CORPORATE INCOME TAX AGENCY
BERMUDA

Bermuda Corporate Income Tax Agency

Quarterly Update

June 2026

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Purpose, Vision, and Our Values

Purpose

- **Our Purpose -** together serving Bermuda, to collect corporate income taxes, fairly and effectively and manage Bermuda's international tax obligation.

Vision

- **Our Vision** - to be a leading corporate income tax administration, trusted by stakeholders domestically and internationally, providing a high-quality digital customer experience and a fulfilling workplace for our people.

Our Values

- **Curiosity & Responsibility,** we create an open environment to interact with each other, we encourage new ideas while taking the initiative to get things done;
- **Ownership & Integrity,** we trust in each other and trust ourselves, we focus on solutions and do what is right;
- **Teamwork & Appreciation,** we achieve our objectives by harnessing our collective strengths, seeking diverse perspectives and driving for disciplined execution.
- **Adaptability & Resilience,** we stay flexible and adjust quickly when priorities, timelines or information change, we maintain professionalism under pressure and learn from challenges to strengthen our performance.

Major Statutes

Five major statutes govern the Corporate Income Tax Agency and its operations and guide the actions of taxpayers and international tax compliance filers.

Major statutes governing the Corporate Income Tax:

- Corporate Income Tax Agency Act 2024
- Corporate Income Tax (Administrative) Regulations 2025
- Corporate Income Tax Act 2023
- Corporate Income Tax (Tax Refund Reserve Fund) Regulations 2025
- Tax Credits Act 2025

Major statutes governing the Exchange Compliance:

- International Cooperation (Tax Information Exchange Agreements) Act 2005
- International Cooperation (Tax Information Exchange Agreements) Common Reporting Standard Regulations 2017
- International Cooperation (Tax Information Exchange Agreements) Country-by-Country Reporting Regulations 2017
- Economic Substance Act 2018;

  Economic Substance Regulations 2018
- U.S.A. – Bermuda Tax Convention Act 1986
- U.S.A. – Bermuda (Country-by-Country Reporting) Regulations 2017

CIT Overview | Corporate Income Tax Agency Act 2024 Overview

Introduction to the Act:

The Corporate Income Tax Agency Act 2024 establishes Bermuda's statutory framework for the creation, operation, and oversight of the Corporate Income Tax Agency.

Its core objective is to effectively administer Bermuda's corporate income tax regime and international tax compliance regime in accordance with legal and policy requirements.

The Act details the Agency's structure, its powers, responsibilities, governance mechanisms, and interaction with other relevant authorities.

Establishment of the Agency:

Formation of the Agency:

The Act formally establishes the Corporate Income Tax Agency as a body corporate with perpetual succession, a common seal, and full legal capacity.

Autonomy and Accountability:

The Agency acts independently in technical matters, but is required to adhere to general and particular policy directions from the Minister of Finance.

Legal Status and Functions:

The Agency may enforce Bermuda's corporate income tax regime, including pursuing enforcement actions when necessary.

The Agency's Approach To Taxpayer Services

Fair and consistent treatment of taxpayers is essential for maintaining trust in the tax system and the Agency. The following principles guide the Agency's approach.

Information

Taxpayers should expect to receive clear, accurate, and timely information about their tax obligations and entitlements. The Agency will publish Regulations, Guidance, and commentary when a need is determined by the Agency

Fair treatment

the Agency will endeavor to treat taxpayers fairly, impartially, and with respect by all Agency personnel. The Agency will provide equitable treatment without discrimination or bias

Privacy and confidentiality

Taxpayers have the right to privacy and protection of their confidential information. The Agency will safeguard taxpayer information and only use data for purposes authorized by Bermuda law

Representation

Taxpayers have the right to be represented by a qualified professional or authorised representative in their dealings with the Agency. The Agency will recognise and communicate with authorised representatives as directed by the taxpayer

Right to appeal

Taxpayers have the right to appeal the Agency's decisions, assessments, and actions as set in applicable laws

Timely service

Taxpayers should expect timely responses and services from the Agency

Taxpayer Obligations

Taxpayers have specific obligations for compliance with tax laws and regulations. The Taxpayer Rights and Obligations Charter will be placed on the website.

Obligation to comply with tax laws and regulations	Taxpayers are obligated to comply with all applicable tax laws and regulations, verifying that their registration, tax declarations and other filings are accurate, complete and submitted on time;
Obligation to maintain records	Taxpayers must maintain accurate and complete records of their financial transactions and tax-related information for a minimum of five years after the applicable information has been included in the filing of a declaration and make them available to the Agency upon request;
Obligation to pay taxes	Taxpayers are obligated to pay their taxes in full and on time, complying with payment deadlines;
Obligation to report changes	Taxpayers must report any changes in their circumstances that may affect their identification or tax liability; and
Obligation to cooperate with CITA	Taxpayers should cooperate with the Agency during audits, enquiries, assessments and other tax administration activities, providing accurate and timely information as requested.

