

OBJECTS AND REASONS

This Bill would amend the *Shipping (Incentives) Act*, Cap. 90A to make further provision for the grant of concessions to approved shipping companies engaged in the tourist industry and for related purposes.

Arrangement of Sections

Section

1. Short title.
2. Amendment of section 2 of Cap. 90A.
3. Repeal and replacement of section 3 of Cap. 90A.
4. Repeal and replacement of section 5 of Cap. 90A.
5. Amendment of section 7 of Cap. 90A.
6. Amendment of section 9 of Cap. 90A.
7. Amendment of Third Schedule to Cap. 90A.
8. Amendment to have retrospective operation.
9. Extension of concession period.

SCHEDULE

BARBADOS

A Bill entitled

An Act to amend the *Shipping (Incentives) Act*.

ENACTED by the Parliament of Barbados as follows:

1. This Act may be cited as the *Shipping (Incentives) (Amendment) Act, 2009*. Short title.

Amendment of section 2 of Cap. 90A. **2.** The *Shipping (Incentives) Act*, in this Act referred to as the principal Act, is amended in section 2 by

- (a) deleting the words "10 years" appearing in the definition of "concession period" and substituting the words "15 years";
- (b) deleting paragraph (b) of the definition of the term "shipping activities" and substituting the following:

"(b) commercial shipping, boating and sports fishing in the tourist industry;" and

- (c) inserting in the appropriate alphabetical order the following:

" "sport fishing" means fishing for the purposes of recreation, personal consumption and competition."

Repeal and replacement of section 3 of Cap. 90A. **3.** The principal Act is amended by deleting section 3 and substituting the following:

"Declara-
tion of
approved
shipping
company.

3. The Minister may on application being made to him in such form as he approves, declare by order any company that is engaged in shipping activities to be an approved shipping company for the purposes of this Act."

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

Repeal and replacement of section 5 of Cap. 90A.

"Income tax concessions. Cap. 73.

5. (1) Notwithstanding any provision of the *Income Tax Act*, where an approved shipping company incurs capital expenditure in an amount not exceeding 200 million dollars in respect of shipping activities, the expenditure shall for income tax purposes be deducted against any income derived during the concession period.

(2) Where a person other than a commercial bank provides funding for shipping activities by means of a loan or otherwise, the interest or dividends, as the case may be, received by that person, shall be exempt from income tax during the concession period.

(3) An approved shipping company that is granted income tax concessions under this Act may, for the purpose of the assessment of income tax, carry forward, in respect of the first 9 years of assessment after the expiration of the concession period, losses that were incurred during the concession period and were not written off.

First Schedule.

(4) Where an approved shipping company has in an income year incurred expenditure for any of the purposes specified in the *First Schedule*, then, in calculating the assessable income of the approved shipping company for that income year, there shall be deducted an amount equal to 150 per cent of the expenditure incurred.

Second
Schedule. (5) An approved shipping company which operates a restaurant on board a ship shall be exempt from the payment of customs duty on the items listed in the *Second Schedule* where the Minister is satisfied that those items are not produced or manufactured in Barbados."

Amendment
of section 7
of Cap. 90A.

5. Section 7 of the principal Act is amended

(a) by deleting subsection (2) and substituting the following:

Third
Schedule. "(2) An approved shipping company is exempt from the payment of customs duty on the items listed in Part I of the *Third Schedule* during the concession period where the Minister is satisfied that those items are not produced or manufactured in Barbados."; and

(b) by inserting the following new subsections immediately after subsection (2):

Third
Schedule. "(3) An approved shipping company that is engaged in sport fishing in the tourist industry is exempt from the payment of customs duty on the items specified in Part II of the *Third Schedule* during the concession period.

Third
Schedule. (4) An approved shipping company that is engaged in commercial shipping, boating, sport fishing in the tourist industry is exempt from the payment of customs duty on the items specified in Part III of the *Third Schedule* during the concession period."

6. Section 9 of the principal Act is amended in paragraph (a) by deleting the words "10 years" appearing in that paragraph and substituting the words "15 years".

Amendment
of section 9
of Cap. 90A.

7. The principal Act is amended by deleting the Third Schedule and substituting the Schedule set out in the *Schedule* to this Act as the Third Schedule.

Amendment
of Third
Schedule to
Cap. 90A.
Schedule.

8. Section 2(a) of this Act shall be deemed to have come into operation on 24th March, 2005.

Amendment
to have
retrospective
operation.

9. All shipping companies in respect of which orders have been made under section 3 of the principal Act after 24th March, 2005 and before the commencement of this Act, shall have a concession period of 15 years with effect from the date on which the order declaring that company to be an approved company came into operation.

Extension of
concession
period.

SCHEDULE

(Section 7)

"THIRD SCHEDULE

(Sections 7 and 15)

ITEMS EXEMPT FROM CUSTOMS DUTY

PART I

Exempt Items for all Approved Shipping Companies

1. Articles including trailers imported by an approved shipping company for use exclusively in the building, refurbishing, equipping, transporting, maintenance or repair of a ship.
2. All water sports equipment including towables, imported by an approved shipping company.

PART II

Exempt Items for Approved Shipping Companies Engaged in Sport Fishing in the Tourist Industry

1. Fishing tackle.
2. Rods.
3. Reels.

PART III

*Exempt Items for Approved Shipping Companies Engaged in
Commercial Shipping, Boating, Sport Fishing
in the Tourist Industry*

1. Life rafts.
2. E-pirbs (*a satellite tracking system for boats in distress*).
3. Flares.
4. Fire extinguishers.
5. Life jackets.
6. GPS (*a satellite navigational system*).
7. Depth sounders.
8. VHS, SSB and AM radios.
9. Compasses."