



# Corporate Income Tax And Tax Credits Administrative Provisions

*Public Consultation*

May 13, 2026

**Corporate Income Tax Agency**  
**Corporate Income Tax and Tax Credits –**  
**Administrative Provisions**  
**Public Consultation**

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# 1. Introduction

The Corporate Income Tax Agency (“the Agency”) is publishing this consultation paper to invite stakeholder feedback with respect to:

- (i) Amendments to the Corporate Income Tax (Administrative) Regulations 2025 (the “CIT Admin Regs”);
- (ii) A **new** set of regulations governing administrative aspects of the Tax Credits Act 2025 (the “TCA”) regime (the “TCA Regs”).

While the changes to the CIT Admin Regs will be of interest primarily to corporate income taxpayers, the TCA Regs will be relevant to all entities intending to claim a tax credit under the TCA, **including both corporate income taxpayers and those who are not in scope of the corporate income tax charge.**

Changes are proposed to the CIT Admin Regs in order to reflect stakeholder feedback that has been received by the Agency to date, as well as to streamline the CIT Admin Regs with operational aspects of the Agency’s online filing system for corporate tax, which are anticipated to “go live” later in the summer.

The TCA Regs have been developed to address the administrative aspects of Bermuda’s new tax credit regime, and cover matters such as registration, filing and audit of tax credit claims. Structurally, the TCA Regs follow the existing format for the CIT Admin Regs since, as a policy matter (and given that the Agency will administer both tax credits and corporate income tax via its online portal), the regulations seek to align to the greatest degree possible the two regimes i.e. through identical filing deadlines under both regimes. This alignment should reduce administrative complexity for stakeholders.

Additional amendments to the illustrative draft legislation may be made before the final regulations are made by the Minister of Finance, including changes informed by feedback received through this Consultation. The drafts included in this consultation remain in all respects subject to further Government review and approval.

This Public Consultation period will run from 13 May 2026 to 3 June 2026. Submissions received after this date may not be considered. Consultation Paper responses and comments should be submitted by email to: [consultation@cita.bm](mailto:consultation@cita.bm) Respondents should include “CIT and TCA – Administrative Provisions” in the subject title. Media enquiries should be addressed to: [media@cita.bm](mailto:media@cita.bm)

## 2. Summary of Provisions

The following is a summary of the illustrative draft legislation accompanying this consultation and is qualified in all respects by the full text of such illustrative drafts. Amendments that are typographical or clarificatory in nature are not summarized below.

### **CIT Admin Regs**

#### **(i) Regulation 10**

An order of payments rule is introduced to address a situation when a taxpayer makes a partial payment, with payment priority being structured so that the obligations that incur the most interest are paid down first.

#### **(ii) Regulation 10A – Form 001**

At the start of this year, the requirement to file information accompanying an instalment payment was introduced. This information is filed on Form 001. Previously, the failure to file Form 001 on time could lead to interest penalties, since the instalment related to Form 001 was not treated as paid until the accompanying Form 001 was also filed. The Agency acknowledges that this could lead to a disparity in outcomes, since taxpayers that had no net income for a year would not incur interest charges for failing to file a Form 001, whereas those that had net income would incur such charges. The interest penalties associated with Form 001 have therefore been removed, but it is anticipated that the fixed penalty prescribed under the Corporate Income Tax Act 2023 for the late filing of an informational document will be increased. The ability to amend a previously filed Form 001 is also introduced.

#### **(iii) Regulation 11 – Account Verification, Rounding and Small Balances**

The rounding rule used by the Agency has been changed so that amounts are now rounded to the nearest cent (either up or down), and the Agency can now write off tax due balances of less than \$1. The regulation has also been expanded to permit the Agency to conduct verification of account ownership prior to paying refunds; this verification requirement is proposed as a prudent control.

**(iv) Regulation 12 – Short Years**

Previously, an instalment payment obligation could arise whereby new Bermuda tax groups were formed during the fiscal year but where the overall fiscal year of the consolidated group remained longer than 32 weeks, regardless of when in the fiscal year the Bermuda group was actually formed. This requirement has been adjusted so that new Bermuda groups that are formed mid-year will not be required to pay either or both instalments (depending on what point in the year they are formed).

**(v) Regulations 13 and 14 – Instalments calculated using an approved financial accounting standard**

These regulations are revised to permit a Bermuda Constituent Entity to calculate its installment payments using an approved financial accounting standard different from the accounting standard used by its ultimate parent.

