

BUSINESS REGISTRATION & COMPLIANCE HANDBOOK



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The decision to start a business is a rewarding experience, no matter your stage of life. But, it requires adequate funding, time, personal support and professional support in order to move forward successfully with your entrepreneurial dreams. As an entrepreneur, one of the hurdles that you will experience is your endless to-do list. Here is a step by step guide to help you along your way.



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CONTENTS

03

TIPS FOR CHOOSING your business

08

registering your business

MANDATORY REGISTRATIONS.....9

Registering your business with the Companies and
Intellectual Properties Office, Financial Services
Commission (FSC).9
Registering for Trade License.....15

Registering your Business with the Montserrat
Social Security Fund15

Registering your Business with the Montserrat
Customs & Revenue Services (MCRS) - Inland
Revenue Department16

Establish an Account at the Financial Institution
of Choice for the Business17

MANDATORY REGISTRATION AT A GLANCE.....18

VOLUNTARY REGISTRATIONS19

Industry Support Organizations19

Micro and Small Business Act 201320

23

ENSURING business COMPLIANCE

WEEKLY/MONTHLY OBLIGATIONS.....23

MCRS - Inland Revenue Department
Tax Remittances23

Montserrat Social Security Fund
Remittances24

Labour Department
Employer Obligations25

ANNUAL OBLIGATIONS.....26

MCRS - Inland Revenue Department26
Financial Services Commission (FSC)27

28

CHECKLIST

31

PLAN AHEAD

CONTACT DETAILS

.....31





**YOUR FIRST ORDER OF BUSINESS IS
SELECTING AN APPROPRIATE NAME
FOR YOUR BUSINESS. CONSIDER
THE FOLLOWING TIPS.**



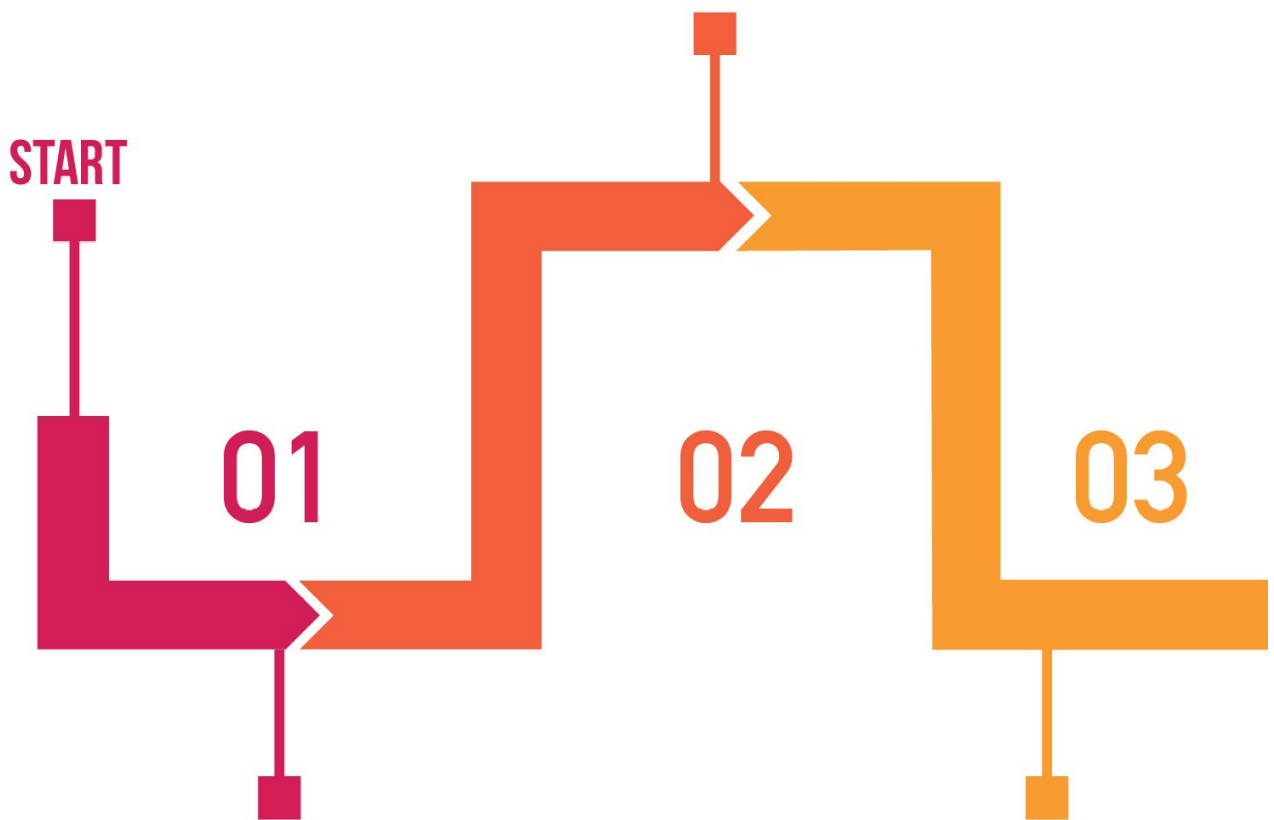
CHOOSING YOUR BUSINESS NAME



TIPS FOR CHOOSING YOUR BUSINESS NAME

CONSIDER THE INDUSTRY

Your business name should relate to the industry in which you operate and reflect the products and services you offer. But, don't be overly vague or specific.



