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STAMP DUTY LAW

(2002 Revision)

Law 5 of 1973 consolidated with Laws 21 of 1977, 21 of 1984, 17 of 1985, 7 of 1990 (part), 11 of 1990, 34 of 1993, 4 of 1997 (part), 13 of 1997, 12 of 1998, 22 of 1999, 7 of 2000 (part), 13 of 2001, 24 of 2001 and 32 of 2001.

Revised under the authority of the Law Revision Law (1999 Revision).

Originally enacted-

Law 5 of 1973-28th June, 1973
Law 21 of 1977-10th November, 1977
Law 21 of 1984-7th September, 1984
Law 17 of 1985-29th May, 1985
Law 7 of 1990-18th July, 1990
Law 11 of 1990-18th July, 1990
Law 34 of 1993-29th November, 1993
Law 4 of 1997-24th March, 1997
Law 13 of 1997-2nd May, 1997.
Law 12 of 1998-18th September, 1998
Law 22 of 1999-9th February, 2000 (sic)
Law 7 of 2000-20th July, 2000
Law 13 of 2001-25th May, 2001
Law 24 of 2001-26th September, 2001
Law 32 of 2001-14th November, 2001
Law 37 of 2001-31st December, 2001.

Consolidated and revised this 4th day of June, 2002.

Note (not forming part of the Law): This revision replaces the 2001 Revision which should now be discarded.

instrument effecting such transfer. In order for an instrument to be stamped in accordance with this paragraph it must be accompanied by an affidavit attested by a justice of the peace or any other person qualified to attest to documents in the Islands and stating that the land is transferred to a Caymanian for the purpose mentioned herein. In the adjudication of any instrument to which this paragraph relates the Financial Secretary may impose such other conditions as he considers reasonable to give effect to this paragraph. For the purposes of this provision "Caymanian" means a person with Caymanian status within the meaning of the Immigration Law (2001 Revision).

STAMP DUTY LAW
(2002 Revision)

ARRANGEMENT OF SECTIONS

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(3) For the purpose of this charge to duty the expression "conveyance or transfer" includes every instrument pursuant to which any land, strata title or interest therein is transferred to, acquired or enjoyed by another which shall include the right to occupy the same or enjoy the rents and profits thereof, and includes any grant, bargain, assignment, release, foreclosure or disclaimer howsoever described but shall not include any instrument conferring or vesting such rights in a receiver or any lease or licence or agreement for a lease or licence.

(4) An instrument whereby an interest in land or strata title is conveyed or transferred to any person in contemplation of a sale of that interest shall be treated for the purposes of this Law as a conveyance or transfer on sale of that land or strata title for a consideration equal to the value contemplated in respect of that sale.

(5) A power or letter of attorney with respect to any immovable property given for consideration, or declared to be irrevocable, is chargeable to duty as a conveyance on sale. The exercise of a power of appointment to any interest in immovable property if exercised otherwise than by will is chargeable to duty as a conveyance on sale.

(6) For the removal of doubt it is declared that a sale in exercise of the power of sale of a mortgagee of immovable property is chargeable as a conveyance on sale of the whole of the immovable property subject to the mortgage:

Provided that no duty shall be payable under this head where the immovable property is situated outside the Islands.

(7) There is a charge to duty in the sum of fifty dollars in the case of-

- (a) a conveyance or transfer expressed to be for natural love and affection between a parent and a child or between spouses; or
- (b) a conveyance or transfer expressed to be for natural love and affection between children born of the same parent, or between a grandparent and a grandchild,

where it has been certified by the Commissioner to be a conveyance or transfer in respect of which he is satisfied that the provisions of this paragraph may properly apply.

(8) Where land (including a building) is transferred to a Caymanian for the purpose of his first owner occupied home and the consideration is \$150,000 or less or where land (without a building) is transferred to a Caymanian for the purpose of the construction of his first owner occupied home and the consideration for the land is \$35,000 or less, there is no charge to duty on the

(3) For the purpose of this head of duty, an assignment of any land or strata title (or interest in any land or strata title) shall be deemed to confer or permit the derivation of a right of possession unless the assignment expressly or effectually prevents such a right from being conferred or derived.

(4) Assignment of a debt, policy of life assurance or, subject to paragraph (5), any other thing in action where no duty is payable under any other head or charge except shares, interests in trust funds, interests in partnerships, warrants or options or other rights to acquire shares, interests in trust funds or in partnerships \$100

(5) Assignment of any rights under an agreement or memorandum of agreement for or in relation to the purchase of or an interest in any land, strata title or other immovable property where there is no consideration- \$200.

CONVEYANCE OR TRANSFER of any immovable property-

(1) The charge to duty on conveyances or transfers of immovable property is 5% of the value of the consideration irrespective of the area in which the property is situated.

(2) For the purpose of this charge to duty the consideration shall be deemed to be the total monetary market value of the property of which the right of disposal is conveyed or transferred, irrespective of any mortgage, charge, lien or other encumbrance to which it is subject, or of the actual form the consideration may take, the period, if any, over which the consideration is payable, whether or not the property conveyed or transferred is contained in one or more parcels or lots and whether or not the property is conveyed or transferred by one or more instruments, provided that in the case of the use of more than one instrument in respect of any one or more of the same parcels one such instrument shall be declared to be the principal instrument and shall recite the value of the property as hereby defined and shall bear the whole of the ad valorem duty subject to this charge, but so that where the parties desire to convey or transfer different parcels by different instruments, the ad valorem duty charged may be apportioned among such instruments:

Provided that where the Commissioner is satisfied that there is a conveyance or transfer to or from a land holding corporation (as defined in the Land Holding Companies Share Transfer Tax Law (1995 Revision)) and the conveyance or transfer is, as the case may be, from or to a person or persons who in aggregate are the legal and beneficial owners of not less than forty-five per cent of the shares in the corporation then he may, in his absolute discretion, abate this charge to duty by such percentage, not being a percentage greater than such person's or persons' percentage holding in the corporation, as he shall think fit.