**(vi) Regulations 15, 16, 18 and 19 – Allocation of payments, Underpayments and Underpayment Interest**

Significant changes have been made to these regulations to account for the impact of the TCA and the fact that groups with a positive distributable tax credit balance can apply these balances as a credit against a corporate income tax liability (including a liability to pay instalments). Previously the regulations referred to “payments”. The revisions aim to clarify that payment obligations can be satisfied through cross-crediting within the online portal. An ordering rule for credit dates for the purposes of satisfying obligations is also introduced, which in turn leads to revised provisions for the effective dates from which interest is calculated.

**(vii) Regulations 20, 21 and 22 – Overpayment refunds and interest**

The period prior to which overpayment interest begins to accrue is extended from 90 to 120 days from the date the overpayment first arises, and this 120 day period is itself extended to the extent that the Agency raises an enquiry or assessment in respect of the fiscal year in question. Restrictions are also introduced on the re-allocation of overpayments and the payment of any interest on overpayments to the extent that the overpayments are a consequence of late payment or filing. A rule is also introduced to

clarify that bank charges associated with paying refunds are netted against the refund, and that overpayments of less than \$10 shall be written off by the Agency.

**Question 1: Are there any aspects of the proposals that present concerns or require further clarification?**

## **TCA Regs**

### **(i) Part 1 – Preliminary**

This section sets out definitions used in the regulations and stipulates that tax credits shall be claimed via an online filing which will be administered by the Agency.

### **(ii) Part 2 – Registration and General Administration**

Regulation 3 reiterates the Agency’s role in administering tax credits and provides that the Agency may access payroll tax returns to assist in the review process.

Regulations 4 and 5 are standard provisions that enable administration through electronic media.

Regulation 6 imposes a duty of confidentiality on the Agency in respect of tax credit administration and prescribes a default role as to which individuals within an organization the Agency would normally communicate with, as well as providing organizations with the ability to authorize individuals for the purposes of administering a tax credit claim.

Regulation 7 imposes a positive duty on any tax credit claimants to register with the Agency’s online portal in order to file a tax credit claim.

Regulation 8 empowers the Agency to prescribe the form of registration for tax credits, and includes a “grandfathering” provision whereby those already registered for corporate income tax on the Agency’s online portal will not need to complete a separate registration for tax credits.

Regulation 9 states the Agency’s power to apply the TCA to determine whether or not a group qualifies for a relevant tax credit.

Regulation 10 provides for the cancellation of a group’s tax credit registration.

Regulation 11 provides that a group must designate a single entity as the responsible filing entity when making a tax credit claim, contains a default rule where a group fails to do this and (similar to Regulation 8) provides that an entity designated for filing under the

corporate income tax regime will automatically be designated as the filing entity for tax credits where the group membership is identical.

### **(iii) Part 3 – Payment of Tax Credit Benefits**

Regulation 12 states that it is ultimately the Agency that determines the amount of tax credit benefit.

Regulation 13 contains the rules for the payment of distributable tax credit benefits, including the conditions that a group will need to satisfy and the payment timeframe for a cash payment of tax credit benefits. The Regulation also requires groups to pay-back any cash payment of tax credit benefits where the amount of tax credit benefits are subsequently adjusted following initial payment (whether due to amendment or audit of a claim).

Regulation 14 states that interest shall be charged in respect of overstated amounts on a tax credit benefit claim at the amount of 4% above the one-year U.S. dollar risk free spot rate published by the Bermuda Monetary Authority (which is the same rate as is charged on underpayments of tax). The regulation also states that no interest shall accrue for so long as tax credit benefits remain unpaid.

### **(iv) Part 4 – Tax Credit Claim Forms**

Regulation 15 states the positive requirement to file a tax credit claim form in order for any award of tax credits to be made. The Regulation also states the due date for filing which is the end of the tenth month following the end of the fiscal year to which such tax credit claim form relates (i.e. October 31 of the following year for those with December 31 year ends).

Regulation 16 provides a claimant with the ability to amend a previously filed claim form, as well as specifying the consequences for the calculation of the level of tax credit benefits where such amendment results in an adjustment to the amount of benefits claimed.

Regulation 17 allows the Agency to make certain unilateral amendments to a tax credit claim form in cases of obvious errors or omissions (subject to the claimant confirming that they

accept the proposed amendment).

Regulation 18 imposes a requirement on claimants to retain appropriate documentation to support their claim for tax credit benefits.

#### **(v) Part 5 – Enquires and Assessments**

Regulation 19 establishes the timeframes for the Agency conducting an enquiry or assessment of a tax credit claim filing. Generally, fiscal years are closed and not subject to enquiry or assessment after the fourth anniversary of the relevant filing.

Regulations 20 and 21 set out the procedure to be used by the Agency in respect of official enquiries.

Regulation 22 sets out the Agency's power to assess a tax credit claim and the circumstances in which the Agency would exercise such power.

