BERMUDA

CORPORATE INCOME TAX (ADMINISTRATIVE) REGULATIONS 2025

BR 29 / 2025

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The Minister of Finance, in exercise of the powers conferred by section 52 of the Corporate Income Tax Act 2023 and section 24 of the Corporate Income Tax Agency Act 2024 makes the following Regulations:

PART 1

PRELIMINARY

Citation

1 These Regulations may be cited as the Corporate Income Tax (Administrative) Regulations 2025.

Interpretation

2 (1) In these Regulations, unless the context otherwise requires—

"adjusted tax payments" has the meaning given to that term in section 46B of the CIT Act;

"Agency" means the Corporate Income Tax Agency established under section 3 of the Agency Act;

"Agency Act" means the Corporate Income Tax Agency Act 2024;

"business day" means any day excluding Saturday or Sunday and any other day which is a public holiday or is kept as a public holiday under the Public Holiday Act 1947;

"CIT Act" means the Corporate Income Tax Act 2023;

"distributable tax credit benefit" has the meaning given to that term in section 2 of the Tax Credits Act;

"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;

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

"enquiry" subject to regulation 29(5), means a written request from the Agency to provide clarification, and if necessary supporting documentation, in respect of a return or anything required to be contained in a return;

"first instalment" has the meaning given to that term in regulation 13(2);

"instalment" means, as the context shall require, either a first instalment or a second instalment, or both;

"Minister" means the Minister of Finance;

"original due date" shall, for any given fiscal year, refer to the date described in regulation 23(2) for such fiscal year;

"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;

"Qualifying Bermuda Group BCE" has the meaning given to that term in section 2 of the Tax Credits Act;

"second instalment" has the meaning given to that term in regulation 14(2);

"tax" has the meaning given to that term in section 46B(1) of the CIT Act;

"tax credit carryforward" means the tax credit carryforward determined in accordance with section 27 of the Tax Credits Act;

"Tax Credits Act" means the Tax Credits Act 2025;

"tax due" has the meaning given to that term in section 46B(1) of the CIT Act;

"tax payments" has the meaning given to that term in section 46B of the CIT Act;

"total accrued tax credit benefit" has the meaning given to that term in section 2 of the Tax Credits Act;

"total distributable tax credit benefits" means, in respect of a fiscal year, the aggregate of the distributable tax credit benefits determined for the fiscal year for each Qualifying Bermuda Group BCE which is a Bermuda Constituent Entity member of the Bermuda Constituent Entity Group for the fiscal year;

"U.S. dollars" shall mean the lawful currency of the United States.

(2) A reference to a "return" in these Regulations is a reference to the form prescribed by the Agency under these Regulations.

[Regulation 2 definitions "adjusted tax payments", "business day", "distributable tax credit benefit", "Qualifying Bermuda Group BCE", "Tax Credits Act", "tax credit carryforward", "tax payments", "total accrued tax credit benefit", and total distributable tax credits benefits" inserted by BR 118 / 2025 reg. 2 effective 12 December 2025; Regulation 2 amended by BR 87 / 2026 reg. 2 effective 14 August 2026]

Definition of shock loss

2A For the purposes of section 6(8)(b)(i) of the CIT Act, a shock loss shall be the loss of an insurer licensed under the Insurance Act 1978 which exceeds at least 90% of its Bermuda solvency capital requirement at the beginning of the fiscal year prior to the loss-absorbing capacity of deferred taxes determined in accordance with the applicable Prudential Standard Rules made under section 6A of the Insurance Act 1978.

[Regulation 2A inserted by BR 118 / 2025 reg. 3 effective 12 December 2025]

PART 2

REGISTRATION AND GENERAL ADMINISTRATION

Use of electronic records and date convention

3 (1) Where there is a requirement in the CIT Act, the Agency Act or in any statutory instrument made thereunder (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.

(3) The Agency shall have the discretion to accept or issue any document in a prescribed form other than an electronic form.

(4) Where a date is specified as a deadline or due date in the CIT Act, the Agency Act or in any statutory instrument made thereunder (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

4 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, including the form of any return or any associated tax form or filing.

Confidentiality and communications

5 (1) Any electronic record maintained by the Agency shall, subject to applicable law (including the International Cooperation (Tax Information Exchange Agreements) Act 2005 and the U.S.A. Bermuda Tax Convention Act 1986), be treated as confidential.

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

(3) In respect of the affairs of any Bermuda Constituent Entity, the Agency shall only communicate with—

(a) the directors and officers of the Bermuda Constituent Entity; or

(b) any other person (which need not be a director, officer or employee of the Bermuda Constituent Entity) designated by the Filing Bermuda Constituent Entity on behalf of the Bermuda Constituent 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.

[Regulation 5(3) subparagraph (b) amended by BR 118 / 2025 reg. 4 effective 12 December 2025]

Requirement to register

6 (1) Registration with the Agency shall be required—

(a) with respect to each Bermuda Constituent Entity, no later than 10 days prior to payment of any required instalment by or on behalf of the Bermuda Constituent Entity Group if the entity registering is the Filing Bermuda Constituent Entity for such Bermuda Constituent Entity Group; or

(b) with respect to every other Bermuda Constituent Entity that is not a Filing Bermuda Constituent Entity, no later than 90 days prior to the

original due date for the filing of the return of the relevant Bermuda Constituent Entity Group of which the Bermuda Constituent Entity is a member,

provided that the Agency may extend or vary any time period or deadline for registration as it sees fit.

(2) The Agency may prescribe from time to time such information relating to a Bermuda Constituent Entity's registration that must 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.

(3) A failure to provide any update as required by paragraph (2) shall be treated as a failure to register.

[Regulation 6 amended by BR 87 / 2026 reg. 3 effective 14 August 2026]

Form of registration

7 (1) The form and manner of registration shall be prescribed by the Agency.

(2) Notwithstanding paragraph (1), the Agency shall be entitled to use information provided to the Registrar of Companies pursuant to the Companies Act 1981, Limited Liability Company Act 2016, Exempted Partnerships Act 1992 and Overseas Partnerships Act 1995 for the purposes of simplifying and expediting registration.

(3) A Bermuda Constituent Entity that identifies itself as such pursuant to any declaration submitted to the Registrar of Companies shall not be in default of the obligation to register pursuant to regulation 6 unless it receives a notification from the Agency that its registration is either incomplete or further details are required, or both, in order to complete its registration, and it fails to comply within 90 days of such notification.

(4) Notwithstanding the foregoing, but subject to regulation 6, a Bermuda Constituent Entity may voluntarily submit to the Agency at any time an amendment to any details previously submitted in connection with registration.

(5) In addition to the registration of a Bermuda Constituent Entity, the Agency may accept the registration of any organization or person that is not a Bermuda Constituent Entity (in such form as the Agency may prescribe) for the purpose of allowing such organization or person to act as an authorised representative of any Bermuda Constituent Entity.

