

ALERT
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BVI INCREASES TRUST DUTY FOR NEW TRUST INSTRUMENTS

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The Trustee (Amendment) Act, 2013 which took effect on 15 May 2013, has, among other things, increased the trust duty from \$100.00 to \$200.00 in respect of trust instruments that were subject to trust duty at the time the amendment took effect, which means that bare trusts and charitable trusts continue to be exempt. The trust duty will continue to be payable by affixing official stamps to the document which must be cancelled by an authorized person such as the settlor, trustee or a lawyer, but there is no requirement to file the trust instrument with any governmental or other body, except for certain unit trusts which are subject to the Securities and Investment Business Act, 2010.

In addition to the new trust duty to be paid in respect of trust instruments, the amendment also increased the penalty to be paid on trust instruments from \$200.00 to \$400.00. It is, therefore, essential that when obtaining advice in relation to trusts that notice is taken of the new trust duty and penalties to be applied to trust instruments.

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If you would like more information about trusts in the British Virgin Islands, you may contact Jamal S. Smith.

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