BERMUDA

CORPORATE INCOME TAX AGENCY ACT 2024

2024 : 20

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WHEREAS it is expedient to make provision for the establishment of a statutory corporation, to be known as the "Corporate Income Tax Agency", which shall be responsible for administering Bermuda's corporate income tax regime in accordance with statutory requirements;

Be it enacted by The King's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

PART I

INTRODUCTORY

Citation

1 This Act may be cited as the Corporate Income Tax Agency Act 2024.

Interpretation

2 In this Act, unless the context otherwise requires—

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

"Bermuda Constituent Entity Group" has the meaning given to that term under section 2 of the CIT Act;

"Board" means the board of directors of the Agency;

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

"Minister" means the Minister of Finance;

"officer" in relation to the Agency includes any director or secretary of the Agency;

"tax liability" means the liability of a Bermuda Constituent Entity Group under the CIT Act (or in regulations made under the CIT Act) to pay corporate income tax thereunder;

"tax receipts" means any monies collected or paid in respect of a tax liability (and shall include any instalment payments and any penalties).

[Section 2 definition "tax receipts" amended by 2025 : 2 s. 3 effective 21 April 2025; Section 2 definition "officer" inserted by 2025 : 12 s. 29 effective 29 July 2025]

PART II

THE CORPORATE INCOME TAX AGENCY

Establishment of Corporate Income Tax Agency

3 (1) There is established an Agency to be known as the "Corporate Income Tax Agency" which shall have such powers and shall perform such functions as are assigned to it by this Act and the CIT Act.

(2) The Agency shall be a body corporate having perpetual succession and a common seal and, subject to this Act, shall have power to acquire, hold and dispose of movable and immovable property of whatever kind and to enter into contracts and to do all things necessary for the purposes of its functions.

(3) The Agency may sue and be sued in its corporate name and may for all purposes be described by that name.

(4) The seal of the Agency shall be authenticated by the signature of any director of the Agency or any other member of the Agency authorised to act in that behalf and shall be judicially and officially noticed.

(5) All documents, other than those required under law to be under seal, made by, and all decisions of, the Board may be signified under the hand of any director of the Agency or any person authorised to act in that behalf.

(6) The Agency in the exercise of its functions shall act as agent of the Crown and shall be subject to any general or particular directions given to it by the Minister in accordance with section 5(7).

General functions of the Agency

4 (1) The Agency shall be responsible for the administration of the CIT Act and the collection of tax receipts including, without limitation—

(a) aiding and providing support to taxpayers (including by way of determinations pursuant to Part III of this Act);

(b) administering the processes and procedures for the filing of tax returns and the calculation of taxes owed;

(c) reviewing and where appropriate auditing tax returns and ensuring compliance more generally with the CIT Act and any regulations made under that Act; and

(d) conducting any civil enforcement action in connection with or under the CIT Act or regulations (including concluding such enforcement action pursuant to a settlement agreement made in accordance with Part III of this Act).

(1A) In addition to subsection (1), the Agency shall also be responsible for—

(a) calculating and administering the application, award and refund of any tax credits including under and in connection with the Tax Credits Act 2025; and

(b) such other functions or duties as may be conferred on or delegated to the Agency by virtue of, or pursuant to, any statutory provision.

(2) The Agency has authority over all matters relating to—

(a) general administrative policy in the Agency;

(b) the organization of the Agency;

(c) human resource management; and

(d) internal audit in the Agency.

(3) The Agency may issue and update any guidance or "frequently asked questions" relating to this Act, the CIT Act or any regulations made under those Acts.

(4) In exercise of its functions, the Agency shall, subject to the provisions of this Act, have the capacity, rights, powers and privileges of a natural person.

[Section 4 subsection (1A) inserted by 2025 : 29 s. 18 effective 11 December 2025; Section 4 subsection (1)(d) amended by 2026 : 25 s. 17 effective 29 July 2026]

Board of Directors

5 (1) The governing body of the Agency shall be a board of directors consisting of a Chairman, appointed by the Minister, together with a minimum of six and a maximum of ten additional directors appointed by the Minister.

