



GRENADA

PARLIAMENTARY DEBATES

(HANSARD)

Second Session of the Tenth Parliament

OFFICIAL REPORT

House of Representatives

Wednesday 19th December, 2018

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House of Representatives Meeting
Held at the Parliament Chamber, Mt. Wheldale, St. George's
On Wednesday, 19th December, 2018.

Attendance

PRESENT

- | | |
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| Honourable Michael Pierre, MP, MBE | - Mr. Speaker (In the Chair) |
| Dr. the Rt. Honourable Keith Mitchell, PC, MP, JP
(St. George North-West) | - Prime Minister and Minister for National Security, Public Administration, Home Affairs, Information and Communications Technology, Finance, Planning, Economic Development and Physical Development |
| Honourable Gregory Bowen, MP
(St. George South-East) | - Minister for Infrastructure Development, Public Utilities, Energy, Transport and Implementation |
| Honourable Dr. Clarice Modeste-Curwen, MP
(St. Mark) | - Minister for Tourism and Civil Aviation |
| Honourable Alvin Da Breo, MP
(St. John) | - Minister wrf Forestry and Fisheries |
| Honourable Peter David, MP
(Town of St. George) | - Minister for Foreign Affairs and Labour |
| Honourable Yolande Bain-Horsford, MP
(St. Andrew North-West) | - Minister for Agriculture and Lands |
| Honourable Oliver Joseph, MP
(St. David) | - Minister for Trade, Industry, Co-operatives and CARICOM Affairs |
| Honourable Kate Lewis, MP
(St. Andrew North-East) | - Minister wrf Youth Development |
| Honourable Pamela Moses
(St. Patrick East) | Minister wrf Tertiary Education, Skills Development and Education Outreach |
| Honourable Emmalin Pierre, MP
(St. Andrew South-East) | - Minister for Education, Human Resource Development and Religious Affairs |
| Honourable Nickolas Steele, MP
(St. George South) | - Minister for Health, Social Security and International Business |
| Honourable Kindra Maturine-Stewart, MP
(Carriacou and Petite Martinique) | - Minister for Carriacou and Petite Martinique Affairs, Local Government and Legal Affairs |

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- | | |
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| Honourable Delma Thomas, MP
(St. Andrew North-West) | - Minister for Social Development,
Housing and Community
Empowerment |
| Honourable Anthony Boatswain, MP
(St. Patrick West) | - Deputy Speaker |
| Honourable Tobias Clement, MP
(St. George North-East) | - Member |

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Prayers
Minutes

The Sitting of the House of Representatives began at 9:05 a.m.

Mr. Speaker: Good morning, Honourable Members. Let us pray.

(House Prayer was said)

Mr. Speaker: Please join with me, as we say, together, the Lord's Prayer.

(The Lord's Prayer was said)

Mr. Speaker: Pray be seated. This Honourable House is now in Session.

Ag. Clerk Assistant: Item 3 - Oath of Allegiance or Affirmation of a new Member.

Item 4 - Confirmation of Minutes.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. Mr. Speaker, I beg to move that the Minutes of the proceedings of the Ceremonial State Opening of the Second Session of the Tenth Parliament held at the Parliament Chamber, Mt. Wheldale, St. George's, on Monday, 19th November, 2018 be taken as read.

Question put and agreed to.

Minutes taken as read.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. I beg to move the confirmation of the said Minutes of the proceedings of the Ceremonial State Opening of the Second Session of the Tenth Parliament held at the Parliament Chamber, Mt. Wheldale, St. George's, on Monday, 19th November, 2018 be confirmed.

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Question put and agreed to.

Minutes confirmed.

Ag. Clerk Assistant: Item 5 - Messages from the Governor-General.

Item 6 - Announcements by Mr. Speaker.

Mr. Speaker: Honourable Members, I will just like to announce that the Post Elections Seminar, which will be conducted by the Commonwealth Parliamentary Association, in Grenada, will take place from the 9th to the 11th. A number of topics will be discussed and the Secretary-General of the Commonwealth Parliamentary Association will be in Grenada during that time. So, we want to remind us and to urge that we put that on our schedule, so that we would be able to participate. This was supposed to have taken place before, but we had to put it off, because of other pressing national issues. So, we want to make sure that we have a very successful Parliamentary Post Elections Seminar. The topics to be discussed will be circulated to all Members, so that you would be part of the whole process. Remember, keep that date in your schedule, the 9th to the 11th, January, 2019. Please remember, January 9th to 11th, 2019.

Ag. Clerk Assistant: Item 7 - Presentation of Petitions.

Item 8 - Presentation of Papers and Reports from
Select Committees.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. I beg to move that the following Paper be laid on the Table:

- The Grenada Bureau of Standards, 2017, Annual Report.

Mr. Speaker: Honourable Members, the Paper is laid on the Table.

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Ag. Clerk Assistant: Item 9 - Unopposed Private Business.

Item 10 - Questions.

Item 11 - Urgent Questions under the provisions of
Standing Order No. 20 (1) Notice of
Questions.

Item 12 - Statements by Ministers.

Mr. Speaker: Parliamentary Representative for St. Andrew South-West.

Hon. Yolande Bain-Horsford: Thank you very much, Mr. Speaker. Mr. Speaker, last Friday, I think, was a very historic day here. We had a dialogue, both Houses, the Upper House and the Lower House, we had a joint meeting with the Parliamentary Front for Zero Hunger, Mr. Speaker. I wish to commend my fellow Parliamentarians for their support, and what really happened, Mr. Speaker, we were pleased to receive presentations from three (3) distinguished individuals, who have been advocating throughout the Caribbean and Latin America for a unified approach to addressing the issue of hunger in the Caribbean and Latin America.

Doctor Robinson who joined the meeting via Skype recognized the following: the level of malnutrition facing the Region; good governance in achieving food and nutrition security and the need for a collaborative approach from all Parliamentarians. I thought it was a very good meeting. It was very historic that, at both Sittings, we could have sat and discussed that initiative.

Doctor Valdez, the special Goodwill Ambassador for Zero Hunger and Coordinator for Parliamentary Fronts Against Hunger in Latin America, commended Grenada's efforts, recognizing that among the twenty-five (25) countries involved in the Parliamentary Front, only St. Vincent and the Grenadines and Haiti are from the Caribbean, and Grenada is now joining the team, both Islands, Mr. Speaker.

Mr. Cashman, who served, as a Consultant, on the Parliamentary Front shared on the challenges, as identified by the Stakeholders. They did an assessment in Grenada and they spoke with farmers and different stakeholders, and some of the things that came up was Market Produce and Maintenance of Supply.

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Praedial Larceny, again, has been number one on the agenda, availability of lands, value addition, cost of agricultural inputs, pests and disease and livestock production. All of these challenges we have in facing Zero Hunger here in Grenada. The farmers are unable to do what they have to do, because of all of these challenges, Mr. Speaker.

Mr. Speaker, the meeting recognized the need for greater collaboration on the issue of Parliamentary Fronts against Hunger. And, many of the speakers, who participated, my fellow colleagues from 'Both Sides', Mr. Speaker, they spoke about the challenges and how we can move forward, as a team, working together to develop this Parliamentary Front against Hunger in the Caribbean. So, I think it was a good start and I want to thank all those who participated. I want to thank Dr. George Vincent and also Minister Bhola, at the time, who was the Minister for Agriculture. They are the ones that led the charge years ago, when this whole thing started. But, hunger in the Caribbean and poverty has increased a bit, and so FAO is very, very concerned that we have to move. The statistics speaks about eight hundred and twenty-one (821) million persons are undernourished in the Caribbean and Latin America, in the world, so we have to do something and the numbers have risen in the Caribbean.

So, Mr. Speaker, with these few words, I just want to thank my fellow colleagues and Members of the Senate, as well, who sat, together, to discuss this whole development on the Parliamentary Front against Hunger in the Caribbean and Latin America. Thank you very much. **(Applause)**

Mr. Speaker: Thank you, Honourable Representative. I must, again, express my apologies for not being able to attend. I would have liked to, but I was called elsewhere. Honourable Representative for St. David

Hon. Oliver Joseph: Thank you, Mr. Speaker. Mr. Speaker, I rise to give an update on the current negotiations with the Union and Staff Association and the Government of Grenada. The Union and Staff Association, as you know, they are back on the Table and we are examining proposals in order to bring a resolution to this matter.

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As we indicated, the only way we can resolve the matter is by sitting around the Table. There is no other way of resolving the matter, and they have come along to accept that now and have decided that they would stay and have the talks around the Table. They have sought information, which we have provided, all the data. The Government side of it invited the Unions and Staff Association to meet with the Ministry of Finance staff, to look at the books, to look at the figures. They can bring any expert they want with them; surprisingly, they have not taken up the offer. It's the first time, in a negotiation, we know where the employer is asking the Union to come and examine the books with them, because you will think that is a privilege that you want, to go in and sit with the Ministry of Finance Staff, go through all the numbers. You can bring any expert you want to advise you and instead they are asking the same Ministry of Finance to provide them with more and more data. So, the latest request is that they want to see scenarios where, if the member goes at fifty (50), what will be the cost at fifty-five (55) and at sixty (60).

We have said, Mr. Speaker, that in our modeling and in our calculation, it is based on the retirement age of sixty (60), and the gratuity and pension would be paid at the age of sixty (60), or any other age, as the NIS Act is amended to reflect. You would have heard recently, in the News, the Minister for Social Security, who is in charge of the NIS, indicated that in 2019, we are looking at increasing the age, because all the actual report shows that you must do it; you must do it. And, therefore, we are saying at any age that is passed by the NIS into Law, as the retirement age, that will be the age, which the Government will pay the pension and gratuity. So, the commitment by the Government to restore pension, in fact, it has been done. You recall we came in this House here and discussed it. We paid 7.7 million dollars to fifty-six (56) workers. One of the workers, who is a good friend of mine, who left in 2012; joined in '84 and left in 2012, he said, well he is going home, he didn't expect anything, because he came after April '84, you know. He was quite aware of the fact that he was not entitled to anything. And, then the Hermilyn Armstrong case came on the 22nd of February, 1985, so then we had to take care of the workers between April 1984 now and '85 and then he got a windfall, which he never expected, because if fifty-six (56) people cost \$7.7 million, could you imagine what it will cost the Government? So we are saying, we have restored pension, and

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the issue of the 70%, there is no disagreement there, so pension has been restored and as we said let us reform. But, it seems that the issue of reform is one that they are not open to, because if you're saying, yes, you want to reform, but you want the old formula of 1958, then, I don't know what you are reforming. We have to look at the whole system.

So, we are very hopeful that by discussions around the Table, we could bring the matter to a resolution that we will see both sides winning in the situation, where the workers are getting increased pension benefit and the State in a position. I keep reminding them that it is not the Government, you know, it's the State you are committing, you know. So, if we reach a decision here, whichever Government that comes, the State will have to pay. So, if we act irresponsible and commit the State to paying large sums of money, then there must be consequences for other areas. It is not just in isolation. We have said that it must be affordable, it must be sustainable going forward, and we cannot do anything that will breach the Fiscal Responsibility Act. We have made that absolutely clear. So, let us work on a solution, bearing these parameters in mind, and I think once we have that common understanding, we could arrive, because if you're going to come to the Table and say, well, any formula that you put forward it must have 25% in it, and you're not prepared to move, then we will not reach a solution. But, I am hopeful, especially in this season of Christmas that goodwill will prevail and that we can have an amicable solution when we resume after the Advent Season. So, during the Season of Advent, well you know that, you are a good, practicing Catholic. **(Laughter)** So, I hope you will offer up this through the Advent Season, in prayers, so that after the Advent Season, we will get some movement that would see a resolution. I am sure the Leader of Government's Business would agree with me on that point. **(Laughter)** So, Mr. Speaker, just to update the Nation, and to say that we around the Table, we are talking, and that we are hopeful that we can reach a solution that we will see the matter coming to an end to the satisfaction of everyone. I thank you. **(Applause)**

Mr. Speaker: Thank you, Honourable Representative for St. David.
Honourable Representative for St. Mark.

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Hon. Dr. Clarice Modeste-Curwen: Thank you, Mr. Speaker. Mr. Speaker, I rise to inform this Honourable House of recent events taking place in the Ministry of Tourism and Civil Aviation. Just to mention, very briefly, that on Sunday, I was privileged to be part of an event that was organized by the Silver Sands for farmers in Grenada, a very remarkable event. This was an expression of the friendship or the business relationship, as well, that has been established and is growing very strong with an organization in Grenada called GRENROB, which started with women alone and based on the demands for local agricultural produce, GRENROB, which, as I said comprise of women only, has expanded and taken under its wing, all farmers in Grenada, whether male or female, and I am very happy to see that. There are more than one hundred and fifty (150) farmers, who work closely with Silver Sands at this time, to provide certain crops. It is a very organized Programme whereby farmers are selected on different parts of the Island, so that if there is a flood or a storm or any event that causes the destruction of crop, maybe on one portion of the Island, then you can have some remaining crops in another portion to supply the hotels. And, also they are organized in such a way that everybody doesn't plant, at the same time, because we are all aware that when tomatoes are in season, you get a lot and then there is an off season for tomatoes and then you don't get, and they cannot operate this way. And, so they have been working with farmers, and it is working very well, whereby there is a scheduling for planting and that is happening very well. But, it was the appreciation for the persons who work in the Agricultural Industry that was remarkable.

The Government was represented, at the highest level, in the person of our Prime Minister and then you had the Minister for Agriculture, on a Sunday, and also the Minister for Tourism attending. Other persons of high level in the Ministry of Agriculture were there, and other persons involved in the Industry, in one way or another. Not only are they looking at the raw produce, but they're also looking at secondary produce, preservation of fruits, so that in season and out of season, we can have those crops available for them. So, I think it's a good partnership that is happening. Already, the Chef at Silver Sands does volunteer in the Hospitality Arts Department in TAMCC and together with the Ministers in Education and in Youth, we have been talking to them about an Apprenticeship Programme for which they are

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very keen, so that they can take in young people to give hands-on training. So, for the New Year, we have committed to continuing this conversation, and I am sure that within the first quarter of 2019, we will see that happen. So, Mr. Speaker, I think it's a good time for Agriculture, and it's a good time for the marriage between Tourism and Agriculture. I thank you. **(Applause)**

Mr. Speaker: Thank you, kindly, Honourable Representative for St. Mark. Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. Mr. Speaker, it is unfortunate that I have to make the statement at the Yuletide, but it is important enough to consumers in the Telecommunications Sector, to let them know that LIME/LIBERTY/FLOW that combination has constituted legal proceedings against the NTRC and possibly ECTEL, because they have filed a complaint based on the fact that DIGICEL has been granted a licence in the 700 band and DIGICEL is now moving speedily to moving to the LTE mode of service providing and they were not granted, having applied at the same time; frequencies in the LTE spectrum.

