

TURKS AND CAICOS
BUSINESS **GUIDE**
2013-14



The Honorable
Premier
Dr. Rufus W. Ewing

*at Providenciales
International Airport*

Islands power up for
economic growth

International Airport
expansion under way

Details on operating
a business in TCI



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H
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K
IN
O

BEFORE YOU CAN THINK OF
REBUILDING

YOU MUST
REBUILD YOUR

THINKING



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1.649.941.5082
Regent Village at Grace Bay
Providenciales

From the Governor



In 2011, Damian Roderic Todd was appointed Governor by Queen Elizabeth II, to be her representative and to carry out key duties to support the people of the Islands. His two year term will end in October 2013.

The British Government, the Governor's Office and the Turks and Caicos Islands' (TCI) government are working in partnership to build a prosperous future for the people of the TCI.

Having the United Kingdom alongside the TCI is important to those seeking to invest here.

The United Kingdom stands with TCI to ensure rule of law and good governance; it has responsibility for defence, external affairs, internal security, policing, and approves public appointments.

We are also responsible for the regulation of TCI's financial services; we work with the TCI Financial Services Commission to ensure that its financial services industry is well regulated and meets the highest international standards. We also provide technical assistance to further strengthen the capacity of TCI's government and institutions, particularly in the area of improving public finances.

The UK stands ready to help TCI in preparing for and dealing with natural disasters. We provide a dedicated Royal Navy warship which patrols the Caribbean throughout the hurricane season, tracking the storms as they pass through.

And we promote the TCI's interests abroad too. The Governor's Office works with colleagues in Washington to help the Territory maximise the benefits from joining the US Caribbean Basin Initiative, which provides import duty reduction for countries in the region exporting to the United States.

The Turks and Caicos Islands is very much open for business.

**H.E. Damian Roderic Todd,
Governor, Turks and Caicos Islands**





WHERE FORM AND FUNCTION ARE ONE

The foremost custom residential design firm

renowned throughout the islands for creating some of the most sophisticated and technologically advanced luxury properties in the Caribbean, offers architectural design and construction services ranging from concept to completion. RA Shaw Designs specializes in creating a unique sense of place with building techniques and architectural details that reflect the surrounding culture. For more information, visit us online or call **1.649.941.4394**

From the Premier



Dr. Rufus W. Ewing, leader of the Progressive National Party, was elected Premier of the Turks and Caicos Islands in the 2012 general election. Dr. Ewing is a medical doctor with an extensive background as a public servant.

On behalf of the Government and the people of the Turks and Caicos Islands, I would like to welcome you to the tranquil, investor friendly and Beautiful By Nature Islands of the Turks and Caicos.

The Turks and Caicos Islands is a beacon for investment. In making this statement, we say this with conviction, confidence and a proven track record of the Government supporting inward investment.

The country boasts an ideal investment climate largely owed to a stable fiscal economy, a well regulated financial services industry, coupled with a skilled professional workforce and adequate infrastructure within close proximity to the United States.

As part of a range of policies directed at promoting investment and stimulating economic activity, the Investment Unit within the Ministry of Finance serves as a central agency to facilitate and support investors. The Government is committed to further removing unnecessary barriers which may delay investment and replace them with policies, legislation and incentives which are as attractive as the islands themselves.

We are interested in expanding investment into many of the family islands so as to achieve a balanced economy based around a diversified economic base propelled by entrepreneurship. The Government recognizes that innovation is one of the key pillars in the entrepreneurship nexus, and as such we are committed to support new and innovative ideas in the areas of Agriculture and Mariculture, Light Manufacturing, Technology, Infrastructure Development, Renewable Energy, Medical and Pharmaceutical, Tourism Development and Financial Services.

We look forward to welcoming you to our islands.

**The Honourable Dr. Rufus Ewing,
Premier, Turks and Caicos Islands**





International Banking with a Personal touch.

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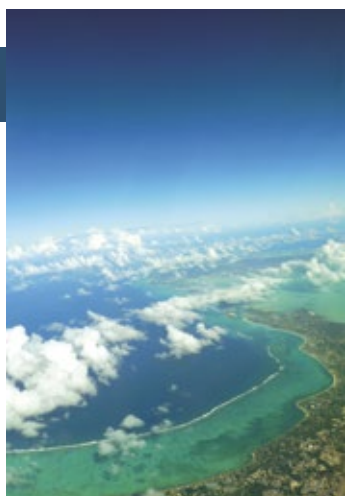


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International Bank

FOR WHAT MATTERS.

BUSINESS GUIDE

2013-14



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FRONT ROW SEATS

FOR SOME THERE IS NO OTHER CHOICE

The sun will always shine. The sea will always be blue. The air will always be fresh. The beaches will always be the best, and there will never be a shortage of people that dream of vacationing here. There is though only so many affordable places to vacation where demand exceeds supply. There will always be money to be made for generations to come. It is a good thing some things in life are constant.

Introducing a rare guaranteed positive cash flow investment opportunity in the Turks & Caicos Islands Hotel Industry for you and your family.

Invest in a block of freehold title Vacation Villas and Villa Suites priced from \$1.35 to \$4.75 million. Fully furnished, equipped, and managed by the Developers and Hoteliers of Provo's Largest Affordable Vacation Destinations. Right off the beach. Right on the money.



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RidgeResidencesInn.com

12 Villas - \$2.25 million



Couples
Families

VenetianRidgeVillas.com

Block A - 7 Villas - \$1.35 million
Block B - 9 Villas - \$1.85 million
Block C - 8 Villas - \$1.55 million



Singles
Couples

OneOnMarlin.com

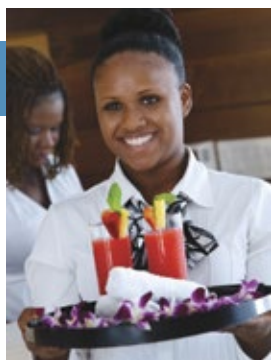
26 Villa Suites - \$4.3 million

Contact:

J. Kelly Sullivan
649.441.3121

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BUSINESS GUIDE



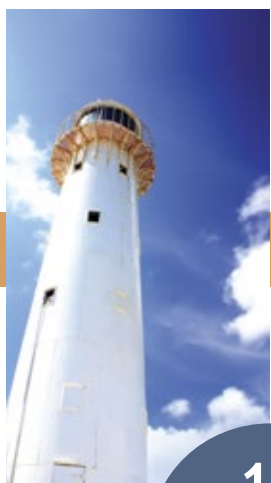
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Our
sponsors



Chamber Member Benefits:



Forum to have your voice heard.



Contact with government decision makers.



Advocate for your local business.



Networking with fellow business leaders.



Opportunity to help shape national policy.

Dear business owners and future partners,

As one of the first business institutions from which the government seeks council and input for new ideas, the Providenciales Chamber of Commerce represents a partnership between business stakeholders and the local government.

There is an open dialog between the government, the Chamber, and its members, during which we strive to achieve our goals as partners in developing our nation together, hand-in-hand.

We invite you to make your business a part of this on-going partnership and have your voice heard.



E. Jay Saunders
*President, Providenciales
Chamber of Commerce
Digicel TCI, CEO*



www.provochamber.com

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Language

English is the official language of the islands, but Spanish and French/Creole are also widely spoken.

Population

The total population of the Turks and Caicos Islands is more than 31,000 with a workforce of about 12,000 people.

[Details, page 34.](#)



Time Zone

The same as the U.S. Eastern Standard Time:

GMT-5

The islands also observe Daylight Savings Time.



Currency

U.S. Dollar

TURKS & CAICOS

There is much that the Turks and Caicos Islands has to offer potential investors. The islands are diverse, from the main tourist centre of Providenciales to the more tranquil islands of North and Middle Caicos, the historic island of Salt Cay, to the nation's capital Grand Turk and the fishing mecca South Caicos. Each island offers different experiences for visitors and a different set of opportunities for investors.

Sustainable development, mindful of the natural resources, is the country's philosophy – yet the business opportunities are as endless as the many miles of beautiful beaches. The Turks and Caicos Islands is located in one of the most idyllic tropical settings in the world offering many incentives to re-locate permanently or to establish a second home. The advantages of living and investing in the TCI are as clear as the crystal waters that surround it.



FACTS & FIGURES



Legal System

System based on English common law. UK Privy Council is the final court of appeal.

Government

A UK Dependent territory, the Turks and Caicos Islands has their own internal government with a ministerial, democratic system.



Economy

Tourism began in earnest in the TCI in the mid-80s with the establishment of a Club Med resort on Providenciales. Today, Providenciales sees 360,000 stay-over visitors per year. In 2007, Carnival Cruise Lines opened the country's first cruise port on Grand Turk, which now welcomes more than 700,000 tourists per year.

Financial services is the second largest industry after tourism in the TCI. The TCI has had legislation governing financial services since the 1970s, and is renowned as a corporate domicile for businesses, trusts, captive insurance and ship registry.

No personal, corporate, inheritance or annual property tax

350 days
of sunshine
with tropical
breezes



Cockburn Town,
Grand Turk

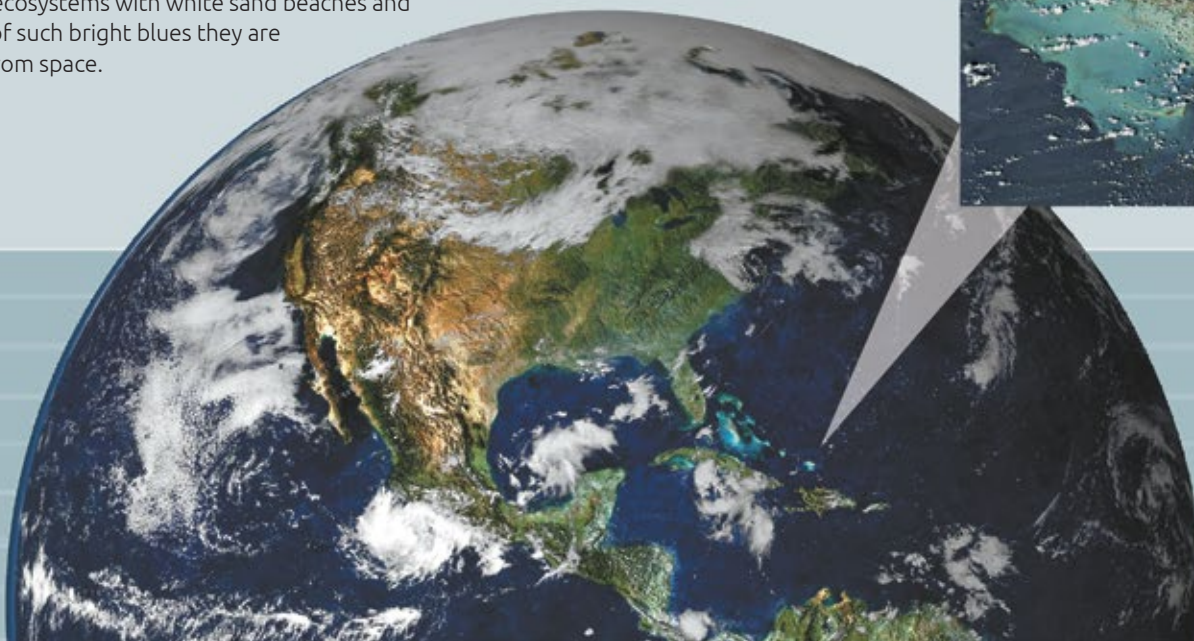
Land/Property

There are no limitations to foreign ownership of land or property in the TCI, and no taxes on capital gains – making land and property an interesting investment proposition.



Geography

The Turks and Caicos Islands is located in the British West Indies, roughly 575 miles southeast of Miami and 30 miles south of the Bahamas. The cluster of about 40 islands rises off the ocean floor as a limestone plateau called the Caicos Head, creating shallow waters that drop to deep ocean beyond coral reefs. The geology creates diverse marine ecosystems with white sand beaches and waters of such bright blues they are visible from space.



HISTORY

750
to
900

The Taino Indians set up permanent villages, becoming known as the Lucayans, "the Island people."

circa
1668



Salt industry begins. It lasted about 300 years, ending in 1970.

Great Britain claims ownership of the islands.



1764



The slave ship *Trouvadore* wrecks near East Caicos, freeing nearly 200 slaves, many of whom would remain in the islands.

1841

U.S. Astronaut John Glenn lands near Grand Turk after completing three orbits around Earth.

The first telephone is installed.



1919

1962



First bank in Grand Turk, Barclays, opens on Front Street.

1966

First hotel is built on Providenciales.



1969

First self-elected government.

1976

The Turks and Caicos Islands may be a relatively young country in terms of development, but it still retains a storied history filled with events from its first settlers to its newest government.

Late in the first millennia, the islands were settled by the Taino Indians - later to be known as the Lucayans. Traces of their civilization can still be found around the islands.

In the centuries leading up to British rule over the TCI, the islands saw the arrival of Europeans and resulting eradication of the Lucayan population. Years after their absence, Bermudians took up seasonal salt raking on the uninhabited islands, a practice that would later become a staple industry for the fledgling country.

The British officially claimed the islands in 1764, putting them under Bahamian jurisdiction two years later. Over the next 80 years the country remained largely unchanged. The end of the American Revolution brought a small influx of British loyalists who took to sisal farming, but their success was relatively short lived.

In 1848, the country was separated from the Bahamas, and for the first time self-governance ensued for a 25 year period known as the Presidency Era. Until 1873, a President reigned over the nation, assisted by Council, under the superintendence of the governor of Jamaica. As a result of unsustainable taxation created to offset increasing debts, the country was annexed to Jamaica, where it would remain until Jamaica claimed their independence from Britain in 1962. Those years saw events such as the institution of the TCI's own currency — which was replaced with the Jamaican currency 25 years later — and the construction of a U.S. missile base on Grand Turk.

The first Turks and Caicos Constitution was established and the first elections occurred in 1959.

When Jamaica separated from the British Crown in 1962, the Turks and Caicos Islands was returned to Bahamian jurisdiction, at which time they adopted the U.S. dollar as their currency. Ten years later the Bahamas would go independent as well, and the TCI would receive its first governor.

In 1976, after the installation of a new constitution, JAGS McCartney was elected as the first Chief Minister of the TCI leading a ministerial-style government.

After a Commission of Inquiry in 2009, England suspended the TCI Constitution for a second time in its history (the first in 1986) due to allegations of corruption, and took over the administration of the nation.

Elections in November 2012 marked the return of the TCI to its former self-governance practice under its own reinstated and revised constitution. The Progressive National Party was elected by majority to govern the country and their leader, Dr. Rufus Ewing, was inaugurated as the third Premier of the Turks and Caicos Islands.



CALENDAR

2013



July 6

- **Race for the Conch Eco-SeaSwim**
Grace Bay, Providenciales

August 2 – 5

- **Seafarers Boat Fest**
Five Cays, Providenciales

August 5

- **Emancipation Day**
Public Holiday*

September 27

- **National Youth Day**
Public Holiday*

October 14

- **Columbus Day**
Public Holiday*

October 18

- **International Human Rights Day**
Public Holiday*

Oct. 31 – November 2

- **Caribbean Food & Wine Festival**
Grace Bay, Providenciales

November 23

- **Conch Festival**
Blue Hills, Providenciales

December 25

- **Christmas Day**
Public Holiday*

December 26

- **Boxing Day**
Public Holiday*

December 26

- **Maskanoo**
Grace Bay, Providenciales

**Public holidays may be subject to change*

JANUARY FEBRUARY MARCH APRIL MAY JUNE JULY AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER

January 1

- **New Year's Day**
Public Holiday*

February

- **Valentines Day Cup**
Bambarra Beach,
Middle Caicos

March

- **Wine Cellar Golf & Fishing Tournament**
Providenciales

March 10

- **Commonwealth Day**
Public Holiday*

April

- **Annual Kite Flying Competition**
Providenciales, North Caicos,
Grand Turk

April 18

- **Good Friday**
Public Holiday*

April 21

- **Easter Monday & Her Majesty the Queen's Birthday**
Public Holiday*

May 26

- **National Heroes Day**
Public Holiday*

May

- **Big South Regatta**
Regatta Village, South Caicos

June

- **Caicos Classic Annual Release Tournament**
Blue Haven Marina, Providenciales
- **Crab Festival**
Bambarra Beach, Middle Caicos

2014



CALENDAR



Atlantic Ocean

Providenciales

The most developed of the islands plays host to hundreds of thousands of tourists looking to experience true Caribbean relaxation at its best. [Island profile, page 22.](#)

North Caicos

Lush and green, the farming hub of Turks and Caicos is evolving into a retreat destination for those looking to get away from the busier scenes. [Island profile, page 26.](#)

Private islands: West Caicos and the cays

Private islands with current developments or under development include the larger island of West Caicos; smaller cays between North Caicos and Providenciales – Parrot Cay, Dellis Cay, Pine Cay, and Water Cay – and Ambergris Cay, just east of South Caicos. [Island profiles, page 30.](#)

575 miles SE of Florida

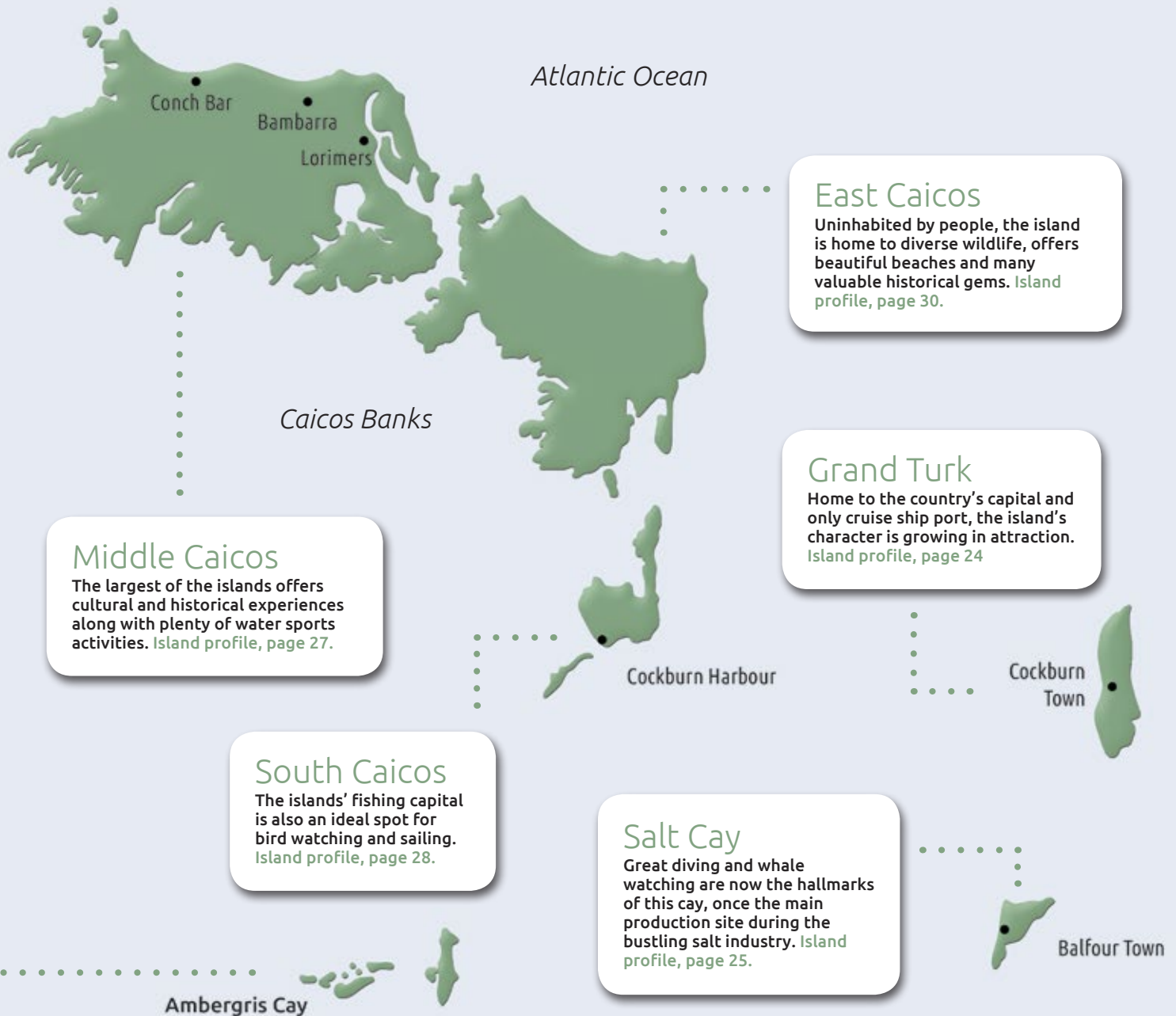
375 miles NE of Jamaica

350 miles NW of Puerto Rico

100 miles N of Hispaniola



TURKS AND CAICOS ISLANDS



40

islands make up the Turk and Caicos archipelago at the southeastern end of the Bahamas chain.

9

islands are inhabited



22

miles of the Columbus Passage separate the Caicos Islands from the Turks Islands.



37.5 square miles

The 12-mile beach of Grace Bay has been called one of the world's best.



Known as "Provo," it is the most populous, fastest-growing and developed of the islands.

Assets & resources

- Providenciales International Airport
- Deep-water dock
- Marinas
- Community College
- Cheshire Hall Medical Centre – TCI Hospital
- Three retail banks with multiple locations
- Hotels, restaurants, retail and activity operators

Opportunities

- Agriculture
- Mariculture
- Technology
- Light manufacturing
- Housing developments
- Tourism
- Medical tourism
- Retail



Providenciales



Grace Bay Club

The Grace Bay Club is among many luxury hotels that offer visitors a world-class vacation experience.

Although it's the third largest of the inhabited islands, Providenciales has the largest population, with nearly 24,000 residents. It is the main attraction of the Turks and Caicos Islands and for most, the main entry point as the country's largest international airport is located here.

With the world's best beach (according to Trip Advisor) along the northern coastline, Providenciales' tourism industry has seen steady growth over the years and shows no signs of slowing down. The residential market is also growing strong as more and more visitors are purchasing vacation and retirement homes, as well as rental properties.



Provo Golf Club

An 18-hole championship course, Provo Golf Club is consistently voted one of the Caribbean's best.



Steve Passmore/Provo Pictures

A new world of opportunity...



Blue Horizons Resort

USD \$7,950,000

Arguably the most visually stunning location of any resort in the Turks & Caicos this development sits on almost 24 elevated acres with hundreds of feet of ocean frontage overlooking Mudjin Harbour. Carefully constructed walking trails lead to spectacular caves and access 2 beautiful, secluded beaches. With 5 ocean view cottages, main house, new restaurant and a business presence in place this is the perfect opportunity to acquire a going concern and expand it as an exclusive eco-resort / retreat.



Development site - Grace Bay Beach

USD \$6,000,000

One of a kind beachfront site on Grace Bay beach nestled between The Mansions and Villa Renaissance. Equally suitable for condo development (resort or residential), a boutique hotel or for an estate home in an incredible setting. There is a large, attractive two storey residential building on the southern portion. Located right in the heart of Grace Bay just steps to high-end shopping, restaurants and cafes. Resurgent tourist and real estate markets mean the timing is now perfect.



The Village at Grace Bay

USD \$9,950,000

The largest mixed-use development in TCI. Excluding roadways and greenspace the 22 lots now being offered together provide 51 acres of the best priced and located development sites on Provo. The master plan provides for green space and the rugby pitch is complete. Gated entrances, roadways and underground utilities are all in place. Lots are zoned commercial, residential or mixed use. In the heart of Grace Bay close to the main resorts, shopping and the beach.

Call Bernadette Hunt: 231-4029

Suite 103 Ocean Club West Plaza
Tel: (649) 941 3361

TURKS & CAICOS PROPERTY



TurksAndCaicosProperty.com

Bernadette@TurksAndCaicosProperty.com
Sales@TurksAndCaicosProperty.com



6.5
square
miles



Cockburn Town
is the
nation's capital.



677,000
visitors in 2012

Steeped in centuries of colorful
history and home to the
National Museum.

Assets & resources

- House of Assembly
- JAGS McCartney International Airport
- Chamber of Commerce
- Cockburn Town Medical Centre – TCI Hospital
- Financial Services Commission
- Cruise ship terminal
- Community College
- National Museum
- Historic lighthouse

Opportunities

- Retail
- Tourism
- Light manufacturing
- Medical services
- Financial Services/ Insurance
- Technology



Grand Turk



The historic island of Grand Turk, capital of the Turks and Caicos Islands, is the centre of government and the home of the Financial Services Commission.

Cockburn Town is the centerpiece of the island, with a wonderful array of historic buildings and inns. The streets are lined with historic 18th and 19th century landmarks that reflect the Bermudian architecture of the salt and colonial eras.

The multi-million dollar Grand Turk Cruise Center attracts more than half a million tourists a year. Grand Turk remains one of the most popular islands for divers, as well as for those who want to enjoy relaxing in a place steeped in history and surrounded by white-sand beaches.



Grand Turk offers shopping, historic buildings and the relaxed atmosphere of the Caribbean.



Salt Cay

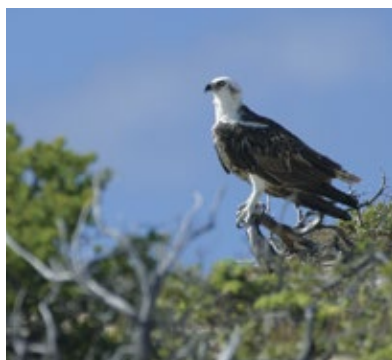


Salt Cay is a gem of history, and also offers opportunities to observe wildlife in some of the world's most beautiful natural habitats.

