



BERMUDA

TAX CREDITS (ADMINISTRATIVE) REGULATIONS 2026

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The Minister of Finance, in exercise of the powers conferred by section 42 of the Tax Credits Act 2025 makes the following Regulations:

PART 1 PRELIMINARY

Citation

- 1 These Regulations may be cited as the Tax Credits (Administrative) Regulations 2026.

Interpretation

- 2 (1) In these Regulations, unless the context otherwise requires—
 - “Act” means Tax Credits Act 2025;
 - “adjusted tax payments” has the meaning given to that term in section 46B of the CIT Act;
 - “CIT Act” means the Corporate Income Tax Act 2023;
 - “electronic record” has the meaning given in section 2 of the Electronic Transactions Act 1999 and includes any electronic code or device necessary to decrypt or interpret the electronic record;

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“electronic signature” has the meaning given in section 2 of the Electronic Transactions Act 1999;

“enquiry” means a written request from the Agency to provide clarification, and if necessary supporting documentation, in respect of a tax credit claim form or anything required to be contained in a tax credit claim form;

“original due date” shall, for any given fiscal year, refer to the date specified in regulation 15 (2) for such fiscal year;

“payroll tax” means the tax established pursuant to section 3 of the Payroll Tax Act 1995;

“prescribe” means in the form, or in compliance with any other requirements, specified by the Agency on its official website (or through a filing portal administered by the Agency) located at the website: www.cita.bm;

(2) References in these Regulations to a “tax credit claim form” shall be to the form prescribed as such by the Agency pursuant to these Regulations.

PART 2

GENERAL ADMINISTRATION

Agency to administer tax credits

3 (1) Pursuant to section 4 of the Agency Act, the Agency shall be responsible for calculating and administering the application, award and refund of any tax credits as provided for under the Act, including in respect of any entities that are not Bermuda Constituent Entities.

(2) In connection with the administration of any tax credit or tax credit benefit, the Agency shall be authorised to obtain any information regarding payroll tax from the Commissioner or his office.

(3) The information supplied to the Agency under this regulation shall be subject to the same obligations regarding secrecy as are applied under section 4 of the Taxes Management Act 1976.

(4) In this section “Commissioner” has the same meaning as given to that term in the Miscellaneous Taxes Act 1976.

Use of electronic records and date convention

4 (1) Where there is a requirement in the Act or in any statutory instrument made under the Act (including these Regulations) for a person to file or provide any document or for the Agency to issue or provide any certificate or other document, it shall be made by means of an electronic record, except where paragraph (3) applies.

(2) For the purposes of paragraph (1), “to file”, “to provide” and “to issue” includes to send, forward, give, deliver, provide, deposit, furnish, issue, leave at, serve, submit, circulate, lay, make available or lodge.

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(3) The Agency may accept or issue any document in a form other than an electronic form.

(4) Where a date is specified as a deadline or due date in the Act, or in any statutory instrument made under the Act (including these Regulations), or in any notice delivered by the Agency pursuant to any of the foregoing, and in a given year such date does not fall on a business day in Bermuda, then the relevant deadline or due date shall be deemed to fall on the first business day in Bermuda following the date that would otherwise apply but for this paragraph.

Form of electronic records

5 The Agency shall prescribe the form of any electronic record to apply to any form, return or certificate that is required to be filed with or issued by the Agency.

Confidentiality and communications

6 (1) Any electronic record maintained by the Agency shall, be treated as confidential as provided in section 20 of the Agency Act.

(2) The Agency shall ensure that there are appropriate safeguards in place to ensure the security of any electronic records.

(3) In respect of any claims for tax credits by a Qualifying Bermuda Group Entity, the Agency shall only communicate with—

- (a) the directors and officers of the Qualifying Bermuda Group Entity; or
- (b) any other person (which need not be a director, officer or employee of the Qualifying Bermuda Group Entity) designated by the Filing Qualifying Bermuda Group Entity on behalf of the Qualifying Bermuda Group Entity (on such form and in such manner as may be prescribed by the Agency) as authorised to receive communications from the Agency and to communicate with the Agency on its behalf.

(4) In communicating with any person authorised to receive communications (including in respect of enquiries and assessments pursuant to these Regulations), the Agency shall be entitled to regard any contact details supplied as current and valid unless notified otherwise.