STAMP DUTY LAW
(2002 Revision)

1. This Law may be cited as the Stamp Duty Law (2002 Revision).

Short title

2. In this Law-

Definitions

“adjudicator” means the adjudicator of stamp duty appointed under section 8;

“banker” means a banker licensed as such under any law;

“Commissioner” means the Commissioner for stamp duty collection appointed under section 4;

“consideration” has the same meaning as that ascribed to it under the heading “Conveyance or transfer” in the Schedule;

“Conveyance or transfer” has the same meaning as that ascribed to it under that heading in the Schedule;

“duty” means any stamp duty chargeable under this Law;

“electronic record” has the same meaning as given in section 2 of the Electronic Transactions Law, 2000; Law 7 of 2000

“executed” and its cognates means, with reference to any instrument, that it is sealed or signed, or sealed and signed, in such manner as to render such instrument a lawful obligation by the person by, or on whose behalf, such instrument is so sealed, signed, or sealed and signed;

“exempted company” has the meaning ascribed to it in the Companies Law (2002 Revision); 2002 Revision

“Financial Secretary” means the Financial Secretary of the Islands;

“Governor” means the Governor in Council;

“instrument” includes every written document and electronic record;

“material” includes any material upon which words or figures can be expressed;

“premium” in respect of an assignment means the amount howsoever paid to the assignor by the assignee for the benefit of the agreement (disregarding sums payable prior to the date of such assignment in accordance with such agreement or by way of reimbursement of such sums);

“recording” and its cognates means recording under the Public Recorder Law (1996 Revision); 1996 Revision

	“registering” and its cognates has reference to registration under any requirement of any law whereby any instrument or event is required to be registered in any public office;
1997 Revision	“stamp” means a stamp authorised by the Governor under this Law or the Postal Law (1997 Revision) which is either- (a) a stamp impressed by means of a die; (b) an adhesive stamp; or (c) a stamp printed by a lawfully operated postal franking machine; and “stamped”, with reference to any instrument or material, has reference to any instrument or material upon which a stamp has been impressed, affixed or printed.
Charge of stamp duty	3. (1) There shall be charged for the revenue of the Islands stamp duties upon the instruments specified in the Schedule at the rates therein prescribed. (2) Duties chargeable under subsection (1) shall, immediately upon coming due, be recoverable as civil debts at the suit of the Commissioner.
Commissioner	4. The Financial Secretary shall be ex officio Commissioner for the collection of stamp duty and has care and management of the collection of all stamp duty imposed by this or any other law.
Commissioner may delegate	5. The Commissioner may, under his hand, authorise any officer of Government to perform all or any of his functions.
Information and records	6. (1) The Commissioner may, by notice, require any person to- (a) supply to him such information; and (b) produce to him such records, as may be specified in the notice, being information and records the supply and production of which the Commissioner considers necessary or desirable for the purpose of enabling him to carry out his functions. (2) A notice under subsection (1) shall require the information to be supplied and the records to be produced within such period as may be specified in the notice, being not less than thirty days from the date of the notice.
Inquiries	7. (1) The Commissioner may hold such inquiries as he considers necessary or desirable to enable him to carry out his functions. (2) For the purposes of an inquiry under this section the Commissioner may by notice require any person- (a) to attend to give evidence on any of the matters specified in the notice at the time, day and place so specified; and

(3) For the purposes of this head of duty, an agreement or memorandum of agreement for the sale or purchase of any land or strata title (or interest in any land or strata title) shall be deemed to confer, or permit the derivation of, a right of possession unless the agreement or memorandum of agreement expressly prevents such a right from being conferred or derived. (4) For the purposes of this Law- “possession” includes the collection of rents. (5) Where an agreement or memorandum of agreement is under hand or where no other duty is specified under this head or any other head of charge \$2. ASSIGNMENT (1) Assignment of any rights under an Agreement or Memorandum of Agreement relating to the purchase of any land or strata title (or an interest in any land or strata title) - (a) where there is no premium for the assignment and there is no right to possession conferred or derived under the assignment, 5% of the value of the consideration irrespective of the area in which the land or strata title or interest therein is situated or \$200 at the option of the assignee; (b) where there is a premium for the assignment and there is no right to possession conferred or derived under the assignment, 5% of the market value of the property or 5% of the value of the premium, irrespective of the area in which the land or strata title or interest therein is situated, at the option of the assignee; and (c) where there is a right to possession conferred or derived under the assignment, 5% of the market value of the property irrespective of the area in which the land or strata title or interest therein is situated. (2) Where ad valorem duty is paid on the market value of the property or the value of the premium under paragraph (1) and a subsequent conveyance or transfer is executed which- (a) is in conformity with the assignment; or (b) relates to substantially the same property as the assignment, the duty which would otherwise be charged on the subsequent conveyance or transfer shall be reduced or extinguished by the deduction therefrom of the duty paid on the assignment.
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Publication in consolidated and revised form authorised by the Governor in Council this 4th day of June, 2002.

Carmena Watler

Clerk of Executive Council

Note: By virtue of the provisions of section 1(2) and (3) of Law 32 of 2001, the following head of duty came into operation on the 14th. November, 2001; in substitution for the heads of duty under the titles "Agreement or Memorandum of Agreement", "Assignment" and Conveyance or Transfer" contained in the Schedule at pages 14, 15 and 18, and shall cease to have effect on the 14th November, 2002, at which time the original heads of duty shall come back into operation.

