



PARLIAMENT
OF THE CAYMAN ISLANDS



PARLIAMENT OF THE CAYMAN ISLANDS

OFFICIAL HANSARD REPORT

First Meeting of the 2023-2024 Session
Second Sitting

Wednesday
20 September, 2023
(Pages 1-44)

Hon. Katherine Ebanks-Wilks, MP
Speaker

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PRESENT WERE:

Hon. Katherine A. Ebanks-Wilks, MP
Speaker

MINISTERS OF THE CABINET

Hon. G. Wayne Panton, JP, MP	<i>Premier</i> , Minister of Sustainability & Climate Resiliency <i>and</i> Finance & Economic Development
Hon. Juliana Y. O'Connor-Connolly, JP,	<i>Deputy Premier</i> , Minister of Education <i>and</i> District Administration & Lands
Hon. Kenneth V. Bryan, MP	Minister of Tourism & Ports
Hon. Sabrina T. Turner, MP	Minister of Health & Wellness <i>and</i> Home Affairs
Hon. Johany S. "Jay" Ebanks, MP	Minister of Planning, Agriculture, Housing & Infrastructure
Hon. Dwayne S. Seymour, JP, MP	Minister of Border Control & Labour
Hon. André M. Ebanks, MP	Minister of Financial Services & Commerce <i>and</i> Investment, Innovation & Social Development

EX-OFFICIO MEMBERS OF THE CABINET

Hon. Franz I. Manderson, MBE, Cert Hon, JP	<i>Deputy Governor</i> , ex officio Member responsible for the Portfolio of the Civil Service
Hon. Samuel W. Bulgin, KC, JP	<i>Attorney General</i> , ex officio Member responsible for the Portfolio of Legal Affairs

ELECTED MEMBERS

GOVERNMENT BACKBENCHERS

Ms. Heather D. Bodden, OCl, Cert. Hon., JP, MP	Parliamentary Secretary to Tourism <i>and</i> Social Development, Elected Member for Savannah
Hon. Isaac D. Rankine, JP, MP	<i>Deputy Speaker</i> , Parliamentary Secretary to Home Affairs <i>and</i> Planning, Agriculture & Infrastructure, Elected Member for East End
Hon. W. McKeeva Bush, JP, MP	Elected Member for West Bay West

OPPOSITION MEMBERS

Hon. Roy M. McTaggart, JP, MP	<i>Leader of the Opposition</i> , Elected Member for George Town East
Mr. Joseph X. Hew, MP	<i>Deputy Leader of the Opposition</i> , Elected Member for George Town North
Hon. Sir Alden McLaughlin, KCMG, MBE, KC, JP, MP	Elected Member for Red Bay
Mr. Moses I. Kirkconnell, JP, MP	Elected Member for Cayman Brac West and Little Cayman
Ms. Barbara E. Conolly, JP, NP, MP	Elected Member for George Town South
Mr. David C. Wight, JP, MP	Elected Member for George Town West

INDEPENDENT OPPOSITION MEMBER

Mr. Christopher S. Saunders, MP	Elected Member for Bodden Town West
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APOLOGIES

Hon. Bernie A. Bush, MP	Minister of Youth, Sports, Culture & Heritage
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OFFICIAL HANSARD REPORT
FIRST MEETING OF THE 2023/24 SESSION
WEDNESDAY
20 SEPTEMBER, 2023
10.26 A.M.
Second Sitting

[Hon. Katherine Ebanks-Wilks, Speaker, presiding]

The Speaker: Good morning. I ask the Member for Savannah to grace us with prayers.

PRAYERS

Ms. Heather D. Bodden, Elected Member for Savannah: Thank you, Madam Speaker. Good morning.

Let us pray: *“Almighty God, from whom all wisdom and power are derived, we beseech thee so to direct and prosper the deliberations of the Parliament now assembled, that all things may be ordered upon the best and surest foundations for the glory of Thy name and for the safety, honour and welfare of the people of these Islands. Bless our Sovereign, King Charles, III; William, Prince of Wales, and all the royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness; truth and justice; religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Premier, the Speaker of the Parliament, the Leader of the Opposition, Ministers of the Cabinet, ex officio members, Members of the Parliament, the Chief Justice and members of the Judiciary, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask in Thy great name’s sake.*

Let us say the Lord’s Prayer together: *“Our Father, who art in heaven; Hallowed be thy name. Thy kingdom come; Thy will be done on earth, as it is in heaven. Give us this day our daily bread, and forgive us our trespasses as we forgive those who trespass against us; lead us not into temptation, but deliver us from evil, for thine is the kingdom, the power and the glory forever and ever. Amen.”*

The Lord bless us and keep us. The Lord make his face shine upon us and be gracious unto us. The Lord lift up the light of his countenance upon us, and give us peace, now and always.

Amen.

The Speaker: You may be seated. Proceedings are now resumed.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

The Speaker: None.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: None.

PRESENTATION OF PETITIONS

The Speaker: None.

PRESENTATION OF PAPERS AND OF REPORTS

REPORT OF THE STANDING BUSINESS COMMITTEE – FOURTH MEETING OF THE 2022-2023 SESSION OF THE CAYMAN ISLANDS PARLIAMENT

The Speaker: The Honourable Premier.

The Premier, Hon. G. Wayne Panton, Minister of Sustainability & Climate Resiliency and Finance & Economic Development, Elected Member for Newlands: Thank you, Madam Speaker.

I rise to seek your permission to lay on the Table of this honourable House the Report of the Standing Business Committee for the Fourth Meeting of the 2022-2023 Session of the Cayman Islands Parliament.

The Speaker: Does the Honourable Premier wish to speak thereto?

The Premier, Hon. G. Wayne Panton: No, thank you, Madam Speaker

CAYMAN ISLANDS DEVELOPMENT BANK –AN- NUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2022

The Speaker: The Honourable Premier.

The Premier, Hon. G. Wayne Panton: Thank you, Madam Speaker. I rise to seek your permission to lay on the Table of this honourable House, the Annual Report of the Cayman Islands Development Bank (CIDB) for the year ended December 31, 2022.

The Speaker: Does the Honourable Premier wish to speak thereto?

The Premier, Hon. G. Wayne Panton: Thank you, Madam Speaker. Just briefly.

Madam Speaker, the Office of the Auditor General has issued an unqualified opinion with respect to the finances of the CIDB, as it is typically referred, with an “emphasis of matter” on the financial statements for the 2022 Financial Year.

Madam Speaker, the emphasis of matter, which does not change the unqualified nature of the opinion, is due to the CIDB being significantly reliant on continued government support from the proceeds of capital injections and services in order to meet its obligations and to sustain its operational expenditures. In addition, Madam Speaker, 25.7 per cent or the equivalent of \$5.8 million, excluding allowances for credit losses, of the overall loan portfolio of the CIDB remains impaired.

Madam Speaker, during the 2022 Financial Year, the CIDB approved 76 new loans inclusive of restructures and existing loan disbursements totalling \$7.3 million. As at 31st December, 2022, the CIDB’s loan portfolio stood at \$22.8 million, prior to a loan loss provision of \$0.013 million. This represents a net increase of 33 per cent when compared to the loan portfolio for the prior year ended 31st December, 2021.

As disclosed in note 6 to the financial statements, the majority of the loan portfolio comprised of mortgages being \$13 million, business loans \$2.2 million, student loans \$1.6 million, and debt consolidation loans being \$2.3 million. Madam Speaker, delinquent loans continued to decrease and fell to \$5.8 million, as noted earlier in terms of impairment as of 31st December, 2022. This compared to \$6 million from the previous year.

Madam Speaker, as at December 31, 2022, the total assets of CIDB stood at \$39.4 million of which \$15.8 million comprised of cash and fix deposits. Overall total liabilities decreased by \$11.6 million primarily due to a decrease in the funds held for government scholarship disbursements and a decrease in the semi-annual payments of \$4.5 million on the bond with First Caribbean Bank. The bond will be repaid during the 2023 Financial Year leaving the bank with no debt. I can confirm that as of this point in time, that bond has indeed been fully repaid, so CIDB is now debt free.

CIDB incurred a net loss of \$0.8 million after earning \$1.4 million in net income from operations and incurring \$2.2 million in administrative expenses during the period leading up to 31st December, 2022. There are no known contingent liabilities for the period.

Madam Speaker, I would like to take the opportunity to express our gratitude to the board of directors and management of CIDB for their assistance and support in managing the affairs of CIDB during the period under review.

Thank you very much.

**CAYMAN ISLANDS NATIONAL INSURANCE
COMPANY – ANNUAL REPORT 2022 –
FISCAL YEAR ENDED 31 DECEMBER 2022 –
OPENING DOORS TO WELLNESS
FOR OUR MEMBERS**

The Speaker: The Honourable Premier.

The Premier, Hon. G. Wayne Panton: Thank you, Madam Speaker.

Madam Speaker, I rise to seek permission to lay on the Table of this honourable Parliament the Annual Report of the Cayman Islands National Insurance Company, commonly referred to as CINICO, for the year ended 31st December, 2022.

The Speaker: Does the Honourable Premier wish to speak thereto?

The Premier, Hon. G. Wayne Panton: Just briefly, Madam Speaker. Thank you for permission to lay the report.

Madam Speaker, the Office of the Auditor General issued an unqualified opinion on the financial statements of CINICO for the 2022 Financial Year. During the 12-month period ending 31st December, 2022, CINICO’s personnel comprised 45 staff members of which 6 were at the senior management level.

At the end of the ’22 financial year, the average number of covered lives that CINICO insured totalled 16,935 which was an increase from the prior year by 3 per cent. The indigent and the pensioners groups realised the largest increases over the prior year with growth rates of 16 per cent and 3 per cent respectively. The indigent group also had the highest growth versus budget. The seafarers and veterans groups showed a slight decrease of 1 per cent to budget and the prior year.

