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Country Profile: Antigua

The Facts

Location	Caribbean, islands between the Caribbean Sea and the North Atlantic Ocean, east-southeast of Puerto Rico
Languages	Official – English Spoken – local dialects
Nationality	Antiguan
Religions	Protestant – 76.4% Roman Catholic – 10.4% Other Christian – 5.4 Others – 7.8%
Government	Constitutional Monarchy with a Parliamentary system of government and a Commonwealth Realm
Head of Government	Prime Minister
Legislature	Bicameral Parliament
Constitutional Document	The Constitution of Antigua and Barbuda, 1981
Economy	Antigua's economy is dominated by tourism and investment. The Antigua and Barbuda Free Trade and Processing Zone (FTPZ) was established in 1994. The government strongly encourages foreign direct investment, particularly in industries that create jobs, earn foreign currency, and have a positive impact on its citizens. The government has a number of incentive programs in place to attract foreign investment, and is a member of the Organization of Eastern Caribbean States, making Antigua and Barbuda to be one of the more prosperous states in the Eastern Caribbean.
Currency	East Caribbean Dollar (XCD)
GDP (2012)	Total – XCD 3.17 billion Per capita – XCD 34,469 Real GDP growth – +1%
Population	89,018 (approx.)
Percentage of population	Black – 91% Others – 9%
Area	442.6 km ²
Time zone	AST (UTC-4)
Public Holidays	National holidays – 11
Climate	Tropical maritime



Sources: Government of Antigua and Barbuda, International Monetary Fund, Central Intelligence Agency, U.S. Department of State

Antigua

Antigua and Barbuda was originally a single island on the edge of the Caribbean Sea and near the Atlantic Ocean which was formed by a volcanic eruption 30,000,000 years ago. However, due to the risen sea levels in 10,000 BC, twin islands were formed at a distance of 28 miles. Other smaller islands that are parts of this nation are Great Bird, Guinea, Maiden, Green, Redonda, Long and York Islands. Antigua and Barbuda is also known as the "Land of 365 Beaches" because there are several protected beaches in the twin islands. The twin-island nation falls under the Commonwealth of Nations under the British monarch. The country is run by a Governor-General. Antigua and Barbuda was colonized by in 1631 by a group of Britishers led by Edward Warner from St Kitts. The country became independent in 1981 and today has a total land area of 446 square kilometres and a permanent population of approximately 89,612. A large part of the population is of West African origin, with the rest being mixed, Asians, Europeans and East Indians.

The nation is well-known as a tourist destination which thrives as one of the most important industries of the country. The tourist industry has flourished due to the natural gifts of the land, such as limestone affected rocks and the coral reef that forms the scenic beaches. The nation is growing at a steady pace to involve other industries, including Financial Services as a major investment sector, followed by Education, Health and Wellness, Logistics and Business Support Services. The agriculture industry mostly serves the nation's needs, while exports include sugar and the black pineapple, which is considered the sweetest in the world. Of the 185 economies surveyed in The World Bank for its Ease of Doing Business report for 2013, Antigua and Barbuda stood at Rank 63, with a rank of 85 in terms of ease of starting a business.

The Mauritius Business Climate

There are several reasons to invest in Antigua:

- **Open economy:** Antigua and Barbuda is a small but steadily growing and open economy. In a continent that is ridden by crises and coups, this nation boasts a long history of political stability. The private sector is a dominant part of the nation's economy, with the government only intervening in the economy as a regulator in certain instances.
- **Free Trade and Processing Zone:** The Free Trade and Processing Zone (FTPZ) was established by a 1994 Act of Parliament. The total area covered by the FTPZ is approximately 90 acres at present, although expansion is a possibility. Currently, two enterprises are operational within the FTPZ, the American University of Antigua and the Antigua and Barbuda International Institute of Technology, a government-owned body. located in the zone. Interested investors can access the FTPZ guide to doing business, along with an application form and a guide to filling it, as well as details of the FTPZ Act.
- **Easy work Permits and permanent residence availability:** Skilled labor can easily be brought into the country because the lack of skilled labor in the country has prompted Antigua and Barbuda to make work permits easier to obtain than most other nations. In 1995, the Antiguan and Barbadian government commenced a permanent residential system to promote a limited amount of elevated net value individuals.
- **Taxation policies:** Companies that are incorporated, continued or registered are liable to pay 40% tax calculated on their profit. Unincorporated businesses or companies need to pay 2% tax on gross profits. However, the first \$4,166 in gross income in any calendar month is free of taxes. Corporations registered and operational in Antigua and Barbuda profit from a tax rate that is 39% lesser than that in the US and 7.7% lesser than in Canada.



