

CIT-101 RETURN GUIDELINES

St. Kitts and Nevis



Revision Date: September 7, 2023



ACRONYMS AND ABBREVIATIONS

BEPS	Base Erosion and Profit Shifting
CIT	Corporate Income Tax
IBC	International Business Corporation
LLC	Limited Liability Company
OECD	Organization for Economic Co-operation and Development
SKN	St. Kitts and Nevis
SKNIRD	The St. Kitts and Nevis Inland Revenue Department
IBCO	International Business Company Ordinance
LLCO	Limited Liability Company Ordinance
MNE	Multinational Enterprise
CbC	Country-by-Country
CbCR	Country-by-Country Report



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1. Introduction

In March 2018, the Federation of St. Kitts and Nevis (The Federation) was listed by the European Union Code of Conduct Group (EU CoCG) as a non-co-operative jurisdiction. Considering the unfavourable listing by the EU CoCG and the Organisation for Economic Co-operation and Development Forum for Harmful Tax Practices (OECD FHTP), the Federation implemented necessary legislative reforms to the Companies Act Cap 21.03, the Nevis Business Corporation Ordinance, 2017 and the Nevis Limited Liability Company Ordinance, 2017 to comply with international tax good governance principles. These reforms were done ahead of the agreed deadlines and resulted in the Federation receiving a rating of Largely Compliant by the OECD FHTP in February 2017 and being removed from the EU's list of non-co-operative jurisdictions in February 2020.

The Federation, in addition to amending the above-mentioned regimes, instituted grandfathering provisions to ensure that entities registered before January 1, 2019, can continue to benefit from the exemptions within the regimes for a period of 3 years until June 2021. The Federation has succeeded in its efforts in maintaining our Largely Compliant rating and ensuring compliance with its international obligations.

The Government of St. Kitts and Nevis values the importance of the Financial Services Sector and is taking all necessary steps to ensure these vital services within the industry continue to develop and deliver important economic benefits to the Federation. As the Competent Authority designate for tax purposes, the St. Kitts and Nevis Inland Revenue Department (SKNIRD), will continue to educate stakeholders on their obligations and any other relevant policy information.

For more information on the OECD Base Erosion and Profit Shifting (BEPS) Action 5 Initiative you may visit the OECD's website at <http://www.oecd.org/tax/beps/beps-actions/action5/>

2. General Information

Purpose of CIT-101 Return:

The CIT-101 Return should be submitted for all entities registered as International Companies under the Companies Act., Nevis International Business Corporations (IBCs) under the Nevis Business Corporation Ordinance (NBCO) and Nevis Limited Liability Company (LLCs) under the Nevis Limited Liability Company Ordinance (NLLCO). The CIT-101 Return is a simplified Tax Return designed primarily for information purposes for entities registered within the Federation. Responses provided within the Return are primarily for domestic use but may be used for Exchange of Information (EOI) purposes under the provisions of the relevant agreement and legislation.

Multinational Enterprise (MNE) Group

Any Group that (i) includes two or more enterprises, the tax residence for which is in different jurisdictions, or includes an enterprise that is resident for tax purposes in one jurisdiction and is subject to tax with respect to the business carried out through a permanent establishment in another jurisdiction, and (ii) is not an Excluded MNE Group.

Who is responsible for completing the CIT-101 Return?

The obligation to provide the information to complete the CIT-101 Return is ultimately the responsibility of the IBCs, LLCs or International Companies registered. The submission of the information to the SKNIRD can be facilitated through a Service Provider or Registered Agent, however the Registered Entity can submit on their own behalf via the CIT-101 Portal.

Penalties for non-compliance

Penalties are levied on a registered entity, such as an IBC, LLC, or International Company for any non-compliance and not the Service Providers/Registered Agent who may be acting on their behalf. Penalties are prescribed in Section 82(c) the Income Tax Act Cap 20:22 which states, 'any person who without reasonable excuse, whether or not liability to tax is involved, refuses, fails or neglects to furnish when required any accounts or particulars; commits an offence, and shall be liable, on summary conviction, to a penalty not exceeding \$10,000.00'.



Contact Information for the Comptroller of Inland Revenue

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3. CIT-101 Return Guide

Company Registration No. - Mandatory field and pertains to the registration number the entity was assigned upon registration.

Taxpayer Identification No. - Non-mandatory field that is only applicable if the entity is registered with the SKNIRD.

Corporation Name - Mandatory field that refers to the name of the registered entity.

Company Classification -Mandatory field that categorizes based on business activities. E.g., IBCs, LLCs.

Tax year to which the return applies - Mandatory field of the preceding calendar year. E.g., 1/1/2019 to 31/12/2019.

Each address is specific to its own category.

