



CARIBBEAN TAX SERVICE DESK · NORTHERN CARIBBEAN AND ATLANTIC

The Turks and Caicos Islands *Tax Guide*

A guide to corporate, personal and indirect taxes in the Turks and Caicos Islands

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FOREWORD

The Turks and Caicos Islands levy no income tax on companies or individuals. That does not mean there is no tax to manage.

Government revenue comes from accommodation and tourism taxes, import duties, stamp duty on land, sector taxes on financial and communications services, and licence and work permit fees, while payroll contributions fund national insurance and health care. International standards on economic substance, beneficial ownership and information exchange apply in full.

This guide explains, in plain language and current to October 2026, what applies instead of income tax and how to comply. It is written for investors, finance teams and individuals with interests in the islands.

Tax matters are handled by Dawgen Global's Caribbean Tax Service Desk, managed from Kingston. We would be glad to help you plan, comply and resolve issues with confidence.

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Executive Chairman, Dawgen Global

How to use this guide

This guide summarises the main taxes that apply to companies and individuals in the Turks and Caicos Islands. It is general information, current to October 2026, and is not a substitute for advice on your circumstances. Rates and rules change; speak to us before you act. Our companion Doing Business guide covers set-up, employment and regulation.

FOUNDATIONS

01 Investment basics

The islands use the US dollar, have no exchange controls and levy no income tax. Revenue is raised from consumption, property transfers, imports and fees.

CORPORATE INCOME TAX

None

No capital gains, withholding or wealth tax

PERSONAL INCOME TAX

None

Residents and non-residents alike

HOTEL AND TOURISM TAX

12%

Accommodation, meals, drinks and tourism services

CUSTOMS DUTY

30%

On many goods; lower rates or exemptions for some essentials

NATIONAL INSURANCE

12%

6.5% employer, 5.5% employee; NHIP in addition

STAMP DUTY ON LAND

Nil to 10%

By value band and island

Currency and foreign exchange

The US dollar is legal tender. There are no exchange controls: profits, dividends and capital move freely, subject to banks' anti-money laundering checks. Taxes and fees are paid in US dollars.

Accounting and audit

Companies must keep financial records that show their financial position with reasonable accuracy. There is no general requirement for an ordinary company to have an audit or to file financial statements. Regulated entities such as banks and insurers report to the Financial Services Commission (FSC), and lenders often ask for statements under IFRS.

Principal business entities

Domestic company

International company

Foreign company

Partnership

Sole trader

Company limited by guarantee

No vehicle pays tax on its profits. The choice turns on liability, licensing, economic substance and the owners' home-country tax.

The tax system

The Revenue Department administers business licences and the sector taxes. Customs collects import duties, the FSC registers companies and the National Insurance and National Health Insurance Boards collect contributions.

BUSINESS TAX

02 Corporate taxation

There is no corporate income tax. Companies pay instead through licence fees, sector taxes, duties and payroll contributions.

Residence and basis

Because profits are not taxed, there is no residence test for income tax. Residence still matters: a company incorporated or registered in the islands falls within the economic substance rules, and financial institutions report under international exchange agreements.

What is taxed instead

- ◆ Carrying on business, through an annual business licence
- ◆ Selling taxable services, such as accommodation, tourism, communications and financial services
- ◆ Importing goods, through customs duty
- ◆ Acquiring land, or shares in a land-holding company, through stamp duty
- ◆ Employing people, through national insurance and health contributions

Charge on a company	Rate or basis
Corporate income tax	None
Business licence	Annual fee by activity
FSC annual fee	About US\$350 for a company
Hotel and tourism tax	12%; 7.2% for qualifying large all-inclusive resorts
Communications tax; financial services tax	12% each
Insurance premium sales tax	2.5%
NIB (employer share)	6.5% of earnings

Minimum tax and surtax

There is no surtax, minimum tax or asset tax, and no domestic minimum top-up tax under Pillar Two has been introduced. Owners should still check their home-country rules: a parent jurisdiction may tax the profits of a company in the islands under its own controlled foreign company or minimum tax rules.

BUSINESS TAX

03 Corporate taxation (continued)

Dividends

Dividends are not taxed when paid or received, and there is no withholding tax on dividends paid abroad.

Capital gains

There is no capital gains tax. Stamp duty applies to transfers of land at nil to 10% of the price, and to transfers of shares in land-holding companies at 8%. Duty now also applies to changes in the beneficial ownership of land.

Losses

With no tax on profits, there are no loss rules or carry-forwards.

Foreign tax credit

There is no domestic tax for a credit to reduce. Foreign tax suffered on income from abroad is a final cost unless the source country gives relief.

