

## **The Simple Legal Steps To Owning a Piece of Paradise in the Turks and Caicos Islands**

By Neil Molyneux

Having found your dream home in paradise, what is the procedure for ownership and getting the keys?

Happily, after a price is agreed, the process of buying a home is typically straightforward in the Turks and Caicos Islands. If you do not already have an attorney to guide you, the realtor will happily assist, with suggested attorneys from the Turks and Caicos Bar.

No government license is required to buy in Turks and Caicos, the currency is US dollars, and there is no exchange control.

Additional to price, typical buyer's costs are stamp duty (a form of transfer tax of up to 10 per cent of the price), land registration fees (often less than \$100) and the buyer's attorney fee of 1 per cent. Typically, the seller pays the realtor's commission and seller's own legal fees.

The seller's attorney writes the sale and purchase agreement. The buyer's attorney confirms that the sale and purchase agreement is suitable. The sale and purchase agreement is typically in a format agreed by most attorneys in Turks and Caicos.

If financing is required, closing can be conditional on a reasonable bank offer. Similarly, there can be survey or other conditions. For a popular property however, a seller may be reluctant to accept a conditional buyer.

Financing may be through a Turks and Caicos bank, secured by the Turks and Caicos property; or by a bank in say your hometown, secured by your residence, or other property.

A buyer may acquire in his or her name, or that of a company or trust. Company ownership may be useful for various purposes, not least to limit liability. Trust ownership may be useful for estate planning purposes. Consider the buying entity carefully, as stamp duty etc. may be repeated, for any further transfers. A Turks and Caicos company or trust can be swiftly established.

Before signing a sale and purchase agreement, review a statement from your attorney, detailing the money required to close, pay stamp duty, registration and attorney fees etc., with a contingency for reimbursing utility and management fees etc. paid in advance by a seller.

Typically a 10 per cent deposit is payable on signing a sale and purchase agreement. Funds sent internationally can take several days to arrive. Delays can occur with extra procedures required by your bank, or intermediate banks and with weekends and holidays.

After signing a sale and purchase agreement, a legally binding contract exists and so an obligation to close, on the

stated date (subject to any specified condition). Closing is typically 10 to 30 days from signing.

The deposit is released by the buyer's attorney to the seller's attorney, and held by the seller's attorney as stakeholder (honest broker between the parties).

During the interval before closing, the seller's attorney provides the buyer's attorney with title and other appropriate information for the particular property. Typically, more information is required for a condominium, than for a villa. The attorneys agree on closing documents and obtain signatures in advance of closing.

A buyer (and seller) need not be physically present in Turks and Caicos for closing. If required closing documents can be couriered internationally, signed in advance and held in escrow. Alternative arrangements can be made for pre-closing inspection. Such inspection is typically made by the realtor, on a buyer's behalf.

If not already covered by a strata corporation (condominium association) policy, buildings and usual insurances should be arranged by a buyer, from closing.

At closing, attorneys typically meet for exchange of money, documents and keys. After closing, the buyer becomes the owner and the buyer's attorney arranges for stamp duty and registration formalities. A buyer should have arrangements in place to transfer over utilities including water, electricity, broadband, etc. Typically, for an international buyer such arrangements are made in advance, with a property manager.

Buyers planning to rent out a property, or have a local property manager, should advise their attorney in advance, so that appropriate arrangements can be made. Buyers often choose to continue existing management.

Except for a 12 per cent Government tax on rentals and for stamp duty mentioned above, there are currently no other real estate taxes in Turks and Caicos. Any person, or corporation operating a business, including property rental, is likely obliged to hold a Business Licence. Business Licences are renewable annually. The present cost of a Business Licence for a single rental villa is \$400.

The procedure from start to keys can be under one month, or even sooner if the parties require.

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