Mr. Speaker, I would not elaborate much on it, but just to let the public know that at the point in time that the applications were made, DIGICEL ended up only in that Special Band requested, but LIME/LIBERTY/FLOW, that one combination had a clash for the same frequency with Aislecom, and so they were sent, Aislecom and LIME were sent to say how you can find some accommodation for each other. In the meantime, the frequency or the band that was applied for by DIGICEL, other persons were there including LIME. But, then, they came to an understanding, and so since that band was free, it was given to DIGICEL. And, now they are claiming, even requesting that the licence be revoked from DIGICEL, because what we will call, in local parlance, favouritism. But, it's just to let the public know that both, two (2) parties applied for the same frequency, and so we couldn't... we didn't want to impose a decision to say, well, you get it and you do not get it, so we asked them to go together to find a solution. They did not find a solution, but because DIGICEL has moved ahead, they have now filed this in Court. We hope that it will work out quite amicably, but we know what Court cases can do. And, DIGICEL is now moving

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speedily to implement some three hundred and eighty-four million dollars (\$384 m) PPP partnership, which includes a Data Centre for the Government, connection for schools and connection for all Government buildings, not only in Grenada, but Grenada, St. Vincent and St. Lucia. So, Mr. Speaker, the public should be aware of this, and we would just allow the process to take its course. And, we hope that nothing would go contrary to stop the big investment and the big development, because education would be affected, people would be affected, if, in case, we revoke their licence, and we would only do this on a Court order. But, we hope that everything works out well, particularly, for this season, Mr. Speaker. **(Applause)**

Mr. Speaker: Thank you, Honourable Leader of Government's Business. Honourable Representative for St. Andrew South-East.

Hon. Emmalin Pierre: Thank you, Mr. Speaker. Mr. Speaker, this morning I want to use this opportunity to report on a special meeting held yesterday and to really use the opportunity to commend the response of the Religious Leaders of our society, our communities, who came out to a very successful meeting held at the Lucas Street New Testament Church of God. There were over forty (40) Religious Leaders present, representing over twenty (20) Denominations.

Mr. Speaker, what, for me, stands out about this meeting is the consensus that these Leaders are committing, that they are going to give even more support to our Education Sector, as it relates to their involvement and support for our schools throughout Grenada, Carriacou and Petite Martinique.

Mr. Speaker, in addition to that, we would have agreed, at that meeting and gave a commitment from the Ministry that we are going to meet with those Leaders on a quarterly basis, and there was general consensus to that, as well, because we understand the value of our Religious Leaders and the fact that we are a Religious Committee, their role in the development of our Education System, their role in the development of our communities, and we want to continue to build upon that.

But, Mr. Speaker, what came out very clear yesterday is the need to keep our Religious Community informed. And, so, we would have used the opportunity yesterday, to do two (2) presentations. I want to thank the Parliamentary

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Representative for St. David, Honourable Oliver Joseph, who did an excellent presentation. As a matter of fact there were so many questions, so many things needing clarification, which pointed to the fact that there is need for more of that kind of engagement. And, of course, Mr. Kendal Alexander from the Ministry of Finance, who also did a great presentation.

Mr. Speaker, we want to engage our Leaders, as we move forward, so that they understand the important role that they must play in the development of our society, in the development of Grenada, and I just really want to use the opportunity to commend them for the feedback we got yesterday, extremely positive, and I just want to say, as the Ministry of Education, Religious Affairs, specifically, we are going to continue to work with the community to build our society. Thank you. **(Applause)**

Mr. Speaker: Thank you, Honourable Representative for St. Andrew South-East. Honourable Representative for St. George North-West and Prime Minister.

Dr. the Rt. Hon. Keith Mitchell: Thank you, Mr. Speaker. Mr. Speaker, I just stand for a couple announcements; one is particularly related to the Special Meeting of CARICOM Heads, which I had announced at the last Session we were here that I intended to attend in Trinidad, which was initiated by Prime Minister Mia Mottley of Barbados, who has lead responsibility for the Single Market and Economy. The primary purpose, Mr. Speaker, was to give some more life and more urgency to the implementation of the Single Market and Economy issue, something that has been plaguing the Region, in terms of the lack of speedier action on some of the key areas.

I consider it, Mr. Speaker, one of the, probably the most fruitful CARICOM meetings that I have ever attended in my period of service, as Head of this Government of this country. I think Leaders came there, recognizing that we do have a responsibility to demonstrate that we are very serious about the whole question of the integration efforts and the need for the Region to act more collectively, in terms of solving some of the fundamental problems like the lack of sufficient economic activity in the Region, as a whole.

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It was noted that Grenada is becoming one of the better performing economy in the Region and it was coming on the heels of a Structural Adjustment Programme, and, of course, all sorts of initiatives, in terms of making Government more responsible, in terms of fiscal responsibility initiatives in Parliament, the whole question of procurement Laws and the things that would bring more transparency to Government, as a whole. But, the key issues throughout the two (2) days and two (2), really, intense days; normally, we would go to meetings, Mr. Speaker, and we spend a lot of time on lunches and breakfasts and dinners and not enough time on work. But, this was a real Working Session and Members wanted it to be precisely, that way.

Mr. Speaker, recognizing that if we are talking economic activity and the need to increase that, we must, of course, involve the major players; Government, as the major play, the Private Sector, certainly, has a major role to play, and the Trade Union Movements, which represents the workers of our countries in the Region, clearly, also have a major role to play.

In my presentation, Mr. Speaker, I made the point, as being one of the longest serving Leader, I mentioned the fact that, clearly, over the last fifty (50) years ago, the role of Government, Private Sector and Trade Union were quite different, or perceived to be quite different. It was the feeling that Government can solve all problems. You just vote for Government and expect that manna would flow, and that Government has to be involved in everything, running business, running this and that and trying to control people's lives and making them be totally dependent on Government. The resulting effect of that was you had a bloated Public Service; you had an inefficient Public Service as a whole and people just depended on Government.

Clearly, we have seen the fallacy of this particular approach in that we had high taxes and a system that stymied initiatives and growth that caused major problems. Government needs to recognize that it has roles to play, but they are limited in certain areas, and that the Private Sector has a major role to play. Government creates the enabling environment, but the private citizen must take up the mantle of those opportunities and do things for himself, his family and, by implication, his country.

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Similarly, the Private Sector's role in the past was, the bottom line, everything was about profits for the shareholders, and there was not enough regard for the workforce and the need to create partnership with the workforce, so that the more you involve the workers, the more they feel they have a stake in what is happening, is the more productive that institution would be. In other words, the Private Sector, years ago, that concept of the big Boss and everybody else in another small corner, that concept is thrown out of the window a long time ago, and it is being more and more recognized that the more workers feel that they are part of the success, it is the more they will produce and the more successful the institution and the businesses will be. So, that concept is changing, dramatically. Businesses today are becoming far more open with the workers. The books are being brought to the attention of the workers and the workers feel... Generally, speaking, the businesses that are at the forefront of that type of approach are the most successful businesses, regionally, in our own country and internationally.

Similarly, the role of the Trade Union, and fifty (50) years ago was just to demand more and more for the workers. The question of productivity was not an issue, just make sure I can get as much for the Workforce and that puts me in a position, with respect to antagonism with the business and with the employers and so on. The result of that have been, as we said, with all the other true stakeholders, there were problems, problems, problems. The society, in the end, suffered, workers suffered, businesses suffered, Government suffered. So, in this period, the Trade Union Movement, as I pointed out, has a role to play in increasing, to get as much for the workers, but also be involved in the whole question of productivity, because the more productive the worker, if the employer is playing a responsible role and the Government is playing its role, is the better results come for the workers of the country. So, it is that whole concept.

So, in that sense, Mr. Speaker, we have representation from the Trade Union leadership in the Caribbean, and, of course, the Business Community, and we spent almost, I would say, two-thirds of the day, with both sides speaking to some of the problems that they encounter with employers and Government and employers talking about the problems with Trade Unions and Governments. It was a very open and frank discussion with Leaders, and I thought it was one of the more illuminating

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periods that I have seen at the Heads of Government. In the final analysis, it was agreed that we need to continue with this open dialogue. So, I thought it was one of the better sessions.

Mr. Speaker, we discussed issues of ease of travel, because that is a problem, the question of how Immigration puts so much controls on people in the Region. When we had the World Cup here in 2007, we had no border control. You went to one country and because of the technology, you were able to identify all the passengers and their background, so by the time they landed and go to another country, you didn't have to go through all kinds of Customs. Why we got rid of this and gone back to the old formula, where you land in St. Vincent, you have to fill out a new form; you land in Grenada, Barbados and so on. We agreed that we're moving; we have to move to the 'One Border' issue, so that when someone comes to Barbados and he has to go to St. Lucia or St. Vincent, or Grenada, the information is already available, so there is no need for us to continue all these immigration controls all over the place, because you have the data on every single person travelling in your country. So, we are going to be moving, more aggressively.

On the question of the Civil Aviation Authority, it was felt that we need to decide to have an OECS Civil Aviation Authority. Barbados has one, Trinidad has one, Jamaica has one. Why are we having all these and all these controls on who should fly and who cannot fly? The movement towards one Civil Aviation Authority... in fact, Barbados and the OECS will be taking the lead in moving to establish one Civil Aviation Authority, which will, of course, make it easy for the question of licensing of flights and so on to individual countries.

The question of broadening the level of groups that will be able to travel to the countries and work without hindrance was also discussed, the question of Barbers, Hairdressers and so on and several other persons, such as agricultural workers. They are looking at liberalizing the ability of citizens, from different countries, to come into the individual countries and work. This fear we have that somebody want to come from Guyana or Trinidad and take our jobs, or somebody from Grenada would go and take a job in Barbados or Jamaica and so on, the reality is, it is unfounded, and this fear we have should be eliminated, and we would make the Region much more an integrated Region.

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The other issue, the question of ease of travel, the transport issue, sea and air transport, and one of the major factors was the cost of travel. I led the discussion on this, and I remember about four (4) or five (5) years ago at a Heads, and my head was nearly taken off by some of our Leaders then. But, I must say it was extremely well received this time, and it was agreed that a Commission would be set up, immediately, to look at the taxes imposed on tickets, right throughout the Region, from country to country, **(applause)** because if Grenada reduces its taxes on tickets, by itself, it would not solve any problem, we will just lose revenue. It has to be done in Barbados; it has to be done in Trinidad, in every single country, and that is something that we have committed ourselves to. We said by the time we get to the next Heads of Government Meeting, we should be able to make serious decisions, so that the cost of a ticket to go into Miami, at the present time, is cheaper than going to Trinidad, or going to St. Lucia, which makes no sense, at all. And, how are we going to... CSME, the Single Market and Economy, one Region, and we don't even travel to each other's country. It doesn't make sense, and cost of ticket is a tremendous hindrance. So, this is on the question of the availability of transport and the need to bring the airlines in the Region, to work together much more closely to provide more transport and cheaper transport. In the end, we would not suffer, Mr. Speaker. This fear we have that we will get less revenue, that is nonsense. Right now, people are travelling. The ticket price is lower; the airlines will do better, because sometimes they're travelling with empty seats and the Governments are going to do better. When people travel to countries the VAT you get, all the taxes that you get from activities in the country are going to make up. And, in any event, the more people travel is the more revenue you are going to get. So, it makes a lot of sense. I think that was well received and I expect that we would be moving aggressively.

The other thing I want to mention, Mr. Speaker, is in the presentation done by Prime Minister Mia Mottley, which was, of course, refreshing for the Heads, from my standpoint, she specifically concluded that we needed to establish a Commission, and that was given wide support. And, the choice of a Regional Body, I think it was about nine (9) persons from the academic circle, Private Sector, Trade Unions and other Sectors of the society, the Farming Community, who would advise the

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Regional Leaders on ways and steps that would be taken; initiatives we should take to be able to increase economic activity throughout the Caribbean Region, as a whole.

For example, the point was being made, why can't we have a situation where, in Guyana, because there is a lot of land, Guyana should be able to produce enough food. And, the point was being made that Guyana had more land than the United Kingdom and Scotland combined, with a population of, I think, seven hundred thousand (700,000) people. So, Guyana need a lot more people to produce a lot more food that can, in fact, provide a lot of those products to the Region, so that we don't have to be buying food from Miami and California, things that can be grown there, with the kind of soil that Guyana has; that's just an example of the different countries and the different initiatives. Grenada might be able to produce the spices that can be supplied to the entire Region, using the whole cooperative effort in the Region, as a whole.

But, the significant point I want to make, as the final aspect of this, is that our own President of the Senate, Chester Humphrey, was in fact, chosen to represent the Trade Union Movement and the Advisory Committee to advising Governments in the Region. And, I want to make it clear; I did not bring up his name. The Prime Minister of Barbados called me the week before and said she had been given high recommendation for this gentleman, Chester Humphrey, from Grenada, and she wanted to make sure that I had no difficulty with this, and, clearly, I had no difficulty. So, he has clearly demonstrated, over the years, of his reliability in representing the workers of the Region. So, I thought it was a good thing, and I think we all should commend the President of the Senate, Honourable Chester Humphrey on this choice. **(Applause)**

Mr. Speaker, just a short comment on the presentation of the Representative from St. David, as it relates to the present industrial climate. I just want to make one point. I heard, on a certain programme, recently, where someone was pointing out that the Hermilyn Armstrong situation should be applied to all cases. Mr. Speaker, I thought we had gone past this, honestly, I thought we did. And, I don't know why some people, and that's not a Trade Union... I must make it clear that this did not come from the Trade Union, because, I thought, even, at the table, they understood

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that. But, some people are still peddling this thing and creating unnecessary confusion and doubt. But, if you are a Lawyer and you know that the Hermilyn Armstrong case can be applied, then we don't need any negotiations. We can just go to the Courts and let the Courts decide; then we can abandon this whole process. So, I wish some people would be more responsible and be more patriotic and less partisan, political interests playing out and be more reasonable. There is no need to put more things to the fire, so to speak. Let us realize where we are now and the lack of resolution is not the best place to be and the country is the one that is going to be hurt, and we all should put our heads together and I complement the Minister for Education and Religious Affairs for the initiatives that she has taken. I think we need to all just sober up in this Christmas season with what is taking place and the whole period of peace and joy and sharing and so on. I think, maybe, it is a good time, with Santa coming for all of us to just look back at our past actions. Everyone can say, look, let us recommit ourselves to one approach, which is what is best for Grenada. The workers must be as happy as possible, to get the best, and, clearly, Government has to be responsible in making sure that it doesn't marginalize any part of the society. And, I am looking forward, if we can't get that resolution before the end of this year, certainly, early next year we can complete this. So, on this note, Mr. Speaker, I want to thank you for your patience. **(Applause)**

Mr. Speaker: Thank you, kindly. And, I, too, have spent some time commending our President of the Senate, on his selection to serve on that Committee. Honourable Representative for St. George South.

Hon. Nickolas Steele: Mr. Speaker, thank you. I rise to give a brief summary of recent events occurring in my Ministries of Health, Social Security and International Business.

Mr. Speaker, first and foremost, I want to commend the NIS. They had a ceremony last Saturday, which culminated their thirty-fifth (35th) year celebrations. Also, at that Ceremony was the, saying farewell to Mr. Alfred Logie, who has been Director of the NIS for quite some time and is now retiring. I also hope to announce,

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very shortly, within the next week, the incoming Director, who has been approved by the Board.

Mr. Speaker, while I am on the topic of the NIS, I also want to stress that yes, in 2019, we have to, we have to address the issue of the Actuarial Reviews; in fact, it is the last three (3) Actuarial Reviews that are pointed to this, and Actuarial Reviews are done every two (2) years. We have taken it seriously and made a commitment to the NIS, since 2013, but, I believe, in 2019, the national economic environment would be appropriate for us to address that issue, which is to increase the retirement age, and I do hope that between now and the first quarter of 2019, the industrial environment would be one that we can also sit down and discuss this very pertinent issue.