PART 3

REGISTRATION

Requirement to register for tax credits

7 (1) Subject to regulation 8, registration with the Agency shall be required in order for a Qualifying Bermuda Group Entity to receive or apply (as the case may be) its distributable tax credit benefit for a fiscal year in accordance with section 4 of the Act, provided that—

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- (a) a Bermuda Constituent Entity may calculate any instalment payments required under the Corporate Income Tax (Administrative) Regulations 2025 as if its distributable tax credit benefits applied as set out in such Regulations regardless of whether or not it has registered to receive or apply tax credits pursuant to this regulation;
 - (b) a Qualifying Bermuda Group NBCE's registration shall be completed pursuant to this regulation by no later than 30 days prior to the original due date for a tax credit claim form in respect of a fiscal year,
- (2) Subject to regulation (8), the Agency may extend or vary any time period or deadline for registration as it may determine.
- (3) Once completed, registration pursuant to this regulation shall not be required for subsequent fiscal years, provided that the Agency may prescribe from time to time such information relating to a Qualifying Bermuda Group Entity's registration that shall be updated following a change thereto, and in respect of any information so specified, the requirement to register pursuant to paragraph (1) shall include an obligation to update any registration within 90 days of a change to such information.
- (4) A failure to provide any update as required by paragraph (2) shall be treated as a failure to register in respect of any future filings or claims subsequent to the prescribed update.

Form of registration

- 8 (1) The form and manner of registration shall be prescribed by the Agency.
- (2) Notwithstanding paragraph (1), unless otherwise notified by the Agency, a Qualifying Bermuda Group BCE who is registered under regulation 6(1) of the Corporate Income Tax (Administrative) Regulations 2025 shall be treated as registered under regulation 7 for the purposes of these Regulations.
- (3) Notwithstanding paragraph (2), a Qualifying Bermuda Group Entity may voluntarily submit to the Agency at any time an amendment to any details previously submitted in connection with its registration.
- (4) In addition to the registration of a Qualifying Bermuda Group Entity, the Agency may accept the registration of any organisation or person that is not a Qualifying Bermuda Group Entity (in a form as the Agency may prescribe) for the purpose of allowing the organisation or person to act as an authorised representative of a Qualifying Bermuda Group Entity.
- (5) The Agency may, where any organisation or person completes a prescribed registration, issue a unique identifier that relates only to that organisation or person.
- (6) The Agency may refuse to register an organisation or person (or may revoke an existing registration) where the organisation or person is not a Qualifying Bermuda Group Entity and the Agency considers that the organisation or person is seeking to access the Agency's filing portal for a purpose other than the administration or filing of any tax credit claim.

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Determination of eligibility

9 (1) The Agency may determine by reference to application of the provisions of the Act whether or not—

- (a) a Bermuda Group is a Qualifying Bermuda Group; and
- (b) a Bermuda Entity is a Qualifying Bermuda Group Entity.

(2) The Agency may exercise its power pursuant to paragraph (1) either in connection with an enquiry or assessment under Part 6, or pursuant to a standalone request to determine eligibility which shall be submitted in such form and manner as the Agency may prescribe.

(3) Subject to paragraph (4), a determination of eligibility shall not be a prerequisite to registration or filing a tax credit claim form.

(4) A registration under regulation 7 or 8 or the submission of a tax credit benefit claim form under regulations 15, 16 or 17 shall not constitute a determination of eligibility by the Agency or create any presumption in favour of eligibility for tax credit benefits.

Cancellation of registration

10 (1) An entity may submit a request to cancel its registration in a form and manner as shall be prescribed by the Agency.

(2) Notwithstanding a request for cancellation under paragraph (1), the Agency shall not cancel the registration of a Qualifying Bermuda Group Entity if the Agency is satisfied that the cancellation would impair or prejudice the administration or payment of any tax credits or tax credit benefits.

Filing Qualifying Bermuda Group Entity

11 (1) A Qualifying Bermuda Group shall, subject to this regulation, designate its Filing Qualifying Bermuda Group Entity (which shall be a member of the Qualifying Bermuda Group) in a form and manner as shall be prescribed by the Agency.

(2) Where a Qualifying Bermuda Group consists of only one Bermuda Entity, such Bermuda Entity shall be automatically designated as the Filing Qualifying Bermuda Group Entity for that Qualifying Bermuda Group.

