



Small & Medium Business Tax Concessions Guide

Revenue Department, Ministry of Finance
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These guidelines will allow Small & Medium-sized businesses to apply for Duty-Free exemption on all items needed to start or expand their businesses. This includes first-time inventory for new and expansion of existing businesses in The Bahamas.

New business exemption items:

- First purchase of inventory supplies
- First purchase of business consumables necessary to begin initial operations
- Machines
- Equipment
- Construction and refurbishment materials
- Commercial vehicles with logo affixed

Existing business exemption items:

- First purchase of inventory supplies when expanding to a self-managed new location (eg. opening up a new storefront or a material expansion to an existing site)
- Machinery
- Equipment
- Construction and refurbishment materials
- Company vehicles with logo affixed

Common Items not included:

- Items purchased for resale, lease, or rental with exception of the first inventory supplies noted above
- Consumables used in the course of business (office supplies, operational supplies) except the first purchase of business consumables noted above.
- Packaging and wrapping materials
- Items that cannot be readily determined to further the start-up or expansion of the business.

The applicable exemption waivers will apply to commercial items procured locally and internationally. Items procured locally will be limited to vendors in the “Duty-Free” Programme. A Certificate outlining the approved items will be sent via a follow-up email. This Certificate will be presented to the Bahamas Customs Department.

Applicants are eligible to apply for a startup and existing business exemption if they meet the requirements.

Eligibility

- Bahamians, residents, and prospective residents with a valid and current business license
- Any island of The Bahamas
- Business must have an annual turnover of less than \$5 million

Application and Approval Period

This exemption is applicable for six months from the date of approval.
After the expiration of the six months approval, the applicant may reapply.
Supporting Documents

Businesses must provide the following support documents:

- Valid Passport or Voter's card or NIB card (Sole Proprietorships)
- Valid Passport or Voter's card or NIB card (Named Applicant, applying on behalf of an incorporated entity – must be company executive, senior manager, director, or owner)
- Certificate of Good Standing (Incorporated entities)
- List of Beneficial Owners and Directors (Incorporated entities)
- Valid and Current Business Licenses
- Tax Compliance Certificate (where appropriate)
- Copy of Relevant Invoice(s) or Quotes

Once approved, the applicant can then present the exemption document (certificate) to the Bahamas Customs Department.

If rejected, the applicant is required to pay the normal duties stipulated by the Bahamas Customs Department.

They are also subject to physical spot inspections and reviews by the Revenue Section. Providing false or misleading information – or using exemptions for purposes other than applied for – will lead to prosecution, related fines, and criminal penalties.