(2) In making any appointment to the Board the Minister must have regard to and only appoint those individuals which, in his reasonable opinion, have significant experience and expertise in the fields of one or more of accountancy, law, taxation or financial services.

(3) Notwithstanding subsection (2), no person shall be appointed to the Board (or shall remain appointed to the Board)—

(a) if he has been or is declared bankrupt or insolvent under the law of any country and has not been discharged or rehabilitated or if he has made a composition with his creditors and has not paid his debts in full;

(b) if he is incapacitated by physical or mental illness or infirmity so as to be unfit to perform his duties as a director;

(c) if he has been sentenced to imprisonment without the option of a fine or has been convicted of an offence involving dishonesty;

(d) if he is delinquent on the payment of any taxes for which he, or any business of which he is a majority owner, is liable; or

(e) if he has such financial or other interest, whether in the operations of the Agency or otherwise, as in the opinion of the Minister is likely to affect prejudicially the performance of his functions as a director.

(4) If a member of the Board has any direct or indirect interest in any dealing or business with the Agency—

(a) he shall disclose his interest to the Board at the time of the dealing or business being negotiated or transacted; and

(b) he shall have no vote in relation to the dealing or business, unless the Board has resolved that the interest does not give rise to a conflict of interest.

(5) The Board shall have the general oversight of the property, income and funds of the Agency and of the affairs and concerns thereof, and may advise the Minister on matters that relate to the general administration and enforcement of Bermuda's corporate income tax regime, except that nothing in this Act authorises the Board—

(a) to require disclosure to it of any information that directly or indirectly reveals the identity of the person, organization or business to which it relates; or

(b) to direct the Chief Executive Officer or any other person on the administration or enforcement of tax matters under this Act, the CIT Act or regulations made under those Acts.

(6) The affairs and proceedings of the Board shall be regulated in the manner set out in the Schedule 1.

(7) The Minister may issue a written direction to the Agency, addressed to the Chairman, on any matter within the authority or responsibility of the Board that, in the Minister's opinion, affects public policy or could materially affect public finances.

The Chief Executive Officer

6 (1) Subject to subsection (5), there shall be appointed by the Board, following approval by the Minister, a Chief Executive Officer, who shall be an employee of the Agency.

(2) The Chief Executive Officer shall receive such remuneration on such terms and conditions as shall be recommended by the Board and approved by the Minister.

(3) The Chief Executive Officer shall be responsible for the day to day management of the Agency.

(4) In discharging his responsibilities, the Chief Executive Officer may delegate his powers to the staff of the Agency as he shall see fit.

(5) Subject to section 5(5)(a) and (b), the Chief Executive Officer must keep the Minister and the Board informed of any matter that could affect public policy or that could materially affect public finances, and any other matter that the Minister considers necessary.

(6) If the Minister delegates to the Chief Executive Officer, or any other person within the Agency, a duty or function vested in the Minister by virtue of any other legislation, then the Minister may direct the Chief Executive Officer or such other person within the Agency in the performance of such delegated duty or function.

(7) In respect of the first appointment of a Chief Executive Officer of the Agency, if there are insufficient directors then in office to form a quorum for the Board, in the interests of the prompt commencement by the Agency of its functions under this Act, the Minister shall have the power to make a temporary appointment of an interim Chief Executive Officer, for a period not to exceed 24 months.

Staff of the Agency

7 (1) In addition to the Chief Executive Officer, the Agency shall employ such staff and hire such consultants as may be necessary for the proper carrying out of its functions and such staff or consultants shall be employed or retained on such terms as the Agency may determine, subject to such guidelines as the Board may establish from time to time.

(2) The Government may at the request of the Agency provide it with such consultants and/or second to it any public officer or other Government employee on such terms and conditions as may be agreed.

(3) The Agency shall be responsible for the payment of the salaries and wages and for the cost of all emoluments of the Chief Executive Officer and other staff of the Agency including consultants and any public officers or Government employees seconded to the service of the Agency.

