

No. 2] *Cricket World Cup (Bed and Breakfast
Accommodation) Incentives Act* [2006.

SAINT LUCIA

No. 2 of 2006

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I ASSENT

[L.S.] PEARLETTE LOUISY,
Governor-General.

23rd January, 2006.

SAINT LUCIA

No. 2 of 2006

AN ACT to encourage the development of bed and breakfast accommodation to meet the anticipated increase in demand for accommodation during Cricket World Cup 2007.

[6th February, 2006]

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the House of Assembly and the Senate of Saint Lucia, and by the authority of the same, as follows :

No. 2] *Cricket World Cup (Bed and Breakfast Accommodation) Incentives Act* [2006.

Short title

1. This Act may be cited as the Cricket World Cup (Bed and Breakfast Accommodation) Incentives Act 2006.

Interpretation

2. In this Act —

“bed and breakfast accommodation project” means the expansion or renovation of an existing property, to add not less than two or more than five bedrooms to provide bed and breakfast accommodation;

“CARICOM means the Caribbean Community established pursuant to the Treaty of Chaguaramus establishing the Caribbean Community including the CARICOM Single Market and Economy that was signed in the Bahamas on the 5th July, 2001;

“cricket world cup bed and breakfast accommodation product” means a bed and breakfast accommodation project which is declared to be a cricket world cup bed and breakfast accommodation product that is granted tax reliefs and exemptions pursuant to this Act;

“Minister” means the Minister responsible for Tourism;

“person” includes a body corporate or an unincorporated body;

“tax” includes income tax, customs duty, consumption tax and property tax.

Application

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

(2) An application pursuant to subsection (1) shall —

(a) be made prior to 30th June, 2006;

(b) be in the form specified in the Second Schedule;

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- (c) specify the tax reliefs and 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 property to be used for the bed and breakfast accommodation project;
- (b) evidence of planning permission or approval in principle, if required, for the bed and breakfast accommodation project, pursuant to the Physical Planning and Development Act 2001, No. 29 of 2001; and
- (c) the estimated expenditure of the bed and breakfast accommodation project and evidence of the financial arrangements and the source of the funds to be used.

(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 pursuant to section 3 and the supporting information pursuant to subsection (1).

(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 —

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- (a) declare the bed and breakfast accommodation project to be a cricket world cup bed and breakfast accommodation project; and
- (b) specify —
 - (i) the tax reliefs and exemptions granted;
 - (ii) the commencement and termination dates for the tax reliefs and exemptions granted;
 - (iii) the time frames for completion of the bed and breakfast accommodation project and implementation of the cricket world cup bed and breakfast accommodation product;
 - (iv) the condition that the cricket world cup bed and breakfast accommodation product must be used as accommodation for visitors to Saint Lucia for the purpose of Cricket World Cup 2007; and
 - (v) any other conditions as Cabinet deems necessary.

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

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 bed and breakfast accommodation project to be a cricket world cup bed and breakfast accommodation product;
- (b) specify —
 - (i) the tax reliefs and exemptions granted;
 - (ii) the commencement date and termination date of each tax relief and exemption;
 - (iii) the time frames for completion of the bed and breakfast accommodation project and implementation of the cricket world cup bed and breakfast accommodation product;
 - (iv) the condition that the cricket world cup bed and breakfast accommodation product must be used as accommodation for visitors to Saint Lucia for the purpose of Cricket World Cup 2007; and

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- (v) any other conditions specified by Cabinet pursuant to section 5.

Failure to comply with conditions specified in an Order

7. Where an owner or operator 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 Order made pursuant to section 6; and
- (b) all tax reliefs and exemptions as were specified in the Order made pursuant to section 6 shall be suspended or terminated, as the case may be, with effect from the date specified in the Order made pursuant to paragraph (a);
- (c) the owner or operator shall be liable to pay to the Government the amount of any tax reliefs and exemptions already received pursuant to the Order made pursuant to section 6.