Madam Speaker, as at 31st December, 2022, CINICO had earned \$130.6 million in total income for the period, the majority of which was derived from premium income for civil servants.

Madam Speaker, CINICO incurred \$119.6 million in total expenses of which \$114.7 million or 96 per cent was for the payment of incurred claims which are essentially the health benefits paid under the insurance plans that CINICO administers. Total expenses also comprised \$0.25 million in contributions to the segregated insurance fund, \$1 million for claim administration fees or third-party administrator fees, and \$6.2 million for the administration expenses that CINICO incurred including personnel costs, rent, depreciation, and audit and actuary fees. With the exception of USA related claims, all claims payment functions were performed locally which improved the claim paid turnaround times to the benefit of members and providers.

In 2022, total claims processed, increased by 19 per cent due to the higher utilisation. In 2022, CINICO processed 70 per cent of the claims received within

15 days of the request, compared with 91 per cent last year. On average, all claims were processed within 22 days; well within the minimum required 30 days.

Madam Speaker, as at 31st December, 2022, CINICO recorded a net income of \$11 million compared to the prior year of \$1.4 million. The net income was due to significantly lower than anticipated claims and favourable reinsurance experiences and expenses.

At the 2022 Financial Year, the total assets of CINICO were \$65.1 million while total liabilities were \$23.1 million. Madam Speaker, for clarity, the audited financial position of CINICO reflects a clean audit report and therefore its financial statements are regarded as reasonably reliable or it would be reasonable to rely upon them as being accurate.

Madam Speaker, I want to take the opportunity to express our gratitude to the Board of Directors and Management of CINICO for their assistance and good work during the management period. Obviously, there are challenges from time to time and they continue to strive to deliver the best services to their customers and we thank them for their efforts.

Thank you, Madam Speaker.

MINISTRY OF SUSTAINABILITY & CLIMATE RESILIENCY – CAYMAN ISLANDS GOVERNMENT - 2021 ANNUAL REPORT

The Speaker: The Honourable Premier.

The Premier, Hon. G. Wayne Panton: Thank you, Madam Speaker.

I rise to seek permission to lay on the Table of this honourable House the Annual Report for the Ministry of Sustainability and Climate Resiliency for the year ended 2021.

The Speaker: Does the Premier wish to speak thereto?

The Premier, Hon. G. Wayne Panton: Madam Speaker, thank you for the opportunity to speak.

Madam Speaker, the Ministry was established following the 2021 general election by the Cabinet of the Cayman Islands in order to prepare our country for the complex risks and realities of climate change and the need to meet the needs of the present without compromising the needs of future generations of Caymanians. That, Madam Speaker, is the essence of sustainability. It is about taking a balanced approach to preserve and develop social enterprise, social development, to balance environmental stewardship and to promote balance in terms of economic growth.

Madam Speaker, the Ministry provides strategic and policy direction, advice, funding and governance in relation to achieving those balances to environmental protection and enhancement and to achieve health and safety measures in preserving the environment of the Cayman Islands for future generations in addition to the current.

Madam Speaker, this is the first annual report for this newly created Ministry, when we next attend Parliament the 2022 report will be delivered.

Madam Speaker, the Auditor General has issued an unqualified opinion in respect of the financial statements of the Ministry for the year ended 31st December, 2021. As noted earlier, this means that the financial statements present fairly in all material respects, the financial position of the Ministry as at 31st December, 2021, and its financial performance and cash flows for the six-month period leading up to the end of 2021.

Madam Speaker, as shown on page 36 of the report, the Ministry ended the six months of July to December with net assets totalling \$5,538,000, and a surplus for the period of \$513,000.

Madam Speaker, there is an aspect that needs additional clarification in the report which is around the issue of the authorised reallocation of \$110,000 of the Ministry's approved 2021 Supplementary budgeted funds which needed to be transferred to the Portfolio of Legal Affairs, under section 11(5) of the Public Management and Finance Act (2020 Revision), in respect of exceptional circumstances. This reallocation related to legal costs that were awarded by the courts as a result of a successful judicial review undertaken by a group of adjacent landowners who challenged a decision by the previous Cabinet in relation to a coastal works application. At the time, the newly created Ministry did not have funding to satisfy the settlement of these costs, and the current Cabinet approved the transfer of funds to cover the agreed settlement amount in accordance with sections 11(5) and 11(6) of the Public Management and Finance Act (2020 Revision).

Madam Speaker, the Report fairly details the activities of the Ministry including its agencies, and importantly, Madam Speaker, this includes Hazard Management Cayman Islands, as well as our National Weather Service and of course, the Department of Environment.

Madam Speaker, I commend the Report to the reading of Members and the public because I think it sets out some of the excellent work that these agencies carry out, which contributes to the safety of the lives of the people of the Cayman Islands, the safety of air operations, for example; and the preservation and protection of our important natural environment which helps add substantially to our tourism product.

Madam Speaker, as I said, there are some very, very important details contained in the Report which reflect those activities and I commend the reading of the full report. We are still in the hurricane season, so certainly the opportunity to review what the National Weather Service has been doing and what Hazard Management Cayman Islands has been doing, is and continues to be important. I would say Madam Speaker, that in terms of Hazard Management Cayman Islands, that is an agency which is well respected across the Caribbean for the excellent work that they

do. They are people who will seek to emulate some of the things that they do.

I commend the Report, Madam Speaker, [and] with that, I will thank you for the opportunity to speak to it.

**REPORT & RECOMMENDATION OF THE
MINISTER RESPONSIBLE FOR LANDS ON THE
VESTING OF CROWN LAND BLOCK 25B
PARCEL 430 TO MIGUEL APOLONIO RAMOS**

The Speaker: The Honourable Deputy Premier.

Hon. Juliana Y. O'Connor-Connolly, Deputy Premier, Minister of Education and District Administration & Lands, Elected Member for Cayman Brac East: Thank you, Madam Speaker.

Madam Speaker, I seek permission to lay on the Table of this honourable House of Parliament a report for the disposition of land that has been prepared in accordance with the Governor (Vesting of Lands) Act (2025 Revision) [sic] [2005 Revision].

The Speaker: Does the Deputy Premier wish to speak thereto?

Hon. Juliana Y. O'Connor-Connolly, Deputy Premier: Yes, thank you, Madam Speaker.

Madam Speaker, this disposition returns to its rightful owner, an undeveloped area of 0.23 acres, parcel of residential development land, Evco Tours Lane in the constituency of Prospect that recently became vested in the Crown under the provisions of the Companies Act (2023 Revision).

Madam Speaker, if I may first provide some background. The parcel's origin is derived from a 1983 residential subdivision. Since its creation, the parcel remained registered to the subdivision development company Bodden-Crighton Development Ltd. However, Madam Speaker, this company was struck off by the Registrar of Companies on the 30th September, 1996, under statutory grounds that the Registrar had reasonable cause to believe that the company was not carrying on business or [were] indeed in operation in this jurisdiction by virtue of section 156, Part VI of the Companies Act (2023 Revision).

Madam Speaker, in essence, this action was taken because the annual company registration fees were not paid. Section 162 of the said Act, and I quote, **“any property vested in or belonging to any company struck off the register under this Act shall thereupon vest in the Minister charged with responsibility for Finance and shall be subject to disposition by the Cabinet, or to retention for the benefit of the Islands”**.

Therefore, Madam Speaker, ownership of the property automatically became vested in the Crown after the company had been struck off for in excess of 10 years. This being the term of years after which a

defunct company becomes incapable of being reinstated under the Act.

Madam Speaker, in November, 2021, Mrs. Ina Brunella Ramos became aware that the parcel was not registered in her husband's name. She wrote to the then Minister of Finance claiming rightful ownership of the property on behalf of her husband, namely Miguel Apolonio Ramos. She said that her husband, who is 76 years of age, is also suffering ill health. However, he had in fact, purchased the property from Bodden-Crighton Development in 1996 for the consideration of \$12,000. She and he both thought that they were the registered proprietors.

Madam Speaker, Mrs. Ramos was able to provide a scanned, certified copy of the 1996 Transfer of Land Form, and a supporting affidavit provided by James Manoah Bodden III, who is the son of the now deceased [owner of the] defunct vendor company. Mr. Ramos accepts that he in fact failed to register the Transfer of Land Form RL1 with the land registry at the time. His case, which is not contested, is that he did purchase the property in accordance with the signed Transfer of Land form.

Madam Speaker, the Cabinet carefully considered the report on this matter including the evidence that Mrs. Ramos was able to provide in support of her husband's claim to rightful ownership, the necessary documentation. The Cabinet agreed to accept the validity of the claim and to transfer the parcel to Mr. Ramos for nil consideration. The Cabinet decided to also waive the stamp duty due under said transfer.

Madam Speaker, I can in fact confirm that as required by the Act, the details of this proposed land disposition have been published in the Cayman Islands Gazette on the 20th August, 2023, and a local newspaper namely the Caymanian Times on the 13th September, 2023. Accompanying the report that I just laid, Madam Speaker, are all the documents specified in section 10(2) of the Governor (Vesting of Lands) Act (2005 Revision) including the three valuation reports; one from the Lands and Survey [Department] for CI\$172,000, Blue Point for \$188,000, and JEC for \$175,000.

Madam Speaker, I thank you for your discretion. Those are my submissions.

**CAYMAN PORT - ANNUAL REPORT 2022 –
PORT AUTHORITY OF THE CAYMAN ISLANDS**

The Speaker: The Honourable Minister of Tourism & Ports.

Hon. Kenneth V. Bryan, Minister of Tourism & Ports, Elected Member for George Town Central: Thank you, Madam Speaker.

