

**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**16 NOVEMBER 2011**  
**10.21 AM**  
*First Sitting*

**The Speaker:** I call on the Honourable Premier to say prayers this morning.

**PRAYERS**

**The Premier, Hon. W. McKeever Bush:** Let us pray.

*Almighty God, from whom all wisdom and power are derived: We beseech Thee so to direct and prosper the deliberations of the Legislative Assembly now assembled, that all things may be ordered upon the best and surest foundations for the glory of Thy Name and for the safety, honour and welfare of the people of these Islands.*

*Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members here of this Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.*

Let us say The Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.*

*The Lord bless us and keep us. The Lord make His face shine upon us and be gracious unto us. The Lord lift up the light of His countenance upon us and give us peace, now and always. And, O Lord, hear our supplication here now. Amen.*

**The Speaker:** Good morning everyone. Proceedings are resumed. Please be seated.

**READING BY THE HONOURABLE  
SPEAKER OF MESSAGES  
AND ANNOUNCEMENTS**

**Apology**

**The Speaker:** I have only one message. We have an apology for absence from the Honourable Deputy Governor responsible for the Portfolio of Internal and External Affairs and the Civil Service. He will be absent today and tomorrow.

**PRESENTATION OF PAPERS  
AND OF REPORTS**

**Annual Report of the National Gallery of the Cayman Islands for the 2007/08 Financial Year**

**The Speaker:** Honourable Minister of Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland, Minister of Health, Environment, Youth, Sports and Culture:** Madam Speaker, I beg to lay on the Table of this honourable House the Annual Report of the National Gallery of the Cayman Islands for the 2007/08 Financial Year.

**The Speaker:** So ordered.

Does the Honourable Minister wish to speak thereto?

**Hon. J. Mark P. Scotland:** No, Madam Speaker.

**Ministry of Health and Human Services Financial Statements 30 June, 2006, 2007, 2008 and 2009**

**The Speaker:** Honourable Minister of Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, I beg to lay on the Table of this honourable House the Ministry of Health and Human Services Financial Statements for the years ending 30 June, 2006, 2007, 2008 and 2009.

**The Speaker:** So ordered.

Does the Honourable Minister wish to speak thereto?

**Hon. J. Mark P. Scotland:** No, Madam Speaker.

**Water Authority of the Cayman Islands Annual Report for the 2009/10 Financial Year**

**The Speaker:** Deputy Premier, Honourable Minister of District Administration, Works, Lands and Agriculture.

**The Deputy Premier, Hon. Juliana O'Connor-Conolly, Minister of District Administration, Works, Lands and Agriculture:** Madam Speaker, I beg to lay on the Table of this Honourable House the Annual Report for the 2009/10 Financial year for the Water Authority of the Cayman Islands.

**The Speaker:** So ordered.

Does the Honourable Deputy Premier wish to speak thereto?

**The Deputy Premier, Hon. Juliana O'Connor-Conolly:** No, Madam Speaker, the report is self-explanatory.

**The Speaker:** Thank you.

**National Drug Council 2007/08 Annual Report - Refining the Role of the NDC in our Community**

**The Speaker:** Honourable Minister of Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, I beg to lay on the Table of this honourable House, the National Drug Council 2007/08 Annual Report—Refining the Role of the NDC in our Community.

**The Speaker:** So ordered.

Does the Honourable Minister wish to speak thereto?

**Hon. J. Mark P. Scotland:** No, Madam Speaker.

**The Speaker:** Thank you.

**Annual Report 2009/10 Ownership Agreement between the Cabinet of the Cayman Islands Government and Health Services Authority for the year ending 30 June 2010**

**The Speaker:** Honourable Minister of Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, I beg to lay on the Table of this honourable House the Annual Report 2009/10 Ownership Agreement between the Cabinet of the Cayman Islands Government and Health Services Authority (HSA) for the financial year ending 30<sup>th</sup> June 2010.

**The Speaker:** So ordered.

Does the Honourable Minister wish to speak thereto?

**Hon. J. Mark P. Scotland:** Briefly, Madam Speaker.

**The Speaker:** Honourable Minister.

**Hon. J. Mark P. Scotland:** Madam Speaker, in accordance with section 52(5) of the Public Management and Finance Law (2005 Revision), I am very pleased today to be placing before this honourable House the Annual Reports of the Cayman Islands Health Services Authority for the financial year ending 2009/10.

Madam Speaker, we all know the HSA became an authority in 2002 under the Health Services Law and since that time the board and management have continued to focus on improving the financial management of the Authority.

The Authority provides primary and secondary levels of healthcare for all three Islands, and the facilities include the hospitals in George Town, Cayman Brac, as well as the various district clinics throughout the Islands, and the Public Health Unit, the Lions Eye Clinic and the Cayman Brac Dental Clinic included.

Madam Speaker, reviewing the audited financial statements for the year ended 30 June 2010, the Authority reported revenues from Government and other sources of just over \$84 million, and operating expenses of about \$77.7 million. The net profit for the year was approximately \$6.2 million. The Authority also ended the fiscal period with a positive cash balance of \$5.2 million.

Madam Speaker, this profit and positive cash balance is attributed to the improved system of collections, a reduction of bad debt and capital injection received by year end from committed vendors. The Authority is also reporting assets of \$76 million and liabilities of just over \$10 million with net assets therefore, of around \$65 million. In the 2009/10 fiscal year, Government injected \$2.2 million into the Authority for capital purchases only.

Madam Speaker, the Government subsidy for capital purchases only is an indication of the positive impact of the fee adjustment which was implemented in early 2009 and the improved internal reporting strategy which assisted unit managers making effective decisions on cost savings initiatives in collaboration with staff.

Having completed the audit of financial statements of the Authority, the Auditor General issued a disclaimer of opinion on the financial statements of the Authority for the period ended 30 June 2010. The Auditor General referred to four significant matters that prevented the completion of the audit. These were: incomplete records relating to patient revenues; incomplete records to value accounts receivable and reasonableness of bad debts expense; incomplete records to value of lands and buildings; and incomplete records to value liabilities arising from post-retirement medical costs which is an employee benefit.

Madam Speaker, in reference to the disclaimer of opinion received, I will now provide an update on the actions taken on each of these matters raised by the Auditor General. Regarding incomplete records relating to revenues, the Authority has implemented policies and procedures that will address revenue completeness with the help of its audit committee.

The HSA has also recruited an internal auditor in early January this year to implement the plans of the Board's audit committee which was established in July 2010.

The immediate role of the internal auditor is to work with all revenue centres to develop critical check points in ensuring revenue capture completeness and develop a monitoring process to maintain full revenue assurance.

In relation to incomplete records, the value of accounts receivable and reasonableness of bad debt expense, the Authority expects that a resolution of revenue completeness will resolve this issue on their accounts receivable.

In terms of the matter of incomplete records to the valuation of lands and buildings, a valuation was completed by DDL Studio in June 2011, and the authority has restated its fixed assets as at June 2010.

Lastly, regarding incomplete records to value liabilities arising from post-retirement medical costs, the Authority is seeking to place its local and overseas medical care with an insurance company in order to cap their exposure.

Madam Speaker, in closing, I would like to thank the Board and the manager of HSA as well as the Ministry for their hard work and perseverance in producing this Annual Report and invite Members of this honourable House to peruse it in more detail.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable Minister.

## **STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF CABINET**

**The Speaker:** I have no notice of statements by Honourable Members or Ministers of Cabinet.

## **BILLS**

### **FIRST READINGS**

#### **Immigration (Amendment) (No. 4) Bill, 2011**

**The Chairman:** The Immigration (Amendment) (No. 4) Bill, 2011.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for second reading.

#### **Mutual Funds (Amendment) Bill, 2011**

**The Clerk:** The Mutual Funds (Amendment) Bill, 2011.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for second reading.

#### **Exempted Limited Partnership (Amendment) Bill, 2011**

**The Clerk:** The Exempted Limited Partnership (Amendment) Bill, 2011.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for second reading.

#### **Companies (Amendment) (No. 2) Bill, 2011**

**The Clerk:** The Companies (Amendment) (No. 2) Bill, 2011.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for second reading.

#### **Customs (Amendment) Bill, 2011**

**The Clerk:** The Customs (Amendment) Bill, 2011.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for second reading.

#### **Patents and Trade Marks Bill, 2011**

**The Clerk:** The Patents and Trade Marks Bill, 2011.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for second reading.

#### **Traffic Bill, 2011**

**The Clerk:** The Traffic Bill, 2011.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for Second Reading.

#### **Suspension of Standing Order 46(1)**

**The Clerk:** Suspension of Standing Order 46(1) to enable the Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill, 2011, to be given a First Reading.

**The Speaker:** Honourable Minister.

**The Deputy Premier, Hon. Juliana O'Connor-Conolly:** Thank you for your indulgence, Madam Speaker. We do not wish to proceed with the motion for the suspension of Standing Order 46(1), indeed, we are asking for the indulgence of the House to deal with the Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill, 2011, at a later sitting.

