

CAYMAN ISLANDS



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**A BILL FOR A LAW TO AMEND THE PUBLIC MANAGEMENT AND
FINANCE LAW (2013 REVISION) TO CHANGE THE FINANCIAL
YEAR TO A CALENDAR YEAR; TO CHANGE THE TIMEFRAME FOR
GAZETTING BUDGET TIMELINES; TO IMPLEMENT MULTI-YEAR
BUDGETING; AND TO MAKE PROVISION FOR INCIDENTAL AND
CONNECTED MATTERS**

**THE PUBLIC MANAGEMENT AND FINANCE (AMENDMENT) BILL,
2015**

MEMORANDUM OF OBJECTS AND REASONS

This Bill amends the Public Management and Finance Law (2013 Revision).

Clause 1 of the Bill provides the short title and commencement of the legislation.

Clause 2 amends section 2 of the principal Law to revise the definition of the term “financial year”, in relation to entities that are required to report. With effect from 1st July, 2016, “financial year” would mean the period of eighteen months commencing on 1st July, 2016 and ending on 31st December, 2017. At the end of that period, “financial year” would mean a year ending on 31st December. The clause also re-defines the terms “Appropriation Law” and “Appropriation Bill” and inserts a definition of the term “budget period”.

Clause 3 amends section 17 of the principal Law to change the timeframe for gazetting Budget timelines and to provide that, in an election year, Budget timelines are to be gazetted not later than two months after the general election.

Clause 4 of the Bill amends section 23 of the principal Law to change the deadline for the presentation of the strategic policy statement to the Legislative Assembly to a date that is consistent with a changed fiscal year period of 1st January to 31st December. In an election year, the strategic policy statement is to be presented to the Legislative Assembly not later than three months after the general election.

Clause 5 amends section 41 of the principal Law to prohibit a ministry or portfolio from waiving revenue.

Clause 6 amends section 74 of the principal Law to reduce, from six years to four years, the period for which a trust asset must remain unclaimed before being treated as an unclaimed trust asset. In addition, where the unclaimed trust asset is money, a claim to the money could not be made more than ten years after the money was first paid to Government as a trust asset.

Clauses 7 and 8 amend miscellaneous provisions of the principal Law to replace the terms “annual plan and estimates” and “annual budget statement” with the terms “plan and estimates” and “budget statement”, respectively.

Clause 9 amends miscellaneous provisions of the principal Law to replace the term “chief officer (Public Finance) of the ministry responsible for finance” with the term “chief officer of the ministry responsible for finance”.

**THE PUBLIC MANAGEMENT AND FINANCE (AMENDMENT) BILL,
2015**

ARRANGEMENT OF CLAUSES

1. Short title and commencement
2. Amendment of section 2 of the Public Management and Finance Law (2013 Revision) - definitions
3. Amendment of section 17 - budget process
4. Amendment of section 23 - strategic policy statement
5. Amendment of section 41 - further duties and powers of, and prohibitions on, ministries and portfolios
6. Amendment of section 74 - unclaimed trust assets
7. Miscellaneous amendments - annual plan and estimates
8. Miscellaneous amendments - annual budget statement
9. Miscellaneous amendments - chief officer (Public Finance)

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ENACTED by the Legislature of the Cayman Islands.

1. (1) This Law may be cited as the Public Management and Finance (Amendment) Law, 2015. Short title and commencement
 - (2) The provisions of this Law shall come into force as follows -
 - (a) section 4 shall come into force on 1st July, 2016; and
 - (b) the other provisions of this Law shall come into force on the date of publication of this Law in the Gazette.
2. The Public Management and Finance Law (2013 Revision), in this Law referred to as the “principal Law”, is amended in section 2 as follows - Amendment of section 2 of the Public Management and Finance Law (2013 Revision) - definitions
 - (a) by deleting the definition of the words “Appropriation Law” and “Appropriation Bill” and substituting the following definition -

