

The logo for the Bermuda Business Development Agency (BDA) features the letters 'BDA' in a bold, white, sans-serif font against a dark blue rectangular background.

BERMUDA
BUSINESS
DEVELOPMENT
AGENCY

BERMUDA'S E-COMMERCE OPPORTUNITY

The Gateway to a World of New Customers

The growth of online retail sales (“e-tail”) has globally outstripped the growth of all other retail channels. In 2013, an estimated 13% of all Canadian companies sold \$136 billion of goods and services over the Internet.

The US online consumer market has continued to grow rapidly and by 2017, online spending is projected to pass USD\$370 billion. Canadian retailers need to have an expedited, efficient and financially effective strategy

to reach international online markets.

E-commerce technology infrastructure has become increasingly accessible and the operational costs of running an e-tail operation have fallen dramatically. Professional “turn-key” service providers now offer support tailored to a growing clientele.

Improvements in outsourced sales fulfillment services (e.g. inventory supply logistics, warehousing and delivery

and customer support) make it substantially easier for Canadian retailers to access international customers without incurring significant capital expenditure or headcount growth.

Bermuda offers Canadian retailers a conveniently located, highly skilled and financially efficient jurisdiction to base their internationally focused e-tail operations.

Connecting Business



Canada's beneficial Tax Information Exchange Agreement (TIEA) with Bermuda

There is a long tradition of close political and commercial ties between Canada and Bermuda, including the history of a common legal framework and reinforcement of the same accounting standards.

On Canada Day (July 1), 2011, the relationship became even closer with the ratification of an important new Tax Information Exchange Agreement (the Canada-Bermuda TIEA).

Canadian retailers who sell their goods and services online are able to utilise the Canada-Bermuda TIEA to expand their international sales into foreign markets with highly beneficial tax advantages.

Several commercial licensing (and chain of title) tax structures are available to ensure that fair market value/transfer-pricing issues are carefully addressed; this allows companies to customise their approach to an e-commerce solution.

Tax-free dividends repatriated from the Bermuda company in accordance with the Canada-Bermuda TIEA can be used to fund the expansion of the domestic parent company.



A proven home for Canadian international business

- ▶ Registering a Bermuda “exempt” company is a quick and easy process. Such companies are regarded as highly accretive to Bermuda’s economy, so immigration laws are less restrictive than for local companies
- ▶ Bermuda does not have corporate or personal income taxes; the country relies on other consumption-based taxation structures to financially support government services and public infrastructure
- ▶ Transferring “mind and management” from Canada is facilitated by Bermuda’s business-friendly work-permit policy. Additional local hires can either be made from Bermuda’s educated workforce or services secured through “outsourcing” arrangements
- ▶ Business travel to Bermuda is highly convenient—just a 2.5-hour flight from Toronto and a one-hour time difference
- ▶ Bermuda is home to globally recognised payment service providers that handle secure e-commerce transaction-processing for companies of all sizes
- ▶ Bermuda boasts truly world-class ICT infrastructure with an extensive array of services available to international businesses. Examples include Tier 3 data centre capabilities, cloud-based storage and virtualisation, and advanced Internet telephony and video-conferencing
- ▶ Bermuda provides a high-capacity, full-service banking sector, capable of handling all types of complex, multi-jurisdictional transactions
- ▶ Bermuda is home to all Big Four accounting firms, dedicated to providing integrated audit, advisory and tax services across all sectors, including e-commerce

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About the BDA

The Bermuda Business Development Agency (BDA) encourages direct investment and helps companies start up, re-locate or expand their business in Bermuda. An independent, public-private partnership, we connect prospective business to industry professionals, regulatory officials, and key contacts in the Bermuda government to facilitate jurisdictional decision-making.

BDA Business Concierge Service

We offer a Business Concierge Service to partner with companies seeking to establish operations in the jurisdiction. Our team is a single point of contact to connect clients with industry, government, regulatory officials, and services such as realtors, law firms, auditors and relocation experts. Our Concierge is also available to existing Bermuda companies.

**Considering Bermuda as your base for business?
Contact us to arrange an initial consultation so
we can begin to get things moving for you.**



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