Regulation 23 sets out the procedure to be used by the Agency in making an assessment, and includes the ability for a claimant subject to assessment to make representations to the Agency.

Regulations 24 and 25 are rules of civil procedure that provide the Agency with the ability to recover payments of tax credits in the Courts of Bermuda as a debt erroneously disbursed.

#### **(vi) Part 6 – Foreign Exchange and Miscellaneous Provisions**

Regulation 26 contains the rules for translating non-USD expenditure into USD for the purposes of submitting a tax credit claim.

Regulation 27 aims to provide further clarity on the application of sections 12 and 19 of the TCA in determining what constitutes an “eligible training activity”.

Regulation 28 aims to provide further clarity on determining what the “Bermuda service element” for expenditure in respect of services that may be performed either wholly or

partly in Bermuda. The regulation proposes several different methodologies that may be applied depending upon the type of service.

Regulation 29 provides that, subject to obtaining a statutory declaration from the charity in question, certain charitable contributions may automatically be treated as qualifying as eligible charitable expenses for the purposes of claiming a tax credit.

**Question 2: Are there any aspects of the proposals that present concerns or require further clarification?**

**Question 3: With particular reference to regulations 27 to 29, do these proposed regulations provide greater clarity for tax credit claimants in relation to determining training expenses, service expenses and/or charitable contributions?**

### **3. Illustrative Draft Legislation**

**CORPORATE INCOME TAX (ADMINISTRATIVE) AMENDMENT REGULATIONS 2026**

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**BERMUDA**

**CORPORATE INCOME TAX (ADMINISTRATIVE) AMENDMENT REGULATIONS 2026**

**BR [XX] / 2026**

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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:

**Citation**

1	These Regulations, which amend the Corporate Income Tax (Administrative)
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## **CORPORATE INCOME TAX (ADMINISTRATIVE) AMENDMENT REGULATIONS 2026**

Regulations 2025 (the “principal Regulations”) may be cited as the Corporate Income Tax (Administrative) Amendment Regulations 2026.

### **Amends Regulation 2**

2 Regulation 2 of the principal Regulations is hereby amended by inserting the following as a new paragraph at the end of existing Regulation-

“(2) References herein to a “return” shall be to the form of tax return prescribed as such by the Agency pursuant to these Regulations.”

### **Amends Regulation 6**

3 Regulation 6 is hereby amended by deleting the comma and the words “date convention” in the heading of such regulation.

### **Amends Regulation 8**

4 Regulation 8(3)(b)(iii) of the principal Regulations is hereby amended by deleting the words “Entities” and replacing it with the word “Establishments”.

### **Amends Regulation 10**

5 Regulation 10 of the principal Regulations is hereby by amended by inserting a new paragraph (5) as follows-

“(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, to the extent thereof, and 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.”

### **Amends Regulation 10A**

6 Regulation 10A of the principal Regulations is hereby amended

- (a) by deleting the existing paragraph (3) and replacing it with the following new paragraph-

“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

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on which the information or documentation is correctly and fully submitted on behalf of the Bermuda Constituent Entity Group, provided that where paragraph (4) applies and where such 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.”

- (b) by deleting the words “prior to” in paragraph 6(a) and replacing them with the words “on or before”;
- (c) by inserting the following new paragraphs after paragraph (6)-

“(7) The Filing Bermuda Constituent Entity of a Bermuda Constituent Entity Group may amend, in such manner as shall 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, to the extent that-

- (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, provided that 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 described 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.”

**Amends Regulation 11**

7 Regulation 11 of the principal Regulations is hereby amended-

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(a) by deleting the full-stop and by inserting the words “subject to any requirements imposed by the Agency to verify the existence of the account and the identity of the account owner” at the end of paragraph (2)”;

(b) by deleting the existing paragraph (5) and replacing it with the following new paragraph-

“Any amounts of tax due shall be rounded to the nearest cent, with amounts ending in 5 being rounded up.”; and

(c) by inserting the following new paragraph (7)-

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

**Amends Regulation 12**

8 Regulation 12 of the principal Regulation is hereby amended-

(a) by deleting the existing paragraph (2) and replacing it with the following new paragraph-

“(2) To the extent that 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 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 of 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.”

(b) by deleting the existing paragraph (3) and replacing it with the following new paragraph-

“(3) To the extent that a Bermuda Constituent Entity Group-

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

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(b) comprises exclusively 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.”

(c) by deleting the word “overpayment” and replacing it with the words “tax payments” in paragraph (5); and

(d) by deleting the words “to set off any payment obligation” at the end of paragraph (5).

