



# COVID-19: summary of legislation enacted in relation to corporate regulations and businesses

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## Introduction

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## Introduction

On 11 March 2020 the World Health Organisation classified the global spread of COVID-19 as a pandemic and on 13 March 2020 The Bahamas recorded its first case of the virus. In response, the governor general declared a public state of emergency and implemented the Emergency Powers (COVID-19) Regulations 2020 on 17 March 2020 in order to combat the spread of COVID-19.

Pursuant to the regulations, the prime minister implemented the Emergency Powers (COVID-19) (2) Order 2020 and the Emergency Powers (COVID-19) (Special Provisions) Order 2020 (the orders) on 23 March 2020 and 30 March 2020, respectively. These orders concern the operation of businesses, the restriction of movement and other relevant information. On 27 April 2020 Parliament affirmed that the regulations and the orders would remain in effect until 30 May 2020.

Below is a summary of the provisions contained in the various orders.

## Suspension of requirement to perform certain obligations

### ***Suspension of obligations to file documents, pay fees or renew licences, visas or permits***

The requirement to file a document with, pay a fee to or renew a licence, visa or permit issued by any government entity, statutory body or regulator has been suspended for the duration of the state of emergency plus 30 days.

The suspension of certain obligations under this heading does not apply to:

- obligations that arise under:
  - ◊ the Customs Management Act 2011;
  - ◊ the Value Added Tax (VAT) Act 2014;
  - ◊ the Real Property Tax Act; or
  - ◊ the National Insurance Act;
- the obligation to make a payment into court for child support and maintenance; or
- the obligation to pay any other civil payment into court.

### ***Suspension of limitation periods***

Any limitation period under the Limitation Act 1995 has been suspended from 17 March 2020 until 30 days after the state of emergency ends.

### ***Suspension of obligations under Register of Beneficial Ownership Act***

The duty for legal entities incorporated or registered before 20 December 2018 and registered agents to comply with the Register of Beneficial Ownership Act 2018 has been suspended for the duration of the state of emergency plus 60 days.

### ***Suspension of Companies Act and International Business Companies Act requirements***

Any requirement to pay a fee, make a payment instalment in an arrangement or file a declaration or document under the Companies Act has been suspended from 17 March 2020 until 14 days after the state of emergency ends.

The same applies to any requirement to pay a fee or file a declaration or document under the

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International Business Companies Act.

### ***Suspension of sealing requirements for deeds and documents***

The requirement to seal a document purporting on its face to be a deed has been suspended. Such documents will be conclusively deemed to be a deed notwithstanding that no seal is impressed or affixed.

Further, the requirement for any company incorporated under the Companies Act or International Business Companies Act to have its common seal affixed to a document has been suspended, provided that the intention to affix the seal is declared in the document.

These requirements have been suspended from 17 March 2020 until 14 days after the state of emergency ends.

### ***Suspension of payments for health, medical and insurance premiums***

Obligations for persons to pay their insurance premiums have not been waived or suspended. However, the payment of group, general, medical and life insurance policies has been deferred from 17 March 2020 until 60 days after the state of emergency ends.

Insurers must honour any claim arising during the deferral period and may only subtract renewal fees and deductibles from insurance claims.

### **Economic relief provisions for businesses**

The government has implemented numerous financial relief assistance programmes to assist business owners affected by COVID-19.

#### ***Large businesses***

The government has implemented a Tax Credit and Tax Deferral Employment Retention Programme which applies to 'large businesses' (ie, businesses with an annual turnover of B\$3 million or more and an overall staff complement of 25 or more (total employees)). This programme allows businesses which meet the requirements to withhold outstanding business licence fees or VAT receipts up to B\$200,000 per month for up to three months.<sup>(1)</sup>

The requirements and terms for this programme are as follows:

- The deferred taxes or tax credits must be used to cover non-executive payroll expenses.
- Eligible businesses must agree to retain 80% of their employees until 31 October 2020.
- The payment of taxes will be deferred until January 2021, to be repaid in 12 monthly instalments.

This concession is not available to:

- hotels and resorts (which are closed during this period);
- retail or wholesale grocery food establishments;
- businesses in the regulated telecoms sector;
- regulated financial businesses and insurers; and
- businesses in the gaming sector.

#### ***Micro, small and medium-sized enterprises***

The government has implemented the Business Continuity Loan Programme, which provides loans ranging from B\$5,000 to B\$300,000 to 'micro, small and medium-sized enterprises' (ie, businesses with an annual turnover below B\$3 million) in order to assist with ongoing operating costs (ie, salaries, rent, insurance, utilities and inventory and supplies).

To be eligible for this programme, businesses must retain 51% of their staff.

Repayment of loans will be deferred for four months.

#### ***Self-employed***

The government has implemented a temporary relief programme to assist self-employed individuals affected by COVID-19. Self-employed individuals are not usually eligible to receive unemployment benefits from National Insurance. Under this temporary programme, self-employed individuals can (on submitting the relevant application) receive B\$200 a week for up to eight weeks.

### **Reopening of economy**

The prime minister has issued the [Measured Plan for Reopening the Economy](#), which comprises five phases.

*For further information on this topic please contact [McFalloughn Bowleg](#) or [Lenthera Culmer](#) at*

Lennox Paton by telephone (+1 242 502 5000) or email ([mbowleg@lennoxpaton.com](mailto:mbowleg@lennoxpaton.com) or [lculmer@lennoxpaton.com](mailto:lculmer@lennoxpaton.com)). The Lennox Paton website can be accessed at [www.lennoxpaton.com](http://www.lennoxpaton.com).

## **Endnotes**

(1) Full details of the programme, including eligibility requirements, are available [here](#).

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