Described by locals as the "island that time forgot," Salt Cay is the perfect spot for unforgettable experiences. The smallest of the inhabited islands, the warmth of the nearly 100 residents and the charm of the Bermudian influenced architecture is immeasurable.

From the mid 1600s to 1900s, the island was home to a bustling industry of salt production. The salt industry's rich history includes providing salt to George Washington during the American Revolutionary War and aiding Canadian and American fishing fleets with preserving their catches. Buildings constructed during the island's heyday remain, along with the salinas from which salt was harvested.

Along with remnants of a by-gone era, Salt Cay offers some of the best scuba diving and whale watching anywhere, thanks to its proximity to the deep Columbus Passage.



2.5 square miles



A center in the salt trade for nearly three centuries.

Close proximity to the Columbus Passage, which plunges more than 7,000 feet, offers spectacular diving.



Opportunities

- Mariculture
- Marine Research
- Ecotourism
- Development



Assets & resources

- Airport
- Deep water port
- UNESCO World Heritage Site nominee
- World-class diving
- Whale watching



41 square miles



Miles of paved, lightly travelled roads are ideal for cycling.

Abundant rainfall makes it the lushest of the islands.



Assets & resources

- Marina with regular ferry service from Providenciales
- Airport
- Heritage sites and plantation
- Flamingo nesting sites
- Fertile soil
- 7-mile stretch of beach
- Secluded bays

Opportunities

- Hotel/Condo development
- Ecotourism
- Agro-industries including agriculture and livestock
- Light manufacturing



North Caicos

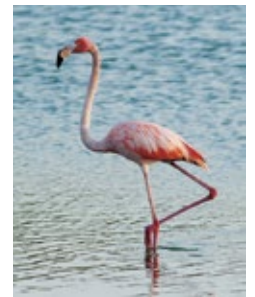


Amy Caicos

Historically the farming centre of the Turks and Caicos, the second largest inhabited island is evolving into a tourist friendly scene.

Known for its lush vegetation and abundant wild-life, North Caicos is an easily accessible island with a number of natural attractions such as its many nature reserves and flocks of pink flamingos. The local culture is also present, with craft markets and a history of building sloops, small boats that once ferried produce to the other islands.

With luxury properties under way and the same white sandy beaches that neighbouring island Providenciales is known for, North Caicos is on its way to becoming a quieter, greener tourist attraction.



Steve Passmore/ Provo Pictures



Nicknamed "The Green Island," North Caicos is home to most of the country's agricultural operations.



Amy Caicos

Middle Caicos

The largest island of the Turks and Caicos, Middle Caicos is host to a significant amount of culture and history.

The island contains artifacts from the once indigenous Lucayan Indians and features The Conch Bar Caves, the largest above ground cave system in all of the Bahamas and Turks and Caicos archipelago. The Bambarra settlement originated as a settlement for shipwrecked survivors from the African tribe of Bambarra.

Today it is a place for people to enjoy a number of water sports including snorkeling, kayaking, bone fishing, and even model sailboat racing. An annual competition sees the local water craft artisans race their creations in a friendly contest.



Much of what makes the Caicos Islands unique is alive and well on Middle Caicos, from straw works and other crafts to natural treasures such as wetlands, limestone caves, diverse wildlife and unspoiled marine environments.



Images: Amy Caicos



Steve Passmore/Provo Pictures

The Blue Horizon Resort takes advantage of the growing demand for ecotourism.



48 square miles

Regular ferries travel to North Caicos, which connects to Middle Caicos via a causeway.



The northern coastline features dramatic limestone cliffs and long beaches of white sand.

Opportunities

- Hotel/Condo development
- Ecotourism
- Agro-industries including agriculture and livestock
- Light manufacturing



Assets & resources

- Airport
- Causeway connecting North and Middle Caicos
- Historic and archaeological sites
- Limestone cave system





8.5
square
miles



The Big
South
Regatta sets
sail every
May.



The fishing industry
has found success
with lobster, conch
and other varieties.



Assets & resources

- Airport
- Natural deep water harbour
- International School for Field Studies
- Fishing capital
- Several developments in progress



Opportunities

- Tourism-related businesses
- Retail
- Restaurant
- Ecotourism
- Marine Research
- Yachting/Sailing



(24)

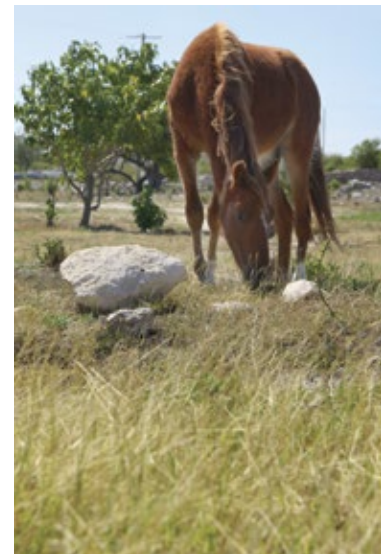
South Caicos



South Caicos' big fishing industry shows that even the smaller islands of Turks and Caicos have a lot to offer. Known for its fishing, avian life, diving, and history, South Caicos serves up a treasure trove of unique island experiences.

An international airport once brought a buzz of activity to the "Big South." Although the tourism focus shifted in recent years to other neighbouring islands, new hotel and residential developments are reviving activity. With long-term plans for restorations to the downtown, South Caicos is finding a new niche as a sustainable tourism destination.

Still the fishing capital of the islands, South Caicos fisheries are churning out the majority of the fish, lobster, and conch caught in local waters and packaging them for both domestic and international sale.



South Caicos is renowned for relaxed living in a natural setting, with a deep water harbour and great diving opportunities.





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21.7 square miles

Now uninhabited, it once was home to a sisal plantation and cattle ranchers.

A magnificent mangrove ecosystem flourishes undisturbed.



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- Unspoiled vistas

Opportunities

- Hotel development
- Ecotourism
- Technology
- Agriculture



East Caicos

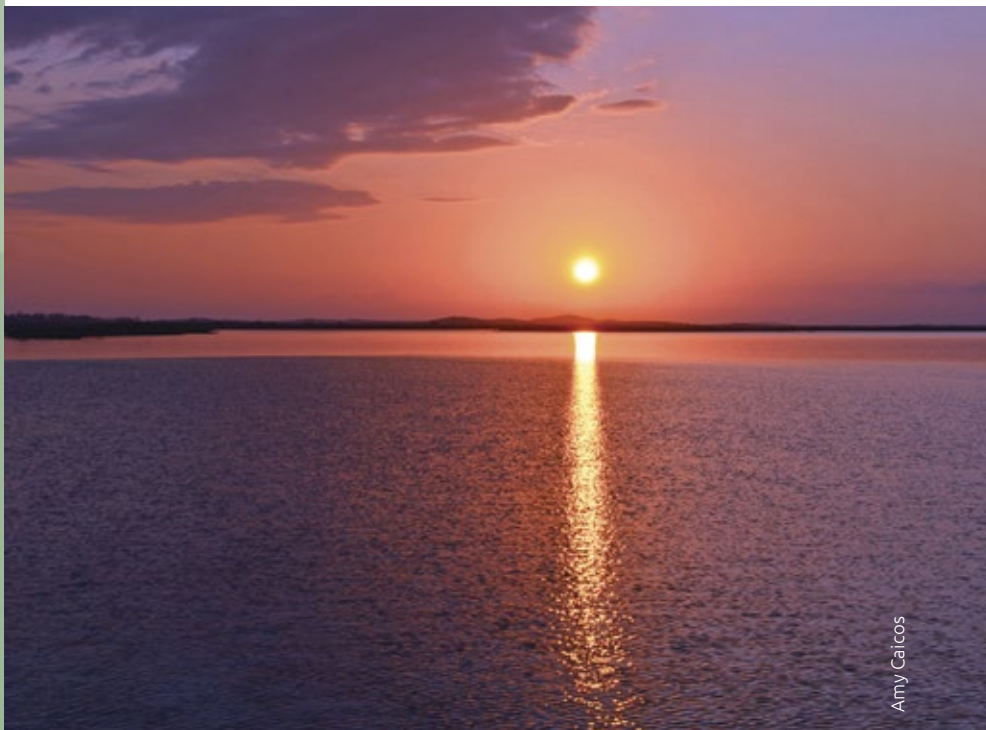


Steve Passmore/Provo Pictures

East Caicos is the fourth largest island in the TCI, which also makes it the largest uninhabited island. Despite never seeing an expansive population, it was home to a few industrious endeavors in the late 1800s when its natural features were put to good use.

The mostly flat terrain proved to be good for grazing cattle and sisal farming, while the cave systems were an excellent source of guano for fertilizer. Those industries have since shut down but remnants of them can still be found throughout the island.

Uninhabited but not without its charms, East Caicos is home to the highest point in the TCI, Flamingo Hill, which stands at 48 meters and it plays host to two well-known shipwrecks: the *Trouvadore* and the *Enterprise*.



Amy Caicos

At 48 meters, Flamingo Hill the highest point in the Turks and Caicos Islands.



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PRIVATE ISLANDS



Cays combine luxury & unspoiled beauty

In addition to the larger islands where the majority of the population resides, the Turks and Caicos includes a number of private cays within their island chain.

Smaller cays like Parrot Cay, Pine Cay, and Ambergris Cay are home to some of the country's most lavish resorts and homes. On Parrot Cay you'll find extraordinary private residences, all apart of the COMO Shambala Parrot Cay Resort. Pine Cay offers a back-to-basics luxury with the Meridian Club and Ambergris Cay's remote location makes it a secluded luxury cay.

Dellis Cay and Joe Grant's Cay are prime spots for new developments, catering to those looking for the "private island" feel, while West Caicos is in the final stages of development with its own Molasses Reef resort project.

Each of the private island developments blends natural beauty with pampering for the soul.



West Caicos/Jason Sintek



Ambergris Cay



Parrot Cay/Paradise Photography

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ECONOMY, TAXES, & INVESTMENT

with Washington Misick, Minister of Finance, Trade and Investment

Q: What is the current status of the local economy?

A: I think the economy looks healthy in the medium-long term. In the short term, we have to bite the bullet, because we have the debt we inherited, but we are making significant steps towards returning that. We will be contributing \$41 million to the Sinking Fund this year, out of a debt of \$170 million.

Q: What can we expect for the next financial year?

A: We are obliged to submit a balanced budget, so the 2013/14 budget will show some growth, both in terms of revenue and expenditure, but we will still end up with a surplus. The larger portion of which will again go towards the Sinking Fund to reduce the debt load.



Q: Looking into the future, the government has suggested some larger investment plans, such as a sea port in South Caicos. Why?

A: These are long-term strategic decisions TCI government has to make to reduce the barrier of getting into business and to be able to maintain and encourage investment, because there will be population growth and if we can spread things out more, all of the islands benefit.

Q: What is your plan to encourage outside investment into the Turks and Caicos Islands?

A: Our plan is to create as friendly as possible the investment environment so that the growth will be private sector led, as it should be.

Q: The Investment Policy 2012 is currently under review. What is the focus for the short term?

A: Making sure the jurisdiction is competitive, that the document is comprehensive and detailed enough, because businesses are of different sizes and require different levels of assistance. Also, in order to encourage local investment, adding incentives for the local business community to grow.

Q: What other areas are you looking at improving?

A: Streamlining immigration – such as developing immigration protocols with some of the larger developments, so their immigration requests can be fast tracked.

Creating policies that would encourage people to domicile some of their companies here – particularly regional operations.

Creating incentives for technology parks, where companies or educational institutions can undertake research and development.

Q: How do you envision the future relationship between investors and the government?

A: We are working to create a more robust, focused on a one-stop shop strategy, investment agency. Creating one place investors go to make all their submissions, and get all their results.

Q: What future projects are you looking to entertain for the Turks and Caicos Islands?

A: We are identifying zones of what can be done where, but in the confines of those guidelines, I think we have to be open to new ideas. We don't want to have a situation where the tail starts to wag the dog, but we also cannot be afraid of setting trends.

“Our plan is to create as friendly as possible the investment environment so that the growth will be private sector led, as it should be.”

Q: A proposal to implement VAT was repealed in April, what measures are now being considered to meet revenue projections?

A: We are in the process of establishing a Blue Ribbon Commission on taxation or revenue, that will review the current revenue regime. With that, we may see an adjustment of some of the current taxation measures or complete elimination of some. The aim is to simplify the structure so that the tax base is broader,

but fairer.

Q: Does this mean raising taxes?

A: I don't expect any increase in taxation per say, what I expect is a rationalization of the structure, which may result in some of the smaller more expensive to collect tax measures falling away. Our intention is not to increase the tax burden at all, but to make sure everyone pays their fair share.

Q: What are the main capital infrastructure projects planned for 2013/14?

A: In the 2013/14 budget, capital investments total \$14.5 million, of which more than half is already committed to three main areas: North/Middle Caicos Causeway, acquiring the necessary land surrounding the airport to accommodate the expansion and social infrastructure investments that are going to have a long-term impact.



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AVIATION

Modern air travel is right at home in Turks and Caicos, from international flights and Fixed Base Operator (FBO) arrivals to service between the local islands and destinations throughout the Caribbean. A major expansion is in progress at the Providenciales International Airport that will dramatically increase the number of flights it can handle. Several islands have available air-strips – ready for the cargo and passengers of growing businesses. For more on the airport, see page 88.

326,000

average number of
stopover visitors
2011-12

In 2012, Providenciales International Airport saw an average of 50 commercial flights a week.

Airlines serving the islands

Direct from U.S.:

- American Airlines
- Continental Airlines
- Delta
- jetBlue
- US Airways

National airlines:

- Air Turks & Caicos
- Caicos Express

Other countries:

- Air Canada
- Bahamas Air
- British Airways
- Tortug Air
- WestJet



Airports of the Turks and Caicos

The TCI has four designated international airports – Grand Turk, Providenciales, North Caicos and South Caicos – and two domestic airports, Middle Caicos and Salt Cay. There are also two private airports, Pine Cay and Ambergris Cay.

Private
jet travel
accounted for 3%
of stop-over visitors.

flying times

New York..... 3 hours

Boston 3hr, 15m

Newark 3 hours

Charlotte 3 hours

Atlanta..... 2 hours

Miami 1hr, 15m

Dallas..... 4hr, 30m

Toronto 3hr, 30m

Ottawa 4 hours

Montreal 3hr, 30m

Philadelphia 2hr, 45m

London 12 hours

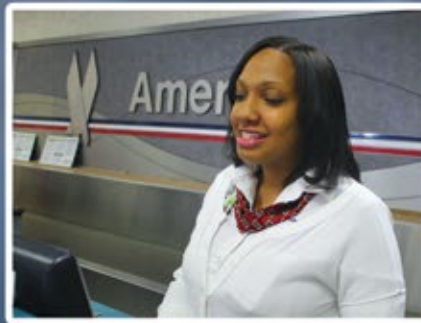


Arrivals



Departure

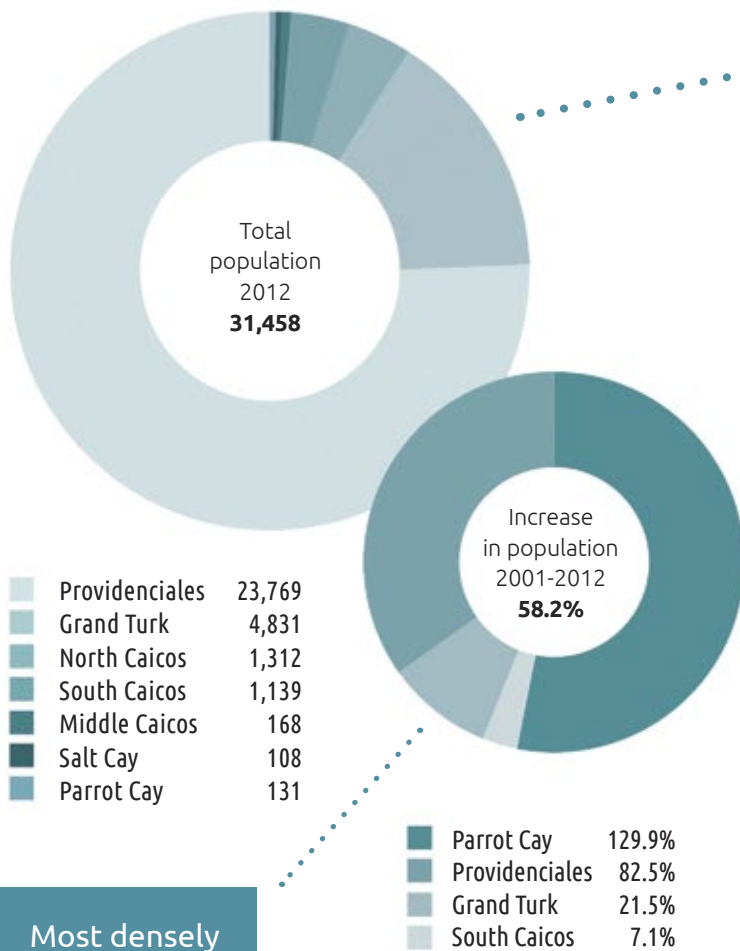
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POPULATION



Most densely populated

Grand Turk
700 people per square mile

Least densely populated
Middle Caicos
4 people per square mile

Turks & Caicos Islanders: 42.5%

Providenciales is the fastest growing island.

About 75% of the population lives on Providenciales.

Dynamic growth continues to transform the demographic profile of the Turks and Caicos Islands, according to the most recent census of the nation's population.

Newcomers drove the expansion, which saw the islands' population expand by a record 58 percent between 2001 and January 2012. With more foreigners without a family connection to the islands taking up residence in the Turks and Caicos Islands, residents without voting status now comprise a majority of the adult population for the first time in the nation's history.

The influx of expatriates pushed the percentage of "Non-Turks and Caicos Islanders" age 18 and older to 57.5 percent. Expats now comprise the majority of the adult populations on Providenciales and North Caicos, which had the 131 residents of Parrot Cay included in its count.

Booming economic development on Providenciales remained the primary engine of this tremendous growth for the third consecutive census. As resort construction along Grace Bay accelerated, the population of Providenciales exploded from 977 in 1980 to 13,021 in 2001. It expanded by 82.5 percent in the 2012 count, reaching 23,769 residents. Today Providenciales is home to 75 percent of the nation's population, and roughly 62 percent of them took up residence without having a family history in the islands.

Though the tabular data on the demographic questions from the 2012 census have yet to be released, the simple headcount confirms the big picture that residents have long understood. Providenciales' tourism boom continues to attract not only foreign nationals, but locals drawn to the island's labour market.

Total population by gender 16,037 males & 15,421 females.





INDUSTRY PROFILES



Key economic sector already expanding

After limping through several gloomy years in the wake of the global financial crisis, world-wide tourism appears to be turning a corner. Global arrivals are on the upswing, topping 1 billion for the first time in history in 2012. Like farmers welcoming rain after a drought, international industry leaders are optimistic, if a bit tentative.

The story is somewhat different in the Turks and Caicos. Ralph Higgs, TCI director of tourism, describes the industry as “on the rebound,” but from a broader perspective, the lows here were never as bad as they were elsewhere.

With the bulk of its tourism-related economy still focused on Providenciales, and with the Turks and Caicos brand carefully aligned with the international luxury travel market in North America and the Eurozone over the years, TCI tourism avoided the worst of the global recession. Today, with the rest of the industry generally concentrating on recovery, TCI tourism is plotting a course toward a new phase of growth, outreach and heightened international awareness.

While North American departures were among

Providenciales and its most popular beach, Grace Bay, has won numerous accolades, including Trip Advisor’s #1 Beach Destination in the world.

the hardest hit between 2007-09, Turks and Caicos weathered the storm by appealing to wealthy travelers who were less likely to put off their vacations as a cost-saving measure. With both the United States and Canada now in economic recovery, the picture is only improving. "We have not even begun to scratch the surface of the potential the North American market holds for us," Higgs said.

In the interim, the nation's tourism infrastructure has largely either improved or held its ground. Providenciales' roads, medical facilities and telecommunications have been upgraded, and with a major runway extension already in place, the nation's primary airport is currently expanding and modernizing its terminal. The Grand Turk Cruise Terminal has grown and a new visitors' centre in Cockburn Town is built and awaiting investors.

But most importantly, the natural environment remains virtually untouched, protected by a functioning national parks system that ensures the abundance of marine life and keeps the beaches pristine.

"So those fundamentals being soundly in place, they are the bedrock on which Turks and Caicos tourism will grow and be sustained," Higgs said. "I think the future is promising."



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79%

of visitors are from
the United States

12%

travel from Canada

151,372

visitors in 2000

nearly
1,000,000

visitors in 2012

3,500

keys in 2012*

5,000

projected in 2017

*approximate



Gansevoort/JSP Visuals.com

Island restaurants take full advantage of the natural setting to enhance vacationers' experiences.

Higgs said the pending construction of new hotels on Providenciales could not have come at a more important time in the country's development cycle. The addition of a luxury European Plan (EP) hotel brand, including at least one hotel with convention facilities, helps diversify the tourism base, while the new resorts keep the country moving on the right track. The continued success of the restaurant scene is an important factor in establishing the EP market on Grace Bay, and each trend can now support the other.

In the meantime, the country has been reaching out to the South American travel market – particularly Brazil – while exploring new opportunities to attract Asian luxury travelers. The country recently received Approved Destination Status from the Chinese government.

But expanding the local tourism economy requires more than new facilities for day visitors on Grand Turk and resort travellers on Grace Bay. The family islands must be promoted as the gems they are, but also for what they can become, Higgs said. "Tourism growth in TCI must be done in such a way that the entire population benefits from it. That is the only way it is going to be sustainable and have longevity."

Higgs also cited a broader collaboration with the Turks and Caicos Hotel and Tourism Association as another recent development. Michel Neutelings, the association's new president, sees similar benefits from an expanding partnership with the new government. "There's a whole new chapter being written in the Turks and Caicos," he said.

The association is working on four major projects: Creating a national skills bank for the hospitality industry; launching a privately owned hotel institute in consultation with the Turks and Caicos Community College, so as not to interfere with existing



Beach House/Erik Graham

The Turks and Caicos is making a name for itself as a top culinary destination.

programs; producing a multimedia public relations campaign to reinforce the importance of tourism to the daily lives of islanders; and developing an ongoing program of motivational training.

Additionally, the association is committed to environmental protection, green energy production, and ideas that “help to make a better and more harmonious place,” Neutelings said.

The association hopes to take a more active role in developing and, if need be, funding the local tourism agenda, in part because the government has been coming through a period of austerity and its revenues limit the projects it can undertake.

With the country rebooting itself via a new government and a new constitution as the global recovery takes hold, Neutelings sees great potential for Turks and Caicos to get all sorts of things right – from livability to job training and an international reputation for quality service. And, all of that contributes to a priceless word-of-mouth brand for tourism here.

“To be more competitive compared to other destinations...it has to be a good living environment,” Neutelings said. “We’re small enough to be able to (affect that kind of change). That’s the beauty of being a small destination.”

Gansevoort/JSP Visuals.com



A skilled and friendly workforce is one of the many reasons Turks and Caicos is a top travel destination.

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295,000

passengers on 136 cruise ships visited in 2006, the inaugural year for the Grand Turk Cruise Center

676,647

passengers on 261 cruise ships visited in 2012

Peak season is November through April.

47

47 ships scheduled to visit, with one in port 27 of 31 days in December 2013.

Carnival Cruise Lines' largest ship, *Breeze* (1004 length in feet) visits the port with 3690 passengers, 1386 crew

Visitors by the hundreds of thousands pass through Grand Turk each year, stepping off their cruise ships to contribute to the local economy.

Cruises creating untapped potential

Despite stunning growth since the Grand Turk Cruise Center opened in 2006, the word that keeps coming up when people discuss the island's cruise-related economy is "untapped."

The Grand Turk terminal welcomed 261 ship calls in 2012, down slightly from the previous year. But the number of visitors on those ships rose 3.2 percent to 676,647. That number was trending toward 800,000 in 2013 before an unanticipated three-week port closure in March, said David Candib, vice president for development and operations for Carnival Corporation.

Seventy percent of all visits to the Turks and Caicos Islands now enter via the Grand Turk Cruise Center. Arrivals typically spend six to eight hours in port, with the majority of the port calls occurring during the week. The terminal can handle as many as two ships simultaneously, welcoming an average of 2,500 passengers and 1,000 crew members per ship to the 18-acre cruise centre. Visitors can shop, dine, relax on the beach, surf artificial waves or swim in the pool. A variety of excursion operators stand by to give visitors a better look at island life.

Much of the interest in Grand Turk as a destina-

tion stems from the island itself, but its location relative to multiple cruise departure hubs in the United States also makes it compatible with a variety of itineraries, Candib said. "We have seen tremendous, continued interest in the development (of Grand Turk as a destination) from the industry."

But for all that growth and success, customer feedback suggests visitors want more options on Grand Turk – and show an interest in visiting other islands, including Salt Cay. Much of the destination's potential appears to be still untapped.

Carnival increased its commitment to the island in 2011 when it constructed a 23,000-square foot visitors' centre in historic downtown Cockburn Town, about an eight-minute drive north of the cruise terminal. The completed facility is expected to boost the local economy, but won't open until it attracts the right tenants. Candib said opportunity is there for retail, as well as food and beverage operations.

"We've seen a remarkable growth and acceptance from the cruise industry in a very short amount of time," Candib said. "But, there are still tremendous opportunities to be had seven years later in Grand Turk."



