (i.e. fiscal years with no revenue or loss are required to be excluded from the computation of average taxable income (loss)).

Parts 3 and 6: Revenue and taxable income (loss) information for the current fiscal year

Item S1D18: To the extent that the currency presented in item S1D17 for the current fiscal year is:

- "Other (FC)", the relevant foreign exchange rate determined in accordance with CIT Regulation 38(1) must be entered in item S1D18; or

- any currency other than "Other (FC)", item S1D18 should be left blank.

Item S1D19: Enter the amount of revenue included in the determination of FANIL pursuant to section 21 of the CIT Act, prior to consideration of any adjustments made in Part 5 (excluding section 21) or Part 6 of the CIT Act.

Item S1D20: Enter the aggregate adjustments to revenue resulting from the application of Parts 5 and 6 of the CIT Act (excluding section 21, and subject to the modifications to Part 6 summarised in section 7(4)) as well as the adjustments required pursuant to section 7(3)(c) and (d).
For example, to the extent that a BCE's revenue for the current fiscal year is solely comprised of dividend income of $1,000 which is:

- included in the determination of FANIL pursuant to section 21 of the CIT Act; and

- treated as excluded dividends pursuant to section 27(1)(b) of the CIT Act, such that the dividend income is fully excluded for the purposes of determining the taxable income (loss) of the BCE,

the BCE would report $1,000 in item S1D19, and an offsetting negative adjustment of ($1,000) in item S1D20 for the current fiscal year.

Items S1D22 and S1D45: To the extent that the currency presented in item S1D17 for the current fiscal year is:

- "Other (FC)", the foreign exchange rate presented in items S1D22 and S1D45 shall be equal to the rate entered in item S1D18; or

- any currency other than "Other (FC)", the foreign exchange rate presented in items S1D22 and S1D45 shall be computed automatically, in accordance with CIT Regulation 38(1), based on the information provided in items S1A3 and S1A6.

Parts 4 and 7: Revenue and taxable income (loss) information for the first preceding fiscal year

No amounts should be entered in Parts 4 or 7 to the extent that the "first preceding fiscal year" precedes the fiscal year for which the BCE Group is first subject to the CIT Act (see section 7(3)(b) of the CIT Act).

For example, if the **Simplified CIT Return Schedules** are being prepared with respect to a BCE Group which was subject to the CIT Act for its fiscal year beginning January 1, 2025, the “first preceding fiscal year” would be the fiscal year ended December 31, 2024. In these circumstances:

- revenue and taxable income (loss) from the first preceding fiscal year would be disregarded for the purposes of determining average revenue and average taxable income (loss) for the fiscal year beginning January 1, 2025; and

- no revenue or taxable income (loss) amounts should be entered in Parts 4 or 7 (or Parts 5 or 8).

Item S1D25: To the extent that the currency presented in item S1D24 for the first preceding fiscal year is:

- “Other (FC)”, the relevant foreign exchange rate determined in accordance with CIT Regulation 38(1) must be entered in item S1D25; or

- any currency other than “Other (FC)”, item S1D25 should be left blank.

Items S1D28 and S1D29: See the instructions for items S1D19 and S1D20.

Items S1D31 and S1D48: To the extent that the currency presented in item S1D24 for the first preceding fiscal year is:

- “Other (FC)”, the foreign exchange rate presented in items S1D31 and S1D48 shall be equal to the rate entered in item S1D25; or

- any currency other than “Other (FC)”, the foreign exchange rate presented in items S1D31 and S1D48 shall be computed automatically, in accordance with CIT Regulation 38(1), based on the information provided in items S1D24 and S1D26. *The average foreign exchange rate in items S1D31 and S1D48, and the average revenue and average taxable income (loss) in Parts 1 and 2, will not compute automatically to the extent that items S1D24 and S1D26 have not been completed.*

Item S1D47: The taxable income (loss) entered should equal the taxable income (loss) reported in the CIT Return Schedules prepared with respect to the first preceding fiscal year, subject to any adjustments required to be made pursuant to section 7(3)(c) or (d) of the CIT Act.

Parts 5 and 8: Revenue and taxable income (loss) information for the second preceding fiscal year

No amounts should be entered in Parts 5 or 8 to the extent that the "second preceding fiscal year" precedes the fiscal year for which the BCE Group is first subject to the CIT Act (see section 7(3)(b) of the CIT Act).

Item S1D34: To the extent that the currency presented in item S1D33 for the second preceding fiscal year is:

- "Other (FC)", the relevant foreign exchange rate determined in accordance with CIT Regulation 38(1) must be entered in item S1D34; or

- any currency other than "Other (FC)", item S1D34 should be left blank.

Items S1D37 and S1D38: See the instructions for items S1D19 and S1D20.

Items S1D40 and S1D51: To the extent that the currency presented in item S1D33 for the second preceding fiscal year is:

- "Other (FC)", the foreign exchange rate presented in items S1D40 and S1D51 shall be equal to the rate entered in item S1D34; or

- any currency other than "Other (FC)", the foreign exchange rate presented in items S1D40 and S1D51 shall be computed automatically, in accordance with CIT Regulation 38(1), based on the information provided in items S1D33 and S1D35. *The average foreign exchange rate in items S1D40 and S1D51, and the average revenue and average taxable income (loss) in Parts 1 and 2, will not compute automatically to the extent that items S1D33 and S1D35 have not been completed.*

Item S1D50: The taxable income (loss) entered should equal the taxable income (loss) reported in the CIT Return Schedules prepared with respect to the second preceding fiscal year, subject to any adjustments required to be made pursuant to section 7(3)(c) or (d) of the CIT Act.