Website Update

Legislation

Consultations

Deadlines

Forms

Information and Updates

04 Legislative Updates

Legislative Updates

CITA Launches Public Consultation on the Corporate Income Tax Act and Tax Credits Act Proposed Amendments – June 2026 – Closed - https://www.cita.bm//assets/images/files/Public%20Consultation%20-%20CIT%20Amend%20and%20TCA%20-%20June%202026.pdf –

5 June 2026 to 22 June 2026

CIT Amendments

- Section 2 – Five-Year Elections
- Section 6 – Opening Tax Loss Carryfoward
- Section 15 – fiscally transparency elections for segregated accounts companies
- Section 21 – Mismatch in reporting periods
- Section 27 – Adjustment on disposal of interests in fiscally transparent entities
- Sections 46B, 46D, 46F – Clarifications to calculations of penalties
- Section 49 – Conforming changes to five-year elections

TCA Amendments

- Section 16 – Calculation of number of eligible employees
- Section 18 – Calculation of growth factor
- Section 20 – Calculation of expense-based benefit factor
- Sections 22 through 27 – Tax credit carryforwards
- Section 33 – Corporate restructuring rules
- Section 35 – Accrual of tax credit benefits against Tax Refund Reserve Fund

Legislative Updates

CITA Launches Public Consultation on the Corporate Income Tax (Administrative) Regulations 2025 and on the introduction of regulations to the Tax Credits Act 2025 – Closed - https://www.cita.bm/assets/official_documents/13MAY2026_CIT_Tax_Credits.pdf - 13 May 2026 to 3 June 2026

CIT Admin Regs
- Regulation 10
- Regulation 10A – Form 001
- Regulation 11 – Account Verification, Rounding and Small Balances
- Regulation 12 – Short Years
- Regulations 13 and 14 – Instalments calculated using an approved financial accounting standard
- Regulations 15, 16, 18 and 19 – Allocation of payments, Underpayments and Underpayment Interest
- Regulations 20, 21 and 22 – Overpayment refunds and interest

TCA Regs
- Part 1 – Preliminary
- Part 2 – Registration and General Administration
    - Regulation 3 reiterates the Agency's role in administering tax credits and provides that the Agency may access payroll tax returns to assist in the review process.
    - Regulations 4 and 5 are standard provisions that enable administration through electronic media.
    - Regulation 6 imposes a duty of confidentiality on the Agency in respect of tax credit administration and prescribes a default role as to which individuals within an organization the Agency would normally communicate with, as well as providing organizations with the ability to authorize individuals for the purposes of administering a tax credit claim.
    - Regulation 7 imposes a positive duty on any tax credit claimants to register with the Agency's online portal in order to file a tax credit claim.
    - Regulation 8 empowers the Agency to prescribe the form of registration for tax credits and includes a "grandfathering" provision whereby those already registered for corporate income tax on the Agency's online portal will not need to complete a separate registration for tax credits.
    - Regulation 9 states the Agency's power to apply the TCA to determine whether or not a group qualifies for a relevant tax credit.
    - Regulation 10 provides for the cancellation of a group's tax credit registration.
    - Regulation 11 provides that a group must designate a single entity as the responsible filing entity when making a tax credit claim, contains a default rule where a group fails to do this and (similar to Regulation 8) provides that an entity designated for filing under the 8 corporate income tax regime will automatically be designated as the filing entity for tax credits where the group membership is identical.

Legislative Updates

CITA Launches Public Consultation on the Corporate Income Tax (Administrative) Regulations 2025 and on the introduction of regulations to the Tax Credits Act 2025 – Closed – cont...

<u>TCA Regs</u>

- Part 3 – Payment of Tax Credit Benefits
    - Regulation 12 states that it is ultimately the Agency that determines the amount of tax credit benefit.
    - Regulation 13 contains the rules for the payment of distributable tax credit benefits, including the conditions that a group will need to satisfy and the payment timeframe for a cash payment of tax credit benefits. The Regulation also requires groups to pay-back any cash payment of tax credit benefits where the amount of tax credit benefits are subsequently adjusted following initial payment (whether due to amendment or audit of a claim).
    - Regulation 14 states that interest shall be charged in respect of overstated amounts on a tax credit benefit claim at the amount of 4% above the one-year U.S. dollar risk free spot rate published by the Bermuda Monetary Authority (which is the same rate as is charged on underpayments of tax). The regulation also states that no interest shall accrue for so long as tax credit benefits remain unpaid.