AGREEMENT OR MEMORANDUM OF AGREEMENT

(1) *Agreement or memorandum of agreement for the purchase of any land or strata title (or interest in any land or strata title) -*

- (a) *under which no right to possession is conferred or derived -*
 - (i) *\$100; or*
 - (ii) *5% of the value of the consideration irrespective of the area in which the land or strata title or interest therein is situated,*
- at the option of the purchaser; and*

- (b) *under which a right to possession is conferred or derived, 5% of the value of the consideration irrespective of the area in which the land or strata title or interest therein is situated.*

(2) *Where duty of 5% is paid under paragraph (1) and, subsequent to the agreement or memorandum of agreement, a conveyance or transfer is executed which-*

- (a) *is in conformity with the agreement; or*
- (b) *relates to the same property as the agreement,*

the duty which would otherwise be charged on the conveyance or transfer shall be extinguished.

- (b) *to produce all records in his possession or under his control which relate to any such matters.*

(3) *For the purposes of an inquiry under this section-*

- (a) *subject to paragraph (b), the Commissioner may take evidence on oath and for that purpose administer oaths, or instead of administering an oath, may require the person examined to make and subscribe a declaration of the truth of the matter respecting which he is examined; and*
- (b) *no person shall be compelled to give any evidence which he could not be compelled to give in proceedings before the Grand Court.*

(4) *The procedure at any such inquiry shall be determined by the Commissioner, but so that any person who has received a notice under subsection (2) requiring him to attend to give evidence, shall be entitled to representation by an attorney.*

(5) *The costs, charges or expenses in relation to an inquiry under this section, incurred by the Commissioner or any other person, shall be borne and paid by such person and in such manner and proportion as the Commissioner shall direct.*

(6) *For the purposes of this section and section 6-*

- (a) *"records" includes any document in whatever form it is held; and*
- (b) *where any such records are held in or kept by means of a computer, the powers of the Commissioner to require the supply of information, production of records and attendance to give evidence shall include powers -*
 - (i) *to have access to, and inspect and check the operation of, any computer and associated apparatus or material which is or has been in use in connection with the records;*
 - (ii) *to require any person having charge of, or otherwise concerned with the operation of, the computer, apparatus or material to afford to the Commissioner such assistance as he may reasonably require; and*
 - (iii) *to require the records to be produced or copied in any form which he may reasonably request.*

8. *The Commissioner is the adjudicator of stamp duty.*

Adjudicator

9. *The adjudicator shall, on payment in the prescribed manner of the prescribed fee adjudicate for stamp duty every instrument presented to him for that purpose within fifteen days of such presentation and, subject to the right of appeal of any person paying the duty as adjudicated, such adjudication shall be final and binding for all purposes of this Law.*

Adjudication

Appeal against adjudication	10. Any person who has paid an adjudicated stamp duty upon any instrument may, within thirty days of the adjudication, appeal there against to the Grand Court.
Manner of appeal	11. Every appeal under section 10 shall be commenced by notice of motion to the Grand Court with copy thereof to the Commissioner.
Effect of appeal	12. Upon an appeal brought under section 10, the Grand Court, after hearing the parties may- (a) uphold the adjudication; (b) order that duty be charged at a lower rate; (c) order that the instrument is not subject to duty; or (d) order that duty be charged at a higher rate, and in the event of the order of the Grand Court falling under paragraph (b), (c) or (d) the Grand Court shall cause the instrument to be endorsed with the substance and date of the order and the seal of the Grand Court and the Commissioner shall cause the instrument to be re-stamped or otherwise dealt with in accordance with the order, against appropriate adjustment made in the charge of duty to the appellant.
Costs	13. (1) Where the Grand Court makes an order under- (a) paragraph (a) of section 12, it shall award costs to the Commissioner for payment to the Treasury for the revenue; (b) paragraph (b) or (c) of section 12 it shall order costs to be paid out of the revenue by the Commissioner to the appellant; or (c) paragraph (d) of section 12 no costs shall be awarded. (2) The scale of costs shall be as prescribed.
Methods of stamping 1997 Revision	14. (1) In addition to any other methods of stamping instruments which the Governor may from time to time prescribe, instruments or other documents may be stamped by affixing thereto adhesive stamps issued by the Governor to the Post Office for the purpose of the Postal Law (1997 Revision) or this Law of such designs and denominations as the Governor may from time to time prescribe or by means of postal franking machines approved for use under that law. (2) The Commissioner may collect in advance from any banker any duty payable upon cheques and may authorise the pre-stamping of forms of such cheques in blank for subsequent issue for use by the public. (3) Such blank forms shall be imprinted under the supervision of the Commissioner with a double black circle printed round with the words "Cayman Islands Stamp Duty Paid" in such manner as to be readily and clearly apparent and to show the amount of duty paid.

REPORTS BY SHIPS inwards and outwards under the Customs Law (1998 Revision)	1998 Revision
	\$2
SETTLEMENT or declaration of trust of or concerning any property by any writing (not being a will, or an instrument chargeable with <i>ad valorem</i> duty)	\$40
TIMESHARES	
(1) The charge to duty on a grant, assignment or transfer of a timeshare or an interest in a timeshare- (a) if the timeshare is in an areas specified in paragraph (1) of the head "CONVEYANCE OR TRANSFER of any immovable property"-9% of the value of the consideration or the market value of the time share whichever is the greater; or (b) if the property is in an area not specified in paragraph (1) of the head "CONVEYANCE OR TRANSFER of any immovable property"-7.5% of the value of the consideration or the market value of the time share whichever is the greater. (2) For the purposes of this charge to duty "a timeshare" means any living accommodation in the Islands, used or intended to be used, wholly or partly, for leisure purposes by a class of persons all of whom have rights to use, or participate in arrangements under which they may use, that accommodation, or accommodation within a pool of accommodation (wherever located) to which that accommodation belongs, for intermittent periods of short duration. (3) A grant, assignment or transfer of a timeshare or an interest in a timeshare includes every instrument or order whereby a timeshare, or any right or interest in respect of a timeshare, is transferred to or vested in another person. (4) An agreement for the grant, assignment or transfer of a timeshare or an interest in a timeshare is to be charged with the same duty as if it were a grant or transfer of a timeshare or an interest in a timeshare made for the term and consideration mentioned in the agreement.	
TRANSFER (see Conveyance)	
ATTESTED COPIES, CERTIFIED COPIES, COUNTERPARTS AND DUPLICATES used for the purpose of proving any original instrument stamped under this Law (counterparts and duplicates require also to be denoted under section 17)	\$2
WITHDRAWAL OF CAUTION	\$25

