



## Important Nevis Tax Update

Further to our August 24, 2020, update concerning the announcement from the St. Kitts & Nevis Inland Revenue Department (IRD), which states all companies registered under the Nevis Business Corporations Ordinance and the Nevis Limited Liability Companies Ordinance will be required to file a Simplified Tax Return (STR), we are contacting you to provide an update.

The Simplified Tax Return process was due to start on 18 August 2020, and to be completed by 26 August 2020. It was further extended to 31 October 2020; however, the late notices and short timeframes have made it operationally impossible to achieve compliance by the October deadline. This has been communicated to the IRD during several meetings over the past weeks.

Morning Star Holdings is currently in discussion with the IRD to obtain clarification on whether there is appropriate legislation in place at present to both allow for the data collection using the STR Form CT 101 and most importantly, for the creation of the concept of a permanent establishment outside of the Federation of St. Kitts & Nevis once certain criteria are met. This is a critical point with regards to the treatment of non-resident Nevis entities for tax purposes. In addition, our position is that there should be some changes made to the STR Form CT 101. Therefore, Morning Star has requested a further extension of the filing deadline on behalf of our clients, while we continue to engage with the Government on the above points.

The financial services industry body Nevis International Service Providers (NISPA) is also involved in ongoing discussions with the St. Kitts & Nevis IRD regarding this matter.

We will provide a further update and details on next steps to be taken as more information becomes available.

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

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