(6) The Agency may, where any organization or person completes a prescribed registration, issue a unique identifier that relates only to that organization or person.

(7) The Agency may refuse to register an organisation or person (or may revoke an existing registration) where such organisation or person is not a Bermuda Constituent Entity and the Agency considers that such organisation or person is seeking to access the

Agency's filing portal for a purpose other than the administration, filing or payment of corporate income tax.

[Regulation 7 paragraph (7) inserted by BR 118 / 2025 reg. 5 effective 12 December 2025]

Cancellation of registration

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

(2) The Agency shall not cancel any Bermuda Constituent Entity's registration unless it is satisfied that—

(a) the entity has no tax due;

(b) the entity is not in default (or will not be in default following the cancellation of its registration) of any obligation or requirement under these Regulations, the CIT Act, the Agency Act or the Tax Credits Act; and

(c) the cancellation of the entity's registration will not impair or prevent—

(i) the collection of any tax which may become due;

(ii) the refund of any overpayment; or

(iii) the application of any tax credit carryforward amount,

following the cancellation of the registration (including as a result of any assessment by the Agency), provided that the Agency may cancel an entity's registration in circumstances where any of paragraphs (a), (b) or (c) are not satisfied but the Agency is satisfied that appropriate provision has been made, as provided in paragraph (3), for any tax due (or any tax which may become due), obligations or requirements of the entity notwithstanding the request for cancellation,

provided that the Agency may cancel an entity's registration in circumstances where any of paragraphs (a), (b) or (c) are not satisfied but the Agency is satisfied that appropriate provision has been made, as provided in paragraph (3), for any tax due (or any tax which may become due), obligations or requirements of the entity notwithstanding the request for cancellation.

(3) The circumstances in which the Agency may be satisfied that there is appropriate provision in accordance with paragraph (2) may include, without limitation—

(a) where clearance has been granted pursuant to these Regulations; or

(b) where the entity—

(i) is not a Filing Bermuda Constituent Entity;

(ii) has ceased to carry on business or is being wound-up or dissolved; and

(iii) notwithstanding subparagraph (ii), other Bermuda Tax Resident Entities or Bermuda Permanent Establishments of the Bermuda Constituent Entity Group or In Scope MNE Group shall remain following the cancellation of the registration of the Bermuda Constituent Entity.

[Regulation 8 amended by BR 118 / 2025 reg. 6 effective 12 December 2025; Regulation 8 amended by BR 87 / 2026 reg. 4 effective 14 August 2026]

Filing Bermuda Constituent Entity

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

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

(3) Where a Bermuda Constituent Entity Group fails to designate a Filing Bermuda Constituent Entity on or before the earlier of—

(a) the original due date for the filing of its return; or

(b) the payment of any instalment,

and paragraph (2) does not apply, then the Agency shall designate such member of the Bermuda Constituent Entity Group as the Filing Bermuda Constituent Entity as it sees fit and shall notify the Bermuda Constituent Entity Group of the same.

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

PART 3

PAYMENT OF TAXES

Obligation to pay tax

10 (1) Each Filing Bermuda Constituent Entity shall, on behalf of its Bermuda Constituent Entity Group, be obliged to make payments of tax in the manner and by the dates set out under this Part.

(2) The obligation to make instalment payments pursuant to these Regulations shall apply notwithstanding that tax for the full fiscal year shall not have been finally determined at the due date of such instalment payments.

(3) Notwithstanding the amount of instalments, or the amount of tax shown on any return submitted to the Agency, the actual tax of a Bermuda Constituent Entity

Group shall be finally determined by the Agency including, if necessary, in accordance with any assessment issued by the Agency pursuant to Part 5 of these Regulations.

(4) A Bermuda Constituent Entity may compute the amount of its allocated creditable foreign taxes in accordance with administrative guidance published on the Corporate Income Tax Agency website at www.cita.bm including, without limitation, guidance related to elections relevant to the determination of allocated creditable foreign taxes and limitations regarding the amount of allocated creditable foreign taxes which shall be recognised with respect to passive income.

(5) Adjusted tax payments of a Bermuda Constituent Entity Group for a fiscal year shall be applied to offset the following amounts incurred by the Bermuda Constituent Entity Group for the fiscal year, where applicable, in the following order—

(a) tax;

(b) interest in respect of underpayments of instalments, as determined in accordance with regulation 16;

(c) interest on underpayments, as determined in accordance with regulation 19;

(d) penalties assessed by the Agency, in the order in which such penalties have been assessed.

[Regulation 10 paragraph (4) inserted by BR 118 / 2025 reg. 7 effective 12 December 2025; Regulation 10 paragraph (5) inserted by BR 87 / 2026 reg. 5 effective 14 August 2026]

Obligation to provide information in advance of filing return

10A (1) In connection with each of the first instalment and the second instalment, the Filing Bermuda Constituent Entity of a Bermuda Constituent Entity Group shall file—

(a) information regarding the amount of any reduction in the instalment attributable to total distributable tax credit benefits; and

(b) such other information and documentation as the Agency may prescribe,

on such form and in such manner as shall be prescribed by the Agency, and the deadline for the filing of such form shall be as specified in paragraph (6).

(2) The obligation to supply information or documentation pursuant to paragraph (1) with respect to an instalment for a fiscal year shall apply even where the amount of the instalment is nil, provided that paragraph (1) shall not apply to the extent that—

(a) the instalment payment is not required to be made for the fiscal year pursuant to regulation 12(2) or (3); or

(b) the de minimis exemption election will be made with respect to the Bermuda Constituent Entity Group for the fiscal year in accordance with section 7 of the CIT Act.

(3) Where information or documentation is required to be filed pursuant to this regulation with respect to an instalment and such information or documentation is, in the opinion of the Agency, incomplete or incorrect, then such filing shall be deemed not to have been made prior to the date on which the information or documentation is correctly and fully submitted on behalf of the Bermuda Constituent Entity Group, and where paragraph (4) applies and where the information or documentation is correctly and fully submitted within 14 days of being notified by the Agency, then the filing shall be deemed to have been made on the date of the Agency notification.

(4) Where, pursuant to paragraph (3), the Agency determines that any information or documentation filed with respect to an instalment is incomplete or incorrect, then it shall notify the Filing Bermuda Constituent Entity of the Bermuda Constituent Entity Group as soon as reasonably practicable following such determination.

(5) This regulation shall be without prejudice to any penalties which may apply under the CIT Act.

(6) The deadlines applicable to this regulation shall—

(a) in the case of first and second instalments due on or before 31 December 2025, be 31 January 2026 in respect of information pertaining to both instalments, provided that paragraph (3) of this regulation shall not apply in such cases; and

(b) in the case of all other instalments, be the same as the deadline for the payment of the respective instalment specified by regulation 13 or 14, as the case may be.

