



**The Bahamas Institute of Chartered Accountants**  
*“Upholding Integrity, Striving for Excellence”*

# Guidance Note for BICA Licensees conducting Reviews and Audits, as applicable, of Financial Information in Business License Returns (BLR)

Revised March 2026

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# BACKGROUND AND SCOPE OF GUIDANCE NOTES

Pursuant to the Business Licence Regulations, 2023 (the Regulations)<sup>1</sup>, the following forms of assurance are required on the Statement of Turnover from BICA Licensees:

## 1. Review Reports (Turnover: \$250K to \$4.99M)

- BICA Licensees are required to produce a review report on the financial information in the BLR prepared by businesses. The review is required to be conducted by an independent practitioner (Independent Practitioner) under the International Standard of Review Engagements 2400 (Revised) Engagements to Review Historical Financial Statements (ISRE 2400)<sup>2</sup>.
- The Independent Practitioner is required to obtain sufficient appropriate evidence to provide limited assurance on the accuracy and completeness of the financial information reported in the BLR.

## 2. Audit Reports and Audited Financial Statements (Turnover: \$5M and above)

- BICA Licensees are required to produce an auditor's report on the financial information in the BLR prepared by businesses. The audit is required to be conducted by an independent auditor (Independent Auditor) under International Standards on Auditing 805, special considerations – audits of single financial statements and specific elements, accounts or items of a financial statement (ISA 805)<sup>3</sup>.
- The Independent Auditor is required to obtain sufficient appropriate evidence to provide reasonable assurance on the accuracy and completeness of the financial information reported in the BLR.
- Businesses with turnover of \$5M and above are required to submit audited financial statements audited under a recognized financial reporting framework (e.g., US GAAP, IFRS, IFRS for SMEs).
  - If the business does not use the calendar year for financial reporting, the financial statements may be prepared in accordance with the business' financial year. However, the BLR must evidence two things:
    - ◊ The reconciliation of turnover to the calendar year; The reconciliation of turnover from the revenue recognition principles under the financial reporting framework used by the business to prepare its financial statements, to the revenue recognition principles under the Business Licence Act, 2023 (the Act)<sup>4</sup>.

This BICA Guidance Note should be read in conjunction with the Act, the Regulations and the Guidance Notes on Statement of Turnover issued by the Department of Inland Revenue (DIR)<sup>5</sup>. The Review and Audit Reports which form attachments to this BICA Guidance Note are the templates authorized by BICA to be issued by BICA Licensees.

<sup>1</sup>[Business Licence Regulations, 2023](#)

<sup>2</sup>[ISRE 2400](#)

<sup>3</sup>[ISA 805](#)

<sup>4</sup>[Business Licence Act, 2023](#)

<sup>5</sup>[DIR Guidance Notes on Statement of Turnover](#)

# TECHNICAL ANALYSIS

## *Basis of preparation of financial information*

Pursuant to the Act, as amended, businesses are required to submit its turnover for the preceding calendar year as part of its business licence application for the current year, as business licence fees are based as a percentage of turnover. Turnover is defined in the Act as:

1. Turnover means total revenues in money and money's worth accruing to a person from his businesses activities in or from within The Bahamas during the year of assessment, without any deductions on account of the cost of the property sold, the cost of the materials used, the cost of services used, labor costs, taxes, royalties paid in cash or in kind or otherwise, interest or discount paid or any other deductions whatsoever.
2. Without prejudice to the generality of subsection (1), turnover includes —
  - a) all cash, credit sales and commissions;
  - b) the gross amounts receivable as compensation for personal services;
  - c) the gross receipts derived from trade, business, commerce or sales;
  - d) the total value proceeding or accruing from the sale of tangible or intangible property or service, or both including all deposits and progress payments received in relation to such sale;
  - e) the gross receipts by reason of the investment of the capital of any business engaged in by the taxable person, including rentals, royalties, fees, reimbursed costs or expenses;
  - f) in relation to an international business company, all revenues recorded by the international business company in its books and records in The Bahamas, whether or not any portion of such revenues is attributable to activities conducted outside The Bahamas;
  - g) the gross premiums payable to an insurer under an insurance contract;
  - h) revenue accruing from proprietary trading;
  - i) revenue accruing from operations as a family office;
  - j) any other emoluments however designated, including all interest,
  - k) carrying charges, fees or other like income, however denominated,
  - l) derived by a taxable person from repetitive carrying of accounts, in
  - m) the regular course and conduct of his business, and extension of
  - n) credit in connection with the sale of any tangible or intangible
  - o) property or service.

3. Turnover does not include —

- a) output tax collected by a business in accordance with the Value Added Tax Act, 2014 (No. 32 of 2014);
- b) the sale of capital assets, including real property unless such sale is in the ordinary course of the business;
- c) in relation to an insurer, commissions derived from reinsurance business, where tax is paid on the total reinsurance premium;
- d) in relation to any agent, an amount received for or on behalf of a principal in an agency relationship except, where the principal is a non-resident;
- e) an amount received on items sold by an auctioneer, where the auctioneer has no title or any interest in the goods sold, except for the auctioneer fee or commission;
- f) subject to rules issued by the Secretary, a gratuity charged as part of the price of services provided in hotels and restaurants where —
  - i. the gratuity is calculated on the price of the service exclusive of value added tax; and
  - ii. the amounts collected are paid in full to eligible employees in accordance with rules issued by the Secretary;
- g) revenue accruing from transactions between members of a group under section 34 which fall within the exclusions specified in Part B of the Third Schedule;
- h) revenue derived from services provided by a business to an entity where —
  - i. the ultimate beneficial owner of ninety per centum of the shares or equivalent ownership interest in both the business and the entity is the same person; and
  - ii. the entity is not a business;
- i) revenue derived from investment in government securities; and
- j) any other exclusion as the Minister may by order allow.

4. For the purposes of subsection (1), revenue accrues to a person from his business activities when the revenue is earned, due or received, whichever is earliest.

5. An amount received for or on behalf of a principal in an agency relationship —

- a) forms a part of the turnover of the principal, except where the principal is a non-resident; and does not include fees or commission on sales or any similar amount
- b) designed to remunerate the agent for its role or involvement in the sale or transaction.