(3) Unless otherwise designated by the Qualifying Bermuda Group, where a Qualifying Bermuda Group's membership is identical to the membership of the corresponding Bermuda Constituent Entity Group (in so far as the Qualifying Bermuda Group consists of the same Qualifying Bermuda Group BCEs as comprise the Bermuda Constituent Entity Group) then the Filing Qualifying Bermuda Group Entity shall automatically be designated as the same entity as the Filing Bermuda Constituent Entity for the relevant Bermuda Constituent Entity Group.

(4) Where a Qualifying Bermuda Group fails to designate a Filing Qualifying Bermuda Group Entity on or before the original due date for the filing of its tax credit claim form, and paragraph (2) or (3) does not apply, then the Agency shall designate a

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member of the Qualifying Bermuda Group as the Filing Qualifying Bermuda Group Entity as it sees fit and shall notify the Qualifying Bermuda Group of the same.

(5) Once a Qualifying Bermuda Group Entity is designated as a Filing Qualifying Bermuda Group Entity, the designation shall apply for the fiscal year in which it is made and all subsequent fiscal years, unless and until the designation is modified or revoked by the Filing Qualifying Bermuda Group Entity with the approval of the Agency.

PART 4

PAYMENT OF TAX CREDIT BENEFITS

Agency determination of benefit amount

12 (1) Notwithstanding any amounts shown or stated in a tax credit claim form, the tax credit benefit for a Qualifying Bermuda Group Entity shall be as finally determined by the Agency by the application of the Act and any related Regulations, including, if necessary, in accordance with any assessment issued by the Agency pursuant to Part 6 of these Regulations.

(2) The Agency's power to finally determine the amount of a tax credit benefit pursuant to paragraph (1) shall extend to finally determining the amount of any component used in calculating a tax credit benefit including, without limitation, any accrued substance-based tax credit benefit, any distributable substance-based tax credit benefit, any community development tax credit benefit, or any utilities infrastructure tax credit benefit or any combination of the foregoing.

(3) Subject to regulations 13 and 14 of the Corporate Income Tax (Administrative) Regulations 2025 related to the computation of required tax instalments, no tax credit benefits shall be admitted or allowed for a fiscal year until a corresponding tax credit claim form has been filed in accordance with these Regulations.

Manner of payment

13 (1) Where a Qualifying Bermuda Group Entity has a distributable tax credit benefit in respect of a fiscal year then—

- (a) for Qualifying Bermuda Group BCEs, a distributable tax credit benefit (including as adjusted following any amendment to a tax credit claim form or any assessment pursuant to these Regulations) shall be included in the computation of the adjusted tax payments; and
- (b) for Qualifying Bermuda Group NBCEs, the distributable tax credit benefit in respect of the fiscal year shall, subject to these Regulations, be paid to the Filing Qualifying Bermuda Group Entity.

(2) Any payment pursuant to paragraph (1)(b) shall—

- (a) be made to such account as the Filing Qualifying Bermuda Group Entity shall notify to the Agency in the form the Agency shall prescribe, subject to any requirements imposed by the Agency to verify the existence of the account and the identity of the account owner;

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- (b) subject to paragraph (3), be made within the six-month period following the later of—
 - (i) the original due date of the tax credit claim form for the fiscal year, to the extent that the payment arises with respect to an original or amended tax credit claim form filed on or before the original due date; or
 - (ii) the date on which the relevant tax credit claim form is filed, to the extent that the payment arises with respect to an original or amended tax credit claim form filed after the original due date of the tax credit claim form for the fiscal year.
- (3) The six-month period specified in paragraph (2)(b) with respect to a fiscal year shall be extended, to where the Agency has—
 - (a) made an amendment to the tax credit claim form pursuant to regulation 17 for the fiscal year, by 90 days; and
 - (b) raised an assessment or enquiry in respect of the tax credit claim form for the fiscal year, by the number of days in the period during which the assessment or enquiry remains open.
- (4) Where the distributable tax credit benefit claimed with respect to a Qualifying Bermuda Group NBCE for a fiscal year—
 - (a) is paid to the Filing Qualifying Bermuda Group Entity; and
 - (b) is subsequently determined to have been overstated, such that the amount of the payment specified in subparagraph (a) was overstated,the Filing Qualifying Bermuda Group Entity shall be required to repay the amount of the overstated payment within 30 days.
- (5) Any distributable tax credit benefits shall be rounded to the nearest cent, with amounts ending in five rounded up to the nearest cent.
- (6) Notwithstanding any other provisions of these Regulations or the Act, to the extent that the amount of the required repayment determined in accordance with paragraph (4) is less than \$1, such amount shall be nil.
- (7) Notwithstanding the provisions of this regulation—
 - (a) an inclusion pursuant to paragraph (1)(a) shall not be permitted in respect of periods after which the Qualifying Bermuda Group BCE ceased to be a Bermuda entity; or
 - (b) a payment pursuant to paragraph (1) (b) shall not be made if, on the payment date, the Qualifying Bermuda Group NBCE to which the payment relates has ceased to be a Bermuda entity.