**The Speaker:** We need to have a motion to withdraw it from the Order Paper and carry it forward to another sitting.

#### **Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill, 2011**

*[Deferred]*

**The Deputy Premier, Hon. Juliana O'Connor-Conolly:** Thank you, Madam Speaker.

I so move that the Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill, 2011, be deferred to a later sitting.

**The Speaker:** The question is that the Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill, 2011, be deferred to a later sitting.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill, 2011 deferred until a later sitting.**

**Mr. V. Arden McLean, Member for East End:** Madam Speaker.

**The Speaker:** Yes, Member for East End.

**Mr. V. Arden McLean:** Madam Speaker, I heard the deferral of this Amendment Bill to another sitting, I believe. Is it a sitting or a meeting that it would be deferred to?

*[pause]*

**Mr. V. Arden McLean:** Madam Speaker, why I am asking that question is for clarification. The Constitution says that it must be 21 days prior to the "Meeting" that it is going to be debated at.

*[inaudible interjection]*

**The Speaker:** The Honourable Minister has asked, and the motion has been accepted by this House to defer it to another sitting. That stands until there is some other change. Thank you.

The majority of the House does carry things here.

## SECOND READINGS

### Immigration (Amendment) (No. 4) Bill, 2011

**The Clerk:** The Immigration (Amendment) (No. 4) Bill, 2011, Second Reading.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move the Second Reading of a Bill entitled, The Immigration (Amendment) (No. 4) Bill, 2011.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Further to the passage of the Special Economic Zones Bill, 2011, on 30 September, this Bill seeks to create a distinction in relation to work permits for employees of special economic zone companies.

The Cayman Enterprise City (CEC) Special Economic Zone is focused on diversifying the Cayman economy by facilitating the establishment of technology, media and biotechnology related businesses. The majority of these business types are currently not present in Cayman and neither are employees with the skills and expertise required, we believe.

From this perspective, it is necessary to create a separate work permit regime to take into consideration the unique position of these new industries. Although there is a relaxing of certain requirements for zone work permits, it is envisioned that there will be a mechanism in place to support employment opportunities for Caymanians in special economic zones. This mechanism is in the form of a special agency referred to as a "Career Development Bureau."

A Career Development Bureau would be an agency within a zone that conducts functions relating to matching Caymanian labour with employment opportunities within the zone. Other programmes relating to scholarships, internships and mentoring opportunities would also be coordinated by such a bureau.

In essence, Madam Speaker, operating within a special economic zone that has a career development bureau approved by the Special Economic Zone Authority would be exempt from several requirements relating to the grant or renewal of work permits, specifically with reference to Cayman Enterprise City. Discussions are underway with the Minister of Education, Training and Employment. This would not only specify how the city career development bureau will work in conjunction with the new human capital development agency, but will also have two representatives appointed by that Ministry to ensure a strong partnership with the Government.

The effective operation of a zone career development bureau is important, Madam Speaker. The career development bureau will be advertising the jobs. Companies will not be advertising themselves. That will be left to the career development bureau.

In all cases, applications for work permits for a zone employee will be dealt with solely by the Chief Immigration Officer and eligible for a five year permit. Further term limits will apply to zone employees on work permits. We also know, Madam Speaker, that a flat fee of \$1,500 is agreed for the Cayman Enterprise City under the definitive agreement.

Madam Speaker, it will hopefully be recognised that the opportunity to jump-start several completely new industries in Cayman requires a new way

of thinking. The framework that has been created with the Special Economic Zones Law and this and other amendments is one that is designed to encourage new business activities, but will not compete with local business interests.

In fact, the CEC development will create new entrepreneurial opportunities that will significantly benefit our economy. In order to do this the legislative and regulatory framework for special economic zones must both accommodate and facilitate new businesses. It must also facilitate the specialised labour needed by those businesses. As a partner with Government, the Cayman Enterprise City has made a commitment to encourage employment opportunities within its zone. This is clear both from the CEC career development bureau and its mandate, as well as the educational opportunities that will become possible through the academic part component of the CEC development.

Madam Speaker, I trust that Members will agree with this Bill.

**The Speaker:** Thank you.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I call on the Premier to conclude.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I want to thank Members for their unspoken support.

**The Speaker:** The question is that the Immigration (Amendment) (No. 4) Bill, 2011, be given a second reading.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Immigration Amendment (No. 4) has been given a second reading.**

**Mutual Funds (Amendment) Bill, 2011**  
*[Deferred]*

**The Clerk:** The Mutual Funds (Amendment) Bill, 2011.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I want to seek the indulgence of the House to defer the moving of this Bill to another day.

**The Speaker:** The question is that the Mutual Funds (Amendment) Bill, 2011, be deferred to another date.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Mutual Funds (Amendment) Bill, 2011, deferred to another date.**

**Exempted Limited Partnership Bill, 2011**

**The Clerk:** The Exempted Limited Partnership Bill, 2011.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I beg to move the Second Reading of a Bill entitled the Exempted Limited Partnership Bill, 2011.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Further to the passage of the Special Economic Zones Bill, 2011, on 30 September, that Bill seeks to establish a requirement that an exempted limited partnership that intends to carry on a business that is authorised within a special economic zone to register a name that contains the words "special economic zone" or the letters "SEZ."

Through this naming requirement it will be easier to identify a partnership registered in the Cayman Islands that is conducting business within a special economic zone and thus limited in how it operates within the local economy.

This is a minor amendment, Madam Speaker, that supports the framework created by the special economic zone and I would urge Members to offer their support.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, Honourable Premier, would you like to reply?

**The Premier, Hon. W. McKeever Bush:** Just to thank Members for their support, Madam Speaker.

**The Speaker:** The question is that a Bill entitled the Exempted Limited Partnership (Amendment) Bill, 2011, be given a second reading.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Exempted Limited Partnership (Amendment) Bill, 2011, given a second reading.**

**Companies (Amendment) (No. 2) Bill, 2011**

**The Clerk:** The Companies (Amendment)(No.2) Bill, 2011.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move the Second Reading of a Bill entitled the Companies (Amendment)(No. 2) Bill, 2011.

**The Speaker:** The Bill has been moved a second time. Does the mover wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, this Bill also has to do with the Special Economic Zone Bill.

Through this naming requirement, Madam Speaker, it will be easier to identify an exempted company registered in the Cayman Islands that is conducting business within a special economic zone and thus limited in how it operates within the local economy.

Additionally, the proposed amendment provides for the application process for the exempted company to be registered as a special economic zone company. This includes specification of a fee that is equal to the lowest band of the annual fee payable by an exempted company. This fee is currently set at \$600.

I would note that further to input from the private sector there are several committee stage amendments that will be presented. Thank you.

**The Speaker:** Thank you, Mr. Premier.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, Honourable Premier, would you like to wind up your debate?

**The Premier, Hon. W. McKeever Bush:** No, Madam Speaker, just to thank Members.

**The Speaker:** The question is that a Bill entitled the Companies (Amendment) (No. 2) Bill, 2011, be given a second reading.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Companies (Amendment) (No. 2) Bill, 2011, given a second reading.**

**Customs (Amendment) Bill, 2011**

*[Postponed]*

**The Clerk:** The Customs (Amendment) Bill, 2011.

*[pause]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I guess we should take a motion to move on to the next item until I gather some notes on the next bill. If we could move to the Patents and Trade Marks Bill I would appreciate it, Madam Speaker.

**The Speaker:** We will bring the Customs (Amendment) Bill after? Is that—

**The Premier, Hon. W. McKeever Bush:** Yes Ma'am.

**The Speaker:** I don't think we need a motion for that if we are going to take it today.

Shall we move on to the Patents and Trade-marks Bill? The Customs (Amendment) Bill is postponed until later in the day.

**Patents and Trade Marks Bill, 2011**

**The Clerk:** The Patents and Trade Marks Bill, 2011.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I beg to move the Second Reading of a Bill entitled the Patents and Trade Marks Bill, 2011.

**The Speaker:** The Bill has been given a second reading. Does the Honourable Premier wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, this Bill seeks to repeal and replace the present Patents and Trade Marks Law (2010 Revision) in order to provide for the modern regulation of the practice at the Registry of Patents and Trade Marks and to make provision for inactive patents and trade marks registered agents and certificates of good standing.

Further to discussions and feedback received from the private sector over the last few years, consensus was reached on an approach to bring our Patents and Trade Marks Registry more in line with the practices in other jurisdictions and to make several

improvements that would lead to greater efficiency and revenue potential for the government.

The substantial change from the existing Patents and Trade Marks Law is that the provisions of this Bill would limit the access to the Registry by parties who are not based in our Islands. The Patents and Trade Marks Bill seeks to displace these parties and to create an anchor for keeping economic activity within this jurisdiction by creating a gateway where all activity with the Registry, other than searching, is required to go through a Cayman-based registered agent.