6. An agency relationship does not exist where —

- a) the agent has a proprietary interest in the goods or services being provided;
- b) the agent has control over the pricing of the goods or services;
- c) the parties do not describe their relationship as that of principal and agent; and
- d) the revenues generated by the agent exceeds or is calculated on a basis other than a pre-determined agency fee or commission on sales or similar amount.

## *Relevant Assurance Standards for conducting reviews and audits*

All BICA Licensees conducting reviews or audits of financial information contained within the BLR are required to have adhered to the International Standard on Quality Management 1 (ISQM 1) 6 framework. Quality control systems, policies and procedures are the responsibility of the BICA Licensee. The provisions of the below assurance standards are premised on the basis that the firm from which the BICA Licensee operates has implemented ISQM 1 requirements.

For the avoidance of doubt, the below requirements are extracts from the relevant assurance standards. When performing either a review or audit reference should be made to the relevant standards when designing the nature, extent and timing of the review/audit procedures. Links to the full standards and their requirements are included within this BICA Guidance Note

### *ISRE 2400 7*

The key objectives of a review of the financial information in the BLR performed under ISRE 2400 are as follows:

1. Obtain limited assurance, primarily by performing inquiry and analytical procedures about whether the financial information in the BLR is free from material misstatement, thereby enabling the Independence Practitioner to express a conclusion on whether anything has come to the Independent Practitioner's attention that causes the Independent Practitioner to believe the BLR is not prepared, in all material respects, in accordance with the Act.
2. Report on the financial information in the BLR and communicate, as required by ISRE 2400.

In all cases when limited assurance cannot be obtained and a qualified conclusion in the Independent Practitioner's report is insufficient in the circumstances, ISRE 2400 requires that the Independent Practitioner either disclaim a conclusion in the report issued for the engagement or, where appropriate, withdraw from the engagement if withdrawal is possible under applicable law or regulation.

<sup>6</sup>[International Standard on Quality Management \(ISQM\) 1, Quality management for firms that perform audits or reviews of financial statements, or other assurance related service engagements](#)

<sup>7</sup>This is an extract from ISRE 2400. A full list of requirements when performing review engagement under ISRE is included here: [ISRE 2400](#)

In performing a review of the financial information contained within the BLR, *consistent with the requirements of ISRE 2400, BICA Licensees at a minimum, should undertake the following:*

#### *Materiality*

1. The Independent Practitioner shall determine materiality based on their understanding of the intended user of the BLR and apply this materiality in designing the procedures and in evaluating the results obtained from those procedures.

#### *The Understanding*

1. The Independent Practitioner shall obtain an understanding of the entity and its environment, and the applicable financial reporting framework<sup>8</sup>, to identify areas in the financial information where material misstatements are likely to arise and thereby provide a basis for designing procedures to address those areas.
2. The Independent Practitioner's understanding shall include the following:
  - a) Relevant industry, regulatory, and other external factors including the applicable financial reporting framework;
  - b) The nature of the entity
  - c) The entity's accounting systems and accounting records; and
  - d) The entity's selection and application of the accounting policies.

#### *Designing and Performing Procedures*

1. In obtaining sufficient appropriate evidence as the basis for a conclusion on the BLR, the Independent Practitioner shall design and perform inquiry and analytical procedures:
  - a) To address all material items in the BLR, including accounting policies; and
  - b) To focus on addressing areas in the BLR where material misstatements are likely to arise.

#### *Evaluating Evidence Obtained from the Procedures Performed*

1. The Independent Practitioner shall evaluate whether sufficient appropriate evidence has been obtained from the procedures performed and, if not, the Independent Practitioner shall perform other procedures judged by the Independent Practitioner to be necessary in the circumstances to be able to form a conclusion on the BLR.
2. If the Independent Practitioner is not able to obtain sufficient appropriate evidence to form a conclusion, the Independent Practitioner shall discuss with management and those charged with governance, as appropriate, the effects such limitations have on the scope of the review.

#### *Evaluating the Effect on the Report*

The Independent Practitioner shall evaluate the evidence obtained from the procedures performed to determine the effect on the Independent Practitioner's report.

The key objectives of an audit of the financial information in the BLR performed under ISA 805 are:

1. To obtain reasonable assurance about whether the financial information in the BLR is free from material misstatement, whether due to fraud or error, thereby enabling the Independent Auditor to express an opinion on whether the financial information in the BLR is prepared, in all material respects, in accordance with the Act.
2. To report on the financial information in the BLR and communicate as required by the International Standards on Auditing (ISAs), in accordance with the Independent Auditor's findings.

In all cases when reasonable assurance cannot be obtained and a qualified opinion in the Independent Auditor's report is insufficient in the circumstances for purposes of reporting to the intended users of the financial information in the BLR, the ISAs require that the Independent Auditor disclaim an opinion or withdraw (or resign) from the engagement, where withdrawal is possible under applicable law or regulation.

In performing an audit of the financial information contained within the BLR, consistent with the requirements of ISA 805<sup>10</sup>, BICA Licensees at a minimum, should undertake the following:

*All matters discussed under the following sections denoted above under ISRE 2400:*

- 1. Materiality*
- 2. The Understanding*
- 3. Evaluating Evidence Obtained from the Procedures Performed*
- 4. Evaluating the Effect on the Report*

*Designing and Performing Procedure*

1. As required by, and explained further in, ISA 315 (Revised) and ISA 330, audit evidence to draw reasonable conclusions on which to base the auditor's opinion is obtained by performing:
  - a) Risk assessment procedures; and
  - b) Further audit procedures, which comprise: (i) Tests of controls, when required by the ISAs or when the Independent Auditor has chosen to do so; and (ii) Substantive procedures, including tests of details and substantive analytical procedures.

<sup>8</sup>References to the financial reporting framework throughout the report is The Act.

