TURKS AND CAICOS ISLANDS

BUSINESS LICENSING (AMENDMENT) ACT 2026

(Act 1 of 2026)

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TURKS AND CAICOS ISLANDS

BUSINESS LICENSING (AMENDMENT) ACT 2026

(Act 1 of 2026)

Assent……14th January 2026

Publication in Gazette……16th January 2026

Commencement…… in accordance with section 1

AN ACT TO AMEND THE BUSINESS LICENSING ACT.

ENACTED by the Parliament of the Turks and Caicos Islands.

Short title and commencement

1. This Act may be cited as the Business Licensing (Amendment) Act 2026 and shall come into operation on such day as the Governor may appoint by Notice published in the *Gazette.*

Interpretation

2. In this Act the "principal Act" means the Business Licensing Act.

Section 2 amended

3. Section 2 of the principal Act is amended—

(*a*) in subsection (1), by inserting the following definitions in the appropriate alphabetical order—

"compliance officer" means an officer with the responsibility for enforcement under the Inland Revenue Department;

"fronting" means any arrangement, agreement, understanding, or practice, whether formal or informal by which a Turks and Caicos Islander is held out as the owner, majority owner, or controlling party of a business notwithstanding that—

(a) the effective ownership, control, management, decision-making power, or economic benefit of the business is exercised, directly or indirectly, by a non–Turks and Caicos Islander; and

(b) the arrangement, agreement, understanding, or practice has the purpose or effect of circumventing this Act, the Regulations, or any ownership or licensing restriction made under them;"; and

(b) in subsection (3), by repealing paragraphs *(b)* and *(c)* and substituting—

"*(b)* in the case of a business carried on by a partnership where the partner or partners are entitled to receive—

(i) in relation to a business activity that is in the Exclusive Category, 100% of the profits of the partnership are Turks and Caicos Islanders; and

(ii) in relation to a business activity that is in the Reserved Category, not less than 60% of the profits of the partnership are Turks and Caicos Islanders; and

(c) in the case of a business carried on by a body corporate where the person or persons who have beneficial ownership—

(i) in relation to a business activity that is in the Exclusive Category, of 100% of the shares or stock entitled to vote at general meetings of the body corporate are Turks and Caicos Islanders; and

(ii) in relation to a business activity that is in the Reserved Category, of not less than 60% of the shares or stock entitled to vote at general meetings of the body corporate are Turks and Caicos Islanders."; and

(c) by inserting after subsection (3), the following subsection—

"(4) Where the business activity is in the—

(a) Exclusive Category, the business shall be 100% owned by a Turks and Caicos Islander;

(b) Reserved Category, the business shall be not less than 60% owned by a Turks and Caicos Islander;

(c) Restricted Category, the business shall be not less than 50% owned by a Turks and Caicos Islander; and

(d) General Category, there is no restriction on the ownership of the business.".

Section 3 amended

4. Section 3 of the principal Act is amended by repealing subsection (2) and substituting—

"(2) A person who contravenes subsection (1) commits an offence and is liable—

(a) on summary conviction to a fine of $20,000 or to imprisonment for two years or to both; or

(b) on conviction on indictment to a fine of $50,000 or to imprisonment for three years or to both.".

Section 4 amended

5. Section 4 of the principal Act is amended by changing the existing section to be subsection (1) and inserting the following subsections—

"(2) No licensee shall carry on a business of a separate or distinct undertaking without obtaining a licence in accordance with subsection (1).

(3) A licensee who contravenes subsection (2) commits an offence and is liable on summary conviction to a fine of $10,000 or to imprisonment for two years or to both.".

Section 6 amended

6. Section 6 of the principal Act is amended—

(a) in subsection (1), by deleting the word "If," and inserting the words "Subject to section 6B, if"; and

(b) by repealing subsection (5) and substituting—

"(5) A licensee shall not carry on a business contrary to the conditions of a licence.

(5A) A licensee who contravenes subsection (1) commits an offence and is liable on summary conviction to a fine of $10,000 or to imprisonment for two years or to both.".