In this regard, it should be noted that the concept of a Cayman-based registered agent is not unusual, and currently Cayman is one of the few offshore financial centres which allow direct access to their Registry.

The Bill also provides for a fiscal penalty for the late payment of the annual fee, as well as administrative changes which extend to the abandonment, reactivation and the suspension of a trade mark or patent.

The passage of this Bill will likely provide some administrative relief to the Registry, some small amount of revenue, but could also result in creation of a few jobs in the local economy.

Madam Speaker, I trust that Members will lend support for the Patents and Trade Marks Bill, 2011.

**The Speaker:** Does any other Member wish to speak?

First Elected Member for George Town.

**Mr. D. Kurt Tibbetts, First Elected Member for George Town:** Thank you, Madam Speaker.

I certainly do not think for a minute that we on this side will not support the Bill. I certainly believe that we will. But I just want to bring two short points to the attention of the Honourable Premier, perhaps just to consider.

I listened to him very carefully when he was bringing the Bill a few short minutes ago, and he did say that Cayman is one of the few jurisdictions which allow direct operation from outside parties with regard to registering patents without using a local agent.

I just want to make sure that we have considered the competition very carefully and we are not putting ourselves at a disadvantage. I understand the point; but I just want to make sure. When I say “the competition” I mean the competition that we would consider relevant.

I can’t stand here and say that I know which other jurisdictions allow and which do not, but I do know that in the past there was some consideration and there was always a certain level of difficulty because of the way that other jurisdictions—who we consider to be real competition in this area—were operating.

So, if we are satisfied, that is fine. I just personally would like to hear some details so we know who is who, and who does what, just to feel comfortable.

[pause]

**Mr. D. Kurt Tibbetts:** Madam Speaker, the other point that I would like to draw to the attention of the Honourable Premier is clause 17, which “**provides for publication in the Gazette of all recordings and cancellations of records made in the Registry (other than the recording of the expiry or abandonment of a patent or trade mark or the appointment of a registered agent in respect of any patent or trade mark).**”

Madam Speaker, I am not with full knowledge at this point about when last there was a review of the cost of having such matters gazetted. But unless something has been done very recently, Madam Speaker, those costs, in my view, are way behind and need to be reviewed. This is not about the Government driving up the cost of doing business. But from my own experiences with the Gazette, the cost to have patents and trade marks’ gazetted is infinitesimal (and if there is a stronger word I can’t think of it right now) to what the whole operation costs any entity to have the matter completed and registered. I believe that it is convenient and appropriate to [review] those costs now. I do not know whether it can be done by regulations. In fact, I suspect it can be done by regulations. But I believe that that needs to be looked at.

The other question which we are not 100 per cent sure of, Madam Speaker, is in clause 10 of the Bill, which “**provides for the effect of the recording of an extension to the Islands of a right in or to a trade mark to be such that the owner of such a right has the protection and rights afforded to the owner by virtue of the Merchandise Marks Law (1997 Revision) and all equivalent rights and remedies available to such owner in respect of the patent in the United Kingdom.**”

Madam Speaker, I do my best to understand the Queen’s English, and I want to say that I believe that I understand the intent of this section. But I just want to use an example, and perhaps the Honourable Premier can clarify, because I am not quite sure what that section does with regard to having any effect here in the Cayman Islands.

You will have . . . and I have to call a name to make the point, but it is not that it matters. So I am not pointing fingers at anyone. You have “McDonalds,” which is a registered patent and trade mark in the US, for instance, and then you might have a “MacDonalds” here in Cayman, which is just a registered company. Or, you might have another named company, “Tru Value,” with just a different spelling of the name or such the like. I am wondering whether this section causes any difficulty locally, even though it is not the

intent of anyone to try to say that they are part and parcel of a franchise.

Perhaps the name used is just catchy and perhaps makes good business sense in their minds. While there are probably not many of those situations, there will be a few. And I am wondering if we can have some clarity in that section as to how it affects the local business people in their operation.

Madam Speaker, outside of that I believe we are content with this Bill, and we would appreciate some clarification, explanation and comment on the questions we raised. Thank you.

**The Speaker:** Thank you, First Elected Member for George Town.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I call on the mover of the Bill.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I want to thank the Member for his observations.

This Bill has been under discussion for some time and this has been done in consultation with the private sector. The Bill, Madam Speaker, forces more access through the local agents, which are the private sector businesses, which means more business for them. So it is a Bill that has had its round of discussions and advice from the private sector.

On the matter of clause 10, Madam Speaker, that has not changed from the way the Bill is at present. So nobody is going to be hurt there. Clause 10 allows extension of a UK mark to Cayman. This is the current practice.

As I said, this is not change . . . this is a complete reworking of the [Law] but the Bill contains some of the clauses that were old. Where we changed clauses was where we needed to modernise. So, it is beneficial, as it allows protection, this clause 10, of marks under the international conventions that the UK is party to.

Madam Speaker, what we are getting here is a modern Bill dealing with more access for our local businesses. But the Bill (the new Law), incorporates some of the old Law which has been kept because it was found to be working. In other words, it was found to be all right.

Thank you, Madam Speaker.

*[Inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** *[addressing the inaudible interjector]* Seventeen. What point was that?

*[Inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** *[addressing the inaudible interjector]* Inserting it

*[Inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** *[addressing the inaudible interjector]* Publish cost. Yes.

Madam Speaker, it is something that we would have to look at.

**The Speaker:** The question is that the Patents and Trade Marks Bill, 2011, be given a second reading.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Patents and Trade Marks Bill, 2011, given a second reading.**

#### Traffic Bill, 2011

*[Deferred]*

**The Clerk:** The Traffic Bill, 2011.

**The Speaker:** Honourable Minister.

**The Deputy Premier, Hon. Juliana O'Connor-Conolly:** Thank you, Madam Speaker.

Due to circumstances beyond my control, I beg to move a motion for the deferral of this Bill until tomorrow morning.

**The Speaker:** The question is that the Traffic Bill, 2011, be deferred until tomorrow morning.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it. The Traffic Bill is accordingly deferred until tomorrow morning.

**Agreed: Traffic Bill, 2011, deferred until the 17 November 2011 sitting.**

**The Clerk:** Committee on Bills.

**The Speaker:** The Traffic Bill has been deferred until tomorrow.

There is another item on the agenda in that area.

*[Inaudible interjections and long pause]*

**The Speaker:** The House will now go into Committee to consider the Bills.

**House in Committee at 11.14 am**

**COMMITTEE ON BILLS**

**The Chairman:** Please be seated.

The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and such the like in these Bills?

Would the Clerk please state the Bill and read the Clauses.

**Immigration (Amendment) (No. 4) Bill, 2011.**

**The Clerk:** The Immigration (Amendment) (No. 4) Bill, 2011.

- Clause 1 Short title
- Clause 2 Amendment of section 2 of the Immigration Law (2010 Revision)—definitions
- Clause 3 Insertion of section 40A—provisions not applicable to special economic zone developer and special economic zone enterprise
- Clause 4 Amendment of section 48—grant or refusal of work permit

**The Chairman:** The question is that clauses 1 through 4 stand part of the Bill.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 4 passed.**

**The Clerk:** A Bill for a law to amend the Immigration Law (2010 Revision) to provide for employment in special economic zones; and to provide for incidental and connected matters.

**The Chairman:** The question is that the Title do stand part of the Bill.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**Exempted Limited Partnership (Amendment) Bill, 2011**

**The Clerk:** The Exempted Limited Partnership (Amendment) Bill, 2011.

- Clause 1 [Short title]
- Clause 2 Amendment of section 2 of the Exempted Limited Partnership Law (2010 Revision)—definitions
- [Clause 3] Amendment of section 6 of the Exempted Limited Partnership Law (2010 Revision)—name and registered office

**The Chairman:** The question is that clauses 1 [through 3] stand part of the Bill.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 [through 3] passed.**

**The Clerk:** A Bill for a law to amend the Exempted Limited Partnership Law (2010 Revision) to provide for exempted limited partnerships that are carrying on special economic zone business; and to provide for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**Companies (Amendment) (No. 2) Bill, 2011**

**The Clerk:** The Companies (Amendment) (No. 2) Bill, 2011.

- Clause 1 Short title
- Clause 2 Amendment of section 2 of Companies Law (2010 Revision) – definitions and interpretation
- Clause 3 Amendment of section 30 - restrictions on registration of certain names

**The Chairman:** The question is that clauses 1 through 3 stand part of the Bill.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 3 passed.**

**The Clerk:** Clause 4 Insertion of Part VIIIA—special economic zone companies.

**The Chairman:** Honourable Premier, there is an amendment [to clause 4] for which I have given permission.

**Amendment to Clause 4**

**The Premier, Hon. W. McKeever Bush:** Yes, Madam Chairman. It is quite a long amendment. I will move the amendment and then speak to it.