Mr. Speaker, at that event, the guest speaker, the feature address was given by our very own Dr. Timothy Antoine, who spoke, as the Governor of the Central Bank and, specifically, worthy of mention in this House, was his observations, not as a Grenadian, but as the Governor of the Central Bank, that our NIS is one of, if not the best run National Insurance Schemes in the entire OECS. **(Applause)**

He also stressed that our NIS is the most, the most important Social Safety Net in the country, and, therefore, one of the most significant contributors to economic stability in Grenada, and used that to sort of point to us the urgency to address the Actuarial Review and make sure that the Fund remains stable, Mr. Speaker.

Mr. Speaker, I also want to commend the management of the NIS, as well as, the Ministry of Health, in the progress that they have made on the National Health Insurance (NHI) and the transition and the expectation of our ability to introduce National Health Insurance (NHI) in 2019, as promised, Mr. Speaker.

Mr. Speaker, also, last week, we received and have commissioned the five (5) new ambulances that have been put into service. Mr. Speaker, those ambulances, as I have said in this House, now brings the complement of ambulances, in Grenada, to the optimal, as recommended by Pan American Health Organization (PAHO). It now puts us in a position to have what is recommended, based on the size of our population and the size of our country, geographically, and also now to consider the next step, which would be within the first quarter of next year, the introduction of a

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Central Dispatch. Those ambulances, you would see, are branded with the number 434, which is Grenada's equivalent of 911, so that it matters not which Parish, which Constituency, which Island you are in, in our Tri-Island State, there is one single number that would be called, there would be the appropriate individuals at that Facility to receive that call and dispatch the ambulance from wherever in our Tri-Island State for the appropriate emergency, Mr. Speaker.

Mr. Speaker, those ambulances were purchased by the Government of Grenada with the assistance of the Holder Memorial Trust, LOTTO and GRENLEC. Mr. Speaker, I want to single our LOTTO, who, in fact went above and beyond by providing two (2) ambulances (**applause**) to the Government of Grenada, for the people of Grenada, Mr. Speaker, and also committing to the support, most importantly, once I asked, without any argument or deliberation, to supporting the maintenance of those two ambulances that they have procured for us, as well as committing, on a regular basis, a replacement of ambulances, Mr. Speaker.

Mr. Speaker, SGU, as well; there was a meeting with SGU, in which SGU gave us an update with respect to the progress of our Nursing School that they have started, and just to say that the first Nurses from that cohort graduated in November. So, I want to congratulate them. We now have Nurses, who have graduated with a Bachelor's Degree, Mr. Speaker. (**Applause**) Further to which SGU has listened to the call of the Government and has committed, in 2019, to opening a Hospitality School, working with the Grenada Hotel Association and individual Hoteliers, as well as, to start a section within their school combination, School of Nursing, School of Medicine, in which they would be teaching Medical Technology, which is to allow us to begin to have Grenadians fully trained to maintain the various medical equipment, and one of those that they have specified was in Radiology. So, Mr. Speaker, I want to thank them for hearing the requests and acquiescing to.

As well, they have committed to an increased Residency Programme in Grenada. Right now the Residency Programme, primarily is just for our Grenadian Doctors. They have committed to increasing that, and, therefore, are working with us to increase the complement of Consultant Doctors at the General Hospital to afford us that opportunity where we would be able to take on our Residency Programme, individuals from either the OECS, CARICOM or from the US, because

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there is now a trend from Doctors, who are looking to practice in the US, who want to have more of a hands-on, with respect to tropical diseases, tropical environment and our actual Community Health Centres, etcetera. The actual discipline is being referred to as Family Healthcare. So, Mr. Speaker, those are the significant updates within the Ministry of Health, Social Security and International Business, over the last couple of weeks, since we last sat in this House. And, while I am on my feet, Mr. Speaker, I want to take this opportunity to extend to you, if I don't get another opportunity later on today, a very merry Christmas and a Happy New Year, and through you to also my colleagues and those, who have given me the support to come to this House with the various legislative or ministerial reports. Thank you, Mr. Speaker. **(Applause)**

Mr. Speaker: Thank you, Honourable Representative for St. George South.

Ag. Clerk Assistant: Item 13 - Personal Explanations.
Item 14 - Motions.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. I beg to move the Motion (14) (a) standing in my name, which reads:

WHEREAS debate on the Gracious Address delivered by the Governor-General on the occasion of the Ceremonial State Opening of the Second Session of the Tenth Parliament on Monday, 19th November, 2018, was further deferred to a date to be fixed;

BE IT RESOLVED that the said Address be now debated by the House.

Question proposed.

Mr. Speaker: Leader of Government's Business.

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Hon. Gregory Bowen: Thank you, Mr. Speaker. Pertaining to Standing Order No. 34, Amendment of Motions, I beg, Mr. Speaker, to move the amendment that the Motion be read:

BE IT RESOLVED that the said Address be further deferred to a date to be fixed.

Question put and agreed to.

Debate on the Gracious Address deferred to a date to be fixed.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. Mr. Speaker, I beg to move the Motion 14 (b) standing in my name, which reads:

WHEREAS section 128(1) of the Income Tax Act Cap. 149 (hereinafter referred to as "the Act") provides that the Minister may, by Order, published in the Gazette, amend the schedules, increase, decrease, reduce, vary or make changes to the rates of tax specified in the Fifth Schedule, or in any other provision of the Act, or vary any sum of figure in any Provision of the Act;

AND WHEREAS section 128(2) of the Act provides that an Order under section 128(1) of the Act shall be subject to negative Resolution;

AND WHEREAS the Minister deems it necessary to amend the Fifth Schedule of the Act;

NOW THEREFORE BE IT RESOLVED by Parliament that the Fifth Schedule of the Act be amended as set out in the Schedule to this resolution.

Question proposed.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. The Schedule has already been made public by the Minister for Finance and Prime Minister, in his Budget Address and Debate, and this is simply reducing the rate of taxes for persons that

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are not corporate persons, but individual persons, who, where their chargeable income, above twenty-four thousand dollars (\$24,000.00) was at a rate of 30%, this amendment will reduce to 28%, as indicated by the Minister. And, for corporate tax, corporate persons, their Income Tax would also be reduced from 30% to 28%, Mr. Speaker. And, we know that the principle of keeping the Personal Income Tax the same as the Corporate Income Tax, so that nobody is tempted to move one into the other and get from their business, if they are Directors or owners of such businesses, Mr. Speaker. So, I think this has been debated and presented on the occasion before, and so I commend the Motion to this Honourable House.

Question proposed.

Mr. Speaker: Honourable Representative for St. George South.

Hon. Nickolas Steele: Mr. Speaker, I also rise to give support to the Motion being placed on the floor. Mr. Speaker, two-fold; one, I think it is essential to say that we did make a commitment that once there is a fiscal space allowing in all Sectors, we will do our best, as a responsible Government to make sure that each and every Sector would receive some sort of benefit, or so, that would encourage and for the Private Sector and individuals who pay Personal Income Tax, they would be most appreciative, I am sure, like everybody else, they would be asking for more, but they would be most appreciative of this. And, also to give support to the Government's Policy that has maintained a certain amount of stability, with respect to Corporate Tax and Personal Tax, specifically the inability or deterrents of tax avoidance, tax evasion, etcetera, in keeping Corporate Tax and Personal Income Tax, at the same levels. Therefore, there is minimal, if any, incentive by any individual shareholder of a Corporate Entity to move expenses from one side or the other. So, we are keeping that Policy throughout and moving forward, Mr. Speaker. Thank you.

Mr. Speaker: Honourable Representative for St. George North-West and Prime Minister and Minister for Finance.

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Dr. the Hon. Keith Mitchell: Yes, Mr. Speaker, I'm just standing briefly to support this Motion and to make the point that this falls directly within the whole philosophy of this Government, which is to encourage the Private Sector to increase activity in general, and by so doing, expand their operations, and, at the same time, be able to provide jobs and at the same time to add economic activity to the country, as a whole. We think that is an incentive that is necessary, because the less taxes that they have to pay means that, as long as they are paying their fair share, will certainly give them the room space to increase their operations, and it is in the benefit of all concerned in the country.

Similarly, this Government firmly believes that the more disposable income that exist among the workers of the country, the more we can see people taking initiative to increase activities that can broaden their areas of opportunities, and by so doing be able to create jobs. We hope, in the not too distant future, we can move to even reduce the taxes even further, because, as long as it will not injure the fiscal situation in the country, then the Government is better off, because sometimes it's not ideal for Government to be getting too much money from individual income earners in the country, and, at the same time, reducing the ability to do things for themselves, so that people don't have to depend on one income stream for survival.

As I have always encouraged Public Servants, in general, that there are things that one can do and not just wait for Government increases in salary and for Government to do everything for an individual. And, I know that there are lots of Public Servants, who are taking initiatives and getting involved in Private Sector activities and providing service that they are benefiting and helping themselves, and by so doing, in fact, in some cases creating jobs in the country. So, this falls exactly within the whole philosophy of the Government, and, therefore, I give my full support to this Motion. **(Applause)**

Mr. Speaker: Thank you, Honourable Prime Minister and Minister for Finance. Leader of Government's Business.

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Hon. Gregory Bowen: Thank you, Mr. Speaker. Mr. Speaker, I thank the Prime Minister and the Minister for Health, the Representative of North-West, St. George and South St. George, for their contribution to the Motion.

And, Mr. Speaker, this shows the commitment of the Government even in difficult times for ensuring that the economy continues to tick, Mr. Speaker, in whatever input that can be made. And, we must recognize this, Mr. Speaker, in respect of the demands being placed upon the fiscal space at this particular point in time, Mr. Speaker. And, it behooves all of us in the business community and everyone to add their voice to ensure that stability and prosperity continue, Mr. Speaker. In this context, I recommend this Motion to this Honourable House.

(Applause)

Mr. Speaker: Thank you.

Question put and agreed to.

Motion approved.

Ag. Clerk Assistant: Item 15 - Bills.

Mr. Speaker: Honourable Representative for Carriacou and Petite Martinique.

Hon. Kindra Maturine-Stewart: Thank you, Mr. Speaker. Mr. Speaker, I beg to move for leave to introduce for the first reading, a Bill for an Act shortly entitled, the International Companies (Repeal) Act, 2018.

Ag. Clerk: A Bill for an Act to repeal the International Companies Act Cap. 152 shortly entitled, International Companies (Repeal) Act, 2018.

Mr. Speaker: Honourable Representative for Carriacou and Petite Martinique.

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Hon. Kindra Maturine-Stewart: Mr. Speaker, I beg to move that the relevant Standing Order of the House be suspended to enable the Bill to be taken through all its stages at this Sitting.

Question put and agreed to.

Relevant Standing Order suspended.

Mr. Speaker: Honourable Representative for Carriacou and Petite Martinique.

Hon. Kindra Maturine-Stewart: Mr. Speaker, I beg to move the second reading of the Bill.

Question put and agreed to.

Relevant Standing Order suspended.

Mr. Speaker: Honourable Representative for Carriacou and Petite Martinique.

Hon. Kindra Maturine-Stewart: Thank you, Mr. Speaker. Mr. Speaker, this Bill seeks to repeal the International Companies Act, Cap. 152 of the Revised Edition of the Laws of Grenada.

Mr. Speaker, the International Companies Act, in its present construct, gives incentives to foreign Entities that are not domiciled in Grenada, and, Mr. Speaker, it is deemed to be unfair and lacked a bit of transparency by the EU Inter-Governmental Code of Conduct Group Business Taxation. Mr. Speaker, this is a sub-group of the European Union, and as a result, Mr. Speaker, in early 2017, this Group has selected over ninety (90) countries, worldwide, including Grenada, to be screened against three (3) criteria, which includes, Mr. Speaker: Tax Transparency; Harmful Tax Practices and also Base Erosion, Mr. Speaker, Profit Shifting.

This Group, Mr. Speaker, has put forward guidelines for, of course, determining substance, when considering whether a tax measure is harmful, or

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whether it is fair. Mr. Speaker, guidance in determining the elements of behaviour that Non-Member States must adopt in order to avoid being included on the so-called Blacklist of non-cooperative, non UE Third Countries.

As a result, Mr. Speaker, it has become necessary to reexamine, to amend, or even abolish tax measures, legislations, or regimes that constitute harmful tax competition and also to refrain countries, Mr. Speaker, from introducing new measures that constitute harmful tax competition.

Mr. Speaker, various countries, including our OECS neighbours were found to be deficient, with respect to the criteria that was set out, and as a result, Mr. Speaker, many countries made high level commitment to either amend, or to abolish requisite regimes by December 31st, 2018.

Mr. Speaker, under the International Companies Act, Entities receive preferential arrangements and incentives, which, of course, renders them much more favourable than that of local Entities. And, as such, Mr. Speaker, the playing field is not one that is even, with respect to resident Companies and nonresident Companies.

For instance, Mr. Speaker, an International Business Company does not have to pay Corporate Income Tax, whereas, Mr. Speaker, a local Company is subjected to 30% Corporate Income Tax. Mr. Speaker, but this is not unusual, because this is a benefit that is offered in all Offshore Jurisdictions around the world, including our OECS neighbours.

Further, Mr. Speaker, International Companies are also prohibited from carrying out business with locals, notwithstanding that these business are registered here in Grenada. It is a regime, Mr. Speaker, that is called 'Ring Fencing' and it is something that the Group is, of course, trying to prevent.

Mr. Speaker, because of these regimes, Grenada has been identified by the EU COCG Group, as carrying on harmful tax practices which, of course, Mr. Speaker, can have the potential to have a negative effect on the tax collection by the European Union. Consequently, Mr. Speaker, the decision has been taken to abolish the International Companies Regime, since, Mr. Speaker, its abolishment would not significantly affect Grenada, because, at present, Mr. Speaker, barely any Companies exist under this Act. As a matter of fact eighty-four (84) Companies are

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presently registered, unlike in St. Vincent and the Grenadines, Mr. Speaker, where over, approximately six thousand (6,000) of these Companies are registered.

Mr. Speaker, therefore, pursuant to section 3 of the Bill, International Companies that have already been registered and incorporated under the International Companies Act, are permitted to continue operations until 31st December, 2022, or until, Mr. Speaker, those Companies are dissolved or wind up, prior to that time. Of course, Mr. Speaker, this is with the exception of International Trust Corporations, who will be allowed to continue even after December 31st, 2022. Thank you, Mr. Speaker. **(Applause)**

Mr. Speaker: Thank you, Honourable Representative for Carriacou. Honourable Representative for St. George South.

Hon. Nickolas Steele: Thank you, Mr. Speaker. Mr. Speaker, I usually rise and start by saying that I give unequivocal support to the Bill. But, in this instance, I cannot say so, Mr. Speaker. If there were a Division in this House, I would be voting to support this Bill. But, Mr. Speaker, I believe it necessary to make certain comments as to why it is necessary to say I can't give unequivocal support, but that I do vote to support it.

Mr. Speaker, the powers that be, those who have requested us to do this, have not told us, in any form or fashion, that we have been conducting, or that this Law allows the conduct of illegal activities. No, Mr. Speaker, what they have specifically said is that this Law allows harmful practices, and, in fact, they have been very specific, practices harmful to them, to their economies.

But, Mr. Speaker, while that was not the intention of the Law, because such Laws exist in almost every single country allowing International Trust, etcetera, what they have said is that, as my sister from Carriacou and Petite Martinique has said, it is a differentiation between the Corporate Tax of a local Entity and the Corporate, or non-existence of Corporate Tax.

