

## The Turks and Caicos Covid-19 Stamp Duty Waiver Policy: What? When? & How much?

Revised as of 13<sup>th</sup> November 2020.

The Turks and Caicos Islands is a small tropical archipelago nation found south of the Bahamas sharing the Caribbean Sea and the Atlantic Ocean. It boasts as being a high-end tourist destination and one of the top beach destinations in the world. Second to tourism, the country's real estate market is first-class with a unique offering perfect for investment properties or quaint vacation homes. If you are interested in purchasing a piece of paradise, there is no better time than present, particularly considering the significant tax waiver discussed below.

In response to the Coronavirus pandemic's significant impact on the economy of the Turks and Caicos Islands (TCI), the Turks and Caicos Islands Government (TCIG) has introduced several measures to stimulate the economy including encouraging internal spending and outside investment.

On 21st September 2020 TCIG introduced a "Covid-19 Stamp Duty Waiver Policy" (the Policy), the second stimulus measure of its kind since the virus emerged. The Policy introduces an initial tax waiver of **up to 75%** for any purchase of real estate (developed or undeveloped) **up to a value of \$2M USD**. Purchasers will have to move quickly though, as the Policy is only available between the **21<sup>st</sup> September and 30<sup>th</sup> December**.

This article sets out the bare-bones information you need to know if you are to benefit from this significant tax reduction and purchase your slice of paradise!

### How much tax is waived?

Purchases are eligible for a **reduction in stamp duty** of:

- **75%** from 21<sup>st</sup> September – 20<sup>th</sup> October
- **50%** from 21<sup>st</sup> October – 30<sup>th</sup> November
- **25%** from 1<sup>st</sup> December – 30<sup>th</sup> December

This translates to savings of up to **\$150,000 USD**. (Based on a 75% reduction to a \$2M USD purchase)

The tables below set out how much you can save under the Policy:

For property purchased on the islands of **Grand Turk, South Caicos, Middle Caicos, North Caicos and Salt Cay**:

<u>Purchase Amount</u>	<u>% (Before Waiver)</u>	<u>% Waiver</u>	<u>Savings</u>
\$25,000 - \$100,000	5%	75%	\$938 - \$3,750
		50%	\$625 - \$2,500
		25%	\$313 - \$1,250
>\$100,000	6.5%	75%	\$4,875 - \$97,500
		50%	\$3,250 - \$65,000
		25%	\$1,625 - \$32,500

For property purchased on all other islands, including **Providenciales, Pine Cay, Parrot Cay, Ambergris Cay, etc.:**

<u>Purchase Amount</u>	<u>% (Before Waiver)</u>	<u>% Waiver</u>	<u>Savings</u>
\$25,000 - \$250,000	6.5%	75%	\$1,219 - \$12,187
		50%	\$813 - \$8,125
		25%	\$406 - \$4062
>\$250,000 - \$500,000	8%	75%	\$15,000 - \$30,000
		50%	\$10,000 - \$20,000
		25%	\$5,000 - \$10,000
> \$500,000	10%	75%	\$37,500 - \$150,000
		50%	\$25,000 - \$100,000
		25%	\$12,500 - \$50,000

**Who can benefit?**

Anyone can benefit so long as the real estate purchased is eligible for the waiver (see next section). You are **not required to be a resident or citizen** of the Turks and Caicos Islands to purchase property or to benefit from the waiver!

**Which purchases are eligible?**

Eligible purchases must:

1. **Value \$2M USD or less;**
2. **Be agreed and close within the relevant dates** – (See the next section on the application process)

Check out this timely [article](#) on 10 great opportunities on the market right now which are eligible for the waiver!

**The Application Process**

An application is to be submitted:

- to the Collector of Stamp duty
- with all the supporting documents (see next section)
- on or before the relevant date (October 20<sup>th</sup> for 75%, November 30<sup>th</sup> for 50%, December 30<sup>th</sup> for 25%)
- A notice of the final deed must be provided within 3 days of the relevant date

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It has been estimated that the application will be processed within four weeks of submission. Applicants will be notified in writing of approval, provided with an exemption letter for execution and posted in the TCI Gazette.

Approved transfers must be submitted by 30<sup>th</sup> December.

**What supporting documents are required?**

The following documents **must** be submitted to prove eligibility:

1. **Application Form** (Stamp Duty Waiver Form)
2. **Affidavit** – A short document sworn by the purchaser agreeing to the stipulations (see next section) and witnessed by a Justice of the Peace or Notary Public
3. **Certified Copy of the Land Register** – provided for by the Land Registry for a small fee (\$25 USD)
4. **Valuation Report** – to have been prepared within 6 months of the application by a **certified valuation surveyor** evidencing the market value of the property
5. Copy of the **purchase agreement**

**What's the catch?**

The waiver comes with a stipulation that it cannot be used in conjunction with any other Stamp Duty waiver – e.g. under the First Time Homeowner’s Policy, Investment Policy or any development agreements.

*If you already have your sights set on a property, or just want to get the ball rolling on acquiring property in the Turks and Caicos Islands, do get in touch with the Real Estate Team at Griffiths & Partners to brief you in more detail on the Policy and general conveyancing matters.*

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## Contact Us

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