



Government of the Turks and Caicos Islands

MINISTRY OF Finance, Investment and Trade

MINISTER – HONOURABLE Charles Washington Misick

PERMANENT SECRETARY Mrs Athenee Harvey-Basden

TITLE Heritage Turks and Caicos Islander Investment Incentive Policy

Invest Turks and Caicos Islands Agency

THE TURKS AND CAICOS ISLANDS

Policy No: _____

Effective Date:

1. Definitions

For the purpose of this Policy, unless the context otherwise requires:

Heritage Turks and Caicos Islander (HTCI) – A Turks and Caicos Islander who:

- Holds a valid Turks and Caicos Islander Status Card; and
- Can demonstrate lineage to a parent or grandparent who held TCI Islander status prior to the 1976 Constitution; or
- Can establish direct parent or grandparent lineage spanning three generations of Turks and Caicos Islanders.

Development Agreement (DA): A legally binding agreement between the Government and a developer defining the terms of approved incentives under the Encouragement of Development Act.

Concession Order: The instrument granting specific incentives approved by Cabinet.

Development Enterprise: An enterprise declared under the Encouragement of Development Act that meets criteria for beneficial economic impact.

Good Standing: An entity having no outstanding liabilities to the Government or statutory bodies and no pending litigation with TCIG.

Other definitions used herein are as in the National Investment Policy (2025).

2. Executive Summary

The Heritage Turks and Caicos Islander Investment Incentive Policy establishes a formal framework to promote direct domestic investment by Heritage Turks and Caicos Islanders (HTCIs). It addresses historical inequalities and market imbalances arising from dominance by foreign direct investment (FDI).

The Policy provides targeted investment incentives to HTCI entities within defined investment ranges to encourage greater local ownership, entrepreneurship, and participation in the national economy.

The Policy integrates with the National Investment Policy (2025) and the Encouragement of Development Act, ensuring that HTCI-led projects benefit from transparent access to the same enabling investment mechanisms as foreign investors.

Under this Policy, qualifying HTCI developments may receive:

- Up to 100% import duty exemption,
- Up to 50% stamp duty exemption on the initial property acquisition, and
- All other standard investment incentives applicable under the National Investment Policy.

Implementation will be led by Invest Turks and Caicos Islands (Invest TCI), supported by key government departments, with monitoring through annual audits and bi-annual policy evaluations, to measure impact on domestic participation, job creation, and economic growth.

3. Background

Direct Domestic Investment (DDI), as defined in the National Investment Policy 2023 (NIP), refers to investment made by a resident entity, whether a legal or natural person, with the goal of establishing a lasting interest in a business within the same economy.

The Direct Domestic Investment Policy (DDIP) was introduced to address the market failure of free market competition in the Turks and Caicos Islands due to market dominance by large mainly foreign direct investments (FDI). Its aim is to promote justice and equality by carving out a niche for Heritage Turks and Caicos Islanders (HTCI) that would give them a competitive advantage within an investment value range to develop, produce and supply a certain category of goods and services to meet various growing market demands.

While creating the opportunity may be crucial, it must be coupled with resources, skills, and other elements that enable individuals or groups to effectively seize them, with the aim of promoting social mobility. In this context, economic equity is not merely aspirational, but essential. Without deliberate support for those who have historically lacked access to capital, land, or market entry, structural barriers will continue to prevent broad-based participation in national economic growth.

Resident investment plays a vital role in driving sustainable national development by generating economic growth, creating jobs, and fostering entrepreneurship and innovation. When residents invest locally, the capital remains within the country, promoting wealth retention and building stronger domestic financial reserves. This internal circulation of funds enhances national resilience, as local investors are typically

more committed and less prone to withdraw during economic uncertainty.

