

NEVIS

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Latest reviewed: [February 2, 2024](#)

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Consulate of Italy in Nevis

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CORPORATE INCOME TAX	
NBCO (Companies incorporated pursuant to <i>Nevis Business Corporation Ordinance 2017</i>)	33% on Nevis source income Incorporate within 31.12.18: exempt until 30.06.21
Companies incorporated pursuant to <i>Companies Act 1985</i> operating in Nevis	33% on Nevis source income
Limited liability companies	33% on Nevis source income
OTHER INCOME	
VAT	0%, 10%, 17%
Customs and duties	Variable
Land tax	Variable according to rental value
Social security contributions	Employee: 5% Employer: 6%
Withholding taxes	15% on dividends, interest and royalties on all the companies, except for NBCOs incorporated before 31.12.2018
Tax on capital	Not applied
TAX RETURN	Not needed for individuals
REGISTRATION TIME	1 day
REGISTRATION COST	Statutory costs US\$ 250; professional costs US\$ 880
EXCHANGE CONTROLS	Not applied
BANK SECRET	Applied
LEGAL SYSTEM	<i>Common Law</i>
BILATERAL TAX AGREEMENTS	CARICOM, Monaco, United Kingdom and San Marino TIEAs with 24 countries

1- GENERAL INFORMATION

I- Legal system

The legal system is based on English common law. It is a part of the West Indies court system with the British Privy Council being the court of last resort.

II- Currency

The Federation of St Kitts and Nevis is one of 8 islands using the Eastern Caribbean dollar (EC\$), a very stable currency.

III- Economic policy

The Nevis Government is business oriented and eager for responsible foreign investment, It is possible to obtain a tax holiday for up to 10 years and an exemption from customs duties for business beneficial to the island.

There are 7 banks, 2 of which are international. There are a number of independent trust companies represented on the island.

IV- Bank secrecy

St Kitts and Nevis has signed a number of tax information exchange agreements (TIEAs) with other jurisdictions, and enacted specific anti-money laundering legislation.

V- Anti-money laundering

The Financial Intelligence Unit is the national centralised agency that is responsible for the collection, receipt and analysis of suspicious transaction reports. Furthermore, the Financial Services Regulatory Commission is the ultimate governing body for anti-money laundering, and is responsible for monitoring the compliance of the regulated entities with the regulatory framework.

St Kitts and Nevis has also signed the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (MCAA), and implemented the OECD Common Reporting Standard for automatic exchange of information between tax authorities with effect from September 2018.

VI- Bank system and exchange controls

All exchange controls were abolished in Nevis as of 1994.

The Nevis International Banking Ordinance 2014 came into operation from 1 August 2014. The Ordinance replaced the Nevis Offshore Banking Ordinance, which was enacted in 1996. The main purpose for the International Banking Ordinance is to facilitate the delivery of financial services in Nevis and to establish Nevis as a responsible international financial center. Under the Ordinance, only an eligible company or qualified foreign bank can apply for a Nevis banking licence, subject to a minimum capital requirement of US\$2 million.

A banking licence expires on 31 December of each year and should be renewed before 31 January of the following year.

International banks are exempt from income tax, capital gains tax and other direct taxes.

2- NEVIS COMPANIES AND TRUSTS

BUSINESS ENTITIES	MAIN TRAITS	FORMATION	GOVERNANCE
<i>NBCO companies</i>	Every company established under the NBCO must maintain a qualified and licensed registered agent in Nevis. No resident directors or officers are required. No minimum paid-in capital is required and the capital may be stated in any currency. Shares may be bearer and/or registered shares at par value or no par value.		No annual reports or returns of any type need be filed. However, books of account should be preserved for at least 5 years and such companies are generally subject to tax from 1 January 2019.
<i>Trust companies</i>	They may be used for the purpose of administration of trust assets or other related activities, but may not conduct public business or operate locally in Nevis.		
<i>Insurance companies</i>	Nevis companies can conduct reinsurance activities, subject to obtaining a license.		
<i>Limited liability companies</i>	They are an alternative to traditional societies and partnerships. They are suitable for various types of activities.	An annual registration fee is applied	
<i>Limited partnerships</i>	There is currently no statutory provision in Nevis relating to limited partnerships. The Nevis government is expected to enact the constitution of limited partnerships in the near future.		
<i>Mutual funds</i>	The Nevis Mutual Funds Ordinance was enacted on November 16, 2004 and provides for the recognition and licensing of mutual funds and their directors.		
<i>Trusts</i>	No Nevis income tax, inheritance tax or stamp duty is payable on the property of a trust.	A trust may be created by oral declaration, written instrument, conduct, operation of law or in any other manner whatsoever.	

I - NBCO (*Nevis Business Corporation Ordinance*) companies

The Nevis Business Corporation Ordinance 2017 (NBCO) provided that NBCO-established companies were not liable to any Nevis taxes, although an annual fee was payable. However, the Nevis Business Corporation (Amendment) Ordinance 2018 has removed the tax exemptions with effect from 1 January 2019, and such companies are now subject to tax. NBCO companies established on or before 31 December 2018 continued to benefit from the tax exemptions until 30 June 2021.