I rise to lay before this honourable House, the Annual Report 2022 for the Port Authority of the Cayman Islands.

The Speaker: I see it looks like the Honourable Minister wishes to speak.

Hon. Kenneth V. Bryan: Yes, Madam Speaker.

Madam Speaker, in accordance with section 52(8) of the Public Management and Finance Act (2020 Revision), it gives me great pleasure to place before this honourable House the Annual Report and Audited Financial Statements of the Port Authority of the Cayman Islands for the fiscal year ended the 31st December, 2022.

Madam Speaker, the 2022 Audited Financial Statements show that the total operating income for the year ended 31st December, 2022 was \$23,991,007 while the total operating expenditure was \$25,244,840.

The annual expense for the defined benefit liability together with the actuarial re-measurement of the defined benefit liability, and the gains achieved in the re-evaluation of the investment property at December 31, 2022, totalled \$17,290,654. This resulted in a net income of \$16,035,821.

Operating expenditure exceeded operating income by \$1,253,833 due to increased expenditure from the resumption of cruise, major repairs of cranes, forklifts and other infrastructures; increase in the cost of fuel and other operating costs; the recruitment of 33 new positions, COLAs (Cost of Living Allowances) that are awarded by government, and provision of \$1.6 million in staff payments due to staff being mandated to work additional hours without compensation since January 2019.

The authority had current assets of \$15,854,795 and non-current assets of \$80,407,803. Total assets amounted to \$96,262,598 as of the 31st December, 2022. The current liabilities were \$3,352,143 and the non-current liabilities which presents the authority's defined benefit, healthcare liabilities and the lease liabilities were at \$36,054,697 at the 31st December, 2022. Total liabilities amounted to \$39,406,840 for the same date. Total equity being contributed capital, retained earnings and re-evaluations reserves amounted to \$56,855,758. The total liabilities and equity amounted to \$96,262,598 for the year ended 31st December, 2022.

Madam Speaker, the audited financial statements of the authority included the Auditor General's opinion. The financial statements have been audited by the Auditor General, and I am delighted to report Madam Speaker, that an unqualified audit opinion has been issued on the 31st December, 2022 financial statements. The Auditor General states that the financial statements present fairly in all material respects, the financial position of the Port Authority of the Cayman Islands as of the 31st December, 2022 and its financial performance and cash flows for the year ended in accordance with the international financial reporting standards.

Madam Speaker, in closing, I would like to thank the board and the management of the Port Authority of the Cayman Islands for their hard work in producing these audited financial statements. I invite Members of this honourable House and the public to review the report in detail.

I now invite Members of this honourable House to take time while looking at the report, because there are some good performances by the board, the management staff; and a new direction at the Port Authority.

Thank you, Madam Speaker.

ANNUAL REPORT FOR CAYMAN AIRWAYS LIMITED FOR THE 2022 FINANCIAL YEAR

The Speaker: Honourable Minister of Tourism & Ports.

Hon. Kenneth V. Bryan: Thank you, Madam Speaker.

I rise to lay [on the Table], the Annual Report for Cayman Airways for the financial year ended 2022.

The Speaker: Does the Member wish to speak?

Hon. Kenneth V. Bryan: Yes, Madam Speaker.

Madam Speaker, in accordance with section 52(8) of the Public Management and Finance Act (2020 Revision).

Sorry, Madam Speaker, I see that I was reading the Port documents all over again.

Madam Speaker, in accordance with section 60(1)(a) of the Public Management and Finance Act (2020 Revision), I place before this honourable House the audited financial statements of the Cayman Airways Limited for the year ended the 31st December, 2022.

Madam Speaker, during the fiscal period, the airline transported some 335,000 passengers on 9,500 flights. During the period, the airline also transported over 2,050 tons of cargo. In June 2021, the Cayman Islands Government announced a phased border reopening plan, expecting by January 2022 to welcome all travellers irrespective of their vaccination status. Cayman Airways prepared budgets accordingly. However, Madam Speaker, full reopening of our borders was postponed until late August 2022 for various reasons. Noting, Madam Speaker, that strategic tourism, regional and core air services require continuous monitoring to ensure demand is met, relevant activities are launched and flight schedules are adjusted as needed.

In 2022, with travel to the destination initially restricted to vaccinated passengers, demand saw a gradual recovery. In collaboration with the Cayman Islands Government, some international flights were reduced and others were delayed. The use of the larger aircraft, the 160 seat Boeing 737 Max-8 versus the 122 seat Boeing 737-300 meant fewer flights but similar or more seating capacity. Though Cayman Airways prioritises timelines and reliability, its on-time performance suffered in the first half of the year due to verifying

vaccinations, travel approvals and test results causing delays especially on a full flight.

The CAL 2 funding was increased by \$1.7 million in 2022, to cover the 2 per cent COLA increase, a December increment and cost of the new Los Angeles route.

During 2022 as the world recovered from COVID-19, inflation grew at historical rates, especially in global oil prices, leading to increased cost for Cayman Airways. Despite lower fuel usage than expected, the airline's fuel expenditures rose by \$11.3 million. The airline's 2022 financials report a net loss of \$11.1 million. The original budget had called for a net loss of \$7.2 million, Madam Speaker. Therefore, net loss of \$3.9 million more than forecasted due to the fuel expenses, despite reduced consumption from budgeted targets and other increased costs.

Annually, the company reviews its property, plants and equity for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when the impairment indicators are present. As of the 31st December, 2022, no indicators of impairment were apparent with respect to the fixed assets of the company. Our continued strategic use of Cayman Airways during the period of border closure, followed by our ability to quickly react to changes in the relaxation of COVID-19 restrictions, means that we were able to ensure access to and from the Cayman Islands was provided as needed.

Madam Speaker, the financial statements I present have been audited by the Auditor General in accordance with the provisions of section 60(1)(a) of the Public Management and Finance Act (2020 Revision). An unqualified opinion has been issued on the 31st December, 2022, Financials with an "emphasis of matter" for the company's reliance on financial support from the Cayman Islands Government. The Auditor General states that the financial statements present fairly, in all material respects, the financial position of the company as of the 31st December, 2022, and its financial performance and its cash flows in accordance with the International Financial Reporting Standards.

Madam Speaker, in closing, I would like to thank the board and the management of Cayman Airways Limited for their efforts in producing these audited financial statements and the Office of the Auditor General in auditing them.

I now invite Members of this honourable House and the public to review the report in detail.

Thank you, Madam Speaker.

ANNUAL REPORT 2022 – TOURISM ATTRACTION BOARD

The Speaker: Honourable Minister for Tourism & Ports.

Hon. Kenneth V. Bryan: Thank you, Madam Speaker.

I rise to lay [on the Table] of this honourable House the Annual Report 2022 for the Tourism Attraction Board.

The Speaker: Does the Minister wish to speak?

Hon. Kenneth V. Bryan: Yes, Madam Speaker.

In accordance with section 60(1)(a) of the Public Management and Finance Act (2020 Revision), I am pleased today to place before this honourable House, the Annual Report and audited Financial Statements of the Cayman Islands Tourism Attraction Board for the fiscal year 2022.

Madam Speaker, the Cayman Islands Tourism Attraction Board is a statutory authority established under the Tourism Attraction Board Act, 1996 on the 25th November, 1996. The primary function of the Tourism Attraction Board is the general and financial management of the government-owned tourism attractions in accordance with the aforementioned law and the Cabinet directives. Those are: Pedro St. James, Queen Elizabeth II Botanic Park, the Hell Geological Site and the Cayman Islands Craft Market. The operations of the authority are regulated by the Government of the Cayman Islands.

Madam Speaker, the 2022 audited financial statements show that the total income for the year ended 31st December, 2022, was \$2,811,846, while the total expenditure was \$2,725,961. This resulted in a net surplus of \$85,884. The Board had current assets of \$2,247,585 and non-current assets of \$9,439,693. Total assets equated to \$11,687,278 at the 31st December, 2022. The current liabilities were \$339,353 and there were no non-current liabilities; total liabilities therefore equated to \$339,353. Total equity being contributed capital and retained earnings equalled \$11,347,926 and the total liabilities and equity amounted to \$11,687,279.

Madam Speaker, the audited financial statements of the Tourism Attraction Board included the Auditor General's opinion. The entity received an unqualified opinion for the year ended 2022. The Auditor General found that the financial statements of the Board presented fairly in all material aspects, the financial position of the Tourism Attraction Board as of the 31st December, 2022; and its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards.

I would like to thank the board and the management of the Cayman Islands Tourism Attraction Board for their efforts in producing these audited financial statements, and the Office of the Auditor General for auditing them, Madam Speaker.

I invite Members of this honourable House and the public to review the report in detail.

Madam Speaker, in closing though, I would like to highlight a recent development regarding the Tourism Attraction Board. As Members would recall, the Tourism Attraction Board has been restructured and

reinstated as a new entity, The Cayman Islands National Attractions Authority.

Madam Speaker, you may have been hearing me making a few mistakes between board and authority as my speech was delivered, but merely in that respect because this report relates to before the transition happened.

Madam Speaker, the Cayman Islands National Attractions Authority was established on 1st June, 2023, under the Cayman Islands National Attractions Authority Act, 2023. This Act supersedes the Tourism Attraction Board Act, 1996. The primary mandate of the Cayman Islands National Attractions Authority is to oversee both the general and financial management of properties vested into the authority are placed under its management aligning with the overarching policies of the Cayman Islands Government.

Thank you, Madam Speaker.

OFFICE OF THE OMBUDSMAN – ANNUAL REPORT 2022

The Speaker: The Honourable Minister for Planning, [Agriculture], [Housing] and Infrastructure.