Investment incentives in the Turks and Caicos Islands have traditionally favored foreign direct investment, resulting in disproportionate benefits to that group. HTCI wishing to participate in the economy as business owners find that they are at a competitive disadvantage to foreign direct investors and their better resourced resident expatriates. The current state of affairs has long-term negative social consequences. A clear need for a policy that prioritizes the inclusion of HTCI as part of the domestic investor class is therefore imperative. The Heritage Turks and Caicos Islander Investment Incentive Policy is designed to address this need. It is part of a framework aimed at tackling long-standing economic inequalities the incentive regime of which is now integrated into the National Investment Policy and aligned with the Encouragement of Development Act.

The Encouragement of Development Act provides for any enterprise to be declared a development enterprise if the Governor is satisfied that:

- It is either a new enterprise or the substantial expansion of an existing enterprise
- It will have a beneficial effect on employment and the economy of the islands and
- It is expedient in the public interest to do so

Going forward the HTCI projects meeting the eligibility criteria set out in this policy will be designated as a development enterprise.

By integrating the Heritage Turks and Caicos Islander Investment Incentive Policy, with the National Investment Policy the government aims to level the playing field for HTCIs by ensuring that economic inclusion, through investment incentives and long-term business opportunities are accessible to them. The new policy will mitigate the market failure resulting from the distortion in resource allocation and improve the opportunity for competitive advantage of HTCI entities.

4. Policy Goals and Objectives

Goal:

To foster equitable economic participation by Heritage Turks and Caicos Islanders through targeted investment incentives that enable greater local ownership and wealth creation.

Objectives:

- Promote the inclusion of HTCI investors as a core part of the domestic investor group.
- Mitigate structural barriers limiting access to capital, land, and market access.
- Stimulate local entrepreneurship and job creation through new HTCI developments.
- Integrate HTCI investment opportunities within the broader national investment framework.
- Ensure transparent and consistent application of investment incentives across all sectors.

SMART Performance Targets

- At least five (5) HTCI investment projects approved annually.
- Achieve a minimum 15% annual increase in total HTCI investment value within the \$2.5M–\$20M range.
- Ensure that at least 50% of HTCI-approved projects are in Family Islands by FY2027.

5. Stakeholder Analysis

Key Implementing Agencies:

Stakeholder / Institution	Role in Implementation
Invest Turks and Caicos Islands (Lead Agency)	Receive applications, assess eligibility, conduct due diligence, prepare Cabinet papers, monitor compliance.
Ministry of Finance, Trade and Investment:	Policy oversight, fiscal impact analysis.
Attorney General's Chambers (AGC)	Legal vetting of Development Agreements and Orders
Department of Planning	Verify planning approvals, zoning compliance and development control.
Department of Environment and Coastal Resources (DECR)	Ensure environmental standards and regulations are met
Customs Department	Administer duty exemptions and track imports under concession orders
Crown Land Unit	Advise on land allocation when private land is unavailable
Ministry of Tourism & Culture	Support promotion of heritage-linked projects

Beneficiaries include HTCI investors, local contractors, suppliers, and communities benefiting from job creation and reinvestment.

6. Policy Design/ Statement

6.1 Incentives

HTCI development enterprises approved under this Policy shall qualify for:

1. 100% import duty exemption;
2. 50% stamp duty exemption on the initial acquisition of development property;
3. All standard incentives applicable under the National Investment Policy.

6.2 Eligibility Criteria

To qualify for these incentives under this policy, the development enterprise must meet the following eligibility.

- i. Must be majority owned (more than 50%) by a Heritage Turks and Caicos Islander as defined in Schedule A.
- ii. Must be an entity incorporated in the Turks and Caicos Islands
- iii. Must have a valid business license.
- iv. Must present a business plan.
- v. Must have a minimum level of investment value of not less than \$2.5m, otherwise eligibility may be considered under the MSME program.
- vi. Level of investment value must not exceed \$20m, otherwise eligibility may be considered under the NIP.
- vii. Have a minimum 51% equity stake held by a Heritage Turks and Caicos Islander partner to qualify for incentives.

