

No. 20 of 2005.

*The Cricket World Cup Projects
(Incentives) Act, 2005.*

1 ANTIGUA
AND
BARBUDA



[L.S.]

I Assent,

James B. Carlisle,
Governor-General.

15th November, 2005

ANTIGUA AND BARBUDA

No. 20 of 2005

AN ACT to provide incentives to encourage the development of hotel accommodation and other tourism related products to meet the demands of the Cricket World Cup 2007.

*[Published in the Official Gazette Vol. XXV No. 77
dated 1st December, 2005.]*

ENACTED by the Parliament of Antigua and Barbuda as follows —

1. This Act may be cited as the Cricket World Cup Projects (Incentives) Act, 2005. Short title.

2. In this Act — Interpretation.

“condominium” has the same meaning assigned to it as in section 2 of the registration of Condominium Titles Act, Cap. 376.

“cricket world cup accommodation project” includes

(a) the construction or extension of a hotel, guest house, a villa resort, a condominium or an upscale residential complex; or

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(b) conversion of an existing building by reconstruction or renovation into a hotel, a guest house, villa resort, a condominium or an upscale residential complex of at least five bedrooms;

“cricket world cup related projects” include restaurant, night club and catering service;

“guest house” means a building containing not less than five bed rooms, but no more than ten bedrooms and may also contain —

(a) one or more kitchens in which meals may be prepared by the operator of the guest house for the guests; and

(b) one or more dining rooms shared in common by all the guests.

“hotel” includes any building or group of buildings (occupied together) for the accommodation for reward of guests and the curtilage thereof and all structures within such curtilage, containing or intended to contain when completed not less than ten bedrooms;

“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 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;

Development of
cricket world cup
accommodation
project.

3. (1) Any person who desires to develop and operate a cricket world cup accommodation project may apply to the Minister for a licence to import into, or purchase in, Antigua and Barbuda such building materials and articles of equipment in such quantities as may be specified in the licence.

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(2) Every application for a licence shall be in the form prescribed in Schedule II and shall be accompanied by the information and documents specified in section 4.

(3) Subsection (1) does not apply to the importation or the purchase of articles of equipment to replace articles of equipment of a hotel, guest house, villa resort, condominium or upscale residential complex, which have been imported or purchased under the terms of a licence.

(4) An application under this section shall be made before 30th June, 2006.

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

- (a) certificate of ownership of the hotel, guest house, condominium, the upscale residential complex, restaurant, night club or catering service, in respect of which the licence is sought;
- (b) certificate of title to the land to be used for the cricket world cup accommodation project or cricket world cup related project;
- (c) the planning approval, if any, for the cricket world cup accommodation project or cricket world cup related project pursuant to the Physical Planning Act. No. 6 of 2002.
- (d) estimated expenditure of the financial arrangements and the source of the funds to be used;
- (e) a feasibility study forecasting economic benefits to Antigua and Barbuda.
- (f) a project feasibility study forecasting the use of the property for tourism after the Cricket World Cup 2007.
- (g) a certificate from the Commissioner of Inland Revenue stating the applicant's current status in respect of his tax liability to the Government.

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(h) an undertaking in writing that the Cricket World Cup accommodation project or the Cricket World Cup related project for which application is being made shall be completed not later than the 31st December, 2006.

(i) an undertaking in writing that the cricket world cup accommodation project or the cricket world cup related project will be used to accommodate or provide services to tourists throughout the period of the tax relief.

(2) The Minister may request, in writing, from the applicant any further information reasonably required to enable full consideration of the application.

(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 or within such time as may be specified in writing by the Minister.

Cricket world
cup related
project.

5. (1) Any person who desires to develop a cricket world cup related project in Antigua and Barbuda may apply to the Minister for a licence to import or purchase in Antigua and Barbuda such building materials and articles of equipment in such quantities as may be specified in the licence.

(2) The application shall contain all the relevant documents required under section 4.

(3) Where the Minister is satisfied that the project will enhance the Cricket World Cup in Antigua and Barbuda and would continue to be operated as a tourism project, he shall submit the application to the Cabinet for approval.

(4) An approval by the Cabinet shall entitle the applicant to be granted the incentives specified under this Act.

Determination
by Cabinet.

6. (1) Upon receipt of an application, and the accompanying documents pursuant to sections 3, 4 and 5 the Minister shall submit to the Cabinet for approval the following —

(a) the application together with all the supporting documents; and

(b) the recommendation of the Minister.