BUSINESS REGISTRATION & COMPLIANCE HANDBOOK

SIMPLE IS ALWAYS BEST

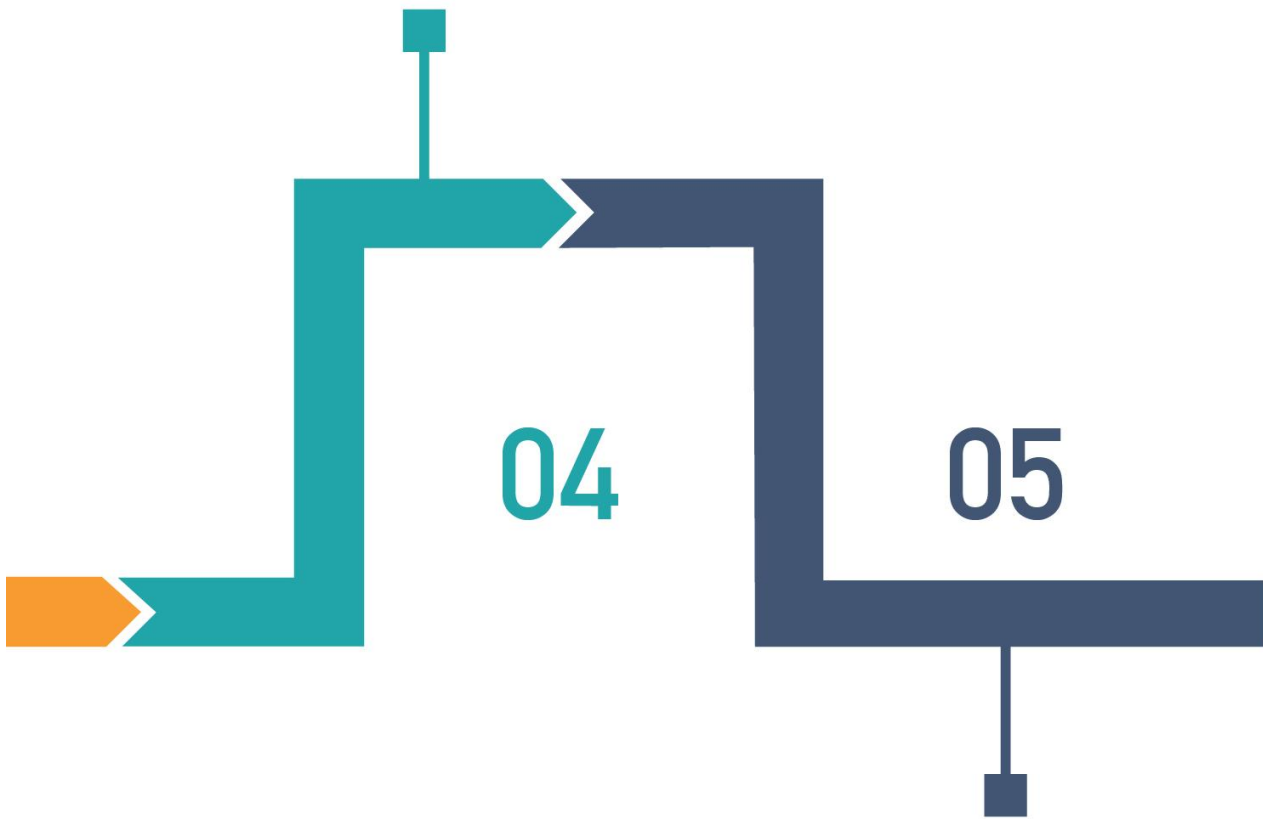
Fair enough, your business provides 7 services and you offer 3 products – all of your offerings do not need to be reflected in your business name.

AVOID LENGTHY BUSINESS NAMES

Ideally, your business name should be no more than 4 words. Pass that, it becomes difficult to remember and say.

SAY NO TO CONTROVERSIAL NAMES

You run the risk of losing a potential group of customers and creating a dislike for your products and services with “touchy” names.