<sup>9</sup>[ISA 805](#)

<sup>10</sup> ISA 805 should be read in conjunction with ISA 200, Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance With International Standards On Auditing [ISA 200](#)

<sup>11</sup>Refer to ISA 500 regarding sufficiency and appropriateness of audit evidence [ISA 500](#)

2. As applicable, BICA Licensees are expected to undertake a combination of the below procedures when performing an audit of the financial information in the BLR:

- a) Inspection of records and documents
- b) Observation of processes and procedures
- c) External Confirmation of account balances or transactions
- d) Recalculation of amounts or transactions
- e) Reperformance of procedures or controls
- f) Analytical Procedures
- g) Inquiry of knowledgeable persons in a business and evaluation of inquiries through corroborative evidence

## *Minimum Required Procedures*

As stipulated by the Guidance Notes on the Statement of Turnover, BICA Licensees are required to perform the below minimum required procedures <sup>12</sup>:

1. Review/examine bank statements, sale & purchase records and other financial records of the businesses.
2. Review/examine a bank analysis prepared by businesses to verify whether the business' financial activity aligns with the financial information included in the BLR. Review/examine reconciliations prepared by the business for any material variances as well as any material deposits that do not represent revenue.
3. Where the business is a VAT registrant, compare the calculated Business Licence turnover and VAT Exclusive total supplies for the comparable year and determine whether there are any material variances.
4. If the business has related party transactions, request the price charged or revenue allocated for these transactions, as well as the total cost of providing the goods or services and the arm's length price charged in comparable transactions. If the revenue amount reported by the business for related party transactions is less than the total cost of providing the goods/services, verify whether the difference is material and consider whether adjustments to turnover is required.

While performing the above minimum required procedures, BICA Licensees serving as Independent Practitioners/Independent Auditors should perform the following, as applicable:

1. Obtain and review/examine reconciliations from the business for any material variances noted. The nature, timing and extent of the procedures performed to conclude on the reasonableness of the material variances should be tailored according to the scope of the engagement (i.e., whether review or audit). The extent of verification should be consistent with the expectations outlined under the section titles "*Relevant Assurance Standards for conducting reviews and audits*"
2. Consider whether any material amounts which are not able to be reconciled should be included in turnover and evaluate the impact on the review conclusion or audit opinion, as appropriate. Refer to **Appendices 2 and 3** to this Guidance Note for modified review and audit reports, respectively.

<sup>12</sup> Minimum required procedures are to be performed using materiality and in line with the risk assessment as denoted in the technical analysis section of this Guidance Note. Any material differences noted in the performance of these procedures should be brought to the attention of management or those charged with governance, as appropriate. In the event the Independent Practitioner/Independent Auditor is unable to resolve differences with either management or those charged with governance, the Independent Practitioner/Independent Auditor is expected to consider modifications to the Review Report/Audit Report as appropriate.

## *Minimum Procedures for Retail & Commercial Banking Entities*

The Department of Inland Revenue issued on 12 May 2025 a revision to the minimum procedures for retail & commercial banking entities recognising the challenges faced by the industry to perform a reconciliation of cash deposits to revenue. Below outlines those procedures to be performed by the Independent Practitioners/Independent Auditors:

1. Obtain an understanding of the revenue recognition process for each revenue stream documenting how revenue transactions are initiated, processed, recorded and reported.
  2. Identify and test using sampling methodology key controls (automated and manual) surrounding but not limited to the following:
    - a. Automated calculation of interest income
    - b. Automated allocation for the monthly payments of principal and interest on a customer's loan and credit card and trace settlement either via direct debit from the customer account or over the counter.
    - c. Automated calculation of fee & commissions and resulting settlement of the payment of fees from the customer deposit account.
    - d. Automated calculation of loan origination fees.
    - e. The controls surrounding customer transactions that result in revenue being recognised and the settlement from the customer deposit account (i.e., customer withdrawals, wire transfers, etc.).
    - f. The calculation of fees on transactions at the automated teller machine.
3. On a sample basis test a random sample of revenue transactions as follows:
  - a. Interest Income
    - i. Recalculate interest income and agree the settlement of the interest to the customer deposit account or for investment securities to the relevant bank statement.
  - b. Fees on customer transactions
    - i. Recalculate the customer fee agreeing to the banks' fee schedule and source documentation for the transaction. Agree the settlement of the fee
    - ii. From the customers' account. Test the calculation of relevant VAT and stamp duty fees and the posting to the appropriate general ledger payable accounts.
4. Select a sample of customer transactions which occurred throughout the period that resulted in a debit to the customer deposit account. Trace the transaction to supporting documentation and determine if the transaction was appropriately included or excluded from revenue.

## *Conclusions/Opinions*

1. Following the formation of a conclusion in the case of a review or opinion in the case of an audit, the Independent Practitioner/Independent Auditor should prepare an Independent Practitioner's/ Independent Auditor's report, in the form attached in Appendices 2 and 3 to this Guidance Note.
2. The BLR should be completed and signed by management or those charged with governance of the business and appended to the Independent Practitioner's Report or the Independent Auditor's report, as appropriate.
3. The Independent Practitioner's Report or the Independent Auditor's report and signed BLR should all be scanned and appended to the online business licence portal by the Business.

**Appendix 1** – Examples of documentation to be reviewed or examined when conducting a review under ISRE 2400 or an audit under ISA 805 of financial information included in the BLR<sup>13</sup>

General understanding of the business, *as applicable*:

1. Policies and procedures manuals
2. Operations manuals
3. Organizational/Structural/Governance charts
4. Documentation around accounting systems and records
5. Minutes of important management and governance committees
6. Correspondence with the taxing authority/any other regulatory bodies

General execution, as applicable:

1. Bank statements and cash receipts
2. Bank reconciliations
3. Cash books/ledgers
4. Trial balances
5. Subsidiary ledgers – examples include but are not limited to:
  - Receivables listing
  - Income ledgers, including deferred income and advances
6. General ledgers
7. Documentation which set out terms for revenue recognition – examples include but are not limited to:
  - Price listings/fee rate schedules
  - Service/revenue contracts and agreements
  - Sales invoices
  - Sales returns and allowances
  - Customer orders
  - Delivery records
  - Inventory movement detail
8. Third-party confirmations (as applicable, for audits)
9. VAT returns

<sup>13</sup>The enclosed list of documents is not exhaustive and solely meant to be illustrative in nature. The documents reviewed/examined should be tailored according to the BICA Licensee's understanding of the business overall engagement scope, risk assessment and materiality considerations.