(2) Upon Cabinet's approval of an application pursuant to this section, the Minister shall, by an Order, grant the applicant a licence which shall, subject to this Act, enable the applicant to enjoy the tax reliefs specified in the order.

(3) The licence shall specify —

- (i) the tax reliefs and exemptions approved by the Cabinet;
- (ii) the commencement and termination dates for the tax reliefs and exemptions granted;
- (iii) the time frames for completion of the cricket world cup accommodation project or the cricket world cup related project;
- (iv) the condition that the cricket world cup accommodation project or the cricket world cup related project must be used as accommodation for tourists to Antigua and Barbuda during the Cricket World Cup 2007 and throughout the period of the tax relief;
- (v) the condition that the tax reliefs and exemptions for the importation of building materials and articles of equipment shall take effect subject to the approval of —
 - (a) the Town and Country Planner of the plans and designs of the cricket world cup accommodation project or the Cricket World Cup related project;
 - (b) the Director of Public Works of the specification, quantity and quality of building materials and articles of equipment for the cricket world cup accommodation project or the cricket world cup related project.
- (vi) any other conditions as it deems necessary.

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Minister to
make an order.

7. The Minister shall publish the Order made pursuant to section 6 in the *Gazette*.

Fast track
licensing.

8. (1) The Minister shall designate an officer within the Ministry of tourism to assist applicants to obtain all necessary licences and Government approvals for the execution of the project.

(2) Any person who applies for a licence in connection with the development of a cricket world cup project or cricket world cup related project shall, as soon as practicable, inform the officer designated under subsection (1) of such application.

(3) On receipt of information pursuant to subsection (2), the designated officer shall liaise with the Ministries and statutory bodies concerned with the issue of the licences and facilitate the approval of the licences applied for.

(4) Until all applications for licences and approvals have been granted, the designated officer shall provide the Minister with a weekly report of the status of each application and the efforts being made to facilitate the expeditious issue of the licenses and approvals.

Failure to
comply with
conditions
specified in an
order.

9. (1) The Minister shall revoke any Order made pursuant to section 7, if the licensee fails;

(a) to complete the cricket world cup accommodation project or the cricket world cup related project within the time specified in the order; or

(b) to use the cricket world cup accommodation project or the cricket world cup related project for the purposes for which the incentives were granted.

(2) Where the Minister revokes an order made under subsection (1), all tax reliefs or exemptions specified in the licence shall be suspended or cancelled, with effect from the date specified in the order and the licensee shall be liable to pay the Government the amount of any tax relief or exemption already received pursuant to the licence.

(3) The amount of any tax relief or exemption to be paid to the Government under subsection (3) shall be recovered as a debt due to the Government from the licensee.

10. (1) Where the financing of the development and operation of a cricket world cup accommodation project or other Cricket World Cup related project is wholly or partly obtained from a Caricom member state, the amount of the funds so obtained shall, subject to subsection (2), be deducted from the income of the financial institution before assessing its tax liability.

Tax relief for
financial
institutions.

(2) Any relief granted pursuant to subsection (1) shall be determined in accordance with the First Schedule.

11. In the event that the Cricket World Cup 2007 is postponed or cancelled, an applicant who has been granted tax exemption and reliefs under this Act shall continue to enjoy such tax exemptions and reliefs in accordance with the terms specified in the order.

Cancellation of
cricket world
cup.

12. (1) The Minister shall appoint an officer in his Ministry to be known as the Compliance Officer.

Monitoring and
enforcement of
compliance of
the terms and
conditions of a
licence.

(2) The Compliance Officer shall be responsible for monitoring and enforcing the compliance of the terms and conditions of any Order published under section 7.

(3) In the performance of his duties under this section, the Compliance Officer shall, during reasonable hours, visit the building sites and premises of the cricket world cup accommodations project or the cricket world cup related project to enforce compliance of the terms and conditions of the Order made by the Minister under section 7.

(4) The owner or operator of a cricket world cup accommodation project or the cricket world cup related project, shall provide the Compliance Officer or any duly authorised officer designated by him, all information relevant in the performance of his duties under subsection (2).

(5) The Compliance Officer shall submit to the Minister a quarterly report on the progress and performance of the

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operations of the cricket world cup accommodation projects and other cricket world cup related projects.

Sale of transfer cricket world cup accommodation product. **13.** Where a cricket world cup accommodation project or a cricket world cup related project is sold or transferred during the tax holiday period but continues to be used for the purpose which the tax relief was granted, the tax relief 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 tax relief period.

