



**COTTON BAY**

*Eleuthera, Bahamas*

## **NATIONAL ECONOMIC POLICY**

To Bahamas provides:

- A politically stable environment conducive to foreign private home ownership;
- An atmosphere where home ownership is safe and expropriation is not a considered option;
- A legal environment based on a long tradition of parliamentary democracy, the rule of constitutional and statute laws and where security of life and personal property are guaranteed;
- A stable macroeconomic environment bolstered by a prudent fiscal policy, a stable exchange rate, flexible exchange control rules and free trade;
- An environment in which freedom from taxes is ensured on all income from Capital Gains, Inheritance, Profit Remittance, Corporate Income, Royalties, Personal Income, Dividends and Interest;
- Essential public services, an adequately equipped police constabulary, modern health and education facilities and other social service;
- Dependable public utilities; and
- Essential public infrastructure such as roads, ports and airports.

## **IMMIGRATION**

International owners of second homes may acquire residential properties in The Bahamas of up to five acres without prior Government approval. Such acquisitions are required to be registered in accordance with the International Persons Landholding Act. Second Home Owners are eligible for a Home Owners Residence Card, renewable annually. This card facilitates entry into The Bahamas allowing the owner, his spouse and minor children to enter and remain in The Bahamas for the duration of the validity of the card. Application may be made to the Director of Immigration.

Annual or Permanent Residence is also available to non Bahamian homeowners. Accelerated consideration of applications for annual or permanent residence will be given to fit and proper owners of a residence valued at \$500,000 or more.

Everyone entering The Bahamas **MUST** fill out an embarkation-disembarkation card usually provided by the travel agent, airline or ship. Non-residents surrender the specified part when departing.



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## **RATES OF TAXES**

Effective from January 1, 2003, the rates of tax on Owner Occupied homes are as follows:

The first \$250,000 is tax exempt.

On that portion in excess of \$250,000 and less than \$500,000 the rate of tax is three quarters of one percent of the market value of the property.

On that portion in excess of \$500,000 the rate of tax is 1% of the market value of the property.

The maximum annual tax for an Owner Occupied Property is \$35,000.00.

The rate of tax for commercial property is as follows:

First \$500,000 - 1% of the market value

More than \$500,000 - 2%.

## **DEMOGRAPHICS**

Starting 60 miles off the coast of South Florida and stretching as far south as Cuba, Haiti and the Dominican Republic, The Bahamas is a coral archipelago of 700 islands, 16 of which are inhabited, and over 2,000 rocks and cays.

With a population of some 303,611 according to a census taken In 2000 people, most of whom live on the major islands (New Providence, Grand Bahama, Eleuthera, Abaco, Exuma, Long Island, Inagua, Cat Island, Bimini and Andros), and with an adult literacy rate of 95%, The Bahamas, an English speaking country, has a capable and adaptable work force.

The term, Isles of June has often aptly been used to describe the Bahamas due to its mild climate. Having a tropical maritime wet and dry climate, with slight incursions of mildly polar air, generally the Bahamas does not experience extremes of temperatures. The humidity is fairly high, especially in the summer months, but there is usually a pleasant breeze which lessens the humid effect. Rain showers can occur at any time of the year, but the rainy months are May to October. Rainfall is mainly in the form of heavy thundershowers, which clear quickly.



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### **INFRASTRUCTURE**

The Bahamas has comprehensive and modern infrastructure. Electricity and water are in abundant supply. Telecommunications services and facilities in The Bahamas are state-of-the-art, with direct international links provided through a 100% digital switching system.

### **GOVERNMENT**

The Bahamas declared independence from Great Britain on July 10, 1973, a new Constitution became the supreme law of the land for the Commonwealth of The Bahamas. The Constitution of the Bahamas proclaims the Islands as a sovereign democratic state, sets forth requirements for citizenship and guarantees fundamental human rights. The Bahamas retains its ties with the Commonwealth of Nations (formerly the British Commonwealth) and also retains the British monarch as its head of state. The Queen is represented in The Bahamas by a Governor General who is appointed and serves at the pleasure of Her Majesty.

### **CURRENCY**

The legally acceptable currency of The Bahamas is the Bahamian dollar. Although all other currencies are foreign, the U.S. dollar is normally accepted throughout The Bahamas and is on par with the Bahamian dollar. The Exchange Control is administered by The Central Bank of The Bahamas.

### **ECONOMY**

The Bahamas is a stable developing nation, according to a United States of America commerce report by the U.S. Embassy in Nassau. The economy is based mostly on tourism and offshore banking. Retail and wholesale distributive trade, manufacture, agriculture and fisheries are the other major sectors of the economy. The Gross Domestic Product (GDP) of The Bahamas exceeds \$3 billion, 60% of which comes from tourism related activities.