(7) The Filing Bermuda Constituent Entity of a Bermuda Constituent Entity Group may amend, in the manner and form to be prescribed by the Agency, an original form previously filed pursuant to paragraph (1).

(8) For the purposes of paragraph (3), an amended form filed pursuant to paragraph (7) shall be regarded as having been filed—

(a) on the date on which the original form was previously filed, where—

(i) the amended form is filed prior to the date on which the Filing Bermuda Constituent Entity receives a notification from the Agency pursuant to paragraph (4) with respect to the original form; or

(ii) the amended form is filed on or after the date on which the Filing Bermuda Constituent Entity receives a notification from the Agency pursuant to paragraph (4) with respect to the original form, where the original form was not, in the opinion of the Agency, incomplete or incorrect; or

(b) in all other cases, the date on which the amended form was filed.

(9) The form specified in paragraph (1) may not be filed (or amended) with respect to an instalment for a fiscal year after the earlier of—

(a) the date on which the Bermuda Constituent Entity Group's return is filed for the fiscal year to which the instalment relates; or

(b) the original due date for the Bermuda Constituent Entity Group's return for the fiscal year to which the instalment relates.

[Regulation 10A inserted by BR 118 / 2025 reg. 8 effective 12 December 2025; Regulation 10A paragraph (3) revoked and substituted, paragraph (6) amended, and paragraphs (7), (8) and (9) inserted by BR 87 / 2026 reg. 6 effective 14 August 2026]

Manner of payment

11 (1) Any amounts payable pursuant to the operation of this regulation shall be paid in the manner, and shall be accompanied by such documentation, as is prescribed by the Agency, subject to the operation of section 50A of the CIT Act and any regulations published thereunder.

(2) Any refund payable by the Agency shall be made to such account as a Bermuda Constituent Entity Group 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.

(3) Any—

(a) payment made by or on behalf of a Bermuda Constituent Entity Group (or any member thereof) in respect of its obligations under these Regulations or the CIT Act; and

(b) payment made to a Bermuda Constituent Entity Group (or any member thereof) in respect of any refunds,

shall be made in U.S. dollars.

(4) Notwithstanding paragraph (3), payments may be accepted in Bermuda Dollars instead of U.S. dollars if the Agency has given its prior consent thereto.

(5) Any amounts of tax due shall be rounded to the nearest cent, with amounts ending in 5 being rounded up to the nearest cent.

(6) Notwithstanding the deadlines specified under this Part for any payments—

(a) where a payment deadline has been missed in respect of any payment, payment may be made at any time after the deadline to make good the missed payment without waiting for the next prescribed payment date, provided that such a late payment shall not affect any interest charges or penalties which have accrued or which may be assessed prior to the date the late payment is made; and

(b) a payment may be made in advance of any deadline.

(7) Notwithstanding any other provisions of these Regulations or the CIT Act, where the amount of tax due, determined in accordance with paragraph (5), for a fiscal year is less than $1, the amount shall be nil.

[Regulation 11 paragraph (2) amended, paragraph (5) revoked and substituted, and paragraph (7) inserted by BR 87 / 2026 reg. 7 effective 14 August 2026]

Requirement to make instalment payments

12 (1) A Bermuda Constituent Entity Group shall make two payments prior to the end of its fiscal year on account of its tax for such fiscal year, and such instalments shall be known as the "first instalment" and the "second instalment" respectively.

(2) Where a Bermuda Constituent Entity Group—

(a) has a fiscal year which is more than 32 weeks but less than 52 weeks in length; or

(b) comprises exclusively of one or more entities—

(i) which are treated as Bermuda Constituent Entities for a portion of the fiscal year which is less than 52 weeks in length; and

(ii) at least one of which is treated as a Bermuda Constituent Entity for a portion of the fiscal year which is more than 32 weeks in length,

there shall be no requirement to pay the second instalment.

(3) Where a Bermuda Constituent Entity Group—

(a) has a fiscal year which is 32 weeks or less in length; or

(b) comprises exclusively of one or more entities which are treated as Bermuda Constituent Entities for a portion of the fiscal year which is 32 weeks or less in length,

there shall be no requirement to pay the first or second instalment.

(4) The requirement to pay the first instalment and second instalment shall not apply if a Bermuda Constituent Entity Group's tax for the fiscal year is less than $10,000.

(5) Any required payment of a first instalment or second instalment shall be subject to the prior application of any tax payments in accordance with these Regulations.

[Regulation 12 paragraphs (2) and (3) revoked and substituted, and paragraph (5) amended by BR 87 / 2026 reg. 8 effective 14 August 2026]

First instalment

13 (1) The first instalment shall be due on the last day of the 8th month of the fiscal year of the Bermuda Constituent Entity Group.

(2) The first instalment shall be equal to—

(a) the amount determined pursuant to paragraph (3) for the fiscal year reduced, but not below zero; by

(b) the lesser of—

(i) 50% of the total distributable tax credit benefits for the fiscal year; or

(ii) the amount filed pursuant to regulation 10A(1)(a) with respect to the instalment,

provided that in respect of a first instalment payment due on or before 31 December 2025, the amount described in subparagraph (ii) shall be deemed to be equal to the amount described in subparagraph (i).

(3) For the purposes of paragraph (2)(a), the amount determined pursuant to this paragraph shall be the lesser of—

(a) 50% of the tax; or

(b) 100% of the tax that would have applied if—

(i) with respect to each Bermuda Constituent Entity in the Bermuda Constituent Entity Group—

(A) the amount specified in section 20(a) of the CIT Act was computed by reference to the net income or loss determined for the Bermuda Constituent Entity in preparing the profit and loss statement in the consolidated financial statements of the ultimate parent entity or the financial statements of the Bermuda Constituent Entity prepared in accordance with an approved accounting standard, applying section 21(1)(a) and (b) of the CIT Act to the former and latter respectively;

(B) the adjustments pursuant to Part 6 of the CIT Act (other than the adjustments described in subparagraphs (C) and (D)), and the allocations pursuant to Part 7 of the CIT Act were computed by reference to the relevant components of the financial accounting net income or loss described in subparagraph (A);

(C) the adjustments described in sections 28(2)(a), 29 (prior to consideration of the application of subsection (4) of section 29), and 33(3) (prior to consideration of the application of subsection (5) of section 33) of the CIT Act, were limited to 50% of the amounts otherwise applicable for the full fiscal year;

(D) the limitations described in sections 29(4) and 33(5) of the CIT Act were applied by reference to the relevant amounts described in subparagraphs (A), (B), (C) and (E); and

(E) the adjustment described in section 26(1) was determined based on 50% of the total accrued tax credit benefits for the fiscal year; and

(ii) the amounts described in sections 4(2)(b), 5 and 6 of the CIT Act were determined by reference to the relevant income or loss amounts described in subparagraph (i) rather than the amounts otherwise applicable for the full fiscal year.

