



# Conveyancing & Law of Property (Amendment) Act, 2025

23 Jul 2025

The *Conveyancing and Law of Property (Amendment) Act, 2025* (the “Amendment Act”), which came into force on 1 July 2025, introduces significant reforms to the *Conveyancing and Law of Property Act, Ch. 138* (the “Act”). The most significant changes to the Act center on updated requirements designed to ensure that real property is conveyed fully and accurately.

## EXPANDED DEFINITIONS

Under the Amendment Act, “conveyances” (which include assignments, appointments, leases, settlement and other assurances, made by deed, on a sale, mortgage, or on any other dealing with or for any property) **must** now be duly registered.

To provide clarity to the amended definition of conveyance, the Amendment Act now also includes a definition for “**registered**” which means recording in the Registry of Records or registered in the land register in accordance with any law relating to registered land.

## REPEAL AND REPLACEMENT OF SECTION 40

Under Section 40 of the Act, “*Any estate or interest in land, whether in possession, reversion or remainder, may be conveyed by a simple deed, whether such deed operates under the Statute of Uses or not.*”

Section 40 of the Amendment Act, which addresses the payment of Value Added Tax (“VAT”) on Conveyances, introduces the following noteworthy changes:

- A VAT invoice must be obtained from the Comptroller of Inland Revenue (“the Comptroller”) **prior to** the execution of a Conveyance of real property. The invoice must be paid in full within 180 calendar days of the execution of the Conveyance.
- Each party to a Conveyance and any Attorneys, Real Estate Agents/Brokers acting on behalf the parties, have a **joint and several** responsibility to ensure that the VAT on the Conveyance is paid in full and to report any non-compliance immediately to the Comptroller in writing.
- Every conveyance of real property executed by deed shall be submitted for recording within 180 calendar days from the date of execution.
- Every person, including financial institutions, lenders or vendors, must verify that a VAT invoice was issued for the Conveyance before disbursing funds or completing any loan or mortgage transaction (including refinancing for the purpose of facilitating the purchase or development of real property. Anyone who breaches this provision commits an offense and is liable to a penalty equal to the amount of unpaid VAT on the Conveyance.

- The VAT payable on a conveyance of real property ranks equally with any real property tax imposed on that property and likewise has priority over all other security interests, rights, and claims affecting the property.

## **CONTRACTS FOR SALE OF LAND MUST BE IN WRITING**

The Amendment Act introduces a new Section 40A which requires all contracts for the sale or disposition of any interest in land to be in writing in order to be enforceable in a court of law. This Section 40A applies to all contracts made on or after 1 July 2022 and does not affect the law relating to part performance or sales by the Court.

## **CONCLUSION**

The Amendment Act introduces several updates to the existing legal framework governing real property transactions. These include revised definitions and registration requirements, enhanced VAT related obligations, and formalities for contracts concerning land. It is important for all parties involved in real estate transactions to familiarize themselves with the updated requirements to ensure procedural compliance.

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