Sections 6A and 6B inserted

7. The principal Act is amended by inserting the following sections after section 6—

"**Duration and renewal of licence**

6A. (1) A licence shall be valid for a period of twelve months from 1 April to 31 March of every year, unless earlier revoked.

(2) A licence issued under this Act may be renewed.

(3) Notwithstanding subsection (1), a licensee shall have a grace period of one month from the time of its expiration.

(4) A licence shall not be renewed if a licensee has any outstanding fees or taxes due to the Government in respect of the business he holds a licence for.

(5) If a licence is not renewed by 30 April on completion of the grace period, the licence terminates.

(6) A person may between 1 May and 31 May, apply to restore a licence which has terminated in terms of subsection (5) in the prescribed manner.

(7) If a person does not apply to restore a licence, and the person wishes to continue with the business, the person shall apply for a new licence in accordance with section 5.

License for a business in the Restricted Category

6B. (1) Notwithstanding sections 5(4) and 6, an application for a business license to operate in the Restricted Category shall be considered and approved by the Minister in Cabinet.

(2) The Minister in Cabinet may in exceptional circumstances waive the requirement under section 3(4) in relation to the ownership of a business in the Restricted Category.".

Sections 7A, 7B and 7C inserted

8. The principal Act is amended by inserting the following sections after section 7—

"Licensing categories

7A. (1) A business license shall be granted for one of the categories of business activities stated in subsection (2).

(2) Business activities shall be assigned by Regulations into one of the following categories—

(a) Exclusive Category;

(b) Reserved Category;

(c) Restricted Category; or

(d) General Category.

Application for licence after change of ownership

7B. (1) Where a licensee has changed ownership of a business which is licensed under this Act, the licence shall not be transferred, but the proposed or new owner shall apply for a licence under section 5.

(2) An application for a licence as a consequence of a change of ownership is required—

(a) in the case of a single person, when the licensee sells or otherwise transfers his ownership to another person;

(b) in the case of a business carried on by a partnership, when the partner or partners entitled to receive the majority of the profits change;

(c) in the case of a business carried on by a body corporate, where the person or persons who have beneficial ownership of the shares or stocks entitled to vote at general meetings changes.

(3) An application for a licence made as a consequence of the changes set out in subsection (2), may be submitted to the Permanent Secretary, Finance within 30 days of approval of the change of ownership with the relevant regulatory authority.

(4) No person shall continue the operations of a business under the licence issued to the previous licence holder.

(5) A licensee shall not cause, permit or acquiesce in any dealing with its licence that would result in a person contravening subsections (1), (3) or (4).

(6) A person who contravenes subsection (4) commits an offence and is liable on summary conviction to a fine of $20,000 or to imprisonment for two years or to both.

(7) A licensee who contravenes subsection (5) commits an offence and is liable on summary conviction to a fine of $20,000 or to imprisonment for two years or to both.

Process of application made under section 7B

7C. The Permanent Secretary, Finance shall consider an application made as a consequence of section 7B in the same manner as it considers a new application for a licence and shall ensure that the application satisfies the requirements for grant of a licence.".

Section 10 and 11 substituted

9. The principal Act is amended by repealing section 10 and 11 and substituting—

"**Suspension of licence**

10. (1) The Permanent Secretary, Finance may suspend a licence on the grounds that—

(a) the licensee has failed to comply with a condition of his licence;

(b) the licensee has failed to pay any fee payable in respect of his licence;

(c) the licence has failed to pay a tax debt due to the Government for the business in which he is licensed; or

(d) the licensee has failed to comply with the licensing and regulatory requirements of other licensing and regulatory bodies for the business in which he is licensed.

(2) Before suspending a licence under this section the Permanent Secretary, Finance shall serve a notice in writing on the licensee setting out his intention to suspend the licence and giving him seven days to either comply with the conditions of his licence or to pay any fee or tax payable in respect thereof, as the case may be.

