

Government of The Turks and Caicos Islands Policy

Policy No: _____

Title: Turks and Caicos Islands Covid-19 Stamp Duty Waiver Policy

Effective Date: 21st September 2020

Amended Date:

Background

The Stamp Duty Ordinance (hereinafter the Ordinance) first came into force in 1992 and is currently being administered by the Ministry of Finance. The Ordinance deals with the stamping of documents once stamp duty, which is a tax levied on certain instruments, is paid in order to give them legal effect. The stamp duty payable is calculated as a percentage of the consideration passing between the parties, by way of rent, loan or purchase price.

Stamp Duty Rates

The rate of duty on transfers on immovable property is as follows:

- ***Transfers***- Duty is only chargeable on property valued at above \$25,000, but not on property valued below \$25,000; the rate varies depending on the consideration and the location of the property.

Island	Consideration	Rate	Projected Revenue Foregone per Transaction
Anywhere in the Turks and Caicos Islands	< \$25,000	0%	0
Grand Turk, South Caicos, Middle Caicos, North Caicos and Salt Cay	> \$25,000 but ≤ \$100,000	\$5 for every \$100 (5%) or part thereof	75% waiver of Stamp Duty >\$938 but ≤\$3,750
			50% waiver of Stamp Duty > \$625 but ≤ \$2,500
			25% waiver of Stamp Duty > \$313 but ≤ \$1,250
	> \$100,000	\$6.50 for every \$100 (6.5%) or part thereof	75% waiver of Stamp Duty > \$4,875
			50% waiver of Stamp Duty > \$3,250
			25% waiver of Stamp Duty > \$1,625
Elsewhere in the Turks and Caicos Islands	> \$25,000 but ≤ \$250,000	\$6.50 for every \$100 (6.5%) or part thereof	75% waiver of Stamp Duty >\$1,219 but ≤ \$12,187
			50% waiver of Stamp Duty > \$813 but ≤ \$ 8,125
			25% waiver of Stamp Duty > \$406 but ≤ \$4,062
	> \$250,000 but ≤ \$500,000	\$8 for every \$100 (8%) or part thereof	75% waiver of Stamp Duty >\$15,000 but ≤ \$30,000
			50% waiver of Stamp Duty > \$10,000 but ≤ \$ 20,000
			25% waiver of Stamp Duty > \$5,000 but ≤ \$10,000
	> \$500,000	\$10 for every \$100.00 (10%) or part thereof	75% waiver of Stamp Duty > \$37,500
			50% waiver of Stamp Duty > \$25,000
			25% waiver of Stamp Duty > \$12,500

Under Section 32 of the Stamp Duty Ordinance, the Minister is given the discretion to remit wholly or in part of the stamp duty payable on immovable property.

Section 32 (1) of the Stamp Duties Ordinance states:

(1) “The Minister responsible for Finance may remit, wholly or in part, the stamp duty payable in respect of any instrument chargeable with stamp duty

(2) The amount of any stamp duty remitted under this section in respect of any instrument shall for the purposes of this Ordinance be deemed to have been paid in respect of this instrument.”

Stamp duties have traditionally been a significant revenue earner for the Turks & Caicos Islands Government. Within the Turks and Caicos Islands Government's annual budget it is estimated that stamp duty contributes to roughly \$33 million (8%) of the annual revenues.

Since the commencement of the pandemic all revenue heads across the Turks & Caicos Islands Government have seen drastic decreases. This includes stamp duty on immovable property. In the current extraordinary times, lowering stamp duty, even temporarily, would be an important stimulus for the housing market, the construction sector and the wider Turks & Caicos Islands economy.

Who will benefit?

The stamp duty waiver on immovable property would be available to all eligible applicants that transacts a transfer of immovable property or any real right over such property made on or after the 21st September 2020 but before 20th December 2020. Provided that the transaction is completed during the above-mentioned period.

The stamp duty waiver granted would be as follows:

- 75% reduction of stamp duty on the transfer of immovable property or any real right such property, valued up to \$2 million, made between 21st September to 20th October 2020
- 50% reduction of stamp duty on the transfer of immovable property or any real right such property, valued up to \$2 million, made between 21st October to 20th November 2020
- 25% reduction of stamp duty on the transfer of immovable property or any real right such property, valued up to \$2 million, made between 21st November 2020 to 20th December 2020

Transfers relating to Extended Payment Agreements would not be eligible for this waiver.

