



Where Inspiration becomes reality!

NEWS

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Welcome

Welcome to the second edition of Invest TCI News. The team at Invest TCI has been extremely busy spending the earlier part of the year focusing on the outlook for 2018 and beyond. The Agency is happy to be the driver of the revised Turks and Caicos National Investment Policy 2018 redrafted under the direction of the Ministry of Finance, Trade and Investment. We will provide an overview of the Turks and Caicos National Investment Policy 2018 and outline a number of key take-aways. Additionally, we will update you on several promotional events the Agency has attended over the past months, as well as FDI trainings and workshops attended by the staff. Finally, we will look at the progress of recent developments taking place around the islands.

TURKS AND CAICOS NATIONAL INVESTMENT POLICY 2018

The revised Turks and Caicos Islands National Investment Policy (IPS) was approved in Cabinet in April 2018 with a goal of encouraging more local and foreign direct investment into the Turks and Caicos economy. The IPS highlights several goals of the Turks and Caicos Islands Government to create a new investment model that will maintain a dynamic, growing economy which is better equipped to tackle economic and social challenges and is more resilient to external shocks. Below are five key points you should take away from the National Investment Policy 2018.



Five (5) Key take-aways from the National Investment Policy:

1. The IPS highlights several development priorities, noticeably, the diversification and strengthening of the tourism sector, expansion and critical care of the cruise sector, revitalization of the financial services sector, growth of the manufacturing, fisheries and agriculture sectors, development of renewable energy technology, growth of the information technology sector and development of infrastructure through private-public partnerships.
2. The IPS provides provision for selected incentives to **support firms in their initial startup activities** and to assist existing firms to maintain their products and services.

“Projects in the Family Islands (All islands and cays except Providenciales) are eligible for a 75% duty concession.”

Five (5) Key Take-aways Cont'd

Below are the following Incentives:

- Projects in Providenciales to be eligible for a 50% import duty concession.
- Projects in the Family Islands (All islands and cays except Providenciales) are eligible for a 75% duty concession.
- Stamp duties for projects in the Family Islands will be assessed at 50% of the prevailing rate.
- Crown lands will be provided in exceptional circumstances, where private land is not available to support the development and the TCI Government considers the project to be in the national interest.

3. Invest TCI has a mandate to oversee the determination of “eligibility” for investment incentives and monitoring performance, once a Development Agreement has been signed. Invest TCI staff will fundamentally assess projects based on the Public Investment Assessment framework and will undertake various activities with respect to determining the eligibility of projects for investment incentives.

4. The TCI Government is committed to pursuing its development priorities and to delivering an approval process to accommodate those projects that are open, transparent, efficient, effective and timely. The TCI Government has implemented the following approval process, namely:

- **Applicant submits proposal** for a development project.
- **Invest TCI acknowledges receipt** of application within 48 hours.
- Applicant's **proposal is reviewed to determine if it meets the six tests for a development project** and a **due diligence report** is prepared on the project owners.
- Application is **circulated to key Ministries who must review the project for possible “fatal” flaws** related to areas such as planning, environment, human resources or international agreements. *Ministries will have 14 days from receipt* of the application to provide their responses to Invest TCI. Performance will be managed through Service Level Agreements between the Ministry of Finance, Invest TCI and the Ministries.
- If the Application is deemed to be “eligible” it is **referred to the Cabinet for approval in principle**.
- If the Application is deemed to be “ineligible” Invest TCI notifies the clients of a “No” decision or outlines areas where deficiencies may need to be addressed.
- Once an application is deemed “eligible” **Invest TCI will submit to the developer a “Standard Development Agreement” to the proponent**. The standard Development Agreement format will be derived from the dozens of Development Agreements already signed and will provide a common set of obligations and concessions.

Five (5) Key Take-aways Cont'd

The proponent will have the opportunity to accept or reject the standard agreement.

- If the proponent accepts the Development Agreement, **it is presented to Cabinet for final approval and signing.**
- If the proponent rejects the Development Agreement, the proponent will be free to continue their project without concessions.