In accordance with Standing Order 52(1) and (2), I, the Minister of Tourism, Finance and Development, move give notice to move the following amendment to the Companies (Amendment)(No.2) Bill, 2011.

Madam Chairman, there are several clauses to be amended, but further to Cabinet's approval of the Companies (Amendment) (No. 2) Bill, 2011, several suggestions from the Financial Services Legislative Committee were considered. These changes to the Companies (Amendment) (No. 2) Bill, 2011, in essence simplify the requirements related to the registration of special economic zone companies.

Given the nature of that proposed type of exempted company, it was determined that several requirements related to the more traditional exempted company and exempted (limited duration) company were not applicable. The effects of the changes are as follows: 1) to delete the requirement of a special economic zone to have at least two subscribers; 2) to delete the provision dealing with the contents of articles of association for a special economic zone company; and 3) to amend the provisions dealing with cancellation and registration to clarify when a company ceases to be a special economic zone company.

It seeks to delete clauses 4 and substituting clause [182A](1), (2) and (3); 182B with clauses (1), (2) and (3); and 182C with clauses (1) and (2); and [182B], Madam Chairman.

I am not reading the whole clauses. I don't know if you want me to go through reading them, but I have spoken to the reasons why and pointed out the clauses.

**The Chairman:** I think Honourable Premier, although it is quite long, we need to read the clauses into the record.

**The Premier, Hon. W. McKeever Bush:** Madam Chairman, then, the principal Law is amended by inserting after Part VIII the following Part:

182A (1) An exempted company may, at any time, apply to the Registrar to be registered as a special economic zone company.

(2) An application may also be made under subsection (1) at the same time as an application is made –

- (a) to register a proposed company as an exempted company;
- (b) to re-register an ordinary non-resident company as an exempted company;
- or
- (c) to register a company by way of continuation as an exempted company.

(3) An application under subsection (1) shall be accompanied by a fee which shall be equal to the lowest band of the annual fee payable by an exempted company under section 169(1) as specified in paragraph (a) of Part 4 of the Fifth Schedule.

182B (1) The Registrar shall register as a special economic zone company an exempted company that has made application under section 182A if -

- (a) where the company was not already registered as a company prior to the application -
  - (i) the memorandum of association of the company specifies that the business of the company includes special economic zone business; and
  - (ii) the name of the company includes the words "Special Economic Zone Company" or the letters "SEZC"; and
- (b) where the company was already registered as a company prior to the application -
  - (i) the Registrar has been supplied in, accordance with section 62, with a copy of a special resolution of the company altering its memorandum of association to carry on special economic zone business; and
  - (ii) the Registrar has been supplied, in accordance with sections 31 and 62, with a copy of a special resolution of the company changing its name to a name that includes the words "Special Economic Zone Company" or the letters "SEZC".

(2) On registering an exempted company as a special economic zone company the Registrar shall -

- (a) in the case of a company referred to in subsection (1)(a), certify in the certificate of incorporation issued in accordance with section 27(1) or the certificate of registration by way of continuation issued pursuant to section 201(1) that the company is registered as a special economic zone company; and
- (b) in the case of a company referred to in subsection (1)(b), issue a certificate

stating that the company is registered as a special economic zone company and stating the date of such registration.

(3) A special resolution passed for the purpose of subsection (1)(b)(ii) has no effect until the company is registered as a special economic zone company.

[pause]

**The Premier, Hon. W. McKeever Bush:** Madam Chairman, I've been reading this as 18(2); but it's 182. The Clerk hasn't corrected me, but it must be one hundred and eighty two [182]. I think those numbers . . . Madam Chairman, we'd better correct that, instead of being 18(2)(a), that would have been 182A and so on.

Coming now to 182C:

182C (1) A company ceases to be a special economic zone company if -

- (a) the Registrar issues a certificate under section 207 on de-registration of the company; or
- (b) the Registrar issues a certificate of incorporation -
  - (i) in accordance with section 31(2) which records a change of name for the company that does not include the words "Special Economic Zone Company" or the letters "SEZC"; and
  - (ii) altered to meet the circumstances of the case, where the company passes a special resolution in accordance with section 10 to alter its memorandum of association to exclude the carrying on of special economic zone business, and in the case of paragraph (b), the company pays a de-registration fee of four hundred dollars.

(2) On a company ceasing to be a special economic zone company the certificate issued by virtue of section 182B(2) ceases to have effect.

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak?

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I would put the question.

The question is that the amendment stands part of the clause. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment passed.**

**The Chairman:** the question is that the clause as amended stands part of the Bill.

Does any Member wish to speak? [pause]  
If not, I will put the question—

**Mr. V. Arden McLean:** Madam—

**The Premier, Hon. W. McKeever Bush:** Which one?  
Sorry, Madam Chairman, I didn't—

**The Chairman:** Member for East End.

**Mr. V. Arden McLean:** Madam Chair, is it anticipated that there may be a possibility of registering? Once these companies cease to be a part of the SEC, would they be allowed to register in the Cayman Islands as a local company?

**The Premier, Hon. W. McKeever Bush:** Madam Chairman, my understanding is that that is possible, that they could re-register. But they will not be getting it under the same circumstances.

In other words, they will not get incentives and so on. If they re-register, it will be a re-registration.

[inaudible interjection]

**Mr. V. Arden McLean:** Madam Chair, just to say that we are talking about companies that came in specifically to go into this place, and we have been talking about IBM and the likes, and the likes, and the likes, and other technology companies, so to speak. Are we saying now that they come in, get involved here, and there is a possibility that they could be people in this country of sufficient means who could register a company as SEC, and then for the purposes of establishing a particular business can later on go out into the private sector to compete against Caymanian businesses? Because that was the objective of creating this particular zone, that they would not compete with Caymanian businesses, established businesses.

Are we saying that that is a possibility?

**The Premier, Hon. W. McKeever Bush:** Madam Chairman—

**Mr. V. Arden McLean:** Can we have an example of it?

**The Premier, Hon. W. McKeever Bush:** Madam Chairman, I think I told them that the protections would be there. They would have to re-register. They would have to get the Local Companies Control Law (LCCL), which the Government controls. They can't just come up and say *I'm coming to do business*. Like any other company—

**Hon. Cline A. Glidden, Jr., Third Elected Member for West Bay:** Like just how it is now.

**The Premier, Hon. W. McKeeva Bush:** And that's how it is right now. They just can't come in and say, *We are going to do business.*

*[inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** *[Addressing inaudible interjection]* Yeah.

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** Fresh!

**Mr. V. Arden McLean:** Madam Chair, I appreciate that. But, under what circumstances would a company coming into Cayman under SEC, and then deciding [that] they don't want to stay in that anymore (and they do the resolution and get it to cease in there) . . . what would be the purpose of them going out into the private sector unless it [was] to compete against the Caymanian business?

Caymanians can open any type of business outside of that, which can be similar in content and business-wise. But then someone comes in here in an environment and the only reason they would be doing it is [because] it is not working in there. Why would we allow them to come outside then?

**The Premier, Hon. W. McKeeva Bush:** Well, ask yourself why we allow them now. There is a process that exists now—and has existed from the early '70s or late '60s—where they have to go through the rigmarole of getting a trade and business licence, they have to get local control licences, company partnership. That is allowed now.

There are processes, which, I should say we are tightening up, in fact, making certain business Caymanian only. I can't see into the future and I can't predict what anybody would do. I wish I could! So, I can't say why; but what I am saying is that I do know the processes that exist and they would have to follow those processes.

And the Law points out that if they want to, there is a de-registration process.

**Mr. V. Arden McLean:** Madam Chair, I appreciate the Premier's explanation, but by the same token, there are Caymanian businesses out there, and even under the LCC it would mean they are competing with Caymanian businesses, and we must go back and look—

**The Premier, Hon. W. McKeeva Bush:** Madam Chairman, Madam Chairman, that has no pertinence to this Bill.

**Mr. V. Arden McLean:** We must—

**The Premier, Hon. W. McKeeva Bush:** I see what the Member is saying. Perhaps he has a concern, or

maybe he is just being mischievous, I don't know, but certainly I have explained to the Member that that cannot happen under the Bill unless there is a deregistration and they have to go through all of the processes which carry the safeguards which are pertinent to the law or exist in the law and they cannot do anything else but that, and Caymanians are protected.

Now, the Member wants to raise something, some *Alnaschar-like* plan, or something that somebody may have. I can't, I can't say what people may do; but I know what our law protects.

**Mr. V. Arden McLean:** Madam Chair, I am not trying to . . . I am trying to understand this. We need to go back—

**The Premier, Hon. W. McKeeva Bush:** No!

**Mr. V. Arden McLean:** —to the original reason why we have set up an SEC [Special Economic City], and that is to attract that type of development, businesses, and we have set this zone up so it does not compete with Caymanian businesses. But we—

**The Premier, Hon. W. McKeeva Bush:** Madam Chairman, I wonder if the Member—

**Mr. V. Arden McLean:** If I may—

**The Premier, Hon. W. McKeeva Bush:** I wonder if he appreciates that if they leave the City, the economic zone, that they forego the ability to do the business in the international arena.