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Interest charges in respect of distributable tax credit benefit

14 (1) Subject to paragraph (6) and (8), interest shall be chargeable to the Filing Qualifying Bermuda Group Entity with respect to any required repayment, as determined pursuant to regulation 13, for the repayment period determined in accordance with paragraph (2) at the interest rate determined in accordance with paragraph (3).

(2) The repayment period shall be the period—

- (a) beginning on the day succeeding the date on which the payment described in regulation 13(4)(a) is made to the Filing Qualifying Bermuda Group Entity; and
- (b) ending on the day on which the repayment is credited to an account designated by the Agency for the deposit of the repayment.

(3) The interest rate shall—

- (a) for any calendar year, be fixed at the start of the calendar year, commencing in 2025, as the sum of—
 - (i) 4% per annum; and
 - (ii) the one-year U.S. dollar risk free spot rate published by the Bermuda Monetary Authority with respect to the calendar quarter immediately preceding the start of the calendar year rounded to the nearest 0.5%;

(b) be compounded daily.

(4) Where notice and demand is made by the Agency for payment of the required repayment, interest shall not be imposed under this regulation for the period after the date of the notice and demand where the payment is made within 21 days after the date on which the notice and demand was made.

(5) Notwithstanding paragraph (4), the Agency shall have no obligation to issue a notice and demand under paragraph (4).

(6) Notwithstanding paragraph (1), the Agency shall, subject to the existence of such circumstances as it may prescribe, have the power to waive all or part of any interest chargeable on any required repayment.

(7) Interest specified under this Regulation shall be paid upon notice and demand, and shall be assessed, collected, and paid in the same manner as a required repayment.

(8) Each member of the Qualifying Bermuda Group shall be jointly and severally liable for interest charged to the Filing Qualifying Bermuda Group Entity under this regulation.

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PART 5

TAX CREDIT CLAIM FORMS

Requirement to file and due date for tax credit claim form

15 (1) A Qualifying Bermuda Group Entity member of a Qualifying Bermuda Group shall only be eligible to claim a tax credit benefit for a fiscal year to the extent that the Filing Qualifying Bermuda Group Entity of the Qualifying Bermuda Group files a tax credit claim form with the Agency for the fiscal year.

(2) The original due date for the filing of the tax credit claim form required by paragraph (1) shall be the end of the tenth month following the end of the fiscal year (as determined without regard to section 33 of the Act to which the tax credit claim form relates.

(3) A tax credit claim form shall include a declaration by the person submitting the tax credit claim form to the effect that—

- (a) such person is duly authorised to sign the tax credit claim form on behalf of the Filing Qualifying Bermuda Group Entity and that the Filing Qualifying Bermuda Group Entity is duly authorised to deliver the tax credit claim form on behalf of the Qualifying Bermuda Group Entities to which the tax credit claim form relates; and
- (b) the tax credit claim form is to the best of their knowledge and belief correct and complete.

(4) The Agency may accept electronic signatures on any tax credit claim form.

Amendment to tax credit claim form

16 (1) A Filing Qualifying Bermuda Group Entity may amend any previously filed tax credit claim form by notice to the Agency on the prescribed form.

(2) An amendment under this regulation may not be made after the date falling 3 years after the original due date.

(3) An amendment may be made after the time lines specified in paragraph (2) where—

- (a) it is made during or as a consequence or condition of any enquiry, and the Agency consents to an amendment being made; or
- (b) the Agency, at the request of the Filing Qualifying Bermuda Group Entity, agrees to extend the time period specified in paragraph (2).

(4) The late filing adjustment factor specified by section 36 of the Act shall not apply in respect of an amendment giving rise to a change in the amount of a tax credit benefit, if both the amendment and the original filing to which the amendment relates, have been made—

- (a) in good faith; and

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(b) in the absence of any—

(i) negligence; or

(ii) careless, reckless or intentional disregard of the provisions of the Act (or any related Regulations).