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Several shopping plazas featuring retail and other commercial space are right off the beach on Providenciales.



Saltmills Plaza

Retail market on the rebound

As the profile of the Turks and Caicos visitor evolves, multiple indicators suggest that increased demand for things to see and do will equate to increased demand for retail space and commercial real estate.

"In the last six to 12 months, demand has started picking up," said Rosie Nicholls, a chartered surveyor (what people in North America would typically call a real estate appraiser) who specializes in the commercial and retail market on Providenciales.

Nicholls works as an associate director for BCQS, a property and development consultancy with offices across Latin America and the Caribbean, and manages the commercial property at Saltmills Plaza in Grace Bay, which she says currently has a waiting list for new tenants for their ground floor retail units.

That is a big turn-around from just eighteen months ago. The economy is directly tied to the performance of the tourism industry, so recent activity in the retail and commercial sectors has largely been the result of recovery from the worst of the recession.

With Providenciales' high-end retail sector shifting to Grace Bay from downtown over the past 10 years, a surge in demand for retail/commercial space brought a new wave of mixed-use properties onto the market just as the global economy plunged into recession in 2007-08. The resulting glut initially brought the retail real estate market to a standstill, and rents dropped.

Providenciales – which represents roughly 80 percent of the nation's population and economy – has developed three commercial areas, each with a distinct identity.

Downtown is evolving into an affordable place to shop and do business, buoyed in part by several government offices and close proximity to the airport. What's come to be described as Midtown is anchored by shopping developments such as the Graceway Plaza, Courtyard Plaza and La Vista Azul in Turtle Cove.

Grace Bay, with its resorts and high-end residential developments, is thriving as a destination for luxury shopping and dining. It's also the preferred address for upscale professionals who cater to the affluent.

Commercial retail outlets on Providenciales tend to be a mix of retail with offices on the upper floors, and while office space remains largely available, retail rental and purchase prices have started to rebound.

"Everybody wants to be on Grace Bay Road, so that's at a premium," said Nicholls.

For smaller, storefront businesses, Grace Bay's modern inventory offers everything from managed rentals to long-term leases or lease-to-buy options and opportunities for companies to purchase retail and commercial space outright. This gives new ventures a wide array of investment possibilities depending on the start-up capital available to them.

"Provo has really turned a corner. There seems to be a lot more confidence in the market now with a couple of new developments which are happening," said Nicholls.

Other islands are also seeing growth in the retail market, such as the new 23,000 sq ft retail plaza on Front Street on Grand Turk that is seeking qualified tenants to operate the spaces.

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fronting Grace Bay Road, above Molasses Reef offices)



THE SALTMILLS



Hotel industry expanding at brisk pace

Announced projects:

- Third Turtle project, Providenciales
- The Residences, Providenciales
- Great House, Sailrock, South Caicos
- Hotel and Marina, Grand Turk
- Molasses Reef, West Caicos
- JW Marriott, Providenciales
- The Shore Club, Providenciales

A rendering of the planned Marriott project on Providenciales.

In the months leading up to the global recession and financial crisis of 2008, development in the Turks and Caicos Islands boomed with international confidence. In the years that followed, islanders would contend not only with the doldrums of the worldwide economy, but also suffer through a top-to-bottom overhaul of their governmental and financial systems.

But as the global economic recovery continues, the country is re-emerging as a development opportunity – only this time, it's with a more reliable and professional foundation for investment.

"I am extremely optimistic at the potential, not only in the next 12 months, but throughout the current term of the government and beyond," said Washington Misick, Turks and Caicos' minister of finance.

It's not one thing that gives Misick confidence, but a variety of them.

High-end international tourism – the foundation of the local economy – remains the most reliable sector of the tourism industry. The local economy grew at a brisk 4.3 percent in 2011. The quality of the development and investor groups doing business in the islands is on the rise. Once-promising resort projects that fell into limbo in 2008-09 are on their way back, thanks to refinancing by groups with the resources to bring them to fruition, Misick said. And the first in what appears to be a new wave of resort developments are just beginning to come ashore.

"We were attracted to TCI because it is a high end tourism destination with great potential, friendly and welcoming people and an excellent investment climate."

**Pedro Vera,
Desarrollos Hotelco Group**

Consider the news from last fall: Desarrollos Hotelco Group signed three Memoranda of Understanding covering \$500 million in proposed resort development financing – enough to construct three new resorts, with almost 900 five-star rooms on Grace Bay.

"We were attracted to TCI because it is a high end tourism destination with great potential, friendly and welcoming people and an excellent investment climate," said Pedro Vera of the Venezuela-based Hotelco Group. "We look forward to investing in TCI and being a participant in bringing luxury resort brands to these islands."

That alone could be enough to jump-start a new era of growth on Providenciales. But some observers of the island economy, including resort developer Mark Durliat, see an additional opportunity. They believe the great sorting of the past five years has



cleared the way for a new style of resort project.

"The money coming in is going to be more institutional," Durliat said in late 2012. "I see that happening without question. It will definitely, as we grow, become more homogenized. The Marriotts will definitely arrive. That is coming, inevitably."

And as predicted, in the spring of 2013, JW Marriott Hotels and Resorts was announced as the brand behind the previously revealed Desarrollos Hotelco development.

This next wave appears to be arriving despite a tight traditional credit market, which is driving financiers toward equity investors, said Simon Taylor, manager of the Turks and Caicos office of BCQS, a construction and development consultancy. Investors, Taylor said, "perceive that (resort development in Turks and Caicos is) a good use of their money, that there's going to be another upturn."

Even coming out of the worst of the recession years, with banks sitting on portfolios of distressed resort properties and investors facing anxieties about the old Turks and Caicos government, the bright spot in an otherwise flat development picture has been high-end properties and private villas, Taylor said, citing projects like Durliat's The Residences by Grace Bay Resorts.

Other sectors – particularly Providenciales' condo market – have struggled under the weight of pre-crash inventory surpluses. But Joe Zahm, a Providenciales Broker/Realtor, says that available inventories have been shrinking and that new condo projects will be announced on Grace Bay within the year. "They may be financially structured a bit differently, but this will soon get worked out."

Of course, while the macro picture trends towards large "anchor" resort projects and luxury development on prime Grace Bay, real estate savvy developers have also managed to turn profits on smart "small" projects. The rising success of Providenciales' resort economy has created an under-served professional class that needs affordable housing, and Canadian expatriate Kelly Sullivan has threaded the needle between quality and affordability with both his Venetian Ridge Villas and – more recently – his One On Marlin condo development.

"It all comes down to having something that represents good value in the marketplace," Sullivan said.

Given its place in modern Turks and Caicos, it's no surprise that much of the new activity centers on Providenciales. But the government is in active discussions with developers around three different projects on Grand Turk, Sailrock has announced the Great House Hotel on South Caicos, and the revival of plans derailed during the financial crisis has set in motion a large investment on West Caicos.

"I am extremely bullish," Finance Minister Misick said. "I am absolutely busy trying to move projects through the pipeline at the moment."



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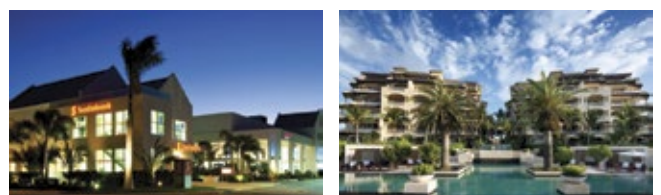
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The infrastructure, management expertise and skilled labour have long been available in the islands for construction projects both large and small.

Building industry on solid foundation

After declining during the worst of the global economic crisis, construction costs in the Turks and Caicos are showing signs of stabilization in 2013, reflecting growing investment and development trends that are expected to drive up demand for construction labour, even as overall costs are projected to stay relatively flat through 2015.

Cost is an important – but not all-important – fac-

tor in any development program, and that's particularly true in the Caribbean. With national boundaries, import duties, work-permit rules, fees and island-hopping travel requirements, acquiring and maintaining a skilled and locally adapted workforce of construction labourers, craftsmen, engineers, estimators and architects is no small feat.

This is why it is also so essential to the health of the construction industry in Turks and Caicos. It hardly matters if international investors want to put down millions of dollars to build new luxury resorts if the country lacks the workforce and infrastructure to execute their vision.

"The first thing (investors) need to understand, is you don't have to bring in contractors from outside," said David Hartshorn, principal of Projetechn, a local firm that has been in the industry in Turks and Caicos for 32 years. "There are well-organized, experienced, good-quality builders on island.

"It is important to understand (that) we don't build here like they do on other Caribbean Islands. Every island is different. You have to design to the tools and the skills you have on the island. All those skills, and all that experience is available here, and has been here for a long, long time."

That experience was often hard-won. The islands didn't have much of an experienced work



TCIG Governor's Office

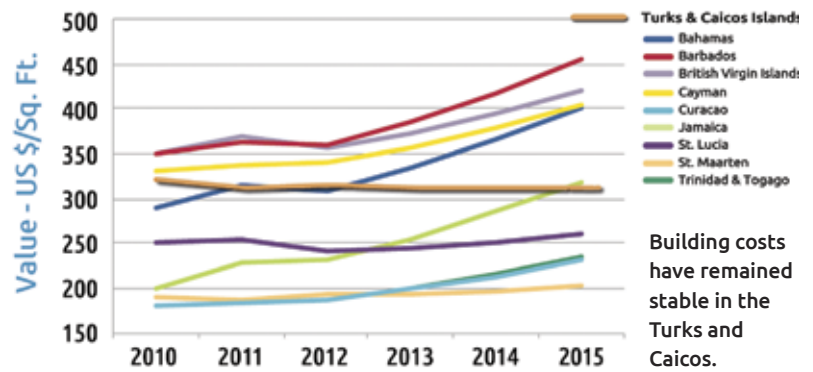
The construction industry is supported by a number of local suppliers such as concrete plants and millwork shops.

force when the Grace Bay resort boom began in the 1990s. But, after a generation of Islanders returned to the islands from overseas and an influx of talented construction professionals staked their careers to Providenciales, the construction landscape here was vastly different by the time global demand dropped in 2008. The local workforce now has a number of returning graduates with construction degrees, Hartshorn said, "most of them schooled in the British system, which is a very good system, in as much as it collects a lot of detail in the pricing process."

Annual exposure to tropical storms makes high-quality building codes a necessity, and the TCI code typically meets or exceeds the standards of Florida's famously restrictive rules.

Over the years, a local class of small-scale manufacturers has evolved on Providenciales, offering everything from granite fabrication to finished millwork with prices and quality levels that rival similar products from North America. Since duties on finished products are generally higher than those on raw materials, locally produced construction components typically represent a savings to the developer. Local service providers with experience in au-

Construction costs: Hotel/Condos: 5-star condos



Source: BCQS International 2012 Caribbean and Latin American Construction Market Trend Report. For the full report, visit bcqs.com

dio, video and electronic-security systems have also put down roots here.

Construction firms in the TCI now offer multiple types of contractual structures, ranging from standard turnkey projects to FFE (Furniture, Fixtures and Equipment) deals. All the usual approaches to project financing and management that a for-

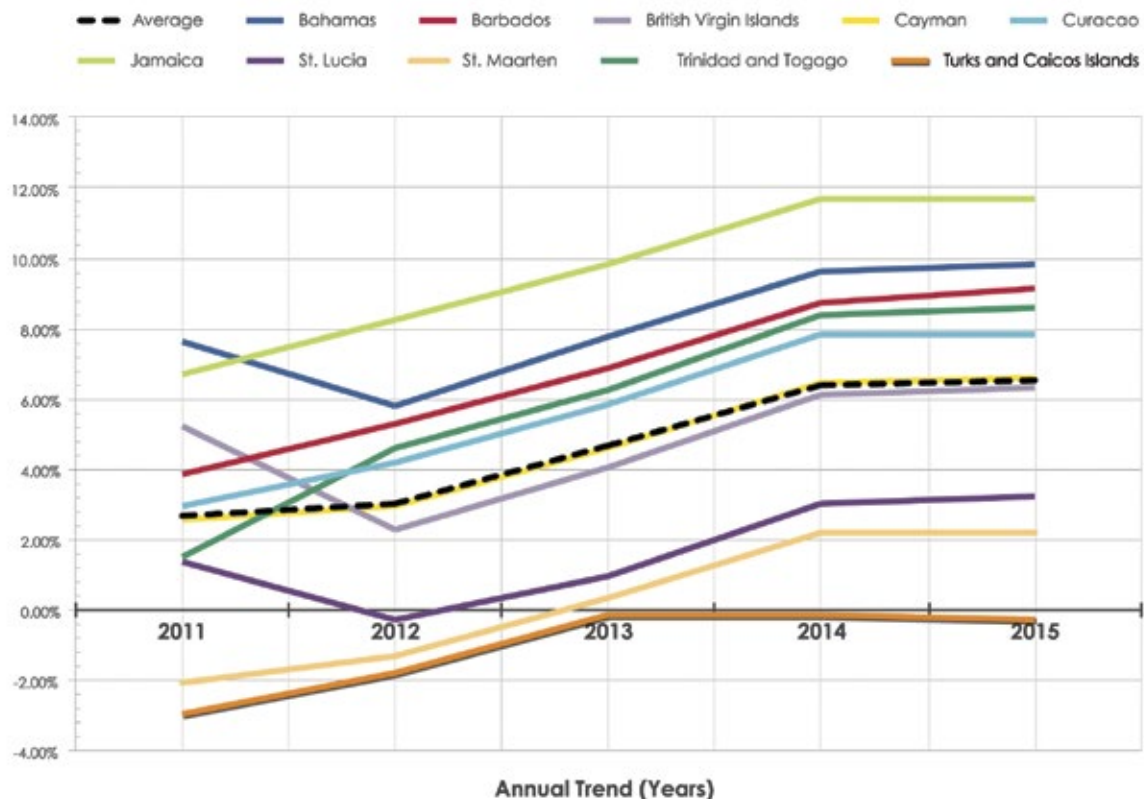


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Overall market trend



Findings and projections for overall construction cost escalation trends based on three years of collected data. Turks and Caicos compares favourably to other Caribbean nations.

Source: BCQS International 2012 Caribbean and Latin American Construction Market Trend Report. For the full report, visit bcqs.com

eign investor might be familiar with are available, Hartshorn said.

"That allows the investor to see a very open-book document that can be sensitized to hit whatever budget they are looking for," said Steve Thompson, managing director of Projotech.

Materials costs across the Caribbean are largely driven by demand in the United States, said Simon Taylor of the development consultancy BCQS Ltd., and since all the materials used in construction here – even the sand for concrete – must be imported, local materials costs are basically determined elsewhere. Labour costs, which vary greatly from jurisdiction to jurisdiction, were higher here than most places in the Caribbean before the financial crisis, and have since moderated.

While commercial work essentially dried up during the crisis, activity in high-end single-family home construction has grown over the past three years, keeping many of the local firms afloat. The new commercial projects in the pipeline represent a big boost to the construction sector, Thompson said, but what's booked over the next three years probably doesn't

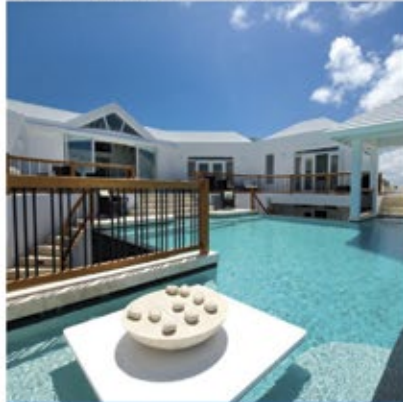
add up to what the industry was producing seven years ago. So, single-family construction will likely remain a big part of the picture for the short-term.

"We do see that continuing," Thompson said. "The prime beachfront land (such as Long Bay), while steadily being developed, (still has) capacity over the next few years. Then I think there will be some other beachfront areas that will take off in a similar way.

"It's a big leap of faith for people coming out of North America or Europe to build a house. They want to know they are getting value for their money and they are working with a reputable contractor. So word of mouth is very important."

So while construction in the West Indies remains more expensive than most places on the mainland, Hartshorn encourages investors to look at the complete picture. "People should not focus on one side of the equation. It is expensive, but it is also high value," he said. "(Investors) should take comfort that the skills are here, that the rates are correct here... There are people you can talk to who have repeatedly invested here, have been happy and successful in what they built and developed. There is a track record."

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TC Sotheby's International Realty/Tropical Imaging

A growing number of property purchasers are Canadian.

\$750,583

Average price of property* sales from July 2012-13

Source: TCREA
* homes, condos and vacant land

Amazing Grace, an eight-acre estate on 280 feet of Grace Bay beach, is for sale for \$14.5 million.

Owning in paradise can be simple process

Tourism attracts about 1 million visitors to the Turks and Caicos annually, but for some travelers, a room at a resort for a week is just the beginning.

For those who wish to purchase their own piece of the islands, laws in the Turks and Caicos make that process far easier than in some other jurisdictions, according to Kathryn Brown, proprietor of ERA Coralie Properties Ltd. and president of the Turks & Caicos Real Estate Association (TCREA).

Buying property here is a straightforward, simple procedure, Brown said, and buyers have guaranteed ownership – a benefit of Turks and Caicos' association with the United Kingdom. There are no restrictions on foreign property ownership and no imposed requirements to develop land within a stipulated time.

Additionally, the Turks and Caicos tax system is

attractive to many buyers, and mortgages and insurance are available to natives and new arrivals alike, she said. Buyers pay a one-time stamp duty on new purchases, but don't pay annual property taxes or eventual capital gains taxes on property appreciation profits or income tax on rental income.

"Property owners like that they don't have to pay a tax every year," Brown said.

While the global economic crisis depressed the real estate market for several years, indicators improved markedly in the fourth quarter of 2012, and stabilized in early 2013. A recent decline in the number of listings serves as confirmation that last year's increases in prices and transactions convey a trend that's gathering strength. The majority of foreign buyers continues to come from the United States, but Canadian purchasers have risen from 5 percent to 15 percent of the market since 2008.

For Brown, the basis for optimism is obvious. Despite global losses in the real estate sector, the local market "has not lost any of what we value highly:

TCI real estate agents provide high level of professionalism

The beautiful vistas of Turks and Caicos are not just eagerly sought after by vacationers and globe trotters, they're also in high demand amongst those looking for a more permanent stay. Fortunately, the Turks and Caicos Real Estate Association has set up an incredibly effective network among the islands realtors, allowing for transparency in the local real estate market for both customers and agents.

Now home to 17 firms and 90 agents, the TCREA has grown significantly since its beginnings in 2000 and has incorporated major brands such as ERA, Sotheby's International, Century 21, RE/Max, Coldwell Banker, Christie's and more into their operation. They have established the rules and regulations governing the realty industry here including required training and testing along with ensuring agents are associated with a broker firm.

Possibly the biggest accomplishment achieved by the TCREA is the Multiple Listings System. The MLS is a system in which all properties listed with any TCREA agent are made available to all agents and brokers, thereby allowing all agents and brokers to work together in further developing and strengthening the islands' real estate industry.

Also available for public view, the MLS further benefits the industry by allowing the TCREA to track varying statistics regarding sales and listings giving both the consumers and the brokers a way to gauge market trends, backgrounds, and more.

17

firms are members
of the Turks and
Caicos Real Estate
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TCREA.com

sun, sea, and sand," she said.

"This is a stable economy, and that's what attracts people (to purchase here)."

Sales of high-end single-family homes led the local market out of the recession, said Joe Zahm, Broker/Owner, Turks & Caicos Sotheby's International Realty, who has been involved in real estate development on the island for over two decades. He has also witnessed a real demand for upper-level (\$1 million and above) condominiums for the first time in years.

While luxury homes and prime beachfront locations continue to drive the recovery, Zahm sees opportunities in sectors that haven't bounced back as quickly. "There remain some great buys and some hangover distressed and stressed values for second- and third-tier land on Providenciales, and first-



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TC Sotheby's International Realty/Steve Passmore

This 7,000 square foot Estate at Grace Bay Club Penthouse sold in 2012 for more than \$7 million.

tier land on outer islands.”

Zahm anticipates the announcement of new condo projects in 2013 as the existing inventory shrinks. He believes the arrival of European Plan hotels, such as the announced JW Marriott on Grace Bay, will drive continuing expansion of Providenciales’ airlift capacity – with associated benefits for property values. And, he foresees increased demand for managed single-family developments and enclaves. “The market loves this concept of purchasing a managed home, with no muss or fuss, with terrific rental income potential, if desired.”

Financing availability has loosened up a bit since the depths of the crisis, but all the local banks still carry some defaulting properties on their books, said Simon Taylor, a chartered quantity surveyor and the manager of the Turks and Caicos branch of BCQS International, a property and development consultancy with offices across the West Indies and Caribbean.

“It’s still a very tight market credit-wise,” Taylor said. “But all of the high-street banks we have here are Canadian banks, and they were generally more conservative (before

“[Turks and Caicos] has not lost any of what we value highly: sun, sea, and sand. This is a stable economy, and that’s what attracts people.”

**Kathryn Brown,
President, TCREA**

the crisis than their American counterparts), and so fared better.”

Still, the financing picture in Turks and Caicos is a mixture of caution and opportunity.

“I think the banks are more careful now about wanting to know the person... and their ability to pay. You’re probably getting no more than 70 to 75 percent (financing), so you’re still looking at a significant deposit,” Taylor said. “But because lenders are still liquidating... there is opportunity to pick up property of a desirable nature at a price that’s less than it was during the boom. So, all the signs are good that things

are going to improve.”

Providenciales remains the engine of the real estate sector, Brown said, but developments are popping up on South Caicos and other islands as the recovery gathers steam. Additionally, a new fractional ownership ordinance is expected to pass the House this summer, opening the door for a limited number of investors to purchase properties together.

“Fractional ownership has existed for some time in other luxury-product industries, such as jets and boats,” she said. “Why not homes?”

With its roots in English Common Law and traditions, property insurance in the Turks and Caicos looks largely familiar to most foreign purchasers. The local industry is regulated by the Financial Services Commission, and the companies represented by local agents and brokers undergo constant international review. There’s also a national insurance association that self-polices industry standards.

In addition to there being no restrictions on policies for foreign property owners, insurers have worked to amend standard international rules to reflect the needs of

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- 8 percent or \$8 for every \$100 where the amount or value in consideration is \$250k-500k
- 10 percent or \$10 for every \$100 where the value in consideration is greater than \$500k

the local market.

"For example, all home policies contain exclusions for periods while the insured residences are unoccupied," said Dwain Bayles, general manager of the Insurance Centre on Providenciales.

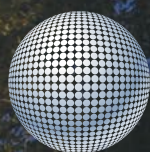
"As many of our foreign clients purchased their homes for use as short-term rental or as a holiday home, we have agreed with underwriters to remove the standard exclusions as long as certain basic procedures are adopted."

With tropical storms an annual fact of life in the West Indies, local insurers retain a relatively small proportion of the risk underwritten in the Turks and Caicos. Bayles said all insurance companies in the TCI purchase reinsurance from overseas markets. "This allows the local companies to spread their exposure, and in the event of a major hurricane our local underwriters can call on their reinsurers to contribute to their loss," he said. "Our local industry has more than enough resources to deal with any major catastrophe."



The Shore Club/Jon Nickson

The Turks and Caicos market has kept up with cutting edge trends, such as managed properties and upcoming fractional ownership opportunities.



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Financial industry: The quiet giant

While tourism continues to be the mainstay of the local economy, the financial services industry has quietly been developing its product base and attracting a plethora of new clients to the Turks and Caicos Islands, making it the second largest contributor to the country's GDP.

The Turks and Caicos Islands has had legislation governing financial services since the 1970s, but its strategy to offer specialized products through personal service, has kept its reputation in the realm of a boutique destination.

Today, the TCI offers a well-defined regulatory framework within which to operate a comprehensive range of financial activities including banking, insurance, trusts, mutual funds, investment dealing companies and partnerships to the international business community. TCI is home to reputable, international financial services brands such as Scotiabank, CIBC and Royal Bank of Canada along with many other financial service providers.

In his opening address to the Caribbean Association of Insurance Regulators (CAIR) who held their annual meeting in the islands in June 2012, H.E. Governor Ric Todd told industry professionals that while we have a smaller financial services sector than some other Overseas Territories, we want to build on its successes and develop it further.

"We want TCI to compete in the world financial services industry through the quality of our products; the strength and credibility of our industry; the ease of doing business; and the skills of our practitioners," explained Gov. Todd.

Internationally experienced practitioners, based in the islands, provide a multitude of financial services to customers here and throughout the world.

As the financial services industry in the Turks and Caicos Islands continues to strengthen and grow, several changes are being made to legislation to accommodate this evolution.

"We are also committed to developing our finan-

cial service industry as a dynamic, successful and well regulated sector which meets globally recognised standards of transparency and compliance," the Hon. Premier of the Turks and Caicos Islands, Dr. Rufus Ewing, said about the industry. "And we stand ready to respond to change."

Rule and regulation revisions

Consultations are ongoing, but recent and proposed changes include:

- **Amendment to the Companies Ordinance:**

In July 2013, the Governor assented to an amendment to the Companies Ordinance allowing a partial change to companies registration dates thereby reducing delays in calendar year end filings.

- **New Trustees Licensing Ordinance:** To incorporate greater powers to access critical information and allow intervention in cases where there are concerns over trust activities.

- **New Securities Ordinance:** To provide TCI with a modern securities regime aligned with the ISOCO standards and designed to attract new areas of business to the islands.