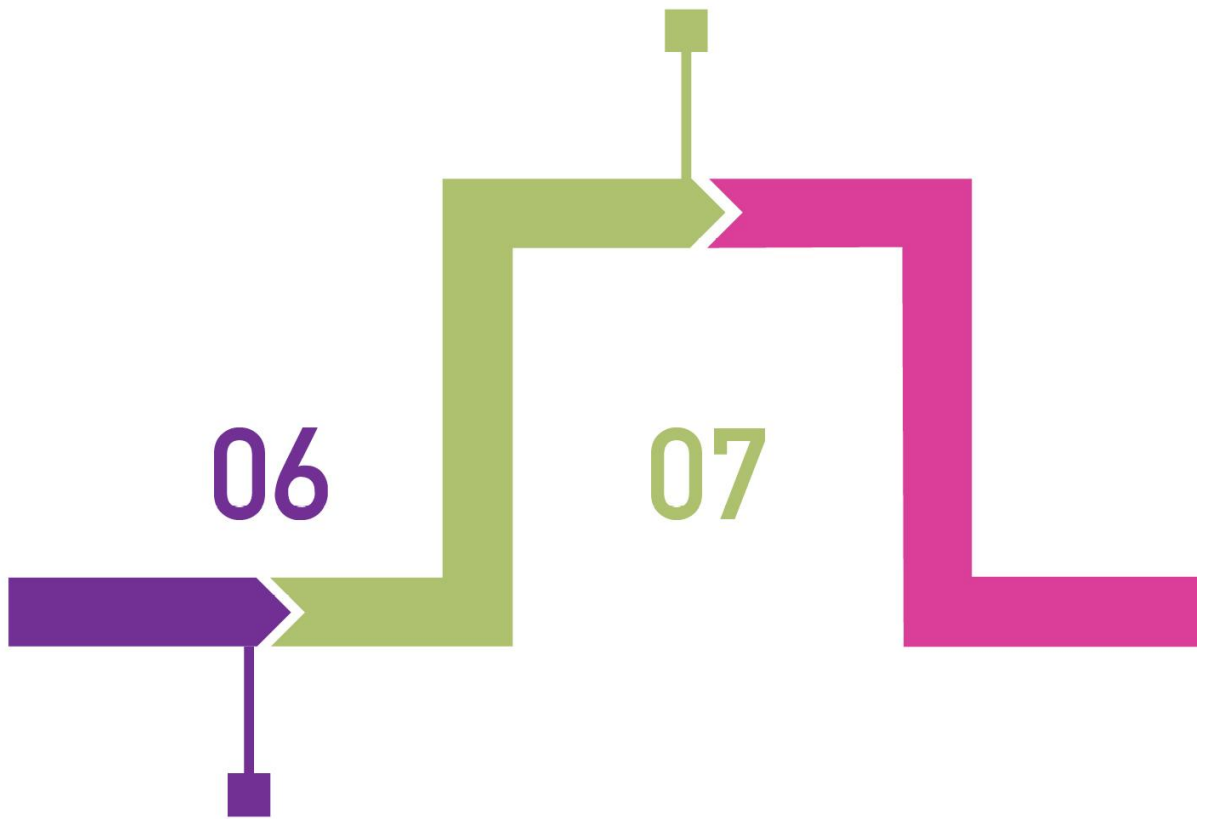
CHOOSING YOUR BUSINESS NAME

BE CAUTIOUS WITH TRENDY NAMES

Trends come and go, but your business name should be able to transcend times and trends.

BE CREATIVE WITH YOUR BUSINESS NAME

Which is more creative: “Jane Doe’s Catering Services” or “Jane Doe’s Delicious Delights”? Think differently – think creatively.

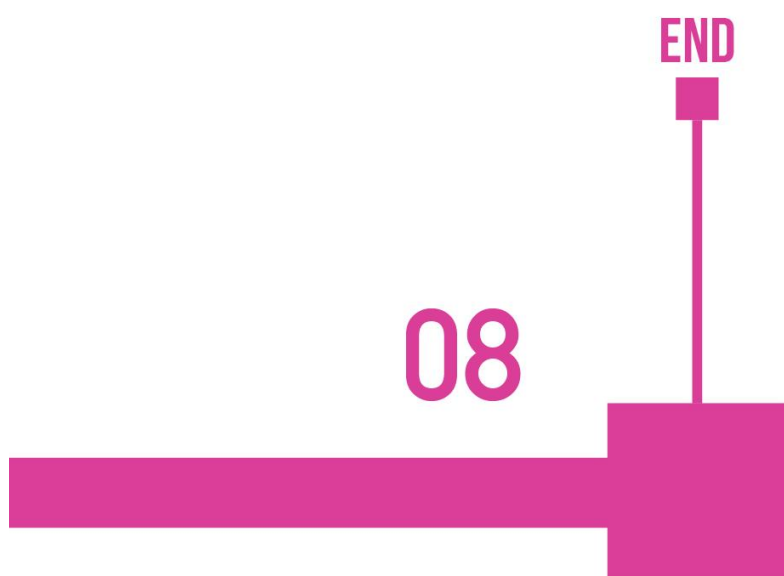


THINK FUTURISTIC

Always leave room for growth and expansion. Your products and services may change overtime – your business name however... not so much.

THE TRADE, QUALITY INFRASTRUCTURE AND BUSINESS SUPPORT DIVISION WILL ASSIST IN DEVELOPING YOUR BUSINESS IDEA INTO A MARKETABLE BUSINESS PLAN.

SO YOU'VE GOT YOUR BUSINESS PLAN. YOU NOW NEED TO START DOING BUSINESS ON MONTserrat. LET'S GUIDE YOU THROUGH THE PROCESS.



CHOOSING YOUR BUSINESS NAME

THINK IT THROUGH - YOUR BUSINESS NAME IS YOUR FIRST MARKETING TOOL

You need a plan in order to make your business idea a reality. A Business Plan is a blueprint that will guide your business from start-up through establishment and eventually business growth. In many cases, a business plan is a must, especially if you intend to seek financial support from a financial institution or an investor.





REGISTERING YOUR BUSINESS

MANDATORY REGISTRATION

There are mandatory arrangements which must be completed to start your business journey.

Your business must first be registered at the Companies and Intellectual Properties Office, Financial Services Commission (FSC). Businesses may be registered under either of the following Acts:

1. Registration of Business Names Act
2. Companies Act
3. Limited Liability Companies Act*
4. International Business Companies Act*
5. Limited Partnerships Act*

Note:* *The Limited Liability Companies Act, International Business Companies Act and the Limited Partnerships Act will be repealed by the Companies Act 2018 once it comes into force.*



Businesses are registered according to their legal framework namely:

- Sole proprietorship
- Firm
- Private company
- Public company
- Non-profit company
- Limited liability company
- Partnership
- Company limited by guarantee

Each type of registration has requisite forms, fees and information requirements which must be satisfied at the time of making an application to the Registrar.

Here's a closer look at the options available to you.

REGISTERING YOUR BUSINESS AS A BUSINESS NAME

This is by far the simplest process for registering a business. It also provides flexibility in the management structures available to the business. However, the owners are directly accountable financially and otherwise for any decisions taken on behalf of the business.

If your business name is the same as your given name without any additions, it is exempt from registration. Example: Jane Smith, trading as Jane Smith is exempt. However, Jane Smith trading as Jane Smith Services, will require registration.

Types of Business Names Registrations

INDIVIDUAL	Registration by one natural person.
FIRM	Registration by two or more persons of an unincorporated body.
CORPORATE	Registration by a corporate body.
AGENT	Registration of a business by an individual/ firm/corporation on behalf of another person.

Requirements for registration of Business Name

1. Two forms of Identification (Passport and any other form of picture identification)
2. Proof of address (e.g. utility bill)
3. Police Certificate of Character (only applicable for non-nationals)
4. For persons residing overseas:
 - a. Consent letter of local agent/representative
 - b. One form of picture identification (government issued)
 - c. Proof of address (e.g. utility bill)

Fees

A fee of \$150.00 is payable at the time of applying for registration

REGISTERING YOUR BUSINESS AS A COMPANY

Individuals may decide to register their business as a Company. This type of business operation is a more formal arrangement and provides greater protection for the shareholders (owners) of the business. This is because the business is a legal entity, separate and apart from the shareholders and provides protection for the owner of the legal entity.

