RESIDENTS AND NON-RESIDENTS

This Circular deals with the classification of residents and non-residents. Exchange Control Circular Number 10 dated March 25, 1974 is hereby cancelled.

2. For the purposes of the Exchange Control Act, Cap. 71 persons, firms, companies and institutions in Barbados should be treated as either:-

(a) Residents of Barbados;
(b) Non-residents i.e. residents of the remaining countries of the world; and
(c) Offshore non-residents i.e. Non-Barbadian nationals on work permits who earn foreign currency and are employed in the offshore sector irrespective of the time they have resided in Barbados.

NB. The Offshore Sector shall consist of companies doing business from within Barbados as defined in the relevant legislation.

3. This classification is of fundamental importance as different rules apply depending on the "residential status" of the parties concerned.

4. Residents are the following:-

(a) Barbadian nationals residing in Barbados or temporarily working abroad; and
(b) Other nationals who have continuously resided in Barbados for at least three (3) years.

It should be noted that Barbadian nationals permanently residing outside Barbados are to be treated as non-residents and that temporary visits outside Barbados do not affect the residential status of a person.
5. Nationals of other countries attending full-time courses of study in Barbados should be treated as non-residents. Conversely, Barbadian nationals who are attending similar courses abroad should be treated as residents. In either case, if on completion of the course of study in a country, a person takes up employment in the same country, his residential status should be determined on the basis of these directions.

6. A firm or company which is incorporated or registered in Barbados and is operating in Barbados, should be treated as a resident.

7. Under Section 45 (1) of the Exchange Control Act, Cap 71, a personal representative of a deceased person shall, unless the Exchange Control Authority otherwise directs, be treated as resident in the country where the deceased person was resident at the time of his death.

8. Under the Exchange Control (Branches and Residence) Directions, 1968, (S.I. 1968 No.13) any transaction with or by a branch of any business whether carried on by a body corporate or otherwise, shall be treated in all respects as if the branch were a body corporate resident where the branch is situate. Under the same Directions, a person or body of persons carrying on in Barbados a branch of any business, shall as respects such business as is carried on by that branch, be treated for all the purposes of the Exchange Control Act, Cap. 71 as resident in Barbados.

9. Embassies, Legations, Consulates and Offices of the High Commissioners and the career and established (other than locally recruited) members of their staff (and the families of such persons) should be treated for all purposes of the Exchange Control Act, Cap. 71, as resident in the country represented. The residential status of locally recruited members of the staff in Embassies, Legations, Consulates and Offices of High Commissioners should be determined on the same basis as that of any other individual. The same principles apply to personnel of international organisations such as the United Nations and its agencies, the Organisation of American States and its agencies, and the Caribbean Development Bank.

10. Authorised Dealers are reminded that they should always enquire whether the residential status of a customer has already been determined by the Central Bank of Barbados or by an Authorised Dealer.

11. In any case of difficulty in determining the residential status of a customer or if the customer disputes the residential status determined by an Authorised Dealer, a reference should be made to the Central Bank of Barbados giving as much information as possible including the following:

   (a) the nationality(ies) currently possessed;
   (b) the country in which permanent residence is claimed;
   (c) the countries of residence during the past 10 years, giving the period spent in each country;
(d) the purpose of stay in Barbados;
(e) the nature of employment in Barbados;
(f) if self-employed, name and nature of business;
(g) evidence that the person concerned has been allowed to live, or to live and work, in Barbados;
(h) the purpose for which the account is to be maintained; and
(i) the nature of the transactions to be passed through the account;

12. All banking accounts (current, savings and time) held by the Authorised Dealers for non-residents as defined above should be designated in their books as External Accounts.

13. When a resident becomes a non-resident and vice versa through the application of the above directions, his account should be re-designated in accordance with the new residential status.

14. In any case not covered by the above directions, Authorised Dealers are requested to refer to the Central Bank of Barbados.

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