## **Appendix 2 – Form and Content of Independent Practitioner’s Review Report with Unmodified Conclusion.**

INDEPENDENT PRACTITIONER’S REVIEW REPORT TO THE  
FINANCIAL SECRETARY  
THE MINISTRY OF FINANCE  
NASSAU, BAHAMAS

### **Report on the review of the Business Licence Return**

We have reviewed the accompanying financial information of [Name of Entity] (the Taxpayer) set forth in the attached the attached Business Licence Return in respect of the year ended {December 31, 20X1} which comprise the following schedules:

1. Reconciliation to the Financial Statements for the year ended 31 December 20X1;
2. Statement of Revenue Items for the year ended 31 December 20X1;
3. Revenue Exclusions for the year ended 31 December 20X1;
4. Calculation of Turnover for the year ended 31 December 20X1;
5. VAT Reconciliation for the year ended 31 December 20X1;
6. Final Reconciliation for the year ended 31 December 20X1; and
7. Notes and Accounting Policies to the Business License Return.

The Business Licence Return has been prepared by the Taxpayer in accordance with the accounting policies described in schedule 7 to the Business Licence Return and the provisions of the Business Licence Act, 2023<sup>14</sup>, Business Licence Regulations, 2023 as amended.

### **Management’s Responsibility for the Business Licence Return**

Management is responsible for the preparation of the Business Licence Return in accordance with the accounting policies described in schedule 7 to the Business Licence Return and the provisions of the Business Licence Act, 2023 and Business Licence Regulations, 2023 as amended, and for such internal control as management determines is necessary to enable the preparation of the Business Licence Return that is free from material misstatement, whether due to fraud or error.

### **Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying Business Licence Return. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Business Licence Return, is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

<sup>14</sup>References to the Business Licence Act, 2023 in this Report includes a reference to the Business Licence Regulations, 2023 and Guidelines issued by the Department of Inland Revenue (“DIR”) under the Business Licence Act, 2023.

A review of the Business Licence Return in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this Business Licence Return.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the Business Licence Return for the year ended December 31, 20X1 is not prepared, in all material respects, in accordance with the accounting policies described in schedule 7 to the Business Licence Return and the Business Licence Act, 2023 and Business Licence Regulations, 2023 as amended.

## **Independence**

We are independent of the Taxpayer in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) [**as applicable to reviews of financial information of public interest entities**<sup>15</sup>]. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

## **Basis of Accounting and Restriction of Use**

Without modifying our conclusion, we draw attention to schedule 7 of the Business Licence Return, which describes the basis of accounting. This report is intended solely for the Financial Secretary; and should not be distributed to or used by parties other than the Taxpayer and the Financial Secretary; it relates only to the financial information specified above of the Taxpayer.

<sup>15</sup>For engagement periods beginning on or after 15 December 2024, include this clause when the non-listed entity is defined as a public interest entity (PIE) under the BICA guidelines - [BICA Definition of PIEs](#). A non-listed entity is also considered a PIE when it is defined as a publicly traded entity in a jurisdiction, or when the relevant ethical requirements that apply comprise only the IESBA Code and a non-listed entity meets the IESBA definition of a publicly traded entity. See the [2025 Handbook of the International Code of Ethics for Professional Accountants](#) for further guidance.

## **Report on Other Regulatory Requirements**

Pursuant to the Statement of Turnover Guidance Document issued by the Department of Inland Revenue, we confirm that we have performed the minimum procedures outlined under Calculation Basis, and where applicable reviewed the relevant documents stipulated therein in order to review the completeness and accuracy of the financial information reported by the Taxpayer in the Business Licence Return. We have nothing to report in respect of this matter.

If we conclude that the Business License Return has not been prepared in all material respects in accordance with the provisions of the Business Licence Act, 2023 and Business Licence Regulations, 2023 as amended our responsibility is to modify our report.

**{Date}**

**{Name}**

**{Address}**

Bahamas Institute of Chartered Accountants Licence {# XXX}

## **Appendix 2 – Form and Content of Independent Practitioner’s Review Report with Qualified Conclusion**

INDEPENDENT PRACTITIONER’S REVIEW REPORT TO THE  
FINANCIAL SECRETARY  
THE MINISTRY OF FINANCE  
NASSAU, BAHAMAS

### **Report on the review of the Business Licence Return**

We have reviewed the accompanying financial information of [Name of Entity] (the Taxpayer) set forth in the attached Business Licence Return in respect of the year ended {December 31, 20X1} which comprise the following schedules:

1. Reconciliation to the Financial Statements for the year ended 31 December 20X1;
2. Statement of Revenue Items for the year ended 31 December 20X1;
3. Revenue Exclusions for the year ended 31 December 20X1;
4. Calculation of Turnover for the year ended 31 December 20X1;
5. VAT Reconciliation for the year ended 31 December 20X1;
6. Final Reconciliation for the year ended 31 December 20X1; and
7. Notes and Accounting Policies to the Business License Return.

The Business Licence Return has been prepared by the Taxpayer in accordance with the accounting policies described in schedule 7 to the Business Licence Return and the provisions of the Business Licence Act, 2023<sup>16</sup>, Business Licence Regulations, 2023 as amended.

### **Management’s Responsibility for the Business Licence Return**

Management is responsible for the preparation of the Business Licence Return in accordance with the accounting policies described in schedule 7 to the Business Licence Return and the provisions of the Business Licence Act, 2023 and Business Licence Regulations, 2023 as amended, and for such internal control as management determines is necessary to enable the preparation of the Business Licence Return that is free from material misstatement, whether due to fraud or error.

### **Practitioner’s Responsibility**

Our responsibility is to express a conclusion on the accompanying Business Licence Return. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagement to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has to come to our attention that causes us to believe that the Business Licence Return is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

<sup>16</sup>References to the Business Licence Act, 2023 in this Report includes a reference to the Business Licence Regulations, 2023 and Guidelines issued by the Department of Inland Revenue (“DIR”) under the Business Licence Act, 2023.

