

Immediate Release

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Government to Remove VAT from Trust Services and Launch Family Office Programme

Measures will lower succession planning costs and give investors a faster more predictable route through government

NASSAU, The Bahamas - The Government will remove Value Added Tax from trust services by the end of 2026 and will also remove VAT from transfers of property into trusts for specified beneficiaries, including family members, Minister of Economic Affairs Senator the Hon Jerome Fitzgerald announced today.

The measures form part of a wider plan to make The Bahamas more competitive for international family offices and private wealth. The plan also includes a new Family Office Programme, a coordinated Bahamas Invest Concierge service and a modern Tax Residency Certificate framework.

Fitzgerald told the Association of International Banks and Trust Companies Nassau Conference 2026 at Baha Mar that clear rules, coordinated administration and predictable processes reduce risk for families making long-term decisions. "That is why I have come to view certainty as a product in and of itself," he said.

That focus on certainty underpins the proposed VAT changes. The Government intends to remove VAT from trust services at the end of this year. It will also remove VAT from property transferred into trusts for certain classes of beneficiaries, including family members. The Department of Inland Revenue is reviewing Guidance Notes and draft legislative amendments that the Government intends to issue or table and debate in Parliament before year-end.

"VAT should not penalize anyone that chooses to plan ahead," Fitzgerald said. "We do not believe a family should be taxed for succession planning."

Together, the changes are expected to reduce the cost of establishing and maintaining Bahamian trust structures and remove VAT from qualifying transfers of assets from one generation to the next. Fitzgerald said the policy responds directly to feedback from trust companies, banks, professional advisers and families.

The wider package also includes a new Family Office Programme, to be administered through Bahamas Invest Concierge. Qualifying family offices will enter into transparent agreements with the Government, similar in concept to agreements used for major development projects. The agreements will set out obligations and provide coordinated treatment across immigration, work permits, business licensing, exchange control, regulatory requirements and investment approvals.

Fitzgerald said a substantial family office can bring high-value professional jobs, internationally mobile capital, demand for Bahamian banking and professional services, local operating expenditure, real estate investment, philanthropy and direct investment in Bahamian businesses and projects.

"The value proposition is certainty, speed, coordination and predictability," he said. "The Bahamas already possesses many of the statutory, professional and lifestyle attributes required to compete successfully for international family offices. What is presently missing is the Government product that joins them together."

To support that work, renovations for the Bahamas Invest Concierge Unit are underway and are expected to be completed before the end of the year. Once launched, the unit will give qualifying investors a single point of contact from initial enquiry through final approval, bringing together the agencies responsible for investment, residency, wealth management and related approvals.

The Government is also finalising legislation for the Bahamas Tax Residency Certificate and preparing accompanying Guidance Notes. Under the proposed framework, qualifying individuals and entities will be able to establish and demonstrate Bahamian tax residency with a requirement of 90 non-consecutive days in the jurisdiction.

Fitzgerald said the certificate will give internationally mobile individuals and families clearer rules they can plan around while reinforcing The Bahamas as a credible place to work, live, invest and build a long-term presence.

Fitzgerald said the success of these reforms will depend on close coordination among Government, regulators and industry as global financial services continue to shift. Government must provide policy, legislation and efficient administration; regulators must protect the jurisdiction's credibility; and industry must contribute market knowledge, innovation and direct insight from clients.

"Our goal is to be the most responsive, sophisticated and trusted international financial services centre in this hemisphere," Fitzgerald said. "Strong coordination among these three stakeholder groups gives our jurisdiction its best chance to compete and succeed."