(4) The Filing Bermuda Constituent Entity may elect to disregard paragraph (3)(b), and such election shall be made at the time of the filing of the return for the same fiscal year to which the first instalment relates.

(5) Where the first instalment is calculated by reference to paragraph (3)(b), the Filing Bermuda Constituent Entity shall—

(a) indicate that it is relying upon the calculation pursuant to paragraph (3)(b) for the purpose of determining the amount of its first instalment;

(b) disclose such information to the Agency as is prescribed by the Agency as being required to support such calculation,

in each case at the time of the filing of the return for the same fiscal year to which the first instalment relates and in the form and manner prescribed by the Agency.

[Regulation 13 amended by BR 118 / 2025 reg. 9 effective 12 December 2025; Regulation 13 amended by BR 87 / 2026 reg. 9 effective 14 August 2026]

Second instalment

14 (1) The second instalment shall be due on the 15th day of the 12th month of the fiscal year of the Bermuda Constituent Entity Group.

(2) The second instalment shall be equal to—

(a) the amount determined pursuant to paragraph (3) for the fiscal year reduced, but not below zero, by;

(b) the lesser of—

(i) 90% of the total distributable tax credit benefits for the fiscal year; or

(ii) the amount filed pursuant to regulation 10A(1)(a) with respect to the instalment,

provided that in respect of a second instalment payment due on or before 31 December 2025, the amount described in subparagraph (ii) shall be deemed to be equal to the amount described in subparagraph (i).

(3) For the purposes of paragraph (2)(a), the amount determined pursuant to this paragraph shall be the lesser of the amounts described in subparagraphs (a) or (b) below, reduced, in either case (but not below zero) by the amount of the first instalment—

(a) 90% of the tax; or

(b) 120% of the tax that would have applied if—

(i) with respect to each Bermuda Constituent Entity in the Bermuda Constituent Entity Group—

(A) the amount specified in section 20 (a) of the CIT Act was computed by reference to the net income or loss determined for the Bermuda Constituent Entity in preparing the profit and loss statement in the consolidated financial statements of the ultimate parent entity or the financial statements of the Bermuda Constituent Entity prepared in accordance with an approved accounting standard, applying section 21(1)(a) and (b) of the CIT Act to the former and latter respectively;

(B) the adjustments pursuant to Part 6 of the CIT Act (other than the adjustments described in subparagraphs (C) and (D)), and the allocations pursuant to Part 7 of the CIT Act were computed by reference to the relevant components of the financial accounting net income or loss described in subparagraph (A);

(C) the adjustments described in sections 28(2)(a), 29 (prior to consideration of the application of subsection (4) of section 29), and 33(3) (prior to consideration of the application of subsection (5) of section 33) of the CIT Act, were limited to 75% of the amounts otherwise applicable for the full fiscal year;

(D) the limitations described in sections 29(4) and 33(5) of the CIT Act were applied by reference to the relevant amounts described in subparagraphs (A), (B), (C) and (E); and

(E) the adjustment described in section 26(1) was determined based on 75% of the total accrued tax credit benefits for the fiscal year; and

(ii) the amounts described in sections 4(2)(b), 5 and 6 of the CIT Act were determined by reference to the relevant income or loss amounts described in subparagraph (i) rather than the amounts otherwise applicable for the full fiscal year.

(4) The Filing Bermuda Constituent Entity may, elect to disregard paragraph (3)(b), and such election shall be made at the time of the filing of the return for the same fiscal year to which the second instalment relates.

(5) Where the second instalment is calculated by reference to paragraph (3)(b), the Filing Bermuda Constituent Entity shall—

(a) indicate that it is relying upon the calculation pursuant to paragraph (3)(b) for the purpose of determining the amount of its second instalment;

(b) disclose such information to the Agency as is prescribed by the Agency as being required to support such calculation,

in each case at the time of the filing of the return for the same fiscal year to which the second instalment relates and in the form and manner prescribed by the Agency.

[Regulation 14 amended by BR 118 / 2025 reg. 10 effective 12 December 2025; Reg. 14(2) subparagraph (b) amended by BR 87 / 2026 reg. 10 effective 14 August 2026; Reg. 14(3) subparagraph (b)(i)(A) amended by BR 87 / 2026 reg. 10 effective 14 August 2026]

Re-allocation of instalments

15 (1) At the election of a Filing Bermuda Constituent Entity (in the form and manner prescribed by the Agency), any portion of a tax payment attributable to—

(a) the first instalment or second instalment, or both, made with respect to the Bermuda Constituent Entity Group for the fiscal year; or

(b) any overpayment applied to the fiscal year pursuant to regulation 21(2)(a),

may be reallocated to another Bermuda Constituent Entity Group within the same In Scope MNE Group.

(2) To the extent that an overpayment for a fiscal year is applied pursuant to regulation 21 to any other fiscal year—

(a) the overpayment will be applied to any payment obligations in the order they would ordinarily arise; and

(b) if a tax deficiency is subsequently determined which reduces the overpayment for the fiscal year, such reduction will not affect the application of the overpayment (as determined prior to consideration of the subsequent tax deficiency) to the subsequent fiscal year.

[Regulation 15 paragraph (1) revoked and substituted by BR 87 / 2026 reg. 11 effective 14 August 2026]

Underpayments in relation to first instalment and second instalment

16 (1) An underpayment arises in relation to an instalment where the required instalment exceeds the aggregate tax payments applied to the relevant instalment on or before the due date of the relevant instalment.

(2) The underpayment described in paragraph (1), or any portion thereof, shall be treated as existing during the period—

(a) beginning on the day succeeding the due date of the relevant instalment as provided under this Part; and

(b) ending on the earlier of—

(i) the date on which a tax payment is applied to the underpayment, or a portion of the said underpayment;

(ii) the original due date for the filing of a return for the fiscal year to which the instalment relates.

(3) For the period an underpayment of an instalment persists, interest shall be chargeable on the underpayment at the rate specified pursuant to regulation 19.

(4) For the purposes of paragraphs (1) and (2), tax payments for the fiscal year shall be applied—

(a) to the required first instalment for the fiscal year, where applicable, with any excess tax payments applied to the required second instalment for the fiscal year, where applicable; and

(b) in the order established by reference to the payment application dates determined in accordance with paragraph (5), such that the tax payments with the earlier application dates are applied prior to the tax payments with later application dates.