POLICY OF INSURANCE other than life insurance \$5

For the purposes of this charge to duty, “policy of insurance” includes every writing whereby any contract of insurance is made or agreed to be made.

POLICY OF LIFE ASSURANCE

(1) For the purposes of his charge to duty, “policy of life insurance” means a policy of insurance upon a life or lives but does not include a policy of insurance for a payment agreed to be made on the death of a person only from accident or violence or otherwise than from a natural cause.

- (2) Where the sum insured under a policy of life insurance-
- (a) does not exceed \$1,000, there shall be charged duty on the policy of \$25;
 - (b) exceeds \$1,000, there shall be charged duty on the policy of whichever is the greater of \$25 or 0.01% up to a maximum of \$200 upon the amount insured calculated without bonus.

(3) Where a policy of life insurance is certified as being issued by an exempted company which only undertakes business of a class which requires the company to hold an unrestricted Class “B” Insurer’s licence granted under the Insurance Law (2002 Revision) and issued by a company, the maximum duty payable on that policy shall be \$100.

POWER OF APPOINTMENT (see Appointment)

POWER OF ATTORNEY (see Attorney)

PROBATE AND ADMINISTRATION

on every grant of Probate or Letters of Administration \$10

on every oath or affirmation of an executor, administrator or attesting witness \$1.50

on every inventory and affidavit 50 cents

PROMISSORY NOTE (see Bill of Exchange)

RECEIPTS

Bank receipts for withdrawal from funds on deposit 10 cents

RELEASE OR RENUNCIATION of any property (not otherwise provided for) \$6

(see also Conveyance and Mortgage)

15. Except where express provision to the contrary is made in this or any other law, one instrument-

- (a) containing or relating to several distinct matters is to be separately and distinctly charged, as if it were a separate instrument, with duty in respect of each of the matters; and
- (b) made for any consideration in respect whereof it is charged with ad valorem duty and also for any further or other valuable consideration or considerations, is to be separately and distinctly charged, as if it were a separate instrument, with duty in respect of each of the considerations.

Instruments to be separately charged with duty in certain cases

16. All facts and circumstances affecting the liability of an instrument to duty or the amount of the duty with which any instrument is chargeable, are to be fully and truly set forth in the instrument.

Facts and circumstances affecting duty to be set forth in instruments

17. (1) Where an instrument is chargeable with ad valorem duty in respect of any non-Caymanian currency, the duty shall be calculated on the day of the date of the execution of the instrument according to the average current rate of exchange on that day.

Mode of calculating ad valorem duty in certain cases

(2) Where an instrument contains a statement of current rate of exchange and is stamped in accordance with that statement, it is, so far as the subject matter of the statement, to be deemed to be duly stamped, unless or until it is shown that the statement is untrue and that the instrument is insufficiently stamped.

18. Where adhesive stamps are used to stamp any instrument the person whose duty it is to stamp the same shall, immediately after affixing such stamps, cancel each one by writing across it his name or initials or the name or initials of his firm together with the true date of his so writing, or otherwise so effectively cancel such stamp or stamps as to render them incapable of being used for any other purpose.

Cancellation of adhesive stamps

19. Where the duty with which an instrument is chargeable depends in any manner upon the duty paid upon another instrument, the fact of the payment of the last mentioned duty shall, upon application to the Commissioner and production to him of both instruments, be denoted by the Commissioner by endorsement under his hand upon the first instrument in such manner as he thinks fit.

Denoting payment of duty

20. (1) Subject to this section, an instrument which is required to be stamped shall be stamped at the time of its execution.

Time for stamping of instruments

(2) An instrument chargeable with ad valorem duty which is not referred to elsewhere in this section shall be stamped or presented for adjudication at any

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time before the end of the period of forty-five days beginning with the day on which-

- (a) it is first signed or, if first signed outside the Islands, it has first been received in the Islands following that signing; or
- (b) if held in escrow following that signing or receipt, the last condition is fulfilled in respect of which the instrument was so held.

(3) In respect of any conveyance or transfer of land, strata title or interest therein the transferee shall ensure that the relevant instrument shall-

2001 Revision

- (a) upon conveyance or transfer be duly and fully completed in accordance with its terms and, in the case of a transfer prepared pursuant to the Registered Land Rules (2001 Revision), signed by the transferor and the transferee and certified as provided by the Registered Land Rules (2001 Revision); and
- (b) cause the same to be stamped or presented for adjudication, in the case of a transfer prepared pursuant to the Registered Land Rules (2001 Revision), at any time before the end of the period of forty-five days of its signature by the transferor, and in all other cases within forty five days of the disposition or first disposition of the land, strata title or interest effected by or under that instrument.

(4) An instrument chargeable with *ad valorem* duty which provides for the assignment of any right or interest in relation to the purchase of, or of an interest in, any land or strata title, shall be stamped or presented for adjudication by the assignee at any time before the end of the period of forty-five days beginning with the day on which the instrument was signed by the assignor.

