

How To Acquire Property in Tobago as a Foreign Investor — The Foreign Investor Licence Pathway

This guide is essential reading for any foreign investor contemplating a property acquisition in Tobago. Unlike Trinidad, where up to 5 acres for business use can be acquired without a licence, every acquisition of land or built property in Tobago requires a Foreign Investor Licence (FIL). This walkthrough covers due diligence, the FIL application, funding through an authorised dealer, and closing.

Key Points

- A Foreign Investor Licence is required for ANY land acquisition in Tobago, no acreage threshold.
- The FIL is issued by the President on the recommendation of the Minister of Finance.
- Consideration must be paid in an internationally-traded currency through an authorised dealer.
- Closing without a valid FIL exposes the investor to potential forfeiture of the land.
- Land within areas administered by the Tobago House of Assembly may also require THA-level consents (e.g. leases of state lands).
- Typical FIL processing time: 4–12 months. Engage a local attorney early.

Step 1, Identify the land and confirm title

Before filing anything, engage a local attorney to:

- Search title at the Land Registry, confirm the seller's ownership and identify any encumbrances (mortgages, charges, easements, restrictive covenants).
- Confirm the boundaries against a current survey plan.
- Check zoning under Town & Country Planning, is the intended use permitted, or will a change of use be required?
- Check coastal setback rules (for beachfront land) and Environmental Management Authority constraints.
- Check whether the land is on state land, private land, or land vested in the THA, the answer changes the consent architecture materially.

Step 2, Negotiate a conditional sale agreement

The purchase agreement should be conditional on:

- The issue of a Foreign Investor Licence.
- Any required planning outline approval (where the intended use is not already permitted).
- Any required environmental clearance.
- Any required consent from the THA (e.g. for state lands).

Deposits paid should be held in escrow by the buyer's attorney, refundable if the licences are not obtained.

Step 3, Prepare the FIL application

The application to the Ministry of Finance typically includes:

- Applicant identity documents (passport, incorporation documents for corporate applicants).
- For corporate applicants, evidence of beneficial ownership and consent from directors.
- Description of the land (deed reference, survey plan).
- Copy of the conditional purchase agreement.
- Statement of intended use, ideally supported by a concept design or business plan.
- Evidence that consideration will be brought into T&T through an authorised dealer in an internationally-traded currency.
- Police Certificate of Character for the applicant (individuals) and directors (companies).

The application is sworn under oath and submitted through the applicant's local attorney.

Step 4, Fund the transaction through an authorised dealer

The Foreign Investment Act requires the consideration to be paid in an internationally-traded currency through an authorised dealer. The practical steps:

- Instruct your home-country bank to remit the funds to your Authorised Dealer in T&T (typically a commercial bank in T&T).
- The Authorised Dealer converts the funds into TTD (or keeps them in USD) and holds them on behalf of the buyer or the buyer's attorney.
- At closing, the Authorised Dealer releases the funds to the seller.

Retain the Authorised Dealer's confirmation, the Ministry of Finance will want to see it.

Step 5, Close the transaction

Once the FIL has been granted and all other conditions of the sale agreement satisfied, the parties can close:

- Execute the Deed of Conveyance.
- Register the Deed at the Land Registry.
- Pay stamp duty at the applicable rate (currently 5% for values above TT\$1.5M for commercial properties, verify with your attorney).
- Notify the Ministry of Finance of the completion within 30 days of closing.

The Deed, once registered, is the title document.

Step 6, Post-closing

Diarise the ongoing obligations:

- Property tax (annual).
- Land & Building Taxes / valuations refreshed by the Valuation Division.
- Any planning conditions attached to the intended use.
- Any FIL conditions (some licences restrict onward disposal within a stated period).

Keep the Authorised Dealer confirmations, the FIL, and the Deed in a single project compliance file, regulators, banks, and future buyers will all want to see them.

Sources

- Foreign Investment Act, Chap. 70:07
- Ministry of Finance guidance on Foreign Investor Licence
- Cornerstone T&T, Buying Property Guide

This guide is an informational summary prepared by the Tobago Foreign Direct Investment Commission for the benefit of prospective investors. It does not constitute legal, tax, or financial advice. Legislation and administrative practice change from time to time, always consult a qualified attorney-at-law admitted in Trinidad & Tobago before acting on any of this material. Where a discrepancy exists between this guide and the underlying statute, the statute prevails.