(5) For the purposes of paragraph (4)(b), the date on which a tax payment is applied for a fiscal year of the Bermuda Constituent Entity Group shall, in the case of—

(a) an overpayment allocated to the fiscal year from a prior fiscal year of the Bermuda Constituent Entity Group pursuant to regulation 21(2)(a), be the later of—

(i) the original due date for the Bermuda Constituent Entity Group's return for the prior fiscal year; or

(ii) the date on which the Bermuda Constituent Entity Group's return was filed for the prior fiscal year;

(b) an instalment payment made on behalf of the Bermuda Constituent Entity Group for the fiscal year, be the date on which the payment was credited to an account designated by the Agency for the deposit of tax payments;

(c) an instalment payment allocated to the Bermuda Constituent Entity Group from another Bermuda Constituent Entity Group pursuant to regulation 15(1)(a), be the date on which the original instalment payment was credited to an account designated by the Agency for the deposit of tax payments;

(d) a previously applied overpayment allocated to the Bermuda Constituent Entity Group from another Bermuda Constituent Entity Group pursuant to regulation 15(1)(b), be the later of—

(i) the original due date for the Bermuda Constituent Entity Group's return for the prior fiscal year; or

(ii) the date on which the Bermuda Constituent Entity Group's return was filed for the prior fiscal year;

(e) any other payment made on behalf of the Bermuda Constituent Entity Group on account of the tax for the fiscal year, be the date on which the payment was credited to an account designated by the Agency for the deposit of the tax payments.

[Regulation 16 paragraph (2) revoked and substituted by BR 118 / 2025 reg. 11 effective 12 December 2025; Regulation 16 amended by BR 87 / 2026 reg. 12 effective 14 August 2026]

Final payment

17 All of a Bermuda Constituent Entity Group's tax due for a fiscal year shall be paid no later than the original due date for the filing of the Bermuda Constituent Entity Group's return.

Underpayments for a fiscal year

18 (1) An underpayment arises in relation to a fiscal year where the sum of the tax for the fiscal year and interest in respect of underpayments (or non-payments) of instalments determined pursuant to regulation 16 for the fiscal year, exceeds the adjusted tax payments applied to the fiscal year of the Bermuda Constituent Entity Group on or prior to the original due date for its return for the fiscal year.

(2) This regulation will apply regardless of the circumstances under which the underpayment arose.

(3) To the extent that—

(a) an overpayment for the fiscal year is credited to another fiscal year pursuant to regulation 21; and

(b) a deficiency is subsequently determined with respect to the fiscal year such that an underpayment of tax due arises,

then the period of the underpayment shall be deemed to begin with respect to any portion of the overpayment that was used to satisfy a required first instalment or second instalment in such other fiscal year on the due date of the first instalment or the second instalment (as the case may be).

(4) For the purposes of paragraph (3), to the extent the overpayment was not used to satisfy a required instalment in such other fiscal year, the period of the underpayment shall begin with the day immediately succeeding the original due date for the filing of the Bermuda Constituent Entity Group's return for such other fiscal year.

[Regulation 18 paragraph (1) amended by BR 118 / 2025 reg. 12 effective 12 December 2025; Regulation 18 paragraph (1) revoked and substituted by BR 87 / 2026 reg. 13 effective 14 August 2026]

Interest on underpayments

19 (1) Interest shall be chargeable to a Bermuda Constituent Entity Group at the underpayment rate determined in accordance with these Regulations, beginning with the day following the day on which the underpayment has arisen (but subject to regulation 18(3) and paragraphs (2) and (3) below) and ending with the day on which the underpayment has been satisfied by the application of an adjusted tax payment (provided that where only a portion of the underpayment has been satisfied, interest shall only cease to be chargeable on that portion which has been satisfied).

(2) If notice and demand is made for payment of any underpayment, interest shall not be imposed under this regulation for the period after the date of the notice and demand to the extent that the underpayment is satisfied by the application of an

adjusted tax payment within 21 days after the date of the notice and demand, and the Agency shall have no obligation to make such notice and demand.

(3) Interest prescribed under this Part shall be paid upon notice and demand, and shall be assessed, collected, and paid in the same manner as tax.

(4) The interest rates on any underpayment shall, for any calendar year, commencing with the year 2025, be fixed at the start of the calendar year as the sum of—

(a) 4% per annum; and

(b) the one year US 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%.

(5) For the purposes of calculating underpayment interest, interest shall be compounded daily.

(6) For the purposes of paragraph (1) and regulation 18(1)(b), the date on which an adjusted tax payment is applied to the fiscal year of a Bermuda Constituent Entity Group shall, in the case of—

(a) an overpayment allocated to the fiscal year from a prior fiscal year of the Bermuda Constituent Entity Group pursuant to regulation 21(2)(a), be the later of—

(i) the original due date for the Bermuda Constituent Entity Group's return for the prior fiscal year; or

(ii) the date on which the Bermuda Constituent Entity Group's return was filed for the prior fiscal year;

(b) an overpayment allocated to the Bermuda Constituent Entity Group from another Bermuda Constituent Entity Group pursuant to regulation 21(2)(b), be the later of—

(i) the original due date for the Bermuda Constituent Entity Group's return for the fiscal year; or

(ii) the date on which the Bermuda Constituent Entity Group's return was filed for the fiscal year;

(c) total distributable tax credit benefits for the fiscal year, be the original due date for the Bermuda Constituent Entity Group's return for the fiscal year;

(d) an instalment payment made on behalf of the Bermuda Constituent Entity Group for the fiscal year, be the date on which the payment was credited to an account designated by the Agency for the deposit of tax payments;

(e) an instalment payment allocated to the Bermuda Constituent Entity Group from another Bermuda Constituent Entity Group pursuant to regulation 15(1)(a), be the date on which the original instalment payment

was credited to an account designated by the Agency for the deposit of tax payments;

(f) a previously applied overpayment allocated to the Bermuda Constituent Entity Group from another Bermuda Constituent Entity Group pursuant to regulation 15(1)(b), be the later of—

(i) the original due date for the Bermuda Constituent Entity Group's return for the prior fiscal year; or

(ii) the date on which the Bermuda Constituent Entity Group's return was filed for the prior fiscal year;

(g) any other payments made on behalf of the Bermuda Constituent Entity Group on account of amounts specified in regulation 18(1)(a), be the date on which the payment was credited to an account designated by the Agency for the deposit of tax payments.

(7) *[Revoked by BR 87 / 2026 reg. 14]*

(8) *[Revoked by BR 87 / 2026 reg. 14]*

[Regulation 19 amended by BR 118 / 2025 reg. 13 effective 12 December 2025; Regulation 19 paragraph (2) amended by BR 87 / 2026 reg. 14 effective 14 August 2026]

Overpayments

20 (1) An overpayment shall arise with respect to a fiscal year to the extent that the adjusted tax payments for the fiscal year exceed the sum of—

(a) tax for the fiscal year; plus

(b) interest in respect of underpayments (or non-payments) of instalments determined pursuant to regulation 16 for the fiscal year.