Hon. Johany S. Ebanks, Minister of Planning, Agriculture, Housing and Infrastructure, Elected Member for North Side: Madam Speaker, I rise to seek permission to lay on the Table of this honourable House the Annual Report 2022 for the [Office of the] Ombudsman, on behalf of the Minister of [Youth,] Sports, Culture [and Heritage].

The Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

Hon. Johany S. Ebanks: No, ma'am. It is self-explanatory.

2022 ANNUAL REPORT – PORTFOLIO OF LEGAL AFFAIRS – CAYMAN ISLANDS GOVERNMENT

The Speaker: The Honourable Attorney General.

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Speaker.

Madam Speaker, I seek leave of the House to lay on the Table, the Annual Report for the Portfolio of Legal Affairs for the period ending December 2022.

The Speaker: Does the Honourable Attorney General wish to speak thereto?

The Attorney General, Hon. Samuel W. Bulgin: Madam Speaker, just to say that I wish to commend the Report to Honourable Members of this Parliament and the public in general. The report is a pretty comprehensive narrative of the activities of the Portfolio during the

reporting period, and it covers the various departments within the Portfolio, Madam Speaker.

In addition to that, Members would know that the Auditor General's statement is unqualified.

Madam Speaker, I wish to thank the members of staff for the Portfolio for their continuing dedication and professionalism during the relevant period and beyond.

I do thank you, Madam Speaker.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

Suspension of Standing Order 23(7) & (8)

The Speaker: Calling for the suspension of Standing Orders to ask questions past 11.00 a.m.

The Honourable Premier.

The Premier, Hon. G. Wayne Panton: Thank you, Madam Speaker.

Madam Speaker, I rise to move the suspension of Standing Orders 23 (7) and (8) in order to allow the putting of questions and responses thereto after the hour of 11.00 a.m.

The Speaker: The question is that Standing Orders 23 (7) and (8) be suspended to accommodate questions being asked after 11.00 a.m.

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

AYES.

The Speaker: The Ayes have it.

Agreed: Standing Orders 23(7) and (8) suspended.

QUESTION NO. 5 WHEN WILL THE DELOITTE REPORT WITH THE RECOMMENDATIONS ON PUBLIC TRANSPORTATION, AND THE TERMS OF REFERENCE BE MADE PUBLIC?

The Speaker: The elected Member for George Town North.

Mr. Joseph X. Hew, Deputy Leader of the Opposition, Elected Member for George Town North: Thank you, Madam Speaker.

Madam Speaker, I rise to ask Question No. 5 [standing] in my name, to the Honourable Minister of Planning, Agriculture, Housing and Infrastructure. The question reads: Can the Honourable Minister state when the Deloitte report, with the recommendations on public transportation, will be made public, along with

the terms of reference that formed the basis of the report?

The Speaker: The Honourable Minister of Planning and Infrastructure.

Hon. Johany S. Ebanks: Madam Speaker, I can confirm that upon receiving the necessary approvals, we will proceed to publish the report along with the terms of reference, very shortly.

SUPPLEMENTARIES

The Speaker: The elected Member for George Town North.

Mr. Joseph X. Hew, Deputy Leader of the Opposition: Thank you, Madam Speaker.

If I could ask the Minister: what approvals are required?

The Speaker: The Honourable Minister of Planning and Infrastructure.

Hon. Johany S. Ebanks: Madam Speaker, I just want to make sure that Cabinet has gone through the report and fully understands it before we issue it.

The Speaker: Are there any supplementary questions?
The elected Member for George Town North.

Mr. Joseph X. Hew, Deputy Leader of the Opposition: Thank you, Madam Speaker.

I thank the Minister for the answer.

Madam Speaker, the last time we were in the House, I realised that the Minister had just taken over the Ministry of Transportation. I know that the general public anticipated that we would see this report and perhaps a plan in the first quarter of 2023.

Madam Speaker, this is a \$200,000 report and it's a much, much larger problem as we hear daily on the radio about the traffic; and whilst roads are important, we cannot build our way out of traffic, Madam Speaker. Public transport has to be one of the many solutions and a very important one.

Madam Speaker, the Public Transport Board in 2019 published a strategic plan 2019-2024: can the Honourable Minister, if he can, say whether or not this plan is still being followed or has work begun on any other sort of plans to address public transport?

The Speaker: The Honourable Minister for Planning and Infrastructure.

Hon. Johany S. Ebanks: Madam Speaker, I wish to assure esteemed, Honourable Members of this House that we are steadfast in our commitment to not only meeting but exceeding the expectations of the public in our pursuit of revamping the solutions to the public

transportation system. However, to let everybody know, this Government actually takes it very seriously that this transportation system has to be fixed.

Madam Speaker, not only that, but we also understand that it takes funding to get this where we need and we are looking forward to putting some funding in the upcoming budget to be able to tackle this transportation system. I think, as one of the Members from the eastern side of the Island, Madam Speaker, this has become a plague for not only me but for my other colleagues from the eastern side of Island. They understand how important it is for us to fix it, and nothing has been done with it for so long, but we have taken the time now to try to sort this out. I understand that we may not be moving at the speed that the Member may like but at the same time, nothing was done for the previous years, ma'am. We have to learn how to *[inaudible]* and we are moving ahead with this.

The Speaker: Elected Member for George Town North.

Mr. Joseph X. Hew, Deputy Leader of the Opposition: Thank you, Madam Speaker. I thank the Minister for updating us on all of the lateral moves that the plan has made. I would like to see some vertically.

However, Madam Speaker, from the Minister's response, can I confirm from him then, understanding that the Deloitte \$200,000 study has not made it the Cabinet yet or has not been confirmed to go to public as yet: Can the Minister confirm if funding will be in the upcoming budget to realise any sort of major change to the public transport plan?

The Speaker: Honourable Minister.

Hon. Johany S. Ebanks: Madam Speaker, I think I just covered that earlier. We are looking to put funding for the new year in the upcoming budget to be able to tackle transport. The only thing, if the Minister wants more, I would just tell him one of my famous lines, *stay tuned*.

The Speaker: I'll allow one more supplementary.
Elected Member for George Town North.

Mr. Joseph X. Hew, Deputy Leader of the Opposition: Thank you, Madam Speaker. Just in case anyone else on my side wants to ask a question, I just wanted to thank the Minister for his answers.

The Speaker: Are there any other questions? *[Pause]*

QUESTION NO. 6 UPDATE ON REPAIRS TO DISTRICT ROADS AND WORK DONE IN EACH CONSTITUENCY THUS FAR

The Speaker: Elected Member for George Town North.

Mr. Joseph X. Hew, Deputy Leader of the Opposition: Thank you, Madam Speaker.

Madam Speaker, I rise once again to ask Question No. 6 in my name, to the Honourable Minister of Planning, Agriculture Housing and Infrastructure. The question reads: Can the Honourable Minister provide an update on the repairs to district roads and advise what work has been done so far in each constituency?

The Speaker: The Honourable Minister of Planning, Agriculture, Housing and Infrastructure.

Hon. Johany S. Ebanks: Madam Speaker, the National Roads Authority (NRA) Director and his team have completed 10 district roads: 3 in North Side, 1 in Savannah, 1 in George Town South, 3 in George Town Central, 1 in West Bay North, and 1 in West Bay West.

They are actively making strides to another eight projects that are currently in progress. Looking ahead, there are plans to undertake another 25 road projects in the coming month. The NRA has truly organised these developments by district.

SUPPLEMENTARIES

The Speaker: The elected Member for George Town South.

Ms. Barbara E. Conolly, Elected Member for George Town South: Thank you, Madam Speaker.

I have a supplementary question. Can the Honourable Minister indicate which roads particularly in George Town South? I would think all the Members would like to know what roads had work carried out in our constituencies. Thank you.

The Speaker: Minister of Planning, Agriculture, Housing and Infrastructure.

Hon. Johany S. Ebanks: Madam Speaker, I have a list of roads here that I want to say are being worked on or are in the pipeline to be worked on.

Madam Speaker, may I ask the Member for George Town South which particular road is it that she's referring to.

The Speaker: Member for George Town South.

Ms. Barbara E. Conolly: Thank you, Madam Speaker.

I really couldn't say. In your answer, you said there is one in George Town South. My question to you is, can you provide me with the name of the road? I really wouldn't know what road in George Town South you are referring to. If you could provide a name, then

I can identify whether it is in fact in George Town South or not.

The Speaker: Honourable Minister for Planning.

Hon. Johany S. Ebanks: Madam Speaker, on my list that I have here, and I do apologise to them, but for some reason the Member for George Town South is the one Member that I do not have a road for on this list. [However, I will provide it to you in writing which road it was \[I referred to\].](#) Unless you can tell us that it was a particular road that you asked for? Okay, thank you.

I would just like to go through the roads then, since the Minister for George Town North asked earlier. Starting out from Bodden Town East there's Pasture Drive, Starwood Drive, Saffron Lane, Wordsworth South, Sitwell Road, and Mimosa Lane that they will be working on. In Bodden Town West there're a few roads there; we are to sit down with the Member to see which roads are a priority for him. Directly into Red Bay area there is Holly Drive, Patrick Avenue, Ribbon Close and Sweetleaf Close; and in George Town East there's Rose Lane and Glenmont. In George Town West there is Merrendale Drive and Dorset Lane that we are looking to do, and then we are also looking to do some traverline repairs on South Church Street near the Eden Rock. When we get down to West Bay South, my Minister next to me here has always advocated for Powell Smith Road, I think it's called, and that is actually in the mix to be done.

Madam Speaker, I just want to let everybody know that we are not the pavers of the roads. We go out and facilitate with Island Paving which does the paving, so we have to work with their timeframes on when they can get to each road to be able to pave them; or if some of them are looking at chip and spray, those are the ones that NRA can do. However, right now some of the timeframes for the main highways that we are working on with Island Paving have taken precedence.