But, Mr. Speaker, the reason that I believe, I support, or will have to give support to this Bill is because I am a Representative in a developing country, and it is necessary for us to make sure that we comply with the wishes of those who are

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setting the rules, internationally; that is our desire, to comply with those who are setting the rules internationally, with respect to International Trade. Mr. Speaker, we do not want to put forward a position of saying that we are a sovereign nation and, therefore, would do, as we please, and it harms us, as a sovereign nation developing. So, Mr. Speaker, I support this Bill, because we are a developing country and it is necessary for us to remain in compliance, with respect to international procedures and international transactions and, therefore, we must listen to those who have told us.

There are other ways I do look forward to, as we have, most recently, previously just reduced the Corporate Income Tax, that there may come a time, where our actual National Corporate Income Tax and Personal Income Tax will be at a level where we can also have the same being offered to International Entities and Trust and foreign Registered Companies, that it would be the same, which is what the very countries and the Organizations have said is something that will be acceptable to them, as well. So, that time may come and, at that point, I look forward to the possible reintroduction of this, but for the time being, I do recognize the necessity for us to be compliant and, therefore, to have the necessary amendments and repealing of this and the other Bills to be presented today. Thank you, Mr. Speaker. **(Applause)**

Mr. Speaker: Thank you, Honourable Representative for St. George South. Honourable Representative for St. David.

Hon. Oliver Joseph: Thank you, Mr. Speaker. Mr. Speaker, it is important that we set the context for this Bill, the removal of the International Business Company Bill. Now, the OECD which the EU is part of and sometimes you see the EU putting out their own blacklist and the OECD putting out a next blacklist; we have made a number of changes to our Tax Regime and the US is satisfied, but with respect to International Companies doing business outside of the EU, where they consider it as harmful tax competition. You see, Mr. Speaker, the thing we need to understand is, the only reason the EU is putting pressure on countries outside of the OECD, is because we are able to compete with their jurisdiction. That is why they

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call it harmful tax competition, you know. So, we say we are going to diversify our economy and move it into International Business and Offshore Service, and we start to become very competitive, earning revenue and they say, no, well you are doing too well from our business coming. Why are the businesses leaving the OECD countries and coming to our jurisdiction to do business? So, as soon as you start to be competitive, then they start to exert pressure on you. They tell you, you must diversify. We have taken a decision, this is the route to go, attract foreign companies to do business, and then we are told that we have to change the Law and abolish this International Business that we want to set up to aid in the development of our economy. And then they will start to attack the CBI Programme and say it's harmful too, and so you must get rid of it, whereas we are using the CBI revenue to transform the economy, you know. We have a National Transformation Fund and we have Due Diligence and everything is in place, but they will find some way of telling you that you have to change and you have to get rid of the Programme, as though Small Island Developing States cannot manage its own affairs, only the OECD and the Developed Countries that are capable of running this sort of business, black people like us should not get involved in that and compete with them. That's a serious point, and I need to make the point, because people are listening to understand why, because you know what they say.

We are afraid of being placed on a blacklist, because of the image, so we have to comply and we have to do all these things. The nature of it is really like you have a superpower and treating you in any manner that they like to, and they are quick to Blacklist, you and everything. It's a pity that the world has to operate in that way, in these modern times, that pressure is just being brought to bear. When will you see the end of that, Mr. Speaker? Any programme we start to develop that sees growth in our economy and see competition for them, they will move. Nothing is stopping them now, you know, nothing would stop them from moving. So while we have to look at other areas that we can develop in the services, because we realize that we are a Service Industry, and while we offer International Services and Offshore Services, because it's the Services Sector that will get the largest growth in the economy, and that is why we are going into services area, and so we have, for example, in the Economic Partnership Agreement, a whole chapter on Services and

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how we trade Services to the benefit of ours. We signed that with the European Union, a Services Agreement, you know, as part of the EPA, the Economic Partnership Agreement, and how we do trade. And, so, all this pressure that they are putting and saying if by the 31st of December, you don't repeal the changes, we are going to put you on a blacklist, and we will say if you're on the Blacklist, their citizens cannot do business with you.

It's not that we are doing anything wrong, you know, I want to make the point. Mr. Speaker, we are not doing anything illegal. So, they are not pointing out to any illegal activities. They are calling it Harmful Tax Competition, harmful to their economy, because their companies are leaving and come. Instead of them fixing their own situation, to allow their company to stay, because, if they have the right regime in place their companies will stay. But, they are not doing anything to retain their company, you know. They are doing everything to prevent them from coming out and invest, and that's the situation we find ourselves in today. So, I just wanted to state that for the records, Mr. Speaker. Thank you. **(Applause)**

Mr. Speaker: Thank you very much, Representative for St. David. Representative for the Town of St. George.

Hon. Peter David: Thank you, Mr. Speaker. Good morning. Mr. Speaker, the Member for St. David made an extremely important point. But, he posed a question, and the question he posed is when will we see the end of this? And, I just want to say that in listening to, not only today's debate, but in a lot of discussions in international fora, we have to understand where we are, but also what we can do, because the only time we will see the end of this is when we as Small States come together, when we as Developing Countries come together, when we understand this, because one of the tactics of the countries who are imposing these things on us is divide and rule, so that we find ourselves unable to utilize the strength that we have in demanding change to these phenomena.

You know, we have people we call 'Traditional Allies', Allies we have had from our own Colonial experience through to today. And, we have said time and time again, in our engagements with them that if they are truly our partners and everyone

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knows who our traditional partners are, then they must assist us in campaigning in these fora, the EU and all of these fora, so that our interests are properly served. And, there are many things, in corresponding banking, in graduation to levels where we are determined to be middle income countries and, therefore, not eligible for certain levels of aid. But, we must first understand where we are. I say to many people out there and the Member for St. David touched on it, that there are people who said, listen, Grenada is being blacklisted, it means that the Government is doing something wrong, no, it doesn't mean the Government is doing anything wrong, when you hear the blacklisting. In fact, many times when you are blacklisted it's because we are doing something right for our country and what is right for our country sometimes is not right for other countries.

Remember, Mr. Speaker, when the preferential duties were removed, the demise of the Agricultural Sector; go back into our history. Agriculture was developed and banana, cocoa and nutmeg were developed as part of the demands of the traditional partners. Once they found other markets throughout Latin America and the Caribbean, with Chiquita and all these big Corporations, then we no longer became important as producers of Agriculture. Therefore, subsidies were removed and we were left on our own and, despite all of our calls for increased development assistance, not because we are unable to develop but, because our economies were put in this position as a result of the imbalances created throughout the world. But, I don't want to make a speech here on development. My friend, the Member from St. David did a good job of that. I just want to say to persons, who sometimes, you hear them attacking the CBI Programme, as my friend said, the CBI Programme this. You're encouraging people to evade taxes. It is because they are trying to block us from getting the kinds of development that will cause us to become truly independent. So, I just want to say to persons who attack Government sometimes when you end up on a Blacklist. When you end up on a Blacklist, it is not because you do anything bad, and I hate the term 'Blacklist' anyway. When you end up on these lists that they have, it is not because you are doing anything bad, it is because you are doing something right for your country and it is causing leakages in their economies. So, I want to endorse what my friend from St. David said, which is fix your own problems.

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Look our CBI Programme; our CBI Programme is not based on any attempt by us to have crooks and criminals come into our country. Our Programme is tight, efficient, ensuring that the persons who come for citizenship are the kinds of persons we want to be Grenadian citizens, with potential for capital investment, and they are trying to block it. You know why? You know one of the reasons that, I mean, I would say this publicly, that I became interested in the CBI Programme is because these countries were against it. So, I said, Lord, if they are against this thing so much, it must be something there that we are doing right. And, what it showed me is that there was capital moving from the North to the South. Capital was moving from the North to the South. The traditional movement of capital is from the South to the North, and all of a sudden they are trying to squeeze our necks. So, I don't want to make a speech here on the issue, but just to say that we do these things, not because, and when we talk about harmful, it is not harmful to us, it is harmful to others. And, the Member poses the right question, the Member for St. David, when will we see an end to this? We would see an end to this, when we stand up as small States. You know, Michael Manley once said, **'fall on our feet, not on our knees.'** When we stand up, as Small States, as CARICOM States, as Developing States, when we develop the kinds of friendships that we want and are important for our countries and we are able to say this is what we do for us, not from any ideological perspective, from just the perspective of development, to make sure we get jobs for our people, to make sure we get education for our people, healthcare for our people; that is all we are interested in, not the ideological old cold war between left and right, throughout the world, but simply between those who want development, and those who want to retard that development. But, we are where we are, and we are who we are at this time, so here we are, as my friend from the South said, we do what we do in order to survive in this very hostile international environment. Thank you, Mr. Speaker. **(Applause)**

Mr. Speaker: Thank you, kindly, Honourable Representative for the Town of St. George. Leader of Government's Business.

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Hon. Gregory Bowen: Thank you, Mr. Speaker. Mr. Speaker, the contributions before have elucidated the problems that we face. Time and time again in this Honourable Place, Mr. Speaker, I have spoken to the many Bills. And, if you remember, fifteen (15) of those similar Bills came here, where we simply had to succumb, to move to the will of those who have the power, Mr. Speaker. And, it is important that the public understand exactly why we have to move along with these Bills, because if we don't, Mr. Speaker, the hardship that they will endure, they would look back to us and say that we have imposed it. So, it is very relevant. The contributions made today, they are very relevant, Mr. Speaker, in ensuring that our people understand what is going on.

At the same time, Mr. Speaker, we must do, even if it's the tiniest thing, that we have to do. That is why, Mr. Speaker, we have to amend this Bill, and it will be proposed in the Committee Stage, because, as drafted to the likeness of the powers that be, it indicates that all the existing eighty-four (84) companies or so, must go by 2021. This is what the Bill says. If we have no company existing, Mr. Speaker, we could succumb and say everything goes, because there is nothing there. But, once we have something there, Mr. Speaker, not only could we face, maybe some legal challenge, but at the same time, we are throwing out revenues that we have at a very limited period. For example, if we have to do this, then we must ask to give us a ten year period, because, at the same time that we reduce the taxes from thirty (30) to twenty-eight (28), we are reducing the income from these companies, Mr. Speaker, and also the jobs that they have been giving to our people. So, we will be proposing amendment, Mr. Speaker, to sort of safeguard what we have, and at the same time, trying to meet the demands; and not demands; how should I put it, Mr. Speaker, through you to my colleague from the Town, the instructions from the powers that be, Mr. Speaker.

So, whether it is two hundred (200) jobs, there will be with these eighty-four (84) companies for Grenadians. So, if we say by 2021, as it is there now, you will be saying to these people, "you go home, forget about you." And, if the income is thirty million dollars (\$30 m), Mr. Speaker, per year, we are saying, get rid of that at the same time. So, yes, we have to stand up, in some manner; why not be "rude" and retaliate the powers that be, we must safeguard and do the minimum. And, I believe,

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Mr. Speaker, the amendment that we would be proposing in the Committee stage would be simply to do this, safeguard the little that we have, while we understand we must chop. So, nothing more for a period of time, from now, but let us try to preserve this, and I know that the Minister for Finance, the Ministry of Finance, the Ministry of Foreign Affairs and the Ministry of Legal Affairs may have a lot to contend with by the action that we are taking now. That is why it is important to let the people know.

Suppose for example, Mr. Speaker, because of this amendment, we end up on the 'beautiful list'. 'B' for 'beautiful' and not 'B' for 'black', as the Minister for Foreign Affairs have indicated. But, if... at least the public must know that we got on the Blacklist', because we stood up for the persons who are now gainfully employed, and at the same time, to ensure that we have some revenues to meet the demands of the fiscal space, demands from the IMANIs, the road workers and all the others. We are standing up for them. So, if we have to go back and revert after the big stick would be raised or hoisted, then the public must know why. And, it must not be bandied about as a political tool, hey, they are blacklisted from day one, because we stood up for Grenada, Mr. Speaker. And, at the same time, we are not standing up in a manner that we will damage the country, but we are just standing up to do the least that we can do for our people, Mr. Speaker. In that context, I support the second reading of the Bill. **(Applause)**

Mr. Speaker: Honourable Representative for St. George South.

Hon. Nickolas Steele: Mr. Speaker, I just want to rise to add one thing, because I know we have other Bills coming up, and I don't want to be saying the same thing over and over on the other Bills. I think the principle is the same for all, but, Mr. Speaker, it is necessary to note that what we are being asked to do with respect to compliance, they are very specific, non-Member EU States must do this. But, EU Member States do not have to. There is a differentiation between Personal Income Tax and Corporate Income Tax in the European Union. There is tax competition between European Countries in the European Union. Very much so on the international news, North Ireland has a much lower tax rate than other European

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Countries, and, therefore, the same Corporate Entities are fleeing to Ireland, or going to Ireland and registering their entities in Ireland. But, what they are saying is that it is okay to do in European Union. It is not okay for any of us to participate in that free and fair competition that exists within the European Union.

And, also, I think it is necessary to note, as well, that the public and Members should take note that in Paris, in France, right now, the Yellow Vests demonstrations. These aren't people, who are evading taxes. These aren't criminals. These are their very own citizens that are saying that their Tax Regime in one country is prohibitive to the point that their own citizens are in the streets demonstrating. And, further and final, Mr. Speaker, over the last year and some, over the last two (2) years, we have heard of the plague in Europe of migration from Africa, and that European countries are saying that they recognize that assistance must be given where there is war, but it is unacceptable to allow migration for economic reasons. Yet it is the same European Union that passes instructions and says that the countries outside of the European Union must have a certain legal structure that prevents them from competing economically, but then once we keep you down that way, no, no, no, don't have your citizens come here to the European Union for a better economic life. Just stay there and we will ring-fence the European Union, have a different rule for the European Union, and because we are bigger than you, when we instruct you to do otherwise, you must do it and you must do it by the 31st of December, otherwise you would be blacklisted for 2019, Mr. Speaker.

Mr. Speaker: Thank you, Honourable Representative for St. George South. I know the importance of that Bill and the importance of getting the public out there to understand what it means, when you say you are blacklisted, and it is not that you are doing anything wrong, but maybe you are doing something right, and I agree about this blacklist. But, again, you know what the thing is, blacklist, and for that reason I gave the Representative for St. George South the opportunity to make some further clarifications. But, usually, on the speaking of a Bill, you only have one chance to speak on the Bill. But, this time, I appreciated the explanation. Honourable Representative for Carriacou and Petite Martinique.

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Hon. Kindra Maturine-Stewart: Mr. Speaker, I want to thank the Members of the House, who would have contributed and supported the Bill, and I commend the Bill for its second reading.

Question put and agreed to.

Bill read a second time.

Mr. Speaker: Honourable Representative for Carriacou and Petite Martinique.

Hon. Kindra Maturine-Stewart: Mr. Speaker, I beg to move that the House resolves itself into a Committee of the Whole House to consider the Bill Clause by Clause.

Question put and agreed to.

House in Committee

House resumes.

Hon. Kindra Maturine-Stewart: Mr. Speaker, I beg to move that the Chairman's Report be adopted.

Mr. Speaker: Well I didn't report yet.

Hon. Kindra Maturine-Stewart: Oh yes.

Mr. Speaker: So I'm going to report now. **(Laughter)** Honourable Members, I have to report that the Bill was considered by a Committee of the Whole House and passed with amendments. Honourable Representative for Carriacou and Petite Martinique.

