

No. 6] *Cricket World Cup (Tourism Accommodation)* [2005.
Incentives Act

SAINT LUCIA

—
No. 6 of 2005

ARRANGEMENT OF SECTIONS

Sections

1. Short title
 2. Interpretation
 3. Application for approval of cricket world cup accommodation product
 4. Supporting information
 5. Determination by Cabinet
 6. Order by Minister
 7. Failure to comply with conditions specified in an Order
 8. Exemption for financial institutions
 9. Cancellation of world cup
 10. Monitoring of compliance
 11. Sale or transfer of cricket world cup accommodation product
 12. Provisions of other Acts
 13. Amendment of Schedules
 14. Regulations
- FIRST SCHEDULE** – Tax relief and exemptions
SECOND SCHEDULE – Form of application

No. 6] *Cricket World Cup (Tourism Accommodation)* [2005.
Incentives Act

No. 6] *Cricket World Cup (Tourism Accommodation) Incentives Act* [2005.

Short title

1. This Act may be cited as the Cricket World Cup (Tourism Accommodation) Incentives Act 2005.

Interpretation

2. In this act —

“accommodation project” includes the —

- (a) construction of a hotel, a villa resort, a condominium or an upscale residential complex; or
- (b) conversion of an existing building by reconstruction or renovation into a hotel, a villa resort, a condominium or an upscale residential complex; of at least six rooms;

“condominium” means a cluster of dwelling units available for rent by holiday makers with supporting leisure facilities;

“hotel” means a building or group of buildings used to provide services and accommodation to guests for reward containing not less than six bedrooms, and may also contain —

- (a) one or more kitchens in which meals may be prepared by employees of the hotel owner or hotel operator for the guests; and
- (b) one or more dining rooms shared in common by all the guests in which meals may be served by employees of the hotel owner or operator to such guests;

“Minister” means the Minister responsible for tourism;

“person” includes a body corporate or unincorporated body;

“upscale residential complex” means a development of luxury homes guided by an overall master plan and which offers a wide range of recreational facilities within the development;

“villa resort” means a cluster of dwelling units available for rent by holiday makers with supporting leisure facilities;

“cricket world cup accommodation product” means an accommodation project which is declared to be a cricket world cup accommodation product and is granted tax reliefs and exemptions pursuant to this Act.

No. 6] *Cricket World Cup (Tourism Accommodation)* [2005.
Incentives Act

Application for approval of cricket world cup accommodation product

3.— (1) The owner or operator of an accommodation project who wishes to own or operate the accommodation project as a cricket world cup accommodation product shall apply to Cabinet for approval of the accommodation project as a cricket world cup accommodation product and for the grant of one or more of the tax reliefs and exemptions specified in the First Schedule.

- (2) An application pursuant to subsection (1) shall —
- (a) be made prior to 31st December, 2005;
 - (b) be in the form specified in the Second Schedule;
 - (c) specify the tax reliefs or exemptions required;
 - (d) be accompanied by the information required pursuant to section 4;
 - (e) be submitted to the Minister.

Supporting information

4.— (1) An application pursuant to section 3 shall be accompanied by the following supporting information —

- (a) evidence of ownership of the accommodation project;
- (b) evidence of the land and ownership of the land to be used for the accommodation project;
- (c) evidence of planning approval, if any, for the accommodation project, pursuant to the Physical Planning and Development Act, 2001;
- (d) estimated expenditure of the accommodation project and evidence of the financial arrangements and the source of the funds to be used;
- (e) a project feasibility study for forecasting economic benefits to Saint Lucia.

(2) The Minister may request in writing from the applicant any further information reasonably required to enable full consideration of the application, within seven days of receipt of the application and supporting information pursuant to sections 3 and 4.

No. 6] *Cricket World Cup (Tourism Accommodation)* [2005.
Incentives Act

(3) Where the Minister makes a request for further information pursuant to subsection (2), the applicant shall submit the relevant information in writing within fourteen days of the request being made or within a further period of time granted and specified in writing by the Minister.

(4) The Minister shall not unreasonably refuse to give a further time period pursuant to subsection (3).

Determination by Cabinet

5.— (1) Upon receipt of an application, supporting information and any further information pursuant to sections 3 and 4, the Minister shall submit the application to Cabinet for its decision.