Mr. Joseph X. Hew, Deputy Leader of the Opposition: Madam Speaker.

The Speaker: The elected Member for George Town North.

Mr. Joseph X. Hew, Deputy Leader of the Opposition: Thank you, Madam Speaker.

Just quickly, I wonder if the Minister could provide us with a copy of those roads that he just listed.

I do have another supplementary question, Madam Speaker. Madam Speaker, back on 2nd May 2022... Sorry, let me start a little earlier.

Madam Speaker, a process was put in place by the NRA where they would send out a list of roads with a PCI (pavement condition index) and with the value, and each MP for the area would choose out of those roads and within the budget that they were given, which roads

they would like to have repaired. I did receive my list on 2nd May, 2022, and I think some others on the Opposition side may have as well. I responded with the roads I felt were more a priority.

Madam Speaker, the reason we are standing here and asking these questions is because we haven't seen any of these roads that we selected fixed so far, and I wonder if the Minister could confirm to me whether the process has changed or is there something else we have to do?

We don't know Madam Speaker, because at least certainly for the previous six or eight years that is the way it was done; and you would start in East End and move to West Bay, then [from] West Bay back to East End. I am just checking to see if the Minister can confirm if this is in fact the same process or if the process has changed.

The Speaker: The Honourable Minister for Planning and Infrastructure.

Hon. Johany S. Ebanks: Madam Speaker, the process has not really changed but what I want to remind the Member, is that when you're sitting on a different side of the aisle you get time to think a little bit more and realise how you used to treat people in the past. Madam Speaker, I want to remind him of how the Eastern districts were treated.

Madam Speaker, I just went out and announced that there are some roads that we are doing—

Mr. Joseph X. Hew, Deputy Leader of the Opposition: Madam Speaker, on a point of order.

The Speaker: Elected Member for George Town North what is your point of order?

Mr. Joseph X. Hew, Deputy Leader of the Opposition: Madam Speaker, if the Honourable Minister is going to make comments like that, he should look in the Hansards to see when I answered these very same questions and where I started in the eastern district and actually spend more money in the eastern districts than any other district. Also, Madam Speaker, the Honourable Minister cannot say that because he was never in here. This is his first time. The only other person who could speak to the way I treated them would have been the former representative Mr. Miller. However, if he so wishes, bring the evidence, go in the Hansards. I beg you, I beg you. Look at my answer when this very same question was asked of me by, I think it was the representative from East End at the time.

Hon. Johany S. Ebanks: Madam Speaker, I may not have been in the House here, but one thing, I have been living in North Side for several years so I kept track of what was going on.

[Inaudible interjection]

Hon. Johany S. Ebanks: Well, that's between you and him we're not *gonna* get down in that.

Madam Speaker, I have just listed the names of some of the roads that are out. I have taken drives with the Deputy Leader of the Opposition and we have driven down in his area in about the last two months, and he has told us the areas that he wanted to get fixed and we agreed that we would fix them.

Madam Speaker, just yesterday I had a conversation with the Member because he did not even speak to me, he spoke to the director asking him to do something for him. I told him, *hey, we are going to look at doing this road* but just to make sure that we are not playing politics with side by side Madam Speaker. This is a huge thing. We understand everybody goes from getting roads done to drainage to everything else. We have delivered a lot more drains all over the place. We have done several roads, not just in my area, but throughout the whole Island. I just don't want to get into a political back and forth that we are not going for certain areas because that is far from the truth, Madam Speaker. What we are [doing] is working with the timeframe that we have when it comes to the company that's doing the paving for us. As I have asked the Member yesterday, if it is a road that he would love to see chip and spray, I could get to it faster, or if it was a road that he wanted to see asphalted.

The Speaker: Elected Member for George Town North.

Mr. Joseph X. Hew, Deputy Leader of the Opposition: Thank you, Madam Speaker and I thank the Honourable Member for that clarification.

Madam Speaker, let me first say that yes, the Honourable Member has toured my constituency and within days, in particular, we had a wall that was an eye sore, a car unfortunately had a tragic accident, they fixed the wall and I thank them. I thank the Public Works Department for that Madam Speaker. I also always, always appreciate and praise the team at the NRA, in particular when it comes to preparing our low-lying areas for oncoming rain and in the aftermath when we suffered the flooding.

However, Madam Speaker, we are talking about the road repairs here and we as representatives... Madam Speaker, when I ask these questions, when I'm speaking, I am speaking on behalf of my colleagues in the official Opposition, so it's not just me, but we also have to answer to our constituents and when our constituents cry and complain that their cars are falling into the potholes, then we need to try and find answers for them. Thus, I am not playing politics, Madam Speaker and Honourable Minister, but we do have questions from our constituents that we have to answer and this is where I come to ask them.

Thank you, Madam Speaker.

Hon. Johany S. Ebanks: Madam Speaker, if you may.

The Speaker: Honourable Minister for Planning and Infrastructure.

Hon. Johany S. Ebanks: Madam Speaker, the one road that I was talking about in George Town South was Olympic Way.

**QUESTION NO. 7
UPDATE ON SEPARATION OF THE
PUBLIC HEALTH DEPARTMENT FROM THE
HEALTH SERVICES AUTHORITY**

Hon. Roy M. McTaggart, Leader of the Opposition, Elected Member for George Town East: Thank you, Madam Speaker.

Madam Speaker, I rise to ask the Honourable Minister of Health Question No. 7, standing in my name which reads: can the Honourable Minister provide an update on the plans she announced about a year ago to:

- (a) separate the Public Health Department from the Health Services Authority; and
- (b) allow Public Health to become an independent body?

Thank you.

The Speaker: The Honourable Minister for Health and Wellness.

Hon. Sabrina T. Turner, Minister of Health & Wellness and Home Affairs, Elected Member for Prospect: Thank you.

[The] answer: Madam Speaker, as of August 2023, the Ministry of Health and Wellness is in receipt of a strategic outline case which accesses the available options regarding the development of the Public Health Department and separation from the Health Services Authority.

The Ministry is currently preparing a Cabinet paper to present the strategic outline case and outline the next steps to Cabinet for a review and acceptance. A formal business case is then required once a strategic outline case has been accepted by Cabinet.

Developing and enhancing the Public Health Department is intended to improve the national focus of public health. The desire is to develop the scope of public health beyond the traditional focus on immunisations, and strengthen and equip the department to have a modern public health capacity for protecting and improving our nation's health. It is also envisioned to be a national focal point gathering and monitoring the health data from all health care providers on Island, both public and private, to report indicators that reflect the whole population of the Cayman Islands.

The Speaker: The Honourable Leader of the Opposition.

SUPPLEMENTARY

Hon. Roy M. McTaggart, Leader of the Opposition: Thank you, Madam Speaker.

Just one final question from me to the Minister. Minister, can you state if there is any sort of timeframe in which you are anticipating that this process might be completed in terms of obtaining requisite Cabinet approvals?

The Speaker: Honourable Minister for Health and Wellness.

Hon. Sabrina T. Turner: Sure. Thank you, Madam Speaker.

What is next as previously stated is that the strategic outline case is approved by Cabinet then that will be followed by a business case that will provide a clearer timeline and give more details. We anticipate the Cabinet paper for the acceptance and support of Cabinet of the strategic outline case either the end of this month or the early part of October. Following that, a full business case as I said, will likely take another 6 to 8 months. Of course, that then has to take its course.

However, I must say that we are well in advance in preparation and laying a true foundation for this move to become a reality because we are also in the process, as I have stated on this honourable Floor in this honourable Parliament, of working on the Public Health Act. That is also in its advanced stages and preparing to come to Cabinet for acceptance and support to be transferred then or get support for legal drafting of that Bill.

The Speaker: Are there any [other] supplementary questions?

**QUESTION NO. 8
WHAT ACTION IS BEING TAKEN TO ENSURE
SUFFICIENT FINAL RESTING PLACES ON ALL
THREE ISLANDS FOR FUTURE NEEDS**

The Speaker: The Honourable Leader of the Opposition.

Hon. Roy M. McTaggart, Leader of the Opposition: Thank you, Madam Speaker.

Madam Speaker, I rise to ask the Honourable Minister of Health and Wellness and Home Affairs question No. 8, standing in my name. The question reads: can the Honourable Minister say what action is being taken to ensure that sufficient final resting places will be available on all three Islands to meet future needs?

The Speaker: The Honourable Minister for Health and Wellness.

Hon. Sabrina T. Turner: Thank you.

Madam Speaker, [the] answer: The Department of Environmental Health (DEH), under the

Ministry of Health and Wellness, is responsible for cemetery management in Grand Cayman. The duty entails construction and sale of vaults. Cemeteries in Cayman Brac and Little Cayman fall under the Ministry of District Administration and Lands. Madam Speaker, as part of DEH's annual budget exercise, considerations are made for a number of new vaults based on district needs and available resources. Overall, there are 7,639 vaults estimated to be constructed in Grand Cayman's public cemeteries. For the sake of my honourable colleagues, in my reply provided it's outlined in Table 1 and Figure 1, below.

I will take this opportunity for the viewing and listening audiences to state, that cemeteries [sic] [vaults] to be constructed are:

Cemetery	Vaults to be constructed
Boatswain Bay	22
East End	149
Gun Bay	23
North Side	144
Old Man Bay	66
Prospect	2,497
Bodden Town Cemetery	803
St. Mary's Garden of Rest	3,935

Madam Speaker, based on our historical usage, the estimated closure year for each cemetery is also provided to my honourable colleagues. However, for the purpose of our listening and viewing audience, of particular note, Madam Speaker, the Boatswain Bay cemetery is expected to reach capacity in '24 and East End cemetery by 2057. The estimated closure of St. Mary's Garden of Rest cemetery in West Bay is in the year 2167, and North West Point and West Bay cemeteries are closed at this time.