Our responsibility is to express a conclusion on the accompanying Business Licence Return. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagement to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Business Licence Return is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of the Business Licence Return in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this Business Licence Return.

### **Basis for Qualified Conclusion**

**[Describe the basis for qualified conclusion and:**

- a) Describe and quantify the financial effects of the misstatement if the material misstatement relates to specific amounts in the Business Licence Return, unless impracticable, in which case the practitioner shall so state;*
- b) Explain how disclosures are misstated if the material misstatement relates to narrative disclosures; or*
- c) Describe the nature of omitted information if the material misstatement relates to the non-disclosure of information required to be disclosed.]*

### **Qualified Conclusion**

Based on our review, except for the effects of the matters described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the Business Licence Return of the Taxpayer for the year ended December 31, 20X1 was not prepared, in all material respects, in accordance with the requirements of the Business Licence Act, 2023 as amended.

### **Independence**

We are independent of the Taxpayer in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) **[as applicable to reviews of financial information of public interest entities<sup>17</sup>]**. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

<sup>17</sup>For engagement periods beginning on or after 15 December 2024, include this clause when the non-listed entity is defined as a public interest entity (PIE) under the BICA guidelines - [BICA Definition of PIEs](#). A non-listed entity is also considered a PIE when it is defined as a publicly traded entity in a jurisdiction, or when the relevant ethical requirements that apply comprise only the IESBA Code and a non-listed entity meets the IESBA definition of a publicly traded entity. See the [2025 Handbook of the International Code of Ethics for Professional Accounts](#) for further guidance.

### **Basis of Accounting and Restriction of Use**

Without modifying our conclusion, we draw attention to schedule 7 of the Business Licence Return, which describes the basis of accounting. This report is intended solely for the Financial Secretary; and should not be distributed to or used by parties other than the Taxpayer and the Financial Secretary; it relates only to the financial information specified above of the Taxpayer.

### **Report on Other Regulatory Requirements**

Pursuant to the Statement of Turnover Guidance Document issued by the Department of Inland Revenue, we confirm that we have performed the minimum procedures outlined under Calculation Basis, and where applicable reviewed the relevant documents stipulated therein in order to review the completeness and accuracy of the financial information reported by the Taxpayer in the Business Licence Return.

If we conclude that the Business License Return has not been prepared in all material respects in accordance with the provisions of the Business Licence Act, 2023 and Business License Regulations, 2023 as amended our responsibility is to modify our report. We have nothing to report in respect of this matter except for the effects of the matters described in the Basis for Qualified Conclusion paragraph.

**{Date}**

**{Name}**

**{Address}**

Bahamas Institute of Chartered Accountants Licence **{# XXX}**

## **Appendix 2 – Form and Content of Independent Practitioner’s Review Report with Adverse Conclusion.**

INDEPENDENT PRACTITIONER’S REVIEW REPORT TO THE  
FINANCIAL SECRETARY  
THE MINISTRY OF FINANCE  
NASSAU, BAHAMAS

### **Report on the review of the Business Licence Return**

We have reviewed the accompanying financial information of [Name of Entity] (the Taxpayer) set forth in the attached the attached Business Licence Return in respect of the year ended {December 31, 20X1} which comprise the following schedules:

1. Reconciliation to the Financial Statements for the year ended 31 December 20X1;
2. Statement of Revenue Items for the year ended 31 December 20X1;
3. Revenue Exclusions for the year ended 31 December 20X1;
4. Calculation of Turnover for the year ended 31 December 20X1;
5. VAT Reconciliation for the year ended 31 December 20X1;
6. Final Reconciliation for the year ended 31 December 20X1; and
7. Notes and Accounting Policies to the Business License Return.

The Business Licence Return has been prepared by the Taxpayer in accordance with the accounting policies described in schedule 7 to the Business Licence Return and the provisions of the Business Licence Act, 2023<sup>18</sup>, Business Licence Regulations, 2023.

### **Management’s Responsibility for the Business Licence Return**

Management is responsible for the preparation of the Business Licence Return in accordance with the accounting policies described in schedule 7 to the Business Licence Return and the provisions of the Business Licence Act, 2023 and Business Licence Regulations, 2023 as amended, and for such internal control as management determines is necessary to enable the preparation of the Business Licence Return that is free from material misstatement, whether due to fraud or error.

### **Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying Business Licence Return. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Business Licence Return, is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

<sup>18</sup> References to the Business Licence Act, 2023 in this Report includes a reference to the Business Licence Regulations, 2023 and Guidelines issued by the Department of Inland Revenue (“DIR”) under the Business Licence Act, 2023.

A review of the Business Licence Return in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this Business Licence Return.

### **Basis for Adverse Conclusion**

**[Describe the basis for adverse conclusion and:**

- a) Describe and quantify the financial effects of the misstatement if the material misstatement relates to specific amounts in the Business Licence Return, unless impracticable, in which case the practitioner shall so state;*
- b) Explain how disclosures are misstated if the material misstatement relates to narrative disclosures; or*
- c) Describe the nature of omitted information if the material misstatement relates to the non-disclosure of information required to be disclosed.]*

### **Adverse Conclusion**

Based on our review, due to the significance of the matters described in the Basis for Adverse Conclusion paragraph, the Business Licence Return of the Taxpayer for the year ended December 31, 20X1 was not prepared in accordance with the requirements of the Business Licence Act, 2023 as amended.

### **Independence**

We are independent of the Taxpayer in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) **[as applicable to reviews of financial information of public interest entities<sup>19</sup>]**. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### **Basis of Accounting and Restriction of Use**

Without modifying our conclusion, we draw attention to schedule 7 of the Business Licence Return, which describes the basis of accounting. This report is intended solely for the Financial Secretary; and should not be distributed to or used by parties other than the Taxpayer and the Financial Secretary; it relates only to the financial information specified above of the Taxpayer.