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Hon. Kindra Maturine-Stewart: Mr. Speaker, now I beg that the Chairman's Report be adopted.

Question put and agreed to.

Chairman's Report adopted.

Hon. Kindra Maturine-Stewart: Mr. Speaker, I beg to move the third reading of the Bill and passage.

Question put and agreed to.

Bill read a third time and passed.

Mr. Speaker: Honourable Representative for Carriacou and Petite Martinique.

Hon. Kindra Maturine-Stewart: Mr. Speaker, I beg to introduce for the first reading a Bill for an Act shortly entitled, International Insurance (Repeal) Act, 2018.

Ag. Clerk: A Bill for an Act to repeal the International Insurance Cap. 152B shortly entitled, International Insurance (Repeal) Act, 2018.

Mr. Speaker: Honourable Representative for Carriacou and Petite Martinique.

Hon. Kindra Maturine-Stewart: Mr. Speaker, I beg that the relevant Standing Order of the House be suspended to enable the Bill to be taken through all of its stages at this Sitting.

Question put and agreed to.

Relevant Standing Order suspended.

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Mr. Speaker: Honourable Representative for Carriacou and Petite Martinique.

Hon. Kindra Maturine-Stewart: Mr. Speaker, I beg to move the second reading of the Bill.

Question proposed.

Mr. Speaker: Honourable Representative.

Hon. Kindra Maturine-Stewart: Mr. Speaker, like the International Companies Act, the International Insurance Act, Mr. Speaker, one would appreciate that the International Insurance Act would of course lose its usefulness, since the underlying Entity, which is the International Companies Act, once we, Mr. Speaker, repeal the International Companies Act, it means, therefore, that the International Insurance Act would also have to go.

Mr. Speaker, for one to be able to establish an International Insurance Company, one would need, first and foremost an International Company. And, so, Mr. Speaker, the licence to be granted for the operation of the International Insurance Company, must come as a result of the International Business. Mr. Speaker, and so, as a matter of completeness, the International Insurance Act would also have to be repealed.

Naturally, Mr. Speaker, like an International Company, the International Insurance Act also provides certain exemptions from all taxes, direct or indirect taxes, and, Mr. Speaker, this is also an Act that targets foreign entities and is, of course, again, like the International Business, International Company, is prohibited from conducting business, as well, in Grenada.

As a result, Mr. Speaker, this also has been viewed by the EU COCG, as being harmful. And, as such, Mr. Speaker, the repeal of this Act, likewise, is, therefore, in keeping with our commitment, as a country to prevent, or to alleviate possible harmful tax practices, as identified by the EU COCG during our screening in 2017.

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Mr. Speaker, but it must be noted that Grenada, presently, does not have any active International Insurance Companies, presently and so this change would not significantly impact Grenada at all. And, so, Mr. Speaker, for those that are existing on the books, with respect to the transitional provision, as provided by section 3, these Companies that are already created under the Act will remain on the books, or continue to operate until 31st December, 2021, for the latest, of course, Mr. Speaker, until same are dissolved, or round up prior to that date.

So, Mr. Speaker, this also, as with the International Companies Act, the International Insurance Act would also have to be repealed, in keeping with our mandate as a Government. Thank you, Mr. Speaker.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. I rise to support the Bill, as proposed by the Representative for Carriacou and Petite Martinique, and to stress the point that none, no International Insurance Company has been found active in the country. So, your humble servant would not stand to make any amendment to safeguard the people and what goes into the economy, because they are on the books and so they have a period to be wound up, so they should not be, because what is important, whether they are operating or not, once they are on the books and, the EU sees that on the books, well, we're gone, we are blacklisted, and the result of the blacklist is dismal. Mr. Speaker, it is not only the EU country that will not deal with you, or the OECD countries, many countries will not deal with you; corresponding banks; so you go to buy a US dollar, you go to buy a car in Japan, and you send the EC dollars, there is no corresponding bank to change it, your whole economy will go; so it is the 'blacklister,' as they call it. And, Mr. Speaker, I agree with you why the term 'black', why not another list; it connotes something sinister.

So, again, I support the Bill without the proposition for an amendment in the context that it will not affect, unduly, any of the people, or any benefits that are going there, because there are hardly any, Mr. Speaker. Just to ensure the three (3) years

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that we are cleaning it up, if we clean it up by the 31st, all the better. I support the Bill, as proposed, Mr. Speaker. **(Applause)**

Mr. Speaker: Thank you, Leader of Government Business. Honourable Representative for St. George South.

Hon. Nickolas Steele: Mr. Speaker, I rise just to, again, on the same points, but to say, with respect, to the Insurance Companies, I would be very curious to know whether certain overseas territories that have become hubs of insurance registration, will be forced to comply with this as well, although they are within our neighbourhood, but, most definitely, certain overseas territories, Islands, as well, are not going to be asked to comply with this. But, as independent nations, we are forced to comply with this, Mr. Speaker.

(Inaudible comments)

Mr. Speaker: Thank you, Honourable Representative for St. George South. Honourable Representative for Carriacou and Petite Martinique.

Hon. Kindra Maturine-Stewart: Mr. Speaker, I want to thank the Members of the House, who would have contributed and supported the Bill, and I commend the Bill to its second reading.

Mr. Speaker: Could you give the Parliamentary Representative for St. George South any assurance to the question that he asked?

(Minister Steele indicated that he did not want a response)

Mr. Speaker: Oh, you didn't want it? **(Laughter)** Thank you very much.

Question put and agreed to.

Bill read a second time.

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Mr. Speaker: Honourable Representative for Carriacou and Petite Martinique.

Hon. Kindra Maturine-Stewart: Mr. Speaker, I beg to move that the House resolves itself into a Committee of the Whole House to consider the Bill Clause by Clause.

Question put and agreed to.

House in Committee.

House resumes.

Mr. Speaker: I have to report that the Bill was considered by a Committee of the Whole House and passed without amendment. **(Clerk converse with the Speaker in private)** Sorry, with amendment; passed with amendment. Honourable Representative for Carriacou and Petite Martinique.

Hon. Kindra Maturine-Stewart: Mr. Speaker, I beg to move that the Chairman's Report be adopted.

Question put and agreed to.

Chairman's Report adopted.

Mr. Speaker: Honourable Representative for Carriacou and Petite Martinique.

Hon. Kindra Maturine-Stewart: Mr. Speaker, I beg to move the third reading of the Bill and passage.

Question put and agreed to.

Bill read a third time and passed.

Mr. Speaker: Leader of Government's Business.

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Hon. Gregory Bowen: Thank you, Mr. Speaker. Mr. Speaker, I crave your permission to make a small amendment to the Order Paper, with respect to the order of the Bills being taken, and to ask that the Banking (Amendment) Bill, 2018 be now taken to facilitate the Member for St. David and the Minister for Trade and Co-operatives, and I know that my colleague, the Member for Carriacou and Petite Martinique will gladly consent to the change in order. So, with your permission, Mr. Speaker, I will like the Member for St. David to take the Banking (Amendment) Bill.

Mr. Speaker: Thank you, Leader of Government's Business. Honourable Representative for St. David.

Hon. Oliver Joseph: Thank you, Mr. Speaker. Mr. Speaker, I beg to introduce for first reading a Bill for an Act shortly entitled, Banking (Amendment) Bill, 2018.

Ag. Clerk: A Bill for an Act to amend the Banking Act, No. 20 of 2015, shortly entitled, Banking (Amendment) Act, 2018.

Mr. Speaker: Honourable Representative for St. David.

Hon. Oliver Joseph: Mr. Speaker, I beg to move that the relevant Standing Order of the House be suspended to enable the Bill to be taken through all its stages at this Sitting.

Question put and agreed to.

Relevant Standing Order suspended.

Mr. Speaker: Honourable Representative for St. David.

Hon. Oliver Joseph: Mr. Speaker, I beg to move the second reading of the Bill.

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Question proposed.

Mr. Speaker: Honourable Representative for David.

Hon. Oliver Joseph: Thank you, Mr. Speaker. And, let me thank the Member for Carriacou and Petite Martinique for allowing me to present this time. This Bill is different from the two (2) previous Bills, the trend that we are seeing where the OECD and the EU are asking us to make changes. In this one, we are looking at the recommendation made by the Eastern Caribbean Central Bank after consultation with Member States.

You will recall, Mr. Speaker, that the Banking Act, No. 20 of 2015, which is the principal Act, was brought into force on November 10, 2015. After it came into force, there were lots of consultations and concerns that were raised with respect to this particular Bill, and, therefore, the amendments that are proposed now are done after extensive consultation. And, so you would see a number of areas that amendments have been made throughout the Bill. So, we are talking about the principal Act, No. 20 of 2015 that these amendments are referring to. And, what I would like to do in this approach, Mr. Speaker, is to highlight the main amendments, and as I said, there are several amendments to this Bill, after consultation. But it is all to strengthen the Banking System, and, therefore, it is important that we do it, because, as I said, this is coming from our people now, our own Eastern Caribbean Central Bank, and, therefore, there are areas in the definition that needed clarification, so there are some definitional issues, and there are certain policy issues that need to be addressed. So, this is the context in which I will present and I will highlight the main amendment.

If you look at just, starting out with the definition in section 2 of the principal Act, and, as I say every time I say 'principal Act', I am talking about Act 20 of 2015, in the definition of "**affiliate**" by deleting paragraph (e) and substituting the following words: '**A Company, which has the same beneficial owner, or shares common management and has had interlink with business.**' So, it's the definition that needs tightening up there. For example, in the definition in the principal Act, you have, '**carrying out banking business**', and you want to delete the word '**frequent**'

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and just say: ‘**carrying out banking business...**’, and you have “**branch**” now being defined clearly, and what is meant by Capital Assets and so forth, Mr. Speaker, as I said it’s to bring clarity to this. This amendment is seeking to bring clarity in section 3 by deleting the words “**financial institution**” and substituting the word “**corporation**”, because it is not every time you say financial institution, it could also have corporation, so you want to put that into it.

And, in section 4, it’s a simple amendment there, but, as I said to clarify any ambiguity in the principal Act, it has the words, “**to conduct business**”, and you want to substitute the words now, “**carrying on business**”. It might seem minor, you might laugh, but the people who are actually involved are the ones who were suggesting this, you know, Mr. Speaker. I thought that wouldn’t make any difference, but it seems that legally, or the people who are actually involved in the business prefer the wording “**carrying on**”. I don’t know if it’s because the signals are ongoing or something. But, that is the suggestion. And, that is why, Mr. Speaker, my approach is to actually highlight some of the amendments, so we can get the gist of what they are trying to achieve and reflect the amendments, as proposed.

So, in section 7 of the principal Act, in paragraph 1(e), by deleting the words: “**holding company**”, and substituting, therefore, the word “**group**”, because you will have a Group Company instead of just a Holding Company. And, in subsection (2) by inserting the words: “**or subsidiary**” after the word “**branch**”. So, it could be a branch or a subsidiary. Well, I could understand that, the meaning of this, the significance of it.

And, in section 14 of the principal Act, by amending paragraph 1(j), by deleting the word “**conduct**” where it appears with “**carry on**”. When I saw it here, I said, maybe, and the Leader of Government’s Business might correct me here. All they had to say is where the word “**conduct**” appears, you put “**carry on**”, *(Laughter)* So, it carry on throughout the Act, you know, because it is in section 14 in the principal Act where you have “**conduct**” and they say, well change it to “**carry on**”. So, I would say, as I said, if the Leader of Government’s Business agrees that we could say wherever, because that’s the word you want to use now. You don’t want to use “**conduct**”, you want to use “**carry on**”, so wherever it appears, you

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change it to **“carry on”**. **“Conduct”** seems like for the very rich people. I like the word **“carry on”**.

Section 19 of the principal Act, in subsections (7), (8) and (9), deleting the words, **“electronic banking system”** and substituting the words, **“automatic banking machine”**. You know, when we used to have ATM, Automatic Teller Machine? Well, it's not only a Teller now, you know. You're going and deposit; you're going and do all transactions, so, it has changed in to Automatic Banking Machine. So, it's an ABM you have now, so you don't want to just have it as a Teller, because all the Teller does is dispense cash. So, that is the amendment that is taken into consideration, and you could see, Mr. Speaker, throughout this, that the Banking Sector was deeply involved, as I said, throughout the ECCU in doing this.

Section 44 is amended, in sections 1 and 2 of the paragraph by deleting the word **“Grenada”** and substituting the words, **“the Currency Union”**, because, you know, Grenada does not have its own Central Bank. We have a Currency Union, with one Central Bank, so you have to delete the word **“Grenada”** and put **“Currency Union”**. And, by inserting after subsection (4) the following new subsection, **“the Central Bank may approve the holding of assigned capital in the form of specific assets”**. So, we are giving the Central Bank the power under this amendment.

Amendment to section 45 of the principal Act by deleting subsection (2) and substituting, therefore, the following subsection: **“A licensed financial institution, or licensed financial holding company shall not declare, credit or pay any dividend or make any other transfer from profits, if the declaration, credit, payment, or transfer will result in one, an impairment of the capital required; inadequate and in appropriate forms of liquidity, negative retained earnings”**. Because, you see, these are requirements. We have the reserve requirement ratio. Once you do not impair these things, it is important that you do a transfer profit, if it's going to impair these things.

Mr. Speaker, amendment to section 49 of the principal Act, (1) and (6) by deleting the words **“capital base”** and substituting the words **“tier 1 capital”** and **“tier 1 capital”** is defined in the definition. In amendment of section 50 by deleting the words **“capital base”** and substituting the words **“tier 1 capital”**.

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Amendment to section 51, **“A licensed financial institution shall not, except with the prior written approval of the Central Bank, grant or permit to be outstanding to its employees unsecured, advanced or credit facilities in the aggregate for any one employee exceeding annual remuneration of such employee”**.

So, you will have to get written approval, because in the Act it says **“you shall not grant credit to an individual up to 50% of its earning”**. Most financial institutions have that. I think in the Credit Union, you wouldn't get a loan, if the amount you have to repay exceeds, I think, 60%? Maybe the Clerk can help me there, but they have that. And, this one is saying, if it's fifty, but with written prior approval of the Central Bank, then that is how you can exceed it for the banks.

It's a good guiding principle, you know, Mr. Speaker, because if you go to take a loan, they will be concerned how you are meeting your other commitments, because you may not be able to pay the loan and then do everything else, so that's what it is saying there that a licensed financial institution will need prior written approval of the Central Bank. You see, and it appears again, that is what I was saying. You see what section 53 says, Mr. Speaker, that is what I was pointing out to the Leader of Government's Business, the word **“conduct”** there is saying **“carry on”**, so I think the Lawyers could do that, it would satisfy that requirement.

And, in section 54, by inserting a new section **“A licensed financial institution shall not own a subsidiary company and does not engage solely in permissible activities”** and by inserting in (4), the subsection **“For the purposes of this section “permissible activities” includes business of a financial nature and any other activities that the Central Bank may determine”**. So, it is important that the licensed financial institution does not own a subsidiary company.