- **Time zone:** The nation is under the same time zone as important cities and business hubs of North America, including New York and Toronto. Business Process Outsourcing is an easy gain here, with the national language being English. The offices and businesses that are set-up in the country operate at exactly the same time as the World Trade Organization and other industries and businesses headquartered in New York.

Setting up a Business in Antigua

There are several steps to set up a business in Antigua:

- **Check availability of company name:** The company name search is a manual process, where lengthy registration books need to be checked to ensure that no other company goes by the proposed name. After this, a form needs to be filled to book and reserve the company name for the next three months. This procedure takes around three days and costs XCD25.
- **Prepare the incorporation documents with the help of a lawyer:** The price is defined as the fee charged by a lawyer or Justice of the Peace to organize the attested declaration proving that the entrepreneur is not host to bankruptcy, is mentally sane, and is above the legal age of 18 years. By law, this document is the only one that needs a lawyer's intervention. A lawyer will usually arrange all the incorporation documents, such as notice of address, notice of directors, and articles of incorporation. The average lawyer fee is EC\$3,000. All the needed forms are available under the Company Act and are completed by filling in the blanks. By law, legalization of documents is not necessary. This process takes a day and is usually priced at \$150. Forms are available online at <http://www.forms.gov.ag/index.php>.
- **Registration with the Intellectual Property and Commerce Office:** Annually, after incorporation, it is necessary for the company to file an Annual Return that denotes the share structure, directors and shareholders. The fee for filling this Annual Return is EC\$200. It takes about 10 days for this process, at a total cost of EC\$3,230, which includes a registration fee of EC\$ 200, statutory declaration (stamp fee) of EC\$30 and attorney fee of EC\$3,000.
- **Creating a company seal:** The Company Act does not make it obligatory for the business to have a company seal, although it might be required for daily transactions for the company. The price depends on the seal's quality, with the average seal costing around EC\$200 and taking around 5 days to be made.
- **Application for tax payer identification number and register the company for tax:** The taxpayer's identification registration number can be obtained at the Inland Revenue Authority. It is done after the receipt of a Certificate of Incorporation. The process can be carried out while creating the seal and is not chargeable. The registration form is available online for filling and uploading it online at: <http://www.forms.gov.ag/index.php>
- **Registration for VAT/ABST identification number:** This procedure is possible while applying for Tax Payer Identification Number and is not chargeable. The enterprise can register for VAT at the Inland Revenue Authority. This form is available online for printing and registering can be online itself. This is also not a chargeable process. Registration is possible after the enterprise has obtained a Certificate of Incorporation.
- **Registration for medical benefit:** The employer's and employees' monthly payment for medical benefits is 3.5% of the basic monthly salary. There is no other contribution and takes a day for completion.

- **Registration for social security and education levy:** The company has to register with Social Security and once a registration number is given, the Board of Education will register the entity. The education levy is applicable on the employee, while the employer is required to subtract the education levy from the employee's salary and pay it to the Inland Revenue Department on the approved form every month. The employer has to pay 5% of the employee's basic monthly salary for social security, not exceeding EC\$225 each month. The employee has to pay 3%, not exceeding EC\$135.

