

Government of The Turks and Caicos Islands Policy

Policy No: _____

Title: Turks and Caicos Islands Homeowners Policy

Effective Date: 1st April 2019

Amended Date:

Background

The Turks and Caicos Government (TCIG) is keen on promoting homeownership and providing an incentive to help those struggling to get on the property ladder or to protect the savings and equity that existing homeowners have painstakingly placed in their homes.

During the last census, which occurred in 2012, it was noted that 11% of the Turks and Caicos Islands residents were homeowners. That is, a total of 3,476 out of a population of 31,458 were homeowners with or without a mortgage within the TCI. Over the past years the figure has likely changed, due to changes in the TCI economy and other contributing factors. The table below provides a detail of type of home ownership and island in 2012.

Number of Dwellings by Type of Ownership and Island: 2012

Island	Own with mortgage	Own without mortgage	Rent / Lease	Squatted	Other	Total
Grand Turk & Salt Cay	332	308	837	1	113	1,591
South Caicos	31	109	225	1	78	444
Middle Caicos	3	46	13	0	6	68
North Caicos	35	207	219	0	57	518
Providenciales	1063	1338	4632	193	353	7,579
Other Islands	0	4	7	0	87	98
Total	1,464	2,012	5,933	195	694	10,298

Under the current financial institutions mortgage rules, borrowers are expected to arrive at market with at least a 10-20% deposit saved for the value of the house they hope to buy or build. This is generally a significant sum of money for an average person struggling to realize his or her dream of owning a “roof over his or her head”.

Additionally, during the landfall of the two major hurricanes in 2017, an added stress was placed on both existing and potential residential property owners. Many financial institutions tightened their financial purse strings and further restricted access to refurbishment or mortgage funding. This action contributed to further deterioration of the TCI housing stock, and to an increase in the number of derelict buildings, which has resulted in the decline of property values within the islands.

As such, to progress this initiative, the Turks and Caicos Islands Government will provide a duty waiver program, applicable to all Turks and Caicos Islanders who are homeowners or in the process of becoming a first time homeowner.

This programme will give Turks and Caicos Islanders a better opportunity to maintain or increase the equity in their existing homes or to enter the housing market for the first time with some incentives. These incentives will include either a reduction of \$20,000 in stamp duty or an import duty waiver on building materials/appliances/furniture and fixtures.

Goal

The Goal of the Government’s New Homeowner’s Policy is to provide Turks & Caicos Islanders (ages 18 years and above) the opportunity to purchase/build their first home or carry out the necessary refurbishments to their existing homes. This scheme also aims to “ensure that the Turks and Caicos Islanders assist with maintaining Turks and Caicos Islands real estate values (through the upkeep of their property) and allow their existing home to be brought up to code regarding any new Planning Codes implemented within the Turks and Caicos Islands.

Import Duty Waiver for Existing Homeowners

To encourage the preservation of the country’s housing stock and to ensure that residents’ homes are brought up to the Turks and Caicos Islands Planning codes, the Turks and Caicos Islands Government offers exemption waivers for import duties on materials to be used in the renovation/maintenance of Residential Buildings. In the event that an owner needs to import materials to refurbish a residential building, the property owner can apply for this Duty Free Exemption for the residential building. All residential buildings registered to Turks & Caicos Islanders are eligible for exemption from import duties up to \$20,000 once every ten (10) years. The \$20,000 exemption must be drawn down on within an eighteen (18) month period. Exemptions are not automatic and must be applied for.

Applicants are encouraged to apply for the relevant exemption prior to the item entering the Turks & Caicos Islands. Additionally, Customs Processing Fee of 7.5% is applicable on all imports.