<sup>19</sup>For engagement periods beginning on or after 15 December 2024, include this clause when the non-listed entity is defined as a public interest entity (PIE) under the BICA guidelines - [BICA Definition of PIEs](#). A non-listed entity is also considered a PIE when it is defined as a publicly traded entity in a jurisdiction, or when the relevant ethical requirements that apply comprise only the IESBA Code and a non-listed entity meets the IESBA definition of a publicly traded entity. See the [2025 Handbook of the International Code of Ethics for Professional Accounts](#) for further guidance.

## Report on Other Regulatory Requirements

Pursuant to the Statement of Turnover Guidance Document issued by the Department of Inland Revenue, we confirm that we have performed the minimum procedures outlined under Calculation Basis, and where applicable reviewed the relevant documents stipulated therein in order to review the completeness and accuracy of the financial information reported by the Taxpayer in the Business Licence Return.

If we conclude that the Business License Return has not been prepared in all material respects in accordance with the provisions of the Business Licence Act, 2023 and Business License Regulations, 2023 as amended our responsibility is to modify our report. Our report has been modified because of the significance of the matter discussed in the *Basis for adverse opinion section of our report*.

**{Date}**

**{Name}**

**{Address}**

Bahamas Institute of Chartered Accountants Licence {# XXX}

**INDEPENDENT AUDITOR’S REPORT**  
**TO THE FINANCIAL SECRETARY**  
**THE MINISTRY OF FINANCE**  
**NASSAU, BAHAMAS**

Report on the Auditor of the Business Licence Return

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*Opinion*

We have audited the financial information of [Name of Entity] (the Taxpayer) set forth in the attached Business Licence Return for the year ended December 31, 20X1, which comprise the following schedules:

1. Reconciliation to the Financial Statements for the year ended 31 December 20X1;
2. Statement of Revenue Items for the year ended 31 December 20X1;
3. Revenue Exclusions for the year ended 31 December 20X1;
4. Calculation of Turnover for the year ended 31 December 20X1;
5. VAT Reconciliation for the year ended 31 December 20X1;
6. Final Reconciliation for the year ended 31 December 20X1; and
7. Notes and Accounting Policies to the Business License Return.

In our opinion , the Business Licence Return of the Taxpayer for the year ended **[31 December 20X1]**, is prepared, in all material respects, in accordance with the Business Licence Act, 2023, Business Licence Regulations, 2023 as amended<sup>20</sup>.

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*Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Business Licence Return* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

<sup>20</sup>References to the Business Licence Act, 2023 in this Report includes a reference to the Business Licence Regulations, 2023 and Guidelines issued by the Department of Inland Revenue (“DIR”) under the Business Licence Act, 2023.

## *Independence*

We are independent of the Taxpayer in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) **[as applicable to audits of financial information of public interest entities<sup>21</sup>]**. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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### *Emphasis of Matter—Basis of Accounting and Restriction on Distribution and Use*

We draw attention to Schedule 7 Notes and Accounting Policies to the Business Licence Return, which describes the basis of accounting. The Business Licence Return is prepared to report to the Financial Secretary on the turnover of the Taxpayer as defined under the provisions of the Business Licence Act, 2023 and the Business Licence Regulations, 2023 as amended. As a result, the Business Licence Return may not be suitable for another purpose.

Our report is intended solely for the Taxpayer and the Financial Secretary and should not be distributed to or used by parties other than the Taxpayer and the Financial Secretary.

The Business Licence Return does not comprise a full set of financial statements prepared in accordance with **[IFRS Accounting Standards, US GAAP, the IFRS for SMEs Accounting Standard]**. Our opinion is not modified in respect of this matter .

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### *Responsibilities of Management [and Those Charged with Governance]<sup>22</sup> for the Business Licence Return*

Management is responsible for the preparation of this Business Licence Return in accordance with the Business Licence Act, 2023, Business Licence Regulations, 2023 as amended and for such internal control as management determines is necessary to enable the preparation of the Business Licence Return that is free from material misstatement, whether due to fraud or error.

In preparing the Business Licence Return, management is responsible for assessing the Taxpayer's ability to continue as a going concern, disclosing , as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Taxpayer or to cease operations, or has no realistic alternative but to do so.

[Those charged with governance are responsible for overseeing the Taxpayer's financial reporting process.]

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<sup>21</sup>For engagement periods beginning on or after 15 December 2024, include this clause when the non-listed entity is defined as a public interest entity (PIE) under the BICA guidelines - [BICA Definition of PIEs](#). A non-listed entity is also considered a PIE when it is defined as a publicly traded entity in a jurisdiction, or when the relevant ethical requirements that apply comprise only the IESBA Code and a non-listed entity meets the IESBA definition of a publicly traded entity. See the [2025 Handbook of the International Code of Ethics for Professional Accounts](#) for further guidance.

<sup>22</sup>**THIS IS BASED ON THE PRESUMPTION THAT THERE IS NO DIFFERENCE IN RESPONSIBILITY BETWEEN MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE.** If responsibilities are divided – e.g., – management is responsible for preparing financial statements and those charged with governance are responsible for overseeing the Company's financial reporting process (e.g., separate audit committee who has oversight of the financial statement preparation process) – these responsibilities needs to be separately disclosed in the report. This is expected to be a rare occurrence in smaller private companies. Amended report would be as follows:

Heading amendment: **Responsibilities of management [and those charged with governance for the Business Licence Return]**

Add new paragraph at the bottom of the section: **Those charged with governance are responsible for overseeing the Company's financial reporting process.**

## *Auditor's Responsibilities for the Audit of the Business Licence Return*

Our objectives are to obtain reasonable assurance about whether the Business Licence Return is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Business Licence Return.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Business Licence Return, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Taxpayer's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Taxpayer's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Business Licence Return or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Taxpayer to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Report on Other Regulatory Requirements*<sup>23</sup>

Pursuant to the Statement of Turnover Guidance Document issued by the Department of Inland Revenue, we confirm that we have performed the minimum procedures outlined under Calculation Basis, and where applicable examined the relevant documents stipulated therein in order to test the completeness and accuracy of the financial information reported by the Taxpayer in the Business Licence Return. We have nothing to report in respect of this matter.