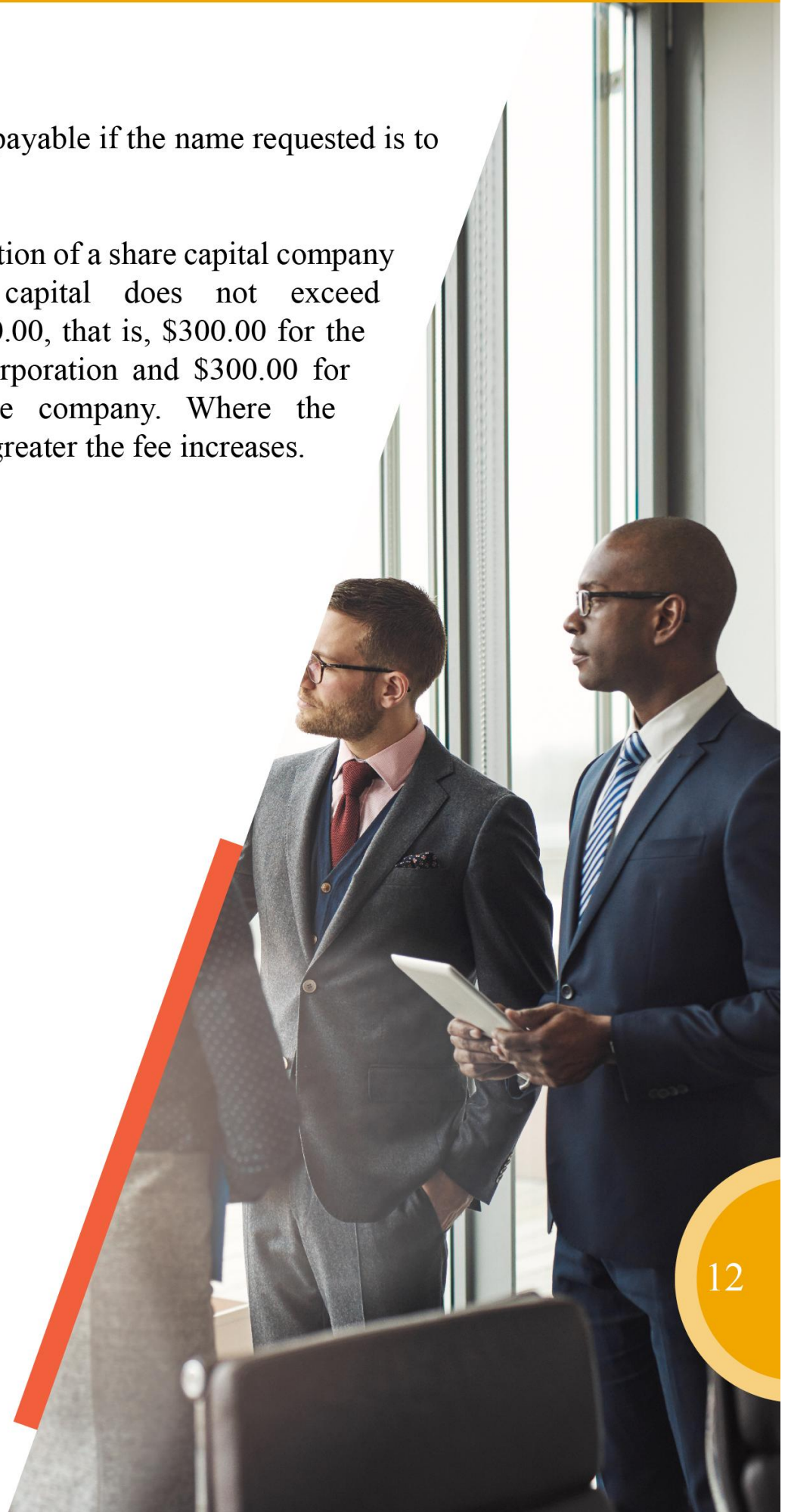
Requirements for Registration of Share Capital Company must be submitted in duplicate to the Registrar:

1. Form 26 - Completed Name Search and Reservation Form.
2. Form 1 - Articles of incorporation signed and dated
3. By-Laws of the Company (optional – model by-laws may be adopted)
4. Form 9 - Notice of directors signed and dated.
5. Form 4 - Notice of address of registered office signed and dated. The registered address should not include a P.O. Box.
6. Declaration of an attorney-at-law as to the capacity of the persons forming the company.

Fees

A fee of \$50.00 is payable if the name requested is to be reserved.

The fee for registration of a share capital company whose nominal capital does not exceed \$10,000.00 is \$600.00, that is, \$300.00 for the Certificate of Incorporation and \$300.00 for registration of the company. Where the nominal capital is greater the fee increases.



