

CAYMAN ISLANDS



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**STAMP DUTY LAW (2005 REVISION)**  
**STAMP DUTY (RATES OF DUTY) REGULATIONS, 2006**



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The Governor, in exercise of the powers conferred by section 27 of the Stamp Duty Law (2005 Revision), makes the following regulations –

1. (1) These Regulations may be cited as the Stamp Duty (Rates of Duty) Regulations, 2006. Citation and commencement
- (2) These Regulations shall come into force on 1<sup>st</sup> July, 2006.
2. The Schedule to the Stamp Duty Law (2005 Revision) is amended – Amendment of Schedule to the Law – rates of duty
  - (a) by deleting “\$25” from under the heading “ADJUDICATION of an instrument” and substituting “\$1,000”;
  - (b) by deleting paragraph (1) (a) and (b) under the heading “AGREEMENT OR MEMORANDUM OF AGREEMENT” and substituting the following subparagraphs –
    - “(a) under which no right to possession is conferred or derived –
      - (i) \$100; or
      - (ii) the same duty as on a conveyance or transfer of the land, strata title or interest executed in conformity with the agreement, at the option of the purchaser; and
    - (b) under which a right to possession is conferred or derived, the same duty as on a conveyance or transfer

of the land, strata title or interest executed in conformity with the agreement.”;

- (c) by deleting paragraph (2) under the heading “AGREEMENT OR MEMORANDUM OF AGREEMENT” and substituting the following paragraph –

“(2) Where *ad valorem* duty 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) is in conformity with the agreement except for minor discrepancies, due to survey or otherwise, in the description of the property concerned,

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 agreement or memorandum of agreement.”;

- (d) by deleting paragraph (1) (a), (b) and (c) under the heading “ASSIGNMENT” and substituting the following subparagraphs –

“(a) where there is no premium for the assignment and no right to possession is conferred or derived under the assignment –

- (i) \$200; or
- (ii) the same duty as on a conveyance or transfer, executed in conformity with the assignment, of the land, strata title or interest concerned,

at the option of the assignee;

(b) where there is a premium for the assignment and no right to possession is conferred or derived under the assignment –

- (i) \$200; or
- (ii) the same duty as on a conveyance or transfer, executed in conformity with the assignment, of the land, strata title or interest concerned,

at the option of the assignee; and

(c) where a right to possession is conferred or derived under the assignment, the same duty as on a conveyance or transfer, executed in conformity with the assignment, of the land, strata title or interest concerned.”;

- (e) by deleting paragraph (2) (b) under the heading “ASSIGNMENT” and substituting the following subparagraph –
- “(b) is in conformity with the assignment except for minor discrepancies, due to survey or otherwise, in the description of the property concerned.”;
- (f) by deleting paragraph (1) under the head of duty “CONVEYANCE OR TRANSFER of any immovable property” and substituting the following paragraphs –

“(1) The charge to duty on a conveyance or transfer of immovable property in the registration sections, blocks and parcels included in the following Table is 7.5% of the consideration:

<i>Registration section</i>	<i>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 1 <sup>st</sup> July, 2006), 5D, 10A, 10E, 11B, 11C, 11D, 12C (parcels with water frontage only, but including any parcel subsequently derived from another parcel with water frontage existing at the 1 <sup>st</sup> July, 2006), 12D, 12E, 17A.
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.

(1A) Except as provided by paragraph (1), the charge to duty on a conveyance or transfer of immovable property is –

- (a) 4% of the consideration, if the transferee is a Caymanian; or
- (b) 6% of the consideration, in any other case.”;
- (g) by deleting from paragraph (2) appearing under the heading “CONVEYANCE OR TRANSFER of any immovable property” the words “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” and substituting the

words “head of duty, the consideration shall be deemed to be the consideration recited in the instrument effecting the conveyance or transfer or the market value of the property conveyed or transferred, whichever is the higher”;

- (h) by inserting after paragraph (2) appearing under the heading “CONVEYANCE OR TRANSFER of any immovable property” the following paragraph –

“(2A) For the purposes of paragraph (2), the market value of any property is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”;

- (i) by deleting paragraph (8) appearing under the heading “CONVEYANCE OR TRANSFER of any immovable property” and substituting the following paragraphs –

“(8) Notwithstanding paragraph (1A), where land (other than land included in the Table to paragraph (1)) is transferred to a Caymanian for the purpose of his first owner-occupied home –

- (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 \$200,000 or less; or
  - (ii) in the case of land without a building, the consideration is \$50,000 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 \$200,000 but does not exceed \$300,000; or
  - (ii) in the case of land without a building, the consideration exceeds \$50,000 but does not exceed \$75,000.

An exemption or concession afforded by this paragraph in respect of duty shall be subject to such conditions as the Financial Secretary may think fit to impose in order to prevent exploitation of those provisions by persons who are not bona fide first home purchasers, or bona fide purchasers of land for first home building purposes.

(9) For the purpose of this head of duty, “Caymanian” has the meaning ascribed to it in the Immigration Law, 2003.”;

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- (j) by inserting under the head of duty “LEASE OR AGREEMENT FOR A LEASE OF IMMOVABLE PROPERTY OR ANY INTEREST THEREIN” before the paragraph that commences with the words “In calculating” the following paragraph –

“For the purpose of this head of duty, the market value of rent is the estimated amount for which the property should let on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm’s-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.”; and

- (k) by deleting “10 cents” from beneath the heading “RECEIPTS” and substituting “25 cents”.

Made in Cabinet the 6th day of June, 2006.

C. H. WATLER  
Clerk of the Cabinet.

Laid in the Legislative Assembly on the 9th day of June, 2006 in accordance with section 27 of the Stamp Duty Law (2005 Revision).

WENDY LAUER EBANKS  
Clerk of the Legislative Assembly