(3) Subject to section 11, a licence suspended by the Permanent Secretary, Finance under subsection (1) shall continue to be suspended up to fourteen days and the licensee must comply with the conditions

of his licence or pays the fees or taxes payable in respect thereof, as the case may be, when it shall be restored to him.

(4) A person whose licence has been suspended and who carries on any business in or from within the Islands during the period of suspension commits an offence and is liable on summary conviction to a fine of $20,000 or to imprisonment for two years or to both.

Revocation of licence

11. (1) The Permanent Secretary, Finance may revoke a licence if he is satisfied—

(a) that the holder of a licence has made any false or misleading statement or has furnished any false or misleading information in connection with his application for a licence;

(b) that the holder of a licence has been convicted of an offence against this Act;

(c) that the holder of a licence has had his licence suspended under section 10 for more than fourteen days;

(d) that the licence does no longer meet the requirements of the category under which the licence has been issued; or

(e) being the sole holder of the licence has been, under the Immigration Act, recommended for deportation, or declared a prohibited immigrant, or placed on the Stop List.

(2) A licence shall automatically revoke where—

(a) a licensee changers ownership and does no longer meet the requirements of section 2(3); or

(b) a licensee has not paid fees or taxes by 30 April of every year for the business in which he is licensed.

(3) A person whose licence has been revoked and who carries on any business in or from within the Islands when the licence is revoked commits an offence and is liable on summary conviction to a fine of $20,000 or to imprisonment for two years or to both.".

Sections 17A, 17B, 17C and 17D inserted

10. The principal Act is amended by inserting the following sections after section 17—

"*Ticketable offences and fixed penalty*

Ticketable offences

17A. (1) This section applies to an offence specified in—

(a) section 3(2);

(b) section 6(5A);

(c) section 7B(6) and 7B(7);

(d) section 8(3);

(e) section 9(2);

(f) section 10(4);

(g) section 11(3);

(h) section 16(3);

(i) section 17(4); and

(j) section 19E(2).

(2) Where a compliance officer has reason to believe that a person has committed or is committing an offence listed in subsection (1), the compliance officer may issue to the person a ticket, in the form set out in Schedule 1 informing the person of the option to discharge any liability to conviction in respect of the offence by payment of a fixed penalty as specified in Schedule 2 within fourteen working days from the date of receipt of the ticket.

(3) A compliance officer shall send a duplicate of the ticket to the Magistrate and the duplicate shall be deemed to be a complaint laid before the Magistrate.

(4) A person is not liable to conviction for an offence if the person pays the fixed penalty in accordance with subsection (2).

Payment of fixed penalty

17B. If a person opts to pay the fixed penalty the person shall pay the fixed penalty to the Clerk to the Magistrate's Court as stated in the ticket given in accordance with section 17A(2) and the payment shall be accompanied by the ticket.

Failure to pay fixed penalty

17C. Where a person fails to pay the fixed penalty within the time specified in the notice, the person shall appear at the Magistrate Court specified in the notice on the day and at the hour stated in the notice to answer the complaint.

Certificate of payment or non-payment of fixed penalty

17D. In any proceedings, a certificate that payment of the fixed penalty was or was not made to the Clerk to the Magistrate's Court by the date specified in the certificate shall, if the certificate purports to be signed by the Clerk to the Magistrate's Court, be admissible as evidence of the stated facts.".

Sections 19A to 19H inserted

11. The principal Act is amended by inserting the following sections after section 19—

"Test of effective control (substance over form)

19A. In determining whether a business is genuinely owned or controlled by Turks and Caicos Islanders, the Permanent Secretary, Finance shall have regard to substance over form, including—

(a) voting rights and quorum requirements;

(b) composition and control of the board of directors or management committee;

(c) authority over strategic decisions, including financing, hiring, expansion, and disposal of assets;

(d) entitlement to profits, dividends, and distributions;

(e) rights attached to shares or partnership interests;

(f) existence of shareholder, loan, management, consultancy, or nominee agreements;

(g) source of capital and repayment terms; and

(h) whether the local shareholder bears genuine commercial risk.