(4) If any person in Government employment in a pensionable office is seconded to the Agency then for the purposes of computing the time and amount of his service for the purposes of his Government pension the period of his secondment shall be deemed to be service in his pensionable office.

(5) The Minister may require the Agency to pay into the Consolidated Fund such amounts as he may determine to reimburse the Government in respect of pensions payable by the Government to public officers or Government employees who have been seconded to the Agency under this section.

Tax exemption

8 The Agency shall be deemed to be an agent of the Crown for the purposes of section 4 of the Stamp Duties Act 1976.

Tax receipts

9 Notwithstanding any other provisions of this Act or regulations made thereunder, tax receipts shall not form part of the Agency's property.

Funds and budget of the Agency

10 (1) The funds of the Agency shall consist of—

(a) grants from the Government out of moneys appropriated by the Legislature for the purposes of the Agency;

(b) any loan or advance to the Agency;

(c) any moneys accruing to the Agency in the course of the discharge of its functions; and

(d) any moneys allocated to the Agency under the rules of the general reserve fund established under section 10A and the tax refund reserve fund established under section 50A of the Corporate Income Tax Act 2023 for the purposes of the Agency meeting its operating expenses.

(2) The financial year of the Agency shall be the Government financial year, except that the first financial year shall consist of the period commencing on the date of the establishment of the Agency and ending on the 31 March 2026.

(3) The Agency shall, not later than four months (or such shorter period as the Minister may allow) before the commencement of each of its financial years commencing on or after 1 April 2025, submit to the Minister for his approval a draft budget that has been approved by the Board in such form and in such detail as the Minister may require in respect of the Agency's expenditure on operations in that financial year.

(4) The Agency shall submit as soon as may be known to the Minister for his approval any proposed amendments to any such draft budget.

(5) Any such draft budget and any such amendments, when approved by the Minister for any financial year, shall constitute the Agency's expenditure budget for that financial year.

(6) The Agency shall not without the Minister's approval spend in total in any financial year more than the total amount of expenditure approved by the Minister for that financial year.

[Section 10 subsection (1)(d) inserted by 2026 : 1 s. 3 effective 31 March 2026]

General reserve fund

10A (1) The Agency shall establish and maintain a general reserve fund to which, subject to subsection (3), there shall be transferred at the end of each financial year an amount representing any surplus, or from which there shall be deducted an amount representing any deficit, of the Agency for that financial year, which in each case shall be determined pursuant to subsection (6).

(2) Where there exists any surplus at the end of a financial year, then there shall be transferred to the general reserve fund the smaller of—

(a) the surplus; or

(b) the amount of the surplus as will make the amount in the general reserve fund equal to 50% of the approved budgeted expenses of the Agency for the following financial year.

(3) Following the application of subsection (2), any surplus at the end of a financial year not transferred to the general reserve fund shall, unless otherwise directed by the Minister, be transferred to the Consolidated Fund.

(4) Where in any financial year, the Agency should incur a deficit which exceeds the amount then standing to the credit of the general reserve fund at the beginning of the financial year, a sum equivalent to the amount by which the deficit exceeds the general reserve fund shall be paid to the Agency from the Consolidated Fund.

(5) Where a deficit under subsection (4) arises from actual expenditures exceeding the approved budgeted expenditures under subsection (6), without the prior authorisation of the Minister, then the unapproved expense amount shall only be transferred to the Agency from the Consolidated Fund following approval by the Minister.

(6) For purposes of this section—

(a) a surplus means the excess, if any, of the funds received under section 10(1) by the Agency in a financial year over the amount of operational expenses (current plus capital) incurred by the Agency in a financial year; and

(b) a deficit means the excess, if any, of the amount of operational expenses (current plus capital) incurred by the Agency in a financial year over the funds received by the Agency in a financial year.

[Section 10A inserted by 2026 : 1 s. 4 effective 31 March 2026]

Borrowing powers

11 (1) The Agency may, with the approval of the Minister and subject to such conditions as he may determine, borrow moneys to enable it to discharge its functions under this Act and to meet its obligations.