Provided that the following conditions are satisfied:

1. Waiver cannot be combined with any other Stamp Duty waiver that may be offered under the Homeowners policy, Investment policy or a development agreement.
2. Application for the Stamp Duty waiver is submitted to the Collector of Stamp by not later than the following:
 - 20th October 2020 for a Stamp Duty reduction of 75%
 - 20th November 2020 for a Stamp Duty reduction of 50%
 - 20th December 2020 for a Stamp Duty reduction of 25%
3. Notice of the final deed in relation to such transfer is given to the Registrar of Lands by not later than the following:
 - 23rd October 2020 for a Stamp Duty reduction of 75%

- 23rd November 2020 for a Stamp Duty reduction of 50%
- 23rd December 2020 for a Stamp Duty reduction of 25%

Eligibility for Stamp Duty Waiver

The Stamp Duty waiver is available to applicants that:

1. Submit of a completed affidavit form provided in appendix (i)
2. The current market value of land cannot exceed \$2 million
3. The current market value of building and land cannot exceed \$2 million
4. Are approved firstly by the Collector of Stamp Duty for the duty waiver.
5. Transacts transfers between 21st September 2020 to 20th December 2020
6. Transfer documents must be submitted no later than 3 days following approval of the Collector of Stamp Duty of the Stamp Duty Waiver

Application Procedure

To be considered for the Stamp Duty waiver the applicant must submit a completed Stamp Duty Waiver form, along with the following supporting documents:

- (i) A certified copy of the Land Register Extract in respect of the property to be purchased (should be enclosed within valuation report).
- (ii) A valuation report obtained within the last 6 months from an approved valuation surveyor, confirming the current market value of the property.
- (iii) A copy of the Offer to Purchase/Purchase Agreement for the property

Application forms will be made available on the Turks and Caicos Islands Government Website at www.gov.tc.

Applications will be received by the Collector of Stamp Duty as of 21st September 2020 to 20th December 2020 unless otherwise directed by the Permanent Secretary of Finance. Approved transferred must be submitted to the Land Registry no later than 23rd December 2020.

Incomplete applications will not be processed. Applicants will be notified of the outcome of their applications as soon as possible following the submission of their application. Successful applicants will receive an approval letter issued by the Collector of Stamp Duty.

Application Process

Applicants must submit an application to the Collector of Stamp Duty containing pertinent data, and the prescribed form.

Once all information is received, the Collector of Stamp Duty will conduct a due diligence on the Applicants. Within four weeks the Collector of Stamp Duty will either notify the applicant, in writing, of approval. The applicant will be notified and provided with an exemption letter in the prescribed form for execution.

Additionally, all exemptions will be published in the Turks & Caicos Islands Government Gazette. Estimated time for completion would be four weeks for applicants.

AFFIDAVIT

IN SUPPORT OF AN APPLICATION TO THE COLLECTOR OF STAMP DUTY FOR A STAMP DUTY WAIVER UNDER THE COVID-19 STAMP DUTY STIMULUS

I/We (enclose names of all applicants) _____

Current Address _____

P. O. Box _____ Island _____

hereby make oath and say as follows:

1. I/We, am/are acquiring property on section _____ Block _____, Parcel _____.
2. The current market value of the above-mentioned property is US\$ _____
3. Intended use of property:
___ residential
___ investment property
4. I/We understand and accept that, in order to ensure the intended benefit of the scheme, if the property is sold within 5 years of the date of acquisition, that I am/we are liable to pay the stamp duty that would have been payable but for the concession; and that an appropriate restriction will be entered regarding the 5-year time period on the Turks & Caicos Land Register.
5. I hereby certify that this application is not in association with any stamp duty exemption offered under the Homeowner's Policy, Investment Policy or Development Agreement.
6. I hereby certify that the above information is true and correct.

_____ signature(s) _____ date

_____ Work# _____ Home# _____ Cellular#

_____ Personal Email _____

SWORN TO BEFORE ME AT [ISLAND], TURKS & CAICOS ISLANDS

THIS _____ DAY OF _____ 20 _____

NOTARY PUBLIC/JUSTICE OF THE PEACE

DATE