

LEX MUNDI
PUBLICATION



ISSUES RELATING TO FOREIGN INVESTMENT

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1) Is national governmental permission required for foreign investors to acquire real estate? If so, please identify.

Foreign companies registered in Jamaica under Part X of the Companies Act have no restrictions on land ownership.

There are two restrictions on land ownership that will affect foreign investors that we are aware of.

First, foreign governments or any person holding land in trust for, or for the benefit of, a foreign government must obtain a license from the Minister with responsibility for Lands before holding land in Jamaica. (The Foreign Governments (Landholding) Act, 1955).

Second, certain restrictions exist on lands in Jamaica which have or can be vested in the Government for protection of the environment or other public purpose. Restrictions on the acquisition of these lands pertain to local and foreign investors alike. For example, the foreshore of Jamaica has been vested in the Crown/Government of Jamaica by virtue of the Beach Control Act, 1956 and its use for commercial purposes is restricted. Certain areas are also designated forest reserves under the Forest Act, 1996.

2) Are there other national restrictions imposed on ownership of real estate by foreign investors? To acquire interests in entities which own real estate? If so, please identify.

None other than the above.

3) Are foreign investors required to invest with a local partner? If not, is investment with a local partner advisable?

No, there is no legal requirement for foreign investors to invest with a local partner. However, investing with a local partner is advisable for industries that are labor intensive or that will require significant

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community relations, such as construction or certain retail or import export industries. A local partner will be more familiar with the intricacies of the local regulatory and social structure and this knowledge will usually be advantageous to a foreign investor.

For more technical fields, such as the provision of financial services, a local partner may not be essential, but solid local counsel is advisable.

4) What national taxes are levied solely on foreign individuals or entities acquiring or transferring real estate or interests in entities which acquire real estate?

None that we are aware of.

One point should be noted. Offshore companies are able, in certain well-defined instances, to transfer lands in Jamaica without the payment of transfer tax or stamp duties as required when transferring land generally.

5) Describe reporting requirements for reporting the acquisition, ownership or disposition of real estate which relate solely to foreign direct or indirect owners of real estate.

Foreign governments or persons holding land in trust for, or for the benefit of, foreign governments may be required to fulfill any condition outlined by the Minister responsible for Lands before being given a license to own land in Jamaica.

Otherwise, foreign individuals and entities will follow the same requirements for land acquisition, ownership and disposition as do local entities and individuals.