(2) The powers of the Minister under this section shall extend to the amount, the nature and sources of the borrowing, and the time at and conditions on which the borrowing may be effected, and his approval may be either general or limited to a particular borrowing.

(3) Failure to enquire whether the borrowing of any money is within the power of the Agency shall not preclude a person lending such money to the Agency from enforcing the contract under which the money is lent.

Guarantees by Government

12 (1) The Government may guarantee, by the undertaking of the Minister, in such manner and on such conditions as he thinks fit, the payment of the principal and interest on any authorised borrowings of the Agency.

(2) Any sums required by the Government for fulfilling any guarantee under this Act of borrowings of the Agency are hereby charged upon the Consolidated Fund.

(3) As soon as may be practicable after any guarantee is given under this section, the Minister shall lay before both Houses of the Legislature a statement of the guarantee so given.

Investments

13 If the Agency at any time has moneys that it does not require for its purposes for a foreseeable period, it may invest those moneys in such manner as the Minister may approve.

Accounts and audit

14 (1) The Agency shall prepare books and records of account.

(2) The Agency shall prepare in respect of each financial year, a statement of account which shall be approved by the Board and shall include—

(a) a balance sheet, a statement of income and expenditure and a statement of surplus or deficit; and

(b) such other information in respect of the financial affairs of the Agency as the Minister may require.

(3) The books and accounts of the Agency shall be audited within a period of six months after the end of each financial year by the Auditor General, or an auditor appointed by him.

Annual report

15 (1) The Agency shall, as soon as practicable, and in any case not later than six months after the end of each financial year commencing with the financial year ending on 31 March 2026, submit an annual report approved by the Board to the Minister on the activities of the Agency.

(2) The Minister shall as soon as practicable after receiving the report of the Agency, lay such report before both Houses of the Legislature.

PART III

DETERMINATIONS AND SETTLEMENTS

Determinations by Agency

16 (1) The Agency may issue determinations on the application of the CIT Act or regulations made under that Act to a specific transaction or event.

(2) The Agency will only exercise its power to issue a determination where there is a demonstrable material uncertainty about the tax consequences of the proposed transaction or event, and will only provide a determination where it has been supplied with—

(a) the full facts and context of the transaction or event including details of when the transaction or event occurred or is intended to occur and the parties involved;

(b) the commercial background relevant to the requested determination including the significance of the tax result and the consequences of any alternative legal interpretation;

(c) the legislative uncertainty in question; and

(d) payment of such fee as may be prescribed by the Minister from time to time.

(3) The Agency shall not issue a determination where, in its reasonable opinion—

(a) the questions posed for determination are equivalent to tax planning advice;

(b) there is not any material uncertainty; or

(c) the questions do not involve the interpretation of tax law or its application to particular circumstances.

(4) Any determinations made by the Agency under this section shall be in writing and may, if the Agency considers that they have general application, be adapted and published as guidance in accordance with the Agency's powers under this Act.

(5) A determination made by the Agency under this section shall be binding as against the Agency and the Crown.

Settlements and compromises

17 (1) Where a dispute has arisen between the Agency and any taxpayer on a specific issue or liability under the CIT Act or regulations made under that Act, the Agency shall have the power, assisted by external counsel if it deems necessary, to conduct and conclude settlement negotiations in respect of such issue or liability.

(2) Where the Agency determines that it is proper and appropriate to settle any such dispute, it may enter into an agreement with the taxpayer to whom the dispute relates.

(3) In determining whether it is proper and appropriate to settle a dispute, the Agency must take into account which outcome secures the right tax most efficiently including—

(a) securing the best practicable return for the Crown having regard to the future as well as immediate revenue flows, costs, and the deterrent effect on noncompliance;

(b) the potential for other prospective disputes as well as the impact which settling the dispute could have in releasing Agency resources to work on other matters;

(c) the Agency's likelihood of success if the disputed matters are litigated and the costs involved in any such litigation (including the likelihood of recovery of such costs); and

(d) how the terms on which disputes are resolved will likely impact taxpayer behaviours both generally and in respect of the specific taxpayer concerned, including any question of avoidance, evasion or a failure to take reasonable care.