- **New Domestic Insurance Ordinance:** Proposed changes include new requirements in the areas of licensing, capital, reserves, reporting and compliance.

- **New Banking Ordinance:** To replace the present legislation and improve legal provisions for the supervision of banks. Amendments will include updated capital and liquidity requirements as well as enhanced intervention powers for the Financial Services Commission.

- **Financial Services Commission:** The Commission has been appointed as the sole supervisory authority for Non-Profit Organizations.

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Annual Report

Insuring the future of the industry

The insurance market is an important sector and a growth area in the TCI financial services industry. It encompasses a comprehensive portfolio of products which have dominated the industry's activity in recent years, led by the captive insurance products.

The TCI has developed a niche market for captive insurance companies known as "credit life" or "Producer Affiliated Reinsurance Companies" (PARC). In fact, over 5,000 such companies are domiciled in the TCI, making it the largest PARC domicile in

the world.

The TCI insurance legislation provides for these low cost reinsurance companies to be licensed and used by direct writers that are regulated by the regulatory authorities in the United States. In addition, because of the volume and history of captive insurance companies being domiciled in the TCI, there is a body of professionals – lawyers, accountants, insurance managers and corporate service providers – who have expertise in the incorporation, licensing and maintaining of captive insurance companies.

Capturing a growing insurance segment

In recent years, captive insurance companies have become one of the largest contributors to the financial services industry in the Turks and Caicos, which is itself second only to tourism in the island nation.

In November of 2012, the Turks and Caicos Association of Insurance Managers (TCAIM), in partnership with the Turks and Caicos Islands Financial Services Commission, hosted a Captive Insurance Conference on Providenciales. They invited industry experts to share their insight about captives with interested business executives. "This first annual conference is timely for the Turks and Caicos, as insurance managers recognize the significant opportunity that captive insurance represents for the revenue growth of these Islands," said TCAIM President Adrian Corr.

Captive Insurance is a wide term that covers many niche insurance products, but is primarily where an insurance company is formed to insure the risks of its parent corporation or owner, and/or their customers.

One of the key benefits of having a captive insur-

ance company is that the owner gets to share in the profits made by the company to which it pays its premiums.

"You are taking the sweet spot, which is the expected profit of a traditional carrier and converting it back to you," explains Sterling Shuttleworth who has been managing captives for more than three decades.

Shuttleworth first came to Turks and Caicos in 2002, after leaving a large, multi-national company. He had decided in 2000 that the captive business was important, but the middle market in the U.S. was totally under served from the captive perspective. After spending most of his 30 plus years in the captive industry in Bermuda and the Caymans, the cost of doing business in those venues became a concern and he began a search for a British Overseas Territory that offered the infrastructure he needed, and the laws he required. "I purposely



looked at the venues and chose Turks and Caicos myself," a decision Shuttleworth says has reaped great rewards. "Our captives in Turks and Caicos are returning 40 percent on their investment on an underwriting profit base."

Greg Petrowski, Secretary/Treasurer GPW and Associates in Phoenix, Arizona, made that same choice several years earlier in the early 1990s. He felt welcomed by officials who were willing to work with industry affiliates to create the ideal balance of legislation and operational costs.

"They are not overly regulated and don't require an excessive amount of capital," he explains.

Islands such as the British Virgin Islands, Cayman Islands and Bermuda have long been considered domiciles of choice, primarily because people did not know about what the Turks and Caicos has to offer, says Petrowski. "Turks and Caicos has been one of the best-kept secrets in the insurance industry." The Turks and Caicos created specific regulations dealing with these structures, making it an appealing market for both the investors and the country.

"The Turks and Caicos Islands are the premier domicile for producer owned/producer affiliated reinsurance companies in the world, not just the



Caribbean islands," says Petrowski. With an increase in new formations of over 40 percent in 2012, the swell of captive insurance businesses in Turks and Caicos is slowly turning into a surge.

Sterling Shuttleworth,
CEO of Venture
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Protecting, managing, and growing wealth

Increasing individual wealth has always been challenging business, especially in recent years, which have seen several of the world's largest investment institutions close their doors. More and more companies, families and individuals are looking for secure ways not only to grow but protect their assets. This desire has also been apparent in Turks and Caicos, evidenced by the growth of the financial services industry, which helps global clients to manage their assets and grow their wealth.

"A private bank is a non-incorporated entity, typically a partnership with one or more partners having unlimited liability, primarily providing wealth management services to high-net-worth individuals and families" explains Kenrick Walters, relationship manager with Bordier Bank (TCI) Ltd. "Many private banks offer portfolio management services exclusively while others go well beyond that, offering legal, corporate, trust, estate planning and family office services" Walters added.

There are seven licensed banking institutions in the islands carrying out both national and overseas activities. A distinct advantage of using a private bank in particular, Walters explained, is in servicing. "The client-servicing offered by private banks is highly customized and personal, an approach that is difficult to achieve in a traditional retail banking setting."

Trusts are another vehicle families utilize for tax and estate planning, as a way to preserve their assets for future generations. "We maintain

international standards," explains Peter Savory, a chartered trust officer in the Turks and Caicos, as to why the islands are a popular domicile for these investment vehicles, "as well as a well regulated financial services industry."

Legislation in the Turks and Caicos oversees the administration of trusts, and currently there are twelve licensed trust companies. Trust companies, as with banks, money transmitters and other financial operators are regulated by the Financial Services Commission.

Diversification of assets and a sound place to take up part-time residency are additional reasons Savory says make the islands an attractive domicile. The tax incidence based on spending, not earning, gives greater control of finances to those who live in or are regular visitors to the islands, he says.

For over three decades, Savory has been helping international families with historic connections to the islands, acting as a "financial quarterback" to help manage intergenerational wealth, whether created or inherited. Looking to the future of the industry, Savory says, "(The Turks and Caicos) are well positioned with our products and expertise to cater to the wealth that will come to TCI."

The portfolio of the financial services industry in the Turks and Caicos Islands has grown organically and continues to thrive under the stewardship of professionals with expanding expertise. As the industry develops, products and services are being added to the industry's portfolio, a testament to its success.

Recently, the Financial Services Commission introduced legislation to regulate mutual funds. This leg-



Company managers and agents
are regulated by the Company
Management (Licensing)
Ordinance and regulated by the
Financial Services Commission.

isolation provides for mutual funds to be established in the islands and also for mutual funds constituted under the laws of a foreign country to be licensed in the islands as 'recognised mutual funds'. Several firms are already in operation within the country, offering a variety of mutual fund products.

Investment dealers legislation was also recently introduced, providing for licensing of fund managers, investment advisers or investment dealers. Investments under this legislation include commodities trading, corporate bonds, equities, government and local authority bonds, units in collective investment schemes, warrants, covered warrants, options, futures, forward contracts, contracts for differences, swaps, and spread bets and any similar securities or derivatives.

Q&A with Kenrick Walters

Q: What is a private bank and why use one?

KW: A private bank is a non-incorporated entity, typically a partnership with one or more partners having unlimited liability, primarily providing wealth management services to high-net-worth individuals and families. Private banks offer customized solutions and personalized servicing that would be near impossible to achieve in a traditional retail banking setting.

Q: What types of services are offered by private banks?

KW: Many private banks offer portfolio management services exclusively while others may also offer legal, corporate, trust, estate planning and family office services. Some even offer concierge services like booking private yachts and jet charters, arranging luxury accommodations and other high-end services.



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Tax specialists can help maximize benefits for foreign investors

For those considering an investment in the Turks and Caicos Islands and for those investors who have already invested, it is important to understand how these investments will impact the investor's domestic tax obligations. The world is awash in efforts to combat international tax evasion and avoidance planning, making proper tax advice imperative.

The Turks and Caicos Islands, along with all other reputable financial centers, has declared its support for multinational financial transparency rules. These include Tax Information Exchange Agreements (TIEAs), the U.S. Foreign Account Tax Compliance Act and a host of Memoranda of Understanding allowing bilateral cooperation.

Keeping up with all of it is a challenge for a small country. "We are not a tax haven," the Premier's Office declared, while calling upon international economic powers to align their various rules and proposals.

But, to say that the Turks and

Caicos is part of the international transparency movement is not to say that it lacks certain tax advantages for foreign nationals. It's just that they're not blanket advantages, or tax-avoidance policies based on look-the-other-way anonymity. Larger countries offer participation perks to jurisdictions like the Turks and Caicos Islands as incentives for entering into tax treaties.

Making the most of what the law will allow requires specialized advice. That's where specialists such as Philip Friedlan, an Ontario-based Canadian tax attorney and estate planner enters the picture.

"There is a complicated – and I mean complicated – regime in place to try to prevent Canadians from earning foreign income, particularly passive income, without paying tax in Canada," Friedlan said.

But, Friedlan is talking about residents of Canada, not citizens of Canada. It's a distinction that doesn't

mean much under United States tax law. The U.S. taxes are based on citizenship, regardless of residency – another example of why financial planning in the TCI can be highly specific to the original nationality of the resident.

A Canadian citizen who resides in the Turks and Caicos Islands isn't taxed by his native country on income earned outside of Canada. But, for a resident of Canada with business interests in the TCI, the Tax Information Exchange Agreement gives Canada the ability to request information that would reveal his income and activity.

"What that system allows you to do is – and these are very, very complicated rules that I'm trying to keep simple – (is) if you earn what's called 'active business income' through a foreign company in a jurisdiction that either has a tax treaty or one of these (TIEA) agreements, the profits there can be brought back as a tax-free dividend to a Canadian company, without paying any Canadian tax. There would only be Canadian tax on that income if you distribute it out personally. So that's the big advantage in being in a jurisdiction that has one of these agreements or has a treaty.

"However, under our rules, if you own a foreign company that earns passive income and you control it, the Canadian owner would have to pay tax on it," Friedlan said. Since passive income could include rent collected for a vacation rental property in the TCI, that's a rule that potentially affects many Canadians with ties to the islands. Which keeps Friedlan and other tax specialists busy.

"If you're still a resident of Canada and you're going to be buying property in the Turks, you should get advice from a Canadian adviser before you go out and do it," Friedlan said. "Because depending on what you're doing, the answer might be different."





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The TCI Financial Services Commission is an independent statutory body tasked with the supervision of the financial services sector. The Commission, which is also responsible for the oversight of company formation and registration, is accountable for its performance to the Governor of the Turks and Caicos Islands.

TCI Financial Services Commission

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The TCI Financial Services Industry: From a regulator's point of view

By Paul Coleman, TCI Financial Services Commission

Strong regulation is the cornerstone of a strong financial services industry. A very simple statement which, when placed in the context of the Turks and Caicos Islands, means so much to their success.

The Financial Services Industry is the second largest contributor to the economy of the Turks and Caicos Islands after tourism. Known as a high end tourist destination, visitors to the Turks and Caicos Islands are exactly those wealthy individuals who have legitimate financial needs to manage their wealth portfolios in an advantageous manner.

Unfortunately some offshore financial centres in the world have a reputation, not always justified, of criminals laundering money and unfair tax regimes. This is a global issue and no one single country needs to be singled out. The G8 group of countries has recently adopted a strategy of addressing tax evasion and encouraging transparency with the overarching aim of driving global prosperity. Increasing political will as evidenced by the G8 strategy, makes it even more important that offshore financial centres focus on attracting legitimate investors and discouraging investors who are looking to invest for all the wrong reasons. Failure to adopt such a strategy adds to the risk of being an attractive place for the wrong sorts of money and conversely, even more worrying, legitimate investors steer clear of a particular offshore financial centre rather than becoming tainted by association.

A perfectly reasonable question to be asked by any potential investor is: Are my money and my reputation safe?

The development and implementation of strong and focused legislation in a country is the first step to attracting the right sort of investor. The Regulator has the job of driving standards and ensuring compliance with the legislation. In a small country, the role of the Turks and Caicos

Islands' Regulator is diverse. There are many very technical products and services in the form of Banking, Trust Companies, Company Management and Investors and Insurance within the scope of the Turks and Caicos Islands Financial Services Commission (The Commission) as Regulator. All products and services at some stage are designed to take care of someone else's money, a significant responsibility dependent upon strong and effective regulation. The Commission implements its regulatory responsibilities by operating within a framework of internationally accepted standards, provided by, amongst others, the Basel Committee on Banking Supervision, the International Association of Insurance Supervisors, and the International Organisation of Securities Commissions.

The Commission forms that bridge between the industry and the legislative branch of the Government. The industry knows that they need to be able to offer competitive products which their customers will buy. The Government knows that disgruntled or worried investors will vote with their feet. In between, the Regulator plays an active part in listening to the industry, proposing changes to legislation to achieve clarity and transparency, for both the investor and the industry practitioners. Finally the Regulator must examine and report that the businesses are compliant. Successful compliance in turn helps convince investors that their money is in safe hands and their reputation is unlikely to become tainted.

Permeating all financial products and services is legislation covering the very topical global issue of prevention of money laundering and prevention of terrorist financing. Hardly a day goes by without hearing about the laundering of money. Criminals launder money because they wish to be able to spend their ill-gotten gains without raising suspicion.

The Financial Action Task Force is the vanguard intergovernmental body that sets globally ac-

Regulator: A person or group that sets standards of practice, especially those established by law.

Source: Wiktionary

cepted standards of a government's approach to anti-money laundering and the prevention of terrorist financing. The FATF, as it is referred to, not only sets the recommended standards but through its related local bodies, it actually measures the success of various countries in implementing a strong Anti-Money Laundering regime. FATF goes even further and provides a list, on its website, of those countries that aren't complying with the standards or who are making insufficient progress to achieving full compliance. Such a publication, on the FATF website, is a double edged sword, as non-appearance tells the investor of those countries with strong regimes, but it also makes it known to the criminal which countries are not in a strong position and hence are attractive to launder money.

The requirement of countries aiming to achieve compliance with FATF recommendations is not necessarily in response to the occurrence of money laundering in that country but

more importantly it is about having a sufficiently strong anti-money laundering regime aimed to ensure that warning signs and suspicions are identified at an early stage and reported to law enforcement. The Turks and Caicos Islands Government is committed to ensuring that its approach to achieving FATF compliance will ensure that skills and experience to fight money laundering meets the challenge of an ever changing criminal landscape.

The Commission has a demanding agenda to support the Turks and Caicos Islands financial services industry. In adopting its three year plan to support the development, the Commission has committed to three core activities; improving stakeholder engagement, modernising the legal framework and redefining the Commission's operating model. Achievement of the three core activities will provide a sound base clearly encouraging the right investor who can invest with the utmost confidence.

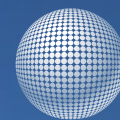
17

The number of regulatory authorities with which the FSC has Memoranda of Understanding (MOUs).

9

The number of international bodies and initiatives in which the FSC participates.

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PROPERTY AND DEVELOPMENT CONSULTANTS THROUGHOUT LATIN AMERICA AND THE CARIBBEAN



First-rate facilities offer opportunities

Currently performed areas of medical tourism include:

- Total knee replacement
- Uni knee replacement
- Total hip replacement
- Hip resurfacing
- Shoulder arthroscopy
- Knee arthroscopy
- Endoscopic carpal tunnel release
- Plastic surgery

Grand Turk and Providenciales each have a state-of-the-art medical facility. More on p. 100

Global MedChoices expects to handle 200 procedures in TCI in 2014.

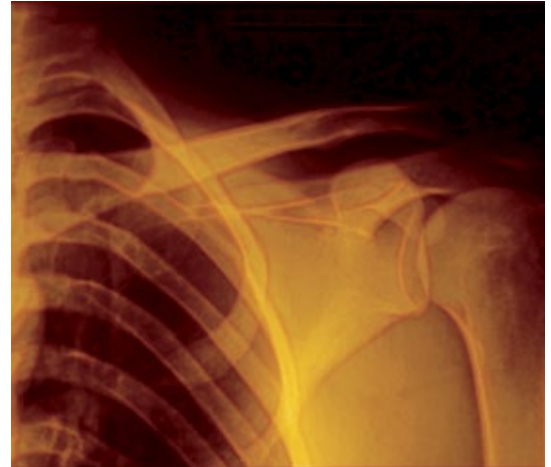
The flip-side of the Turks and Caicos' ongoing modernization of its medical infrastructure is that building the hospitals the country will need for the future creates extra capacity today. Matching that capacity to global demand for what's now called "medical tourism" is already returning surprising benefits.

InterHealth Canada (TCI) Ltd. operates the national hospital in a public-private partnership with the TCI Government. With 20 beds at Cheshire Hall Medical Centre on Providenciales and 10 beds at Cockburn Town Medical Centre on Grand Turk, the partners identified an opportunity to generate additional revenue to offset the cost of local healthcare. Working with North American medical providers such as US-based Global MedChoice, the Turks and Caicos Islands Hospital is making the best use of its available capacity.

While traditional medical travel flowed from less developed countries to those with more advanced systems, imbalances in cost, insurance coverage and access to timely, quality care are reversing that flow. More than 500,000 Americans were estimated to have traveled abroad for medical purposes in 2011, contributing to an industry that's estimated to be worth \$15 billion a year worldwide. With the locations of the Turks and Caicos Islands, amenities and easily accessible airlift capacity, the country was a prime candidate to join the global medical tourism movement – once its 21st century medical facilities were completed.

"The nature of the islands and the environment is one where people would like to vacation," said Jill Magri, CEO of InterHealth Canada (TCI) Ltd. "And what better way to recover from your surgery than in a private, relaxing environment?"

Foreign travelers who book medical trips to Provo and Grand Turk get competitive prices and access to top-quality surgeons in modern facilities with attractive options for rehab and recovery. The country gets revenues that can be cycled back through the National Healthcare System, reducing the financial burden on residents. And visiting specialists typically provide pro bono care for locals between their foreign bookings. The physicians themselves – who must be locally licensed, permitted and credentialed by the TCI Hospital – may receive tax advantages from the arrangement. Many also bring their families, turning a working trip into a relaxing getaway.



Complicated orthopedic surgeries – such as knee and hip replacements – have predominated the TCI medical tourism market thus far, but the types of specialized services are expanding. While some of these procedures are not covered by certain insurance plans in the United States, cost isn't the only factor that draws people to seek offshore care. Waiting lists for qualified doctors in the United States can be long compared to scheduling the same procedure here.

The facility itself has received the Accreditation Canada Diamond Standard. "Not only (is that) good for patients, but it's also a signal for physicians and other medical providers that the quality of care and quality of support care their patients will receive is

of high quality," Magri said. "So if they were to do a surgery, it's all of the other things that go into the care of that patient the 24 hours of the day when they are outside of the operating theater."

InterHealth and Global MedChoices tested their procedures in 2012 and have been expanding ever since. Collin Childress, Global MedChoices' CEO, called the early returns a success, and said their business operations are unfolding as they'd hoped.

Dr. James Bresch, a Global MedChoices orthopedic surgeon, said he's been extremely pleased with patient satisfaction and outcomes. The company anticipates it will handle 200 procedures in the Turks and Caicos in 2014.

Because of travel costs, access to hotels and resorts and some differences in equipment, Cheshire Hall has been the primary focus of Global MedChoices' efforts, he said. As it is currently configured, he said, the hospital is probably capable of handling a maximum of 10 medical tourism cases a week, but Bresch hesitates to call that the ceiling for medical tourism in the islands.

Opening the unused wing at Cheshire Hall would double its capacity, and an efficient hospital with two modern operating rooms can handle up



to 10 procedures a day, he said.

New companies are entering into the booking and reservation side of the business, and the government has identified medical tourism as one of the most promising areas for development and investment in the nation.

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Fruits and vegetables grown on the islands include items such as: bananas, coconuts, corn, eggplant, melon, peas, peppers, plantains and tomatoes. Still, most fresh produce is imported, creating opportunities for local growers.



Goats, as well as pigs and chickens, do well on the northern islands, where rain is plentiful.

Lush land features growing potential

As colonists learned in the late 18th and early 19th century here, farming in the Turks and Caicos Islands can be a difficult proposition. Today, local agricultural production makes up less than 1 percent of the country's GDP, and much of what gets grown is consumed without ever going to market, highlighting the need for greater production and commercial application to agricultural practices to meet demand.

Only a handful of commercial farmers still operate on the islands today, altogether generating roughly \$100,000 in annual sales. But on the other hand, duties on imported food, an expanding demand for organic local produce, and shipping and spoilage costs all combine to create intriguing opportunities in a sector that's generally considered to be an under-capitalized portion of the TCI economy.

The government sees agriculture as a sector with significance to the nation's food security, as well as its economic diversity and stability. The duty on agricultural technology and manufacturing equipment is a third of the standard assessment, and even a modest increase in production could produce relatively big returns given the nation's current food bill.

In 2012, the country imported \$62.5 million worth of food. The largest portion of that bill (nearly 30 percent) went for fruits and vegetables. Even if local farmers replaced just 5 percent of that fruit and vegetable spending, local farm revenues would increase by more than 800 percent. The Caribbean Development Bank estimates that local production could reduce imports of key crops by more than half within five years – given the right investments.

Plus, with affluent consumers around the world generating increased demand for locally grown organic produce, opportunities to fill that void abound. Parrot Cay Resort is a major consumer of organic produce from North Caicos, snapping up everything from eggs to herbs. But, customer demand is so great the resort is now working to diversify the product base, planting coconuts and bananas and testing the potential of aquaponics, a sustainable system that combines hydroponic plant production with aquaculture (the production of marine animals).

"We are encouraging development in this area, as it benefits us and by virtue our guests, who enjoy organic, locally grown products, as well as helps to support the economy of our neighbours on North

Continues on page 69



TURKS & CAICOS
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TEAMWORK

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Historic industry nets modern markets

In the late 1800s, queen conch were shipped by the millions to Haiti aboard Caicos-built trading sloops. The peak occurred in 1943 with 3.9 million pounds exported.

Source: DEMA



When the Turks and Caicos salt trade collapsed in the 1960s after more than 300 years of production, the inhabitants who remained on the islands largely turned to fishing to make their living. For more than a decade, fishing represented the islands' most significant economic activity.

But, as the Grace Bay development and tourism boom revolutionized the TCI economy in the late 20th century, the seafood business lost its primacy. Lobster and conch have always made up the majority of the product coming out of the local waters. Harvested by local fisherman, the catch is sold to processing plants located on Providenciales and South Caicos. The plants clean, prepare and package the products for resale to restaurants and wholesalers across the US and even as far as Europe.

Today's TCI economy benefits from roughly \$5 million in annual seafood exports, with the majority of that amount now coming from the traditional spiny lobster harvest. While the country remains a net exporter of seafood, it now imports a significant amount of fish, a reflection of the growing restaurant trade and demand for fresh seafood with a wide variety by visitors and new arrivals.

Analysts and government officials consider the industry an obvious candidate for increased investment and profitable diversification.

Caicos Pride – which processes and exports seafood from its base on South Caicos – recently commissioned a study into the health of pelagic or migratory fish species in the area. The one-year study is being monitored and managed by DEMA and the results are to be made available to the public after the research is completed and the findings analysed. The study is being funded by a grant from the United Kingdom.

For its part, the government has shown an interest in encouraging investments that



Fishermen sell their daily catch to one of the three processing plants located on South Caicos, where fishing is currently the centre of the island's economy.

\$4.9 million

value of fish lobster and conch exported in 2012

source: DEPS



MARICULTURE FACTS		2010	2011	2012
Export (pounds)	Lobster	80,251	127,040	159,470
	Conch	835,950	433,500	228,890
Value (U.S. dollars)	Lobster	\$1,444,518	\$2,286,720	\$2,870,460
	Conch	\$7,523,550	\$3,901,500	\$2,060,010





Frozen conch and lobster are exported to markets in the U.S. and Europe.

could boost the scale-fishing industry, supporting the study into the viability of a pelagic fishing industry for the TCI. Wahoo, snapper, grouper, jack, tarpon and tuna are all found in local waters and could be caught commercially using what is termed as artisanal scale handline methods.

Another reason for diversifying the local seafood industry is the seasonal nature of the work. "TCI has an obligation to report our catch and to establish management plans if we intend to engage with CITES signatory countries such as the US, our primary queen conch export market," Director of the Department for Environment and Maritime Affairs (DEMA) Kathleen Wood explained in an October press release defining the 2012/13 quota. To protect conch and lobster stocks from being overfished, the government has strict limits on how much conch can be harvested and limits lobster catch to a defined season.

With the lobster season limited to the six months between April and September, and with the conch harvest usually reaching its quota around the same time, much of the nation's harvesting and processing infrastructure is underutilised for roughly half the year. The country currently has five private processing plants, and the government is eager to grow and support this industry to encourage year-round operation.

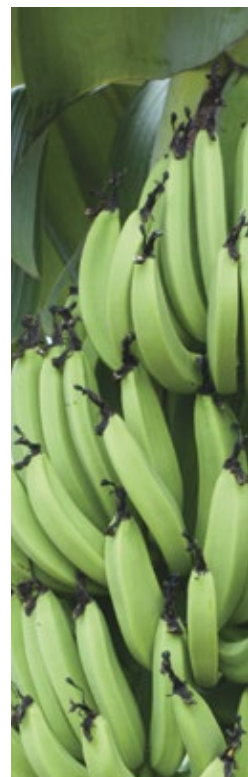
A sunny outlook for agriculture

Continued from page 66

Caicos," said Crawford Sherman, the resort's managing director.

The TCIG Investment Unit reports that local and foreign investors are actively seeking opportunities in this sector, with potential for production of citrus fruits, plus mangos, sapodillas, papayas, pineapples and passion fruit. Vegetable crops – including cucumbers, pumpkins, and melons – could be valuable as exports. Herbs and spices are under growing demand, and meat, poultry and dairy production have tremendous markets locally and in the Caribbean.

