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A CLEARER PATH TO RESIDENCY AND CITIZENSHIP IN BARBADOS

With its economy mainly dependent on tourism and international business, the toll of the COVID-19 pandemic in Barbados can only be described as seismic; an instantaneous paralyzing impact with international travel halting, followed by aftershocks of uncertainty on the path to economic recovery in the age of the pandemic. Notwithstanding, the Barbados government has been swift to respond with ambitious paradigm shifting initiatives to attract both foreigners and foreign direct investment, to sustain the economic livelihood of the Island.

Most noteworthy was the introduction of the “Barbados Welcome Stamp” in July 2020 which is essentially a 12-month visa geared towards remote workers seeking to temporarily reside and work from a world-famous tourism destination. Competitively priced and simple application process, the initiative became immediately successful with an influx of remote working professionals and their families relocating to the Island in the fourth quarter of 2020.

Also of significance is the revamp of the Island’s “Special Entry and Reside Permit” (“**SERP**”) program with the introduction of the new Immigration Bill, 2020 (“**IA 2020**”) and the Barbados Citizenship Bill, 2020 (“**BCA 2020**”). As originally conceived, the program provides for High Net Worth Individuals” (“**HNWI**”) to obtain work and residency status in Barbados. To qualify, the HNWI has to provide evidence of net worth in excess of US\$5 million and makes an investment in property in Barbados of at least US\$2 million (which is part of the US\$5 million) from funds sourced outside of Barbados.

The SERP is attractive to persons who are not domiciled in Barbados but can meet the criteria of “ordinarily resident”. To become ordinarily resident, a person must have a permanent home in Barbados and elect to reside on the Island for at least 2 consecutive years. Such “non-domicile” persons are not subject to tax on their worldwide income, other than that which is remitted to Barbados.

SERP holders are deemed to be “immigrants” (persons seeking to enter, or within Barbados for the purpose of permanent residence). As such, persons are free to enter or leave the Island for the duration of their permit (a renewable 5-year duration for property owners and an indefinite duration for HNWI over 60 years of age).

The new legislation will make the program even more attractive. Pursuant to the BCA 2020, SERP holders will be eligible to apply for citizenship after living in Barbados for a period of 6 years. Further, persons who maintained immigrant status or permanent residency under the

previous law for a period exceeding 3 years prior to the commencement of the BCA 2020 are entitled to registration as citizens of Barbados. It is noteworthy that the conditionality of long-term residence on the Island distinguishes the program from the kind of citizenship by investment programs offered by other countries. As such, the program is designed to attract those who are not only willing to make a significant financial investment in return for the benefits of residency, but who also have a demonstrable affinity for the Barbados way of life and kinship with its people.

The IA 2020 will streamline the process as regards the establishment of permanent residency and establishing a clearer path to citizenship. As such, the new procedure for SERP holders and others to obtain work permits has been simplified and avoids any unnecessary duplication in document filing between the Immigration Department and the Barbados Revenue Authority. Having regard to the Economic Substance legislation the new legal framework encourages SERP holder to start businesses in Barbados, hire locals and participate in the local economy.

These recent initiatives demonstrate Barbados's ability to pivot in the face of daunting economic challenge and maintain its competitive edge in the dynamic world of international business and sustainable tourism. Kudos to Barbados!