(4) An agreement shall be a final agreement which conclusively determines, settles and compromises the liabilities which are the subject of such agreement provided there is an absence of fraud, malfeasance or misrepresentations of material facts or circumstances.

(5) The Agency shall provide a quarterly summary of all settlements reached by the Board as soon as practicable following the end of the relevant quarter.

(6) Notwithstanding subsection (5), the Agency shall provide such reports and information on settlements to the Minister as he may require to assist in the performance of his duties.

[Section 17 subsection (3) amended by 2026 : 25 s. 17 effective 29 July 2026]

Oral guidance

18 (1) The Agency shall not issue any oral determinations, nor shall it respond to any oral request for the same.

(2) Any statement made orally by the Agency may not be relied upon.

PART IV

GENERAL AND MISCELLANEOUS

Immunity from suit

19 (1) No action, suit, prosecution or other proceeding shall be brought or instituted personally against an officer, employee or agent of the Agency in respect of any act done bona-fide in pursuance or execution or intended execution of this Act or any other Act or any regulations made thereunder.

(2) Where any officer is exempt from liability by reason only of subsection (1), the Agency shall be liable to the extent that it would be if that officer were an employee or agent of the Agency.

(3) Neither the Agency nor any person who is, or is acting as, an officer, employee or agent of the Agency is liable in damages for anything done or omitted in the discharge or purported discharge of the Agency's functions under this Act or any other Act and regulations made thereunder unless it is shown that the act or omission was in bad faith.

(4) For the purposes of this section, "agent" includes an auditor, accountant or other person who by or under any statutory provision is under a duty to give notice of, or report on, any fact or matter to the Agency for the purposes of its functions.

Confidentiality

20 (1) Except in so far as may be necessary for the due performance of his functions under the Act or any other statutory provision, and subject to subsection (4), any person who is, or is acting as, an officer, employee, agent or adviser of the Agency shall preserve and aid in preserving confidentiality with regard to all matters relating to the affairs of the Government or the Agency or of any person that may come to his knowledge in the course of his duties.

(2) The obligation to preserve confidentiality under subsection (1) continues to apply to persons no longer being or acting as an officer, employee, agent or adviser of the Agency, in respect of a matter that came to their knowledge in the course of their duties at the Agency.

(3) Any such officer, employee, agent or adviser who communicates any such matter to any person other than the Minister, the Board or another officer, employee, agent or adviser of the Agency authorised in that behalf or suffers or permits any unauthorised person to have access to any books, papers or other records relating to the Government or the Agency, or to any person, commits an offence and shall be liable—

(a) on summary conviction to a fine of $50,000 or imprisonment for two years or both;

(b) on conviction on indictment to a fine of $100,000 or imprisonment for five years or both.

(4) Subsection (1) does not preclude the disclosure of information—

(a) to the Minister in any case in which the disclosure is for the purpose of enabling or assisting him to discharge his statutory functions or is in the public interest;

(b) to the Bermuda Monetary Authority for the purposes of enabling or assisting it in the discharge of its statutory functions;

(c) to the Registrar of Companies for the purpose of enabling or assisting him to discharge his statutory functions;

(d) to the Office of the Tax Commissioner for the purpose of enabling or assisting him to discharge his statutory functions;

(e) to the Financial Intelligence Agency, established under section 3 of the Financial Intelligence Agency Act 2007, for the purpose of its functions;

(f) for the purpose of enabling or assisting the Agency to exercise any functions conferred on them by this Act and the CIT Act;

(g) if the information is or has been available to the public from other sources;

(h) in a summary or collection of information framed in such a way as not to enable the identity of any individual taxpayer;

(i) for the prevention, detection, investigation or prosecution of criminal conduct, whether in Bermuda or elsewhere;

(j) in assistance of the carrying out of any functions of any intelligence service; or

(k) for the purposes of assisting with the implementation of, compliance with or enforcement of any international tax cooperation or information sharing agreements or international sanctions measures that have effect within Bermuda.

