

CAYMAN ISLANDS



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**A BILL FOR A LAW TO AMEND THE MARITIME AUTHORITY LAW  
(2008 REVISION) TO PROVIDE FOR VARIATIONS IN THE PERIODS  
OF APPOINTMENT OF BOARD MEMBERS; FOR THE INDEMNITY  
OF THE SECRETARY TO THE BOARD AND OTHER SUCH  
OFFICERS; AND FOR INCIDENTAL AND CONNECTED PURPOSES**



**THE MARITIME AUTHORITY (AMENDMENT) BILL, 2012.**

**MEMORANDUM OF OBJECTS AND REASONS**

The Bill seeks to make miscellaneous amendments to the Maritime Authority Law (2008 Revision) in order to vary the periods of appointment of the Authority's Board members and to provide for the Secretary to the Board and other officers to be indemnified against claims, damages costs, charges or expenses where the officer has acted in good faith.

Clause 1 provides the short title.

Clause 2 repeals subsection (2) of section 20 of the principal Law and substitutes provisions which extend the requirement for the Authority to provide indemnity for its directors and staff to also cover the secretary of the Authority.

Clause 3 repeals paragraph 3 of the First Schedule to the principal Law and substitutes new provisions allowing for the term of appointment of different directors to be varied between three years and one year.

Clause 4 amends the Second Schedule by correcting two erroneous references.

**THE MARITIME AUTHORITY (AMENDMENT) BILL, 2012**

**ARRANGEMENT OF CLAUSES**

1. Short title
2. Amendment of section 20 – immunity and indemnity
3. Amendment of the First Schedule – appointment and Constitution of Board
4. Amendment of the Second Schedule – transitional provisions

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ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Maritime Authority (Amendment) Law, 2012.

Short title

2. The Maritime Authority Law (2008 Revision), in this Law referred to as the “principal Law”, is amended in section 20 by repealing subsection (2) and substituting the following subsection-

Amendment of section  
20 - immunity and  
indemnity

(2008 Revision)

“(2) The Authority shall indemnify-

- (a) every director;
- (b) every employee; and
- (c) the secretary of the Authority, appointed under section 5(2);

against all claims, damages, costs, charges or expenses incurred by that director, employee or secretary in the discharge of his functions, responsibilities, powers and duties under this Law, except claims, damages, costs, charges or expenses caused by their bad faith; and the Authority may purchase insurance with respect

to such indemnification.”.

Amendment of the First  
Schedule - appointment  
and constitution of  
Board

3. The principal Law is amended in paragraph 3 of the First Schedule by repealing subparagraph (1) and substituting the following subparagraphs-

“(1) Subject to subparagraph (1A) the directors shall hold and vacate office in accordance with the terms of their appointment as follows-

- (a) the two directors appointed under paragraph 1(1)(a) shall be appointed for a term of up to three years and with respect to the five directors appointed under paragraph 1(1)(b) two shall be appointed for a term of up to two years and three shall be appointed for a term of up to one year;
- (b) a director shall be eligible for reappointment but shall not hold office for more than six consecutive years;
- (c) a director may at any time, by notice in writing addressed to the Minister, resign his office; and
- (d) the Governor shall terminate the appointment of a director who-
  - (i) resigns his office;
  - (ii) is adjudged bankrupt or suspends payments to, or compounds with, his creditors;
  - (iii) is incapacitated by reason of physical or mental illness;
  - (iv) has been absent without leave of the chairman for three consecutive Board meetings;
  - (v) fails to comply with his obligations under paragraph 4;
  - (vi) is guilty of serious misconduct in relation to his duties;
  - (vii) has been convicted in the Islands or elsewhere of an offence involving fraud or dishonesty; or
  - (viii) is otherwise not a fit and proper person to discharge the functions of a director.

(1A) Notwithstanding subparagraph (1) the directors shall hold and vacate office at the pleasure of the Governor.”.

Amendment of the  
Second Schedule –  
transitional provisions

4. The principal Law is amended in paragraph 2 (2) of the Second Schedule by deleting the words “sections 11 and 12” and substituting the words “sections 12 and 13”.

Passed by the Legislative Assembly the        day of        , 2012.

Speaker.

Clerk of the Legislative Assembly.