5. The TCI Government is committed to proactively supporting local investment in all sectors and encouraging a balanced approach to investment distribution (size, location, sectors). There will be a strong focus on **encouraging domestic investment** in three ways, namely:

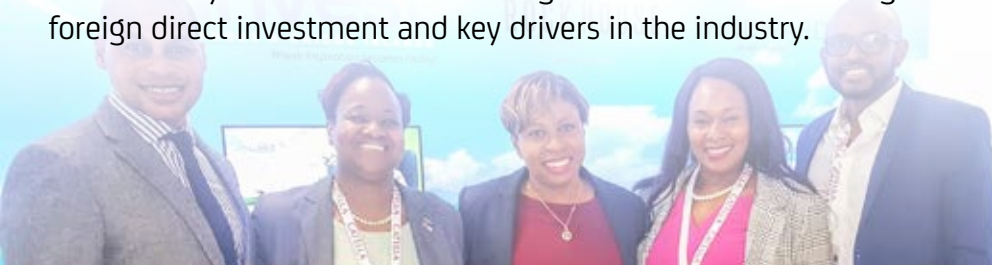
- *Actively market “stalled” projects.*
- *Collaborate with communities to identify and market domestic investment opportunities.*
- *Establish a strong Aftercare Program to continue to encourage re-investment by developers.*

Additionally, there is a strong Focus on Grand Turk - **The TCI Government will provide development incentives to eligible projects built inside the boundaries of Cockburn Town in Grand Turk. Under The Capital Town Revitalization Incentive, eligible projects within Cockburn Town will be expanded to include any home, business, attraction or commercial facility with a project value greater than \$250,000 that will support and encourage tourism and help to rebuild the historic community of Cockburn Town.**

To read the complete Turks and Caicos National Investment Policy 2018, [click here](#).

CONFERENCES, STAFF TRAINING AND WORKSHOPS

The Agency kicked off the year in full force with various promotional events, staff trainings and workshops. Our goal as an organization is continuous promotion of the Turks and Caicos Islands to attract sustainable foreign direct investment that will support and strengthen a strong and thriving economy. Additionally, as staff of the Agency, we aim to continuously educate ourselves and gain a solid understanding of foreign direct investment and key drivers in the industry.



“The TCI Government is committed to proactively supporting local investment in all sectors...”

CONFERENCES

ALIS

January 22nd-24th, 2018, the Agency attended The Americas Lodging Investment Summit (ALIS) in Los Angeles, California. One of the leading and largest hotel investment conferences, ALIS afforded the team numerous networking opportunities, featured an extensive array of seminars and panel discussions by industry experts providing information on industry trends and an opportunity to promote the TCI as a lucrative investment destination.

MIPIM

The Agency and partners promoted the Turks and Caicos Islands at MIPIM, the world's leading international real estate business conference and networking event in Cannes, France (March 13th-16th, 2018).

The 2018 installment of MIPIM saw over 26,000 real estate, city and political leaders, including 5,400 investors from over 100 countries. Led by Invest Turks and Caicos Agency, the TCI delegation consisted of the Turks and Caicos Tourist Board, The Turks and Caicos Hotel and Tourism Association, Rock House Resort Turks and Caicos, Windward Development and Vista Development TCI. MIPIM was a great opportunity for Team TCI to present a unified voice to investors, industry partners and decision makers from international companies, from around the world.

Team TCI gained maximum exposure with a vibrant and attractive exhibit that was located in the Tourism and Hospitality Zone and ran an activity of programmes which promoted investment opportunities in the Islands, as well as showcased our tourism industry, beautiful luxurious resorts and new developments in the country.



Caribbean Hotel and Resort Investment Summit

For the third consecutive year, Invest TCI was present at the Caribbean Hotel and Resort Investment Summit in Miami, Florida, May 16th-18th, 2018. The team attended a targeted investment session hosted by the Caribbean Association of Investment Promotion Agencies, as well as three days of conference sessions where the team networked, sat in several plenary sessions, and met with potential investors.

Smart Island World Congress

The Smart Island World Congress took place in Mallorca, Spain April 28th-29th, 2018. Its second edition saw 95 speakers and more than 1,200 registered visitors from 100 islands worldwide and more than 175 international delegations.

During the course of the two-day event, the congress sessions gave voice to national and international islands leaders, company experts and authorities from around the world, and featured intense, rich, high-quality debates about current challenges, solutions and the future of islands from the most innovative perspectives.

The Agency's Senior Vice President made a presentation on the topic, 'Lessons learnt from common industrial strategies for diversification and the implications of those strategies for economic promotion in island economies. The session facilitated transformative dialogue which the Agency found beneficial.

The Boutique Hotel and Investment Conference 2018

The Boutique Hotel Investment Conference was held in early June in New York, and the Turks and Caicos Islands was represented at this event.

Tapping into the boutique hotel market will help to address the need to identify potential investment projects to filter through to the underdeveloped family islands. The boutique hotel model which is common to Providenciales would be ideal to enhance the investment attractiveness and development of the family islands.



Staff training and Workshops

In addition to the various conferences, members of the Invest TCI team attended a Conway FDI Training held in New York, May 22nd-23rd. Conway is one of the world's leading events firm on foreign direct investment and global corporate location trends.

The two-day intensive training was led by internationally based, expert Site Selection and FDI Consultants, covering essential topics and trends in FDI attraction, retention and expansion. The staff found the training to be invaluable and incorporated a number of best practises into the Agency's operations.