"I believe (agriculture) is an area where we can broaden the economic base, said Minister of Finance Washington Misick. "It may be necessary to bring in specialized skills and create zones to allow that industry to thrive, but I think if you look at desert climates like Israel (which exports tomatoes to Europe), there's no reason why we can't. It's just a matter of creating the right incentive for people to want to get involved in that industry."



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Production possibilities abound

The Turks and Caicos Islands' relative isolation and lack of raw materials makes it an unlikely manufacturing hub. But, that doesn't mean there isn't an opportunity for companies and entrepreneurs to create jobs and wealth, and economic diversity through small-scale light manufacturing.

Unlike in the 19th century, when Turks and Caicos' salt industry exported a mass-produced commodity, the 21st century opportunity for manufacturing grows out of serving the nation's dominant tourism economy with a variety of authentic local products.

“To the extent that it can be competitive, the government is open to any light manufacturing proposals.”

**The Hon. Washington Misick,
Minister of Finance,
Trade, Investment**

More than 1 million visitors cycle through the islands each year, providing a predictable demand for local food, beverages, souvenirs and designed goods. The government already provides tax benefits to local light manufacturing firms, and the TCI receives duty-free access to Canada via the CARIBCAN Trade Agreement, plus advantageous export status in the European Union and the United States via participation in additional trade agreements and organizations.

But given the growing awareness of the benefits of light manufacturing to the local economy, the government began working toward a comprehensive manufacturing policy aimed at encouraging start-ups and attracting investment.

“To the extent that it can be competitive, the government is open to any light manufacturing proposals, because it is important that we broaden the economic base of the islands,” said Minister of Finance and Trade Hon. Washington Misick.

Light-manufacturing refers to manufacturing processes that don't require large sums of investment, like massive assembly lines or capital intensive machine tools. “We clearly don't have the capability to get into something like assembling vehicles, because we simply don't have the demand locally,” Misick said.

Bambarra not only makes several varieties of rum for drinking, but also creates a rum cake in two flavors.

But you don't have to look too far around Grace Bay to find examples of local light-manufacturing success stories. The FOTTAC (Flavours of the Turks and Caicos) store on Grace Bay Road features Bambarra brand products, including rums, sauces and cakes.

The Bambarra Rum story illustrates how simple, small-scale manufacturing in the Caribbean can still pay off with big returns. The “Spirit of the Turks and Caicos” is not distilled from locally grown sugar cane, but by purchasing selected raw, high-proof rums by the vat from other islands, local rum experts produce a line of critically acclaimed rums by aging, blending and bottling. Tax advantages give the local product an edge on the imported competition, and as Bambarra grew in popularity both as a drink and a coveted keepsake, demand for the product drove several rounds of expansion and upgrades at the company.

A more recent addition at FOTTAC represents a more traditional approach to developing new products. The Sakaja line of sauces is a culinary invention by island native and U.S. Army veteran Delano Handfield. While enjoying a conch salad at da Conch Shack about three years ago, Handfield realized that a mango salsa recipe he'd developed as a hobby would taste great on conch. After a bit of experimentation with local ingredients, he presented





Salt Cay Salt Works' products recall the island's once-global salt industry.

an improved version of his original to the manager at da Conch Shack. Demand for Handfield's unique sauces eventually led him to expand his downtown operation.

Handfield could take his recipes to a packing facility in the United States, but he hasn't because "my whole dream was to do something in this country that would be useful to the country... Things can be done here, too. You don't have to run off so much."

Today, one of the areas of emphasis is the opportunity to develop locally bottled and labeled products, like soaps, that could be used by resorts and hotels. Guests appreciate quality local products, manufacturing creates jobs, and an intelligent tax policy can keep prices competitive. But, getting everything right with a big-picture policy requires more than piecemeal solutions.

"There is a lot we need to look at," Misick said. "We have boats coming in here loaded with cargo and going back empty. We have to try to make some smart decisions in that way, if we are going to be able to increase physical trade, because that is what we don't have."

manufacturing
is less than

2%
of GDP

The new administration
is in the process
of developing a
manufacturing policy to
encourage more activity
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“My whole idea, my whole dream, was to do something in this country that would be useful to the country.”

Delano Handfield



Interest in Sakaja sauce has been heating up on island and in international markets.

Entrepreneur bottles success

Delano Handfield didn't come home to the Turk and Caicos with a plan to start the Sakaja gourmet hot-sauce company. He found that improbable future waiting for him at da Conch Shack.

The Providenciales native and U.S. Army veteran already had a recipe for a killer mango salsa, but that was just a hobby project he'd picked up during an international career that ranged from wrenching vehicles in the Middle East to contract work in desert war-zones. But by 2009 his place in Maryland no longer felt like home, and he'd already had enough of the desert. "One day I was looking out to the horizon and I remembered the place where I grew up, the white sand and the blue ocean, and I thought, 'Why did you ever leave that place?'"

Handfield left the Turk and Caicos when he was 13, but even with his family network, jobs were hard to find on the island in 2009-10. He eventually got an offer from the police force, and it was around that time that he went down to da Conch Shack to contemplate his future. When the waitress brought his conch salad to his table overlooking the sea, Handfield bit into an epiphany.

"The first thing that clicked in my mind was 'Your sauce!' I could almost taste my mango sauce on the conch salad! And I thought 'I'm going to be the one to make the sauce of the Turks and Caicos.'"

It was a tenuous start, but Handfield decided to turn down the police job and take a chance on his recipe. "This sauce has flavor," he said. "It's not all about the heat. It's a sweet pepper sauce, and it's a reaction between salt, sweet and hot. All of these battle each other, and it goes perfect on seafood."

In the year since, the buzz surrounding Sakaja has saturated the island and jumped the Gulf Stream. Tourists make a point of buying Handfield's sauces in bulk, multiple Providenciales restaurants now offer it at the table, he is private labeling for several restaurant chains in the US, and his website, www.SAKAJAltd.com, is gearing up to take international web orders.

"My whole idea, my whole dream, was to do something in this country that would be useful to the country," Handfield said. "I could take a short-cut and go to a co-packer in the United States." But he didn't. "Things can be done here, too."



INFRASTRUCTURE



ELECTRICITY

12,000

customers served by
FTCI, AEP and TCU –
about 98% of electricity
consumers in the TCI

600

circuit kilometers
of transmission and
distribution lines

75/34.6

megawatt capability/
peak demand in 2012

Fine lines: Fortis provides power in challenging, delicate environment

Operating an electric utility in the Caribbean involves planning and logistics that exceed the demands faced by continental providers. There are no pipelines and railroads to transport fuel. Inclement weather can swirl out of the tropics over the summer. And when disaster strikes, armies of utility trucks from unaffected areas can't simply drive down in convoys from neighbouring islands.

Yet the relatively small national utility operated here by Fortis Inc. – the Canadian-based energy company that provides practically all the electrical power used in the Turks and Caicos – has managed to record an Average System Availability Index of 99.98 percent. That's the highest ASAI in the region.

FortisTCI, which acquired two older local electric companies in 2006, grew again in 2012 with the acquisition of Turks and Caicos Utilities Unlimited. FortisTCI still lacks a unified grid, but the

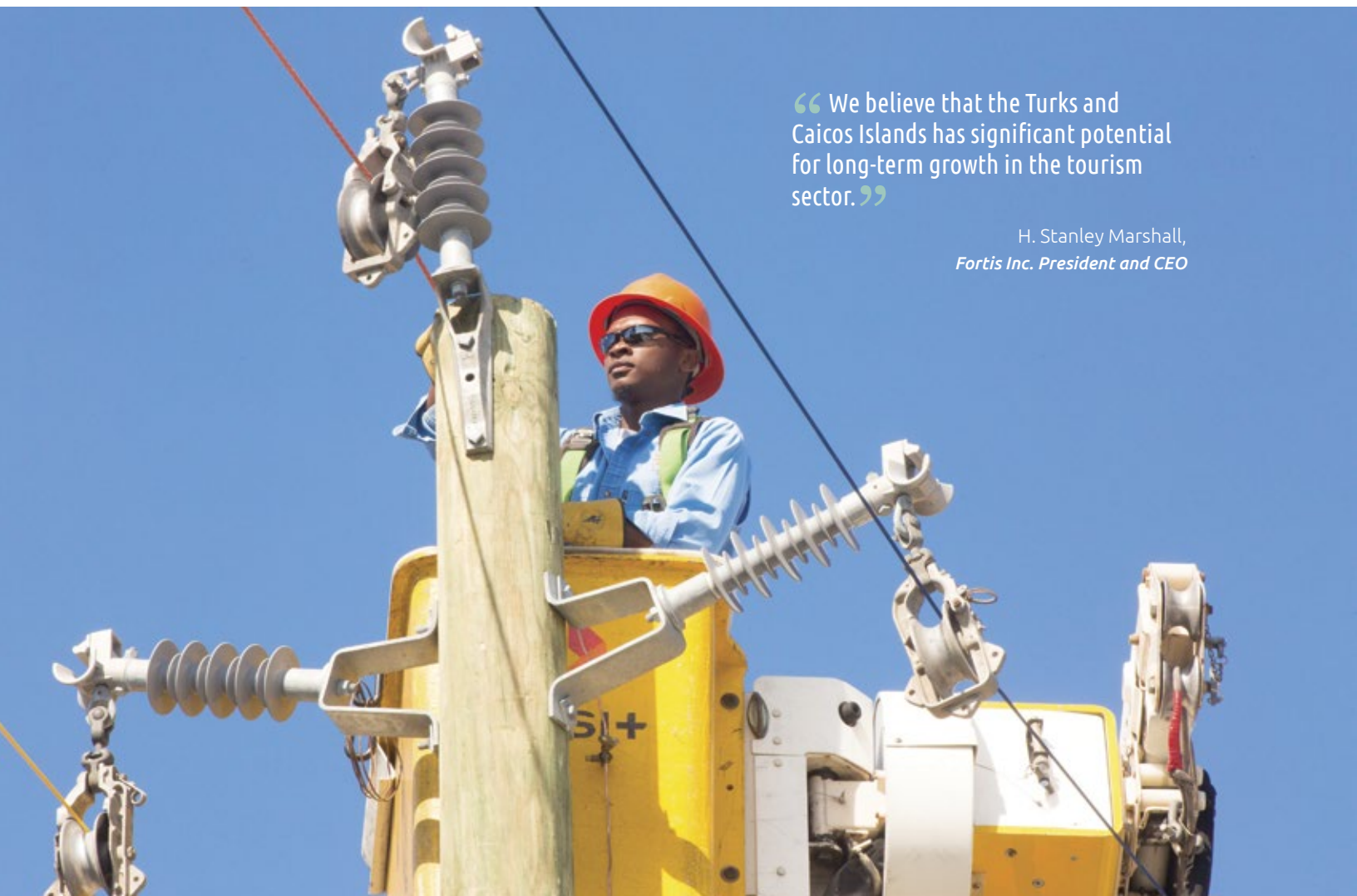
2012 merger allows the country and Fortis to begin thinking about a national energy strategy, said FortisTCI President and CEO Eddinton Powell. "We still have the problems of small, stand-alone, vertically integrated operations... but we are in a much better position to deploy people and assets in an optimal, integrated way."

The company now provides 98 percent of the nation's electricity, serving more than 12,000 customers. That power comes from diesel-fired generators with a capacity of 75 megawatts, and met a record peak demand of 34.7 megawatts last year. One integrated system provides energy to North and Middle Caicos from the generation plant on Providenciales, and FortisTCI's subsidiaries operate smaller generation and distribution systems on Grand Turk, Salt Cay and South Caicos.

Despite the technical, environmental and finan-

“We believe that the Turks and Caicos Islands has significant potential for long-term growth in the tourism sector.”

H. Stanley Marshall,
Fortis Inc. President and CEO





Fortis Inc., the largest investor-owned distribution utility in Canada, acquired the local energy firm in 2006. From 2007 to the end of 2010, Fortis invested approximately one hundred and ten million dollars (\$110,000,000) in infrastructure projects.

cial challenges associated with energy production in the islands, Fortis Inc.'s experience in the Caribbean attracted it to the growing economy in Turks and Caicos seven years ago. "We already had investments in the Cayman Islands and Belize, so it was a natural progression," said Fortis Inc. President and CEO H. Stanley Marshall. "Furthermore, we believe that the Turks and Caicos Islands has significant potential for long-term growth in the tourism sector."

Of course, the dynamics of any rapidly growing economy present a series of chicken-and-egg dilemmas. How do you keep pace with the energy demands of a population that grew 37 percent over the past decade, with booming growth projected into the future? Fortis' corporate infrastructure in

\$20m

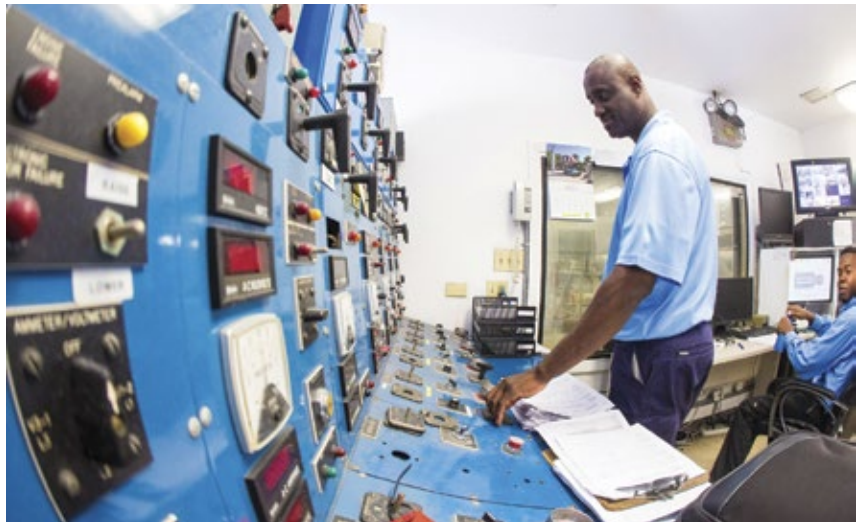
Fortis investment in two Wartsila generator engines, in 2010-11.

Canada and management history offers benefits to local businesses that might otherwise struggle to grow their own local energy sector.

"The utility business is a long-term business," Marshall said, citing significant investments in personnel and technology aimed at transforming the company into a modern utility. Fortis put \$110 million into infrastructure between 2007-10, and spent \$20 million on two Wartsila 20V32 generator engines, in 2010-11.

Not only do those high-efficiency diesel engines significantly reduce fuel costs, they also reduce emissions while shrinking the islands' carbon footprint.

The system is the smallest in the Fortis portfolio, which exceeds 2 million customers globally, but while the company's other Caribbean systems are comparable in size, the TCI utility is far more geographically dispersed. Those associated costs, along with the system's reliance on imported diesel, put upward pressure on prices. Wind and solar energy production remain intriguing options, but "diesel fuel will remain the primary energy source for utility-scale electricity generation in the Turks and Caicos Islands for some time yet," Powell said. "There is no doubt that as technology improves and prices decline, wind and solar will play a role in our energy mix. But, we are not there yet. Furthermore, we fundamentally believe that renewable energy should not cost our customers more, or result in reduced reliability."



Powell believes improvements in the transportation and storage of Liquefied Natural Gas could make it a "bridge to the energy future of more renewables," but for now the company is devoting itself to streamlining its diesel supply chain.

"Our primary focus is on generating and delivering electricity in the most efficient way, including reducing fuel consumption," Powell said. "We also continue to focus on improving and providing service options to our customers through information technologies, smart metering, developing a smart grid, and demand-side management."

Fortis TCI has 151 employees throughout all its service territories including, Providenciales, North Caicos, Middle Caicos, Grand Turk, Salt Cay and South Caicos.

Going green: making use of renewable resources

While energy production in the Turks and Caicos Islands continues its trend toward greater efficiency and reliability, supply-chain overhead and a rebound in diesel prices combine to keep the unit cost of energy here higher than rates paid by mainland consumers.

So, Econ 101: The higher the cost of energy, the greater the private incentive to invest in energy-saving technologies. And with the current government backing a renewable-energy agenda, things are looking up for green energy in the islands.

The best-selling products at Providenciales-based Green Revolution are solar-powered devices that pay for themselves in electrical savings. "A solar-powered pool pump typically pays back the buyer's investment in 18 to 30 months, then saves owners an average of \$3,000 to \$4,000 annually," says Green Revolution

Managing Director Paul Chaplin. Solar hot water heaters are also popular, as are standard compact fluorescent bulbs and the new hyper-efficient LED lights.

The current administration strongly supports the use of green technologies, and in addition to encouraging individuals and businesses to utilise them where possible, it is also working on reforms to the regulatory framework.

While the government doesn't directly subsidize private green-energy investments, it does encourage them through lower duties on environmentally friendly products. Appliances that qualify for an Energy Star rating are imported at a 10 percent duty, compared to the standard duty of 30 percent. Solar energy devices carry no duty at all.

One of the next likely areas of progress could be a local version of the utility buy-

back rule used in other nations. The Turks and Caicos Islands puts no restrictions on private electrical production via renewable resources, but currently offers no mechanism for private producers to sell their surplus to Fortis, which operates the nation's electrical grids. TCIG and the Canadian-based energy company have entered into talks recently aimed at drafting the necessary legislative language. The buy-back approach has generally encouraged private investment in photovoltaic systems, while reducing demand on power plants and lowering electricity costs.

"The tropical climate within the Caribbean is perfect for people to adopt both wind and solar technologies," said Chaplin, "making this region one of the most viable environments for renewable energy and energy-efficient products to succeed."

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Modernized system keeps water flowing

For a nation surrounded by water, ensuring a safe and reliable source of the drinkable kind hasn't always been an easy operation in the Turks and Caicos Islands.

Residents of many islands in the two chains historically relied on cisterns and other catchment devices for potable water. North and Middle Caicos have traditionally benefited from significant groundwater reserves as well.

Those pre-20th century water resources helped shape life in the Turks and Caicos, but as reverse-osmosis technologies began offering desalination on an industrial scale, the first modern water and sewerage systems began appearing on Grand Turk. This technology also enabled modern development on other islands, and the nation's water supply evolved as a patchwork of sources and management systems.

In recent years, the government has worked to understand the needs of its water and sewerage infrastructure – although recession-era revenues have limited its options in addressing those needs.

With government-run systems on Grand Turk, South Caicos and Salt Cay all suffering from obsolete infrastructure, TCIG has generally pursued a strategy of divestment where possible. The interim government's 2012 development strategy acknowledged that privately run water systems "are generally operating efficiently and meeting guidelines set out in the Water and Sewerage Ordinance and in accordance with the regulatory framework," and expressed an interest in regulating, rather than producing, the nation's water.

In June 2012, TCIG sold its 46 percent share of the Provo Water Company to the system's owner, HAB Group, for \$7.5 million.

"Government has a duty to ensure that all of its assets are used to create the best value for the taxpayer," said Patrick Boyle, then Chief Executive, Turks and Caicos Islands Government. "It is better to realize these monies and put them to good use than for our investment to remain idle. Further, the Government can now better assume its proper role, ensuring consumer rights are protected rather than attempting to increase profits to maximize its return."

Provo Water Company produces enough reverse-osmosis water to exceed demand of 1.5 million U.S. gallons a day, and runs more than 1,000 quality tests per month. PWC delivers most of its water



via pipeline, but trucks supply to outlets in areas beyond the network.

Developers on the islands of Dellis Cay, Ambergris Cay, West Caicos and Parrot Cay all built their own private plant and pipeline networks.

The cabinet has since agreed to fund an emergency replacement to Salt Cay's RO plant. Salt Cay is served by one RO plant with a capacity of 8,000 gallons per day. This plant was installed in the early 1970s. Water produced, is stored in an adjacent storage tank and then transferred to other storage tanks at various points on the island where customers will go and purchase water. Water is sold at the various issue points at \$0.03 per gallon. There are no individual service connections.

Of the budgeted \$1.3 million, almost \$1 million is earmarked for a new RO water production plant on Grand Turk, part of a contract that will also repair and operate the older plants as backups to the new one. At 300,000 gallons a day, the new plant will more than double the output of its predecessors.

The improvements could make the Grand Turk system a more salable property. But government research has also concluded that the current public subsidy for water sold by the gallon in the three TCIG-run systems acts as a barrier to privatization.

1.5

approximate
number of gallons
consumed daily
by Providenciales
customers

Source: 2012 TCIG
Development Strategy

TCIG manages
water supplies
on Grand Turk,
South Caicos and
Salt Cay.



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State-of-the-art connections

Communications technology has always been one of the great accelerators to economic growth in developing areas, but nowhere is it more valuable than in places isolated by geography.

For an island nation that has moved from an isolated chain to an international travel destination in just a generation, the telecom infrastructure ranks among the country's most important systems.

Internet is available via ADSL, cable modem and 4G networks.

While there has been some telex link to Turks and Caicos for the past 115 years, mobile phone technology didn't arrive until 2005. The demands of modern luxury travel made cellular

coverage a necessity, but the truly transformative feature of mobile phones here has been its ability to connect remote areas across a far-flung island chain affordably, improving quality of life while lowering the cost of doing business.

Today, wireless internet and cell phone access is effectively available across the nation. While some limited "dead spots" remain, the transformation to universal coverage is one of the great stories of the past decade. Essentially, only the uninhabited island of East Caicos currently lacks cellular service, though that could be remedied with the addition of a tower.

Three companies offer mobile services in Turks and Caicos. Two others offer fixed Internet, with LIME providing service via ADSL, and WIV offering web connections via cable modem. Meanwhile, two companies – Digicel and Islandcom – offer 4G wireless broadband internet on the Evolved HSPA+ standard. Both have been licensed to roll out the next-generation LTE standard, but wireless service in the TCI has already evolved to the point where internet speeds in some locations rival or exceed the performance of fixed networks.

The full results of this rapid expansion won't be apparent for some time, but technology is already changing the way residents do business, get their news and connect to entertainment.

Perhaps the biggest long-term change will be in education. Every child in every school in the nation, no matter how remote, will soon have access



to tablets with free broadband thanks to an agreement with Digicel.

Costs remain higher than in the continental U.S. and Canada, mostly because of the limited number of wholesale carriers and the added overhead associated with sending signals undersea via cable. But pricing is not prohibitive, and consumer costs are falling over time.

The rapid expansion of cell phone coverage and internet available on island has been a remarkable accomplishment.

LTE is 20x faster than the current 4G HSPA+

LTE is set to be rolled out in the next 18 months.



Refining logistics & communication

Governing a nation, even a small one, is always a challenge.

But governing a nation that's divided over nine inhabited islands, with many others to administer, with your seat of government separated by 70 miles of water from your center of population and commerce, that requires a degree of logistical and communications sophistication that land-locked countries seldom demand.

Like many governments around the globe, the information technologies that strung together various offices and ministries in Turks and Caicos had evolved over time into an ad hoc mixture of legacy systems with varying degrees of compatibility and obsolescence.

"The IT network in this government was in a complete shambles," then government Chief Executive Patrick Boyle said last fall.

But unlike most national governments, the Turks and Caicos remains small enough to make nimble changes.

In November, Digicel, a local telecommunications company, won a \$1.76 million, five-year contract to overhaul the government's entire information technology infrastructure. In addition to saving the country a projected \$3.7 million over the life of the deal, its provisions are expected to revolutionize how citizens and residents interact with civil servants here.

Digicel has begun rebuilding all the government's local-area networks. Plans also call for installing 400 desktop PCs, outfitting another 100 laptops, and replacing all desk phones with CISCO IP phones, 250 of which will come equipped with built-in video to enable peer-to-peer ad hoc video conferencing – no small factor in an island nation. The company is also providing IT support and a fully staffed help-desk.

"In short, we completely rebuilt the government network, provided them new PCs to run on their LAN, any customized programming (they need), and the monthly services on top of it," said Digicel TCI CEO E. Jay Saunders.

Said Anya Williams, TCI deputy governor and head of the TCI Public Service: "I am quite enthusiastic about the new agreement with Digicel as it will revolutionise not only the manner in which civil servants will be able to carry out their duties, but also the way that we communicate both internally and



externally, with persons on-island and abroad and the manner in which we provide services to the public. This forms a part of our commitment to modernise TCIG and to bring much needed reforms to the way we conduct business."

By upgrading the entire system simultaneously, the contract captured multiple efficiencies and economies of scale. Communications across the government's own networks replaces phone calls. Security systems, policies and technical administration reduce outside threats and down time. Video conferencing reduces travel. Data moves faster. On-line payments not only make transactions easier for citizens and public servants, they're also expected to reduce overall costs – both in and out of government.

The new structure also was engineered as an extensible, expandable platform, which means it can be adapted for the needs of any e-government service that arises. That's particularly valuable on the most remote islands, like Salt Cay and Middle Caicos, where the new IT network gives people vastly better access to government services.

But for most of the population, which resides on Providenciales, the new e-government services mean greater convenience and efficiency.

"Services you currently have to go to Grand Turk (for, particularly within) the business community, you will be able to do in Providenciales over the network," Saunders said. "It gives them a much better platform to conduct their business."

“It will revolutionise not only the manner in which civil servants will be able to carry out their duties, but also the way that we communicate both internally and externally.”

Anya Williams,
TCI deputy governor



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Sea freight routes are global and inter-island.

Understanding the dynamics of logistics for a business operating in the Turks and Caicos Islands is tantamount to a chef knowing how to use his favorite ingredients to achieve the perfect dish. Opportunities exist in various forms for goods to travel to and from the islands as well as within the islands, but know-how is the key to getting things quickly and efficiently.