(2) Subject to the application of paragraph (7), the period of an overpayment shall begin 120 days after the date on which the overpayment arises for the fiscal year (determined in accordance with paragraph (3) below) and, in the case of an overpayment that is—

(a) refunded to the Bermuda Constituent Entity Group, shall end no earlier than 10 days prior to the payment date of the refund; or

(b) credited and set-off against another liability of the Bermuda Constituent Entity Group, other than as described in paragraph (6)(a) below, shall end with the due date of the amount against which the overpayment was credited.

(3) The date on which an overpayment (or portion thereof) shall arise shall be—

(a) the date of the tax payment or the application of the first amount which, when added to earlier payments, causes an excess as specified in paragraph (1); and

(b) the dates of payment or the application of all amounts subsequently paid or applied (provided that an excess as specified in paragraph (1) still exists as of such dates).

(4) For the purposes of paragraph (3)—

(a) payments (including instalment payments) for the fiscal year which are made prior to the original due date for a return for the same fiscal year, and any overpayments credited to the fiscal year pursuant to regulation 21, shall be deemed paid—

(i) on the original due date, to the extent the overpayment arises with respect to a return or amended return filed on or before the original due date for a return for the same fiscal year; or

(ii) on the date the amended return is filed, where the overpayment arises with respect to an amended return filed after the original due date for the return; and

(b) total distributable tax credit benefits for the fiscal year shall be applied as an adjusted tax payment on the later of—

(i) the date determined in accordance with subparagraph (a); or

(ii) the date on which the relevant tax credit claim form is filed.

(5) This regulation will apply regardless of the circumstances under which the overpayment arose.

(6) Notwithstanding paragraph (2), where—

(a) the Filing Bermuda Constituent Entity elects to credit an overpayment for the fiscal year—

(i) to another fiscal year pursuant to regulation 21(2)(a); or

(ii) to another Bermuda Constituent Entity Group pursuant to regulation 21(2)(b); or

(b) the return for the fiscal year is filed after the original due date for the return,

no interest shall be allowed pursuant to these Regulations on the overpayment for the fiscal year.

(7) The period of 120 days referenced in paragraph (2) with respect to a fiscal year shall be extended, where the Agency has—

(a) made a correction to the Bermuda Constituent Entity Group's return pursuant to regulation 26 for the fiscal year, by 90 days;

(b) issued a notice of inquiry to the Filing Bermuda Constituent Entity for the fiscal year, by the number of days during the period—

(i) beginning on the date on which the notice of inquiry is issued by the Agency in accordance with regulation 29; and

(ii) ending on the date on which the notice of final closure of inquiry is issued by the Agency in accordance with regulation 30(1)(b); and

(c) made an assessment in accordance with regulation 31 for the fiscal year, by the number of days during the period—

(i) beginning on the date on which the notice of proposed assessment is issued by the Agency in accordance with regulation 32(1); and

(ii) ending on the date on which the notice of proposed assessment is converted to a final notice of assessment in accordance with regulation 32(4).

[Regulation 20 amended by BR 118 / 2025 reg. 14 effective 12 December 2025; Regulation 20 amended by BR 87 / 2026 reg. 15 effective 14 August 2026]

Re-allocation and refund of overpayments

21 (1) If an overpayment in respect of a fiscal year as described in regulation 20 arises, and there exists at the time such overpayment arises—

(a) any underpayments arising under regulation 18 (including any interest thereon as determined in accordance with regulation 19) in respect of another fiscal year; or

(b) any penalties assessed by the Agency in respect of any fiscal year for which any member of the Bermuda Constituent Entity Group is liable,

then the Agency shall apply the overpayment against the sums described in subparagraphs (a) and (b) until either the overpayment is exhausted or all such sums have been fully discharged, provided that in applying the overpayment the Agency shall apply the overpayment in the same order as the ordering of subparagraphs (a) and (b).

(2) Subject to paragraph (4), if an overpayment as described in regulation 20 arises, and to the extent paragraph (1) does not apply to set-off the full amount of the overpayment, then a Filing Bermuda Constituent Entity may elect at the time of filing a return (in the form and manner prescribed by the Agency), with respect to all or a portion of the overpayment, to—

(a) apply such overpayment to the subsequent fiscal year;

(b) re-allocate such overpayment to another Bermuda Constituent Entity Group; or

(c) receive a refund of the amount of the overpayment,

provided that where no election is made on the return, then subparagraph (c) shall apply.

(3) Interest accrued on an overpayment in accordance with regulation 22—

(a) shall not be applied or re-allocated in accordance with paragraphs (2)(a) or (b); and

(b) shall, where paragraph (1) does not apply to set-off the interest against an underpayment or penalty, be refunded to the Filing Bermuda Constituent Entity in accordance with paragraph (2)(c).

(4) An overpayment for a fiscal year shall not be applied or re-allocated in accordance with paragraphs (2)(a) or (b) to the extent that the overpayment is attributable to a tax payment made after the original due date for the Bermuda Constituent Entity Group's return for the fiscal year.

(5) Notwithstanding, any other provision of this regulation, where—

(a) the Agency is required to incur bank charges or other costs in relation to the payment of a refund pursuant to paragraphs (2)(c) or (3)(b), the amount of the refund shall be reduced by the amount of the charges or costs;

(b) the amount equal to the amount of an overpayment for a fiscal year plus any interest accrued with respect to the overpayment less any reduction required pursuant to paragraph (a), is less than $10, the amount shall be nil.

[Regulation 21 paragraph 2 amended by BR 87 / 2026 reg. 16 effective 14 August 2026; Regulation 21 amended by BR 87 / 2026 reg. 16 effective 14 August 2026]

Interest on overpayments

22 (1) Interest shall accrue on any overpayment during the period described in regulation 20(2) (but ceasing when the overpayment has been eliminated whether pursuant to refund or as a credit against some other liability).

(2) The interest rates on any overpayment shall be fixed for each calendar year, commencing with the year 2025, as the one year US 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%.

(3) For the purposes of calculating overpayment interest, interest shall be compounded daily.

[Regulation 22 paragraph (2) amended by BR 87 / 2026 reg. 17 effective 14 August 2026]

PART 4

RETURNS

Requirement to file and due date for return

23 (1) Every Bermuda Constituent Entity Group shall be required to file a return with the Agency for each fiscal year, which shall be filed by the Filing Bermuda Constituent Entity for the Bermuda Constituent Entity Group designated in accordance with regulation 9.

(2) The original due date for the filing of the return required by paragraph (1) shall be the end of the tenth month following the end of the fiscal year to which such return relates.

(3) Every return shall include a declaration by the person making the return to the effect that—

(a) such person is duly authorised to sign the return on behalf of the Filing Bermuda Constituent Entity and that the Filing Bermuda Constituent Entity is duly authorised to deliver the return on behalf of the Bermuda Constituent Entities to which the return relates; and

(b) the return is to the best of their knowledge and belief correct and complete.