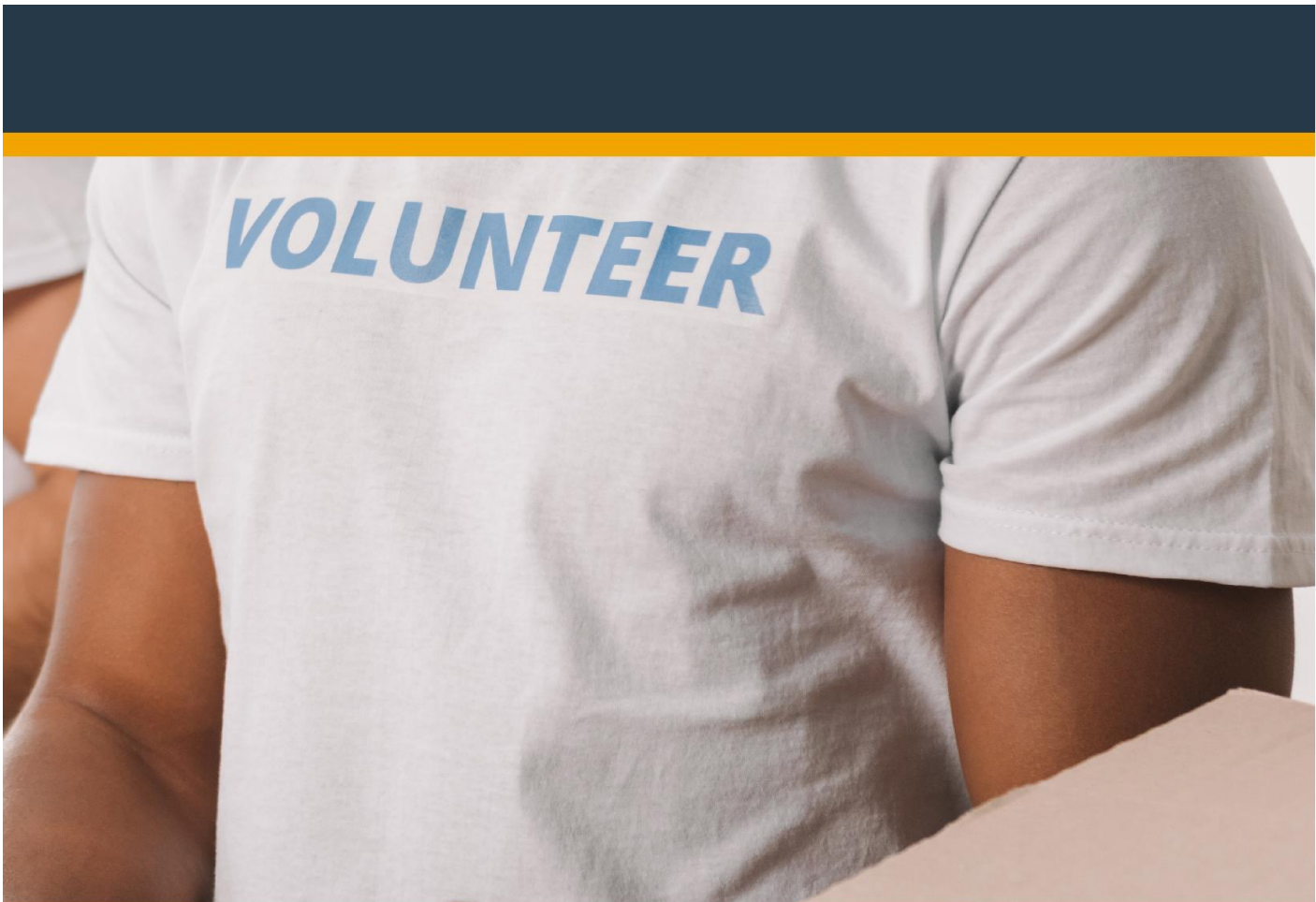


REGISTERING AS A NON-PROFIT COMPANY

Non-profit companies can be incorporated for business that is patriotic, religious, philanthropic, professional, fraternal, sporting or athletic in nature or to the promotion of some other useful object. Approval to carry on such business must be approved by the Governor before application can be made to the Registrar for incorporation. Applicants must state explicitly that there will be no pecuniary gain to its members.

The following must be submitted in duplicate to the Registrar:

1. Letter from His Excellency, The Governor granting permission for the incorporation of the company as a non-profit
2. Completed Name Search and Reservation Form
3. Articles of incorporation for a non-profit company signed and dated
4. By-Laws of a non-profit Company
5. Notice of directors signed and dated. (A non-profit company shall have no fewer than three directors.)



6. Notice of address of registered office signed and dated. The registered address should not include a P.O. Box.

7. Declaration of an attorney-at-law as to the capacity of the persons forming the company stating that no individual who:

(a) is less than 18 years of age;

(b) is of unsound mind and has been so found by a tribunal in

Montserrat or elsewhere; or

has the status of a bankrupt shall form or join in the formation of a company under this Act.

Fees

- A fee of \$50.00 is payable if the name is to be reserved
- The fee for registration of a non-profit company is \$120.00.

Nb: The fee may increase given the number of members stated in the articles of the Company.



REGISTERING FOR TRADE LICENSE

Any person carrying out trade or business of a merchant requires a Trade License. Application forms can be obtained from the Treasury Department. Fees are applicable and range from \$25 -\$300.

REGISTERING YOUR BUSINESS WITH THE MONTSERRAT SOCIAL SECURITY FUND

All new businesses, whether an Incorporated, a Sole Trade or Non-Profit with paid employees, must register with the Montserrat Social Security Fund.

Business owners must take to the Fund's Offices a copy of the Business Registration, whether Business Name Certificate or Letter of Incorporation. Individuals may be required to show proof of identification. A registration form will be issued and must be completed. Upon completion of this, a Social Security Registration Certificate will be issued to the

Company/Individual.

Following this registration, a one-on-one discussion will be held with a staff member of the Social Security Fund to provide guidance as to the Business's obligations to the Fund. No fee is attached to this registration.

REGISTERING YOUR BUSINESS WITH THE MONTSERRAT CUSTOMS & REVENUE SERVICES (MCRS) - INLAND REVENUE DEPARTMENT

Having registered with the FSC, business owners are then required to complete the Employer Registration (IRD2) Form at the Inland Revenue Department. All business registration documents from the FSC should accompany this registration. In the event where the individual does not already possess a Tax File Number, one would be issued to that individual. In the case of an Incorporated Business, a Tax File Number will be issued to that company. All future correspondences to the Inland Revenue Department should bear that tax file number.