Exemption for financial institutions

8.— (1) Where the funds to be used for the cricket world cup bed and breakfast accommodation product is wholly or in part sourced from a financial institution in Saint Lucia or in another Member State, a percentage of the quantum of the investment of the financial institution in the cricket 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 Part B of the First Schedule.

(3) For the purpose of this section “Member State” means a Member State of CARICOM.

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.

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Monitoring of compliance

10.— (1) The Minister responsible for Tourism shall cause the monitoring of compliance by an applicant with the terms and conditions upon which the grant of tax reliefs and exemptions is made by Cabinet.

(2) In pursuance of his or her duty under sub-section (1) a person authorized by the Minister may visit the building site and other premises from which the applicant conducts business and make inquires pertinent to the cricket world cup bed and breakfast accommodation product.

(3) An applicant, his or her offices and agents, shall provide a person authorized by the Minister with all information and documents relating to the cricket world cup bed and breakfast accommodation product requested in the course of the official's duty under sub-section (1).

Sale or transfer

11.— (1) Where a cricket world cup bed and breakfast 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.

(2) For the purposes of this section "tax holiday period" means the period for which a tax exemption or relief is granted pursuant to this Act.

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 other law in force in Saint Lucia.

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

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Amendment of Schedules

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

Regulations

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

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FIRST SCHEDULE

(Sections 3 and 8)

TAX RELIEFS AND EXEMPTIONS FOR CRICKET WORLD CUP BED AND BREAKFAST ACCOMMODATION PRODUCT

PART A

- (1) One hundred percent waiver on customs duty and consumption tax on materials and fittings imported or bought locally for the expansion or renovation of the cricket world cup bed and breakfast accommodation product.
- (2) An income tax holiday of five years on the income earned from renting rooms in the cricket world cup bed and breakfast accommodation product.
- (3) A fifty percent reduction in property tax for a period of five years in respect of bed and breakfast accommodation product or the entire property in which the cricket world cup bed and breakfast accommodation forms a part.

PART B

- (1) A percentage tax credit for financial institutions based on the quantum of the investment as follows:
 - (a) EC\$300,000.00 and under – 1%
 - (b) over EC\$ 300,000.00 and up to EC\$600,000.00 - 2%
 - (c) over EC\$ 600,000.00 – 3%
- (2) The tax credit shall be available to a financial institution only in respect of the tax year in which the investment was made.

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SECOND SCHEDULE

(Section 3(2))

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

[CRICKET WORLD CUP (BED AND BREAKFAST ACCOMMODATION) INCENTIVES ACT]

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. Customs Duty and Consumption tax
2. Income tax holiday
3. Property tax

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 bed and breakfast accommodation product.

D. PLANNING APPROVAL OF BED AND BREAKFAST ACCOMMODATION PROJECT

(Incentives are subject to Planning approval of bed and breakfast accommodation project)

Has the project received planning approval?

1. Planning approval in principle
2. Planning full approval

Approval No _____

3. Planning Application submitted/pending
4. Planning Approval not required.

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E FINANCING

1. Estimated Cost of Project
2. Source (s) of Financing

G SIGNATURE AND CONTACT INFORMATION

1. Name of Applicant
2. Signature of Applicant Date: (dd) (mm) (yr)
3. On behalf of (if applicable)
4. Address of Applicant
5. Telephone No.
6. Facsimile
7. Email Address

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

1. evidence of ownership of the bed and breakfast accommodation project;
2. evidence of the land and ownership of the land to be used for the bed and breakfast accommodation project;
3. evidence of at least planning approval in principle if required, for the bed and breakfast accommodation project;
4. estimated expenditure on the bed and breakfast accommodation project and evidence of the financial arrangements and the source of the funds to be used.

Applications should be submitted to:

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

Passed in the House of Assembly this 20th day of December, 2005.

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

Passed in the Senate this 22nd day of December, 2005.

HILFORD DETERVILLE,
President of the Senate.