(5) No officer, employee, agent or adviser of the Agency shall be required to produce in any court any book or document or to divulge or communicate to any court any matter or thing coming under his notice in the performance of his duties under this Act or other statutory provision, except on the direction of the court or in so far as may be necessary for the purpose of carrying into effect this Act or other statutory provision.

(6) Notwithstanding anything to the contrary in this section the Minister, where he is of the opinion that it is desirable so to do in the interests of internal security or for the detection of crime, may authorise any police officer of or above the rank of Inspector by warrant under his hand to inspect and take copies of any of the books or records of the Agency.

(7) Any information which has been received by the Agency from a foreign tax authority may be shared pursuant to subsections (4) through (6), subject to the prior approval of the relevant foreign tax authority, except that the prior approval of the relevant foreign tax authority is not required where the information is shared for the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the, taxes, or the oversight of the aforementioned in this subsection.

Furnishing information

21 (1) Subject to this Act and regulations made thereunder, the Agency may require any person to furnish it at such time or times or at such intervals or in respect of such period or periods with such information as the Agency may reasonably require to discharge its functions under this Act or the CIT Act, except that in considering the reasonableness of its request the Agency shall act proportionately and with due regard to any matters of privilege or data protection.

(2) Subject to this Act, where the Agency in the discharge of its functions requires information and any person fails to comply with any requirements made by the Agency under this section without reasonable excuse, then that person is guilty of an offence and is liable—

(a) on summary conviction to a fine of $25,000 or to imprisonment for six months or both; or

(b) on conviction on indictment to a fine of $100,000 or to imprisonment for two years or both.

(3) Where an offence under this section committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of any director, manager, secretary or other officer of the body corporate, he, as well as the body corporate, shall be deemed to be guilty of an offence and is liable to be proceeded against and punished accordingly.

(4) Where the affairs of a body corporate are managed by its members, subsection (3) applies in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

(5) Where a partnership is guilty of an offence under this section, every partner, other than a partner who is proved to have been ignorant or to have attempted to prevent the commission of the offence, is also guilty of the offence and is liable to be proceeded against and punished accordingly.

(6) Where any other association, incorporated or not, is guilty of an offence under this section—

(a) every officer of the association who is bound to fulfil any duty of which the breach is the offence; or

(b) if there is no such officer, every member of the governing body other than a member who is proved to have been ignorant of or to have attempted to prevent the commission of the offence,

is also guilty of the offence and is liable to be proceeded against and punished accordingly.

Request for assistance by foreign tax authority

22 (1) The Agency may, subject to this section, exercise its powers under this Act for the purposes of assisting a foreign tax authority which has requested assistance in connection with inquiries being carried out by it or on its behalf.

(2) The Agency shall not exercise the powers conferred by subsection (1) unless the Minister is satisfied that the request from the foreign tax authority has been made in compliance with the International Cooperation (Tax Information Exchange Agreements) Act 2005 and, in the case of the U.S.A., the USA Bermuda Tax Convention Act 1986.

Appeal to Supreme Court

23 (1) A person who is aggrieved by a decision (including any determination issued pursuant to Part III) of the Agency may appeal to the Supreme Court against the decision.

(2) On any appeal under this section, the Court may make such order, including an order for costs, as it thinks just.

(3) Section 62 of the Supreme Court Act 1905 shall be deemed to extend to the making of rules under that section to regulating the practice and procedure on an appeal under this section.

Regulations

24 (1) The Minister may make regulations for the purposes of this Act prescribing anything that is necessary or expedient to be prescribed for the carrying out of the provisions of this Act or to give effect to it.

(2) The negative resolution procedure shall apply to regulations made under subsection (1).

(3) Regulations may be made by the Minister to fix fees for any function or service performed under this Act or regulations made thereunder.

(4) The affirmative resolution procedure shall apply to regulations made under subsection (3).