Holding companies and groups

No participation exemption is needed. International companies are often used for holding and cross-border structures, but holding entities must meet economic substance rules. There is no group taxation.

Tax incentives in brief

Incentive	Main benefit
Development Agreements	Negotiated concessions for significant projects, with conditions
Customs duty concessions	Reduced or waived duty on capital equipment and initial materials
Stamp duty concessions	Discounts, waivers or deferrals for qualifying developments
Family Islands projects	Priority for investment outside Providenciales
MSME programme	Support and grants for Islander-majority-owned small businesses

Invest Turks and Caicos advises on eligibility and applications.

CROSS-BORDER PAYMENTS

04 Withholding taxes and tax treaties

No withholding tax applies to payments from the islands, and there are no double tax treaties. Cooperation with other tax authorities runs through information exchange.

Payment	To residents	To non-residents	Treaty rate
Dividends	None	None	Not applicable
Interest	None	None	Not applicable
Royalties	None	None	Not applicable
Management and service fees	None	None	Not applicable
Branch remittances	None	None	Not applicable

Services performed in the islands may still attract sector taxes, and foreign providers working on site need a business licence and, for staff, work permits.

Information exchange agreements

Tax information exchange agreements (TIEAs) have been concluded since 2009 with partners including Australia, Canada, Ireland, the Isle of Man, the Netherlands, New Zealand and the United Kingdom. The Convention on Mutual Administrative Assistance in Tax Matters has applied since 1 December 2013.

CARICOM

The islands are an associate member of CARICOM and are not party to the CARICOM double taxation agreement. Income received from CARICOM states gets no relief under it.

Income from abroad

With no treaty network, a company in the islands that receives dividends, interest or royalties from another country usually suffers that country's full domestic withholding tax. Plan cross-border flows with the source country's rules in mind.

INTERNATIONAL RULES

05 Anti-avoidance and international rules

With no income tax there are no transfer pricing or thin capitalisation rules. The focus is on substance, transparency and information exchange.

Transfer pricing, interest and CFCs

There are no transfer pricing, thin capitalisation, controlled foreign company or general anti-avoidance rules for income tax. Pricing still matters abroad, where the counterparty's tax authority will test it.

Economic substance

Companies, limited partnerships and registered foreign companies carrying on relevant activities (banking, insurance, fund management, finance and leasing, headquarters, shipping, holding, intellectual property and distribution and service centres) must be directed and managed in the islands, with adequate staff, premises and spending there. They notify the Competent Authority each year and file a substance report within 12 months of the year end. Penalties rise for repeated failures.

Pillar Two

No minimum tax has been introduced. Groups in scope may face top-up taxes in other jurisdictions on profits booked in the islands.

Information exchange

- ◆ **FATCA:** agreement with the United States, signed in 2014
- ◆ **CRS:** automatic exchange, with reporting from the 2016 year
- ◆ **Country-by-country reporting:** applies to large multinational groups
- ◆ **Beneficial ownership:** filed with the FSC's central register, generally for holdings over 25%

Disclosure

Financial institutions report annually through the Ministry of Finance's exchange of information portal.

CORPORATE COMPLIANCE

06 Compliance for corporations

There is no annual income tax return. Compliance means licences, monthly sector tax returns, payroll contributions and international filings.

Tax year and returns

The Government's financial year runs from 1 April to 31 March, and business licences expire on 31 March. There are no consolidated returns: each business registers and files separately.

1

Business licence renewal

FEB TO 30 APR

Unrenewed licences are suspended from 1 May.

2

Monthly sector taxes

MONTHLY

Hotel and tourism tax within 21 days of the month end; financial services and insurance premium taxes by the 15th. Nil returns are required.

3

Economic substance report

12 MONTHS AFTER
YEAR END

For entities with relevant activities.

Penalties and interest

Late hotel and tourism tax carries a 20% penalty and interest of 1.5% a month. Late financial services and insurance premium taxes carry a penalty of 10% a month. Economic substance failures carry fines from US\$20,000 for a missed return, rising for repeated breaches.

Records and rulings

Keep sector tax records for at least five years, and hotel and tourism tax records for seven years, in the islands. There is no formal advance ruling system; ask the Revenue Department for its view in writing.

Objections and appeals

Hotel and tourism tax assessments may be referred to the Magistrate, with points of law to the Supreme Court. Licence and economic substance appeals have strict deadlines. Final appeal lies to the Privy Council.

Practical points

Diarise the licence renewal window, file every monthly return even when nothing is due, and keep NIB and NHIP payments current, since work permit renewals depend on them.