**Amends Regulation 13**

9 (1) Regulation 13(3)(b)(i)(A) of the principal Regulations is hereby amended by deleting the existing subparagraph and replacing it with the new subparagraph-

“(A) the amount described 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 for the first six months of the fiscal year in-

(I) the consolidated financial statements of the ultimate parent entity, to the extent that section 21(1)(a) of the CIT Act applies to the Bermuda Constituent Entity for the fiscal year; or

(II) the financial statements of the Bermuda Constituent Entity prepared in accordance with an approved financial accounting standard, to the extent that the Filing Bermuda Constituent Entity will elect pursuant to section 21(1)(b) of the CIT Act to apply the approved financial accounting standard to the Bermuda Constituent Entity for the fiscal year;”.

(2) Regulation 13(2)(b) is hereby amended by deleting the words “prior to” and replacing them with the words “on or before”.

(3) Regulation 13(3)(b)(i) of the principal Regulations is hereby amended-

(a) deleting the word “and” at the end of subparagraph (C); and

(b) by deleting the words “(A), (B) and (C)” and replacing them with the words “(A), (B), (C) and (E)” in subparagraph (D).

**Amends Regulation 14**

10 (1) Regulation 14(3)(b)(i)(A) of the principal Regulations is hereby amended by deleting the existing subparagraph and replacing it with the new subparagraph-

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“(A) the amount described 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 for the first nine months of the fiscal year in-

(I) the consolidated financial statements of the ultimate parent entity, to the extent that section 21(1)(a) of the CIT Act applies to the Bermuda Constituent Entity for the fiscal year; or

(II) the financial statements of the Bermuda Constituent Entity prepared in accordance with an approved financial accounting standard, to the extent that the Filing Bermuda Constituent Entity will elect pursuant to section 21(1)(b) of the CIT Act to apply the approved financial accounting standard to the Bermuda Constituent Entity for the fiscal year;”

(2) Regulation 14(2)(b) is hereby amended by deleting the words “prior to” and replacing them with the words “on or before”.

(3) Regulation 14(3)(b)(i) of the principal Regulations is hereby amended-

(a) deleting the word “and” at the end of subparagraph (C); and

(b) by deleting the words “(A), (B) and (C)” and replacing them with the words “(A), (B), (C) and (E)” in subparagraph (D).

### **Amends Regulation 15**

11 Regulation 15(1) of the principal Regulations is hereby amended by deleting the existing paragraph and replacing it with the following new paragraph-

“(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 such fiscal year pursuant to regulation 21(2)(a),

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

### **Amends Regulation 16**

12 (1) Regulation 16(1) of the principal Regulations is hereby amended by deleting the existing paragraph and replacing it with the following new paragraph-

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“(1) An underpayment arises in relation to an instalment to the extent that-

- (a) the required instalment determined in accordance with-
  - (i) regulation 13(2), in the case of the first instalment; or
  - (ii) regulation 14(2), in the case of the second instalment; exceeds
- (b) the aggregate tax payments applied to the relevant instalment on or before the due date of the relevant instalment.”

(2) Regulation 16(2) of the principal Regulations is hereby amended—

- (a) by deleting the word “relevant” in paragraph (a);
- (b) by inserting the words “of the relevant instalment” after the words “due date” in paragraph (a);
- (c) by inserting the words “a tax payment is applied” after the words “the date on which” in subparagraph (b)(i); and
- (d) by deleting the words “,is paid” in subparagraph (b)(i).

(3) Regulation 16 of the principal Regulations is hereby amended by inserting the following new paragraphs at the end of the Regulation-

“(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, to the extent thereof, with any excess tax payments applied to the required second instalment for the fiscal year, to the extent thereof; and
- (b) in the order established by reference to the payment application dates determined in accordance with paragraph (5), such that tax payments with earlier application dates are applied prior to 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

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later of-

- (i) the original due date for the Bermuda Constituent Entity Group's return for such prior fiscal year; or
  - (ii) the date on which the Bermuda Constituent Entity Group's return was filed for such 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 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 tax payments."

**Amends Regulation 18**

13 Regulation 18(1) of the principal Regulations is hereby amended by deleting the existing paragraph and replacing it with the following new paragraph-

- "(1) An underpayment arises in relation to a fiscal year to the extent that-
- (a) the sum of-
    - (i) tax for the fiscal year; and
    - (ii) interest in respect of underpayments (or non-payments) of instalments determined pursuant to regulation 16 for the fiscal year; exceeds
  - (b) 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."

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### **Amends Regulation 19**

14 (1) Regulation 19(2) of the principal Regulations is hereby amended by deleting the existing paragraph and replacing it with the following new paragraph-

“(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 such 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 such notice and demand, provided that the Agency shall have no obligation to make such notice and demand.”

(2) Regulation 19(3) is hereby amended by deleting the word “regulation” and replacing it with “Part”.