(2) Where Cabinet grants an application pursuant to this section, the decision of Cabinet shall —

- (a) declare the accommodation project to be a cricket world cup accommodation product, and
- (b) specify —
 - (i) the tax reliefs and exemptions granted;
 - (ii) the termination dates for the tax reliefs and exemptions granted;
 - (iii) the time frames for completion of the accommodation project and implementation of the cricket world cup to accommodation product;
 - (iv) the condition that the cricket world cup accommodation must be used as accommodation for visitors to Saint Lucia during Cricket World Cup 2007;
 - (v) the condition that the tax reliefs and exemptions granted are not to take effect unless approval in principle has been granted for the accommodation project; and
 - (vi) any other conditions as it deems necessary.

(3) The Minister shall inform the applicant in writing of the decision of Cabinet and the decision shall take effect as of the date of the Minister's letter.

No. 6] *Cricket World Cup (Tourism Accommodation)* [2005.
Incentives Act

Order by Minister

6. Where Cabinet grants an application pursuant to section 5, the Minister shall, by Order published in the *Gazette* –

- (a) declare the accommodation project to be a cricket world cup accommodation product;
- (b) specify —
 - (i) the tax exemptions and reliefs granted;
 - (ii) the termination date of each tax exemption and relief;
 - (iii) the condition that the cricket world cup accommodation must be used as accommodation for visitors to Saint Lucia during Cricket World Cup 2007;
 - (iv) the condition that the tax reliefs and exemptions granted are not to take effect unless approval in principle has been granted for the accommodation project; and
 - (v) any other conditions specified by Cabinet pursuant to section 5.

Failure to comply with conditions specified in an Order

7. Where a person fails to comply with the conditions specified in an Order made pursuant to section 6 —

- (a) Cabinet may by Order published in the *Gazette* revoke or suspend the first mentioned Order; and
- (b) all tax reliefs or exemptions as were specified in the first mentioned Order shall be suspended or terminated, as the case may be, with effect from the date specified in the second mentioned Order;
- (c) the person shall be liable to pay to the Government the amount of any tax relief or exemption already received pursuant to the first mentioned Order.

Exemption for financial institutions

8.— (1) Where the funds to be used for a cricket world cup accommodation product is wholly or in part sourced from a financial institution in Saint Lucia or in another Caricom country, a percentage of the quantum of the investment of the financial institution in the cricket

No. 6] *Cricket World Cup (Tourism Accommodation)* [2005.
Incentives Act

world cup accommodation product shall, subject to subsection (2), be exempt in calculating the liability to tax of the financial institution.

(2) The exemption for a financial institution pursuant to subsection (1) shall be determined in accordance with the First Schedule.

Cancellation of Cricket World Cup

9. In the event that Cricket World Cup 2007 is postponed or cancelled, an applicant who has been granted tax reliefs and exemptions under this Act shall continue to enjoy the same in accordance with the terms of the grant.

Monitoring of compliance

10.— (1) The Ministry with responsibility for Tourism shall monitor compliance by an applicant with the terms and conditions upon which a grant of tax reliefs and exemptions was made by Cabinet.

(2) In pursuance of its duty under sub-section (1) the Ministry may visit the offices, building sites and other premises from which the applicant conducts business and make inquiries pertinent to the cricket world cup accommodation project.

(3) An applicant, his officers and agents, shall provide the duly authorized official of the Ministry with all information requested in the course of the official's duty under sub-section (1).

Sale or transfer of cricket world cup accommodation product

11. Where a cricket world cup accommodation product is sold or transferred during the tax holiday period but continues to be used for the purpose of accommodating visitors to Saint Lucia, the tax reliefs and exemptions provided under this Act shall continue to apply to the new owner or lessee, as the case may be, for the remainder of the period.

Provisions of other Acts

12.— (1) A declaration made pursuant to this Act shall not have the effect of dispensing with the necessity of obtaining permission or a licence or of meeting standards where such licence, permission or standard is required pursuant to the Tourism Incentives Act 1996 or any law in force in Saint Lucia.

No. 6] *Cricket World Cup (Tourism Accommodation)* [2005.
Incentives Act

(2) The income tax reliefs and exemptions pursuant to this Act shall not be in addition to income tax reliefs or customs duty exemptions pursuant to the Tourism Incentives Act 1996 and the more beneficial income tax reliefs or customs duty exemptions shall prevail.