(4) The Agency shall be entitled to accept electronic signatures on any return.

(5) The Agency may dispense with the requirement for a return to be filed in circumstances where clearance has been granted in accordance with regulation 33.

Power to require filing of return

24 (1) Where a Filing Bermuda Constituent Entity has not filed a return, regardless of whether or not such Filing Bermuda Constituent Entity has complied with any requirement to register, the Agency may by notice to such Filing Bermuda Constituent Entity require it to make and deliver to the Agency a return within such time period as may be specified in such notice.

(2) A notice delivered pursuant to this regulation may be withdrawn by the Agency prior to the filing of any return or the date of any notice of assessment hereunder.

(3) Any filing pursuant to this regulation shall not relieve any penalties or interest charges which may otherwise attach.

(4) In determining whether or not to assess any Bermuda Constituent Entity to tax, the Agency may proceed with such assessment without first requiring the filing of a return pursuant to this regulation.

Amendments to return by taxpayer

25 (1) A Filing Bermuda Constituent Entity may amend any previously filed return by notice to the Agency on the prescribed form.

(2) An amendment under this regulation may not be made after the later of—

(a) in the case of a return filed other than as required by notice pursuant to regulation 24, three years after the original due date; or

(b) in the case of a return filed pursuant to a notice pursuant to regulation 24, 12 months after the date that a return was filed pursuant to such notice.

(3) An amendment may be made after the timelines specified in paragraph (2) if—

(a) it is made during or as a consequence or condition of any enquiry, and the Agency consents to such amendment being made; or

(b) the Agency, at the request of the Filing Bermuda Constituent Entity, agrees to extend any of the time periods specified in paragraph (2).

(4) Where an amendment to a return gives rise to a change in the amount of a tax such that an overpayment or underpayment arises, such overpayment or underpayment shall be administered in accordance with Part 3 of these Regulations and shall be treated as arising on the dates and for the periods as provided under Part 3, and shall be subject to the charging or accrual of interest accordingly.

Corrections to returns by Agency

26 (1) The Agency may correct by way of amendment any return so as to correct obvious errors or omissions in the return.

(2) Where the Agency exercises its power pursuant to this regulation, it shall give notice of the same to the Filing Bermuda Constituent Entity.

(3) A correction under this regulation is deemed made by the Filing Bermuda Constituent Entity.

(4) No correction may be made by the Agency pursuant to this regulation more than three years after the date on which a return is filed.

(5) A correction under this regulation is of no effect if the person whose return it is gives notice, in such form and manner as the Agency may prescribe, rejecting the correction, provided that such notice of rejection must be given no later than 90 days after the date of the notice of correction given by the Agency.

(6) Regulation 25(4) shall apply to this regulation with the necessary modifications.

[Regulation 26 paragraph (5) amended by BR 87 / 2026 reg. 18 effective 14 August 2026]

Document retention

27 (1) All Bermuda Constituent Entities shall be required to keep books and records sufficient to establish the items and matters shown in any return.

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

(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 V of these Regulations.

(4) Where the time period for any assessment has been extended by agreement with the Agency and the Filing Bermuda Constituent Entity pursuant to regulation 28, such that the time period for the assessment now extends beyond the date described 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 5

ENQUIRIES, ASSESSMENTS AND CLEARANCE

Timing for enquiries and assessments

28 (1) Subject to this regulation, any enquiry or assessment under this Part shall be in respect of a fiscal year and must 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 return for the fiscal year, to the extent that a return for such fiscal year was filed on or before such due date; or

(b) the fourth anniversary of the date on which a return is filed, to the extent the return is filed after the original due date for the return for the fiscal year.

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

(3) Subject to the application of paragraph (2), the filing of any amended return shall not alter the time periods specified in paragraph (1).

(4) The time periods prescribed by this regulation shall not apply, and any enquiry or assessment shall not be time limited in any respects—

(a) where no return has been filed; or

(b) in cases of fraud or intentional misstatement.

Notice of enquiry

29 (1) The Agency may issue a notice of enquiry in respect of any return.

(2) An item on a return 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 amendment) of a return; or

(b) a change in law or guidance.

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

(4) The Agency may amend any notice of enquiry to take account of—

(a) obvious 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 return or otherwise).

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

Closure of enquiry

30 (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 (or relevant part thereof) the taking of such actions (including the payment of tax due) as the Agency may require.

Assessments

31 (1) The Agency may cause an assessment to be made of the amount of tax which is properly chargeable where—

(a) any Filing Bermuda Constituent Entity fails to furnish a return in accordance with these Regulations;

(b) it appears to the Agency that any return furnished by a Filing Bermuda Constituent Entity is materially incomplete (whether as a consequence of an enquiry or otherwise); or

(c) the Agency, acting reasonably, concludes that the return does not accurately state the amount of tax.

(2) Any assessment of tax shall not alter the original due date for any payment of tax and accordingly the interest provisions of Part 3 of the Regulations shall apply in respect of any tax assessed, notwithstanding that the Agency, when issuing a notice of assessment may also indicate separately any amounts of interest it calculates as due and owing.

(3) An assessment of tax shall not preclude the Agency from imposing a civil penalty pursuant to the CIT Act.

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

[Regulation 31 paragraph (2) amended by BR 87 / 2026 reg. 19 effective 14 August 2026]

Procedure for assessments

32 (1) Where the Agency proposes to exercise its powers of assessment pursuant to regulation 31(1), it shall first issue a notice of proposed assessment to the Filing Bermuda Constituent Entity of the Bermuda Constituent Entity Group for which the assessment is proposed.

(2) A notice of 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 Bermuda Constituent Entities are required to maintain pursuant to these Regulations; and

(d) the amount of any proposed adjustment to tax (including either any interest or penalties, or both, which shall take account of any previous payments made on account thereof).

(3) A Filing Bermuda Constituent Entity shall have 60 days from the date of the notice of proposed assessment to make submissions to the Agency, in such form and manner as the Agency may prescribe, 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,

provided that in any event it shall notify the Filing Bermuda Constituent Entity after determining which of paragraphs (a) to (c) to apply and immediately upon such notification, if not cancelled, the proposed notice of assessment (as amended, if relevant) shall be automatically converted to a final notice of assessment.

(5) Notwithstanding the foregoing, 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).

(6) The Agency's power of compromise pursuant to section 17 of the Agency Act shall apply in relation to any final notice of assessment.