(3) Regulation 19(6) of the principal Regulations is hereby amended by deleting the existing paragraph and replacing it with the following new paragraph-

“(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 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 such prior fiscal year; or
  - (ii) the date on which the Bermuda Constituent Entity Group’s return was filed for such 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 date determined in accordance with regulation 20(4)(b) 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

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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 described 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."

(4) Regulations 19(7) and (8) are hereby deleted.

**Amends Regulation 20**

15 (1) Regulation 20(2) is hereby amended by-

- (a) inserting the words "Subject to the application of paragraph (7)," at the beginning of such regulation; and
- (b) deleting the number "90" and replacing them with the number "120".

(2) Regulation 20(4)(a)(ii) is hereby amended by deleting the existing subparagraph and replacing it with the following new subparagraph-

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

(3) Regulation 20(6) is hereby amended by deleting the existing paragraph and replacing it with the following new paragraph-

"(6) Notwithstanding paragraph (2), to the extent that-

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(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 such return,

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

(4) Regulation 20 is hereby amended by inserting the following as a new paragraph (7) at the end of such regulation-

“(7) The 120-day period referenced in paragraph (2) with respect to a fiscal year shall be extended, to the extent that 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 enquiry 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 enquiry is issued by the Agency in accordance with regulation 29; and

(ii) ending on the date on which the notice of final closure of enquiry 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).”

**Amends Regulation 21**

16 (1) Regulation 21(2) is hereby amended-

**CORPORATE INCOME TAX (ADMINISTRATIVE) AMENDMENT REGULATIONS 2026**

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(a) by deleting the word “If” at the beginning of such regulation and replacing it with the words “Subject to paragraph (4), if”;

(b) by deleting the word “to” at the beginning of paragraph (a); and

(c) by deleting the words “in accordance with regulation 15” in paragraph (b)

(2) Regulation 21(3) is hereby deleted.

(3) Regulation 21 is hereby amended by inserting the following as new paragraphs at the end of such regulation-

“(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, to the extent 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 the foregoing, to the extent that-

(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 such charges or costs;

(b) the amount equal to-

(i) the amount of an overpayment for a fiscal year; plus

(ii) any interest accrued with respect to such overpayment; less

(iii) any reduction required pursuant to paragraph (a),

is less than \$10, such amount shall be nil.”

**Amends Regulation 26**

17 Regulation 26(5) is hereby amended by inserting the words “,in such form and manner as the Agency may prescribe,” after the words “whose return it is gives notice”.

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**CORPORATE INCOME TAX (ADMINISTRATIVE) AMENDMENT REGULATIONS 2026**

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**Amends Regulation 31**

18 Regulation 31(2) is hereby amended by deleting the Roman Numerals “III” and replacing them with the number “3”.

**Amends Regulation 32**

19 Regulation 32(3) is hereby amended by inserting the words “,in such form and manner as the Agency may prescribe,” after the words “make submissions to the Agency”.

Made this [DATE] day of [MONTH] 2026

Minister of Finance

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**BERMUDA**

**TAX CREDITS (ADMINISTRATIVE) REGULATIONS 2026**

**BR [XX] / 2026**

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

### **PART 1 PRELIMINARY**

#### **Citation**

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

## **TAX CREDITS (ADMINISTRATIVE) REGULATIONS 2026**

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### **Interpretation**

- 2 (1) In these Regulations, unless the context otherwise requires—
- “accrued substance-based tax credit benefit” has the meaning given to that term in section 2 of the Tax Credits Act;
- “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;
- “Bermuda Constituent Entity” has the meaning given to that term in section 9 of the CIT Act;
- “Bermuda Entity” has the meaning given to that term in section 2 of the Tax Credits Act;
- “Bermuda Group” has the meaning given to that term in section 2 of the Tax Credits Act;
- “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” means a written request from the Agency to provide clarification, and if necessary supporting documentation, in respect of a tax credit claim form or anything required to be contained in a tax credit claim form;
- “fiscal year” has the meaning given to that term in section 2 of the Tax Credits Act;
- “Minister” means the Minister of Finance;
- “original due date” shall, for any given fiscal year, refer to the date described in regulation 15(2) for such fiscal year;
- “payroll tax” means the tax established pursuant to section 3 of the Payroll Tax Act 1995;
- “prescribe” means in the form, or in compliance with any other requirements, specified by the Agency on its official website (or through a filing portal administered by the Agency) located at the website: [www.cita.bm](http://www.cita.bm);

## **TAX CREDITS (ADMINISTRATIVE) REGULATIONS 2026**

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

“Qualifying Bermuda Group NBCE” has the meaning given to that term in section 2 of the Tax Credits Act;

“tangible asset” has the meaning given to that term in section 2 of the Tax Credits Act;

“tax credit” has the meaning given to that term in section 2 of the Tax Credits Act;

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

“Tax Credits Act” means the Tax Credits Act 2025;

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

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

### **PART 2**

#### **REGISTRATION AND GENERAL ADMINISTRATION**

##### **Agency to administer tax credits**

3 (1) Pursuant to section 4 of the Agency Act, the Agency shall be responsible for calculating and administering the application, award and refund of any tax credits under the Tax Credits Act 2025, including in respect of any entities that are not Bermuda Constituent Entities.