(5) Where paragraph (4) does not apply, the date the amended tax credit claim form is filed shall be treated as the filing date for the relevant fiscal year in determining if the late filing adjustment factor specified by section 36 of the Act applies.

(6) Any decrease in a distributable tax credit benefit as between the amount stated on the original filed tax credit claim form and such amount as revised due to any amendment shall be treated as an overstatement for the purposes of regulation 13(4)(b).

Amendments to correct errors on tax credit claim form by Agency

17 (1) The Agency may amend a tax credit claim form to correct obvious errors or omissions in the tax credit claim form.

(2) Where the Agency exercises its power under paragraph (1), the Agency shall give notice of the same to the Filing Qualifying Bermuda Group Entity.

(3) An amendment under this regulation is deemed made by the Filing Qualifying Bermuda Group Entity.

(4) The Agency shall not make an amendment under paragraph (1), more than 3 years, after the date on which a tax credit claim form was filed.

(5) Where the Agency makes an amendment under paragraph (1) it shall be of no effect if the Filing Qualifying Bermuda Group Entity gives notice rejecting the amendment.

(6) A Filing Qualifying Bermuda Group Entity who wishes to give notice of their rejection of an amendment under paragraph (1) shall give notice no later than 90 days after the date of the notice of the amendment given by the Agency.

(7) Regulations 16 (4) to (6) shall apply to this regulation with the necessary modifications.

(8) For the purposes of this regulation, the Minister may, pursuant to section 42 of the Act, issue guidance on what constitutes an obvious error.

Document retention

18 (1) A Qualifying Bermuda Group Entity shall be required to keep books and records sufficient to establish the items and matters shown in any tax credit claim form.

(2) The requirement pursuant to paragraph (1) shall expire in respect of any item included in a tax credit claim form on the fifth anniversary of the filing of the tax credit claim form.

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(3) The Agency may require the production of any documents required to be kept pursuant to this regulation in connection with any assessment conducted pursuant to Part 6 of these Regulations.

(4) Where the time period for any assessment has been extended by agreement with the Agency and the Filing Qualifying Bermuda Group Entity pursuant to regulation 19, and the time period for the assessment now extends beyond the date stated in paragraph (2), then, notwithstanding paragraph (2), the document retention requirements of paragraph (1) shall continue until the date falling one year after the end of the time period for the assessment as so extended.

PART 6

ENQUIRIES AND ASSESSMENTS

Timing for enquiries and assessments

19 (1) Subject to this regulation, an enquiry or assessment under this Part shall be in respect of a fiscal year and shall be closed (in the case of an enquiry) or issued (in the case of a notice of proposed assessment) by the later of—

- (a) the fourth anniversary of the original due date for the tax credit claim form for the fiscal year, to the extent that a tax credit claim form for the fiscal year was filed on or before the due date; or
- (b) the fourth anniversary of the date on which a tax credit claim form is filed for the fiscal year, to the extent the tax credit claim form is filed after the original due date for the fiscal year.

(2) The time periods specified under paragraph (1) may be extended by agreement between the Agency and the Filing Qualifying Bermuda Group Entity for the Qualifying Bermuda Group to which the enquiry or assessment relates.

(3) Subject to the application of paragraph (2), the filing of an amended tax credit claim form shall not alter the time periods specified in paragraph (1).

(4) The time periods specified under the paragraph (1) shall not apply, and an enquiry or assessment shall not be time limited in any respects in cases of fraud or intentional misstatement.

Notice of enquiry

20 (1) The Agency may issue a notice of enquiry in respect of any tax credit claim form.

(2) An item on a tax credit claim form which has been the subject of one notice of enquiry may not be the subject of another, except one given in consequence of—

- (a) an amendment (or an amendment to an amended form) of a tax credit claim form; or
- (b) a change in law or guidance.

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(3) A notice of enquiry may extend (but is not limited) to anything contained in a tax credit claim form, or required to be contained in a tax credit claim form, including any claim or election.

(4) The Agency may amend a notice of enquiry where there are—

- (a) errors or omissions; or
- (b) facts or circumstances which become known to the Agency following the date of the original notice of the enquiry (whether through the filing of an amended tax credit claim form or otherwise).

(5) Nothing in these Regulations shall be taken to authorise the Agency to exercise powers with respect to an enquiry beyond those contained in the Agency Act.