[Regulation 32 paragraph (3) amended by BR 87 / 2026 reg. 20 effective 14 August 2026]

Clearance procedure

33 (1) Where, prior to the end of a fiscal year, one or more members of a Bermuda Constituent Entity Group, whether in one transaction or in a series of connected transactions, propose to discontinue (whether by merger or otherwise), liquidate or otherwise dissolve, such that upon conclusion of the transaction or connected transactions, there will no longer be any members of the Bermuda Constituent Entity Group that will be either Bermuda Tax Resident Entities or Bermuda Permanent Establishments, then the Agency may, upon the filing of such forms as it may prescribe,

grant clearance for the Bermuda Constituent Entity Group to dispense with the requirement for the Bermuda Constituent Entity Group to file either a return or make payment of any tax (including any instalments), or both, for the fiscal year in question.

(2) The grant of clearance shall be subject to such conditions as the Agency may impose, including (but not limited to) requirements that the Bermuda Constituent Entity Group—

(a) pay an amount sufficient to discharge any tax for the fiscal year in question;

(b) make good any tax due (in respect of previous fiscal years) or late returns;

(c) respond to any outstanding enquiries; or

(d) file a return on the basis of a shortened fiscal year.

(3) When granting clearance, the Agency may agree that it shall only exercise its powers of assessment pursuant to these Regulations within a shorter time period than would otherwise apply.

(4) The Agency shall not give clearance unless it has received indemnification, in form and substance satisfactory to the Agency, from a transferee party, which may include any shareholding entity in the Bermuda Constituent Entities that receive clearance, which shall indemnify the Crown in respect of any tax due (whether by result of assessment or otherwise) that has not been paid prior to the date of clearance, provided that where such transferee is not ordinarily subject to the jurisdiction of the courts in Bermuda, such indemnification must include a submission to the jurisdiction of the courts in Bermuda.

(5) The Agency shall promptly notify the Registrar of Companies and the Office of the Tax Commissioner of—

(a) any application for clearance; and

(b) the grant of any clearance.

Instalment agreements

34 (1) Whether as part of a compromise pursuant to section 17 of the Agency Act or otherwise, the Agency may enter into an instalment agreement with a Filing Bermuda Constituent Entity in respect of overdue amounts.

(2) A Filing Bermuda Constituent Entity may request that the Agency enter into an instalment agreement with it, but the Agency shall not be obliged to do so.

(3) An instalment agreement shall be an agreement in writing which shall—

(a) state that it is an instalment agreement;

(b) identify the Bermuda Constituent Entities and Bermuda Constituent Entity Groups covered by the agreement;

(c) state the amounts (whether for tax due or penalties or otherwise) covered by the agreement;

(d) establish a payment plan for the amounts due and owing by a Bermuda Constituent Entity Group which is covered by the agreement; and

(e) automatically terminate if any required payment thereunder is missed by the deadline specified therein.

(4) For so long as an instalment agreement is in existence, the Agency shall be precluded from commencing any enforcement action before the courts in Bermuda in respect of the amounts covered by the instalment agreement.

(5) An instalment agreement shall not vary the amount of tax due or penalties, nor shall the existence of an instalment agreement cause interest to cease to be chargeable for so long as amounts remain outstanding.

Recovery of tax

35 The Agency may pursue any payments that are overdue pursuant to these Regulations as a debt due to the Crown, including either by way of any statutory demand or winding-up petition, or both.

Evidence

36 Where tax due is in arrears, a certificate of the Agency that tax due is unpaid, 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 such a certificate as is mentioned in this regulation shall be deemed to be such a certificate until the contrary is proved.

Liquidator to give notice

37 Every person who is the liquidator of a company which is being wound up and which is a Bermuda Constituent Entity shall, within 14 days after he has become liquidator of that company, serve on the Agency notice in writing of his appointment as liquidator.

PART 6

FOREIGN EXCHANGE

Conversion of Euro denominated thresholds in the CIT Act

38 (1) For the purposes of the CIT Act, in determining the equivalent amount specified in Euro denominated thresholds, as specified in paragraph (2), the following applies—

(a) non-Euro denominated amounts for the fiscal year shall be converted by multiplying such amounts by the average foreign exchange rate for the month of December in the immediately preceding fiscal year;

(b) the average foreign exchange rate for the month of December shall be published by the Agency on a periodic basis on its website at www.cita.bm, and shall be determined based on foreign exchange rates quoted by the European Central Bank, provided that—

(i) amounts presented in Bermuda dollars shall be converted at the foreign exchange rate quoted by the European Central Bank for the conversion of U.S. dollars into Euros; and

(ii) for currencies other than Bermuda dollars, if 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 such jurisdiction.

(2) This regulation shall apply to the following amounts in relation to the applicable sections of the CIT Act—

(a) the EUR 750 million thresholds referenced in section 11 of the CIT Act;

(b) the EUR 10 million and EUR 1 million thresholds referenced in section 7(1)(a) and (b), of the CIT Act;

(c) the EUR 50 million threshold referenced in section 13(1)(b) of the CIT Act;

(d) the EUR 1 million threshold referenced in section 21(1)(b)(i) of the CIT Act;

(e) the EUR 75 million threshold referenced in paragraph (c) of the definition of "consolidated financial statements" in section 2(1) of the CIT Act; and

(f) the EUR 50,000 threshold referenced in paragraph (b) of the definition of "policy disallowed expenses" in section 2(1) of the CIT Act,

provided that to the extent the thresholds described in subparagraph (a) or (b) are determined based on average revenue, or average income of loss, for the current fiscal year and one or more preceding fiscal years, the provisions of paragraph (1) shall be applied separately to each such fiscal year.

[Regulation 38 inserted by BR 118 / 2025 reg. 15 effective 12 December 2025]

Conversion of non-U.S. dollar amounts for payment of tax due in U.S. dollars

39 For the purposes of determining the equivalent U.S. dollar amount that is required to be paid to discharge a tax liability under the CIT Act and regulations made thereunder, the following applies—

(a) non-U.S. dollar denominated tax amounts shall be converted by multiplying such amounts by the average foreign exchange rate for the fiscal year to which the tax 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,

provided that if 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 such jurisdiction (or equivalent);

(c) the Agency may periodically publish average foreign exchange rates determined in accordance with subparagraph (b) on its website at www.cita.bm and, to the extent that an average foreign exchange rate is published by the Agency with respect to a local currency for a fiscal year, such average foreign exchange rate shall be applied for the purposes of converting tax amounts denominated in such local currency for such fiscal year for the purposes of subparagraph (a); and

(d) for the purposes of calculating interest on underpayments in respect of instalments due before the end of the fiscal year, the methodology in regulation 38(1) shall be applied, such that the rate used shall be the average foreign exchange rate for the month of December for the preceding fiscal year.

[Regulation 39 inserted by BR 118 / 2025 reg. 15 effective 12 December 2025]

Commencement

40 These Regulations shall come into operation on 2 June 2025.

[Regulation 40 amended by BR 118 / 2025 reg. 16 effective 12 December 2025]

Made this 12th day of May 2025

Minister of Finance

[Operative Date: 02 June 2025]

[Amended by:
BR 118 / 2025
BR 87 / 2026]