With little in the way of local manufacturing, nearly everything – from cereal to printer ink – is imported. Sea freight is commonly used, with several firms offering services locally, almost all of which utilise Southern Florida as their international point of origin and destination.

Ships generally make the return trip weekly (in some cases biweekly or bimonthly) at regularly scheduled days and times, able to transport everything from small packages up to full forty-foot containers. Most ships arrive at the port on Providenciales, but trans-shipments are available to Grand Turk and South Caicos.

Air freight arrives regularly, offering an equally reliable solution to getting documents or goods into and out of the country. Overnight-services are available to and from some areas, for which local operators can provide specific times and rates.

It is also possible through a local agency to set up a U.S. based mailbox which will forward mail regularly to a P.O. Box on Providenciales.


Most shipping, freight-forwarding or consolidation agencies will aid (for a fee) in processing of paperwork when it comes to clearing customs and paying duties and fees. Brokerage firms also exist, offering advice and assistance with these processes.

Moving goods between islands can also be handled by air or by sea. Regular sea cargo service is currently available between Providenciales and North Caicos, with possible stops on the minor cays along the way as well as weekly service from Providenciales to South Caicos and Grand Turk. Shipping schedules to Salt Cay can vary depending on season and weather. Individual needs can also be met based on availability. Inter-island air services such as Air Turks and Caicos and Caicos Express also offer options based on size and availability.

Moving goods across a single island can be handled by various local trucking firms. When it comes to transporting cargo to Middle Caicos, it is necessary to utilise one of these companies, as the cargo is only shipped to North Caicos and then driven to the connecting island.



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Banking institutions have been serving the islands since 1966.

Banks key partners in business community

The Financial Services Commission supervises the activities of banks, trust companies and money transmitters in the Turks and Caicos Islands.

7
licensed banks
operating in
the TCI

**\$1.72
billion**

Total assets
of the banking sector
recorded 2011/2012

source: 2012 TCFSC
Annual Report

There are many contributing factors to the growth and success of a nation, but there is one thing that one certainly cannot do without. Money, or more specifically access to a well-functioning financial system, is required in order to stimulate industry and attract inward investment.

After having its own currency, then using the Jamaican Dollar, the Turks and Caicos Islands has used the US Dollar as the official currency since 1962.

In 1966, the first commercial and retail bank opened its doors to customers on Grand Turk. Since then, banking institutions have been a regular part of the business community and offer all the services larger country's business and private entities are accustomed to. All banks and money transmitters are regulated by the Financial Services Commission (FSC) and operate according to industry standard regulations.

Today, there are seven licensed banking institutions operating in the Turks and Caicos Islands. The country

is fortunate to host several larger commercial firms with internationally recognized brands such as CIBC FirstCaribbean, Royal Bank of Canada and Scotiabank. Commercial and retail services are offered locally by each of these institutions, all headquartered on the island of Providenciales. Scotiabank and CIBC FirstCaribbean have an additional branch on Grand Turk open five days a week and CIBC FirstCaribbean has a branch on South Caicos, which is open one day a week. Scotiabank operates ATMs on North Caicos, South Caicos and Grand Turk. All the larger firms offer online banking to their customers.

Banking services are also offered through several private banks, some of which focus on active portfolio management for high net worth individuals. Whether the needs are large or small, there are financial institutions that cater to both the private and corporate client's needs.

Banks that operate within the local market are required to hold a national banking license. Under the Banking Ordinance, there are two types of banking licenses specified: a national

banking license and an overseas banking license. Some operators who deal only with customers overseas are limited to an overseas banking license. However, both a national banking license and an overseas banking license can be issued to the same entity.

For the security and stability of the industry a minimum capital requirement is set by the Banking (Capital) Regulations 2003 ("the Capital Regulations") made under Sections 9-13 of the Banking Ordinance for licencees carrying on banking business in or from within the Islands.

Holders of a banking license are also required under Section 29 (1-6) of the Banking Ordinance to file monthly and quarterly returns with the FSC.

Banking operations typically follow US trends, such as interest rate spreads which according to the Financial Services Commission 2012 Annual Report ranged from around 0.4% to 2% for deposits to 4.5%-6.5% for secured lending and 9%-17% for unsecured lending.

As is common in many Caribbean countries, money is often transferred from island nation to island nation via a money transmitter. Five licensed money transmitters also operate in the TCI.

These licenses require a minimum net worth set out by the Money Transmitters Ordinance 2008 as well as filing requirements with the FSC.

21

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Legal code gets modern update

Like many institutions in the Turks and Caicos Islands, the legal system is a local variation on a theme that looks instantly recognizable to anyone familiar with the British original and its various colonial interpretations.

The legal headlines in the years after the 2008 government crisis have been about reform and modernization. The Commission of Inquiry found multiple deficiencies within the nation's laws, and over the past two years the TCI Attorney General has consulted with stakeholders locally and worked with experts from the United Kingdom's Foreign & Commonwealth Office and the European Union to draft an ambitious program of new ordinances.

Once complete, this comprehensive review and overhaul of the nation's laws will give local government a modern legal code that meets the needs of a growing population and an expanding economy, while adhering to international standards and best practices.

That will be a leap forward for the legal system, according to George Missick, managing partner at the firm of Karam & Missick and the president of the Turks and Caicos Bar Association. Because the Turks and Caicos remains a small, developing jurisdiction, much of its necessary legislation was either archaic or non-existent, Missick said. Updating all of it together, while organizing the nation's common law records into a searchable digital format, is expected to return ongoing benefits.

Beneath that new layer of modernization, however, the underlying structure of the Turks and Caicos judiciary endures. There is a lower court (the Magistrates Court), which handles minor criminal charges and civil suits with damages below \$10,000. Decisions of the Magistrates Court may be appealed to a higher court (The Supreme Court), which also handles more serious criminal charges and larger civil suits. And of particular interest to many businesses, there is also a



Labour Tribunal.

Labour issues covered under the Employment Ordinance are typically referred to mediation by the Labour Department, and only cases that cannot be resolved at that level are referred to the tribunal. Its decisions, like those from other first-instance courts of law, may be referred to or reviewed by the nation's Court of Appeals, which consists of a president and at least two justices of appeal.

The Supreme Court is led by a Chief Justice, and convenes on both Providenciales and Grand Turk. But unlike in the United States, where the Supreme Court is the Court of last appeal, Supreme Court verdicts in Turks and Caicos may be appealed through the Court of Appeals on to the United Kingdom's Privy Council. The Privy Council in England is the nation's final appellate court. Most appeals take several months to reach the Privy Council, but appeals are typically resolved in less than a year.

113
Lawyers in the
Turks and Caicos Bar
Association
Source: TCIBA.TC

The Laws
2009 Revised Edition of
the Laws of the Turks and
Caicos Islands are available at
\$3,000.00 for the 11 Volume
set and CD-ROM. Individual
booklets are available for
\$75.00, \$50.00 and \$10.00
each, depending on size.

38
Firms practicing in the islands

ISL

Though there are few judges in the country, the judiciary always keeps one on call so that urgent matters, such as injunctions, can be dealt with rapidly. And, because the docket is small (the Supreme Court hears about 350 cases a year), justice is swift. "I must say, cases move quite quickly through the court system here," Missick said.

One difference between the Turks and Caicos system and the English system from which it draws most of its tradition, is that practicing law is a fused profession here, as within the United States' legal system. That means that any lawyer in the TCI, whether called to the Bar as a barrister or a solicitor, may practice all forms of law within their competency. The nation's Bar numbers between 100 and 150 lawyers, representing the nearly 40 law firms that comprise the Bar Association. Most lawyers practicing in the TCI were trained in the UK or Canada.

Lawyers seeking to practice in the TCI must have a law degree, and foreign attorneys must have at least five years of experience practicing law in another Commonwealth jurisdiction. As a result, most of the members of the Turks and Caicos Bar are senior attorneys, and few have less than 10 years of experience, Missick said. Applications to practice in the TCI are made to the Chief Justice, who consults with the Bar Association prior to any admission.

Most attorneys charge on an hourly basis, with rates that range from \$200 to \$550 an hour. For legal services related to commercial or real estate transactions, the standard fee is based on 1 percent of the transaction's value. Some attorneys may charge a flat fee for smaller cases and actions.

Legal remedies in the TCI (including injunctions, garnishment, charges on property to secure payment and examination of debtors) are generally similar to what can be found elsewhere. Overseas judgments can be recognized here, although they are not directly enforceable.

"We have all the remedies that persons in larger jurisdictions would use to protect their rights," Missick said. "Investors can feel confident they will get a fair decision at the end of the day."

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Average number of
cases the Supreme
Court hears annually

3
Number of times
the Appeals Court
meets yearly

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Cleared for takeoff

With travel and tourism consultants projecting that annual traffic through the Providenciales International Airport will top 1 million passengers within five years, the ongoing overhaul to this all-important gateway represents one of the nation's most important investments.

Getting the airport right requires more than mere physical expansion. Yes, the new terminal will be larger (up from 52,462 square feet to 92,321 square feet), just like the \$35 million 2011 infrastructure project made the primary runway longer. But be-

yond those raw numbers, the upgrades at Provo International tell a story of changing technologies, evolving global travel patterns, and a deepening national appreciation for the role air travel plays in the vitality of the Turks and Caicos.

With its economy based almost entirely on tourism, Provo's airport is so essential to modern life on the island that "airlift capacity" remains a casual conversational term among locals. Provo's development boom pushed its current airlift to nearly 400,000 passengers annually, but as the global re-

This rendering from the Turks and Caicos Island Airport Authority depicts the features of the planned terminal improvements.

covery from the 2008 financial crisis accelerates, that number is expected to rise significantly.

"We are drowning in our success," concedes John Smith, the CEO of the Turk and Caicos Islands Airport Authority. In addition to Provo, his organization manages facilities on Grand Turk, Salt Cay, North, Middle and South Caicos.

Simply allowing the terminal to sprawl, however, won't exactly solve the problem – particularly when you analyze traffic at Provo International from the perspective of when aircraft arrive and depart. With 80 percent of flights arriving from North America,

the vast majority of passengers cycle through the terminal during a roughly four-hour window.

So while the Airport Authority is expanding its facilities to meet those peak demands, the recent runway extension was aimed at accommodating direct flights from Europe and South America that arrive and depart outside the peak North American traffic window. At 9,200 feet, the new runway at Provo International now comfortably exceeds the requirements for fully loaded Boeing 777-300ER and B747 series.

So even as direct flights from far away make

Airport renovations ready TCI for successful future





Images :TCIAA



The renovation design seeks to extend the atmosphere that draws people to the islands, so that their vacation feels as if it starts as soon as they step off onto the tarmac and doesn't end until they are back on the plane.

Provo more attractive to travellers, they also efficiently distribute more passengers across non-peak hours.

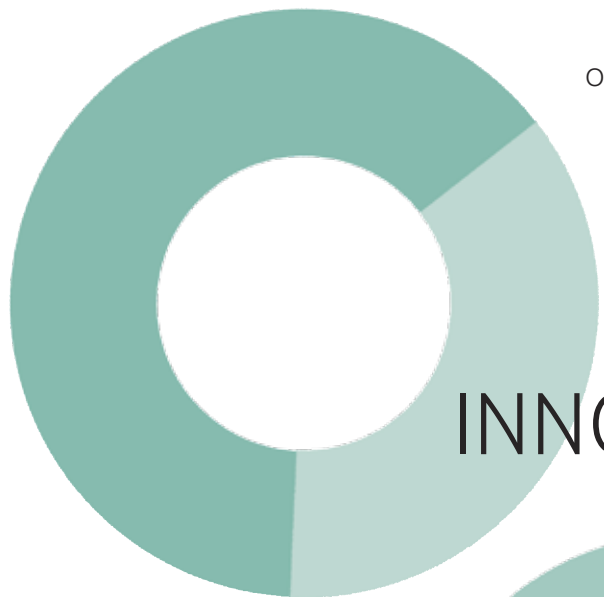
To make the airport experience as easy as possible, planning for the three-phase terminal upgrade began with improving processing efficiency in everything from customs to baggage handling. When completed in winter 2014, the new terminal will feature more security screening positions, ticketing, immigrations and customs counters, more departure gates, an additional baggage carousel, a 35 percent larger parking area, and a vastly improved design to the roadway that serves the facility. The

Authority is also working to improve airport technology, an investment that they expect to pay dividends in time saved.

With those features in place, the TCIAA believes its world-class goal of 15-minute curb-to-gate processing times will be within reach.

"People who use the airport facilities know that it can become crowded at peak times," said Gov. Ric Todd. "That's why (airport management) has been planning these crucial works as part of their overall master plan."

International resort travellers are not freight, and what makes a process efficient might not make it



Facility expansion

- New: 92,321 sq ft
- Old: 52,462 sq ft



- Adding a drop-off and pick-up lane, and creating passing lanes to improve road traffic in and out of the airport.
- Adding kiosks to cater to both left and right-hand vehicles.

Open-air check in area will include water features, which are expected to reduce temperatures by up to 6 degrees. Because sun and tropical breezes are what most travelers are coming to the islands for, the new design offers natural light and prevailing winds ... but can be completely closed up in case of inclement weather – which happens on an average of 15 days out of 365.



INNOVATION & RENOVATION



Car park

- New: 60,000 sq ft
- Old: 38,925 sq ft



Security screening positions increase to 2 with the capability to go up to 4.

More ticket counters added, with technology upgrades to streamline operations.

The number of departure gates will be increased.

The customs clearance area is being optimized and adding a customs officer.

The number of immigration counters will increase.

An air-conditioned foyer will be available for those awaiting arriving passengers.

Sky Lounge is expanding and restrooms are being renovated.

A specific facility will be added for dogs arriving via the airport.



In 2011, a \$35 million infrastructure project extended the primary runway to 9,209 ft.

Adding a second baggage carousel

More retail outlets and food vendors ... adding a baby changing room, medical inspection and quarantine area.

more



Visitors by flight origin

- North America: 85%
- Caribbean: 11.74%
- Europe: 2.34%
- South America: 0.32%

326,000

visitors flew into Provo
International Airport
in 2012

1million

projected number of
passengers within 5 years

30%

increase in
visitors from
South America
in 2012 over
2011



One of the few airports to continue tarmac disembarking, Turks and Caicos lets the warm sun and Caribbean breeze welcome visitors to the islands.

pleasant. So the project's emphasis on enhancing the quality of the airport experience is represented first in better standard amenities – a larger Sky Lounge, a food court with expanded retail, plus more and more modern comfort facilities. But it's the Authority's insistence that the new terminal reflects the aesthetic of the islands that should make it a visually striking introduction to the Turks and Caicos Islands.

"The concept behind the design is to create the feeling that you arrive at a resort, and you leave at a resort," Smith said. The result is a uniquely Caribbean airport, with open-air check-ins, water features that passively reduce surrounding air temperatures by as much as six degrees, and architectural touches that communicate the personality of the Turks and Caicos. Plus, passengers will still make that signature walk across the tarmac.

Administrators estimate the cost of the project at \$10 million, all of which has been financed through the Authority's operating profits. Payoff on the debt has been projected for 2016-17, with future government revenues from the expanded airport expected to be two- to three-times larger than they are today.

Making those changes work takes coordination

“We are embarking on a journey of fundamental change in the way we conduct business and welcome tourists to the Turks and Caicos Islands.”

John Smith,

Turks and Caicos Islands Airport Authority CEO

and foresight, and airport officials are working with government officials and resort managers to ensure that the industry adapts to accommodate the expected increases in visitors from outside North America. European vacationers, for instance, tend to stay longer, which means they need more on-island activities. The numbers so far are encouraging, with a 30 percent increase in South American travelers over the previous year.

"We are embarking on a journey of fundamental change in the way we conduct business and welcome tourists to the Turks and Caicos Islands," Smith said. "Our terminal expansion project will not only offer better facilities for passengers, but provide us with the room to grow over the next eight to ten years and possibly beyond."



Ferries
and flights
run regularly
between
islands.



On the move

For a community spread across eight islands and dozens of miles of sea, travel on and between the islands is easy given the numerous options available to get around. Rentals, taxis, ferries, and flights are all readily available to get residents, guests and business owners from place to place, including island to island.

Providenciales is well served as the international hub of the islands, with access to all islands via various modes of transport. Ferry service is available three times a day for the 30-minute ride from Provo to North Caicos, which offers further access via a causeway to neighbouring Middle Caicos. Service to South Caicos via ferry from Provo, a 1.5 hour ride, has recently been expanded to three times a week.

Regularly scheduled flights are also available to reach South Caicos, as well as the further destinations of Grand Turk and Salt Cay. Chartered flights can also provide transportation to Ambergris Cay, as well as act as an alternative to using the ferry for North and Middle Caicos.

Rental cars are available on Providenciales, North and Middle Caicos, Grand Turk, and South Caicos (in limited quantity). Rental options include long standing local establishments, as well as more familiar international brands such as Avis, Budget, Hertz and Thrifty.

Outside of car rentals, you will find taxis at most airports and docks. The drivers of these vehicles have a thorough understanding of the islands' roadways and pricing is government mandated. The fare pricing list can be found at the airport or by asking a driver.

Bikes, scooters and golf carts are also available for rental in some locations. For further afield driving on Providenciales, North and Middle Caicos a rental car for transportation is generally the most economical option. However, on smaller islands like Grand Turk and Salt Cay, the alternatives offer a both eco-friendly and economical option given the limited distances and lack of paved roads.

When driving in Turks and Caicos please remember to drive on the left hand side as is standard in the U.K. and most of its territories. Also when renting, be sure to note a preference as to what side of the vehicle you would like for the steering wheel to be on as most rental companies have vehicles that cater to both varieties.

The speed limit on island is 40 mph at its highest and there are no traffic lights to direct traffic. Traffic at major intersections is managed via roundabouts. These circular intersections usually require drivers to yield to any traffic coming from the right, however there are some exceptions so it is recommended to slow down when approaching one and observe the traffic before proceeding.



Car rentals, boat
charters and taxi
services are available on
the larger islands.



Island traffic
follows the U.K.
drive-on-the-left
standard.



Golf carts, scooters
and bikes may also
be rented.





Paradise Photography

Experienced company keeps things clean

It's hard to start new things right when you're awash in a leftover mess from the past. Which made the old ridge-top dump in the Blue Hills highlands a symbol of the challenges of rapid modernization on Providenciales.

Two years ago the open-air dump was a toxic disaster waiting to happen – unlined, unsecured, and largely unregulated. Homeless scavengers took up residence. Wild dogs patrolled smoldering piles of garbage amidst the burned-out hulks of cars.

Today that old dump – along with the site on Grand Turk – has been cleaned, capped and stabilized. A new lined landfill – engineered to exacting United States Environmental Protection Agency Subtitle D regulations – is making its way through the regulatory and permitting process. And for the first time in its history, the Turks and Caicos Islands are on their way to operating on a comprehensive sanitation, solid waste and recycling program.

The nation's government paid Turk and Caicos Environmental Management (TCEM) \$3 million to complete Phase One, and the locally staffed start-up got to work in April 2012. It finished the job of rehabilitating the old dumps in February 2013.

"What you see now is the result of dealing with a problem which had built up over many years, so actually an investment was needed up front to sort out the problem," His Excellency the Governor Ric Todd said during a Sept. 19 press conference at the Providenciales site.

Phase Two is expected to cost about \$2.3 million, with about \$1.5 million earmarked for landfill construction and another \$400,000 set aside for instituting a nationwide recycling system. The company estimates annual operations will cost about \$1.5 million.

TCEM President Tim Hodge, whose family ties to the islands date to 1971, knew about the waste-disposal problems on the islands long before forming the company. "The (state of affairs) was just shocking, and the situation was not uncommon," Hodge said. "It's a problem throughout the Caribbean. But we also knew it was a solvable problem...so when we saw (that the government was ready to address it) we were keen to get engaged and try to be part of the solution."

Moving the nation from open dumps to a modern, lined landfill ends the risk of a storm flushing toxic leachate through the native limestone and out

■ TCEM and the Government of the TCI have entered into a public-private partnership to build on national initiatives for environmental and economic sustainability.

■ Approximately 40,000 tons of waste per year are expected to be processed in the islands through the new waste management system.



Tim Hodge and his father, Jim, of Turks and Caicos Environmental Management.

TCEM has more than 50 years of combined experience in solid waste, including the development of the largest waste-by-rail system in the US. They are also designing, constructing and operating a new solid waste transfer station in St. Croix in the U.S. Virgin Islands. The Hodge family patriarch built his first home in the Turks and Caicos in 1971.

into the nation's perfect blue waters. But on a routine level, standardizing the nation's waste stream gives businesses and residents incentives to divert their recyclable materials, reducing long-term costs and generating new benefits for the country.

Take compost, for instance. Most of the Turks and Caicos Islands lacks sufficient topsoil, so the composting component of the TCEM plan is expected to generate a new resource.

Home and commercial pick-up is currently managed by both the government and several private hauling entities on the island of Providenciales. One such company has already built a recycling facility, and their customers are offered the opportunity to separate garbage and recycle items such as glass, cans, cardboard and plastic.

TCEM's proposed recycling component is based on a low-tech "blue bag" system used from Chicago to small communities around the world. Everything recyclable goes into a separate blue bag, which workers hand-sort at the processing center. There's an additional labour cost over pre-sorting, but the system works out to a savings, because it doesn't require specialized trucks and additional infrastructure. It would also allow for anyone, private homes to hotel guests, on any island, to be a part of a national plan to protect the environment.

The makeover includes consolidation of facilities on other islands as well, and placing collection points – supervised containers – at places where locals have traditionally gone to dump their garbage.



Paradise Photography



Distribution network brings quality, variety

Making a name for itself as a food lovers' paradise doesn't come easy for an island nation which imports the vast majority of the products it consumes. But the perks that come with proximity to the U.S. don't just limit themselves to direct flights, language, currency and time zone.

The food culture in the Turks and Caicos Islands has flourished in recent years, and Providenciales as its culinary capital boasts not only an impressive number of top-rated restaurants and chefs, but also a robust array of choices when it comes to groceries.

Regular shipments of top branded goods, European and Asian specialty products, and organic fruits and vegetables – primarily from the United States – make their way to the islands, available through wholesale distributors to restaurants and caterers, as well as to consumers.

As the most developed and populated island in the TCI, Providenciales has the largest selection of not only products to buy but also places in which to purchase them. With several major grocery stores and numerous smaller retailers, there are plenty of options for shopping. The large retailers are spread across the island of Providenciales from downtown to mid-town. Island Pride, IGA Graceway, Quality Supermarkets and Price Club all offer a wide selection of familiar products from Cheerios and Oreo cook-



ies to Hass avocados and Idaho potatoes.

In Grace Bay, Graceway Gourmet caters to the specialty market where items such as goat cheese, Gluten-free pizza and soy milk can be picked up daily. Most other islands have retailers ranging from mid-size to small, and on nearly all the islands you will find locally grown products in the shops.

Of course, convenience and selection in paradise come at a premium, with prices on most items higher than on mainland nations due to factors such as shipping costs and import duties.

While there are no extra duties applied to immediate perishables such as milk, eggs, meats, and most fruits and vegetables, there is a 10 percent duty applied to foods like cheese and butter and a 15-30 percent duty to most other grocery goods.

For a nation of under 35,000 residents the selection of wines and beers rivals that of many larger cities. From French champagne to Belgian beer, several boutique island distributors make up for size in variety.

Duties on alcohol are higher than those for other groceries and in 2010, the Ministry of Health increased the duty rates on foods with a high sugar content such as ice cream, confectionaries, and chocolate to 40 percent. Duties are factored into the retail price, so no additional taxes are added at checkout. The store passes the collected taxes on to the government.

Turks and Caicos grocery stores are stocked with fresh vegetables, fine wines and gourmet items, along with the brands and essentials modern consumers expect.

\$62.5m
of food was
imported in 2012 –
about 28% of which
was fresh produce





Schools investing in islands' future

Education in the Turks and Caicos Islands is in the midst of the most significant modernization effort in the nation's history, as political, educational and industry leaders seek a new course for the nation's schools and a better relationship to the country's economy.

On the academic side, the nation is investigating alternatives to its current curriculum, which at the secondary-school level is based on the Caribbean Secondary Education Certificate, or CSEC. The standard doesn't align directly to educational systems in the United States, Canada or the United Kingdom.

Since most public school students won't be traveling abroad for a four-year degree from a liberal arts university, the nation's leaders have been working to create programs that will better prepare students for the types of jobs the modern economy demands.

The centerpiece of this reform program in 2013 has been the National Consultation on Education, which began in April with a public outreach and comment period, followed by a series of public meetings on Providenciales, North and Middle Caicos, Grand Turk and South Caicos in May.

"We want to ensure that we have a system that

meets the developmental needs in an evolving, multicultural society such as ours," said Turks and Caicos Deputy Premier and Minister of Education, Youth, Sports and Culture Akierra Missick.

"We are finding the difficulty in our offering is that students who would like to matriculate in the UK and USA are having to focus on a foundation year or (are) unable to achieve the SAT results that would be required to get them into what we call 'top rate' schools... My end goal that I am working towards for the next three years is that we have a comprehensive system that allows for ease of matriculation to world universities."

The Ministry manages a significant scholarship fund, with \$2.5 million obligated in fiscal 2013-14, and as with successive governments, the current administration has tried to administer that account with the intent of funding 20 to 30 students per year. But the need to send students for a year of college prep courses has been eating into the national scholarship fund.