The head office address - Mandatory field and refers to the headquarters of the Registered Entity.

The St Kitts-Nevis address - Refers to the local address of the Registered Entity (if applicable).

SAINT CHRISTOPHER AND NEVIS INLAND REVENUE DEPARTMENT

CIT-101 v5 

CORPORATE TAX RETURN

Filing of the CIT-101 is only accepted electronically through the online filing portal available on www.sknird.com.

This editable Return should be used **ONLY** for information purposes, and is applicable to International Companies, International Business Corporations and Limited Liability Companies that are duly incorporated/registered under the Companies Act 21.03, Nevis Business Corporation Ordinance, and Nevis Limited Liability Company Ordinance respectively.

*** INDICATES REQUIRED FIELD**

* COMPANY REG. NO.: TAXPAYER IDENTIFICATION NO.:

* CORPORATION NAME:

* COMPANY CLASSIFICATION:

* TAX YEAR TO WHICH THIS RETURN APPLIES: FROM: TO: DAY / MONTH / YEAR

* ADDRESS OF HEAD OFFICE :

* CITY: * COUNTRY: ZIP:

ST. KITTS / NEVIS ADDRESS IF DIFFERENT FROM ABOVE:

CITY: COUNTRY: ZIP:

Business activity – Mandatory field where a drop-down list is provided such that a selection can be made.

Contact Information – Mandatory fields to provide information about the Registered Entity’s contact person.

Company Representative Information – Mandatory fields relate to the Registered Agent/Service Provider.

* BUSINESS ACTIVITY:	<input type="text"/>		
CONTACT INFORMATION			
* CONTACT NAME:	<input type="text"/>		
* CONTACT POSITION:	<input type="text"/>		
* ADDRESS:	<input type="text"/>		
* CITY:	<input type="text"/>	*COUNTRY:	<input type="text"/>
		ZIP:	<input type="text"/>
* PHONE:	<input type="text"/>	FAX :	<input type="text"/>
		*E-MAIL:	<input type="text"/>
COMPANY REPRESENTATIVE INFORMATION			
* REPRESENTATIVE NAME:	<input type="text"/>		
* POSITION:	<input type="text"/>		
* MAILING ADDRESS:	<input type="text"/>		
* CITY:	<input type="text"/>	*COUNTRY:	<input type="text"/>
		ZIP:	<input type="text"/>
* PHONE:	<input type="text"/>	FAX :	<input type="text"/>
		*E-MAIL:	<input type="text"/>

QUESTIONNAIRE

Answer the following questions.

YES NO

1. Are you either a tax resident or a non-resident with a Permanent Establishment in St. Christopher (St. Kitts) and Nevis?

If YES (A) Proceed to number 2, 3 and 4
(B) Complete the form CIT-100
(C) Submit both forms to Inland Revenue Department

If NO Where are you resident for tax purposes?

(A) Proceed to number 2, 3 and 4
(B) Submit the form to Inland Revenue Department.

2. Are the corporation's accounting records kept at the Registered office of the corporation in Nevis?

If YES Provide the address of the Nevis registered office.

If NO Provide the place of business/physical address of the corporation/directors where the records are kept.

3. Is the corporation part of a Multinational Enterprise (MNE) group with annual consolidated group revenue of €750 million (or the XCD equivalent) in the immediately preceding fiscal year?

If YES Is the corporation's data required to be reported as part of a Country-by-Country report to a tax authority of a jurisdiction outside the Federation?

If NO Proceed to step 4 (Declaration).

4. Make the declaration

The purpose of [question 1](#) is to identify whether the entity is a tax resident or non-resident doing business in the Federation through a Permanent Establishment. If the response is 'YES' the respondent would be prompted to answer numbers 2, 3 and 4. The entity would also fall into the taxable net, the entity would be asked to make the declaration and be required to complete the CIT-100 Return filed by all taxable entities. Both forms would then have to be submitted to the SKNIRD. However, if the response is 'NO' the entity would be asked to declare where they are tax resident, proceed to numbers 2, 3 and 4, and submit this form to the SKNIRD. See the SKNIRD's 'Guidance on



Tax Residence and Taxable Presence in the Federation’ at [Tax Rulings | Inland Revenue Department \(sknird.com\)](https://www.sknird.com)

The purpose of **question 2** is to establish where the entity’s accounting records are kept. If they are kept at a Registered office in the Federation and the response is ‘YES’ the entity would provide the address of the Nevis registered office. If the response is ‘NO’ the entity would provide the physical address of the corporation/directors where the entity’s records are kept, whether in or outside of the Federation.

The purpose of **question 3** is to determine whether the entity is part of a Multinational Enterprises (MNE) group and whether such group has Country-by-Country (CbC) reporting obligations as required under BEPs Action 13.

