CORPORATE INCOME TAX AGENCY
BERMUDA

Form I-103: Instructions for preparation of the Opening Tax Loss Carryforward Schedules

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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 and summarises the circumstances in which the **Opening Tax Loss Carryforward Schedules** must be filed as a component of the CIT Return.

These instructions are intended to provide further information related to the preparation of the **Opening Tax Loss Carryforward 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 **Opening Tax Loss Carryforward Schedules**, including the structure of the schedules, data entry requirements, and other general preparation guidance.
Chapter 3	provides an overview of the CIT election procedures.
Chapter 4	provides detailed instructions for specific items in the schedules, to the extent that the Agency has deemed that further elaboration or clarification of such items is merited.

These instructions should be read in conjunction with the separate instructions for the Standard CIT Return Schedules.

These instructions are intended to provide general guidance related to the preparation of the **Opening Tax Loss Carryforward 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 **Opening Tax Loss Carryforward Schedules** or these instructions is intended to modify the provisions of the CIT legislation.

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Acronyms and abbreviations

Unless otherwise noted, the terms referenced in the **Opening Tax Loss Carryforward Schedules** or these instructions shall have the meanings given to such terms in the applicable CIT legislation. Any reference to legislation (whether in statute or regulations) is a reference to that legislation as amended from time to time.

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

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
Tax Credits Act	Tax Credits Act 2025
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 determination of the CIT charge of 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.

The Simplified CIT Return Schedules may only be filed with respect to a BCE Group to the extent that an election has been made pursuant to section 6(6) of the CIT Act to permanently disregard all opening tax loss carryforward allocations to the BCE members of the BCE Group (see article 1.1.2.1 of the Simplified CIT Return Schedules Instructions). Accordingly, unless the **Opening Tax Loss Carryforward Schedules** have been prepared pursuant to Method #1 (see article 1.1.3.1 below), it is anticipated that the **Opening Tax Loss Carryforward Schedules** would only be prepared with respect to a BCE Group which is filing the Standard CIT Return Schedules.

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.

Form I-103: Instructions for preparation of the Opening Tax Loss Carryforward Schedules

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

1.1.3.1 Opening Tax Loss Carryforward Schedules (Form S-103)

The **Opening Tax Loss Carryforward Schedules** provide further information regarding the determination of opening tax loss carryforward amounts allocated to BCE members of the In Scope MNE Group pursuant to section 6(3)(a) of the CIT Act.

The **Opening Tax Loss Carryforward Schedules** prepared with respect to an In Scope MNE Group:

(i) are <u>a required component</u> of the CIT Return of a BCE Group for a fiscal year to the extent that:

   a. the CIT Return is being submitted for a fiscal year immediately succeeding the period described in section 6(4)(a) of the CIT Act; and

   b. the **Opening Tax Loss Carryforward Schedules** include an allocation of all or a portion of the In Scope MNE Group's opening tax loss carryforward to a BCE member of the BCE Group in accordance with section 6(3)(a) of the CIT Act; and

(ii) are <u>not a required component</u> of the CIT Return of the BCE Group for a fiscal year to the extent that:

   a. either or both of paragraphs (i)a. or (i)b. above are not applicable to the BCE Group; or

   b. both of paragraphs (i)a. and (i)b. are applicable to the BCE Group, but the Filing BCE has made an election pursuant to section 6(6) of the CIT Act to permanently disregard <u>all</u> opening tax loss carryforward amounts allocated to BCE members of the BCE Group pursuant to Method #2 below.

There are two methods by which the Filing BCE may elect to permanently disregard all opening tax loss carryforward amounts pursuant to section 6(6) of the CIT Act:

- Method #1: The Filing BCE may make the election in item E39 of the **Opening Tax Loss Carryforward Schedules** and fully exclude all opening tax loss carryforward amounts allocated to BCE members of the BCE Group in Schedule 2, item S2B6 of the **Opening Tax Loss Carryforward Schedules**.

- Method #2: The Filing BCE may forego the filing of the **Opening Tax Loss Carryforward Schedules**, and may instead:

  - make the election in item E39 of the Standard CIT Return Schedules filed with respect to the BCE Group for the fiscal year immediately succeeding the period described in section 6(4)(a) of the CIT Act; and

  - leave item S4D1 of the Standard CIT Return Schedules blank (or enter zero) for all BCE members of the BCE Group,

  in which case the Filing BCE shall be regarded as electing to permanently disregard all opening tax loss carryforward amounts allocated to BCE members of the BCE Group.

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

1.1.3.2 Creditable Foreign Tax Allocation Schedules (Form S-104)

The Creditable Foreign Tax Allocation Schedules supplement Schedule 5 of the Standard CIT Return Schedules, providing further information regarding the allocation of local taxes from a foreign parent entity to a BCE member of the BCE Group (including, for example, CFC taxes imposed under the local tax regime of the foreign parent entity with respect to its ownership interest in the BCE).

Except as noted below, the Creditable Foreign Tax Allocation Schedules are a required component of the CIT Return to the extent that the local taxes of a foreign parent entity described in paragraph 3(1)(a) of the Agency guidance (see GN01/2025) are required to be allocated to a BCE member of the BCE Group.

The Creditable Foreign Tax Allocation Schedules are not a required component of the CIT Return to the extent that the CIT charge of the BCE Group is Nil for the fiscal year, given that the foreign tax credit amount of the BCE Group would be limited to Nil in these circumstances (see section 16 of the CIT Act).