Existence is obtained by paying a registration fee to the Registrar of Companies. Completed documents are usually dispatched by courier the following day.

Every company established under the NBCO must maintain a qualified and licensed registered agent in Nevis, who must be a barrister or solicitor admitted to practise in St Kitts and Nevis, or a company having a paid-up capital of at least EC\$500,000. No other local presence is required.

No minimum paid-in capital is required and the capital may be stated in any currency. Shares may be bearer and/or registered shares at par value or no par value. The names of shareholders, directors or officers need not be filed with any governmental authority. Shareholders, directors and officers may be of any nationality.

Companies established under the NBCO may have a sole shareholder and a single director if there is a single shareholder.

Nevis companies are unique in being able to organise their management according to either British or American standards. A company may be managed either by a board of directors and a managing director, or by a board and a slate of officers. No resident directors or officers are required.

No annual reports or returns of any type need be filed. However, books of account should be preserved for at least 5 years and such companies are generally subject to tax from 1 January 2019.

Redomiciliation into or out of Nevis is quick, easy and inexpensive, and there are special provisions for emergencies.

II – Trust companies

Corporations using the words “trust” or “trust company” in the title are allowed to be organised without disclosing the ownership or obtaining permission of governmental authority.

They may be used for the purpose of administration of trust assets or other related activities, but may not conduct public business or operate locally in Nevis.

Management of offshore trust assets may be done in or outside Nevis without incurring tax liability in Nevis. No licence is required by private trust companies. However, a standard disclaimer must be included in the articles of incorporation limiting the power of the company to engage in private non-public business.

III- Reinsurance companies

The Nevis International Insurance Ordinance 2009 provides for the licensing of insurance companies, including captive reinsurance companies.

IV- Limited liability companies

Nevis limited liability companies provide an alternative to traditional corporations and partnerships and may be used for any business venture or professional practice, including real estate holdings, manufacturing concerns or investment.

Nevis limited liability companies may have limited life.

Articles of organisation must be filed with the Nevis Registrar of Companies in Charlestown, Nevis. The Nevis Government imposes a US\$250 registration fee upon formation and a further US\$250 annually thereafter on the anniversary of the first registration.

The owners of a Nevis limited liability company fulfil a similar function to partners in a partnership or shareholders in a corporation: they may be individuals or business entities of any nationality or domicile. Members are not liable for obligations of the company. Sole member limited liability companies are permitted.

The management of a limited liability company may be vested in all of its members or by designated managers appointed either from the ranks of the members or from outside the company.

No annual or other reports by members are required to be filed in the public records of Nevis.

Before 1 January 2019, no corporate tax, income tax, withholding tax, stamp tax, asset tax, or other fees or taxes were levied in Nevis on assets or income originating outside Nevis. The Nevis Limited Liability Company (Amendment) Ordinance 2018 has removed these exemptions with effect from 1 January 2019, and such assets and income are now subject to tax. Limited liability companies established on or before 31 December 2018 have continued to benefit from the tax exemptions until 30 June 2021.

There are no exchange controls.

V- Limited partnerships

There is currently no statutory provision in Nevis relating to limited partnerships.

VI- Mutual funds

The Nevis International Mutual Funds Ordinance 2004 was enacted on 16 November 2004 and provides for the recognition and licensing of mutual funds and mutual fund administrators.

VII – Foundations

The Multi-Form Foundation Ordinance 2004 permits the formation of foundations similar to those found in several civil law jurisdictions.

VIII – Insurance companies

The Nevis International Insurance Ordinance 2004 and Regulations provides for the licensing and regulation of offshore insurance entities and managers.

3- TAXATION SYSTEM

I- Taxation of companies

Companies established under the Companies Act 1885 doing business within Nevis must pay a 33% tax on their profits. For such companies, Nevis taxes income on a source basis; if it is earned outside the country, it is not taxed. A reduced rate of 25% applied from 1 January 2022 to 31 December 2023 for companies that maintained at least 75% of their employees during that period.

From 1 January 2019, companies established under the Nevis Business Corporation Ordinance 2017 (NBCO) or the Limited Liability Company Ordinance 2017 are subject to tax on their worldwide income: if established on or before 31 December 2018 were tax exempt until 30 June 2021.

There are no tax return requirements for individuals. There are no local personal income taxes.

II- Other taxes

VAT

VAT on goods and services is 17%. A reduced rate of 10% applies to hotels, restaurants and tour operators. There is also a 0% rate.

Import duties

Import duties are levied at rates which vary according to the nature of the goods.

Taxes on capital

Corporations subject to the NBCO are subject to land tax, but were exempt until 30 June 2021 if established on or before 31 December 2018

Withholding tax

The withholding tax rate on dividend, interest and royalty payments is generally 15%. Before 1 January 2019, there was no withholding tax on corporations which did no business in Nevis and were subject to the NBCO. Corporations subject to the NBCO that were established on or before 31 December 2018 were exempt from withholding taxes until 30 June 2021.