6.3 Non-Eligible Enterprises

The following development enterprises are NOT eligible under the direct domestic investment framework namely:

- i. Entities without relevant business license and incorporation documents.
- ii. Entities eligible under the MSME programme
- iii. Entities currently receiving concessions through an existing TCIG incentive programme or policy.
- iv. Entities that are not in “Good Standing^[1]” with the TCI Government.
- v. Entities /projects that are not approved by Planning Department.
- vi. Retail outlets and restaurants not registered for HRTT

6.4 Other Policy Conditions

- i. A property development business license must be obtained and the entity must become operational within the period per the Development Agreement.
- ii. The concession period must not exceed the construction or installation period or extend beyond a 5yr period; whichever is earlier.
- iii. Refunds for expenditure will not be considered unless the expenditure was incurred after the approval date.
- iv. Each developer is eligible to qualify only once under the Heritage Turks and Caicos Islander Investment Incentive Policy.
- v. The Holder of the HTCI status must retain an ownership interest in the development enterprise for the entire duration of the approved project, or the period of the development order, whichever is earlier.

6.5 Application Process

Applicants must submit completed application forms detailing the investment incentives being sought, along with all supporting documents, to Invest Turks and Caicos Islands (Invest TCI) through the official online platform.

Invest TCI will review each application for completeness and eligibility. A site visit or inspection may be conducted and depending on the nature of the proposed business activity, relevant Government departments and agencies will be consulted for technical input, including the Department of Planning, DECR, AGC, and the Ministry of Physical Planning and Infrastructure Development.

Within two weeks of receipt of a complete application, Invest TCI will acknowledge submission and advise whether further information is required. Complete applications will be advanced for Cabinet consideration within twelve (12) weeks.

If Cabinet approval is granted, the applicant will be notified in writing and issued a Development Order in the prescribed form for execution.

6.6 Supporting Documents

Applications must be accompanied by the following documents:

1. Copy of valid Government-issued photo identification (passport or driver's licence).
2. Copy of valid Turks and Caicos Islander Status Card or other proof of heritage status.
3. Valid Police Record for all principal shareholders or directors.
4. Valid Business Licence.
5. Certificate of Incorporation and proof of ownership structure.
6. Comprehensive Business Plan with financial projections and timeline.
7. Independent proof of financing from a legitimate financial institution.
8. Proposed site plans or architectural drawings (if applicable).
9. Economic, social and environmental impact statement.

Incomplete applications will not proceed to Cabinet and will be returned to the applicant with guidance on outstanding requirements.

7. Responsibilities and Management of the Policy

The implementation and administration of the Heritage Turks and Caicos Islander Investment Incentive Policy shall be led by Invest Turks and Caicos Islands (Invest TCI), under the oversight of the Ministry of Finance, Investment and Trade. Invest TCI is responsible for coordinating the full policy cycle—from application intake and assessment through to monitoring, reporting, and evaluation. This includes

reviewing applications for completeness and eligibility, conducting due diligence and site inspections, preparing Cabinet submissions for approval, and maintaining accurate records of all approved projects.

The Ministry of Finance, Investment and Trade will provide overall fiscal oversight and policy guidance, ensuring that the concessions granted under this Policy are fiscally sustainable and aligned with national development priorities. Supporting agencies, including the Department of Planning, the Department of Environment and Coastal Resources (DECR), the Crown Land Unit, the Attorney General's Chambers (AGC), and the Customs Department, will play integral roles in ensuring regulatory compliance. These entities will collaborate through established Service Level Agreements (SLAs) to streamline review timelines and uphold transparency in the decision-making process.

Invest TCI will:

- i. Maintain a database of applications and approved projects.
- ii. Submit quarterly implementation reports to the Ministry of Finance.
- iii. Conduct compliance reviews and site audits in collaboration with Customs and Planning.

Managing the Asset

The Development Agreement (DA) establishes the framework governing ownership, transfer, and management of all assets and interests related to the approved development enterprise. Any transfer of shares, assets, or ownership interests must receive the prior written consent of the Government of the Turks and Caicos Islands (TCIG). Such consent ensures that the Government maintains oversight of any change in control and that the original intent and benefits of the approved project are preserved. Unauthorized transfers, whether partial or full, shall constitute a breach of the Development Agreement and may result in the withdrawal of concessions, suspension of approvals, or other enforcement actions as prescribed by law.