Closure of enquiry

21 (1) The Agency shall issue—

- (a) a notice of partial closure of enquiry upon being satisfied that part only of the notice of enquiry has been (or will be according to any conditions specified in the notice) addressed to its reasonable satisfaction; and
- (b) a notice of final closure of enquiry upon being satisfied that all of the notice of enquiry has been (or will be according to any conditions specified in the notice) addressed to its reasonable satisfaction.

(2) Any notice issued pursuant to paragraph (1) may require, as a condition to closure of the enquiry the taking of such actions as the Agency may require.

Assessments

22 (1) The Agency may cause an assessment as to the correct amount of any tax credit benefit where—

- (a) it appears to the Agency that any tax credit claim form furnished by a Filing Qualifying Bermuda Group Entity is materially incomplete (whether as a consequence of an inquiry or otherwise); or
- (b) the Agency, acting reasonably, concludes that the tax credit claim form does not accurately state the amount of any tax credit benefit.

(2) An assessment shall not affect the incurrence of any interest chargeable under regulation 14.

(3) An assessment shall not preclude the Agency from imposing a civil penalty under Part 7 of the Act.

(4) References in this regulation to a notice of assessment shall include a notice of a proposed assessment.

Procedure for assessments

23 (1) Where the Agency proposes to exercise its powers of assessment pursuant to regulation 22(1), it shall first issue a notice of proposed assessment to the Filing

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Qualifying Bermuda Group Entity of the Qualifying Bermuda Group for which the assessment is proposed.

(2) A notice of a proposed assessment shall be a provisional finding of the Agency which shall state—

- (a) why the Agency has exercised its power of assessment;
- (b) the fiscal year to which the assessment relates;
- (c) whether the Agency requires the production of any books or records that the Qualifying Bermuda Group Entities are required to maintain pursuant to these Regulations; and
- (d) the amount of any proposed adjustment to any tax credit benefit.

(3) A Filing Qualifying Bermuda Group Entity shall have 60 days from the date of the notice of proposed assessment to make submissions to the Agency in order to challenge any of the provisional findings of the notice of proposed assessment.

(4) The Agency shall take into account any submissions received pursuant to paragraph (3), following which it shall either—

- (a) make no amendments to the proposed notice of assessment;
- (b) make such amendments to the proposed notice of assessment as it determines appropriate; or
- (c) cancel the proposed notice of assessment.

(5) The Agency shall notify the Filing Qualifying Bermuda Group Entity after determining the application of paragraphs (4) (a) to (c) and immediately upon the notification, if not cancelled, the proposed notice of assessment (as amended, if relevant) shall be automatically converted to a final notice of assessment.

(6) Notwithstanding paragraphs (4) and (5), after a final notice of assessment has been issued, the Agency shall not be precluded from issuing a further notice of proposed assessment in relation to the same fiscal year to the extent the Agency subsequently determines that any previous final notice of assessment is incorrect or incomplete in any material respect (including as a result of taking into account facts and circumstances that were not known to the Agency at the time of the original assessment).

Recovery of amounts disbursed

24 Where, under the Act or these Regulations there arises a payment that is due on account of monies that were previously disbursed by the Agency but which ought not to have been (whether due to overstatement in a tax credit claim form by a Filing Qualifying Bermuda Group Entity or otherwise), the Agency may pursue any such payments as a debt due to the Crown, including either by way of any statutory demand or winding-up petition, or both.

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Evidence

25 Where the Agency pursues an amount pursuant to regulation 24, a certificate of the Agency of the amount due shall, subject to these Regulations, be sufficient evidence that the sum mentioned in the certificate is unpaid and is due to the Crown and any document purporting to be a certificate as is mentioned in this regulation shall be deemed to be such a certificate until the contrary is proved.

PART 7

FOREIGN EXCHANGE AND MISCELLANEOUS PROVISIONS

Conversion of non-U.S. dollar amounts to U.S. dollars

26 For the purposes of determining the equivalent U.S. dollar amount pursuant to section 34 of the Act, the following applies—

- (a) non-U.S. dollar denominated amounts shall be converted by multiplying such amounts by the average foreign exchange rate for the fiscal year to which the amount relates;
- (b) the average foreign exchange rate for a fiscal year shall be determined based on foreign exchange rates quoted by the European Central Bank, and where the European Central Bank does not provide a foreign exchange rate for the local currency of a jurisdiction, the average foreign exchange rate will be determined based on the foreign exchange rates quoted by the central bank of the jurisdiction (or equivalent); and
- (c) the Agency may periodically publish average foreign exchange rates determined in accordance with subparagraph (b) on its website at www.cita.bm and where the average foreign exchange rate is published by the Agency with respect to the local currency for a fiscal year, the average foreign exchange rate shall be applied for the purposes of converting amounts denominated in the local currency for the fiscal year for the purposes of subparagraph (a).