Further information may be found in the Creditable Foreign Tax Allocation Instructions (Form I-104) and the Standard CIT Return Schedules Instructions (Form I-101).

1.1.3.3 Failure to accurately file the "secondary" CIT Return Schedules

If the CIT Online Return is submitted without the appropriate:

- **Opening Tax Loss Carryforward Schedules**, or if such schedules are inaccurate, incomplete, or are inconsistent with the opening tax loss carryforward information reported in item S4D1 of the Standard CIT Return Schedules, and such inaccuracies, omissions or inconsistencies are not remedied to the satisfaction of the Agency, then the Agency may assess any opening tax loss carryforward amount claimed on behalf of the BCE in item S4D1 pursuant to its power of assessment under CIT Regulation 31 (which may include assessing such item as nil); or

- Creditable Foreign Tax Allocation Schedules, or if such schedules are inaccurate, incomplete, or are inconsistent with the local tax allocation information reported in item S5C6 of the Standard CIT Return Schedules, and such inaccuracies, omissions or inconsistencies are not remedied to the satisfaction of the Agency, then the Agency may assess any allocation of creditable foreign taxes claimed on behalf of the BCE in item S5C6 pursuant to its power of assessment under CIT Regulation 31 (which may include assessing such item as nil).

Further, to the extent that:

- a BCE Group includes an item on the Standard CIT Return Schedules that is covered by "secondary" CIT Return Schedules (such as an opening tax loss carryforward); and

- fails to include the relevant "secondary" CIT Return Schedules pertaining to the item with the CIT Online Return, then the Agency may regard the Standard CIT Return Schedules as rendered incomplete or inaccurate by the failure to include the relevant "secondary" CIT Return Schedules, and penalties and interest for failure to file as outlined in section 1.1.2.3 may apply.

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 1.3.2)
- Bermuda SAC election statements (see article 3.3.1)
- Bermuda ISAC election statements (see article 3.3.2)
- Supplemental disclosures filed pursuant to section 46E(2)(b) of the CIT Act (see the instructions to item S1B2 in article 4.1.3)

In addition, the Filing BCE may (but is not required to) upload additional explanatory information which supports the preparation of the **Opening Tax Loss Carryforward 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 information 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 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.

1.3.1 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 “primary” or “secondary” 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 the amended “primary” or “secondary” CIT Return Schedules) must nevertheless be filed for the fiscal year.

1.3.2 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.

- To the extent that the “primary” or “secondary” CIT Return Schedules have been amended, the amended status should be designated in the relevant schedules (e.g. see item S1B1 of the **Opening Tax Loss Carryforward Schedules**).

- 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 Opening Tax Loss Carryforward Schedules

The **Opening Tax Loss Carryforward Schedules** are intended to support the determination of the opening tax loss carryforward amounts allocated to the BCE members of the In Scope MNE Group (as reported in item S4D1 of the Standard CIT Return Schedules), and to provide the Agency with further information regarding the derivation of such amounts.

Pursuant to section 6(4) of the CIT Act, the opening tax loss carryforward amount is determined at the level of the In Scope MNE Group, regardless of whether the In Scope MNE Group is comprised of more than one BCE Group. Accordingly, the **Opening Tax Loss Carryforward Schedules** must include all BCE members of the In Scope MNE Group.

2.1 Detailed data entry schedules (Schedules 1 to 8)

The **Opening Tax Loss Carryforward Schedules** include the following schedules which are intended to gather detailed information relevant to the determination of the aggregate opening tax loss carryforward amount for the In Scope MNE Group, and the allocation of such amount to the BCE members of the In Scope MNE Group.

Schedule 1	includes general information regarding the In Scope MNE Group and each of the BCE members of the In Scope MNE Group.
Schedule 2	summarises the determination of the aggregate opening tax loss carryforward amount for the In Scope MNE Group, and the allocation of such amount to the BCE members of the In Scope MNE Group.

Schedule 3	includes information relevant to the determination of the taxable income (loss) of the In Scope MNE Group for the "first preceding" fiscal year included in the opening tax loss carryforward determination period.
Schedule 4	includes information relevant to the determination of the taxable income (loss) of the In Scope MNE Group for the "second preceding" fiscal year included in the opening tax loss carryforward determination period.
Schedule 5	includes information relevant to the determination of the taxable income (loss) of the In Scope MNE Group for the "third preceding" fiscal year included in the opening tax loss carryforward determination period.
Schedule 6	includes information relevant to the determination of the taxable income (loss) of the In Scope MNE Group for the "fourth preceding" fiscal year included in the opening tax loss carryforward determination period.
Schedule 7	includes information relevant to the determination of the taxable income (loss) of the In Scope MNE Group for the "fifth preceding" fiscal year included in the opening tax loss carryforward determination period.
Schedule 8	includes additional information related to the application of certain elections which have the potential to apply to multiple entities or items (e.g. listing of specific entities subject to an election made pursuant to section 15(1) of the CIT Act).

See Chapter 4 for further information regarding the preparation of these schedules.

2.2 Structure and preparation of the detailed data entry schedules

The structure and the preparation methods applicable to Schedules 1 to 8 are generally consistent throughout the **Opening Tax Loss Carryforward Schedules**.

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 S1A6);
- 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 S3A1);

- entry of a positive numerical value only (e.g. see item S2B6); or

- entry of a negative numerical value only (e.g. see item S3B8).