Amendment of Schedules

13. Cabinet may by Order published in the *Gazette* amend the First Schedule or the Second Schedule.

Regulations

No. 6] *Cricket World Cup (Tourism Accommodation)* [2005.
Incentives Act

14. The Minister may make Regulations for the purpose of giving effect to the provisions of this Act.

FIRST SCHEDULE

(Section 3 (1) and 8 (2))

TAX RELIEFS AND EXEMPTIONS FOR CRICKET WORLD CUP ACCOMMODATION PRODUCT

1. A percentage relief on stamp duty, vendor's tax, property tax and aliens landholding licence fees based on the total number of rooms in the world cup cricket accommodation product as follows:
 - (a) 50 rooms and under - 50%
 - (b) over 50 rooms - 100%

The exemption from property tax shall be for the duration of the period of any income tax holiday granted, or for a maximum of fifteen years, whichever is the greatest.
2. An income tax holiday for a period based on the number of rooms in the world cup cricket accommodation product as follows:
 - (a) 50 rooms and under - 15 years
 - (b) over 50 rooms - 20 years
3. A percentage tax credit for financial institutions based on the quantum of the investment as follows:
 - (a) EC\$1 million and under - 1%
 - (b) over EC\$1 million and up to EC\$5 million - 2%
 - (c) over EC\$5 million and up to EC\$10 million - 3%
 - (d) over EC\$10 million - 4%

The tax credit shall be available to a financial institution only in respect of the tax year in which the investment was made.

No. 6] *Cricket World Cup (Tourism Accommodation)* [2005.
Incentives Act

4. Customs duty exemptions on imports to be determined by Cabinet and for a period to be determined by Cabinet.

SECOND SCHEDULE

(Section 3)

APPLICATION FOR DECLARATION OF ACCOMMODATION PROJECT AS A CRICKET WORLD CUP ACCOMMODATION PRODUCT AND FOR THE GRANT OF TAX RELIEFS AND EXEMPTIONS

The owner or operator of an accommodation project who wishes to own or operate it as a cricket world cup accommodation product must apply for approval of Cabinet by submitting an application in the following form to the Minister responsible for Tourism.

A. IDENTIFICATION

1. Name of Applicant
2. Nature of Applicant (*corporate or unincorporated body*)
3. Address of applicant (*if corporate body, address of registered office*)

B. INCENTIVES SOUGHT

1. Percentage relief on property tax, vendor's tax, or Alien Land Holding licence.
2. Income tax holiday
3. Customs Duty Exemptions

C. DETAILS OF PROJECT OR UNDERTAKING

Please provide background/rationale for incentives sought. Indicate previous application (s) for concessions if applicable. The following should be considered:

- Details of facilities and amenities on offer
- Profile of Applicant
- Anticipated implementation of cricket world cup accommodation product

D. PLANNING APPROVAL OF ACCOMMODATION PROJECT

(incentives are subject to DCA approval of the accommodation project)

Has the project received approval from Development Control Authority?

- (i) DCA approval in principle

No. 6] *Cricket World Cup (Tourism Accommodation)* [2005.
Incentives Act

(ii) DCA full approval

Approval No _____

(iii) DCA Application submitted/pending

E FINANCING

(i) Estimated Cost of Project

(ii) Source(s) of Financing

F PROJECTED ECONOMIC BENEFITS

Indicate where applicable the economic benefits of the proposed activity to Saint Lucia to include but not be limited to employment during construction and operational phase.

G SIGNATURE AND CONTACT INFORMATION

(i) Name of Applicant

(ii) Signature of Applicant Date: (dd) (mm) (yr)

(iii) On behalf of (if applicable)

(iv) Address of Applicant

(v) Telephone No.

(vi) Facsimile

(vii) Email Address

This Application must be made prior to 30th June, 2006 and shall be accompanied by the following supporting information –

(i) evidence of ownership of the accommodation project;

(ii) evidence of the land and ownership of the land to be used for the accommodation project;

(iii) evidence of at least planning approval in principle for the accommodation project;

(iv) estimated expenditure on the accommodation project and evidence of the financial arrangements and the source of the funds to be used;

(v) a project feasibility study forecasting economic benefits to Saint Lucia;

Applications should be submitted to

The Minister responsible for Tourism
Ministry of Tourism
Sir Stanislaus James Building
The Waterfront
CASTRIES

No. 6] *Cricket World Cup (Tourism Accommodation)* [2005.
Incentives Act

Passed in the House of Assembly this 28th day of September, 2004.

J. BADEN ALLAIN,
Speaker of the House of Assembly.

Passed in the Senate this 18th day of November, 2004.

HILFORD DETERVILLE,
President of the Senate.