8.0 Implementation Plan

Objective	Key Activities	Lead / Partners	Timeline	Indicator	Resources
Facilitate HTCI access to incentives	Launch application portal and publish guidelines	Invest TCI	Q3 FY 2025/6	Portal operational	Existing budget
Streamline processing	Inter-agency SLAs and review timelines	Invest TCI + MoF	Q3 FY 2025/6	≤ 12 weeks average review	Staff time
Promote awareness	Conduct HTCI investment workshops	Invest TCI Comms	Ongoing	# of sessions held	Marketing funds
Monitor performance	Quarterly audits and site visits	Invest TCI + Customs	Annual	Compliance rate ≥ 90%	Internal
Policy review	Conduct bi-annual evaluation	Invest TCI + SPPD	Every 2 years	Evaluation report submitted	Operating funds

9.0 Monitoring and Evaluation (M&E)

Monitoring will be undertaken through:

- Annual audits of concessionaire operations to verify compliance with contractual obligations, financial transparency, and adherence to regulations.
- Site inspections to ensure adherence to safety, environmental, and quality standards.
- Periodic financial and social impact assessments to evaluate fiscal value of incentives granted with the resulting economic and social outcomes.

Evaluation will occur bi-annually to assess effectiveness and inform adjustments. Key indicators include:

- Number and value of HTCI projects approved and operational.
- Jobs created and retained.
- Share of investments by island and sector.
- Level of compliance with DAs and reporting requirements.

10. Communication Strategy

Invest TCI will lead communication activities to ensure stakeholder awareness and transparency. Strategies include:

- Publication of the Policy and application guidelines on the Invest TCI and TCIG websites;
- Press releases and media briefings;
- Stakeholder information sessions and heritage entrepreneur workshops; and
- Biannual updates to Cabinet and the public on policy uptake and impact.

11. Documentation and Knowledge Management

Invest TCI will maintain a digital registry of applications, Development Agreements, and annual monitoring reports. Finalized documents will also be logged within the Strategic Planning and Policy Department (SPPD) Policy Registry in accordance with the national policy framework.

12. Review and Revisions

This Policy will be reviewed every three (3) years or as directed by Cabinet to ensure alignment with national investment priorities and legislation. Invest TCI shall lead the review in collaboration with SPPD and the Ministry of Finance.

13. Approval Process

Table 1: Approval and Review Details

Approval and Review	Details
Approval Authority	Cabinet of the Turks and Caicos Islands
Administrator	Chief Executive Officer, Invest Turks and Caicos Agency
Next Review Date	June 2028

Approval and Amendment History	Details
Original Approval Authority and Date	Cabinet of the Turks and Caicos Islands June 4 th 2025
Amendment Authority and Date	N/A
Notes	<i>This document consolidates and replaces the Direct Domestic Investment Policy, 2024.</i>

14. References / Appendices

References:

- National Investment Policy (2025)
- Encouragement of Development Act (Cap 20.08)
- Vision 2040 – National Development Plan
- MSME Development Framework (2020)

Appendices:

- A. Risk Register
- B. Implementation Plan Matrix

Appendix A: Risk Register

Objective / Activity	Identified Risk	Impact (1–5)	Likelihood (1–5)	Risk Score	Planned Action / Mitigation	Responsible Party	Due Date / Status
Processing of applications within 12 weeks	Inter-agency bottlenecks delay Cabinet submissions	4 (Major)	4 (Likely)	16 (High)	Establish Service Level Agreements (SLAs) among MoF, AGC, Planning & Invest TCI; introduce tracking dashboard	Invest TCI / MoF	Continuous – monitored quarterly
Compliance monitoring of approved projects	Beneficiaries fail to meet reporting or operational obligations	3 (Significant)	3 (Possible)	9 (Moderate)	Annual audits, site inspections, compliance reminders, and corrective action plans	Invest TCI / Customs	Annual
Data and document management	Incomplete or lost application records	2 (Important)	3 (Possible)	6 (Low–Moderate)	Implement central digital registry; routine data back-ups and access controls	Invest TCI / SPPD	FY 2026
Misuse of concessions / premature asset transfers	Developers resell or repurpose assets before concession term expires	4 (Major)	4 (Likely)	16 (High)	Require performance bond or security; conduct mid-term inspections; revoke concessions for breach	Invest TCI / Customs / AGC	Ongoing
Fiscal impact management	Aggregate value of concessions exceeds fiscal capacity	4 (Major)	3 (Possible)	12 (Moderate–High)	Conduct annual cost–benefit review; cap total fiscal exposure per FY; seek MoF sign-off before new approvals	MoF / Invest TCI	Annual review
Stakeholder engagement and awareness	Low public or investor awareness limits uptake	3 (Significant)	3 (Possible)	9 (Moderate)	Launch outreach campaign; publish simplified application guides; host stakeholder sessions	Invest TCI	Semi-annual
Legislative / policy misalignment	Amendments to related Acts create inconsistency	3 (Significant)	2 (Unlikely)	6 (Low–Moderate)	Periodic policy–law review with AGC; issue circulars clarifying interpretation	AGC / SPPD / MoF	Biennial

Appendix B: Implementation & M & E Framework

Policy Objective / Activity	Key Performance Indicator (KPI)	Baseline (2025)	Target / Milestone	Means of Verification	Frequency of Collection / Reporting	Lead Agency / Partners	Budget / Resources Required
1. Facilitate equitable access for Heritage Turks and Caicos Islanders to investment incentives.	# of HTCI applications received and processed.	0	≥ 20 applications received and processed annually.	Invest TCI application database and Cabinet Minutes.	Quarterly review and annual report.	Invest TCI (lead); SPPD (M&E support)	Existing staff and ICT platform resources.
	Average processing time per application (weeks).	Baseline to be established Q3 FY 2025/6.	≤ 12 weeks average.	Internal tracking dashboard and Cabinet approvals.	Quarterly.	Invest TCI / MoF.	Internal operational budget.
2. Strengthen HTCI investment participation in Family Islands and priority sectors.	% of approved HTCI projects located in Family Islands.	20%	≥ 50% by FY 2027.	Invest TCI records and Cabinet approvals.	Bi-annual.	Invest TCI / MoF / Planning	Internal operational budget.
	# of jobs created under HTCI projects.	0	≥ 300 new jobs by FY 2027.	Developer reports and Labour Department data.	Annual.	Invest TCI / Labour Dept.	Developers funded activity costs monitored by TCIG.
3. Ensure fiscal sustainability and accountability in granting concessions.	Annual cost-benefit ratio of incentives approved (vs economic returns).	N/A	Benefit ≥ 1.2 × cost.	Annual audit reports and MoF analysis.	Annual.	MoF / Invest TCI	Internal economic analysis capacity.
	% of projects meeting reporting and compliance requirements.	0	100% by FY 2026.	Compliance audit reports.	Quarterly.	Invest TCI / Customs	Internal operational budget.
4. Promote awareness and stakeholder engagement on Heritage investment opportunities.	# of public information sessions and policy briefings held.	0	≥ 6 sessions annually.	Attendance records and media coverage.	Semi-annual.	Invest TCI / SPPD	Internal operational budget.
	Stakeholder satisfaction level (% rating “good” or above on surveys).	N/A	≥ 80% positive feedback by FY 2026.	Survey reports.	Annual.	Invest TCI / SPPD	Internal operational budget/ contracted analyst.
5. Evaluate policy effectiveness and impact on economic inclusion.	Bi-annual Policy Evaluation Reports produced and submitted to Cabinet.	0	Two evaluations within 3 years.	Cabinet Minutes and SPPD Registry.	Bi-annual.	Invest TCI / SPPD / MoF.	Internal operational budget.
	Recommendations from evaluation acted upon within set timeline.	N/A	100% within 6 months of approval.	SPPD implementation tracking.	Bi-annual.	MoF / Invest TCI.	Existing resources.