**Mr. V. Arden McLean:** Madam Chair, I appreciate all that. I understand all that.

**The Premier, Hon. W. McKeeva Bush:** Well—

**Mr. V. Arden McLean:** But my concern is much greater than that, and that is that they are going to compete against Caymanian established businesses and affect their ability in the marketplace. That's where my concern is.

I mean, what reason would they have to move over there?

**The Premier, Hon. W. McKeeva Bush:** And why are they not doing so if that is what their intention is? They could do so now.

**Mr. V. Arden McLean:** I understand that. I understand that.

**The Premier, Hon. W. McKeeva Bush:** Stop raising this spectre of people coming in and driving our people out of business. That is what you are attempting to do, and I am not going to . . .

I don't have any more to tell the Member, Madam Chairman. I have explained that if someone comes into that city—which could be a Caymanian also, could be a Caymanian—to do business, gets that opportunity. If they want to re-register, because there is a special registration for going in there, if they want to re-register they have to go through the various processes that exist and the various laws that we have that cause those processes.

Like I said, they would have to get a licence through the Local Companies Control Law. They would have to advertise for a Caymanian partnership and all those sorts of things.

**Mr. V. Arden McLean:** Is it—Madam Chair—

**The Premier, Hon. W. McKeever Bush:** If that is a foreign person. If it is a Caymanian person, well they would not have to go through those processes.

**Mr. V. Arden McLean:** Madam Chair, I appreciate that.

All I am asking the Premier (and this is my last comment on it) is why legislate to make the provision that that could happen? Why can't we prevent that from happening?

**The Premier, Hon. W. McKeever Bush:** How?

**Mr. V. Arden McLean:** By saying, Madam Chair, that any foreign company that operates in there and ceases to operate in there in accordance with law will not be allowed to operate any company in the Cayman Islands under the same condition.

**The Premier, Hon. W. McKeever Bush:** But that is the case!

Now, in your winding up you just added the important words.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** You are confusing the whole issue. You just said. . . Your closing, your last two or three words should tell you.

*[inaudible interjection]*

**Mr. V. Arden McLean:** But I am not talking about the concessions—

**The Premier, Hon. W. McKeever Bush:** They cannot come back outside and do business in the same conditions. They have to re-register. They have to come back and advertise. They have to get a Local Companies Control licence, if they can get one. They have to get a Caymanian partner, if one is available. All these things are what they supposed. . . and they lose their benefits.

**Mr. V. Arden McLean:** Madam Chair, I appreciate that. I am talking about the same type of business; the same, whether it is technology or this or that, whatever that is. That is what I am talking about. The same type of business, under the same—

**The Premier, Hon. W. McKeever Bush:** Well, why did they go in there? If they went in there to do biotechnology why did they not come do it now? They can do it you know. Why?

**Hon. Rolston M. Anglin, Minister of Education, Training and Employment:** And if Caymanians could get a good business, why would we prevent them?

**Mr. V. Arden McLean:** But, Madam Chair, if a Caymanian is in biotechnology out here, and they have someone on the inside who can decide to cease that business in there to come outside and compete with that Caymanian—

*[Inaudible interjection]*

**Hon. Rolston M. Anglin:** But he can't do that. How is he going to do it and just compete with the Caymanian and—

**Hon. Cline A. Glidden, Jr., Third Elected Member for West Bay:** Suppose it is a Caymanian?

**Hon. Rolston M. Angling:** And they would have to get rid of this licence. What stops them from doing it now? What stops them from doing it now, Member for East End?

**Mr. V. Arden McLean:** Nothing stops them but later he may see that the Caymanian outside is doing much better *[inaudible]*

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** And so what stops a Caymanian from getting in a partnership?

**The Premier, Hon. W. McKeever Bush:** Madam Chair, I doubt that I can explain any more for that Member. The Member knows what he is doing. It's quite good for him to raise the spectre of someone coming in and grabbing up all the business from the local people. And that is what he is trying to raise.

I wasn't born today. I have been here a long time and I can't explain any more to that Member.

**The Chairman:** The question has been aired, I think sufficiently.

The question is that the clause as amended stands part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 4 as amended passed.**

**The Clerk:** A Bill for a Law to amend the Companies Law (2010 Revision) to provide for special economic zone companies; and to provide for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

#### **Patents and Trade Marks Bill, 2011**

**The Clerk:** The Patents and Trade Marks Bill, 2011

Clause 1	Short title
Clause 2	Interpretation
Clause 3	Continuation of Registry
Clause 4	Continuation of Registrar and staff
Clause 5	Duties of Registrar
Clause 6	Requirement for registered agent
Clause 7	Recording of patents and trade marks
Clause 8	Mode of recording rights
Clause 9	Effect of recording a patent
Clause 10	Effect of recording a trade mark

**The Chairman:** The question is that clauses 1 through 10 do stand part of the Bill.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 10 passed.**

**The Clerk:**

Clause 11	Period of validity and certificate of good standing
Clause 12	Annual fee
Clause 13	Changes
Clause 14	Renewal of patent or trade mark

**The Chairman:** The question is that clauses 1 through 14 do stand part of the Bill.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 11 through 14 passed.**

**The Clerk:** Clause 15 Abandonment of patent or trade mark.

#### **Amendment to Clause 15**

**The Chairman:** There is an amendment to that clause.

**The Premier, Hon. W. McKeeva Bush:** Madam Chairman, in accordance with the provisions of Standing Order 52(1) and (2), I, the Premier, the Honourable Minister of Finance, Tourism and Development, give notice to move the following amendment to the Patent and Trade Marks Bill, 2011, that the Bill be amended in clause 15(2) by inserting the words "patent or" between the words "the" and "trade mark."

This was inadvertently left out, I think, Madam Chairman.

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?

If not, I will put the question that the amendment stands part of [clause 15]. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment passed.**

**The Chairman:** The question is that the clause as amended stands part of the Bill. Does any Member wish to speak thereto?

If not, I will put the question that clause 15 as amended stand part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 15, as amended, passed.**

**The Clerk:**

Clause 16	Cancellation of record
Clause 17	Publication in Gazette
Clause 18	Jurisdiction of Grand Court
Clause 19	Searches
Clause 20	Regulations
Clause 21	Repeal of Patents and Trade Marks Law, (2010 Revision)
Clause 22	Amendment of Schedule

Clause 23 Savings, transitional and consequential provisions

**The Chairman:** The question is that clauses 16 through 23 do stand part of the Bill.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 16 through 23 passed.**

**The Clerk:** Schedule: Fees

**The Chairman:** The question is that the Schedule do stand part of the Bill.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Schedule passed.**

**The Clerk:** A Bill for a Law to repeal and replace the Patents and Trade Marks Law (2010 Revision) to provide for the modern regulation of the practice at the Registry of Patents and Trade Marks; and to provide for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**The Chairman:** The question now is that the Bills be reported to the House.

All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bills to be reported to the House.**

**House resumed at 11.51 am**

**The Speaker:** The House will now resume. Please be seated.

## REPORT ON BILLS

### Immigration (Amendment) (No. 4) Bill, 2011

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I have to report that a Bill entitled The Immigration (Amendment) (No. 4) Bill, 2011, was examined by a committee of the whole House [and passed] without amendment.

**The Speaker:** The Bill is duly reported and is set down for third reading.

### Exempted Limited Partnership (Amendment) Bill, 2011

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I have to report that a Bill entitled The Exempted Limited Partnership (Amendment) Bill, 2011, was examined by a committee of the whole House and passed [without amendment].

**The Speaker:** The Bill is duly reported and is set down for third reading.

### Companies (Amendment) (No. 2) Bill, 2011

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I have to report that a Bill entitled The Companies (Amendment) (No. 2) Bill, 2011, was examined by a committee of the whole House and passed with amendment.

**The Speaker:** The Bill is duly reported and is set down for third reading.

### Patents and Trade Marks Bill, 2011

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I have to report that a Bill entitled The Patents and Trade Marks Bill, 2011, was examined by a committee of the whole House and passed with amendment.

**The Speaker:** The Bill is duly reported and is set down for third reading.

I think this is a convenient time for us to take the lunch break until 1.30. The next item is a Private Member's Motion and I would not want to interrupt the debate on that.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, we expect to work until probably around 4.30 if the agenda is not completed. Sorry, at least some Members have commitments, maybe most Members, and we are going to try to work . . . I said 4.30, but thereafter, probably 5.30.

**The Speaker:** Thank you.

The House is suspended until 1.30 pm.

**Proceedings suspended at 11.55 am**

**Proceedings resumed at 2.11 pm**

**The Speaker:** Proceedings are resumed. Please be seated.

In the sitting this morning, the Customs (Amendment) Bill, 2011, was postponed to be handled later in the day.