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 **Opening Tax Loss Carryforward Schedules**. For example, an error message may appear to the extent that:

- an entry is made for an item that is only relevant when a specific election has been made with respect to the BCE (e.g. no entry will be permitted in item S3A2 unless the section 21(1)(b) election has been made in item E12); or

- an entry is made which exceeds relevant limitations in the CIT Act (e.g. an entry will not be permitted in item S2B6 to the extent that the amount entered exceeds the opening tax loss carryforward amount allocated to the BCE in item S2B5).

2.2.2 Item references and descriptions

Each item in the data entry schedules has been assigned a unique reference (see column C), as follows:

- each election has been assigned a unique reference ranging from E1 to E48 (see Chapter 3 for further information regarding CIT elections);

- 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 "S3B2" refers to the second item in Schedule 3, Section B.

In addition, column D of Schedules 1 to 7 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 **Opening Tax Loss Carryforward Schedules**.

All item references included in these instructions relate to the **Opening Tax Loss Carryforward Schedules**, unless otherwise indicated.

2.2.3 BCE and In Scope MNE Group presentation

Information relevant to the overall In Scope MNE Group (including the aggregate of the values entered for each of the BCE members of the In Scope MNE Group) is summarised in column G of Schedules 1 to 7.

Information relevant to a specific BCE is included in the same column throughout Schedules 1 to 7. For example, to the extent that the name of a BCE is entered in item S1B3, column L:

- the BCE's name will generally appear in column L at the top of each section in Schedules 1 to 7;
- any elections which specifically relate to the BCE should only be made in column L of the relevant election item;
- any data relevant to the BCE should only be entered in column L in Schedules 1 to 7; and
- any data relevant to other BCEs should not be entered in column L.

At present, the **Opening Tax Loss Carryforward Schedules** can accommodate 250 BCEs. To the extent that an In Scope MNE Group has more than 250 BCEs, please contact the Agency via CITA Online.

2.2.4 Foreign currency considerations

The opening tax loss carryforward amount should be denominated in the currency in which the UPE prepares its consolidated financial statements for the first fiscal year for which the BCE members of the In Scope MNE Group are subject to CIT. For example, to the extent that the BCE members are first subject to CIT for a fiscal year beginning January 1, 2025, the opening tax loss carryforward amount should be denominated in the currency in which the UPE prepares its consolidated financial statements for the fiscal year beginning January 1, 2025.

The currency in which the UPE prepares its consolidated financial statements is required to be entered in item S1A7 with respect to:

(i) the first fiscal year for which the BCE members of the In Scope MNE Group are subject to CIT (column G); and

(ii) each of the five fiscal years preceding the fiscal year described in item (i) (columns L through AF).

To the extent that the currency selected in item S1A7 for a preceding fiscal year described in item (ii) above differs from the currency selected in item S1A7 for the fiscal year described in item (i), the taxable income (loss) for such preceding fiscal year shall:

- first, be determined in the currency selected in item S1A7 for such preceding fiscal year; and

- second, be converted into the currency selected in item S1A7 for the fiscal year described in item (i) to ensure a consistent measure of the opening tax loss carryforward amount (see, for example, items S3B19 through S3B21).

For the purposes of the above, the taxable income (loss) amount should be converted based on the average foreign exchange rate for such preceding fiscal year, determined in a manner consistent with the approach prescribed in CIT Regulation 39(a) to (c). The average foreign exchange rate should be entered in the relevant column of item S1A9 (see article 4.1.2).

To the extent that a specific item in Schedules 2 to 7 is required to be determined in:

- the currency in which the UPE prepares its consolidated financial statements for a preceding fiscal year described in item (ii) above, the abbreviation for the currency entered in item S1A7 will appear in column F with respect to the item. For example, if "Euro (EUR)" is selected in item S1A7, column L, the abbreviation "EUR" will appear in column F with respect to all items in Schedule 3, Section A; or

- the currency in which the UPE prepares its consolidated financial statements for the fiscal year described in item (i) above, the abbreviation for the currency entered in item S1A7 will appear in column F with respect to the item. For example, if "British Pound (GBP)" is selected in item S1A7, column G, the abbreviation "GBP" will appear in column F with respect to all items in Schedule 2, Section A.

2.2.5 Rounding

Unless otherwise indicated, all numerical values entered in the **Opening Tax Loss Carryforward Schedules** should be rounded to two decimal places.

Chapter 3: CIT elections

The **Opening Tax Loss Carryforward Schedules** include all elections which may be made with respect to the opening tax loss carryforward determination period pursuant to:

- the CIT Act;
- the CIT Regulations; and
- the Corporate Income Tax Frequently Asked Questions for Guidance.

For consistency, the election references in the **Opening Tax Loss Carryforward Schedules** (see article 2.2.2) are the same as the election references in the Standard CIT Return Schedules.

Elections which are not relevant to the determination of the opening tax loss carryforward amount (e.g. item E1 from the Standard CIT Return Schedules, which is not permitted for the opening tax loss carryforward determination period pursuant to section 49(4) of the CIT Act) are not included in the **Opening Tax Loss Carryforward Schedules**.

CIT elections which are being made in respect of periods subsequent to the commencement date should not be made in the **Opening Tax Loss Carryforward Schedules** and should instead be made in the Standard CIT Return Schedules.

