

14th October 2014

OBJECTS AND REASONS

This Bill would amend the *Tourism Development Act, Cap. 341* to provide

- (a) for hotels to be granted an exemption from the duties and taxes payable for the local purchase or importation of supplies not listed in the *Second Schedule*, including stores of food, alcoholic and non-alcoholic beverages, where the supplies are required for the operation or development of the tourism product or tourism project; and
- (b) for related matters.

Arrangement of Sections

1. Short title
2. Amendment of section 2 of Cap. 341
3. Amendment of section 3 of Cap. 341
4. Amendment of section 15 of Cap. 341
5. Amendment of section 17 of Cap. 341
6. Insertion of section 19A into Cap. 341
7. Amendment of Cap. 341
8. Amendment of the enactment set out in the Schedule

SCHEDULE

BARBADOS

A Bill entitled

An Act to amend the *Tourism Development Act*.

ENACTED by the Parliament of Barbados as follows:

Short title

- 1.** This Act may be cited as the *Tourism Development (Amendment) Act, 2014*.

Amendment of section 2 of Cap. 341

2. *Section 2 of the Tourism Development Act, Cap. 341, in this Act referred to as the principal Act, is amended by*

(a) inserting the following definition in alphabetical order:

“ “Authority” means the Barbados Tourism Product Authority, as established by section 3 of the *Barbados Tourism Product Authority Act* (Act 2014 -);”

(b) deleting the definition of “supplies” and substituting the following:

“ “supplies” means

- (a)* building materials, items or goods that are imported, purchased from a bonded warehouse or that are purchased locally for the construction, development and operation of a tourism project;
- (b)* the provision of services that directly relate to the construction of the tourism project;
- (c)* items listed in the *Second Schedule*; or
- (d)* items approved for exemption from custom duty by the Minister under section 15(4).”.

Amendment of section 3 of Cap. 341

3. *Section 3 of the principal Act, is amended by*

(a) deleting subsection (1) and substituting the following:

“(1) A person who

- (a) wishes to own or operate a tourism product may apply to the Minister to have the tourism project necessary to develop the tourism product approved for the purposes of this Act; or
- (b) offers a service or facility, or operates a company or entity which contributes to the development of tourism may apply to the Minister to have the service, facility, company or entity approved as a tourism project or tourism product for the purposes of this Act.”; and

(b) *deleting subsection (3) and substituting the following:*

“(3) Notwithstanding subsection (2), the Minister may, with the approval of the Cabinet, declare by order any

- (a) service or facility to be a tourism project or tourism product for the purposes of this Act; or
- (b) company or entity to be a tourism project or tourism product for the purposes of this Act

where the Minister is satisfied that the service, facility, company or entity is making a contribution to the development and sustainability of tourism in Barbados.”.

Amendment of section 15 of Cap. 341

4. *The principal Act is amended by deleting section 15 and substituting the following:*

“Exemption

15.(1) The owner or operator of a tourism project or tourism product for which interim approval has been granted shall be exempt

from the payment of customs duty on the supplies listed in the *Second Schedule* where the supplies are purchased out of a bonded warehouse, purchased locally or imported.

(2) For the purposes of refurbishing a tourism product, the owner or operator of the tourism product who

- (a) has a valid licence issued pursuant to section 10; or
- (b) is registered with the Authority,

shall be exempt from the payment of customs duty in respect of the supplies listed in the *Second Schedule* where they are purchased out of a bonded warehouse, purchased locally or imported.

(3) Notwithstanding subsections (1) and (2), any owner or operator of a hotel, for which interim approval has been granted,

- (a) who needs to import, purchase locally or purchase out of a bonded warehouse, for the exclusive use of the tourism product or tourism project, any item or supplies not specified in the *Second Schedule*; or
- (b) with a restaurant on the premises, who needs to import, purchase locally or purchase out of a bonded warehouse, stores of food, alcoholic or non-alcoholic beverages, which are required for the operation or development of the tourism product or tourism project for that hotel

shall submit a letter of application to the Minister, and the letter of application shall include the name and cost of the item, supplies, stores of food, alcoholic or non-alcoholic beverages, where the item, supplies, stores of food, alcoholic or non-alcoholic beverages will be sourced, and such further details as the Minister may require.

(4) Where the Minister is satisfied that the item, supplies, stores of food, alcoholic or non-alcoholic beverages, stated or listed in the letter of application which was submitted in accordance with subsection (3)

- (a) are not specified in the *Second Schedule*;
- (b) are required for the operation or development of the tourism product or tourism project for that hotel; and
- (c) will contribute to the sustainability and development of vital aspects of tourism in Barbados

he may grant an exemption, in respect of the item, supplies, stores of food, alcoholic or non-alcoholic beverages, by an instrument in writing.

(5) The medical supplies specified in Part VI of the *Second Schedule* shall only be imported or purchased locally by the owner or operator of a tourism product or tourism project who

- (a) is a medical doctor, who specializes in obstetrics and gynaecology or a related field;
- (b) is licensed under the *Medical Profession Act* (Act 2014 -) to practise medicine in Barbados; and
- (c) provides medical services dealing with infertility, the transplantation of embryos and other related or ancillary procedures.

(6) The exemptions referred to in subsections (1), (2), (4) and (5) shall be for a period of 15 years commencing from the date that approval is granted to be an approved tourism project or tourism product, as the case may be.

(7) The exemptions referred to in subsections (1), (2), (4) and (5) shall be subject to such conditions as the Minister or Comptroller of Customs may impose.”.

Amendment of section 17 of Cap. 341

5. *The principal Act is amended by deleting section 17 and substituting the following:*

“Prohibited uses

17.(1) Every operator or owner of a tourism project who imports or purchases locally supplies, without the payment of customs duty, in accordance with the provision of this Act, and who without authorisation from the Minister disposes of the supplies otherwise than in the manner provided for in the permit or contrary to the terms and conditions imposed under section 15(7), is guilty of an offence and is liable on conviction on indictment to a fine equivalent to the sum of whichever of the following amounts is of the highest monetary value:

- (a) \$100 000;
- (b) 10 times the monetary value of the items, supplies, stores of food, alcoholic or non-alcoholic beverages which was imported or purchased locally; or
- (c) 10 times the sum payable as customs duty on the items, supplies, stores of food, alcoholic or non-alcoholic beverages.

(2) Where a person convicted of an offence under this section fails to comply and pay the amount required in the time period ordered by the court, that person shall be liable to a further fine of \$10 000 for each day for which that failure to comply continues.”.

Insertion of section 19A into Cap. 341

6. *The principal Act is amended by inserting the following section after section 19:*

“Power to revoke or suspend tourism project status

19A. The Minister may where a tourism project or tourism product contravenes section 15(7), section 17, section 18 or section 19 revoke the declaration made under section 9, revoke the licence issued under section 10, or suspend the application of the Act in respect of that tourism project or tourism product for such a period of time as the Minister may determine.”.

Amendment of Cap. 341

7. *The principal Act is amended by deleting the words “ Barbados Tourism Authority” wheresoever they appear and substituting therefor the word “ Authority” .*

Amendment of the enactment set out in the Schedule

8. *The enactment set out in Column 1 of the Schedule is amended in the manner specified opposite thereto in Column 2 of the Schedule.*

SCHEDULE

(*section 7*)

Column 1

Enactment

Tourism Development Order, 2013
(S.I. 2013 No. 88)

Column 2

Amendment

Deleting paragraph 3.