

**TCI ECONOMIC STIMULUS PACKAGE - COVID-19**

The Turks and Caicos Government, in response to COVID-19, have enacted an economic stimulus package, which will benefit you, our clients. The package seeks to lessen the impact of the global crisis on residents and to assist in stimulating and reigniting the TCI's economy.

We have now received full details of the stimulus package that has been enacted and we provide an overview below.

**1. AS RELATES TO REAL ESTATE**

**i. Customs exemption on construction materials**

As of 1st April 2020 until 30 June 2020 (unless extended) the importation of construction materials shall be exempted from import duty chargeable under the Customs Ordinance. The customs processing fee (of 7.5%) shall still be payable.

**ii. Stamp duty**

From the 1st April 2020 until 30th June 2020 (completion to have occurred on or before 30<sup>th</sup> June 2020) a 50% reduction in stamp duty payable on real estate transactions.

The rates for this period will be:

<b>Providenciales Parrot Cay, Pine Cay, Ambergris Cay, West Caicos, Water Cay and any other not specified below</b>	
• Less than \$25,000	No duty
• \$25,000-\$250,000	3.25%
• \$250,000-\$500,000	4%
• More than \$500,000	5%

**In respect of Grand Turk, South Caicos, Middle Caicos, North Caicos & Salt Cay**

• Less than \$25,000	No duty
• \$25,000-\$100,000	2.5%
• More than \$100,000	3.25%

### iii. Reduction in planning fees

From the 1st April 2020 until 30th June 2020 a 50% reduction in fees payable under the Physical Planning Ordinance in respect of: applications for grant of outline development permission; applications for change of use; and applications to subdivide.

## 2. AS RELATES TO BUSINESS GENERALLY

### i. Corporate Licence and registration fees

The date for payment of the annual licence fees or annual registration fees for 2020/2021 and payable pursuant to the following Ordinances shall be extended until 30 June 2020:

- (i) the Insolvency Ordinance;
- (ii) the Business Names (Registration) Ordinance;
- (iii) the Trust Companies (Licensing and Supervision) Ordinance;
- (iv) the Investment Dealers (Licensing) Ordinance;
- (v) the Mutual Funds Ordinance;
- (vi) the Insurers Ordinance;
- (vii) the Banking Ordinance;
- (viii) The Company Managers (Licensing) Ordinance; and
- (ix) Non-profit Organisations Regulations.

### ii. Licence fees

Deferral of the payment (no interest or penalties shall be incurred) of the following licence fees payable for the year 2020/2021 until 31<sup>st</sup> July 2020:

- (i) Business licence fees;
- (ii) Sport fishing licence fees;
- (iii) National parks licence fees;
- (iv) Boat or vessel registration fees;
- (v) Mooring fees;
- (vi) Captains licence fees; and
- (vii) Radio and inspection fees.

### **iii. Cash grants to small businesses**

(A) Subject to eligibility criteria determined by the Minister of Finance, and the provision of certain prescribed documentation a small business (as defined in the Micro, Small and Medium Enterprises Development Ordinance) may be eligible for a one off cash grant as follows:

- (a) \$2,000 for micro enterprise;
- (b) \$3,500 for small enterprise; and
- (c) \$5,000 for medium enterprise.

(B) A small business that is not registered with the National Insurance Board as at 2<sup>nd</sup> April 2020, shall upon confirmation of registration be eligible for a cash grant of \$1,000.

(C) Where a business is owned and operated by a sole proprietor on whose behalf national insurance contributions are being paid, the business may be eligible for a cash grant of \$2,000.

## **3. AS RELATES TO HOSPITALITY**

### **i. Relief for tax payable under the Hotel, Restaurant and Tourism (Taxation) Ordinance**

The payment of:

- (a) restaurant tax;
- (b) accommodation tax; and
- (c) tourism service tax

due and payable under the Hotel, Restaurant and Tourist (Taxation) Ordinance by 21<sup>st</sup> April 2020 is waived and the payment of any tax due by 21<sup>st</sup> May 2020 and 21<sup>st</sup> June 2020 is deferred until 21<sup>st</sup> July 2020 subject to the provision of certain documentation to the Permanent Secretary of Finance.

No penalties shall be incurred.

### **ii. Cash grants to employees in the hospitality industry**

Subject to meeting certain eligibility criteria, determined by the Minister of Finance, and the provision of certain prescribed documentation, employees in the hospitality industry (meaning an employee working in hotels, villas, restaurants, casinos, cruise lines, cruise ports, yachts clubs, transportation, airlines and other facilities that help customers meet their leisure and recreational needs) may be eligible for a one off cash grant of \$1,200.

## **4. GENERAL**

### **i. TC Invest mortgages**

There shall be a suspension of the mortgage payments and accrual of ordinary and default interest on existing TC Invest mortgages during the period April 2020 to September 2020.

## **ii. Water**

No charge shall be levied by the Turks and Caicos Government for the supply of water to any premises on Grand Turk, Salt Cay or South Caicos during the period of 1<sup>st</sup> April 2020 to 30<sup>th</sup> June 2020 and no disconnection for unpaid water bill shall be carried out during this period

For more details and any queries you may have in relation to the above please do contact your Misick & Stanbrook professional.

*This note is for guidance purposes only and should not be relied on as legal advice in any specific case. If you have specific questions about your circumstances in relation to the stimulus package, please contact your **Misick & Stanbrook** professional.*

**Misick & Stanbrook**

**April 2020**