3.1 Overview of election procedures in the Opening Tax Loss Carryforward Schedules

Except as noted in article 3.3, a Filing BCE is required to make all elections on behalf of the BCE members of the In Scope MNE Group. It is possible that an In Scope MNE Group may be comprised of multiple BCE Groups (each with its own Filing BCE), in which case the **Opening Tax Loss Carryforward Schedules** may include elections made by different Filing BCEs. An election should only be made in the **Opening Tax Loss Carryforward Schedules** to the extent that:

- if the election relates to a specific BCE, the Filing BCE of the BCE Group which includes the BCE has consented to the making of the election; or

- if the election relates to the overall In Scope MNE Group (e.g. item E22), the Filing BCE of each BCE Group comprising the In Scope MNE Group has consented to the making of the election.

An election shall only be regarded as valid to the extent that the relevant election requirements in the CIT legislation (and any related guidance) have been met.

3.1.1 How to make an election

An election is made in the **Opening Tax Loss Carryforward Schedules** by selecting the appropriate option from the drop-down menu for the election item.

- **In Scope MNE Group-level elections:** Elections relevant to the overall In Scope MNE Group are included in column G of Schedule 1, Section C. For example, the Filing BCE would select "Elected" in item E22, column G to elect to apply consolidated accounting treatment to all transactions between BCE members of the In Scope MNE Group.

- **BCE-level elections:** Elections which are relevant to a specific BCE are made by selecting the appropriate option from the election item drop-down menu in the column corresponding to the BCE (see article 2.2.3).

Generally, the only available options in the drop-down menu for an election item are "Elected" or a blank value. However, certain elections (e.g. item E4) may include different options relevant to the specific election type.

An election shall only be regarded as valid to the extent that the appropriate selection has been made in the relevant election item. The inclusion of a numerical value in the data entry field corresponding to an election will not, by itself, be regarded as the making of a valid election. For example, to the extent that:

- the Filing BCE enters a FANIL allocation amount in item S3A9 with respect to a BCE (see section 22(2) of the CIT Act); and

- does not select "Elected" in item E18 for the BCE,

an error message may appear (and the entry may be rejected) and/or the Agency may regard the election as invalid and disregard the amount entered in item S3A9.

3.1.2 When to complete an election item

The Filing BCE should select a non-blank value (e.g. "Elected") from the drop-down menu for an election item to the extent that the Filing BCE is making the election for the opening tax loss carryforward determination period.

The Filing BCE should leave a blank value for an election item to the extent that the Filing BCE is not making the election for the opening tax loss carryforward determination period.

3.2 Application of elections to the opening tax loss carryforward determination period

With the exception of an election made pursuant to section 49(1A) of the CIT Act, all elections made with respect to the opening tax loss carryforward determination period shall apply for the entirety of such period (see section 49(3)).

3.3 Bermuda SAC and ISAC elections

As summarised above, elections are generally required to be made by the Filing BCE on behalf of the BCE members of the In Scope MNE Group. There are two exceptions to this requirement:

- Pursuant to section 15(5) of the CIT Act, a Bermuda segregated accounts company may elect to treat the company or one or more of its segregated accounts as a separate entity for CIT purposes (see item E4).

- Pursuant to section 15(6) of the CIT Act, a Bermuda incorporated segregated accounts company may elect to treat the company and all of its incorporated segregated accounts as a single entity (see item E5).

3.3.1 Section 15(5) election procedure (SAC)

To the extent that a Bermuda segregated accounts company is making the section 15(5) election and the company and/or one of its segregated accounts is a BCE member of the In Scope MNE Group, an election statement should be prepared on behalf of the Bermuda segregated accounts company. The election statement should include:

- the name and Bermuda TIN of the Bermuda segregated accounts company;

- a statement confirming whether the Bermuda segregated accounts company is electing to be treated as a separate entity from its segregated accounts and, if so, whether the Bermuda segregated accounts company is electing to be treated as fiscally transparent; and

- a statement confirming which segregated accounts (individually or collectively) have electively been treated as:

    - separate entities; and
    - fiscally transparent entities,

  including the name and Bermuda TIN of each such separate entity, and should be signed by an officer, director, or other person who is authorised to make the election(s) on behalf of the Bermuda segregated accounts company.

The Filing BCE should make the appropriate selections in item E4 (and item E16, to the extent that fiscal transparency elections have been made by the Bermuda segregated accounts company) and should upload the election statement to the CIT Online Return prior to submission.

3.3.2 Section 15(6) election procedure (ISAC)

To the extent that a Bermuda incorporated segregated accounts company is making the section 15(6) election and the company is a BCE member of the In Scope MNE Group, an election statement should be prepared on behalf of the Bermuda incorporated segregated accounts company. The election statement should include:

- the name and Bermuda TIN of the Bermuda incorporated segregated accounts company;

- a statement confirming that the Bermuda incorporated segregated accounts company is electing to treat the company and all of its incorporated segregated accounts as a single entity;

- a statement confirming whether the Bermuda incorporated segregated accounts company is electing to treat the single entity as fiscally transparent; and

- the name (and, as applicable, Bermuda TIN) of each incorporated segregated account which is treated as a single entity with the Bermuda incorporated segregated accounts company,

and should be signed by an officer, director, or other person who is authorised to make the election(s) on behalf of the Bermuda incorporated segregated accounts company.

The Filing BCE should make the appropriate selections in item E5 (and item E16, to the extent that a fiscal transparency election has been made by the Bermuda incorporated segregated accounts company) and should upload the election statement to the CIT Online Return prior to submission.