The debate now is whether to keep the current system – with enhancements – or transition to one of two alternatives.

If the nation conserves the heart of its existing

3

government
high schools

Education is mandatory for all children ages 4-16 residing legally on the island. The government provides schooling for these age groups free of charge.

10

primary &
secondary
schools

31

private schools
operating in
the islands

95%

estimated
literacy rate for
15-24 year olds

Students wear school uniforms across the islands, from primary through high school.



system, it would likely add the Caribbean Advanced Placement Exams, which would increase high school in the islands by two option years, with a choice between academic or vocational programs.

Should the government decide to rebuild the educational system around a new curriculum, the resulting system would be based either on the United Kingdom's system of GCSE & A Levels (currently offered on Providenciales by the privately run British West Indies Collegiate School), or on the globally recognized and accepted International Baccalaureate (IB) system.

Making that system work for all students also means resolving the overcrowding issues that have affected schools on Providenciales.

The tourism boom drew workers from most of the family islands to Providenciales in a short period of time, packing students into the three public primary schools and one high school on that island. The ministry added container classrooms in an effort to deal with that explosive growth, but is now researching long-term solutions to deal not only with current demand, but also anticipated population growth.

"We are trying to ensure as the population grows we do not have to continuously put up a new block," Missick said. "Persons that come to live in the TCI have families and we have to ensure they have a place they can educate their children, whether it is in the government schools or the plethora of private schools, especially on Providenciales."

The current expansion plan, which would include a new high school with an estimated price tag of \$15 million, would break ground in the summer of 2014. Given the limited government funding for capital projects, Missick is actively seeking grant support from the United Kingdom's Department for International Development and the European Union.

Missick anticipates the incorporation of the reform program will coincide with the opening of the new schools during 2015-16. "We want to make sure we have the facilities and resources to see the



Schools work with the business community to give students real-world experience to prepare them for the workplace.

system through," she said. The changes will require more teachers, and the government is working to encourage more local students to join the profession.

In recent years, educators and business people have been in an expanding conversation about how to prepare students for local jobs, and changes are already in the works. "Traditionally, scholarships were designed to assist the civil service," Missick said. "We are trying to shift the focus from the (civil) service...to the local economy. How can we ensure Turks and Caicos Islanders can facilitate and grow the local economy themselves?"

The Turks and Caicos Community College provides most of the islands' job training. The college is currently seeking a partnership with an off-island college in order to help acquire accreditation for their programs, which are increasingly directed toward trades. But Missick said there's also a move afoot to create a separate college park by 2020, with the intent of helping prestigious universities to set up campuses here, attracting international students and researchers.

"That is where we want to be," Missick said. "We are now walking the steps to get there."

\$15m

planned
investment
in new high
school



TCI Community College offers:

11

associate degrees,
including
Teacher Education

8

certificate
programmes

3

Bachelor's
degrees

Making the jump to island life

As she readied her city-dwelling Chicago family to move to the islands of Turks and Caicos, Haley Weldon prepared herself for a distinctly different life. Sorting the treasured toys of her three boys into piles poignantly marked 'taking' and 'leaving,' she reminded herself that this was the right decision for her family. To her relief, it was just a few months after arriving, when the 'taking' toys found their rightful place amongst the sports trophies and academic awards on the shelves of their new home on Providenciales, that she knew the decision was more than right.

"I must admit I was concerned," Weldon says as she watches her now ten-year-old son, Theo swinging an impressive forehand as he competes in a youth tennis tournament. Weldon and her husband Ted, a seasoned real estate developer, were afraid island life might lack the rich culture they were used to in the big city. "Art, music, theatre, dance...things Ted and I feel are important to include in our kids' lives," Weldon explains.

But within the first month, her fears were laid to rest as Weldon was invited to assist with a Turks and Caicos Friends of the Arts performance of "The Nutcracker," where Theo played a toy soldier, performing alongside world-class dancers. "It was something he never would have been able to do in Chicago," she says.

Nightly family dinners are another cherished element of the Weldons' new-found life. "Commuting and commitments left us with little time to spend as a family, and getting that time back is something we will always value about our time here."

Ironically, though, island life didn't necessarily mean a slower pace. Ted's Saturdays begin with calling out formations from the sidelines of the soccer pitch, and afternoons he adeptly swaps out aspiring future hockey pros from behind the glass. "All of a sudden he had time to do that," Weldon says of Ted coaching the boys' various sports teams.

And it's not just the boys in the family who are lapping up the variety of sporting activities available on the island. Women's ball hockey, mixed-tag rugby and kite-boarding are all sports Weldon has recently taken up. "What surprised me the most," she says, "is that there are no age limits or parameters for what you can do here."

Indeed, Weldon is taking advantage of it all. Over the past several months, she has co-produced a doc-



umentary, chaired a major island fundraiser, played side-by-side with an international rugby legend and even modeled for a local firm's billboard ad. "You tend to forget how old you are," she says of island life, "there's certainly no pressure to 'act your age'."

The diversity of activities is also reflected in the friendships the Weldons have forged over the past two years on Provo. Breaking from the traditional relationships circling around work colleagues or children's friends, Weldon describes her social network on the island as being more diverse than she ever imagined. "It's refreshing to mix and mingle with people from all over the world and in such varied ages and stages in their life."

From work and education to entertainment and social events, the Weldons keep a busy schedule. "Island life has been an adjustment for sure," Weldon says, reflecting back to their arrival in 2010. "But exposing the boys to a whole different way of living has been priceless, as well as, an incredibly fun adventure for us as a family."

The Weldons, Haley and Ted and their three sons (from left) Theo (10), Spencer (9) and Nate (7), moved to the islands in 2010 so Ted could directly oversee work on his Sailrock Development on South Caicos.

The family is involved in many community activities such as roller hockey.



Multiple resources deliver quality medical care

The Cheshire Hall Medical Centre on the island of Providenciales offers top quality care to residents and visitors. Its sister facility, Cockburn Town Medical Centre is on Grand Turk.

After making enormous strides in the improvement of its national health care system over the past decade, the Turks and Caicos Islands is now turning its attention to an agenda that targets enhanced effectiveness, reduced costs and expanded access to quality care across the nation.

The most visible evidence of the new era is the Turks and Caicos Islands Hospital, with its two state-of-the-art facilities: the 20-bed Cheshire Hall Medical Centre on Providenciales, and the 10-bed Cockburn Town Medical Centre on Grand Turk. Developed through a public-private partnership with InterHealth Canada (TCI) Ltd as part of the govern-

ment's ambitious 2006 Health Care Renewal Strategy, the modern hospitals (built in 2010) vastly improve the nation's ability to deliver multiple levels of care.

Both centres are acute-care facilities with emergency departments, maternity services, operating theaters, recovery rooms, dialysis units and family practice clinics. Core staff cover the major fields of modern medicine, but regular visiting consultants expand those capabilities. The system has received the highest available accreditation – Diamond Accreditation by Accreditation Canada International – making it “one of the very few hospitals to have

2
Full service facilities
Cheshire Hall Medical Centre
Cockburn Town Medical Centre



3-year stats

100,000 outpatient visits

inpatient admissions **5,914**

86,810 accident & emergency visits

day surgeries **2,100**

Core staff: Obstetrics, Gynecology, Family Practice, Emergency, Orthopedics, Urology, Pediatrics, General Surgery and Internal Medicine. Regular visiting consultants: Oncology, Nephrology, ENT, Ophthalmology, Plastic/Reconstructive surgery, Neurology, more Orthopedics

reached that status within two years of opening,” said Dr. Robyn Barnes, Chief of Medical Services for Turks and Caicos Islands Hospital

Less visible are the associated advancements in environmental and public health, and the creation of the country’s first truly inclusive National Health Insurance Plan. Government-funded care had previously been offered only to those with Belonger status, but the new system now covers nearly 30,000 residents.

With that modern infrastructure in place, the Ministry of Health has embarked toward a series of new goals. Job One is creating a health financing structure that will make the system more affordable and fiscally sustainable, but the current agenda also includes a range of smaller programs that take advantage of the system’s new capabilities. They generally fall under two headings: Improving residents’ health and quality of life, and driving down costs. The new TCI Hospital has significantly reduced the annual cost of overseas treatment.

To meet those goals, the country will likely need to increase insurance revenues while decreasing costs. Today, employee and employer contributions add up to \$19 million of the program’s annual \$60 million expenditures, with the government covering the balance. Those demands limit resources to other health initiatives, yet the comprehensive approach is also earning some major system-wide savings. Ministry of Health clinics in Blue Hills on Providenciales and the less-populous islands handle primary care, but refer patients to the TCI Hospital’s two flagship medical centers for more advanced procedures. And plans for telemedicine links between hospital staff and primary care providers on remote islands promise to improve care while driving down costs.

The full results of the past decade’s modernization will emerge only through years of data, but some improvements are already quantifiable. Thanks in part to a comprehensive immunization program, the country suffered no infant or maternal deaths in the most recent annual measure. Malaria, which affected 9.57 people per 1,000 resi-



The medical community is made of international, experienced physicians, nurses and other health care experts.

dents in 2000, dropped to zero reported cases in 2005.

Still, significant challenges remain. The incidence of HIV/AIDS is on the rise, and chronic threats such as diabetes, hypertension, cardiovascular disease and obesity still pose major health problems.

But with the proper infrastructure in place, health care in the islands is moving from an intractable problem to a national asset. Deficiencies in on-island hospital care once represented an enormous impediment to attracting visitors and residents. That’s now a competitive advantage for TCI when prospective visitors and newcomers compare island destinations.



Several companies from southern Florida and other Caribbean islands service the country with air medevac in the event a higher level of care is required.



International and very experienced medical community including: Private primary care practitioners, as well as specialty care providers such as chiropractors, osteopaths, physiotherapists, dermatologists, and more.



There are a number of well stocked pharmacies in the islands.



A hyperbaric chamber on Providenciales: Hyperbaric Treatment of Decompression Sickness.



Professional police force among Caribbean's best

Last year in New York City, just the increase in the annual number of property crimes involving iPhones and other Apple products added up to 3,890, a tiny percentage of the roughly 109,000 "major crimes" committed in the city in 2012.

Meanwhile, in the Turks and Caicos Islands, police investigated 2,693 crimes in 2012. That's an average of seven crimes, of all varieties, per day – for the entire nation.

And the best news? The new figure is down 6 percent from 2011, when police investigated 2,857 crimes (eight per day).

Commissioner of Police Colin Farquhar of the Royal Turks and Caicos Islands Police Force doesn't typically emphasize those statistics, and reminds listeners that modest changes in such small sample sizes can produce big shifts in rates. For example, when Farquhar instituted an accountability policy that required a more formal police response to all citizen reports, he warned other government officials to expect an increase in the crime rate.

"The more confidence people have (that they'll get a police response to a report), the more likely they are to report something," Farquhar said. True to his prediction, the policy increased the number of crimes reported, and after a temporary surge in the crime rate, the rate went back into decline. That's in part because the solved-crime rate is improving. In 2012, it rose from 18 percent to 29 percent.

The Turks and Caicos Islands remains one of the safest nations in the Western Hemisphere, with low crime rates on Providenciales and Grand Turk, and virtually no crime on some of the less populated islands. For instance, of the 45 robberies committed last year, 42 occurred on Provo, three on Grand Turk, and none on any of the other populated islands. And while the islands draw roughly one million tourists annually, only 23 crimes were committed

Chief officer Commissioner of Police Colin Farquhar



- More than 30 years in the Royal Canadian Mounted Police, serving in the Provinces of Manitoba, Ontario, and British Columbia.
- Police Advisor at the Permanent Mission of Canada to the United Nations in New York 2008-2011, where he managed the deployment of Canadian police officers and prison officers to overseas U.N. missions.
- Deployed to the U.N. Stabilization Mission in Haiti from 2006 to 2008, where he was the operational commander for about 1,500 United Nations police officers from 44 different countries.

ted against visitors in 2012.

That's not to suggest that police have little to do. As the only police organization in a country without a military, multiple duties fall to Farquhar's 270 officers. They staff stations on six of the nation's 40 islands, protect the country's marine resources from poachers, participate in joint aerial patrols with the U.S. Coast Guard, cooperate with the nation's customs and immigration services, and investigate all the nation's major crimes – rare though they may be.

The police force dates back to 1799, making it the oldest in the Caribbean. A veteran of the Royal Canadian Mounted Police, Farquhar has held the top job in the Turks and Caicos police force since 2011. His previous experiences include assignments as the Deputy Police Commissioner for the U.N. Mission to Haiti and Canada's first police advisor to the United Nations in New York.

He's expected to serve in this post for another two years, and hopes to use that time to continue his series of gentle updates to the force's programmes and procedures. "The police force here has a lot of traditions, and there's a lot of fondness for them," Farquhar said. "I told them 'You can keep your tradition. Traditions are good. But you need to modernize your techniques.'"

Radical changes are not on the agenda. Officers will continue to patrol in crisp khaki uniforms that reflect the islands' British heritage, leaving firearms at the station during routine duties. But whether it's training (the country began training its own cadets in 2010) or equipment (the traditional uniform has been updated to include non-slip shoes and a service belt made of 21st century materials), or policies (Farquhar has emphasized a more visible role for his officers in the community), the trend for the Turks and Caicos police force is more modern – and less crime.

Resources

- Five boats and one twin-engine aircraft, plus joint aerial patrols with the U.S. Coast Guard
- Training academy on Grand Turk
- Tactical Team

1

Number of police agencies
Royal Turks and Caicos Islands
Police Force

0

Number of stations
Division A: Grand Turk, Salt Cay, South Caicos
Division B: On Providenciales (*Five Cays, Chalk Sound, Grace Bay*), North Caicos, Middle Caicos



Crime Stoppers

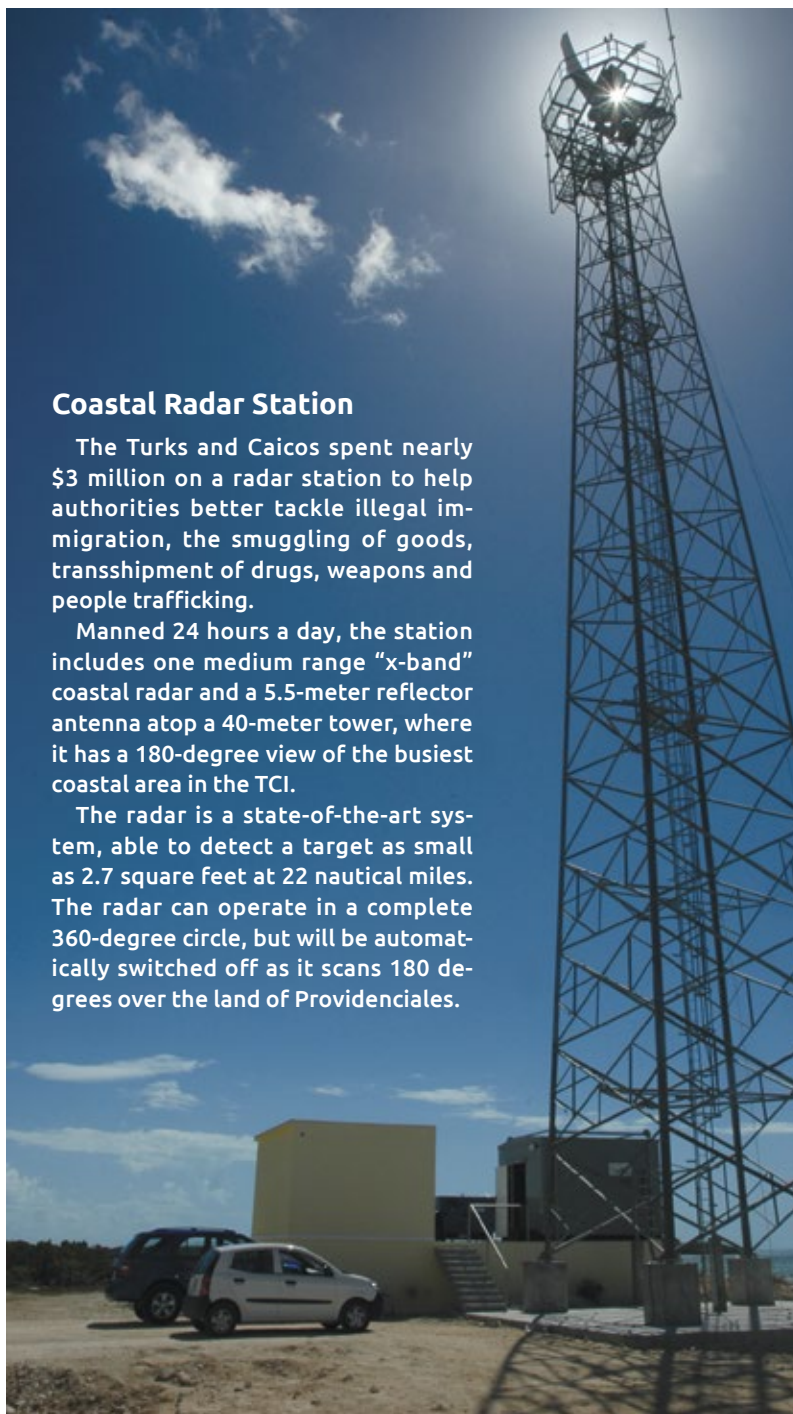
Crime Stoppers Turks & Caicos was launched in 1996 to assist law enforcement agencies in the TCI to deter and eradicate crime and bring perpetrators to justice by the provision of a confidential and anonymous intelligence gathering service. Anonymous tips can be submitted toll free: 1-800-TIPS (8477).

Coastal Radar Station

The Turks and Caicos spent nearly \$3 million on a radar station to help authorities better tackle illegal immigration, the smuggling of goods, transshipment of drugs, weapons and people trafficking.

Manned 24 hours a day, the station includes one medium range "x-band" coastal radar and a 5.5-meter reflector antenna atop a 40-meter tower, where it has a 180-degree view of the busiest coastal area in the TCI.

The radar is a state-of-the-art system, able to detect a target as small as 2.7 square feet at 22 nautical miles. The radar can operate in a complete 360-degree circle, but will be automatically switched off as it scans 180 degrees over the land of Providenciales.



1799

Year the department was founded
That makes it the oldest in the Caribbean

270

Number of officers

911

Emergency response
service is in use



A beacon for investment

Attracting quality investments that create a sustainable economy for the Turks and Caicos Islands is a major objective of the Turks and Caicos Islands Government. The business community has come to realize that the Turks and Caicos Islands is truly gifted with an attractive natural environment and untapped resources, which makes it a true paradise for many reasons.

This is not only because of the year-round sun, the crystal blue seas and the powder-white sandy beaches, but also the attractive Investment Policy (2012) created by the government to facilitate the ease and effectiveness of doing business, the skilled professional workforce, modern infrastructure,

well regulated and established financial services industry, proximity to major North and Latin American markets, the use of the US dollar and, of course, lifestyles are just some of the elements that create this ideal investment climate.

In addition to the above, wise investors also come to the Turks and Caicos Islands because it is a high end tourism destination, rich with opportunities and friendly, welcoming people.

The TC Investment Unit was established by the government in 2012 to facilitate both domestic and foreign investment proposals and to create a single window for prospective investors to make the process easier for establishing and doing business in the TCI.

Operating directly under the Ministry of Finance with a mandate to promote and foster the flow of inward investment, the TC Investment Unit has been designated a one stop shop to simplify investing in the Turks and Caicos by consulting on behalf of the investor with the relevant government departments.

We encourage you to meet with us to discuss your investment proposal and find out more about how we can assist you in making your dreams a reality.



TURKS & CAICOS
Investment Unit

- Online: www.gov.tc
- Tel: +1.649.946.4776
+1.649.946.4804
- Email: investmentunit@gov.tc

Investment Unit Mandate

To promote and foster the flow of inward investment which supports the national economic policy and development objectives, through best practices in investor services and government coordination.

Investment Unit Mission Statement

To be the first point of contact for inward investment activities, by providing high quality, timely, efficient service, whilst adhering to best practices, good governance and transparency.



GETTING STARTED

The Turks and Caicos Government welcomes foreign and local investors.

Submit a proposal

The Investment Unit (IU) makes the process convenient and simple.

- Submit your Project Proposal and supporting documents to the Investment Unit. You may submit your proposal as a hard copy, or electronically via investmentunit@gov.tc. The Project Proposal Guidelines must accompany the proposal, visit www.gov.tc for a copy of the guidelines.
- The Investment Unit will confirm receipt of the proposal within 2 working days and continue to communicate with you on the status of your proposal.

The process

- IU consults with relevant government departments for advice on your behalf.
- IU manages the process for your convenience and communicates back to you.
- Upon approval, we continue to coordinate with government departments and help facilitate your project implementation.

Incentives for qualified investments

We are committed to cutting the cost of doing business. These are a few of the incentives available:

- Alleviation of essential "fixed investment costs" (capital and labour costs) for qualified investments.
- Reduced import duties on "fixed investment costs" for qualified investments and new industries.
- Reduced stamp duty for land purchases in the family islands and for new developments or first-time sales of condominiums across the Turks and Caicos Islands for qualified investments and new industries.

BUSINESS LICENSING

All individuals or corporations wishing to engage in business activities in the Turks and Caicos are required to carry a Business License.

Annual fees for business licenses range from \$300-\$13,500 depending on the type of business. There are currently 45 categories of business activities and 65 fee classifications. Twenty classifications are reserved for Turks and Caicos Islanders or Turks and Caicos Islander -controlled businesses.

Any business engaged in multiple distinct activities must acquire a license for each appropriate category.

Businesses that require additional

licenses for various activities such as liquor sales, must obtain separate licenses prior to commencement of operations.

In addition, businesses whose employees need to be licensed, such as medical practitioners, need to ensure that their employees are appropriately licensed separate from their business license. The Business License application must be completed and submitted to the Revenue Department.

There is a \$50 fee for business name registration, unless the name of the business is in the name of the person or their initials.

COMPANY INCORPORATION

A company can be incorporated within three days in the Turks and Caicos Islands. Incorporating a company requires three key pieces of documentation namely: Memorandum of Association, Articles of Association and Any Resolution which may be signed by the parties.

There are six types of companies that can be formed in the TCI:

- **Ordinary**
- **Exempt:** Companies incorporated in TCI but operate outside of TCI.
- **Limited Partnership**
- **Foreign Ordinary:** A company incorporated in another jurisdiction and doing business in the TCI
- **Foreign Exempt:** A company incorporated in another jurisdiction and continued in TCI (i.e., redomiciled to TCI)
- **Limited Life Companies:** Exempt Company can apply to be LLC for a period of up to 50 years. Can extend in circumstances for another 150 years.

Associated fees

To incorporate a Company:

- Ordinary Company \$300
- Exempt Company \$150 (depending on share capital)
- Foreign Ordinary \$300
- Foreign Exempt..... \$150
- Limited Partnership \$500
- Limited Life Companies..... \$300

To file Annual Returns:

- Ordinary \$300
- Exempt..... \$350
- Foreign Ordinary \$300
- Foreign Exempt..... \$350
- Limited Partnership \$300
- Limited Life Companies..... \$300
- Each printed search.....\$50

QUESTIONS? VISIT WWW.GOV.TC





LABOUR & IMMIGRATION

Employment Services Department

(Formerly Labour & Immigration departments)

- Online: www.labour.tc
- Tel: +1.649.946.4575
- Fax: +1.649.946.4164

- Online: www.immigration.tc
- Tel: +1.649.941.7792
- Fax: +1.649.941.7793



There are more than two dozen agencies on record with the Employment Services Department that can assist with employment and immigration issues.

Every employer in the TCI is required to have a valid working contract for all employees.

Employment contracts define the conditions within which the employer/employee relationship operates, which can include but are not limited to: wages, work schedule, vacation days/pay, probationary and termination conditions. A standard format is available from the Labour department.

The Employment Services Department conducts periodic inspections of work conditions to monitor compliance with the regulations of the Employment Ordinance 2004.

For more information regarding labour laws, standard procedures for dealing with employees or the employee/employer relationship, contact the Employment Services Department.

For the purposes of working in the Islands, there are two types of defined employment:

- **Employed persons** are those working for an employer under a contract of service.
- **Self-employed persons** are those persons who are gainfully working for themselves.

Work Permits

Individuals 18 years and older are eligible to apply for a Work Permit in the islands. The permit allows for lawful residency and the right to work within a restricted category within the islands.

Work permits can be renewed up to three times for unskilled and five times for skilled workers. For first time permit holders, they must remain outside of the country until such time as their permit is approved. For renewals, a work permit holder can continue to work during the renewal process under the same company/employer.

In the case of an owner/manager permit or self-employed permit, a business license should be obtained first. Such a permit will not be issued without a valid business license.

A work permit entitles a person to work for one

employer who applies for the employee. Spouses and children can be endorsed on work permits for skilled workers. Unskilled permits are prevented from including spouses or children.

Applications can be obtained from the Employment Services Department website at www.immigration.tc or www.labour.tc.

Several accompanying documents will be required along with the application submission including but not limited to the following items:

- Local medical certificate of good health obtained within six months;
- Two passport sized photos;
- Labour clearance;
- Covering letter from intended employer;
- Copy of employer's passport showing photo page or in the case of a business, copy of business license and payment receipt;
- Proof of legal status or proof of departure;
- Required deposit (repatriation fee – separate from work permit fee);
- Police record (police records are not accepted from Haiti and Dominican Republic).
- Fees for work permits vary depending on the type of permit ranging from \$400 – \$9,500

Temporary Residence Permits

A Temporary Residence Permit can be obtained from the Employment Services Department for those interested in residing in the islands without the right to work for a limited period of time, generally up to one year.