In section 55, **“A licensed financial institution shall not directly or indirectly, except with the prior approval of the Central Bank purchase, acquire or lease property except to conduct business”**. What that is trying to prevent there, Mr. Speaker, is that the bank will know that you have property for sale and the bank could buy out the property, you know. I heard of instances where people say they are going to the bank to buy one hundred (100) acres of land and because of the price, somebody else in the bank gave the information outside. I have heard

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that. But, what this is saying now, the bank itself now should not go and buy property except to conduct business, because you are a bank, you are liquid, you have a lot of money, so if you are allowed to just go and buy out property, you, obviously, would have the advantage, because for I to purchase, I must come to you, to get money and you, on the other hand, and you in the business of buying assets, or real estate, as the bank. And, this is saying, no, you cannot, without prior approval of the Central Bank, purchase, acquire except to conduct business.

The Central Bank... and in section 60, by deleting the word “**six**” and substituting it with “**nine**” and deleting the word “**three**” with “**six**”, that is in reference to the external Auditors. What they are saying is that you should change your external Auditors over a certain period of time, because if you keep the same Auditor, it is believed that you may not get the kind of quality Financial Report that you want, because you have such a close relation. Let someone else audit it too, and give you a report. That, I think makes sense to change external Auditors. But, this one only applies to banking, Mr. Speaker, but I think it will be a good thing if Credit Unions could take this, as a guidance, too, to change their external Auditors every six (6) years, or every five (5) years, as they choose, as I said, just to ensure transparency in the process.

The repeal and substitution of section 80 of the principal Act, has to do with failure to comply, “**a licensed financial institution or an affiliate of a licensed financial institution that fails to comply with a requirement or a prohibition of the Central Bank imposes on the licensed financial institution, is liable to a penalty.**” So, this is dealing with the penalties for licensed financial institutions. Well, notification or removal of Directors, that is clear here; I won't want to spend too much time on that.

As I said, amendment to section 97 deals with Directors; the Repeal section is what I want to deal with. “**Repeal and substitution of section 101 of the principal Act: Section 101 of the principal Act is hereby repealed and substituted with the following: notification to Central Bank of appointment of officers and directors; a licensed financial institution or licensed financial holding company, shall give written notice to the Central Bank of the proposed appointment or election of a director or officer, or at least sixty days prior to**

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the appointment, or election of a director or officer. On receipt of the notice under subsection (1), the Central Bank shall conduct an investigation to determine whether the proposed director or officer satisfies the fit and proper criteria in section 97. On completion of its investigation, the Central Bank shall inform the licensed financial institution or licensed financial holding company in writing of the requirement of section 97”, and section 97 deals with the issue of if you're bankrupt, or you file for bankruptcy.

Now, what this new section is doing, what exists under the principal Act is that you can appoint people, as members of the Board of Directors. You don't have to notify the Central Bank and get approval from the Central Bank, because you say, well, I am a Board member, I am a Director, I have been elected by the Shareholders, and, therefore, I can sit on the Board. The Central Bank is saying now that you have to inform the Central Bank, at least, sixty days prior to the appointment of the Director. They want to know. They want to do their own investigation first before you can appoint that person to sit as a Director of a financial institution. This is a section that has now been included for all financial institutions, Banking Institutions, that is, to submit the Director's name to the Central Bank, so they can investigate and have their own investigation before they appoint the person.

And, section 103 is amended, in paragraph (1) (a) by deleting the words “**two thirds of**” and by deleting “**subsection (2)**” and substituting the following, “**Subject to subsection (2A), the prudential standards issued by the Central Bank, a person who has been declared bankrupt; has been sentenced for an offence...**”. These are all the grounds on which you cannot be a Director of a Company. I know some people say, well, if you declare bankrupt; I can't remember any case of bankruptcy, that anybody has been declared bankrupt in Grenada. But, if you have been declared, you know, as bankrupt, it is saying there, you cannot be able to serve. And, of course, you have a right of appeal. You can appeal the decision. And, in the repeal and substitution of section 109, it says, “**Failure to comply with section 103, a licensed financial institution, which fails to comply with section 103 is liable to a penalty of one hundred thousand dollars (\$100,000.00), and ten thousand dollars (\$10,000.00) for each day of the default. And, a Director, or Officer of a licensed financial institution, who fails**

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to comply with section 103 is liable to a penalty of fifty thousand dollars (\$50,000.00)". So, there are some heavy fines, if you did not comply. You see the Banks play an important role, and we need to ensure that we preserve the finances of people.

And, amendment to section 104, the revocation of license; and, Mr. Speaker, it says that "**the establishment of a Bridge Bank...**" Well, a Bridge Bank, Mr. Speaker, just to explain, a Bridge Bank is an institution created by a national Regulator, or Central Bank. You are not seeing that in the Bill, Mr. Speaker, but I am saying what a Bridge Bank is, because it said that you could have a Bridge Bank. I am saying that a Bridge Bank, by definition is an institution created by a National Regulator or Central Bank to operate a failed bank until a buyer can be found for its operations. In other words, a Bridge Bank is a temporary bank created by the Central Bank in order to operate an insolvent or failed bank for a defined period of time. In this case, it says between twelve (12) months and four (4) years. Once you set up a Bridge Bank, it's for a defined period of time, because it is just temporary to deal with the matter of an insolvent company, or anything. So, this now, is calling for the establishment of a Bridge Bank in order to take over the operations of the bank that has become insolvent. And, it says that it can be for a period of twelve (12) months with the possibility of extension of up to four (4) years, and then it will come to an end. In some jurisdictions, based on mere restrictions, it's up to three (3) years, but here it is up to four (4) years, I think, because you have instances where you have to create Bridge Banks to take over the operation of some banks that have failed, and the proposal is that between a period of twelve (12) months and four (4) years that will be the life of the Bridge Bank. It will come to an end at that time.

So, Mr. Speaker, as I said, these amendments are not amendments that have been forced on us, but it is amendments that reflect the views of stakeholders, after consultation from 2015, reviewing it, when we passed it, up to 2018. And, as you know, these are harmonized Regulations, because we have one Eastern Caribbean Central Bank, so we would all harmonize the Legislation, and so every Member State of the ECCU is expected to make the same amendments to their Legislation in order to comply.

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And, one other important distinction, Mr. Speaker, is that in the principal Act that talks about a foreign bank, in this amendment, if the Bank is not established within the ECCU, but is a CARICOM Institution, it has to be charged the same licensing fee, as a bank that belongs to the ECCU, because under Article 7 of the CARICOM Revised Treaty, a CARICOM institution has to be treated in the same way. So, you cannot have two differential fees for the CARICOM, but it could have one for the foreign. But, you cannot treat CARICOM Banks as foreign, according to the Treaty of Chaguaramas and charge a different rate from those that are established within the ECCU Member States, and that is a next important amendment that has been made to the Banking Act.

So, Mr. Speaker, I thought it was necessary to go through the main amendments, in order to get you a full understanding of what this Banking Amendment is all about. I thank you. **(Applause)**

Mr. Speaker: Thank you, Honourable Representative for St. David. Honourable Representative for St. Patrick West.

Hon. Anthony Boatswain: Thank you, Mr. Speaker. Mr. Speaker, at one time I got lost, as to exactly which Bill the Member for St. David was talking about. Mr. Speaker, I have some serious concerns about this Bill, and I am wondering whether we should rush this Bill through all of its stages at this time. I believe that we do have a tendency, here, in Grenada, to always want to be the first to do certain things, but then later entertain regret, as to exactly why we did what we did.

Mr. Speaker, first and foremost, it's unfortunate that the Minister for Finance is not here, because I want to ask some questions pertinent to the Bill, but I know that the Member for St. David is equally competent, with regards to the issue at hand, and I presume, Mr. Speaker, that we are all talking about the uniformed Banking Act... **(The Member for St. David indicated in the affirmative)** ...the uniformed Banking Act of the ECCU Member countries.

Second, Mr. Speaker, I want to know whether all of the proposed changes that we are looking at now, have been agreed upon by all the Members of the ECCU, and there is uniformity among Members, with regards to making those

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changes. I want to make sure whether that is clear, as well. Do we have that consensus among Members that, hey, we will all make these changes, or is it that Grenada is on its limb and proceeding to make these changes without getting the agreement of the other Member Countries, because we are talking about a uniformed Banking Act? So, I want to know whether there is an agreement among the other members to make those changes, and if not why are we taking the lead, because this is so involved, Mr. Speaker, I don't know whether all that is involved is taken into consideration here. And, I could only scratch the surface to some of the issues that we will like to discuss. So, is there a consensus among ECCU Member countries that we will all go along with the changes proposed? Mr. Speaker, I need an answer.

Mr. Speaker: Honourable Representative for St. David, it seems, as though a question has been asked. Alright. Could you please...

(The Minister for Finance entered the Chamber)

Hon. Anthony Boatswain: Oh the Member for... I think you've been saved from... **(Laughter)** Mr. Speaker, can I go over for the Minister for Finance, who has just come in?

Mr. Speaker: Yes, please, please, please do.

Hon. Anthony Boatswain: Mr. Speaker, for the benefit of the Minister for Finance, I have asked two questions and I think the Member for St. David answered the first one; that we are talking about the uniformed Banking Act of the ECCU Member countries, OECS. We agreed on that one. And, the second question I asked, Mr. Speaker, is whether all of the countries, ECCU Member Countries have agreed to the proposed changes that we are making here, because this thing is loaded, it's not as simple as we think.

I want to know whether there is a consensus, among Members that we will go ahead; we all will go ahead with those changes proposed here before I make my

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presentation. And, I was asking that we should not go through all the stages, because this is heavy, and we do not want to make certain changes now that other Members may not agree to, because we are talking about a uniformed Banking Act. So, I really want to know where we stand, where does Grenada stand with regards to the other countries in moving forward with this Bill, at this time.

Mr. Speaker: Thank you. Honourable Minister for Finance

Dr. the Rt. Hon. Keith Mitchell: Mr. Speaker, to me, it's a very relevant question. In fact, the Monetary Council meeting... we had a video conferencing last week, where all the countries agreed to move forward. Grenada said it will try to do so by before the end of the year, a couple others, but most of them said within the first quarter of 2019. So, they all have agreed to move forward with all aspects of the Bill, so that's the answer to this.

Hon. Anthony Boatswain: Thank you, Honourable Member for St. George North-West for this explanation. But, I detect that there is some reservations on the part of some countries to move forward, at this time, there were, because I shared those reservations, as well. Mr. Speaker, three (3) areas have been defined for making those amendments. I want to confine my presentation to area 3, Policy issues. And, it is unfortunate that I did not get this, way ahead of time, to go into a more in-depth analysis of the presentation that I want to make. Only this morning, I got this, and I was hoping that this would not have gone through all the stages now.

However, Mr. Speaker, I want to look at the area of Financial Requirements and Limitations and three (3) areas have been identified for possible changes. Prohibition and Declaration or distribution of dividends among financial institutions during the Financial Year, and I will like; well, maybe the Member could tell us the rationale behind this thinking. When you are making a loss, there should be no dividends; that sound simple enough. However, Mr. Speaker, while it is quite true that when you are making a loss there should be no distribution of dividends, but on the other hand, when that institution or the Bank is making significant profits, are there any requirements, as to what amount, the cap in, of that profit should go

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towards shareholders? Or, is it unrestricted? Do the banks have any kind of mechanism to say, well, hey, our dividends, 'x' amount should go to shareholders and so on, because now you are saying that without, you cannot, but when you make, what do you do? Are there any restrictions? That is the first question I want to ask, Mr. Speaker.

Secondly, Mr. Speaker, I want to make the point that these policy changes are far greater than what we are presenting here. There are far more policy changes, I believe, that we should be making, than what have been presented to us, and I thought more analysis should have gone into the plethora of changes that we will like to make with the Banking System in our Region, because there are problems, there are issues of concern and they are all not reflected here. So, maybe they might be doing that in stages.

I see, Mr. Speaker, there are restrictions on investments in Real Estate, maybe that is correct, because that is what you call a Nonproductive Sector. But, again, while we are looking at restricting investment in the Real Estate Sector, are there any Policy Guidelines, as to minimum portfolio investment that should be made in the Productive Sectors, because this is where I think many of our banks are falling short. Most of the lending is in the Nonproductive Sector, Real Estate, Commercial, you want to buy a car, you get a loan any time; you don't even have to come with security. But, when it comes to the Productive Sectors, we see significant reluctance, and the Banking Sectors don't get involved in those Productive Sectors. So, yes, while we are putting certain restrictions on those areas, why aren't we saying, hey, that every bank, every financial institution should have a minimum portfolio allocation for the Productive Sectors of our economy; that's another issue I will like to raise.

Mr. Speaker, the other issue is that of Bank spread, and it is very sticky, at the top end, especially among, what you call the non-regional banks, the Foreign Banks. They spread very wide and even when the banks are very liquid, there is a reluctance on the part of the banks to reduce their lending rates and they compromise by lowering the savings rates, that's what they do. The savings rates tend to fall, so individuals with money, wanting to go to the Bank, they are reluctant to do that. It was 3%, it has gone down to 2% and it might even go lower. So, isn't

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that encouraging owing to some extent. With that kind of loose savings rate, while at the same time, when you look at the lending rate, because there is a Usury Act where you can't go about that. But, I guess if they could go, they will, but for certain Sectors it might be 10%, but at the same time, when you look at what they are offering you to save your money, it is nothing. So, what we are saying, and they are liquid, you know, very liquid, but, they are not lowering their lending rates.

And, compounding the issue is the plethora of bank charges. For everything you do you have to pay. You are saving; you have to pay a fee. You write a cheque; you have to pay a fee. Everything we do now, and I am wondering why these issues are not addressed in policy changes that we are contemplating, Mr. Speaker. These are issues that the ordinary people are concerned about. It makes no sense going to the bank.

We talk about e-banking. We have moved into a new era. But, yet, when you look at every bank they want to have the biggest building around. Banking without walls, I thought that was the direction in which we were going. But, it is not reflected in the edifices that they want to construct; that's where most of the money is going, Mr. Speaker, and I think that is an area of concern.

The Banking convergence; we have development banking, we have the commercial banks and we have the non-bank financial institutions. The differences among those institutions are getting smaller and smaller, yet, I see no Policy, recurrent, as to how we deal with all of these three institutions. Where does development banking ends and commercial banking begins? Non-bank financial institutions are now competing. Some of them are accepting deposits; development Banks do not. There must be some clarity, Mr. Speaker, as to exactly where the Banking Sector is going, as financial institutions. And, again, Mr. Speaker, this is something I thought should have been included, if we are talking about policy changes in the Banking Sector.

Mr. Speaker, the financial space, and I do not want to get into the old debate with regards to Republic Bank wanting to take over the operations of Scotia Bank in the OECS, because it could be very controversial. Some Member Countries of the same ECCU, some of them cannot agree on a single policy direction. Some might say, yes, let Republic Bank go ahead and take over; others saying no, they would

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not allow it. Again, Mr. Speaker, where is the uniformity in banking in the ECCU Member Countries? I thought an issue like that, Member Countries would have been on the same platform, but they are not. It speaks to disunity and lack of policy cohesiveness among the member territories of the ECCU, dealing with a matter like that.

Grenada might say, okay, fine, do I give permission for that to happen? Antigua says, no way, it won't happen, let us treat with our local institution first. Is that the same policy direction that we intend to go? Mr. Speaker, we need to clarify a lot of issues before we can take piecemeal measures, making those changes that I see we have here.

