

CAYMAN ISLANDS



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**THE STAMP DUTY (AMENDMENT) LAW, 2018**  
**(LAW 43 OF 2018)**



**ARRANGEMENT OF SECTIONS**

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CAYMAN ISLANDS

Law 43 of 2018

I Assent

Martyn Roper

Governor.

Date: 17<sup>th</sup> December. 2018

**A LAW TO AMEND THE STAMP DUTY LAW (2013 REVISION) TO PROVIDE FOR STAMP DUTY ON LINKED PROPERTY TRANSACTIONS; TO CHANGE THE EXEMPTION FROM STAMP DUTY RELATING TO THE PURCHASE OF PROPERTY BY FIRST TIME CAYMANIAN BUYERS; TO INCREASE THE THRESHOLD OF THE STAMP DUTY EXEMPTION FOR FIRST TIME CAYMANIAN PROPERTY BUYERS; AND FOR INCIDENTAL AND CONNECTED PURPOSES**

ENACTED by the Legislature of the Cayman Islands.

Short title

1. This Law may be cited as the Stamp Duty (Amendment) Law, 2018.

Application of this Law

2. This amending Law shall come into force upon publication in the Gazette but shall not apply -

- (a) in relation to a linked property transaction where the development scheme has obtained planning permission not later than the 30<sup>th</sup> day of June, 2019 and the relevant agreement for sale or the conveyance are executed not later than the 31<sup>st</sup> day of December, 2019;

- (b) in relation to any other type of land transaction not specified in paragraph (a) which is executed before the 1<sup>st</sup> day of January, 2019; and
- (c) in relation to any request for a concession, waiver, refund, abatement or any other type of request which can be made under the principal Law and which is made before the 1st day of January, 2019.

3. The Stamp Duty Law (2013 Revision), in this Law referred to as “the principal Law”, is amended in section 2 by inserting the following definitions in their appropriate alphabetical sequence -

Amendment of section 2  
of the Stamp Duty Law  
(2013 Revision) -  
definitions

“connected person” includes -

- (a) in the case of an individual, a relative or a person with whom the individual contracts to provide building services to a third party on behalf of the individual;
- (b) if the person is a director or a shareholder of a company or partner of a firm, another director or shareholder of that company or another partner of that firm or a relative of any of them;
- (c) if the person is a beneficiary, member, trustee, director, officer or employee of any legal entity (other than a company, partnership or firm), another beneficiary, member, trustee, director, officer or employee of any legal entity (other than a company, partnership or firm) or a relative of any of them;
- (d) if the person is a company -
  - (i) companies and groups of companies who are connected in business; or
  - (ii) companies and groups of companies who have the same or some of the same directors or shareholders or the same or some of the same persons connected with such directors or shareholders;
- (e) if the person is a partnership or firm -
  - (i) a partnership or firm and groups of partnerships or firms who are connected in business; or
  - (ii) partnerships or firms and groups of partnerships or firms who have the same or some of the same partners, or the same or some of the same persons connected with such partners; and
- (f) if the person is a legal entity other than a company, partnership or firm -
  - (i) a legal entity and groups of legal entities who are connected in business; or
  - (ii) legal entities and groups of legal entities who have the same or some of the same beneficiaries, members, trustees,

directors, officers or employees or the same or some of the same persons connected with such beneficiaries, members, trustees, directors, officers or employees;

“development scheme” means -

- (a) a scheme -
  - (i) to develop land by a seller (“the developer”) where bare land is sold by that developer to any person (“the buyer”); and
  - (ii) there is a building agreement or any other similar agreement between the developer and the buyer that the developer or a connected person of the developer will develop that bare land into a house, strata condominium or other building for that buyer or a connected person of that buyer; or
- (b) a scheme where there is planning approval relating to land for the construction of buildings;

“linked property transaction” means -

- (a) there are more than one transaction relating to the conveyancing and transfer of immovable property;
- (b) the transactions are between the same buyer and seller (“the developer”) or between their connected persons;
- (c) payment on each transaction can be made in one payment or divided into two or more payments; and
- (d) the transactions are part of a single arrangement or development scheme or part of a series of transactions;

“planning permission” means permission granted under section 15 of the Development and Planning Law (2017 Revision); and

“relative” in relation to a person, means a person’s husband, wife, brother, sister, uncle, aunt, nephew, niece or other lineal ancestor or descendant, step-child or adopted child.”