If we conclude that the Business License Return has not been prepared in all material respects in accordance with the provisions of the Business Licence Act, 2023 and Business License Regulations, 2023 as amended our responsibility is to modify our report.

[Name]

[Signature]

[Auditor Address]

Bahamas Institute of Chartered Accountants Licence [# XXX] [Date]

<sup>23</sup>Include sub-heading and tailored paragraph only when applicable. The matters addressed by other law, regulation or national auditing standards (referred to as “other reporting responsibilities”) shall be addressed within this section unless the other reporting responsibilities address the same topics as those presented under the reporting responsibilities required by the ISAs as part of the Report on the audit of the financial statements section. The reporting of other reporting responsibilities that address the same topics as those required by the ISAs may be combined (i.e., included in the Report on the audit of the financial statements section under the appropriate subheadings) provided that the wording in the auditor’s report clearly differentiates the other reporting responsibilities from the reporting that is required by the ISAs when such a difference exists.

**INDEPENDENT AUDITOR’S REPORT**  
**TO THE FINANCIAL SECRETARY**  
**THE MINISTRY OF FINANCE**  
**NASSAU, BAHAMAS**

Report on the Auditor of the Business Licence Return

*Qualified Opinion*

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We have audited the financial information of [Name of Entity] (the Taxpayer) set forth in the attached Business Licence Return for the year ended December 31, 20X1, which comprise the following schedules:

1. Reconciliation to the Financial Statements for the year ended 31 December 20X1;
2. Statement of Revenue Items for the year ended 31 December 20X1;
3. Revenue Exclusions for the year ended 31 December 20X1;
4. Calculation of Turnover for the year ended 31 December 20X1;
5. VAT Reconciliation for the year ended 31 December 20X1;
6. Final Reconciliation for the year ended 31 December 20X1; and
7. Notes and Accounting Policies to the Business License Return.

In our opinion, except for the effects<sup>24</sup> of the matter described in the Basis for qualified opinion section of our report, the Business Licence Return of the Taxpayer for the year ended [31 December 20X1], is prepared, in all material respects, in accordance with the Business Licence, 2023, Business Licence Regulations, 2023 as amended.

*Basis for Qualified Opinion*

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**Basis for Qualified Conclusion**

**[Describe the basis for qualified conclusion and:**

- a) *Describe and quantify the financial effects of the misstatement if the material misstatement relates to specific amounts in the Business Licence Return, unless impracticable, in which case the practitioner shall so state;*
- b) *Explain how disclosures are misstated if the material misstatement relates to narrative disclosures; or*
- c) *Describe the nature of omitted information if the material misstatement relates to the non-disclosure of information required to be disclosed.]*

<sup>24</sup>Use ‘effects’ for material misstatements. For scope limitations for which materiality cannot be determined, replace ‘effects’ with ‘possible effects’. If there is both a material misstatement and a scope limitation for which materiality cannot be determined then replace ‘effects’ with ‘effects and possible effects’.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Business Licence Return* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### *Independence*

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We are independent of the Taxpayer in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standard Board for Accountants (IESBA Code) **[as applicable to audits of public interest entities<sup>25</sup>]**. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### *Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use*

We draw attention to Schedule 7 Notes and Accounting Policies to the Business Licence Return, which describes the basis of accounting. The Business Licence Return is prepared to report to the Financial Secretary on the turnover of the Taxpayer as defined under the provisions of the Business Licence Act, 2023 and the Business Licence Regulations, 2023 as amended. As a result, the Business Licence Return may not be suitable for another purpose.

Our report is intended solely for the Taxpayer and the Financial Secretary and should not be distributed to or used by parties other than the Taxpayer and the Financial Secretary.

The Business Licence Return does not comprise a full set of financial statements prepared in accordance with **[IFRS Accounting Standards, US GAAP, the IFRS for SMEs Accounting Standard]**. Our opinion is not modified in respect of this matter.

<sup>25</sup>For engagement periods beginning on or after 15 December 2024, include this clause when the non-listed entity is defined as a public interest entity (PIE) under the BICA guidelines - [BICA Definition of PIEs](#). A non-listed entity is also considered a PIE when it is defined as a publicly traded entity in a jurisdiction, or when the relevant ethical requirements that apply comprise only the IESBA Code and a non-listed entity meets the IESBA definition of a publicly traded entity. See the [2025 Handbook of the International Code of Ethics for Professional Accountants](#) for further guidance.

## *Responsibilities of Management [and Those Charged with Governance]<sup>26</sup> for the Business Licence Return*

Management is responsible for the preparation of this Business Licence Return in accordance with the Business Licence Act, 2023, Business Licence Regulations, 2023 as amended and for such internal control as management determines is necessary to enable the preparation of the Business Licence Return that is free from material misstatement, whether due to fraud or error.

In preparing the Business Licence Return, management is responsible for assessing the Taxpayer's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Taxpayer or to cease operations, or has no realistic alternative but to do so.

[Those charged with governance are responsible for overseeing the Taxpayer's financial reporting process.]

## *Auditor's Responsibilities for the Audit of the Business Licence Return*

Our objectives are to obtain reasonable assurance about whether the Business Licence Return is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Business Licence Return.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Business Licence Return, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Taxpayer's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Taxpayer's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Business Licence Return or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Taxpayer to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### *Report on Other Regulatory Requirements*

Pursuant to the Statement of Turnover Guidance Document issued by the Department of Inland Revenue, we confirm that we have performed the minimum procedures outlined under Calculation Basis, and where applicable examined the relevant documents stipulated therein in order to test the completeness and accuracy of the financial information reported by the Taxpayer in the Business Licence Return.

If we conclude that the Business Licence Return has not been prepared in all material respects in accordance with the provisions of the Business Licence Act, 2023 and Business License Regulations, 2023 our responsibility is to modify our report. We have nothing to report in respect of this matter except for the matter(s) described in the Basis for qualified opinion section of our report.