- Part 4 – Tax Credit Claim Forms
    - Regulation 15 states the positive requirement to file a tax credit claim form in order for any award of tax credits to be made. The Regulation also states the due date for filing which is the end of the tenth month following the end of the fiscal year to which such tax credit claim form relates (i.e. October 31 of the following year for those with December 31 year ends).
    - Regulation 16 provides a claimant with the ability to amend a previously filed claim form, as well as specifying the consequences for the calculation of the level of tax credit benefits where such amendment results in an adjustment to the amount of benefits claimed.
    - Regulation 17 allows the Agency to make certain unilateral amendments to a tax credit claim form in cases of obvious errors or omissions (subject to the claimant confirming that they 9 accept the proposed amendment).
    - Regulation 18 imposes a requirement on claimants to retain appropriate documentation to support their claim for tax credit benefits.

Legislative Updates

CITA Launches Public Consultation on the Corporate Income Tax (Administrative) Regulations 2025 and on the introduction of regulations to the Tax Credits Act 2025 – Closed - cont…

TCA Regs

- Part 5 – Enquires and Assessments
  - Regulation 19 establishes the timeframes for the Agency conducting an enquiry or assessment of a tax credit claim filing. Generally, fiscal years are closed and not subject to enquiry or assessment after the fourth anniversary of the relevant filing.
  - Regulations 20 and 21 set out the procedure to be used by the Agency in respect of official enquiries.
  - Regulation 22 sets out the Agency's power to assess a tax credit claim and the circumstances in which the Agency would exercise such power.
  - Regulation 23 sets out the procedure to be used by the Agency in making an assessment, and includes the ability for a claimant subject to assessment to make representations to the Agency.
  - Regulations 24 and 25 are rules of civil procedure that provide the Agency with the ability to recover payments of tax credits in the Courts of Bermuda as a debt erroneously disbursed.

- Part 6 – Foreign Exchange and Miscellaneous Provisions
  - Regulation 26 contains the rules for translating non-USD expenditure into USD for the purposes of submitting a tax credit claim.
  - Regulation 27 aims to provide further clarity on the application of sections 12 and 19 of the TCA in determining what constitutes an "eligible training activity".
  - Regulation 28 aims to provide further clarity on determining what the "Bermuda service element" for expenditure in respect of services that may be performed either wholly or 10 partly in Bermuda. The regulation proposes several different methodologies that may be applied depending upon the type of service.
  - Regulation 29 provides that, subject to obtaining a statutory declaration from the charity in question, certain charitable contributions may automatically be treated as qualifying as eligible charitable expenses for the purposes of claiming a tax credit.

Legislative Updates - Coming Soon

- Standard CIT return schedules
- Simplified CIT return schedules for qualified de minimis filers
- TCB return schedules
- Opening tax loss carryforward schedules
- Creditable foreign tax allocation schedules

CIT and TCB - Filing and Payment Deadlines

Corporate Income Tax & Tax Credit Benefits - Filing & Payment Deadlines

Year of Assessment	Fiscal Year End	Fiscal Period	Instalment 1 due date	Form 001 due date (Instalment 1)	Instalment 2 due date	Form 001 due date (Instalment 2)	Corporate Income Tax Return Filing & Final Tax Payment due date	Tax Credit Benefits Return Filing due date
2025	31-Dec-25	1 Jan 2025 – 31 Dec 2025	2-Sep-25	2-Feb-26	15-Dec-25	2-Feb-26	2-Nov-26	2-Nov-26
2026	31-Jan-26	1 Feb 2025 – 31 Jan 2026	30-Sep-25	2-Feb-26	15-Jan-26	2-Feb-26	30-Nov-26	30-Nov-26
2026	28-Feb-26	1 Mar 2025 - 28 Feb 2026	31-Oct-25	2-Feb-26	16-Feb-26	16-Feb-26	31-Dec-26	31-Dec-26
2026	31-Mar-26	1 Apr 2025 – 31 Mar 2026	1-Dec-25	2-Feb-26	16-Mar-26	16-Mar-26	1-Feb-27	1-Feb-27
2026	30-Apr-26	1 May 2025 - 30 Apr 2026	2-Jan-26	2-Feb-26	15-Apr-26	15-Apr-26	1-Mar-27	1-Mar-27
2026	31-May-26	1 Jun 2025 – 31 May 2026	2-Feb-26	2-Feb-26	15-May-26	15-May-26	31-Mar-27	31-Mar-27