(2) In connection with the administration of any tax credit or tax credit benefit, the Agency shall be authorised to obtain such information regarding payroll tax (including any returns relating thereto) from the Tax Commissioner or his office, provided that any such information supplied to the Agency under this regulation shall be subject to the same obligations regarding secrecy as are applied under section 4 of the Taxes Management Act 1976.

##### **Use of electronic records and date convention**

4 (1) Where there is a requirement in the Tax Credits 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 form other than an electronic form.

(4) Where a date is specified as a deadline or due date in the Tax Credits 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

## **TAX CREDITS (ADMINISTRATIVE) REGULATIONS 2026**

be deemed to fall on the first business day in Bermuda following the date that would otherwise apply but for this paragraph.

### **Form of electronic records**

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

### **Confidentiality and communications**

6 (1) Any electronic record maintained by the Agency shall, subject to applicable law, 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 any claims for tax credits by a Qualifying Bermuda Group Entity, the Agency shall only communicate with—

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

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

### **Requirement to register for tax credits**

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

- (a) a Bermuda Constituent Entity may calculate any instalment payments required under the Corporate Income Tax (Administrative) Regulations 2025 as if its distributable tax credit benefits applied as set out in such Regulations regardless of whether or not it has registered to receive or apply tax credits pursuant to this regulation;
- (b) a Qualifying Bermuda Group NBCE's registration must be completed pursuant to this regulation by no later than 30 days prior to the original due date for a tax credit claim form in respect of a fiscal year,

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

(2) Once completed, registration pursuant to this regulation shall not be required for subsequent fiscal years, provided that the Agency may prescribe from time to time such information relating to a Qualifying Bermuda Group Entity's registration that must be updated following a change thereto, and in respect of any information so specified, the

## **TAX CREDITS (ADMINISTRATIVE) REGULATIONS 2026**

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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 in respect of any future filings or claims subsequent to the prescribed update.

### **Form of registration**

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

(2) Notwithstanding paragraph (1), unless otherwise notified by the Agency, a Qualifying Bermuda Group BCE that has registered for tax pursuant to the Corporate Income Tax (Administrative) Regulations 2025 shall be treated as registered for the purposes of these Regulations.

(3) Notwithstanding the foregoing, a Qualifying Bermuda Group Entity may voluntarily submit to the Agency at any time an amendment to any details previously submitted in connection with registration.

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

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

(6) The Agency may refuse to register an organisation or person (or may revoke an existing registration) where such organisation or person is not a Qualifying Bermuda Group 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 or filing of any tax credit claim.

### **Determination of eligibility**

9 (1) The Agency shall have the power to determine by reference to application of the provisions of the Tax Credits Act whether or not-

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

(2) The Agency may exercise its power pursuant to paragraph (1) either in connection with an enquiry or assessment under Part 5, or pursuant to a standalone request to determine eligibility which shall be submitted in such form and manner as the Agency may prescribe, provided that, subject to paragraph (3), a determination of eligibility shall not be a pre-requisite to registration or filing a tax credit claim form.

(3) Registration pursuant to these Regulations, or submission of any tax credit benefit claim form, shall not constitute a determination of eligibility by the Agency or create any presumption in favour of eligibility for tax credit benefits.

### **Cancellation of registration**

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

## **TAX CREDITS (ADMINISTRATIVE) REGULATIONS 2026**

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(2) The Agency shall not cancel any Qualifying Bermuda Group Entity's registration if it is of the opinion that such cancellation would impair or prejudice the administration or payment of any tax credits or tax credit benefits.

### **Filing Qualifying Bermuda Group Entity**

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

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

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

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

(5) Once a Qualifying Bermuda Group Entity is designated as a Filing Qualifying Bermuda Group Entity, 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 Qualifying Bermuda Group Entity with the approval of the Agency.

## **PART 3**

### **PAYMENT OF TAX CREDIT BENEFITS**

#### **Agency determination of benefit amount**

12 (1) Notwithstanding any amounts shown or stated in a tax credit claim form, the tax credit benefit for a Qualifying Bermuda Group Entity shall be as finally determined by the Agency by the application of the Tax Credits Act and any related Regulations, including, if necessary, in accordance with any assessment issued by the Agency pursuant to Part 5 of these Regulations.