Amendment of Schedules. **14.** Cabinet may by Order published in the Gazette amend the First and Second Schedules.

Regulations. **15.** The Minister may make Regulations for the purpose of giving effect to the provisions of this Act.

FIRST SCHEDULE

TAX RELIEFS AND EXEMPTIONS FOR CRICKET WORLD CUP ACCOMMODATION PRODUCT

1. A corporate 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 — 25 years

The corporate income tax holiday shall only apply to the income generated from the cricket world cup accommodation project.

2. A percentage relief on stamp duty on transfer of land, property and non-citizens 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, in respect of a new construction and a new extension only.

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.

4. Waiver of all customs duty and consumption tax on the imports of building materials, and equipment, furniture or furnishings, appliances, office equipment and vehicles to be used in the construction and operation of the business/corporation for a period to be determined by Cabinet. Custom Service Tax to be paid by the applicant, for the duration of the period of any income tax holiday granted.

5. The right to repatriate all capital royalties, dividends and profit free of all taxes.

SECOND SCHEDULE

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 the accommodation project as a cricket world cup accommodation product must apply for approval to 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 unincorporate body*)
3. Address of applicant (*if corporate body, address of registered office*)

B. INCENTIVES SOUGHT

1. Percentage relief on property tax, stamp duty on transfer of land and non-citizen Land Holding licence.
2. Corporate income tax holiday
3. Customs Duty and Consumption Tax Exemptions

C. DETAILS OF PROJECT OR UNDEREAKING

Background/rationale for incentives sought, including information on 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
- (ii) DCA full approval
Approval No _____
- (iii) DCA Application submitted/pending

E. FINANCING

- (i) Estimated Cost of Project
- (ii) Source(s) of Financing

F. PROJECT ECONOMIC BENEFITS

Indicate where applicable the economic benefits of the proposed activity to Antigua and Barbuda 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 Antigua and Barbuda.
- (vi) a projected plan for the use of the property after cricket world cup 2007.

THIRD SCHEDULE (Application form)

[Address of applicant]

To: The Minister responsible for Tourism
c/o Ministry of Tourism
St. John's Antigua

Pursuant to section 3 of the Cricket World Cup (Tourism Accommodation) Incentives Act, 2005, I/We hereby make application to the Minister for —

- (a) a licence to develop a cricket world cup accommodation project or cricket world cup related project;
- (b) the grant of one or more of the tax reliefs and exemptions specified in the First Schedule —
 - (i) Corporate income tax holiday 25 years
 - (ii) A percentage relief on stamp duty, property tax, stamp duty on transfer of land and non-citizens landholding licence fees
 - (iii) A waiver of all customs duty and consumption tax on the following items

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.....
.....

The following documents must accompany the application:

- (a) Evidence of ownership of project;
- (b) Land certificate or Lease Agreement.
- (c) Letter setting out the percentage of relief on property tax, stamp duty on transfer of land, corporate income tax holiday, customs duty and consumption tax exemption.
- (d) Details of project or undertaking and rationale for incentives sought.
- (e) Planning approval or approval in principle from DCA of accommodation project;
- (f) Financing of project, including estimated cost of project and sources of finance
- (g) Projected economic benefits of the project to the economy of Antigua and Barbuda; and

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(h) Projected use of property after cricket world cup 2007.

Name of applicant

.....
Signature of Applicant

.....
Date

Address:

Telephone:

Fax:

E-Mail.

Applications should be submitted to:
The Minister responsible for Tourism, Ministry of Tourism
Government Office Complex
Queen Elizabeth Highway
St. John's Antigua

Passed by the House of Representatives this
14th day of October, 2005.

Passed by the Senate this 3rd
day of November, 2005.

D. Giselle Isaac-Arrindell,
Speaker.

Mackenzie M. Frank,
Vice President.

Yvonne Henry,
Clerk to the House of Representatives.

Yvonne Henry,
Clerk to the Senate.

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THE CRICKET WORLD CUP PROJECTS (INCENTIVES) ACT 2005.

ARRANGEMENT OF SECTIONS

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8. Fast track licensing.
9. Failure to comply with conditions specified in an order.
10. Tax relief to financial institutions.
11. Cancellation of Cricket World Cup.
12. Monitoring and enforcement of compliance of the terms and conditions of a licence.
13. Sale or transfer of Cricket World Cup accommodation project.
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