Eligibility for Existing Homeowners

To be eligible for the homeowner's import duty waiver the following conditions should be met:

- The Applicant should be a Turks and Caicos Islanders.
- The Applicant must own a residential property for ten years or more
- The Applicant must actually occupy the home, and the home is considered their legal residence for all purposes.
- Refurbishment or maintenance must be completed within 18 months of the application of the exemptions request.
- Items imported must be in line with the list outlined in appendix (ii)

Documents required for application of relief of Import Duty waiver for homeowners

1. Proof that the applicant(s) is/are Turks and Caicos Islander being, as relevant, documentary evidence as follows:
 - (a) For persons born in the Turks and Caicos Islands:
 - i) Certified copy of birth certificate or
 - ii) Certified copy of the relevant passport page showing place & date of birth and holder's picture;
 - iii) PLUS proof that at least one parent was a Turks and Caicos Islander at the time of applicant's birth in the form of i) or ii) above or a certified copy of Certificate of Turks and Caicos Islander Status.
 - (b) For persons born outside of the Turks and Caicos Islands
 - i) Certified copy of birth certificate or
 - ii) Certified copy of the relevant passport page showing place & date of birth and holder's picture;
 - iii) PLUS proof that at least one parent was Turks and Caicos Islander at the time of applicant's birth being a Certificate of Turks and Caicos Islander Status or a Turks and Caicos Islander Status Card in respect of the one parent and proof that at least one parent or grandparent was born in the Turks and Caicos Islanders by way of i) or ii) above;
 - (c) For all other persons - certified copy of a certificate of Turks and Caicos Islands status.
2. If applying with a spouse, kindly provide a certified copy of the Marriage Certificate.
3. A sworn affidavit (form attached). The affidavit must be signed by a Notary Public or Justice of the Peace and the applicant(s).
4. A certified copy of the Land Register Extract in respect of the property.

5. Invoice of items solely for the items to be used for the refurbishment of the registered residential building;
6. Applicants should provide good, clear photographs to describe the building or site and its surroundings before improvement;
7. A building permit and approval from the Turks and Caicos Islands Planning Board is required for any material change (modification, addition, demolition, etc.) to the exterior of a building.

AFFIDAVIT

IN SUPPORT OF AN APPLICATION TO THE MINISTRY OF FINANCE, INVESTMENT AND TRADE FOR AN IMPORT DUTY WAIVER AS A TURKS AND CAICOS ISLANDS HOMEOWNER

I/We (enclose names of all home owner applicants) _____

Presently residing at _____

Indicate Marital Status:- Single ___ Married ___ Divorced ___ Widow ___

P. O. Box _____ hereby make oath and say as follows:

1. That I/we, _____
am/are home owners and reside at this property in Turks and Caicos Islands for ten years or more
2. I/We, am/are refurbishing property on section _____ Block _____, Parcel _____.
3. The current market value of the above-mentioned property is US\$ _____
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 refurbishment, that I am/we are liable to pay the import 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.

_____ signature(s) _____ date

_____ Work# _____ Home# _____ Cellular#

_____ Personal Email

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

THIS DAY OF 20

NOTARY PUBLIC/JUSTICE OF THE PEACE DATE

First Time Homeowners Exemptions

The process for a Turks and Caicos Islanders of purchasing his/her first home can be daunting and expensive, and it will likely include many financial situations potential homeowners never encountered. The Turks & Caicos Islands Government offers a waiver, of up to \$20,000, on Stamp Duty or Import Duties on building materials/furniture/appliances specifically for first-time home owners.

Import Duty Waiver for First-Time Homeowners

It is noted that within the Turks and Caicos Islanders are more inclined to acquire land and build their residence. Under the scheme Turks and Caicos Islanders can apply for an import duty exemption on materials or appliances listed in appendix (i). All Turks & Caicos Islanders over the age of 18 years are eligible for exemption, from import duties, up to \$20,000. Additionally, the \$20,000 exemption must be drawn down on within an eighteen (18) month period. Exemptions are not automatic and must be applied for.

Applicants are encouraged to apply for the relevant exemption prior to the item entering the Turks & Caicos Islands. Additionally, Customs Processing Fee of 7.5% is applicable on all imports.

Eligible Turks & Caicos Islanders for Import Duty Waiver

To be eligible for the first time homeowner import duty waiver the following conditions should be met:

- The Applicant should be a Turks and Caicos Islanders.
- The applicant must be 18 years or over.
- The construction is geared towards New Homes or property only for use as principal private residence (no attached apartments to the property will qualify for the waiver). That is, Primary residence only, no investment properties.
- The construction should be the first residential property the applicant has constructed within the Turks and Caicos Islands
- The Applicant has not benefited from the \$20,000 allowance regarding the Stamp Duty exemption outlined under the Homeowners Policy.
- If a joint purchase both parties must be first time buyers.
- The current market value of the construction of the building cannot exceed \$500,000.
- Construction must be completed within 18 months of the application of the exemption request.
- The applicant cannot dispose of any of the goods imported under the import duty waiver (through sale) within a five (5) years period.