Consequential amendments to Corporate Income Tax Act 2023

25 Schedule 2 has effect with respect to consequential amendments to the Corporate Income Tax Act 2023.

SCHEDULE 1

(section 5)

PROCEEDINGS OF BOARD

1 (1) A director shall be appointed for a period of three years, beginning on such day as may be determined by the Minister, and may, unless disqualified, be reappointed from time to time for a like period.

(2) A director may resign his office at any time by notice in writing to the Minister.

2 The Minister may terminate the appointment of a director at any time upon at least two weeks notice to such director and shall terminate the appointment if he is satisfied that the director—

(a) is unable through absence from Bermuda to perform to the satisfaction of the Minister the functions of his office;

(b) has failed, without adequate cause, to attend three successive meetings of the Board;

(c) would be disqualified for appointment by reason of the provisions of section 5;

(d) has made a false or incomplete declaration for the purposes of section 5; or

(e) has failed to notify the Minister of any material changes in the nature of the financial or other interests required to be declared under section 5 which have occurred subsequent to such declaration.

3 (1) A person appointed to fill the place of a director before the end of the director's term of office shall hold office so long only as the vacating director would have held office.

(2) Where the place of a director becomes vacant before the end of his term of office and the unexpired portion of his term of office is less than three months, the vacancy need not be filled.

4 Subject to the provisions of this Act and to any directions given to the Board by the Minister, the Board shall meet for the dispatch of business and otherwise regulate its meetings and procedure as it may determine.

5 There shall preside at any meeting of the Board—

(a) the Chairman; or

(b) in the absence of the Chairman, such director as those present may elect for that meeting.

6 The majority of the directors then in office shall form a quorum at a meeting of the Board.

7 Any question proposed for a decision by the Board shall be determined by a majority of the votes of the directors present and voting at a meeting of the Board at which a quorum is present; each director present shall have one vote on a question proposed for decision by the Board and, in the event of an equality of votes, the person presiding at the meeting shall have, in addition to a deliberative vote, a second, casting vote.

8 A decision or an act of the Board shall not be rendered invalid by reason only that there is a vacancy in the directorship of the Board or a defect in the appointment of a director or that a disqualified person acted as a director at the time the decision was taken or the act was done or authorized.

9 If a director or his spouse or any company of which he is a director or shareholder has any interest, direct or indirect, in any contract or proposed contract, or in any other matter which is the subject of consideration by the Board and whereby his interest may conflict with his duties as a director, he shall disclose the same to the Board and shall absent himself from the meeting while the matter is being discussed and voted upon.

10 Directors shall be paid such fees and allowances out of the funds of the Agency as the Board may, with the approval of the Minister, determine.

11 The Board may, in its discretion, appoint (and remove) a secretary for the purposes of assisting the Board to maintain records of the proceedings of the Board.

SCHEDULE 2

(section 25)

CONSEQUENTIAL AMENDMENTS TO CORPORATE INCOME TAX ACT 2023

Amends section 2

1 Section 2 of the CIT Act is amended by the insertion, in the correct alphabetical order, of the following definitions—

" "Agency" means the Corporate Income Tax Agency established pursuant to the CIT Agency Act;

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

"tax receipts" has the meaning given to that term under section 2 of the CIT Agency Act;".

Inserts section 50A

2 The CIT Act is amended by the insertion after section 50 of a new section 50A as follows—

"**Establishment of tax refund reserve fund**

50A (1) There is hereby established a reserve fund to be called the "tax refund reserve fund", which shall, subject to this Act, the CIT Agency Act and regulations made under those Acts, be administered by the Accountant-General pursuant to the Public Treasury (Administration and Payments) Act 1969.

(2) The Minister may, by regulations made under this section, provide for the treatment and allocation of tax receipts as between the tax refund reserve fund and the Consolidated Fund, including the role of the Agency in respect of providing assistance in relation to the same.

(3) Regulations made under this section shall be subject to the negative resolution procedure.".

[Assent Date: 30 July 2024]

[Operative Date: 30 July 2024]

[Amended by:

2025 : 2

2025 : 12

2025 : 29

2026 : 1

2026 : 25]