



BAHAMAS LAW CHAMBERS

Counsel & Attorney-at-law • Notary Public

Purchasing Property In The Bahamas

BAHAMAS LEGAL INFORMATION*

CONTRACT STAGE (1 to 5 days)

1. Vendor's Attorney forwards draft Agreement for Sale to Purchaser's Attorney for approval; clauses to be considered include:
 - **Closing Date** – date of transaction completion (usually within 30 to 90 days).
 - **Counterparts Clause** – provides for counterparts/facsimiles to be accepted as originals.
 - **Financing Clause** – provides for return of deposit, if financing declined by Bank.
 - **Notice to Complete Clause** – provides notice period for termination of contract, if one party defaults (usually 14 to 21 days).
 - **Permit Clause** – provides for return of deposit, if Permit declined by Investment Board.
(Non-Bahamian Purchaser requires Permit be obtained *before* closing date if: property for commercial purposes, property 5 or more contiguous acres or Purchaser owns other property in Bahamas; otherwise, Purchaser requires Certificate of Registration *after* closing date).
 - **Stamp Tax** – provides amount of stamp tax each party pays; usually split between parties (Stamp Tax calculated as follows: if purchase price ("PP") not exceed 20K = 2% of PP; if PP exceeds 20K but not 50K = 4% of PP; if PP exceeds 50K but not 100K = 6% of PP; if PP exceeds 100K but not 250K = 8% of PP; if PP exceeds 250K = 10% of PP).
 - **Vacant Possession** – ensures no existing leases, tenancies or squatters.
2. Vendor's Attorney forwards final Agreement for Sale in duplicate.
3. Purchaser's Attorney returns executed Agreement for Sale with deposit (usually 10% of PP).

POST CONTRACT STAGE (1 to 3 months)

4. Vendor's Attorney forwards title deeds.
5. Purchaser's Attorney receives Permit, if required, and conducts title search to ensure Vendor has good and marketable title. Good title includes: 30 year root of title; unbroken chain of title (property not divested by any owner in chain); no encumbrances; no outstanding judgments; Permit/Certificate of Registration, if required; Affidavit of Citizenship/Marital Status; payment of any real property taxes, maintenance or utility charges. If a company is party in chain, Purchaser's Attorney checks company's: Objects Clause, Seal Clause (ensures correct signatories have signed) and may obtain a Certificate of Good Standing.
6. Purchaser's Attorney forwards any requisitions, and Vendor's Attorney forwards draft Conveyance for approval.

COMPLETION STAGE (1 to 5 days)

7. Vendor's Attorney forwards original engrossed Conveyance in escrow along with Closing Statement.
8. Purchaser's Attorney forwards funds and receives letter releasing Conveyance from escrow; stamps Conveyance; applies for and obtains Certificate of Registration, if required; sends Conveyance for recording (up to 3 months); sends change of address to Real Property Tax Department; if foreign funds used, applies to Central Bank for approved investment status; and assigns any insurance policy.

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