(5) An agreement or memorandum of agreement in respect of which the purchaser has elected to pay *ad valorem* duty shall be stamped or presented for adjudication before the end of the period of forty-five days beginning with the first day on which any obligation under the agreement or memorandum of agreement was discharged.

(6) The Commissioner may, at any time-

- (a) waive or abate the whole or part of the duty payable; or
- (b) extend any time period provided for under this Law.

Stamping after adjudication

21. All unstamped or partly stamped instruments presented for adjudication shall, within seven days of adjudication, be stamped or stamped up to the extent of the amount adjudicated and with stamps to cover the adjudication fee and, until so stamped, shall remain in the custody of the adjudicator who shall give facilities to the owner for the stamping thereof while in such custody, and shall give notice to

- (i) where the sum secured is \$300,000 or less-1% of the sum secured; or
 - (ii) where the sum secured is more than \$300,000 whether initially or after further advance-1.5% of the sum secured:
- (b) being a legal or equitable mortgage or charge of movable property of movable property (not including a debenture but including a bill of sale)-1.5% of the sum secured;

Provided that-

- (i) no duty shall be payable under subparagraphs (a) and (b) where the property is situated outside the Islands; and
 - (ii) in the case of a legal or equitable mortgage or charge granted by an exempted company, an ordinary non-resident company (as defined in the Companies Law (2002)) or an exempted trust (as defined in the Trusts Law (2001 Revision)) or a body corporate incorporated outside the Islands of moveable property situated in the Islands or over shares in such exempted company or an ordinary non-resident company, the maximum duty payable shall be five hundred dollars; and
- (c) being a collateral, auxiliary, additional or substituted security by way of further assurance where the principal or primary security under paragraph (a) has been duly stamped- \$30
- (e) being a Release of Mortgage of immovable property whether by way of transfer, surrender, discharge or other instrument howsoever called- \$25.

Where the amount of money to be advanced on the security of any property by way of mortgage is unlimited, the security is to be available for such an amount as the *ad valorem* duty paid thereon extends to cover, and if any advance is made in excess of the amount covered by that duty, the security shall, for the purpose of stamp duty, be deemed to be a new and separate instrument bearing the date on which the additional advance is made, but the original instrument may be stamped-up with the additional *ad valorem* duty required to cover the total amount then to be secured and in that case the date of such stamping-up shall be recorded accordingly. These same provisions for stamping-up shall apply in the same manner to any variation of a mortgage securing a fixed amount of money.

PARTNERSHIP

on every deed or agreement of partnership	\$50
on every rectification of a deed or agreement of partnership	\$20

PLEDGE (see Mortgage)

- Provided that if the term is for less than one year, then the duty shall be equal to 5% of the aggregate rent to be paid;
- (ii) if the term exceeds five years but does not exceed ten years, a duty equal to 10% of the average annual rent; or
 - (iii) if the term exceeds ten years, a duty equal to 20% of the average annual rent.
- For the purpose of paragraph (c), the average rent shall, for the purpose of calculating duty, if a rent at other than market value is provided in the instrument of lease, be declared at the market value having regard to any premium charged.

In calculating the length of a term for the purpose of this head of duty, the term shall be deemed to cover any period by which, by the exercise of an option or other arrangement or device, the lessee or his assigns may have power to extend the said term.

Where in any term a possible increase of future rent is left to be settled by any agreement with or without arbitration, the instrument of lease shall, when such increase of rent has been ascertained be stamped up with the balance of duty which would have been payable had the actual average rent for the whole of the term been ascertainable at the commencement thereof; but until such increase has been ascertained the average annual rent shall be calculated without allowance for such increase:

Provided that, in any case where it is apparent that such possible increase of future rent cannot be less than a certain amount, then without prejudice to the obligation to stamp up the instrument of lease with the balance of duty after the average annual future rent has been ascertained, such minimum future rent shall be included in the calculation of the actual average rent for the whole of the term when duty is first calculated on the instrument of lease.

Provided further that no duty shall be payable under this head where the immovable property or the interest therein is situated outside the Islands.

MORTGAGE, being a security by way of a mortgage for the payment of any definite sum of money advanced or lent at the time or previously due and owing, or forborne to be paid, being payable or for the repayment of money to be thereafter lent, advanced or paid or which may become due upon a current account, together with any sum already advanced or due or without, as the case may be, howsoever the instrument creating the same may be described-

- (a) being a debenture or a legal or equitable mortgage or charge of immovable property -

the owner or his agents in any reasonable manner the owner or his agent may stipulate, of the completion of the adjudication.

22. In addition to any penalty imposed by this Law for late stamping or non-stamping of any instrument which is required to be stamped, there shall be charged interest at ten per cent per annum for the first month or part of a month and thereafter at the rate of twenty per cent per annum upon the total amount of the duty so remaining unpaid:

Interest to be charged upon instruments remaining unstamped

Provided that the Commissioner may, at his discretion, for good cause, waive payment of the whole or any part of such interest.

23. Subject to the Evidence Law (2002 Revision) no instrument shall be rejected as evidence in any court or legal tribunal by reason only that it is unstamped or insufficiently stamped for the purpose of this Law, provided, in any civil case, the person pro-pounding the instrument shall be required to stamp or stamp-up the instrument-

Unstamped instruments as evidence 2002 Revision

- (a) if the deficiency of duty paid is in respect of ad valorem duty, with twice the amount of the deficiency; or
- (b) in any other case, with twenty times the amount of the deficiency,

and, in any criminal case, the instrument shall be impounded and, at the termination of the case, sent to the Commissioner for such action as he may deem fit.

24. (1) Every public officer having in his custody any records, books, papers or proceedings, the inspection of which may lead to the discovery of evasion or omission of payment of stamp duty required by this or any other law to be paid, shall, at all reasonable times, permit the Commissioner to inspect and take copies of such records, books, papers or proceedings.