However, it should be pointed out, Madam Speaker, that as a result of Cabinet approval on the 29th March, 2022, double-stacked vaults are allowed. This new burial practice provides an opportunity to use a cemetery that is otherwise considered closed or to extend one that is nearing capacity.

In anticipation of future needs, Madam Speaker, the Ministry of Health and Wellness Team is in the midst of an extensive review of the Public Health Act, the substantive legislation in which the DEH operates. This exercise, Madam Speaker, is complex as the Act affects a number of entities that deliver and manage public health services. One suggestion for the review team is to develop a bespoke legislation for environmental health functions and this is the direction in which the Ministry intends to proceed. When the new Environmental Health Act is drafted, we expect that soon after, provision would be made for formalisation of cemeteries and crematoria regulations which will benefit all cemeteries including those in our sister Islands.

The Speaker: The Honourable Leader of the Opposition.

SUPPLEMENTARY

Hon. Roy M. McTaggart, Leader of the Opposition: Thank you, Madam Speaker.

Madam Speaker, we thank the Minister for the detailed response she gave; [it's] just the sort of information we were looking for to understand too what the current capacity is in terms of the future for cemetery vaults.

I noticed in her response too, Madam Speaker, she stated that the Cabinet had given approval in March of '22 for the double-stacking of vaults. I just wonder if she is aware if there is any double-stacking taking place at this time or whether there is, for the work that needs to be done, any legislation requirements or not; but I wonder if the approval of that policy is now implemented and is actually taking place.

The Speaker: Honourable Minister of Health and Wellness.

Hon. Sabrina T. Turner: Madam Speaker, thank you. That process has begun. There's one definitely in the Brac. This is a new culture for us and I know that DEH has strengthened and improved the base constructions of all vaults knowing that this policy is now in effect, that persons have this as an option.

[Inaudible interjection]

Hon. Sabrina T. Turner: Yes, I have been told for East End for sure. People are catching on and this will, as I said earlier in my reply, improve and expand the life of these cemeteries not being deemed full.

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

The Speaker: I have given leave to a few of the Members to offer statements. I will begin with the Honourable Minister of Tourism & Ports.

[Pause]

The Speaker: Honourable Members, I will change the order of the statements and ask the Honourable Premier to start.

[Pause]

THE CAYMAN ISLANDS ECONOMY

The Speaker: The Honourable Premier.

The Premier, Hon. G. Wayne Panton: Thank you very much, Madam Speaker.

Madam Speaker, I rise in this honourable House to offer remarks with respect to the Cayman Islands economy, our future prospects including our current economic success and the impacts on the wellbeing of our nation's most precious commodity, our people.

Madam Speaker, today, I will outline the ongoing recovery of Cayman's economy, highlight the prospects appearing along the horizon for our largest industries, and detail the Government's current fiscal position along with our end of the year 2023 financial forecasts.

I am proud to report, Madam Speaker, as predicted that Cayman's economy is strong, and getting stronger. We are steadily recovering from the devastation of the COVID-19 pandemic.

Madam Speaker, the Cayman Islands continues to show strong, stable positive growth. The hotel, restaurant, transport, storage and communication sectors all grew in 2022 and further improved so far in 2023. International business is thriving. Restaurants are full, shops are bustling and for those who want them, jobs are certainly available up and down the economic ladder. Madam Speaker, despite the hardships experienced during the global pandemic, the financing and insurance and business services sectors have shown remarkable resilience and have continued to expand even beyond expectations.

When this Government came into Office Madam Speaker, at the height of the COVID-19 pandemic, we were united around the need to put the wellbeing of our people first. In April of 2021, we gave the people a government that had our people at its epicentre. It was and remains a government for the people of these Islands, *for the people*, Madam Speaker. That phrase is used often in politics and sometimes I think the meaning becomes lost and becomes a bit of a cliché. When some for example, say 'for the people', they don't necessarily mean all the people, they mean some people, sometimes it's their people. Madam Speaker, when this Government says for the people, we mean all the people, all Caymanian people and families and not only the people and families of the Cayman Islands that exist today, but also for all the people and families to come. For the people, Madam Speaker, means that we cannot afford to flippantly be for this interest or for that interest. No, no, Madam Speaker, this Government must always strive to do what is in the common interest for all the people of this country. Yet the meaning, the heart of the phrase remains the same no matter who says it and everything we do here must be for them, for the benefit of them and their families.

Madam Speaker, for the people also means that in good times and in bad that you are there for the people, no matter what; come what may. It means that you understand and have real sympathy for the concerns and the needs of ordinary Caymanians that you

engage with them regularly. You eat at their tables at the invitation and you are accepted by them.

For the people, from the beginning, Madam Speaker, has been enshrined in the philosophical heart of this Administration. The people of this country voted the way they did at the last election because they wanted a new kind of government, one with a heart for the people. Let me take this moment to remind you that as Premier, I am the chief servant and guardian of the people. As Premier, it is my job to see beyond forecast and indicators, beyond dollars and cents. Ultimately, all the spreadsheets, analyses and reports, mean nothing if we don't meaningfully impact the health, safety, happiness and general quality of life of Caymanian people.

To be a successful society, Madam Speaker, that offers value and meaningful service to its people, the numbers on the page can't simply present a set of orderly, lifeless, balanced accounts. If the people are at the centre of everything we do, and they do, then those numbers should contribute to continue to create a thriving, safe, smart and healthy population. Indeed, Madam Speaker, what good is economic success if our people or any of them are being left behind.

Madam Speaker, I remain committed, my colleagues remain committed to being the servants of the Caymanian people and Caymanian families, to ensuring that we march forward together to create a better, stronger Cayman now and for future generations. For some people, Madam Speaker, leadership is all about being political and transactional, but in my view, leadership and leaders should care more about principles than merely politics.

The development and wellbeing of our people forms the foundation of this Administration's governing philosophy and was the core guiding principle, guiding the development of the 2024-2026 Strategic Policy Statement published earlier this year.

Madam Speaker, strong leaders remain relevant when they stand up for their principles. A singular belief in the resiliency, the potential and strength of the Caymanian people shapes everything we do in government. This Administration remains focused on preparing our country to deal with the realities of an ever-changing world and equipping individuals, families, businesses and institutions with the tools and the environment necessary to confront those realities with confidence and hope.

With this overarching goal in mind, Madam Speaker, I want to talk about the state of the economy and projections for the balance of 2023 into 2024.

Madam Speaker, preliminary indications suggest that the economy of the Cayman Islands expanded in real terms by 3.8 per cent in 2022; a continuation of the recovery experienced since 2021. The expansion reflected robust global demand for Cayman's services, and underpins our people's hard work and dedication. The indicators for the first quarter of this year show that Gross Domestic Product (GDP) expanded by 3.4 per cent. This robust performance,

Madam Speaker, was largely driven by a strong recovery in the hotels and restaurants, transport, storage, and communications sectors whilst maintaining strength in other sectors that have been demonstrated over the prior periods.

In 2022, Madam Speaker, the hotels and restaurants sector grew by 23.2 per cent over the prior year, with projected growth of 29.9 per cent in 2023 and 17 per cent in 2024. This is no doubt, a clear reflection of the strength and the effort brought to bear by the Minister and the Ministry of Tourism and Ports and the Department of Tourism.

Madam Speaker, when this Government assumed Office at the height of the COVID-19 pandemic, we decided to prioritise the lives of our people and sustainably reopen our borders. The decisions Government had to take have not been easy but we took them. I am proud, Madam Speaker, and probably relieved that it was clearly the right decisions. In announcing that we made those right decisions, not only was the loss of lives minimised, but the tourism industry has rebounded even stronger.

Madam Speaker, it is in moments like these that we can see the tangible benefits of our actions in creating opportunities to benefit Caymanians in their everyday lives, and that means this job is worthwhile. For the first six months of 2023, Madam Speaker, over 235,000 stayover tourists visited our Islands representing more than 80 per cent of the total in the first six months of 2019 when we experienced record stay over arrivals. Cruise visitors are also recovering with over 740,000 visitors by the end of 2023. Of course, Members are aware that the projection in respect of cruise visitors is that it will not hit the previous high targets. It is not likely but it will come very close I'm sure.

Madam Speaker, the transports, storage and communication sector expanded by 11.4 per cent. Our national carrier Cayman Airways has continued to expand and add new routes. Activities at our major seaport have grown substantially as well with merchandise imports rising by 17.4 per cent in 2022 and supporting an expansion of wholesale and retail trade. For the first half of 2023, merchandise imports grew by 1.3 per cent relative to the same period last year. Madam Speaker, having carefully navigated the critical recovery phase post pandemic, our economy has emerged stronger. We are expecting economic expansion over the next two years, with the Department of Economics and Statistics projecting overall economic growth of an average of 3.1 per cent over the full year 2023; and projecting 2.2 per cent for 2024.

Madam Speaker, turning my attention to the construction sector, that sector expanded in 2022 by 1 per cent while the real estate sector grew by 4.8 per cent. While these sectors continue to grow, I think there is a recognition that the sector is experiencing headwinds in terms of higher borrowing costs and higher input costs.

Madam Speaker, with regard to our linchpin, the financial services industry, the financing and insurance sector has been a key driver in the success of our economy and the prosperity enjoyed by our people for several decades. It proved, Madam Speaker, to be the engine of our revenue during the pandemic when borders were closed and international tourism suspended. Madam Speaker, this Government is committed to supporting the sector in every way possible. The recent announcement that all the conditions are in place for us to receive a favourable response and hopefully removal of the Cayman Islands from the FATF (Financial Action Task Force) grey list is a testament to the commitment, growth and stability, and health of financial services in this country.

An Hon. Member: I hope so.