Madam Clerk, please read the Bill.

## GOVERNMENT BUSINESS

### BILLS

#### SECOND READING

##### Customs (Amendment) Bill, 2011

**The Clerk:** The Customs (Amendment) Bill, 2011, Second Reading.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I beg to move the Second Reading of a Bill entitled the Customs (Amendment) Bill, 2011.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** I am running ahead of myself, Madam Speaker.

Madam Speaker, the Bill seeks to impose a maximum fine in respect of the unauthorised opening of a container before it is inspected by the Customs Department, and to make provisions for incidental and connected purposes.

On average each quarter foot container arriving to the islands is said to contain within the region of \$30,000 to \$40,000 worth of dutiable cargo. Containers which are selected for inspection by Customs are normally sealed and release to the consignee with physical inspections taking place at the trader's premises. In the event the importer has a quantity of undeclared goods inside the container, or, on a more serious note, prohibited items, such as drugs or firearms, there is almost a certainty that such importer will break the Customs seal and lock and discharge any

excess goods or prohibited items prior to the arrival of Customs.

The law enforcement agencies believe that the current provision for the imposition of penalties within the Customs Law for procedural offences, no longer serve as a deterrent to potential smugglers and other perpetrators. The maximum penalty payable under section 59, procedural offences, is \$1,000 and, similarly, under section 60(a), (b) and (d), miscellaneous offences, it is \$1,200 and six months' imprisonment.

The revised and proposed penalty, which is a maximum of \$100,000, should serve as a deterrent to unlawfully breaking the seal or tampering with a container in any way prior to Customs inspection.

Madam Speaker, clause 1 provides the short title, and clause 2 amends section 14 of the Customs Law to impose the fine if the bulk is broken, any alteration is made to stowed goods, goods are destroyed, or if any container is opened.

Madam Speaker, I commend the Bill to the House.

**The Speaker:** Does any other Member wish to speak? [pause]

First Elected Member for George Town.

**Mr. D. Kurt Tibbetts:** Thank you, Madam Speaker.

Madam Speaker, I hope that you and everybody else will find my comments appropriate. I totally agree with what is being put forward by the Honourable Premier, and I am certain that I can speak on behalf of those on this side to say that we have no problem with the proposed Bill.

However, I do believe the Honourable Premier, and if not all of his colleagues, at least some of them, and the Official Members who sit here today (at present I only see one), have heard the complaint before of containers being loaded in various advantageous locations on this Island and allowed to be taken to suitable vessels to be shipped overseas and they are not checked.

Madam Speaker, the police . . . and let me tell you something. Today is not a good day. But the police like to quote statistics and they talk about how this is down and that is down, and this is flat and that is round. But, Madam Speaker, I bet you will not hear the statistic that less than 1 per cent of stolen property is found.

[desk thumping]

**Mr. D. Kurt Tibbetts:** Now, Madam Speaker, for years . . . and I call the name of the police, not because it is just the police to blame; every single level of authority in this country, today and yesterday, but today too (I could almost believe for tomorrow, but I can't go that far), is fully aware of this situation. They have been told. And every single one of them said,

"Yes, I know." Not one of them said, "I don't know," or "I haven't heard that before." And, Madam Speaker, not one of them could come here today and say they have done something about it.

The legislators create the legislation. The legislators make the laws. And there are various agencies outside of these hallowed halls that are charged with enforcing these laws. So, Madam Speaker, what we have here today is a situation where because of the possibilities that we know exist with regard to facilitating crime, we are moving forward and the Honourable Premier has brought a Bill to let individuals and entities know that the authorities here are not going to tolerate anything being done that is untoward with regard to importation of illegal goods—whatever those goods are.

Hence, if someone takes it on their own to try and open a container until it has been properly opened by the relevant authority, regardless of the reason, that person is liable for fine and possible imprisonment. This is an attempt to discourage any facilitating of criminal activity. But, Madam Speaker, what I have just brought about in my personal view encourages the facilitating of crime more so than if no attention is paid to what is being done with this Bill now, because it is being done all the time.

Madam Speaker, let me just take two minutes. I will not be very long, but I want you to believe that it is something that is painful. For the love of me I cannot understand why nothing is done. If I did not know better, I would think there is somebody who wants to facilitate it! I mean that! Because it is not like you can't do anything about it; it's not like you can't prevent a plane crash. It's not like that.

You see, Madam Speaker, there may be an ease for people who want to send things home. And they do what is done on a regular basis by customs brokers and by freight forwarders, which is no one needs a full container, so we take the container and put everybody's stuff in it, fill it up and then everybody pays less. I understand that. That's fine.

*[Inaudible interjection]*

**Mr. D. Kurt Tibbetts:** *[Replying to inaudible interjection]* The fancy word they use is "consolidation." That's fine.

But, Madam Speaker, if consolidation is going to be allowed, it must be allowed in an orderly fashion and there must be records of what is being sent out.

I remember the last time I brought it up in a meeting (which was a closed door meeting, Madam Speaker), and I hate to be morbid, but I can tell you this because I believe this to be the fact. It is very possible for bodies to be sent off the Island in this manner without anybody knowing about it. I didn't say it has happened. That is not what I am saying. But the way that these things operate, it is possible for it to happen.

Now, just think about it. And think about all of the unsolved crimes at all levels. It's scary! And, Madam Speaker, frankly, I think of all of them, friends and those who I don't know . . . and I really don't care today. I want every one of them to hear because I want them to do something about it. We must have the ability to coordinate the efforts of the various agencies to ensure that when such consolidation is being done, regardless of where it is going everything that goes inside of there must show a record of where it was purchased or how it was purchased.

Do you know what, Madam Speaker? Forgive me, but the first thing that you are going to hear is that that is such a hassle. Yes, that is what you are going to hear; it's a big hassle. But, Madam Speaker, if that is a hassle, then it is a hassle for everybody to bring in anything because you still have to go through the same process when you bring anything in. I don't care what it is. And when it goes over to Cayman Brac or Little Cayman, it is checked the same way. So what are we talking about? What is the hassle? What is the fear of doing it the right way?

When they break in and steal the television and whatever else, where do they go? Does anybody truthfully believe that they are pawned off around here? Or fenced off around here? Absolutely not! Where they gone? They don't steal them to dump them in the sea to create an artificial reef! We have enough of them otherwise. And, Madam Speaker, to think about it, I am truly serious . . . it could be anything from a car right down.

I am sick of listening to people tell me that the police do nothing. There is a burglary or a robbery or whatever . . . let me not say a robbery; a burglary. The police come, they take all the information. Even if you wait till the next day for the fingerprint expert to come and you can't sleep in your own bed the night before and you hear nothing more. Six months later, one year later, two years later, you hear nothing more than the first time the police came. If there are not more cases of that than those that bring about results, then I am not standing here.

So, understand this clearly, nation. I am not standing here trying to castigate or blame the police alone. I am saying that we have a problem. And it is not Houston; it's Cayman! And I am saying that our authorities must be able to control our borders in a better fashion. Not should—must!

When you make a report to the police about a burglary, the first thing they ask is if you have any identifying marks, meaning serial numbers or anything like that. That tells you that there is a way that you can prove things in the manner in which I am talking about. And they tell you when they have the various promotions that, as part of your security control matters, like appliances, et cetera, you must keep records of what you have to make sure you can identify those things in case they are stolen, such as serial numbers or whatever else.

Madam Speaker, please forgive me, but I believe there is as much relevance to this as the Bill that is in front of us, and it is the same kind of thing, it's just that we do not have any Bill brought about this now. I am trying my best to not be repetitive, but to ensure that the point is made, Madam Speaker.

Madam Speaker, if we look at any circumstance under which consolidation of containers is allowed in this country and moved off Island, it has to be a situation where the proper authorities have the ability to do the same thing they do now with those that are imported. All this whole thing is saying is that the authorities . . . Listen, we, the authorities . . . no matter how many people we have hired, whether we are with a full staff complement or not, we do not have the physical ability to go inside of every container that comes into this country and check every single box that's in that container, or every parcel or whatever, and check it off with an invoice that is provided for the importation of that container along with its bill of lading. We do not have that ability.

But here's what: We are going to keep all of those containers sealed until they are properly cleared and you go through that process. And we are going to spot check various containers every week, so you don't know when yours is going to be spot checked. And if you open the seal of that before we come to spot check it, no matter which way we go about it, or if we find it opened before it leaves the dock or the distribution centre, then, here is what you are liable for. That is what this is saying.

Madam Speaker, I do not have the statistics, but I can guarantee you that it is hundreds of containers, if not thousands, coming into this country each week. Now, there are those which leave the country in the same fashion that I just spoke about coming in. The majority of those are then empty going out because we don't have much of a trade with export.