Documents required for application of waiver of Import Duties

1. Proof that the applicant(s) is/are Turks and Caicos Islander being, as relevant, documentary evidence as follows:
 - (a) For persons born in the Turks and Caicos Islands:
 - i) Certified copy of birth certificate or
 - ii) Certified copy of the relevant passport page showing place & date of birth and holder's picture;
 - iii) PLUS proof that at least one parent was a Turks and Caicos Islander at the time of applicant's birth in the form of i) or ii) above or a certified copy of Certificate of Turks and Caicos Islander Status
 - (b) For persons born outside of the Turks & Caicos Islands
 - i) Certified copy of birth certificate or
 - ii) Certified copy of the relevant passport page showing place & date of birth and holder's picture;
 - iii) PLUS proof that at least one parent was Turks & Caicos Islander at the time of applicant's birth being a Certificate of Turks and Caicos Islander Status or a Turks and Caicos Islander Status Card in respect of the one parent and proof that at least one parent or grandparent was born in the Turks and Caicos Islanders by way of i) or ii) above;
 - (c) For all other persons -certified copy of certificate of Turks and Caicos Islands status.
2. If applying with a spouse, provide a certified copy of the Marriage Certificate.
3. A certified copy of the Land Register extract in respect of the land that the building will be constructed on.
4. A valuation report and bill of quantity of the proposed construction.
5. Copies of invoices of materials, appliances, furniture or fixtures being imported.
6. A building permit and approval from the Turks and Caicos Islands Planning Board is required.

Stamp Duty Relief for First-Time Homeowners

All real estate transactions in the Turks and Caicos Islands (TCI) are subject to stamp duty at varying rates depending on the consideration of the transaction and the island on which the real estate is situated.

The legal authority for imposition of stamp duty is the Stamp Duty Ordinance - Chapter 19.05.

Stamp Duty rates were increased in July 2013 as a revenue increasing measure and the current rates as reflected in Head 3 - Conveyance on Sale" of Schedule 1 to the Stamp Duty Ordinance are summarized below:

Summary of Current Stamp Duty Rates (Effective 1 July 2013)

Island	Value of Consideration	Rate
Anywhere in the Turks and Caicos Islands	< \$25,000	0%
	> \$25,000 but ≤ \$100,000	\$5 for every \$100 (5%) or part thereof
Grand Turk, South Caicos, Middle Caicos, North Caicos and Salt Cay	> \$100,000	\$6.50 for every \$100 (6.5%) or part thereof
	> \$25,000 but ≤ \$250,000	\$6.50 for every \$100 (6.5%) or part thereof
Elsewhere in the Turks and Caicos Islands	> \$250,000 but ≤ \$500,000	\$8 for every \$100 (8%) or part thereof
	> \$500,000	\$10 for every \$100.00 (10%) or part thereof

Under the homeowner's policy, relief of stamp duty of a maximum of \$20,000, would apply where the buyer is a Turks & Caicos Islanders, buying a home for the first time and intends to occupy the property as his/her principal place of residence.

Eligible Turks & Caicos Islanders for Stamp Duty relief

To be eligible for the first time homeowner stamp duty waiver the following conditions should be met:

- The Applicant should be a Turks and Caicos Islanders.
- The applicant must be 18 years or over
- The purchase is geared towards new property only for use as principal private residence and not for attached apartments to private residences. That is, Primary residence only, no investment properties.
- The property should be the first property or land the applicant has acquired in the Turks and Caicos Islands.
- If a joint purchase both parties must be first time buyers.
- The current market value of land cannot exceed \$150,000.
- The current market value of building and land cannot exceed \$500,000.
- The property could be in the form of land, property (e.g. Condominium or House). Apartment complexes or commercial buildings would not qualify for this exemption.