Records, etc., to be open to inspection

(2) Every public officer who receives or has in his control any instrument which he has reason to believe is chargeable with duty under this Law is either unstamped or under-stamped shall impound the same and forward it to the Commissioner who shall adjudicate the same and thereafter deal with it according to this Law.

25. The Commissioner may, in proper cases, and subject to such terms, including the making by any person of a declaration on oath or affirmation, make refund to any person in respect of stamps which have inadvertently been spoiled, obliterated or otherwise rendered unfit for the purpose for which they were issued under this Law or in any other case in respect of which he considers in his discretion it is just to make such a refund.

Allowance for spoiled, etc., stamps

26. The Governor may make regulations prescribing-

Regulations

	(a) types of stamps for issue to the public for use under this Law; (b) stamp embossing machines and the use thereof; and (c) anything necessary to be prescribed for the implementation of this Law.
Rules of court and costs	27. The Chief Justice may make rules for the conduct of appeals under this Law and for the scale of costs to be charged for the purpose of section 13.
Offences	28. (1) Any person who- (a) with intent to defraud, fails to issue a receipt in respect of money paid to him or fails to stamp any instrument upon which duty is payable under this Law, it being his duty so to do; (b) with intent to defraud, presents or causes to be presented for recording or registration any instrument upon which duty is payable which has not been duly stamped; (c) with intent to defraud, contravenes section 15, 16, 18, 20, 21 or 24; (d) without authorisation, deals in any stamps issued for the purpose of compliance with this Law; (e) being entrusted with any money for the purpose of stamping any instrument in compliance with this Law, fails to apply such money to such purpose; (f) forges any stamp or die provided for the purposes of this Law; (g) makes any false statement or declaration for the purpose of avoiding or mitigating any charge to duty payable under this Law or withholds any information which, under this Law, he has a duty to disclose with regard to the true consideration for or any other matter affecting the stamping of any instrument upon which duty is payable; (h) being a public officer, knowingly records or registers any instrument upon which duty is payable, which has not been duly stamped; (i) fails without reasonable excuse to comply with a notice under section 6(1) or, in purported compliance with such a notice knowingly or recklessly supplies information or produces a record which is false or misleading in a material respect; (j) refuses without reasonable excuse to attend in compliance with a notice under section 7(2), or to give evidence as required by such a notice, or knowingly alters, suppresses, conceals, destroys or refuses to produce any record which he may be required to produce for the purposes of that section; (k) fails to comply with section 20(3) or (4); or (l) knowingly fails to comply with any other requirement contained in this Law,

where it has been certified by the Commissioner to be a conveyance or transfer in respect of which he is satisfied that the provisions of this paragraph may properly apply.

Where land (including a building) is transferred to a Caymanian for the purpose of his first owner occupied home and the consideration is \$125,000 or less or where land (without a building) is transferred to a Caymanian for the purpose of the construction of his first owner occupied home and the consideration for the land is \$25,000 or less, there is no charge to duty on the instrument effecting such transfer. In order for an instrument to be stamped in accordance with this subparagraph it must be accompanied by an affidavit attested by a justice of the peace or any other person qualified to attest to documents in the Islands and stating that the land is transferred to a Caymanian for the purpose mentioned herein. In the adjudication of any instrument to which this paragraph relates the Financial Secretary may impose such other conditions as he considers reasonable to give effect to this paragraph. For the purposes of this provision “Caymanian” means a person with Caymanian status within the meaning of the Immigration Law (2001 Revision).

2001 Revision

DEED of any kind whatsoever, not described in this Schedule: \$25

EXCHANGE (see Conveyance)

HYPOTHECATION (see Mortgage)

INSURANCE (see Policy of Insurance)

LEASE OR AGREEMENT FOR A LEASE OF IMMOVABLE PROPERTY OR ANY INTEREST THEREIN-

- (a) where the term exceeds thirty years-

the same duty as on a conveyance on sale upon the full value of the property or interest therein;
- (b) where any premium or other valuable consideration other than or in addition to rent is provided in the instrument and the term is thirty years or less-

the same duty as on a conveyance on sale upon the premium or other consideration;
- (c) where the consideration or any part of the consideration is rent and the term is thirty years or less-

(i) if the term does not exceed five years, a duty equal to 5% of the average annual rent;

Provided that where the Commissioner is satisfied that there is a conveyance or transfer to or from a land holding corporation (as defined in the Land Holding Companies Share Transfer Tax Law (2002 Revision)) and the conveyance or transfer is, as the case may be, from or to a person or persons who in aggregate are the legal and beneficial owners of not less than forty-five per cent of the shares in the corporation then he may, in his absolute discretion, abate this charge to duty by such percentage, not being a percentage greater than such person's or persons' percentage holding in the corporation, as he shall think fit.

For the purpose of this charge to duty the expression "conveyance or transfer" includes every instrument pursuant to which any land, strata title or interest therein is transferred to, acquired or enjoyed by another which shall include the right to occupy the same or enjoy the rents and profits thereof, and includes any grant, bargain, assignment, release, foreclosure or disclaimer howsoever described but shall not include any instrument conferring or vesting such rights in a receiver or any lease or licence or agreement for a lease or licence.

An instrument whereby an interest in land or strata title is conveyed or transferred to any person in contemplation of a sale of that interest shall be treated for the purposes of this Law as a conveyance or transfer on sale of that land or strata title for a consideration equal to the value contemplated in respect of that sale.

A power or letter of attorney with respect to any immovable property given for consideration, or declared to be irrevocable, is chargeable to duty as a conveyance on sale. The exercise of a power of appointment to any interest in immovable property if exercised otherwise than by will is chargeable to duty as a conveyance on sale.