Sometimes you have stuff going out, depending on what it is. Sometimes it's recycled stuff or otherwise, but it is not much of that which goes on that is going out in the same manner and those containers are loaded. But these are individual containers. Do you know what, Madam Speaker? They are placed in neighbourhoods—hear me carefully! They are placed in a neighbourhood and then however they handle the paperwork amongst themselves, only God knows, because I don't. And then whoever is control of the container just allows the stuff, after it's packaged properly, to be brought out, placed in the container, whoever's name goes on it; it goes inside the container until the container is loaded up. They lock the container, move it and ship it wherever it's shipped. That's how it happens; nothing less, nothing more.

But, Madam Speaker, there are far less of those than the ones that do the regular rotation back and forth via the shipping companies. So why can't we deal with those? Why can't we ensure that what is going out in those containers is not contraband, is not

stolen property? And I don't want to falsely accuse anyone, but there is only one way of knowing. And that is the same way you try to handle it coming in. Yes.

*[Inaudible interjection]*

**Mr. D. Kurt Tibbetts:** *[Replying to inaudible interjection]*

All it requires, Madam Speaker, is the same process as when you are importing things. A proper manifest is produced, proper documentation of proof of purchase of the goods, or if it has been given. Let us say, for instance, it is a secondhand appliance, and people have bought new appliances (which is not infrequent, depending on the type of neighbourhood you are living in). And somebody says, *You can have this*. It is not difficult to simply have some type of documentation, a short letter saying, *This is so-and-so, serial number so-and-so, and I have given so-and-so—bam—and you sign your name*. That is no more than the person who brings in a new washing machine has to do to get that here, in fact, it's much less.

So, Madam Speaker, not with any satisfaction I am going to tell you the truth. But I believe the point is made. And, Madam Speaker, I implore those who are in authority to get something done about this matter because none of us can quantify or qualify how much of our own money that costs this country today because of not dealing with that properly. How many man-hours do the police spend to no avail on reported crimes because that is how the evidence that they might have found otherwise evaporates into thin air?

Madam Speaker, somebody might say I have no statistics or . . . How am I going to have statistics if nobody does? But I am going to tell you what. That is my story and I am sticking to that until somebody proves different. I know it happens!

I have had what those old people call ump-teen reports from individuals who say *this is what happened last week*. And you hear them talking about this thing, *that's what happened last week*. But by then it's gone. And they can afford to talk. And no matter who I tell it to, that's not going to make any difference because nobody can chase it down. That's just like the Queen fish the Member for East End hooked and got away; he'll never find him!

**Mr. V. Arden McLean:** Watch it!

**Mr. D. Kurt Tibbetts:** Or the mutton snapper that I lost last week!

Madam Speaker, that was just a light moment. But, in my view, this is a very serious situation. I am going to end now because I think any other examples would simply be saying the same thing, and I believe the point is made.

I am reminded, before I sit down, that there are also situations where duty waivers are allowed.

Madam Speaker, while they may enjoy the opportunity that they have been afforded by the waiver of duty, we hold the view that they should receive no less than the same treatment. Meaning that Customs should periodically spot-check containers of that nature and they must be sealed and not opened. In fact, if it is not an unreasonable situation to entertain, all of those must be checked because those are probably the ones that are more likely to have more stuff, or the wrong stuff, then what is being manifested duty free, because they are not being checked.

Madam Speaker, you always hear the stories about, *this was allowed in duty free for a specific purpose*—whether it be some charitable organisation or some building or something. The next thing you hear is somebody built a house off of stuff that came in with it and all like that. You hear all of those stories. Madam Speaker, my point is not to accuse anyone or any entity of anything untoward. My point is let us at least try to create a system which does not encourage or allow that so your mind doesn't stray to wonder what happened. Besides, Madam Speaker, if it even costs a little bit extra on one end to have the manpower to physically check that, I am absolutely certain it will save 10 times, if not more than that, on the other end with the aggravation and time that it costs for investigations and never find this and never find that, have a totally dissatisfied public that doesn't have any confidence in the system.

I believe personally that what I speak to is perhaps one of the biggest perpetrators which allows for that to be the case.

Thank you, Madam Speaker.

**The Speaker:** Thank you, First Elected Member for George Town.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I will call on the mover of the Bill to make his concluding remarks.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I wish to thank the Member for George Town on that exposé that really had nothing to do with the Bill but an important point all the same; and one that has plagued the country for many, many years. It is not a "today" problem. Certainly, it existed when he was leading the country as well. But I think he knows that.

Madam Speaker, no doubt that we are faced with a problem. And when he kept saying "official," people can take that to mean that it is this House that must do it.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Well, you should have clarified it a lot more clearly than you did.

But it is point that needs clarifying. It is not this House to do that. There is a mechanism for doing it and certainly it needs to be done.

What I will say to the House is that now that we are spending probably \$4 million on x-ray mechanism which will x-ray all incoming containers, then what needs to be done is that they need to x-ray all outgoing containers if the problem is as great as the Member is saying.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Well, something like it would do so because if they have containers going out, Madam Speaker, and the people have to bring them in to load and ship out, that is the same thing as those coming in.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Well, Madam Speaker, as I said, the matter of stolen goods has nothing to do with the Bill before the House. It is a problem that we have but it is nothing to do with this Bill whatsoever.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** *[Replying to inaudible interjection]* No! I don't agree with that, Madam Speaker. It has nothing to do with the Bill! And if they wanted to debate and be kind they would have expounded on the reasons why we need this Bill! That is how the time should have been taken up; why we need this Bill to x-ray containers coming into this country, because guns, ganja, dope, everything in the world comes in here and people can easily go and know they have it, know what they are doing and only get charged \$1,000 when probably millions of contraband—evil contraband—comes into the country. That's what we have to worry about in this Bill before the House.

The problem of where boats are loaded in canals with stolen goods, as he is saying, has been a complaint all of us hear from our constituents. What we are talking about is what is coming in now—the guns coming in. That is what this Bill is talking about. Coming in!

So, Madam Speaker, I like the exposé but it could have been a lot more relevant if they had expounded on the reasons why we need the Bill.

Madam Speaker, the points are good and I hope that they fall on the right ears.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** *[Replying to inaudible interjection]* Why wasn't it yours when you were there?

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Why wasn't it yours when they were there? Madam Speaker, why wasn't it?

You see they would like the world to believe that every problem the country has started in May 2009. And that is the problem that the country has with the misleading information that is poured out from this House—like what was tried this morning and the daily diet on the radio shows in this country.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** *[Replying to inaudible interjection]* You would like the world to believe that, but everybody knows what position you take at times. You see?

Madam Speaker, they do not have to tell this side the problems that they have experienced. We know that they experienced them—but did nothing about them. Now they would like the world to believe that everything was created now. No, that is not so. We have problems and we are trying hard to deal with them. I wish I could get more support to deal with them.

Madam Speaker, I think Members understand the need for the Bill and anyone listening to us understands the need for the Bill.

**The Speaker:** The question is that The Customs (Amendment) Bill, 2011 be given a second reading. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Customs (Amendment) Bill, 2011 has been given a second reading.**

**House in Committee at 2.48 pm**

## COMMITTEE ON BILL

**The Chairman:** Please be seated.  
The House is now in Committee.

*[inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** I know when you all try to throw cold water on something good; don't worry about that. I have been here a long time.

*[inaudible interjection and a noise in the background]*

**The Premier: Hon. W. McKeever Bush:** I know what the detractions are.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** When that noise started, it was when Alden and Arden went out.

**The Speaker:** Behave yourself.

*[inaudible interjections]*

**The Chairman:** With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and such the like in this Bill?

Would the Clerk please state the Bill and read the Clauses.

### Customs (Amendment) Bill, 2011

**The Clerk:** The Customs (Amendment) Bill, 2011.

**The Chairman:** Honourable Premier, I have given leave for two amendments to be brought to this Bill.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Chairman.

In accordance with the provisions of Standing Order 52(1) and (2) I move the following amendment to The Customs (Amendment) Bill, 2011: That the Bill be amended as follows: by deleting the term "(2010 Revision)" wherever it appears in the Bill, and substituting the term "(2011 Revision)".

**The Chairman:** The question is that the Bill be amended by deleting the term "(2010 Revision)" wherever it appears in the Bill, and substituting the term "(2011 Revision)".

All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: The Bill as amended passed.**

**The Clerk:**

Clause 1	Short Title
Clause 2	Amendment of section 14 of the Customs Law (2010 Revision) – master or commander to make report

**The Chairman:** The question is that clause 1 and 2 stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

### **New Clause 3**

**The Clerk:** New clause Insertion of section 69A in the Customs Law (2010 Revision) - register

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Chairman, I move the following amendment: By inserting after clause 2 the following clause—"The Customs Law (2011 Revision) is amended by inserting after section 69 the following section—69A:

(1) The Collector shall keep and maintain a register of all charges, fees, monetary penalties, costs and damages imposed under this Law in consequence of the contravention of any of its provisions.