CIT and TCB - Filing and Payment Deadlines

Year of Assessment	Fiscal Year End	Fiscal Period	Instalment 1 due date	Form 001 due date (Instalment 1)	Instalment 2 due date	Form 001 due date (Instalment 2)	Corporate Income Tax Return Filing & Final Tax Payment due date	Tax Credit Benefits Return Filing due date
2026	30-Jun-26	1 Jul 2025 – 30 Jun 2026	2-Mar-26	2-Mar-26	16-Jun-26	16-Jun-26	30-Apr-27	30-Apr-27
2026	31-Jul-26	1 Aug 2025 - 31 Jul 2026	31-Mar-26	31-Mar-26	15-Jul-26	15-Jul-26	31-May-27	31-May-27
2026	31-Aug-26	1 Sept 2025 - 31 Aug 2026	30-Apr-26	30-Apr-26	17-Aug-26	17-Aug-26	30-Jun-27	30-Jun-27
2026	30-Sep-26	1 Oct 2025 – 30 Sep 2026	1-Jun-26	1-Jun-26	15-Sep-26	15-Sep-26	2-Aug-27	2-Aug-27
2026	31-Oct-26	1 Nov 2025 - 31 Oct 2026	30-Jun-26	30-Jun-26	15-Oct-26	15-Oct-26	31-Aug-27	31-Aug-27
2026	30-Nov-26	1 Dec 2025 - 30 Nov 2026	3-Aug-26	3-Aug-26	16-Nov-26	16-Nov-26	30-Sep-27	30-Sep-27
2026	31-Dec-26	1 Jan 2026 – 31 Dec 2026	31-Aug-26	31-Aug-26	15-Dec-26	15-Dec-26	1-Nov-27	1-Nov-27

Last published date: 5 June 2026

06 International Tax Compliance Overview

Tax Transparency workstreams

Current

- Exchange of Information Request (EOIR)
- Common Reporting Standards (CRS)
- Foreign Account Tax Compliance Act (FATCA)
- Economic Substance (ES)
- Country by Country Reporting (CbCr)

Upcoming

- Crypto Asset Reporting Framework (CARF)
- Common Reporting Standard (CRS) 2.0

Exchange of Information Request (EOIR)

Competent Authority effective March 13, 2026.

Requests for information

New Approach: Information requests

Encouraging voluntary compliance

Stakeholder Dialogue

Common Reporting Standard (CRS)

New dedicated mailbox – exchangesupport@cita.bm

No change to the reporting timelines or system access.

Ongoing Annual Compliance Activities

Policing the Perimeter

Encouraging voluntary compliance

exchangesupport@cita.bm

Foreign Account Tax Compliance Act (FATCA)

Business as usual: FATCA data continues to be reported directly to the US Internal Revenue Service

Ongoing Compliance Activity

Economic Substance (ES)

New dedicated mailbox – essupport@cita.bm

No change to the reporting timelines or system access.

2026 ES Amendment

Ongoing Annual Compliance Activities

Country by Country Reporting (CbCr)

New dedicated mailbox – exchangesupport@cita.bm

No change to the reporting timelines or system access.

Ongoing Annual Compliance Activities

Crypto Asset Reporting Framework (CARF)

New tax transparency framework – proposed effective year is 2027

CARF provides visibility into the transactions of crypto asset users. CARF requires reporting crypto asset service providers (RCASPs) to collect information in relation to in-scope transactions, on an annual basis.

Legal and administrative framework

Next Steps: Stakeholder Engagement

Common Reporting Standard 2.0 (CRS)

Amendments to the existing Common Reporting Standard - Effective year is 2027

The nature of the amendments include:

- The scope of the CRS has been expanded to include specific electronic money products and central bank digital currencies.
- Amendments have been made to strengthen the due diligence.
- Expanded data points for reporting.

International Exchanges - Filing Deadlines

[Exchange of Information - Filing & Payment Deadlines]

Exchange of Information Filing	Due Dates
Common Reporting Standard Report	May 31
Common Reporting Standard Compliance Questionnaire	September 30
Economic Substance	Six months after the last day of the relevant financial period.
Country-by-Country Reporting	Twelve months after the last day of the reporting fiscal year of the MNE Group.

Last published date: 5 June 2026

Contact Us

- Registration / Amend Group Management – CITA Online / Support@cita.bm
- Dedicated mailbox for CRS and CbCr – exchangesupport@cita.bm
- Dedicated mailbox for ES – essupport@cita.bm