3.4 Form CT-ELP

Form CT-ELP was introduced in late-2023 to allow (but not require) CIT elections to be made on behalf of a BCE in advance of filing the CIT Return.

To the extent that Form CT-ELP was previously filed with respect to a BCE:

- any elections made in Form CT-ELP for the opening tax loss carryforward determination period should also be made in the relevant election item in the **Opening Tax Loss Carryforward Schedules**;

- notwithstanding the above, in preparing the **Opening Tax Loss Carryforward Schedules** the Filing BCE is not bound by the elections made (or not made) on behalf of the BCE in Form CT-ELP.

    - For example, to the extent that the branch exemption election was made in Part B, line 1 of Form CT-ELP for the opening tax loss carryforward determination period, the Filing BCE is not bound by the choice of election in Form CT-ELP and may prepare the **Opening Tax Loss Carryforward Schedules** on the basis that the branch exemption election has not been made.

    - To the extent that the choice of election indicated in Form CT-ELP differs from the choice of election indicated in the **Opening Tax Loss Carryforward Schedules**, the Agency shall give regard to the choice of election indicated in the **Opening Tax Loss Carryforward Schedules** and shall disregard the choice of election indicated in Form CT-ELP.

Following the release of the **Opening Tax Loss Carryforward Schedules**, the sole method for making CIT elections for the opening tax loss carryforward determination period will be as prescribed in these instructions. As such, Form CT-ELP will no longer be maintained and should not be filed in future.

Chapter 4: Detailed instructions for Schedules 1 to 8

4.1 Schedule 1: Group Information

Schedule 1 includes general information regarding the In Scope MNE Group and each of the BCE members of the In Scope MNE Group.

4.1.1 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 In Scope MNE Group.
Section C	includes information related to the CIT elections applicable to the opening tax loss carryforward determination period.

Further information regarding each section is summarised in articles 4.1.2 to 4.1.4 below.

4.1.2 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 the nine digits of its Bermuda TIN without dashes. *This item is required to the extent that the UPE is a BCE (if not, item S1A2 should be left blank).*

Item S1A2.1: To the extent that the UPE is not a BCE and has a DUNS number, enter the nine digits of the DUNS number without dashes. *This item is required to the extent that the UPE is not a BCE and has a DUNS number (if not, item S1A2.1 should be left blank).*

Items S1A3 and S1A4: The first and last day of each fiscal year should be entered in MM-DD-YY format.

Item S1A6: 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 S1A7: Select the currency in which the consolidated financial statements of the UPE are presented for each 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 S1A8: To the extent that “Other (FC)” has been selected in item S1A7, enter a description of the relevant currency. Otherwise, item S1A8 should be left blank.

Item S1A9: Enter the average foreign exchange rate used to convert the currency selected in item S1A7 for a preceding fiscal year (i.e. columns L through AF) into the currency selected in item S1A7, column G (see article 2.2.4). 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 an amount denominated in the currency selected in item S1A7 for a preceding fiscal year, would result in the equivalent amount in the currency selected in item S1A7, column G). *This is a required data field to the extent that the currency selected in item S1A7 for a preceding fiscal year (i.e. columns L through AF) differs from the currency selected in item S1A7, column G (otherwise, enter 1.0000 or leave item S1A9 blank).*

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4.1.3 Section B: BCE information

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

Item S1B1: Select whether the **Opening Tax Loss Carryforward Schedules** being filed are the original version or an amendment to a previously filed original version. See article 1.3 for further guidance related to amended CIT Return filing procedures.

Item S1B2: Select "Supplemental" to the extent that supplemental disclosures are being provided in accordance with section 46E(2)(b) of the CIT Act with respect to the **Opening Tax Loss Carryforward Schedules**.

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 S1B3: Enter the full name of each BCE in the In Scope MNE Group. The name entered in item S1B3 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 S1B3 will generally appear at the top of each section in Schedules 1 to 7 in the relevant data entry column for such BCE.*

Item S1B4: Enter the nine digits (without dashes) of each BCE's Bermuda TIN.

Item S1B5: To the extent that a BCE was only a member of the In Scope MNE Group for a portion of the opening tax loss carryforward determination period, 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 S1B6: Indicate whether the BCE is a Bermuda Tax Resident Entity or a Bermuda Permanent Establishment ("PE").

4.1.4 Section C: Corporate income tax elections

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

Item E2: Select "Elected" from the drop-down menu to the extent that the entity is treated as a BCE pursuant to an election made in accordance with section 9(3) of the CIT Act (but would not otherwise have been treated as a BCE pursuant to section 9(2)(b) of the CIT Act).

Item E3: Select "Elected" from the drop-down menu to the extent that the entity is treated as a BCE pursuant to an election made in accordance with section 10(3) of the CIT Act (but would not otherwise have been treated as a BCE pursuant to section 9(2)(a) of the CIT Act).

Item E4: See article 3.3.1 for further information regarding the section 15(5) election procedure (including the requirement to attach an election statement to the CIT Online Return prior to submission).

Item E5: See article 3.3.2 for further information regarding the section 15(6) election procedure (including the requirement to attach an election statement to the CIT Online Return prior to submission).

Item E6: To the extent that an election has been made in item E6 to treat:

- a non-Bermuda segregated accounts company; or
- one or more of its segregated accounts,

as a separate entity for CIT purposes, the name of the non-Bermuda segregated accounts company and a description of the separate entity should be included in Schedule 8, Section B.

Item E7: To the extent that an election has been made in item E7, the name of the non-Bermuda incorporated segregated accounts company should be included in Schedule 8, Section C.