For the removal of doubt it is declared that a sale in exercise of the power of sale of a mortgagee of immovable property is chargeable as a conveyance on sale of the whole of the immovable property subject to the mortgage:

Provided that no duty shall be payable under this head where the immovable property is situated outside the Islands.

There is a charge to duty in the sum of fifty dollars in the case of-

- (a) a conveyance or transfer expressed to be for natural love and affection between a parent and a child or between spouses; or
- (b) a conveyance or transfer expressed to be for natural love and affection between children born of the same parent, or between a grandparent and a grandchild,

is guilty of an offence in addition to any other offence he may hereby have committed under any other law.

(2)An offence shall be deemed to have been committed on the day when it shall first come to the knowledge of the Commissioner.

29. (1) Whoever commits an offence under section 28(1) or attempts to commit or aids or abets any other person to commit such an offence is liable on summary conviction to a fine of five hundred thousand dollars and to imprisonment for five years. Penal

(2) The Governor may, in his discretion, reward any person who informs him of any offence or assists in the recovery of any duty under this Law.

(3) Where an offence under section 28 (1) has been committed by a body corporate and is proved to have been committed with the consent or connivance of, or to be attributed to any neglect on the part of, any director, member, secretary or other similar officer of that body, or any person who was purporting to act in that capacity, he as well as the body corporate shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

30. (1) If any person of a description referred to in subsection (2) is convicted of an offence under section 28(1), the Governor may, in addition to any other penalty imposed by a court in respect of that conviction, suspend or terminate that person's licence or authorisation practice or carry on business or suspend or remove that person from his office, for such time and on such conditions as the Governor may determine. Attorneys, etc., who wilfully contravene Law may be specially dealt with

(2) The descriptions of person referred to in subsection (1) are any-

- (a) attorney-at-law;
- (b) bank or trust company;
- (c) officer or other employee of a bank or trust company;
- (d) accountant;
- (e) agent; or
- (f) broker or estate agent,

licensed or authorised to practise or carry on business or employment as such in the Islands.

31. The Governor may, from time to time, waive or reduce any or all of the fees specified under the following headings in the Schedule in relation to any person or group of persons in Cayman Brac or Little Cayman- Waiver of fees: Cayman Brac, Little Cayman

Agreement or Memorandum of Agreement-(a)(i);

Assignment-(b) and (c);
Attorney, Power of;
Deed;
Mortgage-(a), (b), (c), (d) and (e); and
Withdrawal of Caution.

Electronic records

32. (1) Where an instrument which is liable to duty under this Law is in the form of an electronic record, a printed copy of the instrument shall be prepared and stamped in all respects in accordance with this Law.
- (2) Until a printed copy of an instrument in the form of an electronic record has been stamped in accordance with subsection (1), the instrument shall be unstamped for the purposes of this Law.

For the purposes of this charge, the expression “charter party” means any agreement or contract for the charter of any ship, vessel, hovercraft or aircraft or any memorandum, letter or other writing between the captain, master or owner of any ship, vessel, hovercraft or aircraft, and any other person for or relating to the freight or conveyance of any money, goods or effects on board thereof.

**See note at page 25 onwards*

***CONVEYANCE OR TRANSFER** of any immovable property-

- (1) The charge to duty on conveyances or transfers of immovable property in the following registration sections, blocks and parcels is 9% of the value of the consideration:

Registration Section	Block
(i) West Bay	5C, (parcels with water frontage only, but including any parcel subsequently derived from another parcel with water frontage existing at the 9th June, 1997) 5D, 10A, 10E, 11B, 11C, 11D, 12C, 12D, 12E, 17A.
(ii) George Town	13B, 13C, 13E, 13EH (parcels with road frontage on West Bay Road, Eastern Avenue and North Church Street) 13D (parcels with road frontage on Eastern Avenue) 14BG, 14BH, 14BJ, 14CJ, OPY, 18A.

- (2) The charge to duty on conveyances or transfers of immovable property in areas not specified in paragraph (1) is 7.5% of the value of the consideration.

For the purpose of this charge to duty the consideration shall be deemed to be the total monetary market value of the property of which the right of disposal is conveyed or transferred, irrespective of any mortgage, charge, lien or other encumbrance to which it is subject, or of the actual form the consideration may take, the period, if any, over which the consideration is payable, whether or not the property conveyed or transferred is contained in one or more parcels or lots and whether or not the property is conveyed or transferred by one or more instruments, provided that in the case of the use of more than one instrument in respect of any one or more of the same parcels one such instrument shall be declared to be the principal instrument and shall recite the value of the property as hereby defined and shall bear the whole of the *ad valorem* duty subject to this charge, but so that where the parties desire to convey or transfer different parcels by different instruments, the *ad valorem* duty charged may be apportioned among such instruments;

(5) Assignment of any rights under an agreement or memorandum of agreement for or in relation to the purchase of or an interest in any land, strata title or other immovable property where there is no consideration- \$200.

ATTORNEY, POWER OF, including a letter of attorney where no other duty is specified under any other head of charge \$25
(see also Conveyance, Mortgage).

BILLS OF EXCHANGE

- (a) cheques 10 cents
- (b) drafts, orders, acceptances, letters of credit, promissory notes or I.O.U.'s for payment to the bearer or to order, of any sum of money-

not exceeding \$100 25 cents
for every extra \$100 or part thereof 25 cents
up to a maximum of \$250

- (c) where any of the instruments specified in paragraphs (a) and (b) of this head are issued as part of a series of instruments hereinafter called an "issue") ranking equally amongst themselves, such instruments, and any global instrument relating thereto, whether secured or unsecured and any assignment or transfer thereof, shall not be subject to duty under this Law if the issuer is an exempted company or an ordinary non-resident company (as defined in the Companies Law (2002 Revision)) or a body corporate incorporated outside the Islands and has paid a duty of five hundred dollars in respect of such issue and the issue is not secured by immovable property situated in the Islands.

