

Jurisdiction's Name:	MONTSERRAT
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Information on Residency for Tax Purposes

Section 1 – Criteria for Individuals to be Considered a Tax Resident

The Income and Corporation Tax Act Cap 17.01 (ICTA), [Laws of Montserrat - Income and Corporation Tax - CAP. 17.01 - Revision Date: 1 Jan 2013] defines residency for tax purposes. Section 40 (4) of the ICTA, in relation to a year of assessment, defines “resident of Montserrat” (which includes individuals, estate of a deceased person, trust or a body of persons), as follows:

(a) in the case of an individual, that—

(i) his permanent place of abode is in Montserrat and that he is physically present therein for some period of time during the basic year unless the Comptroller is satisfied that his absence throughout the whole of the basic year was for the purpose of education, medical treatment, the performance of duties on behalf of the Government or for any other purpose which, in the opinion of the Comptroller is reasonable; or

(ii) he is physically present in Montserrat for not less than 183 days during the basic year; or

(iii) he is physically present in Montserrat for some period of time during the basic year and that such period is continuous with a period of physical presence during the basic year for the immediately preceding or succeeding year of assessment of such duration as to qualify him for the status of a resident for such preceding or succeeding year under subparagraph (ii);

(b) in the case of an estate of a deceased person, that immediately prior to his death the deceased person qualified for the status of a resident under paragraph (a);

(c) in the case of a trust or a body of persons, that such trust or body of persons was established in Montserrat.

Section II – Criteria for Entities to be considered a tax resident

Section 40 (4) (c) of the Income and Corporation Tax Act under the definition for “resident in Montserrat” states that entities are considered resident if:

(c) in the case of a trust or a body of persons, that such trust or body of persons was established in Montserrat.

Section III – Entity types that are as a rule not considered tax residents

The Income and Corporation Tax Act does not have a general rule for deeming entities as non-tax resident. However if the criteria highlighted in the definition above of a “resident in Montserrat” are not met the individual, estate of a deceased person, trust or a body of persons would be deemed as a non-resident for tax purposes.

In addition, consideration is given to International Law and decided tax cases are used as a bench mark in determining residency here on Montserrat where these are not clearly determined in the definitions outlined in the legislation. Decided cases have shown that an entity is will be tax resident in Montserrat where it is incorporated or managed and controlled in the Montserrat.

Section IV – Contact point for further information

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