Mr. Speaker, license fees. I do not agree with the Member for St. David that there should be a single fee for ECCU banks and banks incorporating CARICOM, as a whole, because in the same Revised Treaty of Chaguaramas, we have the principle of differential treatment, so why can't we apply the same principle to banking. You are saying that, okay, the OECS and disadvantaged countries should not be treated the same way. They should have certain advantages, or certain preferences that the wider CARICOM should not have, but yet, you are saying charge a single fee. I disagree with that, Mr. Speaker. I believe we should maintain that Policy of differentiation and the bigger banks, incorporated into CARICOM should not be required to pay the same fee, as those in the OECS.

Mr. Speaker, I think I mentioned banking hours. Again, we are talking about moving forward, but, yet, look at the restrictive banking hours that we do have. Is it promoting development? After 2:00/3:00 o'clock I cannot go to the Bank. Is that making sense in these modern times?

Mr. Speaker, there are too many issues, too many issues, and I only scratched the surface, because I got this just this morning, as I came in here, and I would really like more time to go in-depth with a number of those issues, which I have just scratched the surface, and I am saying, hasten slowly. We have a history of wanting to be the first in everything that we do. I am saying, in this case, Mr. Speaker, let us hasten slowly on this matter and I would prefer that to be deferred for further and more in-depth discussion, at a later date. Thank you very much.

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Mr. Speaker: Thank you, Honourable Representative for St. Patrick West. Honourable Representative for St. George North-East.

Hon. Tobias Clement: Mr. Speaker, I do thank you. I listened to the Member for St. Patrick West, and, Mr. Speaker, he said all this without any prompting from me, eh.

But, Mr. Speaker, there is one issue that I would like to raise here that he touched a little bit on, and it is something that people are very concerned about, and that is the Banking hours in this, here, country. If you compare it with the Banking hours in our other OECS brother countries, it is different. I tried to do a little bit of investigation and they said to me the hours were changed since after Ivan, and it never went back to where it was, originally. And, Mr. Speaker, if we are talking about the uniformed Banking Act, a lot of our citizens would like to get the service of banking and doing business with the bank in that the hours be extended, even to where it was before. I mean, I have my preferences, in terms of whether it is opened 8:00 to 4:00, or 9:00 to 5:00, but restricting banking hours, in this country, from 8:00 to 2:00; because sometimes if you are tied up in Cabinet and after you are finished on Monday, it doesn't make any sense, you cannot get to the Bank, and I believe we should, as a country, really look into putting banking hours, or it being extended as to where it was prior to Ivan. Thank you, Mr. Speaker. **(Applause)**

Mr. Speaker: Thank you, Honourable Representative for St. George North-East. Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. Mr. Speaker, I rise to support the Bill, as proposed by the Member for St. David, and to complement some of the comments made, and really to elucidate on others, Mr. Speaker.

I want to commence, Mr. Speaker, by saying, this is a continuation of the Banking (Amendment) Reform. We would recall that Bills came to this Honourable House before where we instituted procedures for managing failed banks and for preventing failures from banks, and for creating an Entity that could purchase the

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toxic waste from the banks and so on, so that it can continue after financial disaster with a particular institution, Mr. Speaker.

So, we know that this will move on and on and not only the OECS and in Grenada, but throughout the world. As we face the various challenges, some are trying to impose restrictions on others, their amendments. Some are trying to do good for themselves and for everyone, their amendments. So, Mr. Speaker, I would say that this is a dynamic situation with the Banking (Amendment) in the Region and in the world.

Mr. Speaker, the two (2) areas that I want to commend the Bank for adopting and that the Companies in Grenada, not in the Region, in the World, other Companies in the World have already moved, and other Governments and Legislature have already passed these amendments. Two, with respect to, Mr. Speaker, the payment of dividends, and that is section 12, mentioned by the Member for St. Patrick West. It says, **“Amendment to section 45, A licensed financial institution or licensed financial holding company shall not declare credit or pay any dividends.”** It is not only paying dividends, **but “declare credit, or make any other transfer from profits”**. So, this answers the question, Mr. Speaker; **“if the declaration credit payment or transfer would (i)...”** So, you are making a lot of profit, is there a limit above which you should not go? Yes. **“...if by doing so, there is an impairment of the capital requirement to section 44”**. So, you could make any amount of profits you wish, but you have to hold the required... tier 1 capital. You cannot go above that. So, there is a limit, Mr. Speaker, not only in this condition, Mr. Speaker, but it also says that **“an adequate and inappropriate form of liquidity contrary to section 48”**. So, you can make a lot of profits, but if you are going to pay out dividends so much, that you will impair the liquidity of the bank, so that when people come for their cash, they can't get it, the big loan calls, you cannot get it. Yes, there are limits of which you cannot go. **“...or negative retained earnings or accumulated deficits”**. So, you had deficits and you go and pay again, these are the things, Mr. Speaker, that will impose a limit on whether or not you make profits.

And, further, if you make a loss in that financial year, if the licensed financial institution or licensed financial holding company realizes a net loss for that year, you

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should not pay a dividend. Mr. Speaker, in Grenada, fifty-five million dollars (\$55 m) was paid out. There was a profit, but way under fifty-five million dollars (\$55 m), but they dipped back into the years, into the retained earnings, and at that point in time I know the legal profession was asked, because at the General Meeting of that Company, the question was raised, was that legal? And, we said, yes, you can do it. So, anyone, any group of Shareholders could dismantle a Company that was running well making profits by paying dividends that will go back, once you have retained earnings, you could wipe that out and pay dividends. So, I believe, Mr. Speaker, this is not only pertinent to banks, but it is pertinent to Companies, as well.

And, we had a debate, Mr. Speaker, over three (3) years ago, and, first, it is the bank to do it, we must compliment the bank. But, the Companies Act should also be amended to prohibit this sort of behaviour, Mr. Speaker. And, so I want to compliment the Bank in leading the way in this regard, Mr. Speaker. And, in Grenada, we found out that in other Regions in the Caribbean, you do have that restriction. You don't make a profit, then you can't pay dividends. It is practiced, but it is not in law, Mr. Speaker.

And, with respect, Mr. Speaker, to the banking hours; we would like it a lot, Mr. Speaker, but we must look at the philosophy at where we are going. We went from Automated Teller Machines to Automatic Banking Machines and now we are looking at a proposal, not now, four (4) years ago. We are looking at proposal for your ID card and to get people on to banking. Some of them, Mr. Speaker, do not have an account in the bank and it has become extremely difficult for not only Government, but just to do transactions. Just to pay people, you have to get them to have an account in an institution, whether it's a Bank, or whether it's the Credit Union. And, so moving into this form of electronic means, will not make that big demand on the banking hours. We agree, Mr. Speaker, the longer the banking hours, the better, more service to our people, but we also want to push them into a manner where they can do transactions with your card, even your ID card that we are moving into now, Mr. Speaker, and which was proposed about four (4) years ago, and to move into the Banking System where you use the Automatic Banking Machine. Well, if you have not reached there yet, the Automatic Teller Machine. You use your little card, you go out any time and you pull out some funds and you go

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away. If you have a big transaction in the developmental reign, for the Development Bank, of course, you'll want some face to face interactions. In that context, Mr. Speaker, while I do support the longer hours, everyone would benefit, but we have to weigh this against the move of where we are going.

Mr. Speaker, as a proposal, we came here for money, by the digital coins, and you know that is operating in markets, Mr. Speaker, and not in rich places, in Africa and so forth. You go with your card, and you do your transaction. You have the little machine there, you have the phones, you just put the data on your phone and you connect it with the bank; that's where the world is going, and we know why, Mr. Speaker. We heard about, just earlier today, the problem with corresponding Banks. If you listen to the Governor of the Central Bank of the ECCU, you would realize the danger with the corresponding Bank. It could cripple the country immediately and forthwith. How do we portray this? Electronic means; whether you want to call it bit coins or electronic monies and so forth. We have to prepare for this. So, I was heartened to note that the ECCU, not a big geographic or economic conglomerate managing big countries, no, but we recognize that we can be crippled, and we are moving along those lines. So, if the whole community of the ECCU could work along this, our people; yes the longer hours, but let us gear our minds, because the institutions could do as much as they want, if our people, the citizens do not understand and do not know where we are going, then we are in trouble, Mr. Speaker.

So, in this context, I know that a lot more needs to be done, but, Mr. Speaker, I want to compliment this Bill, and at the same time we looked at the fees, but we must also look at the penalties, Mr. Speaker. The penalties are not too large, and, so, perhaps, when you give a penalty, the Member for Carriacou and Petite Martinique, as well as, the Minister for Legal Affairs could tell us. And, we have been told, when you put a penalty here that that is interpreted as a maximum penalty, that the Adjudicators, the Judges could give you anywhere up to the maximum. And, when we look at some of the penalties, Mr. Speaker, here for breaking some of those important guidance rules, like offences, **“carrying on banking business without a licence, two hundred and fifty thousand dollars (\$250,000.00); refusal to make relevant documents available for examination, two thousand, five**

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hundred dollars (\$2,500.00); use of restricted words, names and practices, one hundred and twenty-five thousand dollars (\$125,000.00); failure to disclose access to books and records, twenty-five thousand dollars (\$25,000.00); providing information that is false in any material particular, twenty-five thousand dollars (\$25,000.00); restriction and advertising, likely to mislead the public, twenty-five thousand dollars (\$25,000.00).

Mr. Speaker, in ECTEL, we are now looking at what you do with payment, the penalty. If you advertise at the speed and your Internet will be 120 megabits, per second, and you deviate 5%, Mr. Speaker, for that, the penalty is huge. You not only refund the people, for all the failure in the bandwidth that you did not provide, but it runs into millions of dollars, Mr. Speaker. You may say that's silly communication, this is banking, Mr. Speaker. You misled the public, and then you say it is twenty-five thousand dollars (\$25,000.00), that is where, I think, we should pay some attention, and we leave it to the Court, again, if they find it to charge you halfway or midway, assuming that what we're told by the Lawyers, that whatever penalty this House imposes, you might say for two (2) years, you know. You can't tell the Judge to give you two (2) years; he may determine one (1). And, I see my colleague there, who is nodding his head. This is what we have been told time and time again.

In Praedial Larceny, Mr. Speaker, the people come and ask, well, put the penalty up, up and up. We went from one (1) year to two (2) years to three (3) years, but they were coming up to six (6) months and two (2) months and they came back to us, and they said, well, we could only tell the Court give them a higher leeway, but we cannot tell them what to impose, that we found out, in some cases of sexual abuse and other things. You say, let us put a massive penalty there, but we are not the Court. So, I really want to point this out and to say, perhaps, this could be given some attention. With this said, Mr. Speaker, I recommend the Bill for its second reading.

Mr. Speaker: Honourable Representative for St. George North-West and Prime Minister.

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Dr. the Rt. Hon. Keith Mitchell: Mr. Speaker, I am standing to give my support to the second reading of this important Bill. I recognize the concerns, as I came back in, raised by the Member for St. Patrick West. But, just to make the following observations. To recall, the Banking System went through a very difficult period, regionally, to some extent, and in a limited way, locally and internationally, the many problems that the banks had, all over the world. A number of weaknesses were identified, and, of course, we had to take stock in the Region to make sure that we protect our people, as much as possible.

And, it must be pointed out that several years of consultation throughout the entire Region, led by the Eastern Caribbean Central Bank was undertaken, and, of course, there was a number of close calls, at least, two (2) major banks in the Region were in tremendous difficulties, as far as capital assets were concerned. There were more liabilities in those Institutions than there were capital assets to back it up, and reserves, of course, didn't exist, and they were two (2), probably of the largest Institutions in the OECS. Further deterioration on this would have affected us. Our country was not one of the main areas of problems with the Banking System, but since we have one dollar, any major impact in any one Financial Institution would affect the Eastern Caribbean Central Bank's dollar. And, it is known, for example, as Stanford Bank in Antigua was a major, major problem, and there were a couple other Banks there and the one in St. Lucia was also in serious problems.

So, the discussions took place over the years, and it was felt that there should be a certain level of capital requirements that must be met. So, the question of profits of the Banks, ECCB has oversight, and it must not interfere with the capital requirements, so they cannot just distribute profits just like this without oversight of the Central Bank. So, that is something that all of us recognize, as an issue.

There is also the question of the present sale of Nova Scotia Bank to Republic Bank, and I think the Member for St. Patrick West mentioned about different positions taken, and that's the issue. I was very careful not to take any flag positions and say, well, we need to examine the issue. We cannot just oppose an initiative. I am not overly worried because the Central Bank has the overall authority, and they have to give the licence, that's the point I was making. And, since we are going to

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be involved, I didn't see the need for the alarm raised by my colleague. In any event, I don't believe when we are dealing with financial matters of this nature to go on TV and Radio and just start talking, because the financial decisions of this nature can, in fact, be undermined by one of us making statements, which does not necessarily count. It sets alarm. Next thing you hear people start getting... there'll be run-ins on the Banks. There are, in fact, some reports, in some countries, where people were running to Nova Scotia Bank, with the alarm raised and trying to take out their monies. So, the ECCB had to quickly get involved and issue a statement, indicating that there was not that major concern, and that they were handling the matter and they were assessing the matter, because Nova Scotia has to present the document of the sale proposal to them. They had to satisfy the basic requirements that ECCB has in place and the Monetary Council would be involved; so the need for alarm...

So, when we had the video-conferencing in the meeting, and, of course, I am Chairman of the Monetary Council now, I was making the point that we need to handle this thing with less fanfare, but allow the Bank to provide the necessary research. So, they are, in fact, doing all the research, and, in fact, Nova Scotia has indicated it would take about two (2) years before there was any possible handover, so it will be business as usual, for some time before an actual take over. In the event, Republic Bank has to provide all the necessary requirements to satisfy us before they would be given such licence to operate and to continue.

In fact, what I have now understood, there are in fact, indications that we have to be very careful how this is dealt with, one way or the other, because remember the whole idea of Corresponding Banks is something that we all have to understand. Nova Scotia's tentacles are very wide outside there. You just take a position and say you are not co-operating, just like that, there are ways in which we can bear it. In other words, we want to be very careful, and that is why we have been pointing out to our colleagues the less we say and the more we await ECCBs research; the Governor has made it very clear that he is in touch with the parties, and that he is assessing everything, and he is seeking, getting additional support to review all aspects of this sale, and that nothing would be done that would create problems for the regional financial institution. And, that, in fact, the ECCU dollar is still back, 97%, which is definitely way above what is required from any particular dollar in any

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country. So, I think there should not be, at this point-in-time, we are monitoring the situation. We are not closing our eyes to the eventuality of having one institution so big that if something happens it can create major problems, so all these things have to be looked into. So, we are taking all the precautions, and I want to assure the people of our country that at this point-in-time, I see no need for alarm, just like the ECCB has said, but we are not closing our eyes to what could possibly happen on situations of this nature.