Documents required for application of relief of Stamp Duty

1. Proof that the applicant(s) is/are Turks and Caicos Islander being, as relevant, documentary evidence as follows:
 - (a) For persons born in the Turks and Caicos Islands:
 - i) Certified copy of birth certificate or
 - ii) Certified copy of the relevant passport page showing place and date of birth and

holder's picture;

iii) PLUS proof that at least one parent was a Turks and Caicos Islander at the time of applicant's birth in the form of i) or ii) above or a certified copy of Certificate of Turks and Caicos Islander Status.

(b) For persons born outside of the Turks and Caicos Islands

i) Certified copy of birth certificate or

ii) Certified copy of the relevant passport page showing place and date of birth and holder's picture;

iii) PLUS proof that at least one parent was Turks and Caicos Islander at the time of applicant's birth being a Certificate of Turks and Caicos Islander Status or a Turks and Caicos Islander Status Card in respect of the one parent and proof that at least one parent or grandparent was born in the Turks and Caicos Islands by way of i) or ii) above;

(c) For all other persons - certified copy of certificate of Turks and Caicos Islands status.

2. If applying with a spouse, kindly provide a certified copy of the Marriage Certificate.
3. A sworn affidavit (form attached). The affidavit must be signed by a Notary Public or Justice of the Peace and the applicant(s).
4. A certified copy of the Land Register Extract in respect of the property to be purchased (should be enclosed within valuation report).
5. A valuation report obtained within the last 6 months from an approved Valuation Surveyor, confirming the current market value of the property.
6. A copy of the Offer to Purchase/Purchase Agreement for the property.

AFFIDAVIT

IN SUPPORT OF AN APPLICATION TO THE MINISTRY OF FINANCE FOR A STAMP DUTY CONCESSION AS A FIRST TIME TURKS & CAICOS ISLANDS PROPERTY BUYER

1/We (enclose names of all mortgage applicants) _____

Presently residing at _____

Indicate Marital Status:- Single ___ Married___ Divorced___ Widow___

P. O. Box _____ hereby make oath and say as follows:

2. That I/we, _____ am/are first-time Turks & Caicos Islands property buyer(s)

I/We, am/are purchasing registration section _____Block_____, Parcel _____, for the purpose of my/our first owner-occupied home or where land only, for the purpose of the construction of my/our first owner - occupied home.

3. The current market value of the above-mentioned property is US\$ _____

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 purchase, 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 and Caicos Land Register.

_____ signature(s) _____ date

_____ Work# _____ Home# _____ Cellular#

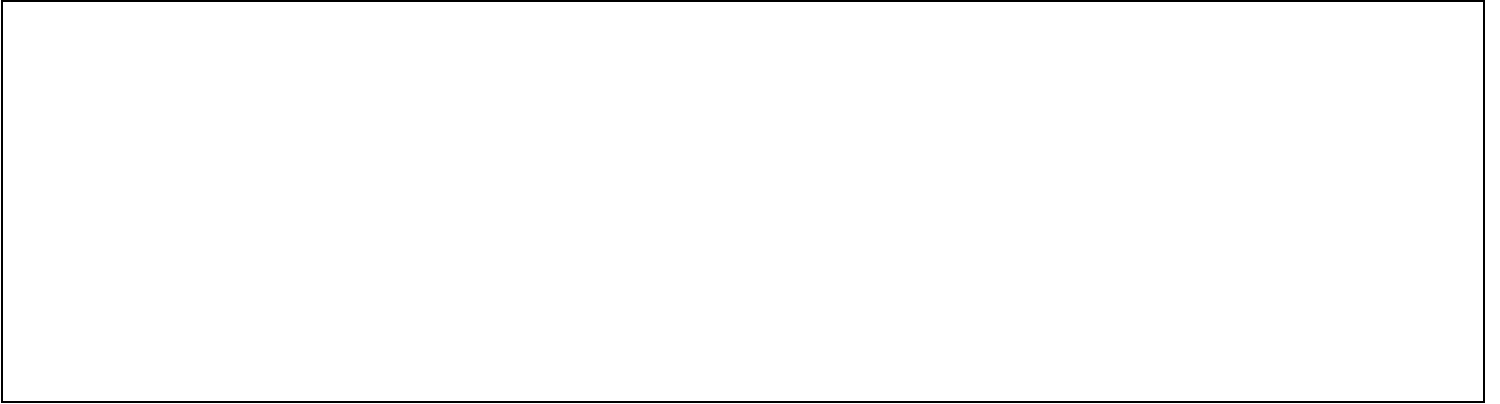
_____ Personal Email Mortgage Agent's Email (if applicable) Legal Representative's Email (if applicable)

