



Date: 9 March 2022

To: Licensees

Guidance Regarding the Ministry of Finance's Notice
Re: Outstanding Real Property Tax

Please find below an excerpt from a notice issued by the Ministry of Finance to the Securities Commission of The Bahamas (the Commission) on Thursday 17 February 2022.

This notice applies to all licensees and registrants of the Commission who are in the business of money lending. Money lenders who have extended loans where real property is held as collateral, are considered mortgagees for the purpose of this notice.

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- The Ministry of Finance wishes to advise you by way of this notice that pursuant to Section 19 and 19A, it is our intention to utilize these sections of the Real Property Tax Act (RPTA) to enforce collections of outstanding real property tax arrears.
 - The provisions of Section 19 deem the mortgagee to be the owner of the property and make remedies under the RPTA available to the Ministry and its agencies to recover monies owed to the Government of The Bahamas. The Section states the mortgagee shall pay or cause to be paid the amount of tax or surcharge that is due and payable.
 - Additionally, the provisions of Section 19A states the liability of the mortgagee in respect of commercial property of any taxes that remain unpaid for a period in excess of ninety days the mortgagee of the commercial property shall pay the taxes or surcharges in respect of the property.
 - The above referenced provisions will be applied to both current taxes and taxes in arrears.
 - As part of the Government's ongoing effort to enhance revenue and improve compliance across all taxes, we expect you will take measures and implement internal processes to ensure your client's real property tax obligations are up to date.
 - Lastly, you can expect revenue collectors engaged by the Ministry of Finance shall exercise the full authority, granted to them to recover real property tax amounts owing to the Government of The Bahamas, pursuant to the legislation.

The effect of this notice is that money lenders must ensure that real property taxes are paid up to date on all property against which a loan has been issued. Licensees are furthered advised that the Commission will review, as part of our regulatory function, whether licensees are complying with their responsibilities under the RPTA.

A copy of this notice can be found on the Commission's website.