(2) The register shall contain particulars of -

- (a) the name and address of the person in contravention;
- (b) the nature, location and date of the contravention;
- (c) any measures taken by the Collector in consequence of the contravention; and
- (d) the amount of any charges, fees, monetary penalties, costs or damages imposed and the date on which they were paid.

(3) The Collector shall, within fourteen days of the end of each quarter, provide the Governor in Cabinet and the Director of Public Prosecutions with the information contained in the register in relation to that quarter.

**The Chairman:** The question is that the New Clause 3 be read a second time. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: New Clause 3 given a second reading.**

**The Chairman:** The question now is that this new clause 3 be added to the Bill as clause 3 and that the subsequent clauses be renumbered accordingly. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: New Clause 3 added to the Bill.**

**The Clerk:** A Bill for a law to amend the Customs Law (2010 Revision) to make further provision in respect of the penalty for the unauthorized opening of a container before it is inspected by Customs; and to make provision for incidental and connected matters.

**The Chairman:** The question is the the Title stand part of the Bill.

**Agreed: Title passed.**

**The Chairman:** The question now is that the Bill be reported to the House. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bill to be reported to the House.**

**The Chairman:** This concludes committee proceedings on this Bill.

**House resumed**

## **REPORT ON BILL**

### **Customs (Amendment) Bill, 2011**

**The Speaker:** Proceedings are resumed. Please be seated.

**The Clerk:** The Customs (Amendment) Bill, 2011.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I have to report that a Bill entitled The Customs (Amendment) Bill, 2011, was examined by a Committee of the whole House [and passed] with amendment.

**The Speaker:** The Bill has been set down for Third Reading.

In view of the several commitments that Ministers and Members have this afternoon, I am going to conclude this Sitting at this time. Tomorrow is [Private] Members' day; we will carry forward the business to the next day.

I have given permission for the Premier to give a statement.

## **STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET**

## Cayman Islands' Rating by the Financial Stability Board

**The Premier, Hon. W. McKeever Bush:** Thank you Madam Speaker.

I rise to make a statement on the excellent rating that the Cayman Islands recently received from the Financial Stability Board (FSB), for international cooperation and information exchange on matters relating to financial regulation and supervision.

It is a testament to the foresight and wisdom found in these Islands that we continue to gain recognition as a compliant jurisdiction in these very important areas. Therefore, it is my pleasure to highlight this jurisdiction's achievement.

Following an assessment of 61 jurisdictions, the Financial Stability Board included the Cayman Islands among 41 jurisdictions that "demonstrate sufficiently strong adherence" to regulatory and supervisory standards on international cooperation and information exchange.

Madam Speaker, this is a most welcome endorsement for the Cayman Islands. It demonstrates that Cayman is on par with the giant economies of G7 and G20 countries such as the United Kingdom, United States, Brazil, Canada and France. In fact, as the report shows, some of the FSB's own member jurisdictions were not rated as having "sufficiently strong adherence".

As background to this achievement, the FSB's evaluation is part of an initiative to encourage adherence to internationally agreed information exchange and cooperation standards in the areas of banking supervision, insurance supervision and securities regulation. These standards are contained in the Core Principles for Effective Banking Supervision, developed by the Basel Committee on Banking Supervision; the insurance Core Principles, developed by the International Association of Insurance Supervisors (or IAIS), and the Objectives and Principles of Securities Regulation, developed by the International Organisation of Securities Commissions (IOSCO).

The Financial Stability Board has recently recognised Cayman's level of compliance with these standards. We can add this to the high compliance rating we have received recently from the Global Forum with regard to information exchange and cooperation on tax matters, as well as the high compliance rating on anti-money laundering and anti-terrorism standards from the Caribbean Financial Action Task Force (CFATF).

It was not long ago that this organisation, formerly known as the Financial Stability Forum, had categorized the Cayman Islands in its third tier. This was the lowest rating possible regarding international compliance. Since then, review upon review has indicated that we have made significant progress and this recognition by the FSB is another example.

It is apparent that through the ongoing efforts in this jurisdiction, the Financial Stability Board has come to a greater acceptance of the Cayman Islands. This is seen not only in the recent assessment. It is also evidenced in the fact that our jurisdiction was chosen as a member of the FSB Regional Consultative Group of the Americas, set up to provide input to the board on financial stability issues.

Consultative group representatives from Cayman are the Financial Secretary, Mr. Kenneth Jefferson; and the Managing Director of the Cayman Islands Monetary Authority, Mrs. Cindy Scotland. This FSB Regional Consultative Group will hold its inaugural meeting in December in Mexico and we look forward to the outcome of that.

The invitation to the consultative group follows on the heels of the Cayman Islands' recognition by the Global Forum in September of this year, which found the legal and regulatory regime of the Cayman Islands in compliance with all nine essential elements of international tax transparency and exchange of information standards, as set by the Global Forum for its Phase 1 assessments. It should also be noted that the Cayman Islands is a member of the Steering Committee and Peer Review Committee of the Global Forum on Transparency and Exchange of Information for Tax Purposes.

Furthermore, our jurisdiction was given a high compliance rating on anti-money laundering and anti-terrorism standards from the Caribbean Financial Action Task Force. Considering these achievements, I would like to take this opportunity to express my appreciation for the members of the Cayman Islands International Tax Cooperation Team. And I want to say a special "thank you" to Mr. George McCarthy who has done tremendous work in this area following the set-up of this Committee after the general elections. The membership of the Committee is as follows:

- Mr. George McCarthy, Chairman, CIMA
- Hon. Samuel Bulgin, Attorney General,
- Mr. Kenneth Jefferson, Financial Secretary
- Mrs. Cindy Scotland, Managing Director, CIMA
- Mr. Langston Sibbles, DMD-General Counsel
- Mr. Samuel Rose, Deputy Chief Officer, Financial Services, Ministry of Finance
- Mrs. Michelle Bahadur, Director, Financial Services Secretariat
- Mrs. Jacqueline Jefferson-Ziemniack, Senior Legislative Adviser, Financial Services Secretariat
- Mr. Duncan Nicol, Director, Tax Information Authority

Madam Speaker, in addition to the FSB's excellent rating of our jurisdiction, I am pleased to note that the Cayman Islands Monetary Authority was recently appointed as a member of the Executive Committee of the International Association of Insurance Supervi-

sors (or IAIS). A longstanding member of the association, CIMA actively assisted in the development of the revised IAIS Core Principles, which were adopted in September this year.

In addition, the Managing Director of CIMA, Mrs. Scotland, has recently been elected as the Deputy Chair of the Group of International Finance Centre Supervisors (GIFCS, previously named Offshore Group of Bank Supervisors (OGBS)). And CIMA will complete its two year appointment on the Board of the Association of Supervisors of Banks of the Americas (ASBA) this month. It is also a member of the Caribbean Group of Banking Supervisors (CGBS) and is on the CGBS' Basel II Implementation Working Group.

And finally, I would like to note the work of the Cayman Islands Attorney General as Chairman of the Caribbean Financial Action Task Force (CFATF). As one of the founding members of this organisation, the Cayman Islands has been providing continued excellence in leadership during the difficult climate of recent times. This has put us in good stead for future recognition by the European Union (EU) as a jurisdiction that is equivalent under the relevant AMVCF standards.

Madam Speaker, as I said before, the FSB's assessment is the latest to be carried out by international bodies on aspects of Cayman's international financial services regime that recognises our achievements. I'm sure that all members of the House will agree that these are positive developments for the Cayman Islands. They are robust affirmation that our financial services regime is high calibre, and that the Cayman Islands is a strong jurisdiction to conduct business. This government pledges its ongoing support to this industry and its continued success.

I can only end by saying, Madam Speaker, what a difference. Some time ago we were on a Black list and today we have been lauded for the excellent work that has been done. I again, thank the members for their hard work, Madam Speaker.

**The Speaker:** Thank you, Honourable Premier.  
First Elected Member for George Town.

**Mr. D. Kurt Tibbetts:** Madam Speaker, forgive me if I did not understand you very clearly earlier, but if we could just know exactly what we are dealing with for tomorrow's business please.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, tomorrow is Thursday, and on Thursdays we deal with Private Members' Motions. There are two Private Members' Motions down to be dealt with. They will be dealt with and we might have some other Government Business that is not yet completed, so that will be on the Order Paper if necessary.

We have an important meeting on the Budget. That is why we are asking for the adjournment at this time.

*[inaudible interjections]*

## ADJOURNMENT

**The Premier, Hon. W. McKeever Bush:** As I said, Madam Speaker, the balance of business on today's Order Paper will go to tomorrow's Order Paper.

Madam Speaker, I therefore adjourn this honourable House until tomorrow, Thursday the 17<sup>th</sup> at 10.00 am.

**The Speaker:** The question is that this honourable House do adjourn until tomorrow, 17 November at 10.00 am. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**At 3.06 pm the House stood adjourned until 10.00 am, Thursday, 17 November, 2011.**