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

(3) Subject to the provisions of regulations 13 and 14 of the Corporate Income Tax (Administrative) Regulations 2025 related to the computation of required tax instalments,

## **TAX CREDITS (ADMINISTRATIVE) REGULATIONS 2026**

no tax credit benefits shall be admitted or allowed for a fiscal year until a corresponding tax credit claim form has been filed in accordance with these Regulations.

### **Manner of payment**

13 (1) To the extent that a Qualifying Bermuda Group Entity has a distributable tax credit benefit in respect of a fiscal year then-

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

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

- (a) be made to such account as the Filing Qualifying Bermuda Group Entity shall notify to the Agency in the form the Agency shall prescribe, subject to any requirements imposed by the Agency to verify the existence of the account and the identity of the account owner;
- (b) subject to paragraph (3), be made within the six-month period following the later of-
  - (i) the original due date of the tax credit claim form for the fiscal year, to the extent that the payment arises with respect to an original or amended tax credit claim form filed on or before such original due date; or
  - (ii) the date on which the relevant tax credit claim form is filed, to the extent that the payment arises with respect to an original or amended tax credit claim form filed after the original due date of the tax credit claim form for the fiscal year.

(3) The six-month period described in paragraph (2)(b) with respect to a fiscal year shall be extended, to the extent that the Agency has-

- (a) made a correction to the tax credit claim form pursuant to regulation 17 for the fiscal year, by 90 days; and
- (b) raised an assessment or enquiry in respect of the tax credit claim form for the fiscal year, by the number of days in the period during which the assessment or enquiry remains open.

(4) To the extent that the distributable tax credit benefit claimed with respect to a Qualifying Bermuda Group NBCE for a fiscal year-

- (a) is paid to the Filing Qualifying Bermuda Group Entity; and
- (b) is subsequently determined to have been overstated, such that the amount of the payment described in paragraph (a) was overstated,

the Filing Qualifying Bermuda Group Entity shall be required to repay the amount of the overstated payment within 30 days.

## **TAX CREDITS (ADMINISTRATIVE) REGULATIONS 2026**

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(5) Any distributable tax credit benefits shall be rounded to the nearest cent, with amounts ending in five rounded up.

(6) Notwithstanding any other provisions of these Regulations or the Tax Credits Act, to the extent that the amount of the required repayment determined in accordance with paragraph (4) is less than \$1, such amount shall be nil.

### **Interest charges in respect of distributable tax credit benefit**

14 (1) Subject to paragraph (5), interest shall be chargeable to the Filing Qualifying Bermuda Group Entity with respect to any required repayment, as determined pursuant to regulation 13, for the repayment period determined in accordance with paragraph (2) at the interest rate determined in accordance with paragraph (3).

(2) The repayment period shall be the period-

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

(3) The interest rate shall-

- (a) for any calendar quarter, be the sum of-
  - (i) four per centum per annum; and
  - (ii) the one-year U.S. dollar risk free spot rate published by the Bermuda Monetary Authority with respect to the immediately preceding calendar quarter, rounded to the nearest 0.5%;
- (b) be compounded monthly.

(4) If notice and demand is made for payment of the required repayment, interest shall not be imposed under this regulation for the period after the date of such notice and demand to the extent that the payment is made within 21 days after the date of such notice and demand, provided that the Agency shall have no obligation to make such notice and demand.

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

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

## **TAX CREDITS (ADMINISTRATIVE) REGULATIONS 2026**

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### **PART 4**

#### **TAX CREDIT CLAIM FORMS**

##### **Requirement to file and due date for tax credit claim form**

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

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

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

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

(4) The Agency shall be entitled to accept electronic signatures on any tax credit claim form.

##### **Amendment to tax credit claim form**

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

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

(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 Qualifying Bermuda Group Entity, agrees to extend the time period specified in paragraph (2).

(4) The late filing adjustment factor specified by section 36 of the Tax Credits Act shall not apply in respect of an amendment giving rise to a change in the amount of a tax credit benefit, provided that such amendment, and the original filing to which the amendment relates, is made—

- (a) in good faith; and
- (b) in the absence of any—
  - (i) negligence; or
  - (ii) careless, reckless or intentional disregard of the provisions of the Tax

## **TAX CREDITS (ADMINISTRATIVE) REGULATIONS 2026**

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Credits Act (or any related Regulations).

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

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

### **Corrections to tax credit claim form by Agency**

17 (1) The Agency may correct by way of amendment any tax credit claim form so as to correct obvious errors or omissions in the tax credit claim form.

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

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

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

(5) A correction under this regulation is of no effect if the Filing Qualifying Bermuda Group Entity gives notice 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) Regulations 16(4) through (6) shall apply to this regulation with the necessary modifications.