Mandatory Board and voting control in Reserved Category

19B. (1) In any licensed business operating in the Reserved Category—

(a) Turks and Caicos Islanders shall hold not less than sixty per cent (60%) of the voting rights;

(b) Turks and Caicos Islanders shall appoint a majority of directors or controlling managers; and

(c) quorum for meetings shall require the presence of at least one director or partner who is a Turks and Caicos Islander.

(2) Any agreement or arrangement that has the effect of transferring effective control to a non-Turks and Caicos Islander, notwithstanding compliance with equity thresholds, shall be void for the purposes of this Act.

Restrictions on share transfers and exit rights

19C. (1) No share, partnership interest, or beneficial interest in a licensed business operating in the Reserved Category may be transferred to a non–Turks and Caicos Islander without—

(a) prior written approval of the Permanent Secretary, Finance; and

(b) compliance with prescribed ownership thresholds.

(2) A Turks and Caicos Islander shareholder shall have a statutory right of first refusal on any proposed transfer to a non- Turks and Caicos Islander, exercisable within a prescribed period_at fair market value, unless the transfer is made as a result of the death of a

shareholder through the administration of the estate to the shareholder's spouse or child.

Limits on debt, loans, and control through financing

19D. (1) A licensed business operating in the Exclusive Category or the Reserved Category shall not enter into any loan, debenture, security, or financing arrangement that—

(a) grants a non-Islander effective control over the business;

(b) provides veto rights over ordinary business decisions; or

(c) allows conversion of debt into equity in breach of ownership thresholds.

(2) The Permanent Secretary, Finance may require disclosure of all loan agreements, guarantees, or security arrangements as a condition of licensing or renewal.

Disclosure and ongoing reporting obligations

19E. (1) A licensed business operating in the Reserved Category shall—

(a) disclose its full ownership and beneficial ownership structure;

(b) file annual declarations confirming continued compliance with ownership and control requirements; and

(c) notify the Permanent Secretary, Finance of any material change in ownership, control, or financing within fourteen (14) days.

(2) A person who fails to disclose, or provides false or misleading information, commits an offence and is liable on summary conviction to a fine of $2,000 or to imprisonment for twelve months or to both.

Powers of Investigation and Enforcement

19F. (1) The Permanent Secretary, Finance, in collaboration with the Inland Revenue Department, may—

(a) require production of documents, agreements, and financial records;

(b) conduct compliance audits; and

(c) share information with other competent authorities.

(2) Where fronting is established, the Permanent Secretary, Finance may—

(a) suspend or revoke the business licence;

(b) impose administrative penalties;

(c) declare the licence void *ab initio* (from the beginning); or

(d) disqualify any person from holding or applying for a business licence for a period of three (3) months.

Offences and Penalties: Fronting

19G. (1) A person commits an offence if that person—

(a) knowingly participates in a fronting arrangement;

(b) provides false or misleading information; or

(c) assists another person to circumvent ownership restrictions.

(2) A person who contravenes subsection (1) commits an offence and is liable—

(a) on summary conviction to a fine of $20,000 or to imprisonment for two years or to both; or

(b) on conviction on indictment to a fine of $50,000 or to imprisonment for three years or to both.

(3) Where an offence is committed by a body corporate, any director, officer, or agent who consented to or conspired in the offence commits an offence.

Report by Permanent Secretary, Finance

19H. The Permanent Secretary, Finance shall prepare and submit quarterly reports to the Minister of Finance of all business licenses granted.".

Section 23A inserted

12. The principal Act is amended by inserting the following section after section 23—

"**Service of documents**

23A. For the purposes of this Act, the service of any notice or document shall be sufficient if delivered by electronic means, by hand or posted by registered post to the registered or other office of the addressee and affidavit testimony of delivery of the notice or document by hand or supporting the registration certificate shall be deemed sufficient proof of such service.".

Section 24A inserted

13. The principal Act is amended by inserting the following section after section 24—

"**Amendment of Schedule**

24A. The Governor may by Order published in the *Gazette*, amend a Schedule.".