Item E8: Section 15(1) of the CIT Act provides an election to treat an entity as fiscally transparent or as not fiscally transparent. To the extent that a section 15(1) election is made with respect to an entity in which one or more BCE members of the In Scope MNE Group hold an ownership interest:

- select "Sec 15(1) election(s)" in item E8; and

- enter the name of the entity which is the subject of the section 15(1) election in Schedule 8, Section A.

Item E8 applies only to fiscal transparency elections which have been made with respect to entities which are <u>not</u> BCE members of the BCEG. See items E15 and E16 with respect to elections for BCE members of the In Scope MNE Group.

Item E12: To the extent that the Filing BCE has elected to determine FANIL of the BCE based on an approved financial accounting standard, net income or loss of the BCE should be entered in the appropriate line item (e.g. item S3A2 with respect to the first preceding fiscal year).

Item E12.1: Select the approved financial accounting standard for which the election has been made in item E12. *An election in item E12 may be disregarded to the extent that item E12.1 is left blank.*

Item E18: To the extent that an election has been made in item E18 to allocate FANIL to a non-Bermuda permanent establishment:

- the non-Bermuda permanent establishment is required to be identified in Schedule 8, Section D; and

- the amount of FANIL allocated from the BCE to the non-Bermuda permanent establishment should be entered in the appropriate line item (e.g. item S3A9 with respect to the first preceding fiscal year).

Item E21: The stock-based compensation election is required to be made with respect to all BCE members of a BCE Group (see section 30(6) of the CIT Act). Accordingly, all BCE members of the In Scope MNE Group which are members of the same BCE Group must make (or not make) the stock-based compensation election on a consistent basis.

To the extent that the Filing BCE has made the stock-based compensation election, any adjustments which are required to be made pursuant to section 30 of the CIT Act should be entered in the appropriate line item (e.g. items S3B7 and S3B8 with respect to the first preceding fiscal year).

Item E22: To the extent that the election has been made to apply consolidated accounting treatment to all transactions between BCEs within the In Scope MNE Group, any adjustments which are required to be made pursuant to section 37(4) of the CIT Act should be entered in the appropriate line item (e.g. item S3B14 with respect to the first preceding fiscal year).

Items E26 and E27: To the extent that the Filing BCE has made the election to recognise a change in opening equity attributable to the implementation of IFRS 17 or LDTI in the determination of taxable income or loss over a ten-year period, any adjustments which are required to be made pursuant to section 29 of the CIT Act should be entered in the appropriate line item (e.g. item S3B5 with respect to the first preceding fiscal year).

Item E31: To the extent that the Filing BCE has made the election to exclude unrealised gains or losses on funds withheld assets of an assuming BCE on a retrospective basis, any adjustments which are required to be made pursuant to section 34 of the CIT Act should be entered in the appropriate line item (e.g. item S3B10 with respect to the first preceding fiscal year).

Items E33 and E33.1: To the extent that the Filing BCE has made the election to use the realisation principle to determine taxable gains and losses of the BCE:

- each specific asset or liability for which the election has been made is required to be identified in Schedule 8, Section E; and

- any adjustments which are required to be made pursuant to section 35 of the CIT Act should be entered in the appropriate line item (e.g. items S3B11 and S3B12 with respect to the first preceding fiscal year).

Item E34: To the extent that the Filing BCE has made the election to use the mark-to-market principle with respect to ownership interests in an investment entity or an insurance investment entity, any adjustments which are required to be made pursuant to section 40(1) of the CIT Act should be entered in the appropriate line item (e.g. item S3B18 with respect to the first preceding fiscal year).

4.2 Schedule 2: Determination and Allocation of the Opening Tax Loss Carryforward Amount

Schedule 2 summarises the determination of the aggregate opening tax loss carryforward amount for the In Scope MNE Group, and the allocation of such amount to the BCE members of the In Scope MNE Group.

4.2.1 Structure of this schedule

Schedule 2 consists of the following sections:

Section A	summarises the taxable income (loss) information for each fiscal year during the opening tax loss carryforward determination period and determines the aggregate opening tax loss carryforward amount for the In Scope MNE Group.
Section B	summarises the allocation of the aggregate opening tax loss carryforward amount determined in Section A to each BCE member of the In Scope MNE Group, subject to various adjustments.

Further information regarding each section is summarised in articles 4.2.2 to 4.2.3 below.

4.2.2 Section A: Opening tax loss carryforward of the In Scope MNE Group

Section A will populate automatically based on the taxable income (loss) amounts from Schedules 3 through 7 and, based on this information, will determine the aggregate opening tax loss carryforward amount (if any) for the In Scope MNE Group in accordance with section 6(4) of the CIT Act.

The gross taxable loss information summarised in item S2A10 with respect to each BCE:

- is equal to the sum of the taxable loss amounts (if any) reported in items S2A1, S2A2, S2A4, S2A6, and S2A8 for the BCE; and

- is used to apply the loss allocation limitation from section 6(3)(a) of the CIT Act and the pro-rata election method in item S2B3.

4.2.3 Section B: Allocation of the opening tax loss carryforward to BCEs

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

Items S2B1: To the extent that an aggregate opening tax loss carryforward amount has been determined for the In Scope MNE Group in Section A (see item S2A9), this amount will automatically populate in item S2B1 (if not, item S2B1 will remain blank).