### **Document retention**

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

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

(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 5 of these Regulations.

(4) Where the time period for any assessment has been extended by agreement with the Agency and the Filing Qualifying Bermuda Group Entity pursuant to regulation 19, 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 AND ASSESSMENTS**

#### **Timing for enquiries and assessments**

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## **TAX CREDITS (ADMINISTRATIVE) REGULATIONS 2026**

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

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

(3) Subject to the application of paragraph (2), the filing of any amended tax credit claim form 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 in cases of fraud or intentional misstatement.

### **Notice of enquiry**

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

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

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

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

(4) The Agency may amend 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 tax credit claim form 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**

21 (1) The Agency shall issue—

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

## **TAX CREDITS (ADMINISTRATIVE) REGULATIONS 2026**

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- (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 as the Agency may require.

### **Assessments**

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

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

(2) Any assessment shall not affect the incurrence of any interest chargeable pursuant to these Regulations.

(3) An assessment shall not preclude the Agency from imposing a civil penalty pursuant to the Tax Credits Act.

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

### **Procedure for assessments**

23 (1) Where the Agency proposes to exercise its powers of assessment pursuant to regulation 22(1), it shall first issue a notice of proposed assessment to the Filing Qualifying Bermuda Group Entity of the Qualifying Bermuda 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 Qualifying Bermuda Group Entities are required to maintain pursuant to these Regulations; and
- (d) the amount of any proposed adjustment to any tax credit benefit.

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

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

- (a) make no amendments to the proposed notice of assessment;
- (b) make such amendments to the proposed notice of assessment as it

## **TAX CREDITS (ADMINISTRATIVE) REGULATIONS 2026**

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determines appropriate; or

- (c) cancel the proposed notice of assessment,

provided that in any event it shall notify the Filing Qualifying Bermuda Group 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).

### **Recovery of amounts disbursed**

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

### **Evidence**

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

## **PART 6**

### **FOREIGN EXCHANGE AND MISCELLANEOUS PROVISIONS**

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

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

- (a) non-U.S. dollar denominated amounts shall be converted by multiplying such amounts by the average foreign exchange rate for the fiscal year to which the amount relates;
- (b) the average foreign exchange rate for a fiscal year shall be determined based on foreign exchange rates quoted by the European Central Bank, 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); and
- (c) the Agency may periodically publish average foreign exchange rates determined in accordance with subparagraph (b) on its website at [www.cita.bm](http://www.cita.bm) and, to the extent that an average foreign exchange rate is

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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 amounts denominated in such local currency for such fiscal year for the purposes of subparagraph (a).

### **Prescribed eligible training activities**

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

- (a) any training (whether conducted in person or virtually) that is designed to impart, instil, improve or reinforce knowledge, skills or personal qualities likely to be useful in an eligible employee's employment within the Qualifying Bermuda Group, whether in respect of their current role or in respect of a future role with the same Qualifying Bermuda Group;
- (b) any training, course or examination (whether conducted in person or virtually) leading to an eligible employee receiving or renewing a qualification or accreditation from an external provider, where such qualification or accreditation is necessary or desirable for the eligible employee hold in respect of their employment within the Qualifying Bermuda Group; or
- (c) any training pursuant to a written plan of educational assistance or professional development that has previously been approved by the Agency.

### **Bermuda service element**

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

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

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

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- (a) such individual's contract of employment is with a Bermuda Entity or, where such individual is self-employed, such individual's fixed place of business is located in Bermuda;
  - (b) such individual has spent more than 80% of their working hours for the previous 12 months from the most recent date the services were performed physically present in Bermuda; and
  - (c) such individual does not advertise their services as being available from or otherwise ordinarily conduct their business from or for an entity which is not a Bermuda Entity.
- (3) For the purposes of this regulation-
- (a) the approaches described in paragraph (1) shall be non-exhaustive and other methods of determining the Bermuda service element shall be permitted by the Agency subject to the Agency being satisfied that such methods fairly and reasonably reflect the value of the service, or time-spent in respect of the service, that is performed in Bermuda;
  - (b) where it can be demonstrated that a majority of the value or time-spent in respect of the service was performed by individuals described in subparagraph 1(a)(i), then it shall be deemed to be fair and reasonable to apply a Bermuda service element of 50%; and
  - (c) paragraph (b) shall not preclude applying a Bermuda service element greater than 50%, subject to the relevant facts and circumstances in respect of the service in question.

### **Charitable declaration**

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

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

(2) A statutory declaration pursuant to paragraph (1) shall not be required to claim a contribution as an eligible charitable expense.

Made this [DAY] of [MONTH] 2026

Minister of Finance