Social security contributions

They are paid by employed nationals aged 16 to 62 – 5% of their monthly earnings – and by their employers - 6% of the employee's monthly earnings, which includes a 1% contribution for employment injury cover.

For employees under 16 and over 62, only the 1% contribution for employment injury cover is payable by employers.

Employers pay 1% of the employee's monthly earnings in respect of severance payments and 3% in respect of the housing and social development levy, while employees pay their contributions at 3.5% to 12% according to their income levels. Employees earning less than EC\$18,720 per year are exempt from the employee contribution.

Land taxes

Land taxes are based on the rental value of property and houses.

4- OFFSHORE COMPANIES

Nevis companies may be used for any purpose except banking, insurance or mutual funds. They are often used as holding companies, trust companies and trading companies. The articles of incorporation need not state specific purposes and powers and are usually general in nature.

I- Offshore holding companies

A Nevis company may be used as a holding company for property (real and personal) located anywhere in the world, without legislative restriction of any kind. The words "trust" or "trust company" may be used in the title of a Nevis company.

Offshore companies seeking to establish a management office in Nevis must apply for a business licence by filing the appropriate application and paying a government licence fee.

Although Nevis Business Corporation Ordinance (NBCO) companies may not conduct business within Nevis, they may hold and manage foreign assets from an office physically located in Nevis without incurring any tax penalty. Funds may be passed through an NBCO company; however, there may be local tax consequences.

A Nevis company may conduct business anywhere in the world outside of Nevis itself, and maintain subsidiaries in any location.

II- Offshore finance companies

A Nevis company may be used as a finance company in Nevis, but it may not be used as a commercial bank nor may it have the word "bank" in its title.

III- Offshore licensing companies

Nevis companies may be used to hold patents, licences, trade marks, publishing rights and grant licences to affiliated or non-affiliated companies in any jurisdiction.

Royalties and any other such sources of income are subject to withholding tax in Nevis. Trade marks may be registered in the Federation.

IV- Offshore trading companies

The use of Nevis companies as trading companies is common. They are useful vehicles for transferring profits to a no-tax jurisdiction.

No pricing restrictions exist, and any margin may be charged on goods purchased from one entity and sold to another.

Any profits earned from such sales are taxable in Nevis.

V- Offshore administration companies

Nevis companies are often used as administration companies. There are no restrictions on the scope of administrative actions they may take, nor where they may be taken.

These activities may be performed anywhere in the world. As long as the assets are not located in Nevis, under the Nevis Business Corporation Ordinance (NBCO), a company is not considered to be doing business there.

All such administrative activities may be subject to tax consequences in Nevis.

VI- Offshore shipping companies

Nevis company may own a vessel registered in any nation which allows vessel ownership by a foreign corporation.

The articles of incorporation need not spell out these purposes and powers unless it is desired by the owner that they be so stated.

Operation of a vessel owned by a Nevis company under the flag of another nation does not give rise to tax liability in Nevis

VII- Offshore trusts

Corporations using the words “trust” or “trust company” in the title are allowed to be organised without disclosing the ownership or obtaining permission of governmental authority and may be used for the purpose of administration of trust assets or other related activities, but may not conduct public business. An offshore trust company which conducts public business must be fully licensed by the Nevis Government and must maintain an office in Nevis.

The management of offshore trust assets may be conducted in or outside Nevis without incurring tax liability in Nevis.

VIII- Financing offshore companies

Any legitimate funding arrangements are acceptable. Shareholders, directors and officers may be of any nationality. The same is true of holders of bonds, debentures and commercial papers issued by a Nevis company.

There is no restriction on company transfer of income or loans to a parent company or individual.

No restrictions exist regarding interest payments.

IX – Repatriation of income from Nevis

Income may be retained in Nevis from any offshore operation; however, such income may incur tax liability in Nevis.

Both EC dollar and US dollar accounts may be maintained in Nevis, but by law a US dollar account must maintain a minimum balance of US\$1,500 at all times.

5- BILATERAL TAX AGREEMENTS

The Federation of St Kitts and Nevis has concluded tax treaties with a number of countries which specify the withholding tax rates that apply.

Non-treaty withholding tax rates apply when they are lower than the rate specified in the treaty.

	<i>Dividends</i> %	<i>Royalties</i> %	<i>Interesi</i> %
<i>Non-treaty countries</i>	15	15	15
<i>Treaty countries</i>			
CARICOM	0	15	15
Monaco	0/5	0	0
San Marino	5/7.5/10	0	0
United Kingdom	0	0	0

he Federation of St Kitts and Nevis has signed TIEAs with the following countries, based on the OECD model convention: Aruba, Australia, Belgium, Canada, Curaçao, Denmark, Finland, France, Faroe Islands, Germany, Greenland, Guernsey, Iceland, India, Ireland, Liechtenstein, Netherlands, New Zealand, Norway, Portugal, Sint Maarten, South Africa, Sweden, United Kingdom.