The Premier, Hon. G. Wayne Panton: Madam Speaker, that is in no small way to the thanks of the Minister of Financial Services and the hard work of the Honourable Attorney General and the team which they work with.

Madam Speaker, the sector is projected to expand moderately by an average of 1.2 per cent between the rest of this year and during the course of 2024. The business services sector, comprised largely of legal and accounting services, also remained relatively robust during the crisis, Madam Speaker. That sector is projected to grow by 1.9 per cent in 2023 and 2.1 per cent in 2024 having expanded by 2.1 per cent in 2022.

Madam Speaker, I think we are all passionate about the continued development of the Cayman Islands and the opportunities and interests of our people. Certainly, for me, having spent most of my professional career in the legal and financial services industry, I am very conscious of the role and value, and the critical services that they play in the meaningful development of our people. I am certainly proud to lead a government that is continuing the commitment to strengthening the resilience of the industry that is so vital to the economy and to the welfare and future prospects of so many in our Islands.

Madam Speaker, economic growth generally leads to the creation of jobs and decreases in unemployment. Now a few words about job creation and the issue of population growth. According to estimates from the *Cayman Islands Labour Force Survey Report Spring 2023*, the total Labour Force increased by 7.9 per cent in the past year to include 58,669 people as of June 2023. Correspondingly, still maintaining its best in decades performance, the overall unemployment rate dropped to 2.4 per cent in June of this year and is expected to average 2.5 [per cent] between the balance of the year and 2024, having been down significantly from the 5.7 per cent recorded in 2021.

Madam Speaker, because of the foresight and wisdom and hard work of this Government, the

Caymanian unemployment rate fell to 3.7 per cent of the labour force in June of this year compared to 5.1 percent for the same period in 2022. Prior to that, it was as high as 5.8 per cent in 2021. Hence, a very significant level of reduction, Madam Speaker.

Madam Speaker, this record decline reflects concerted efforts by this Government to prioritise the employment of displaced Caymanians as the economy recovered. This resulted in a reduction in the mismatch of labour demand and supply that typically occurs when latent economic activities begin to recover. Madam Speaker, I'm especially heartened by the dip in Caymanian unemployment showing that our people are benefiting from the economic growth and returning to the job market. It may not be 100 per cent, Madam Speaker, but there is significant benefit. Our challenge is to continue that and increase that. As has long been the case, Madam Speaker, the Caymanians with the highest unemployment rate remained those without high school level education and further training. What we have seen as well, Madam Speaker, is that Caymanians with post-secondary education including college and university degrees had the lowest unemployment rates. That is why in the past two years, Madam Speaker, this PACT Government has put special emphasis on providing training and upskilling to unemployed Caymanians. We have steadily increased the budget allocations for scholarships and vocational training for school leavers and other young Caymanians. The thrust to make Cayman's job market a haven for Caymanians is front and centre in our minds and we are committed to continuing to improve the prospects of our people, irrespective of what the numbers show in terms of unemployment. It is imperative, Madam Speaker, that we continue to chip away at Caymanian unemployment and ensure that our people are benefiting more and more from the growth and strength of our economy. It is not enough just to create jobs. We must ensure that healthy, able bodied Caymanians who want to work are qualified, trained and able to take up their rightful place in our labour market.

Madam Speaker, according to the *[Cayman Islands] Labour Force Survey Report Spring 2023*, the mid-year population of the Cayman Islands was estimated to be 83,671 people. Within this total, Caymanians amounted to 38,926 or 46.5 per cent of that overall total. The total population of 83,671 indicated in the report reflected a growth of 2.6 per cent from the 81,546 estimated in the previous year.

Madam Speaker, we are all aware that there has been a lot of debate and discussion around the growth in the population of these Islands and rightly so. I have said in this House before, and I have said publicly, there are no policies, initiatives, or programmes which were designed by this Government trying to achieve any sort of population growth. This has happened as a result of, and in some cases to our surprise, the strength of our post pandemic recovery. Because we have had these kinds of debates, Madam Speaker,

I think it behoves us to highlight some of the specific reasons for the increase in population over the past few years. As I mentioned earlier, our economy recovered quickly following the pandemic and the handling of that, initially by the previous administration and then by this Administration, in terms of coming out of it, some would say doing the hardest part of reopening. This growth has been led by some of the most labour-intensive industries: construction and tourism related services, and by the expansion of others including financial services, fintech, tech and healthcare.

Further, Madam Speaker, we know that people moved to our Islands during the pandemic, choosing to work remotely from a base here in our safe, clean, beautiful, wonderful Islands. Many people seeing the vulnerability of some service sectors during the pandemic switched employment industries during COVID-19. Let us not forget that during the pandemic, the Government made a concerted effort to absorb displaced workers and to boost inward economic activity with construction and local spending. This resulted in an influx of expatriate workers to fill jobs being created by the recovery. This is in part a consequence of the record low levels of Caymanian unemployment as well.

Madam Speaker, in light of the two points just mentioned, there is no surprise that work permits increased from 26,321 in December 2021, to 36,372 in June 2023; clearly due to strong demand for labour in the hotel and restaurant industry, as well as construction, wholesale, retail, transport and storage, and financial services sectors.

Madam Speaker, the results of the Spring [2023] Labour Force Survey also indicated that total employment rose to an estimated 57,226 of which 21,615 or 37.7 per cent were Caymanians. We can clearly see that even while the expat worker population grew, Caymanian employment also increased from 19,494 in 2021, to 22,457 in 2023. That's an increase of approximately 3,000 Caymanian jobs, Madam Speaker. Over the near term, we expect labour demand to continue to generally track GDP growth forecast. However, as I said earlier, Madam Speaker, this level of growth in jobs creates opportunities for our people over and above the benefits they have already had. One of our challenges is to make sure that we continue to reduce Caymanian unemployment, chip away at that and get our people into some of these jobs that have been created.

I should also spend a few moments, Madam Speaker, talking about that great challenge over the last 18 months going onto two years now, inflation.

Madam Speaker, the rising cost of living in our Islands, especially for the most vulnerable is one of the most concerning issues we are currently grappling with. Notably in the first quarter of 2022, when the invasion of Ukraine began by Russia, inflation reached a high point of 11.2 per cent. The CPI (Consumer Price Index) report for the first half of 2023 indicates average prices rose by a further 5.3 per cent. There is good news,

better news than that though, Madam Speaker, because in the most recent quarter ending June 2023 the consumer price index inflation rate was 4.1 per cent, so down from a CPI inflation rate of 6.6 per cent in the first quarter of 2023. Madam Speaker, that reflects a gradual levelling off of inflation, so the rate of inflation is not increasing rapidly, or continuing to increase rapidly as it has done in the slightly more distant past. Even better news, Madam Speaker, is that for 2024 indications are that inflation will come down to in the region of 2.5 per cent, so that is a very positive indication, Madam Speaker. Despite the slowdown in the pace of inflation, these increases remain well above comfort levels for most, and I must mention here that these inflationary pressures form a heavy burden on the shoulders of our people; increasing the cost of living for them and their families. Madam Speaker, that is why this Government has done and will continue to do everything we can to help people and families in this country.

Madam Speaker, we have implemented a number of initiatives ranging from electricity subsidies to keep rates down from over 22,000 households; increased ex-gratia payments to seafarers, veterans and other vulnerable families; providing free school meals for our children; removing import duties on unhealthy foods, baby products, feminine hygiene products and products that nurture energy efficiency and therefore reduce the cost of operating homes that our people live in. Madam Speaker, we extended the tourism workers stipend well into 2022, months after the borders reopened; we reduced a variety of fees for our seniors, we extended the pension holiday for an additional year, and continued to help with scholarships and tuition assistance for students. We are continuously looking at ways to minimise the impact of inflation on our population and our people. My Cabinet has appointed a committee to review the minimum wage of the lowest paid in our society with a report expected this month with recommendations.

Madam Speaker, we have also had an inter-ministerial housing task force and that will be providing draft recommendations shortly which will be sent to Cabinet. The technical working group of the housing task force has considered the factors impacting the demand for housing, the supply of housing and the price of housing, access to financing and the availability and quality of rental housing, and made a number of recommendations on policy options available to the Government. We remain committed to helping Caymanians secure a home that they can both afford to purchase and importantly, they can afford to maintain on a monthly basis, whether that be an apartment, townhouse or a standalone home. Our administration remains committed to helping more Caymanians reach the dream of achieving home ownership.

Also, I am reliably informed by my colleague the Minister for Planning, Agriculture, Housing and Infrastructure, that we are going to be delivering more than 117 homes through the National Housing

Development Trust (NHDT), delivering more affordable homes than was done in the previous administration. I am sure that the Minister will be saying more about the NHDT's progress on delivering housing units in the days to come.

Madam Speaker, please allow me to take a moment here to thank all of my colleagues in Government, particularly the Deputy Premier who coordinated the effort for expeditiously responding to an urgent need of many households in this country, when at the end of this past August we released over \$2.1 million to assist Caymanians in urgent need of home repairs for their houses. Madam Speaker, we will all recall there was a period of about a week where we had tremendous squalls and rain which impacted our people and brought to light a number of issues that they may have had with their roofs. This was a rapid response to help people address those issues and we continue to do our endeavour best, Madam Speaker, to help Caymanians ensure their homes are safe at all times and certainly more so during the hurricane season.

Madam Speaker, our occasional differences notwithstanding, time and again when it matters we come together and have proven that we have the ability to get things done on behalf of and for the benefit of the people of these Islands. Again, we return to our starting point and end for every decision we make and every policy that we implement, the Caymanian people of our three beloved Islands. When this Government reopened our economy after COVID-19 and got Cayman growing again, that was for the people too, Madam Speaker. When we produced one of the lowest Caymanian unemployment rates in decades, that was also on behalf of and for the people of this country.

