

FAMILY ISLANDS DEVELOPMENT ENCOURAGEMENT (AMENDMENT) BILL, 2021

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A BILL FOR AN ACT TO AMEND THE FAMILY ISLANDS DEVELOPMENT ENCOURAGEMENT ACT

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

- (1) This Act may be cited as the Family Islands Development Encouragement (Amendment) Act, 2021.
- (2) This Act shall come into force on the 1st day of July, 2021.

2. Amendment of section 2 of the principal Act.

Section 2 of the principal Act is amended by the insertion in the appropriate alphabetical order of the following —

“**business licence tax**” means a tax payable in respect of a business licence granted under the Business Licence Act, 2010 (*25 of 2010*);

“**customs duty**” includes any fee, tax, charge, or levy imposed on the import of goods in accordance with the —

- (a) Customs Management Act, 2011 (*30 of 2011*);
- (b) Excise Act, 2018 (*22 of 2018*); and
- (c) Tariff Act, 2018 (*21 of 2018*);

“**value added tax**” has the same meaning ascribed thereto in section 2 of the Value Added Tax Act, 2014 (*32 of 2014*).”.

3. Amendment of section 3 of the principal Act.

Section 3 of the principal Act is amended by the deletion of subsection (2) and the substitution of the following —

“(2) The exemption mentioned under subsection (1), shall end on the 30th June, 2026.”.

4. Insertion of new section 3A into the principal Act.

The principal Act is amended by the insertion immediately after section 3 of the following new section —

“3A. Special Economic Programme for certain Family Islands.

- (1) Notwithstanding anything to the contrary in any other law, the Minister may by Order, declare —
 - (a) a concession of or an exemption from a tax specified in subsection (2) in respect of goods or services provided on islands specified in the order;
 - (b) the period for any concession of, or exemption from, tax granted in accordance with paragraph (a);
 - (c) the conditions to which any tax concession or exemption is subject;
 - (d) the penalties for breach of the provisions of the Order.
- (2) For the purposes of subsection (1)(a), the specified taxes are —
 - (a) business licence tax;
 - (b) customs duty;
 - (c) value added tax.”.

OBJECTS AND REASONS

Clause 2 of the Bill seeks to extend the period of exemptions granted under section 3 of the principal Act to the 30th June, 2026.

Clause 3 of the Bill seeks to insert a new section 3A into the principal Act to provide a Special Economic Programme for certain Family Islands.