Amendment of section 20(6) - time for stamping of instruments

4. The principal Law is amended in section 20(6)(a) by inserting after the word “waive” the words “, refund”.

Amendment of the Schedule

5. The principal Law is amended in the Schedule as follows -

- (a) Under the head of duty entitled “CONVEYANCE OR TRANSFER of any immovable property” by repealing paragraphs (10) and (11) and by substituting the following paragraphs -

“(10) Notwithstanding paragraph (2) where land (other than land included in the Table to paragraph (1)) is transferred to a person who is a Caymanian as a result of the purchase of that land by that person for the purpose of that person’s first immovable property-

- (a) there is no charge to duty on the instrument effecting such transfer if -
  - (i) in the case of land with a building, the consideration is \$400,000 or less; or
  - (ii) in the case of land without a building, the consideration is \$150,000 or less; and
- (b) duty at the rate of 2% of the consideration is chargeable on the instrument if -
  - (i) in the case of land with a building, the consideration exceeds \$400,000 but does not exceed \$500,000; or
  - (ii) in the case of land without a building, the consideration exceeds \$150,000 but does not exceed \$200,000; and
- (c) duty at the rate of 7.5% of the consideration is chargeable on the instrument if -
  - (i) in the case of land with a building, the consideration exceeds \$500,000; or
  - (ii) in the case of land without a building, the consideration exceeds \$200,000.

(11) Notwithstanding paragraph (2) where land (other than land included in the Table to paragraph (1)) is transferred to two or not more than ten persons who are Caymanian as a result of a purchase of that land by those persons where that land is the first immovable property of each of those persons -

- (a) there is no charge to duty on the instrument effecting such transfer if -
  - (i) in the case of land with a building, the consideration is \$500,000 or less; or
  - (ii) in the case of land without a building, the consideration is \$300,000 or less; and
- (b) duty at the rate of 2% of the consideration is chargeable on the instrument if -
  - (i) in the case of land with a building, the consideration exceeds \$500,000 but does not exceed \$600,000; or

- (ii) in the case of land without a building, the consideration exceeds \$300,000 but does not exceed \$350,000; and
- (c) duty at the rate of 7.5% of the consideration is chargeable on the instrument if -
  - (i) in the case of land with a building, the consideration exceeds \$600,000; or
  - (ii) in the case of land without a building, the consideration exceeds \$350,000.

(12) The exemption afforded by this head of duty relates only to property which a Caymanian is purchasing for the first time in the Islands; and where the Caymanian had purchased other property in the Islands but was not a Caymanian at the date of purchase, the exemption under this head of duty shall not apply.

(13) A grant of concession afforded by this head of duty shall be subject to such conditions as the Minister of Finance may think fit to impose in order to prevent exploitation of those provisions by persons who are not bona fide first time property purchasers.

(14) For the purposes of this head of duty, “Caymanian” has the meaning assigned to it in the Immigration Law (2015 Revision).”; and

- (b) by inserting after the head of duty entitled “CONVEYANCE OR TRANSFER of any immovable property” the following head of duty -

“CONVEYANCE OR TRANSFER of any immovable property within a development scheme and forming part of a linked property transaction -

(1) The charge to duty on a conveyance or transfer of immovable property which is part of a linked property transaction is, where the total value of the linked property transaction is \$300,000 or less, 3% of the total value of the linked property transaction.

(2) The charge to duty on a conveyance or transfer of immovable property which is part of a linked property transaction is, where the total value of the linked property



transaction is more than \$300,000, 7.5 % of the total value of the linked property transaction.

(3) The charge to duty on an agreement to convey or transfer bare land in the first part of a linked property transaction is, where the total value of the linked property transaction is more than \$300,000, 3.75% of the total value of the linked property transaction, payable within 45 days of the date the agreement is first signed by the buyer.

(4) The charge to duty on a conveyance or transfer of immovable property in the second part of a linked property transaction is, where the total value of the linked property transaction is more than \$300,000, 3.75% of the total value of the linked property transaction, payable within 45 days of the date the conveyance or transfer is first signed by the buyer.

(5) For the purposes of this paragraph, under a building agreement or such other type of agreement, in calculating the value of immovable property, the value shall include any fixtures on the developed land which is specified in any such agreement in relation to that land such as tiles, plumbing and air condition units or other similar fixtures.”.

Passed by the Legislative Assembly the 22<sup>nd</sup> day of November, 2018.

Dr. Hon. W. McKeeva Bush

Speaker.

Zena Merren-Chin

Clerk of the Legislative Assembly.