There is no fee attached to this registration.



ESTABLISH AN ACCOUNT AT THE FINANCIAL INSTITUTION OF CHOICE FOR THE BUSINESS. ■ ■

It is important that there is always separation between your personal funds and that of your business. At the Bank of your choice, open an account for the business. Financial Institutions' requirements may vary. These are the basic requirements necessary to set up a business bank account:

SOLE TRADER

- Minimum opening deposit of \$200 is required if it is a "trading as account" or sole proprietorship.
- Two (2) valid photo identifications are required, one must be a passport.
- Proof of address e.g. Utility bill.
- Recent job letter and /reference letter.
- Business Certificate.

INCORPORATED COMPANY

- Minimum deposit of \$300.
- Certified copy of certificate of incorporation.
- Certified copy of Articles of Incorporation.
- Verified copy of By-Laws of the Company.
- Notice of Address of the registered office .
- Notice of Directors.
- Names of the persons who are authorized by the directors to transact business on the account.

MANDATORY REGISTRATION AT A GLANCE

REGISTERING YOUR BUSINESS

BUSINESS NAME \$50

INCORPORATED NAME \$600+

NON-PROFIT BUSINESS 170+



REGISTERING YOUR BUSINESS

BANK ACCOUNT

SOLE TRADER/INDIVIDUAL \$200 MIN.

INCORPORATED BUSINESS \$300 MIN.

VOLUNTARY REGISTRATIONS

Industry Support Organization

In addition to the Mandatory Registrations that businesses must adhere to, there are voluntary registrations that business owners may wish to pursue, such as industry support organizations. Being part of these organisations can bring benefits to the individual business.

Some of these benefits can include but not limited to:

1. Larger representation for members
2. Means for mediation
3. Share of resources

Taxi & Tour Association

- Businesses operating taxis may wish to become member of the Taxi and Tour Association.



The Hospitality Association

- Businesses owners operating in accommodation sector, may wish to become member of the Hospitality Association
Small Business Association

- Micro and Small Business owners may wish to become members of the Small Business Association.

Farmers Association

Business owners who operate in the Agricultural and Agro Processing Industries, may wish to become members of the Farmers Association.

Montserrat Chamber of Commerce & Industry

- Other business owners may wish to become members of the Chamber of Commerce and Industry.

Fees may be applicable to become members of the Individual Associations. The choice is yours.

Micro and Small Business Act 2013

Businesses may apply and register under the Micro and Small Business Act 2013 at the Financial Services Commission. As a Registered Business under this Act, the owner may apply for and may be eligible to receive a number of incentives to include but not limited to the waiver of Import duty and consumption tax on building materials, furniture and furnishings, machinery and equipment and or business vehicle.

A fee of \$100 for a Micro business and \$150 for a Small Business is applicable at the time of registration with the option for renewal after 15 months.





ENSURING BUSINESS
COMPLIANCE

ENSURING BUSINESS COMPLIANCE

As a business owner/operator there are weekly/ monthly/ annual obligations which must be adhered to, thus ensuring that your business is in compliance with the various statutory and/ Government entities:

WEEKLY/MONTHLY OBLIGATIONS

MCRS – Inland Revenue Department- Tax Remittances

When registering as an employee, you are expected to complete an IRD1 Tax Form at the Inland Revenue Department. For each employee who is eligible to pay taxes, i.e. the person's income exceeds the tax threshold, an IRD3 Remittance Form must be completed monthly and accompanied by the taxes deducted from employees' wages/salaries. These must be paid to the Accountant General on behalf of the Inland Revenue Department by the 15th of the following month. In order for the employer to make the relevant deductions, a guide as to deductions is found in the Inland Revenue's Tax Table which is given to each employer to facilitate this process.

Registering as an Employer

It is important that you know whether the people who work for you are employees or self-employed. This is because the tax treatment of the two groups is very different and as a consequence your responsibilities for deducting tax from payments to these groups will differ. It is illegal to treat a true employee as self-employed to avoid deducting tax.

By law, you are an “employer if



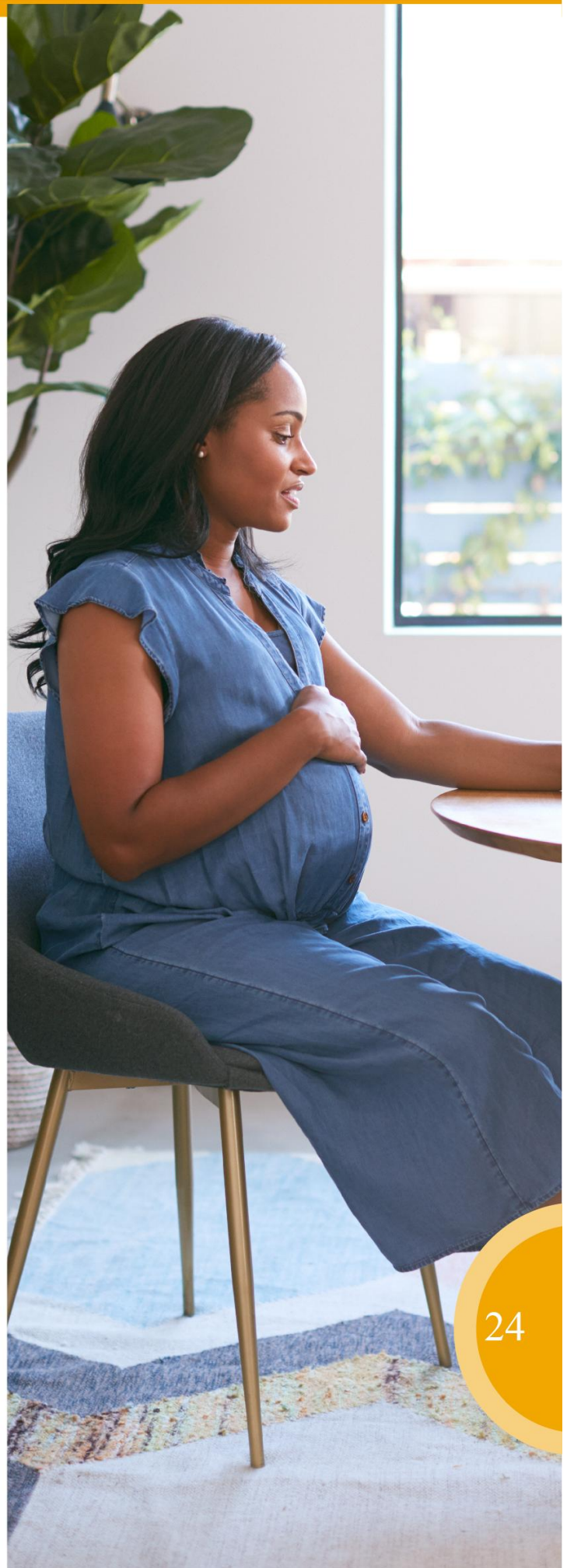
you are paying emoluments and anyone receiving emoluments is an employee”. Emoluments are defined as any of the following:

- Salary and wages
- Overtime
- Bonus
- Commission
- Perquisites
- Directors fees
- Retiring allowances or pension arising or accruing in or derived from or received in Montserrat.

Emoluments do not include any salary or share of profits arising from a trade, profession or vocation carried on by any person by themselves or in partnership with any other person

Montserrat Social Security Fund- Social Security Remittances

For each employed person who has not attained his/her Social Security Pensionable Age, a monthly Remittance Form must be completed and submitted to the Social Security Fund accompanied by the necessary funds. A 4% deduction is taken from the employee’s wages up to the threshold of \$4,000 for monthly paid workers and \$923





MONTERRAT
SOCIAL SECURITY ACT 1985
MONTHLY CONTRIBUTIONS REMITTANCE FORM

Employer's Name: CAB Marketing Co Ltd Sheet No.: 1 Form CR_2

Employer's Soc. Sec. No.: 6 5 5 8 3 Month: Sept Year: 2020

Table with 7 columns: Soc. Sec. Reg. No., Employee's Name, Sex, Monthly Insurable Income, Employee Contributions, Employer Contributions, Total. Rows include DOE, Joseph; JAMES, Harry; SMITH, Susanah; WHITE, Mary.

Sub-total: \$1,072.35
Late Fees:
Total: \$1,072.35

Mary Ann Jones Signature: Mary Ann Jones Date: dd mm yy

FOR OFFICIAL USE
Cheque No., Receipt No., Cashier's Name, Signature, Date, Verified by, Signed off by.

BUSINESS REGISTRATION & COMPLIANCE HANDBOOK

per week for weekly paid workers. Employers are committed to contribute an additional 5% of wages/salaries earned for each employee up to the same threshold. However, in instances where an employee(s) has attained pensionable age and is receiving a pension from the fund and no longer contributes to the fund, the employer is required to make a 1% contribution on behalf of the employee to cover him/her for Employment Injury.

You, the Sole Trader don't forget, you must pay yourself a wage or salary and make your contributions to the fund: 8% up to the thresholds stated.

Labour Department- Employer Obligations

In accordance to the Labour Laws of Montserrat, each employee should be furnished with documentation of wages/salaries earned and deductions made in the form of a pay slip. This pay slip should be given to each employee whether weekly, fortnightly or monthly dependent on your pay period.