3.6 Section E: Determination of taxable income (loss) for the current fiscal year

The information in Section E:

- is used to determine the U.S. dollar denominated taxable income (loss) components required to be reported in the CIT Return Schedules Summary (see items 5 through 9 in the "Financial Accounting Net Income or Loss to Taxable Income Reconciliation" section); and

- provides the preliminary current year taxable income (loss) amount (see item S1D42) included in the determination of taxable income (loss) pursuant to section 7 of the CIT Act.

Section E items should be entered as positive values to the extent that the relevant adjustment has the effect of increasing taxable income (or reducing taxable loss), and as negative values to the extent that the relevant adjustment has the effect of decreasing taxable income (or increasing taxable loss).

Appendix A: Required data entry

This appendix is intended to assist the Filing BCE in identifying which sections of Schedule 1 are required to be completed based on the specific facts and circumstances of the BCE Group for the fiscal year. For purposes of this appendix, a section described as "required" should be completed to the extent that the relevant section contains data entry fields which are applicable to the BCE Group or its BCE members. Where a section is only required in specific circumstances, the Filing BCE should leave the section blank if those circumstances do not apply (except as otherwise indicated in these instructions).

Certain sections may populate automatically, in whole or in part, based on information entered elsewhere in Schedule 1. The Filing BCE should review all automatically populated sections for completeness and accuracy.

The Filing BCE should consider this appendix together with the detailed instructions in Chapter 3.

Schedule	Section	Filing Requirement
Schedule 1	**Section A**	Items S1A1 to S1A6 are always required to be completed. Item S1A7 is only required to be completed to the extent that "Other (FC)" is selected in item S1A6. Item S1A8 is only required to be completed to the extent that a currency other than "U.S. Dollar (USD)" or "Bermuda Dollar (BMD)" is selected in item S1A6.
	Section B	Items S1B1, S1B4, S1B11 and S1B12 are always required to be completed. Items S1B5, S1B6, and S1B8 are always required to be completed with respect to each BCE member of the BCE Group. Items S1B2, S1B3, and S1B7 are only required to be completed to the extent relevant to the BCE Group or its BCE members for the fiscal year.
	Section C	Section C is prepopulated in the **Simplified CIT Return Schedules** (see article 3.4).
	Section D	All items in Section D are required to be completed (except as otherwise indicated in article 3.5) with respect to the BCE Group and each BCE member of the BCE Group.
	Section E	All items in Section E are required to be completed (except as otherwise indicated in article 3.6) with respect to each BCE member of the BCE Group.

Appendix B: Source(s) of aggregated information presented in the CIT Return Schedules Summary

As discussed in article 2.1, the CIT Return Schedules Summary aggregates all of the information from Schedule 1 in the manner in which the information is required to be entered in the CIT Online Return. This appendix summarises the specific source(s) of the information presented in the CIT Return Schedules Summary.

Foreign exchange rate information presented in the CIT Return Schedules Summary is from Schedule 1, Section A, item S1A8.

CIT Return Schedules Summary			Source(s) of the aggregated information presented in the CIT Return Schedules Summary
Section	Item	Column	
General Information	1	Col L	Schedule 1, Section A, item S1A5
	2	Col L	Schedule 1, Section A, item S1A6
	2a	Col L	Schedule 1, Section A, item S1A7
	3	Col L	Schedule 1, Section A, item S1A8

	4	Col L	The response in item 4 will be:
			
			- "Yes", to the extent that:
			  - the response to item S1D1 is "Yes";
			  - the response to item S1D2 is "No";
			  - information has been provided in Schedule 1 to determine whether the revenue and taxable income thresholds have been exceeded; and
			  - the revenue and taxable income thresholds have <u>not</u> been exceeded for the fiscal year, based on the information provided; or
			
			- in all other cases, "No".

Financial Accounting Net Income or Loss to Taxable Income Reconciliation	5	Col F	Schedule 1, Section E, item S1E1
	6	Col F	Aggregate of Schedule 1, Section E, items S1E2, S1E3, and S1E4.
	8	Col F	Amount is preset to Nil (-) given that the election has been made pursuant to section 6(6) of the CIT Act to disregard tax loss carryforwards (see article 3.4).

Tax Due (Overpayment)	**All items**		All items in this section are preset to Nil (-) given that the **Simplified CIT Return Schedules** may only be filed if the de minimis exemption election has been made (resulting in a tax charge of Nil) and if no payments or distributable tax credit benefits have been applied to the BCE Group for the fiscal year (see article 1.1.2.1).
Determination of Required Instalments	**18**	**Col L**	Schedule 1, Section B, items S1B9 and S1B11
	19	**Col L**	Schedule 1, Section B, items S1B10 and S1B12
	20	**Col L**	These items have been preset to "No" given that instalment payments are not required if the de minimis exemption election has been validly made.
	21	**Col L**	
Allocation of Overpayment	**All items**		All items in this section are preset to Nil (-) given that the **Simplified CIT Return Schedules** may only be filed if no payments or distributable tax credit benefits have been applied to the BCE Group for the fiscal year (see article 1.1.2.1).
Instalment Support Table	**All items**		All items in this section are blank given that instalment payments are not required if the de minimis exemption election has been validly made.
Support for Allocation of the Overpayment to Another BCE Group	**All items**		All items in this section are preset to Nil (-) given that the **Simplified CIT Return Schedules** may only be filed if no payments or distributable tax credit benefits have been applied to the BCE Group for the fiscal year (see article 1.1.2.1).

******END******

CORPORATE INCOME TAX AGENCY
BERMUDA

Form I-102: Instructions for preparation of the Simplified CIT Return Schedules

www.cita.bm

Document Control					
Date	**Version**		**Summary of changes**	**Document Number**	**Document Name**
July 16 2026	1.0	16/07/2026	None	Form I-101	Instructions for preparation of the Standard CIT Return Schedules