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Private Client & Wealth Management
BULLETIN

The Stamp (Amendment) Bill, 2010

The government of The Bahamas proposes to make significant amendments to the law relating to stamp duties through an amendment to the Stamp Act. In this regard, the government has drafted the Stamp (Amendment) Bill 2010 (the "Amendment") which is currently being reviewed by parliament. It is anticipated that the Bill will come into force on 1st July 2010.

The proposed Amendment makes a number of important changes to the Stamp Act, including varying certain duty rates currently in place, providing for additional exemptions, removing some existing exemptions, repealing stamp duty requirements for court documents and clarifying certain provisions.

One of the proposed changes will be of particular interest to private clients. Section 12 (b) of the Amendment will give an exemption on "instruments relating to a gift or voluntary disposition of property by an individual to trustees upon trust for a class of persons where such class of persons is unalterably limited to the transferor his spouse and or his children or grandchildren".

Under the current law, every voluntary transfer of real property located in The Bahamas is subject to stamp duty based on the value of the property whether or not the property is being transferred to a trust for family members or not. It should be noted that the exemption given under section 29 (3) of the Stamp Act on conveyances or transfers made to a beneficiary by a trustee or other person who is a fiduciary under a trust, remains in effect.

When the provision of the Amendment highlighted above comes into effect, it will be helpful to clients who have purchased land in The Bahamas and want to transfer the property to a trust for the benefit of immediate family members including the settlor. Previously, such transfers were often not made because of the costs involved.

A more detailed analysis concerning the Amendment will be published in the next issue of Focus, our firm's newsletter.

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