Members of the team also attended The Highly Effective Executive, Secretaries & Office Administrators Programme and Regional Stakeholders' Meeting, Mastering Quickbooks Training hosted by Intuit Quickbooks and Proposal Writing Workshop hosted by The Caribbean Development Bank. The team also took part in a one-day workshop on Franklin Covey's "The 7 Habits of Highly Effective People."



INVEST TCI IN THE COMMUNITY

When the Invest TCI Team is not working to serve clients better, they are giving back to the community. Invest TCI staff has taken the time out of their busy schedule to give back to the community volunteering and assisting the Junior Achievers Programme by lecturing several JA sessions to various high school students. The staff found the experience very enlightening and was happy to lend a hand and impart knowledge and experience to young people.

The students at Wesley Methodist High School were also pleased to receive a presentation from the Agency team during their career week activities. Students were enlightened on the role and function of Invest Turks and Caicos and encouraged to adequately prepare themselves to enter the labor force.



INVESTMENT DEVELOPMENT UPDATES

According to the Turks and Caicos Market Report and update by Sotheby's International, real estate activity was off to a flying start in the first quarter of 2018 with a 16% increase in gross dollar volume. Sotheby's reinforces the healthy growth pattern of the islands despite the impact of Hurricanes Irma and Maria and expressed that the islands can look forward to continued growth as new developments are completed in the months and years to come. Here's an update on a number of recent developments:

Ritz Carlton

Following our last newsletter, The Ritz-Carlton Hotel and Residences has made significant strides with full planning approval and building permits. The luxury development held an official groundbreaking ceremony on February 26th, 2018. Roberto Stipa of Desarrollos Hotelco, the principal developer of the Ritz-Carlton Hotel & Residence commented that their journey in getting the project off the ground was a long one and that the groundbreaking event marked a big step towards a long and lasting relationship between Desarrollos Hotelco and the Turks and Caicos Islands. They further expressed that through partnerships, tourists will have even more reasons to visit the TCI.

The proposed 12 story development which comprises hotel rooms, condo hotel residence, pool and amenities are currently under construction and is scheduled to be completed by 2020.

Royal Reef Resort and Spa

The groundbreaking of the Royal Reef Resort and Spa took place April 27th, 2018 in Sandy Point, North Caicos. Chinese developer Guo Liang Tian acquired the stalled development with a vision of transforming the property into a luxury five-star resort. The developer is currently working to finalize all planning and building permits. Construction is scheduled to start later in the year. Mr. Tian commented that they look forward to starting the development and creating an economic boost for the island of North Caicos.

Turks Cay Resort and Marina

The Turks Cay Resort and Marina development has been granted the necessary planning and building approvals to move forward with their \$100 million six story boutique resort in Turtle Cove, Providenciales. The development is expected to break ground in July 2018. The resort will consist of studio units, one bed room units, two-bedroom units, cabanas, swimming pools, four restaurants, bars, spa area, penthouses, 55 seat IMAX cinema and a multipurpose sports facility which will be computerized. The project will be very beneficial to the Turks and Caicos Islands helping to boost the tourism industry and creating jobs.



RITZ-CARLTON RESIDENCES



ROYAL REEF GROUNDBREAKING



TURKS CAY RESORT

Investment Developments Cont'd

Gansevoort Villas

Gansevoort Villas celebrated its grand opening and ribbon cutting on June 4th, 2018 with a cocktail reception at one of its Turtle Tail villas. Guests were able to experience the spectacular architecture and breathtaking oceanfront views of the unit. The recently completed Villa 5102 is offered completely furnished and turn-key, inclusive of many extras at \$4.5 Million.

Vista Development Ltd./Toscana

The Turks and Caicos Islands Government recently signed an amended Development Agreement with Vista Development Ltd. The seven story Luxury Resort located in the Lower Bight, features 59 hotel rooms and 74 residential units and will offer a number of amenities including restaurants and bars, health, wellness and spa facilities and state of the art fitness center.

Co-Managing Director of Vista Development Ltd., Jon Siegel, advises that construction of the project is set to begin in late 2018 and will emphasize the use of local contractors, providing employment for Turks and Caicos Islanders during the development phases. Set to open in 2021, the resort will also create a number of positions across many segments in the hospitality industry as they assemble their branded five-star service team.

MICRO SMALL MEDIUM ENTERPRISE

In addition to promoting FDI into the Turks and Caicos Islands, The Agency devotes significant efforts to the Micro Small Medium Enterprise Programme which is managed by Invest Turks and Caicos with support from the Centre for Entrepreneurial Development (CED) and Ministry of Finance, Investment and Trade.