Spouses and dependents up to age 18 can be endorsed on a TRP.

Permanent Residence Certificates

A Permanent Residence Certificate can also be issued with or without the right to work, but is a one-time application.



The **Department of Border Control and Enforcement** is responsible for promoting adherence to labour laws and providing labour market services such as: manpower planning, dispute resolution, job referrals, etc. The department polices the laws pertaining to immigration; permission for persons to enter, remain in, and work in, the Islands. Immigration officers have power to arrest persons who enter, remain in or work in, the Islands illegally.



NATIONAL INSURANCE

National Insurance Board

The Turks and Caicos Islands National Insurance Board was established under The National Insurance Ordinance No. 10 of 1991 coming into effect April 6, 1992. The National Insurance is the sole provider of social insurance benefits to persons who are gainfully employed within the Turks and Caicos Islands between the ages of 16 and 65 years. The National Insurance Board (NIB) is a statutory body of the Turks and Caicos Islands Government. The board's Head Office is located in the capital island of Grand Turk, with other branches in South Caicos, North Caicos and Providenciales.

If you are 16-65 years old and working, you must be registered with the National Insurance Board. To get your number and card, you will need to complete and submit a registration application and provide documents that show your age, identity, citizenship and your work permit (where applicable).

To register, the employee and the employer must complete and submit to the nearest office of the Board, the Insured Person's Registration Application Form. Every employee must therefore ensure that his employer properly registers him/ her promptly within the prescribed time.

Registration on the islands of Grand Turk or Providenciales, should take no more than 5 working days. Family islands may take slightly longer.

Once registered, the employee is allocated a national insurance number and a registration card is issued bearing his/ her name and national insurance number. The employee is responsible for the safe custody of the registration card and must produce his card to his employer when commencing employment with a new employer or whenever the employer may ask for its production.

Registering with the National Insurance Board and obtaining your original card is free of charge.

The National Insurance Board currently issues one type of card, which will show your name, date of birth, signature and National Insurance Number (NINO). NINO (National Insurance Number) is used to store all your relevant information; this includes a record of your earnings.

Voluntary Contributors

An insured person who has paid at least 50 contributions as an employed or self-employed person can apply for a Certificate of Voluntary Insurance which entitles him to pay Voluntary Contributions. The application for a certificate of voluntary insurance is

made on Form Ins. 002 and must be submitted to any office of the Board not later than the end of the contribution year which follows the year which includes the contribution weeks for which the insured person wishes to make voluntary contributions. An insured person shall not be entitled to receive a voluntary certificate during any period that he is not resident in the Turks and Caicos Islands.

Failure to apply for a Certificate of Voluntary Insurance within the prescribed time may result in the rejection of the application.

Liability for Contributions

In the case of an employee, there is liability for contribution for every week in which he/she receives earnings from his employer of not less than \$25.00 per week if he is a weekly-paid employee or \$108.00 per month if he is a monthly paid employee. In the case of an apprentice there is always liability irrespective of the amount of earnings.

In the case of a self-employed person there is liability for contributions for every week in which he works as a self-employed person.

Liability for contributions ceases when the insured person reaches the age of 65.

Assessment of Contributions

In the case of an employee, contributions are assessed on his/her earnings and include all payments from his employment with the exception of ex-gratia payments. In the case of an apprentice with no earnings or with earnings below \$25.00 per week, contributions are assessed on earnings of \$25.00

No contribution is payable on earnings exceeding \$600.00 per week in the case of a weekly paid employee or \$2,600.00 per month in the case of a monthly paid employee. In the case of a monthly paid employee, the earnings for the month are accepted for the contribution weeks beginning in the month for which there is liability for the payment of contributions.

In the case of a self-employed person, the contributions are assessed on the weekly income he has elected for the purpose of contributions. The self-employed person can elect, subject to certain limitations, a weekly income of \$100.00; \$200.00; \$400.00; or \$600.00

In the case a Voluntary Contributor, the contributions are assessed on the average weekly earnings or income on which compulsory contributions were paid or credited in the year preceding that in which

National Insurance Board

Head Office (Grand Turk)

- Waterloo Plaza, Grand Turk
- Email: info@tcinhib.tc
- Online: www.tcinhib.tc
- Tel: +1.649.946.1048
+1.649.946.1049
- Mail: P.O. Box 250, Turks & Caicos Islands



Providenciales Branch

- Hilly A Ewing Bldg., Providenciales
- Tel: +1.649.941.5806
+1.649.941.5906
- Fax: +1.649.941.5854
- Mail: P.O. Box 283, Turks & Caicos Islands

South Caicos Branch

- General Delivery South Caicos
- Tel: +1.649.946.3280
- Fax: +1.649.946.3664

North Caicos Branch

- General Delivery North Caicos
- Tel: +1.649.946.7200
- Fax: +1.649.946.7110



National Health Insurance Plan

- Email: info@tcinhip.tc
- Online: www.tcinhip.tc

Providenciales

- Units 55/56
Salt Mills Plaza,
Grace Bay Road
- Tel: +1.649. 941.8861

Grand Turk

- Cockburn Town
Medical Centre
- Tel: +1.649. 232.2555



National Health Insurance is a form of health coverage that insures registered persons against meeting the costs associated with ill health. It is a key pillar of a comprehensive social security system intended to protect the well-being of the people of the Turks and Caicos Islands.

the application for voluntary insurance has been made.

Rates of Contributions

In the case of employees other than public officers, the rate of contribution is 8%: 4.6% payable by the employer and 3.4% payable by the employee. In the case of Public Officers, the rate of contribution is 6.85%: 4.025% payable by the employer and 2.825% payable by the employee.

The rate of contribution for self-employed persons is 6.8%; voluntary contributors is 5.5%.

Payment of Contributions

In the case of employed persons, the employer has to pay his portion of contribution and that of the employee. He can deduct however, the employee's share from the earnings paid to the employee for the period for which the contributions are payable and not otherwise.

In the case of an apprentice earning less than \$25.00 per week, the employer has to pay the total rate of contribution on the difference between the actual earnings of the apprentice and \$25.00.

The employer has to pay contributions for all his employees before the end of the month following the month in which the contribution weeks for which there is liability for contributions begin.

The self-employed person has to pay his contributions for all contribution weeks beginning in any calendar month not later than the end of the following month.

The voluntary contributor can pay his contributions for contribution weeks beginning in any year not later than the end of the following year. Failure to pay contributions within this prescribed time results in the cancellation of the validity of the certificate of voluntary insurance. In such a case the insured person can apply for a new Certificate of Voluntary Insurance after he has paid 50 contributions as an employed or self-employed person.

Contributions payable by employers, self-employed persons or voluntary contributors can be paid in cash or by cheque at any of the offices of the Board.

National Health Insurance Plan

Enrollment in the NHIP is mandatory for all those who are employed or reside in the TCI including:

- Turks and Caicos Islanders, resident in the islands
- Expatriates employed by the government or any government agency or any statutory body

c. Expatriates on current work permits or temporary work permits

d. Permanent resident cardholders with a right to work

e. Pensioners that satisfy all eligibility requirements

f. NIB non-contributory old age pensioners

g. Indigents enrolled with the Social Development Department

h. Prisoners

i. Dependents of any person referred to in (a), (b), (c), (d)

All employers are required to register their employees with the NHIP and declare and pay monthly contributions. A total contribution of 6% of the monthly salary is required for all employees, which is split 50-50 between the employer (3%) and employee (3%). The employer will deduct the employee's portion from their regular paycheck and pay it on their behalf to the NHIP.

Self-employed individuals are also required to submit their payments monthly based on their salaries.

Deadline for submission of salary information and payments is on the 7th of every month. However, payments can be made on or before the 14th of the month. If the 14th falls on a weekend or holiday, customers have until the next business day to submit contributions. Failure to submit payments within the allotted time will result in a 10% late fee per month.

Salary submissions can be made online via the NHIP eServices website. Payments are also accepted via online bill payment with your local CIBC or Scotiabank.

Registering with the National Health Insurance Board is quick and simple.

The package of benefits for the NHIP includes:

- All essential medical services, most of which are provided by the health care facilities managed by Interhealth Canada on Grand Turk and Provo
- Access to the primary care clinics which the government manages on the Outer Islands
- Government's provision of public health services directly such as immunizations and wellness programs.
- Benefits are structured on social principles of equal access to comprehensive health care services for all residents. Unlike private insurance, there will be no exclusions or waiting periods for pre-existing conditions; and no deductibles or co-insurance.



**National Health
Insurance Board**

The National Health Insurance Board (NHIB) was established under the National Health Insurance Ordinance 2009, as a statutory body. NHIB's goal is to facilitate the provision of accessible, affordable and quality health care services to all its beneficiaries as specified in the ordinance.



CROWN LAND POLICY

Crown land is defined in the Constitution as “any land or other immovable property within the islands that may be lawfully granted or disposed of by Her Majesty”.

All Crown land is managed and allocated according to the Crown Land Ordinance 2012. According to recent data, of all usable land in the Turks and Caicos Islands approximately only a quarter remains as usable Crown land, the rest being held in private hands, both individual and corporate.

The Lands Division was established in 2012 and is a result of the Turks and Caicos Government Public Sector Reform Programme. Its purpose is to ensure that the land resource is used in an efficient and responsible way to achieve the sustainable development of the Islands.

Commercial developments

With a significant level of private land holdings amongst the islands, commercial developers now have a greater choice of locations through the private land market and will rarely need to resort to applying for Crown land.

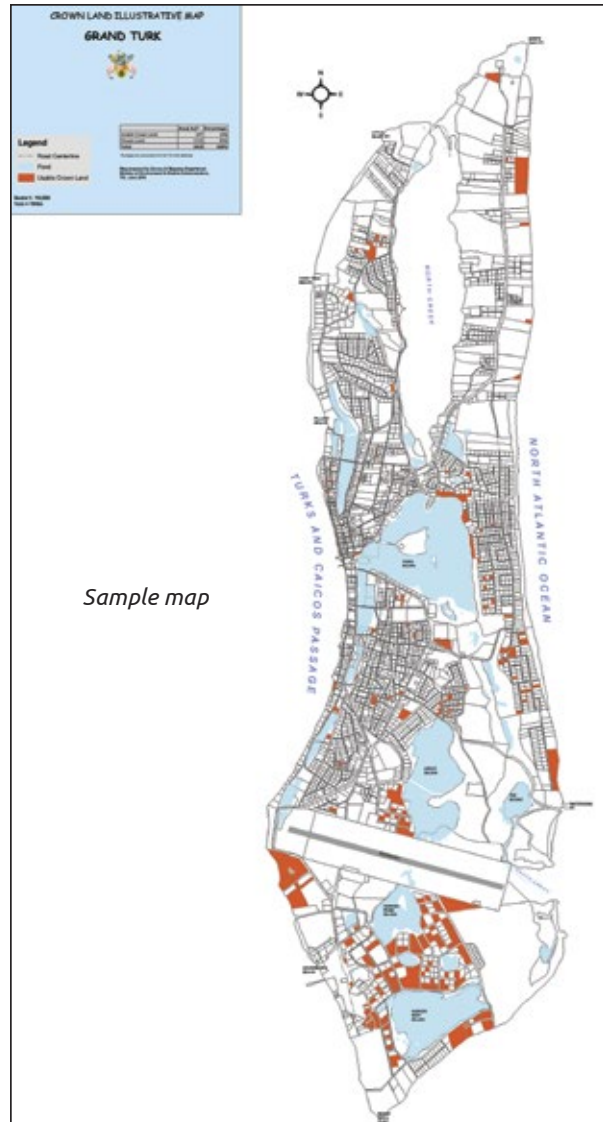
Crown land allocation for commercial purposes may therefore only provide an alternative means of access to land for the commercial developer where the private land markets are unable to provide such a service. If they choose to do so, they will face four simple tests.

Specifically they are that:

- the private land market is unable to fulfill the particular development need
- a viable and detailed business case has been demonstrated
- the amount of Crown land requested is commensurate with the planned development
- a clear and continuing benefit will accrue to the Turks and Caicos Islands

Crown land for commercial purposes will be available on a long leasehold basis. In addition, unless there are compelling arguments in the public interest, commercial developments will not normally attract concessions, fee reductions or immunity from future liabilities.

Other commercial sales of Crown land will be undertaken through a transparent, public competitive tendering process. Commercial developers will, in all cases, be required to produce a business plan that demonstrates their intended use of the land in question, and the degree to which the land will be utilised by the enterprise.



Sample map

Maps

Crown Land Inventory maps are available for the islands of Grand Turk and Providenciales, South Caicos, Middle Caicos, North Caicos, East Caicos, West Caicos and Salt Cay. The maps show remaining Crown land that could potentially be used for development in the future, subject to planning considerations and further technical assessments. The maps exclude areas within Protected Areas and areas of land that are particularly low lying and prone to flooding.

Crown Land Unit

- Email: tcilandinfo@gov.tc
- Online: www.gov.tc
- Tel: +1.649.941.7448
- Fax: +1.649.941.7449



This is to ensure that developers tailor their land requirements to match their intentions and do not engage in land banking or speculation as an adjunct to their core planned business activity. Similarly, any grant of land for commercial use will contain conditions that ensure the appropriate future commercial use of that land.

Commercial development that provides for the creation of job opportunities will be particularly encouraged.

Commercial development that results in the provision of quality, affordable housing will also be encouraged.

The Lands Division falls under the auspices of the Attorney General's Chambers and comprises four main departments:

Crown Land Unity:

- policy formulation for management and administration of land
- allocation of Crown land for various purposes
- approval for extensions of lease, change of user and subdivision schemes
- processing and issuance of land titles
- generation and collection of land revenue and other charges
- documentation and protection of public lands
- provision of up-to-date land information

Valuation Department:

- policy formulation for management and administration of land
- provision of valuation of land for assessment of stamp duties, compensation payable on compulsory acquisition by Government, land sale, rent payable and receivable by Government; and valuation of property for any other purposes.

Survey and Mapping Department:

- policy formulation for management and administration of land
- maintenance plans for property boundaries in support of the Land Registry
- maintenance and storage of all survey records
- approving all title surveys
- provision of national geodetic control network
- provision of title maps
- maintenance and provision of cadastral and geographical data in digital form
- generation and collection of land revenue and other charges

Land Registry Services

- registration of land transactions
- arbitration of land and boundary disputes
- collection of stamp duty, conveyancing and other land transaction fees/charges
- Custody, maintenance and updating of crown land registry

Examples of associated fees

The fees apply to various Crown lands administrative transactions, including application for lease, licence and easement over Crown land, surrender of lease, and other charges. The fees are established to recover the Department's administrative costs of processing various transactions.

Part A – Grant Of Lease Or Licence	
Tourism development; including hotel, golf course, etc.	\$1,000
Marina	\$1,000
Mining	\$500
General industrial	\$500
Communication site	\$500
Commercial recreation	\$250
General commercial; excluding hotel, marina or golf course	\$250
Public utilities	\$250
Residential	\$100
Agricultural	\$100
Institutional/Community	\$100

Part B – Other Items	
Extension/conversion/surrender of conditional purchase lease	\$100
Surrender of a lease (other than a conditional purchase lease)	\$50
Grant of an easement	\$100
Extinguishment of an easement	\$50
Copy of record held by the Crown Land Unit (per page)	\$10



CUSTOMS & DUTY GUIDE

All goods imported into the Turks and Caicos Islands are subject to both customs tariffs as well as a customs processing fee. The customs tariffs vary depending on the item being imported and range from 0% (duty free) to 65%. The current customs processing fee is 6% and is levied on the total value of the goods being imported regardless of their customs tariff (this includes duty free goods).

Duty is collected at the point of entry and no goods are released until all duties levied are paid in full to the Customs Department.

Many goods required in the field of construction carry the duty rate of 10%. This is to encourage building and development in the islands.

Several items considered green also carry lower duty rates, such as Energy Star rated appliances and solar water heaters. (Encourage a 'greener' economy by reducing tariff on energy related products, while simultaneously increasing the rates of duty on those items which contribute to damaging the environment. Or Reductions in rates of duty on energy saving products to encourage a 'greener' economy)

Luxury items such as wines, beers, spirits and tobacco goods carry the highest duty rates.

Imposition of higher rates of duty on 'luxury' items such as high powered, gas guzzling, motor vehicles, boats, etc

Turks & Caicos Customs Department

- 67 Airport Road, Providenciales
- Email: collectortci@gmail.com
- Online: www.customs.gov.tc
- Tel: +1.649.946.4450
- Fax: +1.649.946.4453



The Customs Department uses the internationally recognized ASYCUDA computerised customs management system. The system handles manifests and customs declarations, accounting procedures, transit and suspense procedures.

GUIDE TO GOVERNMENT

The Turks and Caicos Islands are a British Overseas Territory. The Turks and Caicos Islands Constitution Order 2011 provides for an elected Government comprising of a Ministerial Cabinet and an elected House of Assembly.

Governor

H.E. Damian Roderic Todd

The Governor is appointed by the Queen to be her representative and to carry out key duties to support the people of the Islands such as chairing Cabinet and ensuring the good governance of the Territory.

Under the Constitution,

the Governor has responsibility for defense, external affairs, the regulation of international financial services; and internal security, including the police force. The Queen also has the power to legislate for the Islands by Order in Council and to instruct the Governor through the British Government's Secretary of State for Foreign & Commonwealth Affairs.

Deputy Governor

Hon. Anya Williams

The Deputy Governor is appointed by the Governor by way of an open application process. The position may be considered the most senior civil service post as the Deputy Governor heads the Public Service, the line manager for permanent secretaries, and is a non-voting member of Cabinet.

The Deputy Governor also acts as Governor when the latter is away from the territory. Under the Constitution, this position must be held by a native islander.

The House of Assembly

There are 19 seats in the Turks and Caicos Islands' House of the Assembly. Fifteen (15) of these seats are filled directly by candidates whom have been directly elected. There are also four (4) other members – one each nominated by a leader of the two parties that make up the House – and two of whom are appointed by the Governor.





Office of the Premier

Hon. Dr. Rufus Ewing

The Premier is the political leader and head of government of the Turks and Caicos Islands. The post of Premier is the equivalent to that of Chief Minister or Prime Minister in other British Overseas Territories.

In 2006, the Turks and Caicos Islands new Constitution introduced the title Premier as replacement for Chief Minister. It is the highest political level that can be attained within the British colonial system.

Ministry of Tourism

Hon. Dr. Rufus Ewing

- Tourist Board
- Protocol Office

Ministry of Finance, Investment and Trade

Hon. Washington Misick

- Budget Department
- Strategic Policy and Planning Unit
- Customs Department
- Treasury Department
- Gaming Inspectorate
- Revenue Control Unit
- Investment Unit
- Trade Department
- Computer Unit

Deputy Premier and Minister of Education

Hon. Akierra Missick

- Education Department Zone 1
- Education Administration Zone 1
- Education Department Zone 2
- Education Administration Zone 2
- High Schools
- H J Robinson High School
- Clement Howell High School
- Raymond Gardiner High School
- Marjorie Basden High School
- Youth Department
- Sports Department
- Culture Department
- Tertiary and Further Education

Ministry of Health and Human Services

Hon. Porsha Stubbs-Smith

- Primary Health Care Department
- Emergency Medical Services
- National HIV Prevention Unit
- Dental Department
- Environmental Health Department
- National Public Health Laboratory
- Drugs and Mental Health Unit
- Special Needs Unit

Ministry of Border Control and Labour

Hon. Ricardo Gardiner

- Employment Unit
- Border Control and Enforcement
- Radar Station
- Immigration Department
- Immigration Appeal Tribunal
- Labour Department
- Labour Tribunal
- Registrar General's Office
- One Stop Shop

Ministry of Environment, Home Affairs and Agriculture

Hon. Amanda Misick

- District Administration
- Road Safety Department
- Planning Department
- Prisons
- Turks and Caicos Fire and Rescue
- Agriculture Department
- DEMA
- Social Development and Gender Affairs

Ministry of Government Support Services

Hon. George Lightbourne

- Energy and Utilities Department
- Central Information Technology Unit
- Central Purchasing Unit
- Disaster Management and Emergencies
- EMS Maintenance Division
- EMS Mechanical Services Division
- EMS Project Management Division
- Estate Management Division
- Postal Services
- Public Works Department
- TCIG Publishing
- Water Undertaking
- Water and Sewage Board
- Electricity Board



- ▲ Turks and Caicos Islands Government Investment Unit
Online: gov.tc Tel: +1.649.946.4776

RETAIL

- ▲ Jai's
Online: jais.tc Tel: +1.649.941.4374

ARCHITECTS

- ▲ R.A. Shaw Designs
Online: rashawdesigns.com Tel: +1.649.941.4394

LEGAL SERVICES

- ▲ F Chambers
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- ▲ Griffiths & Partners
Online: griffithsandpartners.com Tel: +1.649.941.8250
- ▲ Karam and Missick
Online: karammissick.com Tel: +1.649.941.5082
- ▲ Miller, Simons, O'Sullivan
Online: mslaw.tc Tel: +1.649.946.4650

BUSINESS AND FINANCIAL SERVICES

- ▲ Bordier Bank (TCI) Ltd.
Online: bordier.com Tel: +1.649.946.4535
- ▲ CIBC FirstCaribbean International Bank
Online: cibfcib.com Tel: +1.649.941.4558
- ▲ Empower
Online: empowercorp.com Tel: +1.649.941.3160
- ▲ Integra Services Ltd.
Online: integraservicesltd.com Tel: +1.649.941.7967
- ▲ Pioneer Commercial Linens & Dry Cleaning
Online: pioneertci.com Tel: +1.649.441.4402
- ▲ Scotiabank
Online: scotiabank.com Tel: +1.649.339.7040
- ▲ Trail Enterprises
Online: trail.tc Tel: +1.649.941.7714
- ▲ WB Financial Group
Online: wbfinancial.tc Tel: +1.649.941.7299

CONSTRUCTION, SERVICES & SUPPLIES

- ▲ BCQS
Online: bcqs.com Tel: +1.649.946.4238
- ▲ Building Services Design Ltd.
Online: bsd.tc Tel: +1.649.946.8504
- ▲ Carlisle Supplies
Online: carlisesupplies.com Tel: +1.649.946.4417

CONSTRUCTION, SERVICES & SUPPLIES CONT.

- ▲ Construction Advisory Services Ltd.
Online: cas-tci.com Tel: +1.649.941.3663
- ▲ E.D.S. – Engineering Design Services Ltd.
..... Tel: +1.649.332.4405
- ▲ Green Revolution
Online: greenrevolutionltd.com Tel: +1.649.232.1393
- ▲ MEP Solutions
Online: mepsolutionstc.com Tel: +1.649.231.2757/3696
- ▲ Norstar Group Ltd.
Online: norstargroup.tc Tel: +1.649.941.3600
- ▲ Projotech
Online: projotech.tc Tel: +1.649.941.3508

INSURANCE

- ▲ CSC Insurance Brokers Ltd.
Online: cscinsurance.org Tel: +1.649.941.7975
- ▲ First Global Insurance Brokers Ltd.
Online: fgibtci.com Tel: +1.649.946.4823
- ▲ The Insurance Centre
Online: insurancecentretci.com Tel: +1.649.232.3722

REAL ESTATE

- ▲ Equinox Villas and Apartments
Online: ridgeresidencesinn.com Tel: +1.649.441.3121
- ▲ Regency International Estates
Online: theturksandcaicos.com Tel: +1.649.441.1151
- ▲ Sailrock
Online: southcaicos.com Tel: +1.649.333.2020
- ▲ Saltmills
..... Tel: +1.649.946.4238
- ▲ Turks & Caicos Property
Online: TurksAndCaicosProperty.com Tel: +1.649.941.3361
- ▲ Turks & Caicos Sotheby's International Realty
Online: turksandcaicossir.com Tel: +1.649.946.4474

INFRASTRUCTURE & TECHNOLOGY

- ▲ Digicel
Online: digiceltci.com Tel: +1.649.331.3444
- ▲ Fortis
Online: fortistci.com Tel: +1.649.946.4313
- ▲ TCEM
..... Tel: +1.649.946.8236
- ▲ Turks and Caicos Islands Airport Authority
Online: tciairports.com Tel: +1.649.946.4420

Turks & Caicos Islands

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Turks &
Caicos



Sotheby's
INTERNATIONAL REALTY



Casa Barana Villa



Blue Caribe Villa



Amazing Grace Villa

From the acclaimed Amanyara on the northwest point of Providenciales to the famed Parrot Cay, Turks & Caicos is a magnet for 'A listers' and international travelers seeking the best in island travel. The center point is on renowned Grace Bay Beach, with its high end resort condominium developments anchored by the five-star Grace Bay Club. Just behind these resorts lies "uptown" Grace Bay with a wonderful array of retail, dining, spas and services. The Providenciales International Airport boasts a brand new runway capable of landing Jumbo Jets, and the terminal is in the midst of major expansion. There is currently one FBO for private aircraft with another (state-of-the-art) terminal under construction.

The Turks & Caicos is now fulfilling its destiny as the premiere upscale destination in the Caribbean.



Venture House, Grace Bay Road, Providenciales
t 649.946.4474 f 649.946.4433 info@tcsothebysrealty.com
www.turksandcaicossir.com

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Turks & Caicos Islands Development Opportunity Beyond the Horizon



East Caicos Private Island

Turks & Caicos



Sotheby's
INTERNATIONAL REALTY



Dellis Cay Private Island



Joe Grant's Cay Private Island

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