ANNUAL OBLIGATIONS

MCRS – Inland Revenue

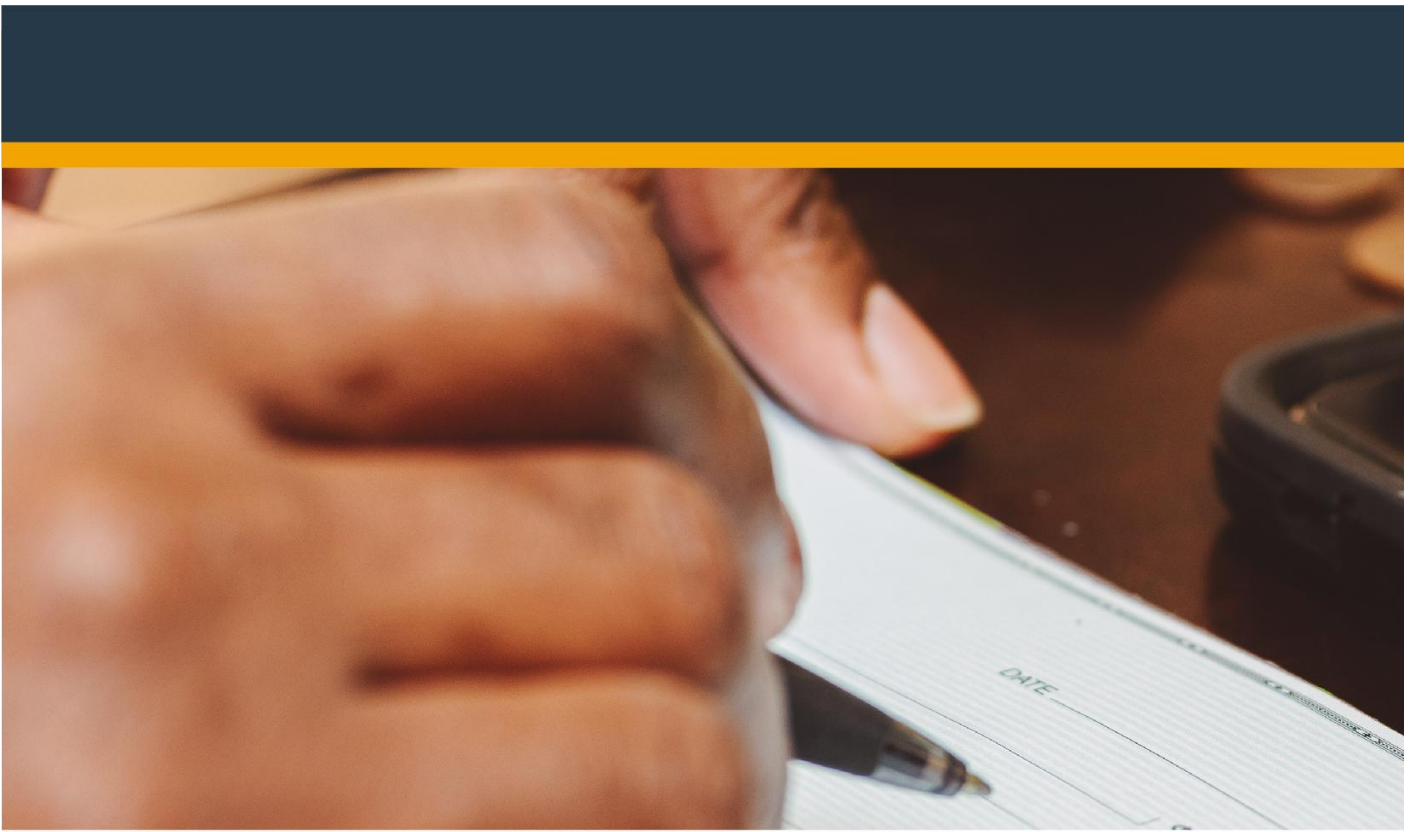
Business as a Separate Company

If your business is a company and pays you a salary, you are taxed personally on that salary. The company must pay tax on its profits, which is the gross takings minus all the business expenses (including your salary). This is because any profits that are made belong to the company and are taxed at the company tax rate of 30%.

All companies must complete and submit their Business Annual Return, which includes Audited Financial Statements, while the individual/Sole Trader submits a Personal Annual Returns either utilising the printed Profit on Loss Statement at the back of the Return Form or on a separate sheet(s) of paper. Additionally, for each employed person within the business a TD5, (A 5-part document indicating total income and total deductions for the year, to include employee's Social Security deductions) must be compiled and submitted to the Inland Revenue Department. The Original copy is given for the employee. This is applicable regardless if the person has been employed for the complete year or partially.

When are your tax returns due?

For most businesses, the accounting year ends on 31 December – this is the “balance date” of your business. To help with your end of year return you should have your accounts up to date so you can work out the profit you've made and the amount of tax you may have to pay. You must send in your tax return by 31 March each year. If you want a “balance date” other than 31 December, you must apply in writing to the Comptroller of Inland Revenue Department.



Provisional Tax

After your first year in business you may be required to pay income tax in three equal instalments during the months of February, April and June. This is called provisional tax which is a separate way of paying your business or personal tax as the income is received throughout the year. When you fill in your tax return the instalments you've paid are offset against the tax on your income. Any tax payable is due by 30 June.

Financial Services Commission (FSC)

Requirements for Registered Business Names

Once you have registered your business under the Registration of Business Names Act, it is mandatory that you complete and submit an annual return form along with the prescribed filing fee of \$100.00 by April 1 each year to the Registrar of Business Names. This ensures that your business name remains active on the Register of Business Names and prevents others from using your business name without your permission.

Persons who fail to submit the annual return and pay the filing fee



will have their business name struck from the Register of Business names and must apply for new registration.

Requirements for Registered Companies

In order to ensure a company remains in Good Standing, Directors/Officers must comply with the following statutory requirements annually:

1. Complete and submit an annual return form along with the prescribed filing fee of \$200.00 by April 1 each year to the Registrar of Companies.

2. Complete and submit a Certificate of Solvency (no filing charges apply) declaring that the company is able to satisfy its debts.

This ensures that your company remains active on the Register of Companies and provides assurance to the public that your company is in good standing. Companies that fail to submit the annual return and pay the filing fee are struck from the Register of Companies. A company that has been struck from the Register can be restored by filing an application to restore the company and by filing all outstanding annual returns and penalty fees.

01

BUSINESS PLAN DEVELOPMENT

Trade, Infrastructure & Business Support Division

02

BUSINESS REGISTRATION (MANDATORY]

Financial Services Commission
MCRS – Inland Revenue
Montserrat Social Security Fund

BUSINESS REGISTRATION (VOLUNTARY]

Industry Associations
Micro Small Business Act

03

BUSINESS COMPLIANCE (MONTHLY)

MCRS – Inland Revenue
Tax remittances

Social Security
S. S. Remittances

BUSINESS COMPLIANCE (ANNUALLY)

FSC- Annual Returns

MCRS – Inland Revenue
Annual Returns

Audited
Financial
Statements



COMMON SENSE BUSINESS PRACTICES

Adopt and maintain suitable
Financial management principles
and practises

Preserve business financial and
administrative records for a
minimum of five (5) years.

Provide excellent customer
service to all.

Inform customers about the
products and services you offer
through regular marketing
practises.

Your staff maybe your greatest
assets, treat them with the respect
they deserve.

PLAN AHEAD

Your business is an important asset and source of personal income. It is vital to the life of the business that you maintain and keep your records up to date. To safeguard the future of your business and those you love, a Last Will and Testament can shield your business and family from unnecessary expenses and potential disagreements. Plan now!

DOING BUSINESS MADE EASY!

CONTACT INFORMATION

COMMISSIONER FINANCIAL SERVICES COMMISSION

Valley View
Brades, MSR 1110

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Email: fscmrat@candw.ms

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Government Headquarters
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Email: irev@gov.ms
Website: <http://ird.gov.ms>

DIRECTOR MONTERRAT SOCIAL SECURITY FUND

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Website: www.socialsecurity.ms

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