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

THIS DAY OF 20

_____ DATE

NOTARY PUBLIC/JUSTICE OF THE PEACE



Approval Process

Applicants must submit an application to the Ministry of Finance, Investment and Trade containing pertinent data, details of the proposed refurbishment project (for existing Homeowners only), detailed bill of quantity of materials estimated, the relevant prescribed form and approved building permission.

When all the information is received, the Ministry of Finance, Investment and Trade will conduct a due diligence exercise on the Applicant(s). Within four weeks, the Ministry of Finance, Investment and Trade will either notify the applicant, in writing, of approval of the duty waiver. The applicant will be provided with an exemption letter in the prescribed form for execution.

Additionally, all exemptions will be published in the Turks and Caicos Islands Government Gazette. Estimated time for completion of the waiver approval process would be four weeks for applicants.

Timeline for Completion

Any recipient of a homeowner incentive would normally be expected to complete the project within eighteen months (18) from the date of receiving the exemption letter. If the size and complexity of a project requires that the time line be extended, applicants should include such a request in their application.

Appendix (i)

List of materials/ appliances/furniture and fixtures that qualify for import duty relief for First Time Home Owners

GENERAL CONSTRUCTION/BUILDING MATERIAL

Concrete blocks

Sheet rock

Aggregate/Fill Material/Asphalt

Reinforcement bars

Cement Lumber/Construction plywood

Structural steel and sheets

Fasteners (screws, nails, bolts)

Zinc sheets and other roofing material

Electrical conduits, boxes, fixtures, wires, electrical panels etc.

Plumbing pipes, fittings and fixtures, water gutters

Finishing materials (lead free paint, shore coat, etc.)

Hurricane Impact Windows and doors

Hurricane straps

Floor finishes (tiles, stain, varnish, carpet)

Hurricane shutters

Water/sewerage pumps

Roof Sealant

Mechanical Sewage plant

Gray Water Holding tanks

Boundary Fence materials

Complete solar generated power system (solar panels, panel mounting brackets, inverter, storage capacity/batteries and connecting wiring)

Landscaping Supplies

Backup Generators

Fire Safety Appliances

Propane Tanks

FURNITURE

Sofa

Love seat

Accent Chairs

Nightstands

Bed frame

Bed headboard

Bed footboard

Bed railing

Chest (the Chester drawers)

Dining room table

Dining room chairs

Mattress

Box spring

Dresser

Cocktail table

Sofa table

End tables

Kitchen Cabinets

Energy Efficient Toilets

APPLIANCES

Stoves (Energy efficient)

Refrigerators (Energy Efficient)

Air Condition System (Energy Efficient and Solar)

Tankless Water Heaters

Appendix (ii)

List of materials and fixtures that qualify for import duty relief for Existing Home Owners

GENERAL CONSTRUCTION/BUILDING MATERIAL

Concrete blocks

Sheet rock

Aggregate/Fill Material/Asphalt

Reinforcement bars

Cement Lumber/Construction plywood

Structural steel and sheets

Fasteners (screws, nails, bolts)

Zinc sheets and other roofing material

Electrical conduits, boxes, fixtures, wires, electrical panels etc.

Plumbing pipes, fittings and fixtures

Finishing materials (lead free paint, shore coat, etc.)

Hurricane Impact Windows and doors

Hurricane straps

Floor finishes (tiles, stain, varnish, carpet)

Hurricane shutters

Water/sewerage pumps

Roof Sealant

Kitchen Cabinetry

Mechanical Sewage plant

Gray Water Holding tanks

Boundary Fence materials

Complete solar generated power system (solar panels, panel mounting brackets, inverter, storage capacity/batteries and connecting wiring)

Landscaping Supplies

Backup Generators

Fire Safety Appliances

Propane Tanks