Types of Business Structures in Antigua

Let's take a close look at the various business structures in Antigua:

- **Sole Proprietorship:** In this type of business entity, a single individual can run the company, with the benefits of receiving the profits, subject to taxation, without any distinction between the entrepreneur and the enterprise. He/she is entitled to make all decisions and may hire others to assist him run the business despite being the sole owner of the business.
- **Partnership:** When two or more individuals or parties form a business together with a percentage of the profit and capital agreed upon and allotted by each party, thereby owning the business together, is known as a partnership. Here, all the benefits of being the owner is shared between the partners, as are the duties. In most cases, the percentage of capital invested by the parties determines the share of profits that each party is entitled to.
- **Branch of foreign corporations:** Foreign or multi-national companies invest in Antigua and Barbuda to open up a branch in the country and reap the benefits the nation has to offer. Banks, manufacturing units, service centers and showrooms are some examples of the types of branches that foreign corporations open in the country. A branch, if opened for business in this country, is liable for registration and all other procedures that are followed to incorporate a new business.
- **Private or Public Limited Company:** Private companies, otherwise referred as closed companies, as well as businesses formed by a group of entrepreneurs, registered on the stock market and offering publicly traded shares are also business structures that are recognized in Antigua and Barbuda. Public companies have their shares open for purchase in the stock market and pay out dividends to the stock holders. These are generally big enterprises or companies that are governed by a board of directors, who possess the largest number of shares and may have founded the company.

Taxation

All companies that are incorporated, registered or continued are liable to pay taxes charged at 40% of the annual profit. However, there are several incentive schemes for investors that can be applied to save tax amounts. Unincorporated business or organizations are charged taxes at 2% on the gross income or profits. It is to be noted that the first \$4,166 of gross profits or income is exempted for each month. Taxation on companies in Antigua and Barbuda is lower than most North American countries.



Immigration and Visa Requirements

Britain, Australia, Canada, United States of America, Japan and citizens of Commonwealth countries, with the exception of Bangladesh, Cameroon, Gambia, Ghana, India, Mozambique, Nigeria, Pakistan, Sierra Leone and Sri Lanka, do not require applying for a visa and can stay for a maximum of one month. On the expiration of this period, the individual can extend their permission to stay by applying for an extension of stay at the immigration office. Sometimes, the visa requirements may vary depending on the nationality of the visitor. It is advisable to check the details for any further requirements with Antigua and Barbuda consulate in the country.

Application for visa requirements includes:

- A completed application form
- A passport-sized photo
- A valid passport,
- The fee (payable by postal order)
- Additional £4 for postal applications
- A letter from a travel agent confirming that accommodation has been booked on the islands
- Proof of sufficient funds
- Confirmation of accommodation and onward/return ticket

Banking Requirement

It is a simple procedure to open up an account in Antigua and Barbuda and can be done online, with the required documents. Online banking in different currencies is possible with most offshore accounts in Antigua and Barbuda and is provided with necessary services like 24 hour banking with ATM and Debit Cards, etc. The following are the basic official documents that are required by the major banks in Antigua and Barbuda:

- Original passport-size photos
- Original passport notarized photocopy or Picture ID (driving license or Voter ID Card)
- Complete filled out application form
- Original reference letter from the applier's bank
- Original reference letter from a lawyer or a business associate

Reference

Government of Antigua and Barbuda	www.antigua.gov.ag
U.S. Department of State	www.state.gov/e/eb/rls/othr/ics/2012/191098.htm
Central Intelligence Agency	www.cia.gov
Wikipedia	en.wikipedia.org/wiki/Antigua_and_barbuda
International Monetary Fund	www.imf.org
ABIA	www.investantiguabarbuda.org
Antigua and Barbuda	www.antigua-barbuda.org/aghis01.htm
High Commission for Antigua and Barbuda	www.antigua-barbuda.com/finance_investment/economy.asp
Greer & Co. Solicitors	www.lawantigua.com/WhyAntigua.aspx
Ministry of Legal Affairs, Government of Antigua and Barbuda	www.laws.gov.ag/index.html
The World Bank Group	www.doingbusiness.org/data/exploreeconomies/antigua-and-barbuda/starting-a-business
ExpatsFocus	www.expatsfocus.com/expatriate-antigua-barbuda-visas-residency

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