Under this action, only MNEs meeting the financial threshold of €750 million are required to prepare a CbCR with aggregate data on the global allocation of income, profit, taxes paid and economic activity among tax jurisdictions in which it operates.

This question seeks to establish whether the entity is a part of a consolidated group (related party) that is already filing a CbCR or whether the entity is designated as a reporting entity for CbCR purposes.

If the response is ‘NO’ proceed to number 4 ‘Declaration’.

4. Useful Links

FSRC April 2019 Newsletter

<https://www.nevisfsrc.com/april-2019-newsletter-beps-and-its-impact-on-the-financial-services-industry/>

News and Press Releases on St. Kitts and Nevis' removal from EU's list of non-cooperative jurisdictions and publication of OECD FHTP Progress Reports

https://www.consilium.europa.eu/en/press/press-releases/2020/02/18/taxation-council-revises-its-eu-list-of-non-cooperative-jurisdictions/?utm_source=POLITICO.EU&utm_campaign=c54d59d548-EMAIL_CAMPAIGN_2020_02_18_09_55&utm_medium=email&utm_term=0_10959edeb5-c54d59d548-190444085

Annex B of the OECD 2018 Progress Report

Harmful Tax Practices – 2018 Progress Report <https://www.oecd-ilibrary.org>

BEPS Action 5 on Harmful Tax Practices

<https://www.oecd-ilibrary.org>

<http://www.oecd.org/tax/beps/beps-actions/action5/>

Companies Act 21.03 and Companies (Amendment) Acts

<https://www.fsrc.kn/law-library/companies>

Nevis Business Corporation Ordinance 2017 and Amendments

<https://www.nevisfsrc.com/services/ibcs/>

Nevis Limited Liability Company Ordinance and Amendments

<https://www.nevisfsrc.com/services/llcs/>

Income Tax Act Cap 20.22

https://lawcommission.gov.kn/wp-content/documents/Revised-Acts-of-St-Kitts-and-Nevis/Revised-Acts-of-St-Kitts-and-Nevis-2017/Ch-20_22-Income-Tax-Act.pdf

Code of Conduct Group

<https://www.consilium.europa.eu/en/council-eu/preparatory-bodies/code-conduct-group/>

Transfer Pricing Documentation and Country-by-Country Reporting, Action 13 - 2015 Final Report

<http://www.oecd.org/tax/transfer-pricing-documentation-and-country-by-country-reporting-action-13-2015-final-report-9789264241480-en.htm>

5. Glossary

Body of Persons

'**Body of persons**' means any body politic, corporate, or collegiate and any company, fraternity, fellowship, or society of persons whether corporate or not corporate; **Income Tax Act Cap 20.22 (Section 2)**

Permanent Establishment

Refer to Income Tax (Amendment) Act 2021-12

Consolidated Group or Consolidated Corporation

'**Consolidation**' means a procedure whereby any two (2) or more corporations consolidate into a new corporation incorporated by the consolidation;

'**Consolidated Corporation**' means the new corporation into which two (2) or more constituent corporations are consolidated;

'**Constituent Corporation**' means an existing corporation that is participating in the merger or consolidation with one (1) or more other corporations;

'**Corporation**' or '**Domestic Corporation**' means a corporation incorporated, merged, or consolidated under this Ordinance, or a foreign corporation which has been redomiciled to Nevis and registered under this Ordinance.

Nevis Business Corporation Ordinance, 2017 (Section 2)

'**Consolidation**' means a procedure whereby any two (2) or more limited liability companies consolidate into a new limited liability company formed by the consolidation;

'**Consolidated Company**' means the new limited liability company into which two (2) or more constituent companies are consolidated.

'**Constituent Company**' means an existing limited liability company that is participating in the merger or consolidation with one (1) or more other limited liability companies.

'**Corporation**' means a corporation incorporated under the Nevis Business Corporation Ordinance 2017 or a corporation which was incorporated under the laws of a foreign domicile which has been redomiciled to Nevis under such law.

Nevis Limited Liability Company Ordinance, 2017 (Section 2)



Tax Resident

A company will be deemed to be a tax resident in the jurisdiction in which the management and control of the company reside. See 'Guidance on Tax Residence and Taxable Presence in the Federation'.
<https://www.skniird.com/wp-content/uploads/2020/10/SKN-Guidance-Tax-Residence-and-Business-Enterprise-Sept2020.pdf>

Relevant Legislation

Companies Act 21.03 and Companies (Amendment) Acts

Nevis Business Corporation Ordinance 2017 and Amendments

Nevis Limited Liability Company Ordinance

Income Tax Act Cap 20.22

Income Tax (Amendment) Act 2021-12