Schedules 1 and 2 inserted

14. The principal Act is amended by inserting Schedules 1 and 2 to the Act, as set out in the Schedule to this Act.

Savings provisions

15. (1) A licence issued under the Business Licensing Act immediately before the coming into force of this Act continues to be in force after this Act comes into force and the changes made in section 2(3) of this Act shall not affect that licence.

(2) Notwithstanding subsection (1), sections 7 and 11(2A) shall apply to the licence saved under that subsection.

(3) The amendments made under this Act shall apply to a licence saved under subsection (1), except for the amendments made to section 2(3) and (4).

(4) For the purposes of completing an appeal before it, or making an order or rendering a decision on a matter heard before the coming into force of this Act, the court shall complete the hearing in accordance with the authority vested in it immediately before the coming into force of this Act and make such order or direction as it could have made under the authority vested in it immediately before the coming into force of this Act.

(5) Every application made under the Business Licensing Act immediately before the commencement of this Act shall continue to be processed to its completion under the provisions applicable at the time the application was submitted.".

Transitional Provisions

16. (1) A licensee of an existing licensed business shall be granted a period of up to twelve (12) months to comply with the ownership requirements under this Act or alternatively pay an annual surcharge equal to an additional 100% of the cost of the licence fee applicable to the specified category of business**.**

(2) During the transitional period, the Permanent Secretary, Finance may impose conditions to ensure compliance.

(3) Nothing in this section shall be construed as validating any existing fronting arrangement.".

SCHEDULE

"SCHEDULE 1

(Section 17A(2))

TICKET

TAKE NOTICE THAT I ……..have reason to believe that an offence, particulars of which are given below, has been committed under the Business Licensing Act

…….(*insert ticketable offence and section)*

The fixed penalty for the offence is ……..

(*penalty in words and figures)*.

If this amount is paid to the Clerk to the Magistrate's Court within fourteen (14) days from the date of this notice no proceedings will be taken and any liability for conviction of the offence will be discharged. The offence carries a maximum fine of …….

In paying the fixed penalty the following conditions shall be observed:

(1) The fixed penalty shall be accompanied by this notice.

(2) Payment of the fixed penalty shall be made or remitted to the Clerk to the Magistrate's Court at any office of the Magistrate's Court in the Islands.

Should you fail to pay the fixed penalty you are hereby required to attend the Magistrate's Court on the ……day of ……..20…..at…o'clock at the address below as the defendant in the matter in respect of which this ticket was issued. ……
……..……..

(*state name and address of court)*

THIS NOTICE was given at …….(*state location*)
on……20…..(*state date*) at…….am/pm(*state time).*

PARTICULARS OF OFFENCE

At……am/pm on the ……..day of 20…….at……you ...……contrary to…….(*state section contravened*) of the Business Licensing Act.

Name of person……..

Address of person……..

……..……

Signature of Compliance Officer

SCHEDULE 2

(Section 17A(2))

TICKETABLE OFFENCES AND FIXED PENALTY

OFFENCE	**SECTION**	**FIXED PENALTY**
Carrying on business without a licence	3(2)	$5,000
Carry on business of separate or distinct undertaking without licence	4(3)	$1,000
Carrying on business contrary to conditions of a licence	6(5A)	$1,000
Carrying on a business contrary to business activity in licence	6(5A)	$1,000
Continue operating of business under the licence of previous holder	7A(6)	$5,000
Cause, permit or acquiesce with another person to breach process to apply for own licence	7A(7)	$5,000
Failure to notify of changes in particulars	8(3)	$100
Failure to notify of cessation of business	9(4)	$100
Carries on business when licence is suspended	10(4)	$1,000
Carries on business when licence is revoked	11(3)	$1,000
Failure to display licence	16(3)	$100
Failure to surrender licence	17(4)	$100
Making false or misleading statement	19	$200
Fails to disclose or provides false or misleading information	19E	$1,000

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