I do understand the concerns raised with fees. We have been raising it ourselves. But, this world is changing. Banking is changing, in every sense of the word. Also, because of all the regulatory conditions that are being placed on these Banks, some of them feel the risk they face in dealing with small areas of financial institutions, like we are. We are not big players. They feel the risks aren't worth it, so moving out of the Region for Nova Scotia doesn't appear to them to be a big issue. And, it is only pointing out that these institutions in our country, basically, are for their interest, not our interest, and we have to understand this. And, I will tie this in with a point that I made some time ago, where one of these Banks, the International Vice-President was in a meeting with me, I think it was about three (3) years ago, when I asked about the need for him to invest more in the Productive Sector, the man was very blunt, and basically, he said he was not interested in that. I mean, I sat there and I couldn't believe what he said, and he didn't use diplomatic language. So, it didn't surprise me in Nova Scotia's interest in this area... In fact, I made the point at a Heads of Government meeting that we have to start planning to recognize that we have to look at our interests and that these institutions are showing less and less interest in the viability of our economies. No wonder why some of them are not even interested in our CBI Programme. They tell you the risk, the penalties they might have to pay for one person creating problems for them, is not worth it. We are not surprised that a Caribbean Bank is the one willing to work with us, because they have an interest in what happens in the Region, as a whole. So, we are in a very delicate situation, and I could assure colleagues, this, what we are doing here today comes about after years, probably, the last five (5) years of work by the Central Bank and by the Monetary Council, and that we will be keeping our citizens abreast of any changes, or any decisions that are made. But, we are

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monitoring things, and I am pretty confident that we will get through this, as we have done. But, that's the point we are making that we need to work closer in the Region, because when one country is affected, every one of us would be affected. The situation in Trinidad, for example, the Trinidad dollar is an issue that has confronted our Islands in the OECS. The situation in Barbados and its economy, which should be one of the stronger economies, is no longer the case; they have their own problems. So, these are tough times and that is why I am urging my colleagues that we should do what we have to do, together. But, me going out there and making wild statements and saying, no sale, I am not going to licence, we can say it, but remember we are just a small player in this thing. We are very small and I just urge; and I know when I say this some of my colleagues, well, not some, but at least one or two of them may not like it, but that's the nature of the business. We better be very careful of the things that we do.

The banking hours issue, raised by my two (2) colleagues, I think it is a valid issue, I think we should have more hours, but they are making the point that it is costly for them. They are making the point that you are asking us in a time of reducing profits, in a time when we are being asked to pay more for regulations and so on, to increase banking hours and so on, and we are pointing out that they are doing so in some countries. But, remember, colleagues, we don't have a Government owned Bank in our Region, in Grenada. The bigger Banks in most of the countries are Government owned, Government has major shares, so the Government can direct much easier than we can. We only have one local Bank here and we don't have shares in that Bank, so we still have Private Sector interests, so we don't have the kind of control that other countries may have. I am not too sure it is a bad thing, because the problems we have with non-performing loans, many of the countries have major problems, because Government's control in Banks and these private institutions have shown that it is an easy way. Whenever Government has a little headache, we don't have anybody to run to, that we have to manage our fiscal situation, have the surpluses to do what we have to do. In case of emergency, we can't call on the Manager of a Bank to bail us out. We have to bail ourselves out from, of course, the contingent liabilities that we may have in place.

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So, Mr. Speaker, I am not saying that this is the greatest banking rules that we are now implementing, but it is what we need at this particular time and changes have to be made, when we are prepared to do so. I commend the second reading of this Banking Act to the Honourable House. **(Applause)**

Mr. Speaker: Thank you, Honourable Minister for Finance. Honourable Representative for St. David.

Hon. Oliver Joseph: Mr. Speaker, I want to thank all the Members for their contribution. And, just to point out one thing that the Member for St. Patrick West says that he does not agree with the Representative for St. David that the fee should be the same. I was not expressing, like you, then, I was reading the Law. I was saying under Article 7 of the Revised Treaty it has to be one, so I just want to clarify that. This is in the document. Article 7 prohibits discrimination, so it was not my opinion, Mr. Speaker.

And, this, as I said, we passed the Act in 2015, and there was consultation throughout the length and breadth of the OECS with all the Banks, and they came up with all these amendments to strengthen the Banking System, and there will be opportunities, when we pass this to, again, examine it. This thing is changing so fast with all this electronic media and digital coins and digital currency and everything, don't be surprised if next year we have to add things about digital currency, you know, because that is the nature of it. So, it is not static. It is a very evolving and a very dynamic process. So, I think it is in this context that we are asking to go. I am sure that there will be changes in the next two/three years to come. So, Mr. Speaker, it is in this context that we are discussing this Bill, and I want to commend the Bill for its second reading. **(Applause)**

Question put and agreed to.

Bill read a second time.

Mr. Speaker: Honourable Member for St. David.

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Hon. Oliver Joseph: Mr. Speaker, I beg to move that the House resolves itself into a Committee of the Whole House to study the Bill Clause by Clause.

Question put and agreed to.

House in Committee.

House resumes.

Mr. Speaker: I have to report that the Bill was considered by a Committee of the Whole House and passed without amendment. Honourable Representative for St. David.

Hon. Oliver Joseph: Mr. Speaker, I beg to move that the Chairman's report be adopted.

Question put and agreed to.

Chairman's Report adopted.

Mr. Speaker: Honourable Representative for St. David.

Hon. Oliver Joseph: Mr. Speaker, I beg to move the third reading of the Bill.

Question put and agreed to.

Bill read a third time and passed.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. Mr. Speaker, I beg to introduce the Bill for an Act shortly entitled, Offshore Banking (Repeal) Bill, 2018.

Ag. Clerk: A Bill for an Act to repeal the Offshore Banking Act, CAP 217A, shortly entitled, Offshore Banking (Repeal) Act, 2018.

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Mr. Speaker: Leader of Government's Business.

Leader of Government's Business: Thank you Mr. Speaker. I beg to move that the relevant Standing Order of the House be suspended in order to take the Bill through all stages at this Sitting.

Question proposed.

Question put and agreed.

Relevant Standing Order suspended.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. I beg to move the second reading of this Bill.

Question proposed.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Mr. Speaker, this Bill follows the two (2) Bills already discussed and elaborated on in this Honourable House with respect to the removal of the Bills from the Law Books of the country due to the harmful taxation and other claims made by the OECD and the European Union, Mr. Speaker. So I would not elaborate on it, only to say, Mr. Speaker, that for the Offshore Banking, we have found non-active. Therefore, Mr. Speaker, we would remove it off the Books and I would not make the plea to say, well, no new ones, but keep the old ones because we have workers etcetera benefiting. However, Mr. Speaker, the Bill says that the date on which the license expires, they may have expired or 31st December, 2021. It means that if they are on the Books, we must get them off the Books. However, that's done legally by a Declaration, a winding up papers and documents, so wherever these people are, and if they're not in operation, then, we should speedily move to do so. Because all the OECD or the EU wants is to see that it's on the

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Books and now they will see from this Act that even if it's on the Books, it be wiped out. And since there are none in operation now, Mr. Speaker, we can recommend without even shooting ourselves further in the foot, because no one will be affected. So I recommend this Bill for its second reading.

Question proposed.

Bill read a second time.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. I beg to move that the House resolve itself into a Committee of the Whole House to consider the Bill Clause by Clause.

Question proposed.

Question put and agreed to.

House in Committee.

House resumes.

Mr. Speaker: I have to report that the Bill was considered by a Committee of the Whole House and passed without amendments. Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. I beg to move that the Chairman's Report be adopted.

Question proposed.

Question put and agreed to.

Chairman's Report adopted.

Mr. Speaker: Leader of Government's Business.

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Hon. Gregory Bowen: Mr. Speaker, I beg to move the third reading of the Bill.

Question proposed.

Question put and agreed to.

Bill read a third time and passed.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. I beg to introduce for first reading the Bill for an Act shortly entitled, the International Trust (Amendment) Bill, 2018.

Ag. Clerk: A Bill for an Act to amend the International Trust Act, Cap 152C, shortly entitled, International Trust (Amendment) Act, 2018.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Mr. Speaker, I beg to move that the relevant Standing Order of the House be suspended in order that the Bill be taken through all stages at this Sitting.

Question put and agreed to.

Relevant Standing Order suspended.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Mr. Speaker, I beg to move the second reading of the Bill.

Question proposed.

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Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Mr. Speaker, this is the International Trust (Amendment) Bill. As explained earlier, all of those come under the International Companies Act and with their specific branches. So, we have removed the International Companies, but we had the caveat there, that all those under the umbrella with respect to International Trust will remain. They do not have the 2021 deadline. Remember that we do have people employed with these eighty-four (84) Companies registered in the Company, maybe some dormant, but we still have them, and they are still putting something into the Economies, so we have safeguarded those, at the expense of being treated in a dismal manner by the powers that be. So, as we come to the International Trust itself, we maintain this scenario, Mr. Speaker, because we see this bill has only one (1) and two (2) Clauses, the date it would come into effect, that is the 31st day of December 2018, and it prohibits the formation of more. It does not say that those in existence will be terminated. So, you would see there is a difference in the drafting.

And, it says: **“Notwithstanding any other provision of this Act, no person shall create an international trust after the 31st day of December, 2018, and any such purported international trust shall be invalid.”** So, we are not touching, as we did with the rest, those before. We are just saying after December 31st, you shall form no new one and we did not make a pronouncement on what exist now, Mr. Speaker. So, having elaborated on the context with which these Bills were brought to Parliament, I now recommend it for its second reading.

Question put and agreed to.

Bill read a second time.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Mr. Speaker, I beg to move that the House resolves itself into a Committee of the whole House, to consider the Bill Clause by Clause.

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Question put and agreed to.

House in Committee.

House resumes.

Mr. Speaker: I have to report that the Bill was considered by a Committee of the Whole House with one (1) amendment. Leader of Government's Business.

Hon. Gregory Bowen: Thank you, Mr. Speaker. I beg to move that the Chairman's Report be adopted.

Question put and agreed to.

Chairman's Report adopted.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Mr. Speaker, I beg to move the third reading of the Bill.

Question put and agreed to.

Bill read a third time and passed.

Ag. Clerk Assistant: Item16 - Request for Leave to move the Adjournment of the House on Matters of Urgent Public importance.

Mr. Speaker: Leader of Government's Business.

Hon. Gregory Bowen: Mr. Speaker, as we move the adjournment, I simply beg that you permit that we just have a maximum, with respect to time. We know that since the last Sitting, many Members would want to wish their Constituents

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Christmas greeting. But, if you will just permit us, Mr. Speaker, no more than one minute, then we could do all of this. **(Inaudible comments by Members)** The request is that I do it on behalf of everybody rather than imposing a half a minute stricture on all of us.

So, Mr. Speaker, to you and to each other, my colleagues and those without a voice in this place, the Police Officers and the staff, on behalf of the entire Membership of this Honourable House, we say a very, very Merry Christmas and a bright and prosperous New Year. And, to all the Members' constituents, the offices and the people that they represent, I say, on behalf of them, a very happy, holy Christ-like Christmas and a very prosperous and bright 2019.

Mr. Speaker, to the staff, if I did not say it before, but I think I did, but all of you, the same greetings go out to you for a happy, holy Christmas, and bright New Year. Mr. Speaker, I want to mention, in particular, one person in my Constituency and a member of staff of the Ministry of Works, who met in an accident, earlier this year, and who was hospitalized, went home and returned. I want to thank all my colleagues, the Minister for Health, the Minister for Foreign Affairs and all my colleagues including the Minister for Finance and Prime Minister for all the efforts that we have been putting into it, and the Permanent Secretaries and the other members of staff in the Ministry, who visited him and would go to get him to therapy, etcetera. I have to say to him and to his family, please keep the faith.

I am happy to report that after trying, from many sources, as far as the Middle East, we started it, Mr. Speaker, because we wanted the best for him. We came back to the Caribbean, we looked at Martinique and the Ministry said, they will look at the Bahamas, where a worker went, but we are happy to report, we tried the Republic of Cuba, Mr. Speaker, but only yesterday we got words, through the Ministry of Foreign Affairs, that Cuba has accepted Brother George to go, Mr. Speaker. **(Applause)**

To the family and the constituents, we want to say that we are extremely happy and grateful, and I take this opportunity to wish the brother and his family the very best for the Christmas, and to believe that this announcement would bring hope. And, all my colleagues, the entire Cabinet, immediately, when I brought the Submission, they went on and said, yes, we would undertake to do all that is

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necessary, the nurses, whatever attention he needs, the medication, etcetera, we agreed. So, thank you to my colleagues; thank you to the people; thank you to the staff; thank you, Mr. Speaker. **(Applause)**

Mr. Speaker: Are we asking for the Adjournment, at this point?

Hon. Gregory Bowen: Thank you, Mr. Speaker. I move the adjournment of this Honourable House *sine die*.

Question proposed.

Mr. Speaker: Before I put the question, I just want to say to you that we want to begin the beautification of this wonderful environment. I thought we are running late with it. By now it should be blooming already, but we are going to move speedily to do our share and to start the ball rolling, we have asked our Honourable Prime Minister and he has consented to plant a tree to mark the beginning of the beautification of this wonderful place **(applause)** and that would be done after this Session.

Secondly, I want to say to you that Skype has complimented the IT division of the Parliament for the quality of work and the quality of programming that is taking place. **(Applause)** It is our move to make here as comfortable and as beautiful and as professional as possible and so we have started having the signing taking place over the past two (2) Sittings. That is, for those who were not able to hear well, they can sit at their television and see **(applause)** what everybody says and over the past two (2) Sittings, one of the House and one of the Senate, the signing was there. So I tried blocking my ears to see if I can make out what they're saying. I couldn't, then I realised that I am a dunce as far as sign language is concerned. And we have been getting calls from Canada and from England complimenting the Parliament and the Government of Grenada on this very important move. Hopefully, we may be able to do something for those who cannot see in the near future. **(Inaudible comments)** Yes, it's possible; we can do anything in God who strengthens us.

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And so, I want to take this opportunity, Members of Parliament, to thank you for the cooperation that you have given over the past years and to say to you that with your cooperation we are doing the job that we are doing, the way we are doing it. And with the staff of this Institution, headed by the Clerk of Parliament and his Deputy, I could not have done anything that I was able to do well without their constant coaching and helping and guiding. **(Applause)** So I want to extend to the staff God's blessings and to all Parliamentary Representatives, let me say it for you, you have done very well. **(Applause)** Our country has done well; anyone who says it differently. Anyone who say it differently cannot see, cannot hear, cannot smell; their senses are gone. If they would not behold the beauty of our land, and the blessing that God has given to us, they would not see anything and it doesn't make sense trying to get them to see, they would not see. There is none blind as he who would not see.

I want to urge us for this season, to continue to remember our responsibility as a Christian people. I didn't say a Christian nation now, I said as a Christian people and as we wait for the coming; I don't think we're worrying too much about the first coming, that was already done. We're talking about a new coming, that is the Christmas we're really looking forward to. So the advent is a new coming, eh Brother Joe; a new coming. And in that coming, the quiz that is placed for us to study well, the quiz is already given to us, we just have to find the answers. When I was hungry; when I was thirsty; when I was naked; when I was homeless, what did you do to me? And all the other 'when I was'... So, my brothers and sisters, Christianity to me and Christmas to me is about taking care of those who can't take care of themselves. It's about the widows and the orphans. I don't want to fall in the category of the group that Jesus Christ called hypocrites and vipers because I wash my hands up to the elbow, because I know the Law, but I forget my neighbours and my destitute brothers and sisters. So having said so, I want to wish everyone, God's richest blessings for the Christmas season and for the New Year, I want to say to us, with the same fervor, God's blessings and strength will continue to bathe us. And what we would want to see for the New Year in here when there is a Sitting of Parliament, the children, the students. We want to ensure and I was advised by the Clerk and Deputy Clerk that we would put all mechanisms in place to ensure that we

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have students here at every Sitting of the House; we must have the students here. As I listened to us debating the Bills today, I looked around and say, but the students would have gained so much if they were here. So for the New Year, 2019, we are looking to make sure that we always have students inside of this building. Now I would put the question to you.

Question put and agreed to.

House adjourned sine die @ 1:00 p.m.

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