[Name]

[Signature]

[Auditor Address]

Bahamas Institute of Chartered Accountants Licence [# XXX]

[Date]

<sup>26</sup>**THIS IS BASED ON THE PRESUMPTION THAT THERE IS NO DIFFERENCE IN RESPONSIBILITY BETWEEN MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE.** If responsibilities are divided – e.g., – management is responsible for preparing financial statements and those charged with governance are responsible for overseeing the Company’s financial reporting process (e.g., separate audit committee who has oversight of the financial statement preparation process) – these responsibilities needs to be separately disclosed in the report. This is expected to be a rare occurrence in smaller private companies. Amended report would be as follows:

Heading amendment: **Responsibilities of management [and those charged with governance for the Business Licence Return]**

Add new paragraph at the bottom of the section: **Those charged with governance are responsible for overseeing the Company’s financial reporting process**

**INDEPENDENT AUDITOR’S REPORT**  
**TO THE FINANCIAL SECRETARY**  
**THE MINISTRY OF FINANCE**  
**NASSAU, BAHAMAS**

Report on the Audit of the Business Licence Return

---

*Adverse Opinion*

We have audited the financial information of [**Name of Entity**] (the **Taxpayer**) set forth in the attached Business Licence Return for the year ended December 31, 20X1, which comprise the following schedules:

1. Reconciliation to the Financial Statements for the year ended 31 December 20X1;
2. Statement of Revenue Items for the year ended 31 December 20X1;
3. Revenue Exclusions for the year ended 31 December 20X1;
4. Calculation of Turnover for the year ended 31 December 20X1;
5. VAT Reconciliation for the year ended 31 December 20X1;
6. Final Reconciliation for the year ended 31 December 20X1; and
7. Notes and Accounting Policies to the Business License Return.

In our opinion, because of the significance of the matter discussed in the Basis for adverse opinion section of our report, the Business Licence Return of the Taxpayer for the year ended [**31 December 20X1**], is not prepared, in all material respects, in accordance with the Business Licence Act, 2023, Business Licence Regulations, 2023 as amended .

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*Basis for Adverse Opinion*

**Basis for Qualified Conclusion**

**[Describe the basis for qualified conclusion and:**

- a) *Describe and quantify the financial effects of the misstatement if the material misstatement relates to specific amounts in the Business Licence Return, unless impracticable, in which case the practitioner shall so state;*
- b) *Explain how disclosures are misstated if the material misstatement relates to narrative disclosures; or*
- c) *Describe the nature of omitted information if the material misstatement relates to the non-disclosure of information required to be disclosed.]*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Business Licence Return* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### *Independence*

We are independent of the Taxpayer in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) [as applicable to audits of financial information of public interest entities<sup>27</sup>]. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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### **Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use**

We draw attention to Schedule 7 Notes and Accounting Policies to the Business Licence Return, which describes the basis of accounting. The Business Licence Return is prepared to report to the Financial Secretary on the turnover of the Taxpayer as defined under the provisions of the Business Licence Act, 2023 and the Business Licence Regulations, 2023 as amended. As a result, the Business Licence Return may not be suitable for another purpose.

Our report is intended solely for the Taxpayer and the Financial Secretary and should not be distributed to or used by parties other than the Taxpayer and the Financial Secretary.

The Business Licence Return does not comprise a full set of financial statements prepared in accordance with **[IFRS Accounting Standards, US GAAP, the IFRS for SMEs Accounting Standard]**. Our opinion is not modified in respect of this matter.

### *Responsibilities of Management [and Those Charged with Governance]<sup>28</sup> for the Business Licence Return*

Management is responsible for the preparation of this Business Licence Return in accordance with the Business Licence Act, 2023, Business Licence Regulations, 2023 as amended and for such internal control as management determines is necessary to enable the preparation of the Business Licence Return that is free from material misstatement, whether due to fraud or error.

In preparing the Business Licence Return, management is responsible for assessing the Taxpayer's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Taxpayer or to cease operations, or has no realistic alternative but to do so.

[Those charged with governance are responsible for overseeing the Taxpayer's financial reporting process.]

<sup>27</sup>For engagement periods beginning on or after 15 December 2024, include this clause when the non-listed entity is defined as a public interest entity (PIE) under the BICA guidelines - [BICA Definition of PIEs](#). A non-listed entity is also considered a PIE when it is defined as a publicly traded entity in a jurisdiction, or when the relevant ethical requirements that apply comprise only the IESBA Code and a non-listed entity meets the IESBA definition of a publicly traded entity. See the [2025 Handbook of the International Code of Ethics for Professional Accounts](#) for further guidance.

## Auditor's Responsibilities for the Audit of the Business Licence Return

Our objectives are to obtain reasonable assurance about whether the Business Licence Return is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Business Licence Return.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Business Licence Return, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Taxpayer's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Taxpayer's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Business Licence Return or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Taxpayer to cease to continue as a going concern.

<sup>28</sup>**THIS IS BASED ON THE PRESUMPTION THAT THERE IS NO DIFFERENCE IN RESPONSIBILITY BETWEEN MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE.** If responsibilities are divided – e.g., – management is responsible for preparing financial statements and those charged with governance are responsible for overseeing the Company's financial reporting process (e.g., separate audit committee who has oversight of the financial statement preparation process) – these responsibilities need to be separately disclosed in the report. This is expected to be a rare occurrence in smaller private companies. Amended report would be as follows:

Heading amendment: **Responsibilities of management [and those charged with governance for the Business Licence Return]**

Add new paragraph at the bottom of the section: **Those charged with governance are responsible for overseeing the Company's financial reporting process.**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Report on Other Regulatory Requirements*

Pursuant to the Statement of Turnover Guidance Document issued by the Department of Inland Revenue, we confirm that we have performed the minimum procedures outlined under Calculation Basis, and where applicable examined the relevant documents stipulated therein in order to test the completeness and accuracy of the financial information reported by the Taxpayer in the Business Licence Return.

If we conclude that the Business Licence Return has not been prepared in all material respects in accordance with the provisions of the Business Licence Act, 2023 and Business Licence Regulations, 2023 as amended our responsibility is to modify our report. Our report has been modified because of the significance of the matter discussed in the Basis for adverse opinion section of our report.

[Name]

[Signature]

[Auditor Address]

Bahamas Institute of Chartered Accountants Licence [# XXX]

[Date]