BEYOND INCOME TAX

07 Other taxes on corporations

Tax	Rate and base	Who pays
National insurance (NIB)	6.5% employer and 5.5% employee, up to a monthly earnings ceiling set by the Board	Employer, plus employee share
National health insurance (NHIP)	Shared contribution on earnings up to US\$7,800 a month	Employer and employee
Business licence	Annual fee by activity, from about US\$10 to US\$7,500	Most businesses
Work permit fees	Annual fee by occupation, from about US\$150 to US\$9,500	Usually the employer
Stamp duty on land	Nil to 10% of the price, by value band and island	Purchaser
Land-holding company shares	8% on transfers	Purchaser
Property tax	None	—
Capital duty	None; registry fees only	—
Domestic financial services sales tax	12% of financial services fees	Financial institutions, money transfer operators
Insurance premium sales tax	2.5% of domestic premiums, excluding life and health	Insurers
Communications tax	12% of telecommunications services	Telecoms and internet providers
Vehicle hire stamp duty	12% of rental charges	Vehicle rental operators
Fuel tax and departure taxes	Specific rates per gallon and per passenger	Importers, carriers

These taxes are usually built into prices, as the sector taxes are charged on customers' bills.

INDIVIDUALS

08 Personal taxation

There is no personal income tax, whatever an individual's residence, domicile or source of income.

Basis of taxation

- ◆ **Residents:** no income tax on worldwide income
- ◆ **Non-residents:** no income tax on income from the islands
- ◆ **Remittances:** no remittance basis is needed

Residence tests

There is no residence test for income tax. Residence is a matter of immigration status, such as a work permit, residence permit or Belonger status, and it decides who must join NIB and NHIP.

Filing status

There is no personal return, so joint or separate filing does not arise.

Type of income	Tax in the islands
Employment income and benefits	None; NIB and NHIP apply
Business and professional profits	None; business licence and NIB apply
Dividends and interest	None
Rental income	None; 12% hotel and tourism tax on short-term lets
Pensions	None

Allowances

With no income tax there are no allowances or thresholds.

Your home country

US citizens remain taxable in the United States wherever they live. Others moving to the islands should confirm when they stop being tax resident in their former country.

INDIVIDUALS

09 Personal taxation (continued)

Capital gains

There is no capital gains tax. Stamp duty applies when land, or shares in a land-holding company, change hands. Some transfers between close family members may be exempt, and Islanders may qualify for relief on a first home.

Deductions and reliefs

No income tax deductions arise. Reliefs that matter in practice are stamp duty concessions and duty-free allowances.

Pensions

NIB pays contributory benefits, including retirement pensions and maternity allowance. Private pensions are not taxed in the islands.

Employment benefits

Benefits in kind are not taxed. Some allowances may count as earnings for contributions; check with NIB and NHIP.

Tax	Position for individuals
NIB (employee)	5.5% of earnings up to a monthly earnings ceiling set by the Board
NIB (self-employed)	At the rate and earnings bands set by the Board
NHIP (employee)	Share of the contribution on earnings up to US\$7,800 a month
Stamp duty	Nil to 10% on land purchases
Customs duty	On personal imports, after a US\$400 duty-free allowance for travellers
Property tax	None
Inheritance and gift tax	None
Net wealth tax	None
Capital acquisitions tax	None

Estates still need probate in the islands for local assets, and stamp duty may apply to land passing on a sale or gift.

INDIVIDUAL COMPLIANCE

10 Compliance for individuals

Individuals file no tax return. Their obligations are contributions, licences and immigration.

Employees

Employers deduct the employee's NIB and NHIP shares from pay and remit them with their own: NHIP by the 14th and NIB by the 15th of the following month. Employees should check that their contribution records are complete, since benefits depend on them.

Self-employed and other income

When	What
Before trading	Business licence; NIB and NHIP registration
Monthly	NIB and NHIP contributions; sector tax returns where relevant
February to 30 April	Business licence renewal

Owners of short-term rentals register for hotel and tourism tax and file monthly.

Non-residents and expatriates

- ◆ Work in the islands needs a work permit, renewed at least three months before expiry
- ◆ Annual permit fees depend on the occupation
- ◆ Renewals need proof that NIB and NHIP are up to date
- ◆ Pay from an overseas employer is not taxed, but contributions may apply
- ◆ Many activities are reserved for Turks and Caicos Islanders
- ◆ Banks report accounts of foreign residents under CRS and FATCA
- ◆ Home-country tax and reporting continue to apply, notably for US citizens

Residence status

Residence permits and permanent residence are handled by the Ministry of Border Control and Employment. An Immigration Bill before Parliament in 2026 proposes changes; check the current position before applying.