To date over \$200,000 in programme benefits have been disbursed to numerous small businesses in various priority areas such as Tourism, Agriculture, Fisheries, Art and Music, and more.

The Agency will launch "Invest TCI: Powering MSME Growth across the TCI" campaign shortly with a focus on increasing awareness to the program and driving MSME growth across the TCI. The campaign will educate, empower and enable small business owners to fulfil their entrepreneurial ambitions by ensuring financial, technical support and guidance.



GANSEVOORT VILLAS



Ocean Breeze Laboratories
MSME Benefits Recipient

“...designed for persons who have Invested One Million USD in the Turks and Caicos Islands in a Home or Business”

INVESTOR Q & A

PERMANENT RESIDENCE CERTIFICATE: BY THE INVESTOR ROUTE

One of the most frequent questions we are asked by investors is, if there is a permanent residence program for investor. The answer is yes! Our inhouse Legal and Compliance Officer, **Oreika Selver** outlines the PRC programme:



The PRC Investor Route programme is one that is facilitated by Invest Turks & Caicos Agency. Applications are received and vetted by Invest TCI and then forwarded to the Ministry of Border Control and Immigration for further processing.

It is strictly under the jurisdiction of the Ministry of Border Control & Immigration - and is designed for persons who have Invested One Million USD in the Turks and Caicos Islands in a Home or Business and have no previous convictions. (see Section 13(2)(k) – Immigration Regulations 2016)

The Permanent Residence Certificate or PRC allows the Holder to legally enter and reside in the Turks and Caicos Islands indefinitely. The Holder of a PRC may also endorse his or her spouse and children under the age of 18.

Under separate categories of the Immigration Regulations 2016; an Investor may apply for a PRC if they have invested less than \$300,000 in the actual construction, purchase of a home or renovation of a distressed property or not less than \$750,000.00 in a business in the islands of Grand Turk, Salt Cay, South Caicos, Middle Caicos or North Caicos (see Section 13(2)(f), (g) – Immigration Regulations 2016).

The PRC does not give the holder the right to work. All applications for Investor PRC may be forwarded to Invest Turks & Caicos Agency.

For questions on requirements call +1 649-338-4772 or write to us at info@investturksandcaicos.tc.

INVESTOR Q & A Cont'd

A major focus of the Turks and Caicos National Investment Policy is to encourage domestic investment. As such, Investment Service Executive, **Rochelle Thompson** has put together the following FAQs on domestic investment:

Q: Does The Turks and Caicos Islands have a Joint Venture Policy for local residents with foreign investors?

RT: International Investors are encouraged to establish joint ventures with Turks and Caicos Islands partners. The choice of such TCI partnerships is in the absolute discretion of the investor.

Q: What areas of businesses are reserved for Turks and Caicos Islanders?

RT: The Business Licensing Regulations provides a list of business categories that are reserved for Turks and Caicos Islanders. We encourage Turks and Caicos Islanders to examine the list more carefully and frequently, as there is a wealth of business opportunities available. [Click here](#) to view a list of reserved business categories.

Q: What areas in particular should Turks and Caicos Islanders start to consider taking up?

RT: The Tourism Industry is our number one sector. Growth is rapid and so it is only fitting that Turks and Caicos Islanders should consider hotel development as another avenue of entrepreneurship. We believe there is great potential for boutique hotels, health & wellness resorts, eco-friendly luxury resorts and more. In line with the revised National Investment Policy 2018 and as part of the Governments strategy to diversify the economy, other areas where Turks and Caicos Islanders should consider are; attractions, historic/cultural tourism and retiree development, agrifood, construction, horticulture, Mari culture, Trusts, Captive Insurance, Mid markets, Information Technology services (video games, apps, search engines, coding, manufacturing, fishing and agriculture sectors, renewable energy technologies, just to name a few.

Q: Is there a required limit in an investment that would make the project eligible for concessions?

RT: There is no limit for the investment to qualify for concessions. However, there are other criteria which must be satisfied, such as; 1. that the prospective investor/developer has the financial means to carry out the



“International Investors are encouraged to establish joint ventures with Turks and Caicos Islands partners.”

INVESTOR Q & A Cont'd

project, 2. a satisfactory due diligence (both personal and project) is carried out and 3. the project is in the best interests of the public, i.e. it will create jobs for Turks and Caicos Islanders and generate recurring revenues for the Government.

Q: Are there special concessions for certain types of investments and on certain islands?

RT: Concessions vary between the island of Providenciales and all other islands. Investments in Providenciales may attract 50% concessions (import duties) and up to 75% on all other islands. Stamp duty on the purchase of real estate may attract a reduction of 50%. The Government is keen to support investments that make sense for the lessor developed islands.



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