Items S2B2 through S2B4: Pursuant to section 6(3)(a) of the CIT Act, the opening tax loss carryforward amount shall be allocated amongst the BCE members of the In Scope MNE Group in the manner determined by the UPE. Section B includes the following optional opening tax loss carryforward allocation mechanisms:

Option #1 (items S2B2 and S2B3): To the extent "Pro-rata" is selected from the drop-down menu in item S2B2, the aggregate opening tax loss carryforward amount from item S2B1 shall be allocated ratably in item S2B3 to specific BCEs based on the proportion of the gross taxable loss (if any) of each such BCE reported in item S2A10. For example, to the extent that:

- gross taxable losses of $600,000, $400,000, and $Nil are reported in item S2A10 with respect to BCE1, BCE2, and BCE3, respectively;

- the aggregate opening tax loss carryforward amount reported in item S2B1 is $700,000; and

- "Pro-rata" is selected from the drop-down menu in item S2B2, then $420,000, $280,000, and $Nil of the aggregate opening tax loss carryforward amount shall be allocated in item S2B3 to BCE1, BCE2 and BCE3, respectively. The opening tax loss carryforward allocations are proportionate to the gross taxable loss amounts for BCE1 (60%), BCE2 (40%), and BCE3 (0%) as a percentage of the total gross taxable loss amounts reported in item S2A10.

Option #2 (item S2B4): Alternatively, the allocations of the aggregate opening tax loss carryforward amount may be manually designated in item S2B4. Only negative values should be entered in item S2B4.

Option #2 is not available to the extent that "Pro-rata" is selected in item S2B2, and is subject to the following limitations:

- the portion of the aggregate opening tax loss carryforward amount allocated to a BCE may not exceed the gross taxable loss reported for the BCE in item S2A10 (see section 6(3)(a) of the CIT Act); and

- the amounts entered in item S2B4 for all BCEs in the aggregate must be equal to the aggregate opening tax loss carryforward amount from item S2B1.

Item S2B5: The allocated opening tax loss carryforward amounts reported in item S2B5 shall be equal to:

- the amounts determined in item S2B3, to the extent that "Pro-rata" is selected in item S2B2; or

- the amounts entered in item S2B4, to the extent that "Pro-rata" is not selected in item S2B2.

Item S2B6: Enter the amount of any elective reduction made to the opening tax loss carryforward amounts allocated to the BCE pursuant to section 6(6) of the CIT Act as a positive value.

Item S2B7: Enter any other adjustments to the opening tax loss carryforward amount which are not addressed elsewhere in Section B. For example, this may include a decrease in the opening tax loss carryforward to the extent that the BCE leaves the In Scope MNE Group during the opening tax loss carryforward determination period (enter the decrease in the opening tax loss carryforward amount as a positive value in item S2B7).

Item S2B8: The portion of the aggregate opening tax loss carryforward amount allocated to a BCE should be entered in item S4D1 of the Standard CIT Return Schedules with respect to the BCE, to the extent that the Standard CIT Return Schedules are being prepared in support of the CIT Return for the fiscal year immediately succeeding the period described in section 6(4)(a) of the CIT Act.

4.3 Schedule 3: Net Taxable Income (Loss) for the First Preceding Fiscal Year

Schedule 3 includes information relevant to the determination of the taxable income (loss) of the In Scope MNE Group for the "first preceding" fiscal year included in the opening tax loss carryforward determination period.

For example, to the extent that the In Scope MNE Group first falls within the scope of the CIT Act for its fiscal year beginning January 1, 2025, the "first preceding" fiscal year shall be the fiscal year ended December 31, 2024.

4.3.1 Structure of this schedule

Schedule 3 consists of the following sections:

Section A	includes detailed information regarding the determination of FANIL for the first preceding fiscal year.
Section B	includes detailed information regarding the taxable adjustments and allocations determined pursuant to Parts 6 and 7 of the CIT Act as well as the determination of taxable income (loss) for the first preceding fiscal year.

Further information regarding each section is summarised in articles 4.3.2 and 4.3.3 below.

4.3.2 Section A: Computation of FANIL

Section A is required to be completed to provide information regarding the net income or loss of the BCE for the first preceding fiscal year, and any required or elective adjustments to such net income or loss which are included in the determination of FANIL.

Section A is divided into Part 1, which should be completed for Bermuda Tax Resident Entities, and Part 2, which should be completed for Bermuda Permanent Establishments. The name of each BCE in the In Scope MNE Group will appear in Part 1 or Part 2, as appropriate, based on the BCE classification entered in item S1B6.

Section A items should be entered as positive values to the extent that the relevant adjustment has the effect of increasing FANIL, and as negative values to the extent that the relevant adjustment has the effect of decreasing FANIL.

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

Item S3A2: To the extent that the Filing BCE has elected in item E12 to determine the net income (loss) of a BCE based on an approved financial accounting standard, the net income (loss) reported in item S3A2 must be the amount determined under the approved financial accounting standard, adjusted as follows:

- Amounts determined pursuant to the approved financial accounting standard must be adjusted to conform to the treatment of such amounts pursuant to the accounting standard used in the consolidated financial statements of the UPE, but only to the extent that permanent differences in excess of EUR 1 million arise between the approved financial accounting standard and the accounting standard used in the consolidated financial statements (see section 21(1)(b)(i) of the CIT Act).