Participation in eligible training activities

27 For the purposes of section 12(d) of the Act, attendance at the following training activities shall be treated as being engaged in eligible training activities—

- (a) any training (whether conducted in person or virtually) that is designed to impart, instil, improve or reinforce knowledge, skills or personal qualities likely to be useful in an eligible employee's employment within the Qualifying Bermuda Group, whether in respect of their current role or in respect of a future role with the same Qualifying Bermuda Group;
- (b) any training, course or examination (whether conducted in person or virtually) leading to an eligible employee receiving or renewing a qualification or accreditation from an external provider, where the qualification or accreditation is necessary or desirable for the eligible

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employee held in respect of their employment within the Qualifying Bermuda Group; or

- (c) any training pursuant to a written plan of educational assistance or professional development that has previously been approved by the Agency.

Bermuda service element

28 (1) For the purposes of section 19(5) of the Act, the Bermuda service element related to an eligible service expense amount shall be determined as follows—

- (a) to the extent the eligible service expense amount is evidenced by time-spent billing, then the Bermuda service element shall be equal to the product of—
 - (i) the total number of hours as is recorded by both (but without double counting)—
 - (A) individuals physically present in Bermuda at the time the service was performed or the work carried out; or
 - (B) individuals who are ordinarily based in Bermuda; and
 - (ii) the relevant rates-per-hour charged with respect to the hours described in paragraph (i),
divided by the eligible service expense amount, expressed as a percentage.
- (b) to the extent the expenditure in respect of the service is evidenced by a form of billing or invoicing other than time-spent, then the Bermuda service element shall be such percentage as fairly and reasonably reflects the proportion of the total cost of the service which was performed by individuals as specified in paragraph (a)(i).

(2) An individual shall be deemed to be ordinarily based in Bermuda where all of the following criteria are met—

- (a) the individual's contract of employment is with a Bermuda Entity or, where the individual is self-employed, or the individual's fixed place of business is located in Bermuda;
- (b) the individual has spent more than 80% of their working hours for the previous 12 months from the most recent date the services were performed while physically present in Bermuda; and
- (c) the individual does not advertise their services as being available from or otherwise ordinarily conduct their business from a place of business outside of Bermuda or for an entity which is not a Bermuda Entity.

(3) For the purposes of this regulation—

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- (a) the approaches described in paragraph (1) shall be non-exhaustive and other methods of determining the Bermuda service element shall be permitted by the Agency subject to the Agency being satisfied that the methods fairly and reasonably reflect the value of the service, or time-spent in respect of the service, that is performed in Bermuda;
- (b) where it can be demonstrated that a majority of the value or time-spent in respect of the service was performed by individuals specified in subparagraph 1(a)(i), then it shall be considered to be fair and reasonable to apply a Bermuda service element of 50%; and
- (c) paragraph (b) shall not preclude applying a Bermuda service element greater than 50%, subject to the relevant facts and circumstances in respect of the service in question.

Charitable declaration

29 (1) For the purposes of section 28(2) of the Act, charitable expenses shall be considered to be eligible charitable expenses to the extent that the eligible Bermuda charity to which such charitable expenses relates has furnished a statutory declaration to one or more members of the Qualifying Bermuda Group, sworn by a director or trustee of the eligible Bermuda charity, attesting that, following receipt of the contribution in question, the charity intends to use at least 75% of the contribution for any combination of the following—

- (a) in connection with events or activities held in Bermuda;
- (b) to support its Bermuda based operations; or
- (c) to support or benefit beneficiaries who are ordinarily resident in Bermuda.

(2) Where the total contribution to an individual charity is less than \$100, 000, a statutory declaration pursuant to paragraph (1) shall not be required to claim a contribution as an eligible charitable expense.

(3) Where paragraph (2) applies, the eligible Bermuda charity shall supply in lieu of the statutory declaration, a written confirmation that the charity intends to use at least 75% of the contributions for the one or more uses set out in paragraph (1)(a) to (c).

Made this 8th day of October 2026

Minister of Finance

[Operative Date: 09 October 2026]