INDIRECT TAXES

11 Sales taxes and customs

There is no VAT or general sales tax. Instead, single-stage taxes apply to specific sectors, and customs duty applies to most imports.

Tax	Rate and base
Hotel and tourism tax	12% on accommodation, vacation rentals, meals, drinks and prescribed tourism services
Large all-inclusive resorts	7.2% on package rates, for qualifying resorts with 300 or more rooms
Communications tax	12%
Financial services sales tax	12% of fees
Vehicle hire stamp duty	12%
Insurance premium sales tax	2.5%

Registration and returns

Hotels and villas register at least one month before the first guests; tourism service providers within a month of starting. Returns are monthly.

Hotel and tourism tax in practice

Service charges and facility fees are excluded from the base. Returns and payment are due within 21 days of the month end, even for a nil return.

Input tax recovery

These are single-stage taxes, so there is no input tax credit. Tax paid on purchases is a cost to the business.

Imported and digital services

With no VAT, there is no general charge on services bought from abroad. Check with the Revenue Department whether a sector tax applies.

Customs and excise

Duty is charged on the CIF value through ASYCUDA World. Many goods pay 30%. Vehicles pay 35%, 45% or 55% by engine size and hybrids 10%; alcohol and fuel are charged by volume. A customs processing fee applies to most imports, including many duty-free goods; confirm the current rate with Customs.

ADMINISTRATION

12 Tax calendar and administration

Main tax laws

Hotel, Restaurant and Tourism Taxation Ordinance; Stamp Duty Ordinance; Customs Ordinance; Business Licensing Act 2026; National Insurance Ordinance; National Health Insurance Ordinance; Companies and Limited Partnerships (Economic Substance) Ordinance 2018; Tax Information (Exchange and Mutual Administrative Assistance) Ordinance; Encouragement of Development Ordinance.

Authorities

The Revenue Department administers licences and sector taxes; Customs collects duties; the Ministry of Finance oversees economic substance and information exchange. Disputes go to the Magistrate or the Supreme Court, then the Court of Appeal and the Privy Council.

Recent and upcoming changes

- ◆ **2024 and 2025:** economic substance amendments; tighter beneficial ownership rules; stamp duty on changes of beneficial ownership
- ◆ **2026:** Business Licensing Act in force
- ◆ **2026/27 budget:** no new taxes

When	What
14th monthly	NHIP contributions
15th monthly	NIB contributions; financial services and insurance premium taxes
21 days after month end	Hotel and tourism tax return and payment
February to 30 April	Business licence renewal
31 March	Licences expire; Government year end
1 May	Unrenewed licences suspended
Annually	FSC annual return and fee; CRS and FATCA reports
12 months after year end	Economic substance report

When a sector tax due date falls on a weekend or public holiday, pay on the last working day before it.

YOUR PARTNER

13 How Dawgen Global helps

Our Caribbean Tax Service Desk, managed from Kingston, supports companies and individuals with every tax and contribution in the Turks and Caicos Islands, from registration to dispute.

Tax compliance

Business licences, sector tax returns, FSC filings and compliance calendars.

Corporate tax advisory

Structuring, stamp duty on land and shares, and home-country tax effects.

International tax and transfer pricing

Economic substance, CRS and FATCA, country-by-country reporting and related-party pricing abroad.

Indirect taxes (sales taxes and customs)

Hotel and tourism tax, sector taxes, customs entries and duty reviews.

Payroll and employment taxes

NIB and NHIP registration, monthly contributions and work permit support.

Tax disputes and authority engagement

Revenue Department queries, assessments, penalties and appeals.

Incentives and investment planning

Development Agreements and duty and stamp duty concessions.

Private client and expatriate tax

Relocation, home-country residence, property and estates.

Tax technology and reporting

Tax calendars, data and reporting processes.

Start with a conversation

Tell us about your plans or your tax question in the Turks and Caicos Islands, and we will set out the steps and timeline for your situation. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email turksandcaicos@dawgen.com or info@dawgen.global, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about the Turks and Caicos Islands

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Key official sources

- Revenue Department (gov.tc/revenue)
- Ministry of Finance (gov.tc/mof)
- Customs Department (customs.gov.tc)
- Financial Services Commission (tcifsc.tc)
- Financial Transactions Information Exchange Unit (ftie.gov.tc)
- National Insurance Board (tcinib.tc)
- National Health Insurance Board (tcinhip.tc)
- Invest Turks and Caicos (investturksandcaicos.tc)