- If the currency of the net income (loss) determined under the approved financial accounting standard differs from the currency used in the consolidated financial statements of the UPE, then the net income (loss) must be converted to the same currency used in the consolidated financial statements by applying the applicable provisions of the financial accounting standard used in the consolidated financial statements (see section 21(1)(b)(ii) of the CIT Act).

Item S3A3: To the extent that an election has been made pursuant to section 15A(4) of the CIT Act, the amount entered in item S3A3 should be adjusted for the effect of such election. The Filing BCE should also select in item S1B5 the reason why the BCE was only a member of the In Scope MNE Group for a portion of the fiscal year.

4.3.3 Section B: Computation of taxable income or loss

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

Certain taxable adjustments described in Part 6 of the CIT Act are listed separately in items S3B1 through S3B14. All other taxable adjustments described in Part 6 of the CIT Act should be entered in item S3B15. However, a taxable adjustment should only be entered in item S3B15 to the extent that the adjustment is not otherwise described in items S3B1 through S3B14.

See "s.37 - Transfer Pricing Adjustments" on page 62 of the Corporate Income Tax Frequently Asked Questions for Guidance for specific provisions related to the application of section 37(1) to (3) for the purposes of determining the opening tax loss carryforward amount.

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

Item S3B6: See "s.28 - Prior period errors and changes in accounting principles", Question 2 on page 41 of the Corporate Income Tax Frequently Asked Questions for Guidance for specific provisions related to the application of section 28 for the purposes of determining the opening tax loss carryforward amount. Where an opening equity adjustment relates to IFRS 17 or LDTI and no section 29(1) election has been made, see Question 3 on page 42 of the Corporate Income Tax Frequently Asked Questions for Guidance regarding the permitted safe-harbour methodology.

Items S3B20 and S3B21: See article 2.2.4 for additional information regarding certain foreign currency considerations, and the impact on items S3B20 and S3B21.

4.4 Schedules 4 through 7: Net Taxable Income (Loss) for Other Preceding Fiscal Years

Schedules 4 through 7 include information relevant to the determination of the taxable income (loss) of the In Scope MNE Group for the second, third, fourth, and fifth preceding fiscal years included in the opening tax loss carryforward determination period.

For example, to the extent that the In Scope MNE Group first falls within the scope of the CIT Act for its fiscal year beginning January 1, 2025:

- the "first preceding" fiscal year shall be the fiscal year ended December 31, 2024;
- the "second preceding" fiscal year shall be the fiscal year which ends immediately prior to the "first preceding" fiscal year;
- the "third preceding" fiscal year shall be the fiscal year which ends immediately prior to the "second preceding" fiscal year, and so on.

Unless the election has been made to not apply the economic transition adjustment provisions (see item E28) to the BCE, no amounts relating to a fiscal year (or any portion of a fiscal year) ending on or before September 30, 2023 should be entered in Schedules 4 though 7 or included in the determination of the opening tax loss carryforward amount (see section 6(4)(a) of the CIT Act). To the extent that data is entered for a fiscal year (or any portion of a fiscal year) ending on or before September 30, 2023, an error message may appear and the entry may be rejected.

The instructions for Schedule 3 (see article 4.3) apply to schedules 4 through 7, unless otherwise indicated.

4.5 Schedule 8: Elections – Additional Information

Schedule 8 includes additional information related to the application of certain elections which have the potential to apply to multiple entities or items (e.g. listing of specific entities subject to an election made pursuant to section 15(1) of the CIT Act).

Schedule 8 consists of five sections, each of which relates to a specific CIT election.

4.5.1 Section A: Fiscal transparency elections for non-BCEs

The Filing BCE is required to:

- enter the name of each entity for which an election pursuant to section 15(1) of the CIT Act is in effect for the opening tax loss carryforward determination period (see item E8); and

- select the type of election (i.e. election to regard the entity as fiscally transparent or not fiscally transparent).

Section A applies only to entities which are not BCE members of the BCEG. See items E15 and E16 for fiscal transparency elections related to BCE members of the BCEG.

4.5.2 Section B: Separate entity elections for non-Bermuda segregated account entities

To the extent that an election has been made pursuant to section 15(7) of the CIT Act (see item E6) to treat:

- a non-Bermuda segregated accounts company; or

- one or more of its segregated accounts (or equivalent),

as a separate entity for CIT purposes, the name of the non-Bermuda segregated accounts company and a description of the separate entity should be entered in Section B.

4.5.3 Section C: Aggregation elections for non-Bermuda segregated account entities

To the extent that an election has been made pursuant to section 15(7) of the CIT Act (see item E7) to treat a non-Bermuda incorporated segregated accounts company (or equivalent) as a single entity for CIT purposes, the name of the non-Bermuda company should be entered in Section C.

4.5.4 Section D: Branch exemption elections

To the extent that a branch exemption election has been made pursuant to section 22(2) of the CIT Act (see item E18) with respect to a non-Bermuda permanent establishment, the Filing BCE is required to include in Section D:

- the name of the BCE which is the main entity of the permanent establishment; and
- the jurisdiction in which the permanent establishment is located.

4.5.5 Section E: Realisation principle elections

The Filing BCE is required to:

- enter the name of each BCE for which an election pursuant to section 35(1) of the CIT Act is in effect for the opening tax loss carryforward determination period (see item E33) or a portion thereof (see item E33.1); and
- provide a description of the asset(s) or liability(s) for which the election has been made.

*****END*****

CORPORATE INCOME TAX AGENCY
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Form I-103: Instructions for preparation of the Opening Tax Loss Carryforward Schedules

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