



Important Nevis Tax Update

Further to our advisory dated 18 November 2020, we wish to advise that the Government of St. Kitts & Nevis has introduced a bill to amend the Income Tax Act, Cap. 20.22, which has now had its first reading in the House of Assembly. The bill is intended to clarify key concepts related to the income tax liability of St. Kitts & Nevis entities, such as the circumstances in which such entities may be resident or non-resident in the Federation and the application of the management and control test to determine such residency. The bill also includes a definition of the term “permanent establishment” in the context of taxation. Click [here](#) to view the Income Tax Act and the bill.

The bill will ultimately need to pass the legislative process; however, the introduction of the bill is welcome news and represents progress in ensuring that Nevis entities will not be liable to tax in St Kitts & Nevis once they generate no income, and have no directors or physical presence in the jurisdiction.

We, together with the Nevis International Service Providers Association (NISPA), continue to be in dialogue with the Nevis Government and the St. Kitts & Nevis Inland Revenue Department (IRD) to ensure that there is a clear, well-defined legal basis for requiring Nevis entities to submit Simplified Tax Returns (STR).

We will advise you once this other legislative issue has been addressed and we are satisfied that STRs can be filed, how the filings are to be made and the associated filing cost.

As previously advised, we anticipate that the current filing deadline of 31 December 2020 for the STR filings will be further extended by the IRD and we will provide confirmation once received.

Morning Star Holdings is committed to ensuring the integrity of the tax reporting process and to providing our clients with up to date and accurate information to enable compliance.

Feel free to contact our office or the office of Nevis Services Limited with any questions on this update.

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