“ “Appropriation Law” and “Appropriation Bill” respectively mean a Law or Bill which provides or would provide for appropriation in respect of the plan and estimates for a financial year and a budget period;”;

- (b) by inserting, after the definition of the word “borrowing”, the following definition -

“ “budget period” means a period of appropriation covering two financial years, commencing on 1st January, 2018;”;

- (c) by deleting the definition of the words “financial year’ and substituting the following definition -

“ “financial year” -

- (a) in relation to any entity required to report under this Law, means a year ending on 30th June up to 30th June, 2016; thereafter the eighteen month period commencing on 1st July, 2016 and ending on 31st December, 2017; and thereafter a year ending on 31st December; and

- (b) in relation to any statutory authority or government company, means such date as the Cabinet may determine;”.

Amendment of section 17 - budget process

3. The principal Law is amended in section 17 by repealing subsection (1) and substituting the following subsections -

“ (1) Subject to subsection (1A), no later than the 1st April immediately prior to each budget period, the Cabinet, in accordance with the advice of the Minister of Finance given under section 32(c), shall establish the exact timing and process for preparing the budget for the next budget period, including the timing of the phases referred to in subsection (2), and shall cause the timetable to be gazetted immediately after the 1st April.

(1A) In a year where there is to be a General Election of members of the Legislative Assembly, the budget timeline shall be established and gazetted not later than two months after the date of the General Election.”.

Amendment of section 23 - strategic policy statement

4. The principal Law is amended in section 23 by repealing subsection (1) and substituting the following subsections -

“ (1) Subject to subsection (1A), the strategic policy statement for the next budget period shall be presented to the Legislative Assembly by a member of the Cabinet appointed by the Cabinet to do so on behalf of the Cabinet not later than the 1st May immediately prior to each budget period for approval within two months, and if the Legislative Assembly has not within that period resolved to approve, amend or reject the statement it shall be deemed to be approved.

(1A) In a year where there is to be a General Election of members of the Legislative Assembly, the strategic policy statement shall be presented to the Legislative Assembly by a member of the Cabinet appointed by the Cabinet to do so on behalf of the Cabinet not later than three months after the date of the General Election.”.

5. The principal Law is amended in section 41(1) by inserting after paragraph (b) the following paragraph -
- “(ba) waive any revenue;”.
6. The principal Law is amended in section 74 -
- (a) by repealing subsection (1) and substituting the following subsection -
- “ (1) Any trust asset that shall be unclaimed for a period of four years after having become transferable to any person entitled to the asset shall, together with any income payable in respect of the asset, be treated as an unclaimed trust asset irrespective of whether the trust asset became transferable before, on or after the date of publication of the Public Management and Finance (Amendment) Law, 2015 in the Gazette.”; and
- (b) by inserting after subsection (3) the following subsection -
- “ (3A) A claim to money that has been paid into the executive bank account in accordance with subsection (2), shall not be made more than ten years after the money was first received as a trust asset by a ministry, a portfolio, the Office of the Complaints Commissioner, the Office of the Information Commissioner or the Audit Office, as the case may be.”.
7. The principal Law is amended by deleting the words “annual plan and estimates” and “Annual plan and estimates” wherever they appear and substituting the words “plan and estimates” and “Plan and estimates”, respectively.
8. The principal Law is amended by deleting the words “annual budget statement” and “Annual budget statement” wherever they appear and substituting the words “budget statement” and “Budget statement”, respectively.
9. The principal Law is amended by deleting the words “chief officer (Public Finance) of the ministry responsible for finance” wherever they appear and substituting the words “chief officer of the ministry responsible for finance”.

Amendment of section 41 - further duties and powers of, and prohibitions on, ministries and portfolios

Amendment of section 74 - unclaimed trust assets

Miscellaneous amendments - annual plan and estimates

Miscellaneous amendments - annual budget statement

Miscellaneous amendments - chief officer (Public Finance)

Passed by the Legislative Assembly the day of , 2015.

Speaker.

Clerk of the Legislative Assembly.