BILL OF LADING for goods exported: \$2.

BILL OF SALE (see Mortgage)

CERTIFICATIONS given under the hand of the Governor or any other public officer not holding a post in the judicature verifying or confirming the authenticity, or correctness or accuracy of any duplicate or copy, of any instrument which certifications are not otherwise chargeable to duty or attract any official fee or payment under this or any other law: \$2

CHARGE (see Mortgage)

CHEQUE (see Bill of Exchange)

CHARTER-PARTY: \$10

SCHEDULE

section 3(1)

Rates of Duty

ADJUDICATION of an instrument-

1% of the sum adjudicated with a minimum of \$1 and a maximum of \$25

ADMINISTRATION (see Probate)

*AGREEMENT OR MEMORANDUM OF AGREEMENT

**See note at page 25 onwards*

1. (1) Agreement or memorandum of agreement for the purchase of any land or strata title (or interest in any land or strata title)-

- (a) under which no right to possession is conferred or derived-

- (i) \$100; or either-

- (ii) if the property is in an area specified in paragraph (1) of the head "CONVEYANCE OR TRANSFER of any immovable property"- 9% of the value of the consideration; or

- (iii) if the property is in an area not specified in paragraph (1) of the head "CONVEYANCE OR TRANSFER of any immovable property"- 7½% of the value of the consideration,

at the option of the purchaser; or

- (b) under which a right to possession is conferred or derived, either-

- (i) if the property is in an area specified in paragraph (1) of the head "CONVEYANCE OR TRANSFER of any immovable property"- 9% of the value of the consideration; or

- (ii) if the property is in an area not specified in paragraph (1) of the head "CONVEYANCE OR TRANSFER of any immovable property"- 7½% of the value of the consideration.

(2) Where duty of 7½% or 9% is paid under paragraph (1) and, subsequent to the agreement or memorandum of agreement, a conveyance or transfer is executed which-

- (a) is in conformity with the agreement; or

- (b) relates to the same property as the agreement,

the duty which would otherwise be charged on the conveyance or transfer shall be extinguished.

(3) For the purposes of this head of duty, an agreement or memorandum of agreement for the sale or purchase of any land or strata title (or interest in any land or strata title) shall be deemed to confer, or permit the derivation of, a right of possession unless the agreement or memorandum of agreement expressly prevents such a right from being conferred or derived.

(4) For the purposes of this Law-
“possession” includes the collection of rents.

(5) Where an agreement or memorandum of agreement is under hand and where no other duty is specified under this head or any other head of charge: \$2.

AIR WAYBILL for goods exported (including a COURIER AIRWAYBILL):\$2.

APPOINTMENT, POWER OF, exercised by any instrument other than a will where no other duty is specified under any other head of charge: \$6.

(see also Conveyance)

ASSENT to the vesting of land by personal representatives: Nil.

**See note at page 25 onwards*

*ASSIGNMENT

(1) Assignment of any rights under an Agreement or Memorandum or Agreement relating to the purchase of any land or strata title (or an interest in any land or strata title)-

- (a) where there is no premium for the assignment and there is no right to possession conferred or derived under the assignment and where the land or strata title or an interest therein is in an area specified in paragraph (1) of the head “CONVEYANCE OR TRANSFER of any immovable property”- 9% of the value of the consideration or \$200 at the option of the assignee;
- (b) where there is no premium for the assignment and there is no right to possession conferred or derived under the assignment and where the land or strata title or an interest therein is not in an area specified in paragraph (1) of the head “CONVEYANCE OR TRANSFER of any immovable property”- 7½% of the value of the consideration or \$200 at the option of the assignee;
- (c) where there is a premium for the assignment and there is no right to possession conferred or derived under the assignment and where the land or strata title or interest therein is in an area specified in paragraph (1) of the head “CONVEYANCE OR

TRANSFER of any immovable property”- 9% of the market value of the property or 9% of the value of the premium, at the option of the assignee;

- (d) where there is a premium for the assignment and there is no right to possession conferred or derived under the assignment and where the land or strata title or interest therein is not in an area specified in paragraph (1) of the head “CONVEYANCE OR TRANSFER of any immovable property”- 7½% of the market value of the property or 7½% of the value of the premium, at the option of the assignee;
- (e) where there is a right to possession conferred or derived under the assignment and where the land or strata title or interest therein is in an area specified in paragraph (1) of the head “CONVEYANCE OR TRANSFER of any immovable property”- 9% of the market value of the property; or
- (f) where there is a right to possession conferred or derived under the assignment and where the land or strata title or interest therein is not in an area specified in paragraph (1) of the head “CONVEYANCE OR TRANSFER of any immovable property”- 7½% of the market value of the property.

(2) Where *ad valorem* duty is paid on the market value of the property or the value of the premium under paragraph (1) and a subsequent conveyance or transfer is executed which-

- (a) is in conformity with the assignment; or
- (b) relates to substantially the same property as the assignment,

the duty which would otherwise be charged on the subsequent conveyance or transfer shall be reduced or extinguished by the deduction therefrom of the duty paid on the assignment.

(3) For the purpose of this head of duty, an assignment of any land or strata title (or interest in any land or strata title) shall be deemed to confer or permit the derivation of a right of possession unless the assignment expressly or effectually prevents such a right from being conferred or derived.

(4) Assignment of a debt, policy of life assurance or, subject to paragraph (5), any other thing in action where no duty is payable under any other head or charge except shares, interests in trust funds, interests in partnerships, warrants or options or other rights to acquire shares, interests in trust funds or in partnerships

- \$100.