From June 2021 to June 2022, 314 small businesses also benefitted from \$166,294 in fee discounts. During the same period, 1,958 small and micro businesses benefitted from CI\$1,471,300 in fee discounts in relation to business licences. Madam Speaker, we extended the reduction in business fees for small and micro businesses through to the end of December of this year to help Caymanian businesses grow. Caymanian men and women, people who continue to support their families, are those people who are working in these businesses, who own these businesses.

Madam Speaker, free school meals for school children was not just for families of children of our supporters, it was for all the children, all families across the Cayman Islands. Again, assisting households to help them pay their electricity bill during a period of unprecedented geopolitical factors driving up the cost of fuel; assisting with energy audits, helping to retrofit homes that would become more energy efficient, reducing duties on goods for families and reducing and continuing to reduce fees for seniors and elders, helping our students across the country with scholarships and other forms of tuition assistance. All of this, Madam Speaker, was for all the people and families of our beautiful Cayman Islands.

Yes, Madam Speaker, for all of these sensible measures to help see our families through these tough times, we have taken some political heat, we have taken some criticism. Those to our political right, worry perhaps we are going too far and that social spending will only further increase a sense of entitlement; and perhaps will put our financial stability at risk. Those to our political left say that we are not going far enough with our support, that we should be providing more assistance to more people and for a longer period of time. Sometimes, Madam Speaker, when you hear the comments and you see the positions taken, it's kind of hard to figure out which side people are coming from because sometimes they are on the right and then they jump to the left and vice versa depending on what suits them at any particular time.

Madam Speaker, we are a government that seeks to achieve a balance, a government that simultaneously has a heart for Caymanians and a strong social conscience. We're also a government that understands that we must make financially prudent decisions and that we cannot recklessly spend it all today because overspending will put our economy and financial independence at risk.

Madam Speaker, this is the true reward of being able stewards of the people's interests. To be able to use the varied fruits of a healthy economy and robust government finances to thus ensure that all Caymanian people and Caymanian families benefit from the country's good fortune.

Madam Speaker, I mentioned public finances and I will discuss those for a bit. I am going to use the August 2023 year-to-date numbers to give the most current snapshot of the Government's fiscal performance. Overall, I would say that the August year-to-date numbers follow the same trend seen in the first half of the financial year, with growth in work permit revenue over the prior year, which indicates that the local businesses have been on the rebound after suppressive effects of the global pandemic and are now re-staffing to their full complements.

Additionally, we are seeing higher revenues from import duties and tourism related fees and taxes compared to the previous year. This is not surprising, Madam Speaker, following the reopening of our borders. These two sectors have a symbiotic relationship with higher tourism arrival numbers often resulting in increased consumption and increased imports. As expected, the full reopening of our borders and the removal of COVID related mandates resulted in a strong resurgence and performance in the tourism sector. In general—of course, that had to be encouraged, it didn't happen by accident—we have seen that positive financial performance in some areas has compensated for underperformance in other areas.

To get a bit more specific, Madam Speaker, up to the end of August 2023, revenues amounted to \$782.2 million. The original budget for the 2023 financial year which was presented to the Parliament in

November, 2021, indicated that revenues for 2023 would be \$978.1 million. By now, of course, we realise this is an outdated figure and it is more appropriate that the Government track its performance against the revised estimates of revenues and expenditures that were set out in the Strategic Policy Statement (SPS) which was Tabled, I think, April 26th of this year in this Parliament.

The SPS, Madam Speaker, contained an updated revenue forecast for the 2023 financial year. This was an amount of \$1.037 billion. For the eight-month period ended 31st August, 2023, it was expected that of the 2023 revenue total of \$1.037 billion, \$785.4 million would have been received. Actual revenues received for the eight-month period to 31st August, 2023, of \$782.2 million was therefore only \$3.2 million less than the expected \$785.4 million.

Madam Speaker, this Government is cautiously expecting that we will either achieve the SPS revenue target or we will perhaps, at worse, be marginally shy. Madam Speaker, the most significant positive revenue variances were recorded in the following categories: work permit revenues, the positive variance is reflective of the continued increase in labour demand; tourism related revenues, the positive variance is due to the increase in stay-over tourism; investment revenue, the significant positive variance is a function of the relatively high rates of interest earned on fixed deposit balances of the Government and the current significant bank account balances of the Government that are placed on deposit.

Briefly, in relation to operating and financial expenditures, Madam Speaker, expenses for the period ending 31st August [2023] were \$647.7 million. This amount was \$5.5 million more than the \$642.2 million incurred in the comparable eight-month period ending 31st August, 2022. Variances between actual and budgeted expenses are largely due to overages with respect to tertiary healthcare costs and the cost of care of indigents. Nothing new there, Madam Speaker, we are facing persistent challenges in increasing costs in those areas. These overages, Madam Speaker, were somewhat offset by under spending in other areas, particularly personnel and supplies and consumables.

Madam Speaker, to ensure sufficient funds are available for the remainder of the budget year, we plan to have Finance Committee this week and will shortly be asked to further approve supplementary funding in areas where spending is expected to exceed budget estimates. It is important, Madam Speaker, to note that a significant proportion of Core Government's operating revenue is earned during the first quarter of each financial year, which is when the financial services fees are due. Historically, revenues taper off as the year progresses. Despite this fact, however, Madam Speaker, the Government is expecting to the end the year in a positive position with a forecasted operating surplus.

Madam Speaker, in terms of bank balances [and] debt balance: at the end of August, Government's

closing bank accounts totalled \$620.5 million while Core Government debt balances stood at \$471.4 million.

Madam Speaker, in June of this year, US Treasury notes previously held at their purchase price of US\$333.6 million or CI\$276.9 million, matured and the funds from those investments have been reinvested in the local US dollar fixed deposits mentioned earlier. While Government's debt stood at \$471.7 million as at 31st August of this year, the Cayman Islands resulting debt to GDP ratio of 7.7 per cent remains amongst the lowest in the world. It's a very, very modest debt metric, Madam Speaker. By way of comparison, the debt to GDP ratio for Japan is in the region of over 200 per cent; and comparing it to the UK, the ratio there is 80 per cent debt to GDP. Thus, Madam Speaker, that is a clear indication that our level of debt is sustainable, under control and we are being very prudent with respect to borrowing.

Madam Speaker, we have achieved compliance with the principles of responsible financial management for 2022, and that is clearly an improvement over 2021 where for that year, a deficit was the year end result; albeit some \$40-odd million better than what had originally been projected by the previous administration.

Madam Speaker, in terms of the following principles, this is what our achievement was for the end of the '22 Financial Year. Operating surplus of CI\$54 million, Net worth of \$2.1 billion, Debt servicing costs seven per cent, which is well obviously below the 10 per cent threshold; Net debt was 16.6 per cent which is very comfortably within the maximum 80 percent threshold, and cash reserves are 107.8 days of operating expenditure which is above the legally required 90-day minimum threshold. We expect this to continue for the balance of this year, Madam Speaker, and into the future.

Madam Speaker, in conclusion, now as I promised, those are the numbers, the forecast projections and analysis are all laid out in black and white. However, as I said earlier, leadership is to learn to look beyond the numbers and to see precisely how those numbers translate into benefits for the people. This Government, Madam Speaker, believes that there is a gap that we must continue to chip away at. A gap between the success of the economy and the quality of life for our people; and we will continue those efforts. We will seek to understand and shrink this divide as we started to do from the very beginning of our term, and will continue this effort through improved data collection mechanisms, especially on issues that impact directly the quality of life of our people.

Madam Speaker, the 2021 census was key in this regard and the results have informed the policies and programmes that execute the aims of our Strategic Policy Statement. The census information will continue to be our data touchstone as we move forward in improving the lives of our people and determining new

qualitative methods and metrics of measuring the improvement in their lives, and not just relying on quantitative metrics as was historically done.

Madam Speaker, this Government believes that while those traditional metrics still have a purpose, they have value no question about it, they need to be enhanced, they need to be supplemented by other qualitative metrics that are a better, more indicative, more instructive way of measuring the quality of life. As many are aware, population trends and quality of life indicators are very important when planning new programmes and initiatives, as well as evaluating existing and ongoing programmes. I have always believed, Madam Speaker, especially in smaller jurisdictions, that timely, accurate, relevant data in sufficient detail absolutely helps government and government services to make better decisions and deliver those services better. Better data allows the Government to implement better plans, new services to better manage and calibrate the existing services, and to properly allocate resources, both financial and human. Data and information can help us forecast, plan and be better prepared. For example, it could help us determine how many students we have, what are their ages, how many classrooms would be needed, and when as well as where we will have to put an increasing number of teachers, assistant teachers and administrative staff that may be required.

Indeed, Madam Speaker, data helps government forecast key health indicators including the number of doctors and nurses that would be needed to care for the future growing population of the country and increasing needs.

Madam Speaker, a rapidly growing populations such as ours has tangible consequences for the Government's ability to plan and prepare for the future. As I said, while this rapid population growth was not by design, it was not forecasted, it was not anticipated to that extent anyway, we are certainly nevertheless working steadily to improve our infrastructure, roads, transportation network, and yes, public transport, alleviating the resulting traffic concerns and ensuring that public service mechanisms such as health, education and safety, are strengthened and expanded to meet these increasing demands.

Madam Speaker, this is one of the key reasons why we need to be both strategic, prudent and farsighted in our budget allocations going forward. This is the only way to ensure that all Caymanians and residents continue to have a good quality of life within our shores.

Madam Speaker, as Premier, Minister of Sustainability & Climate Resiliency and Minister of Finance & Economic Development, my overriding mission is to ensure that we foster an economy that is private sector driven, where all of our people have access to opportunities that will allow them to develop their full potential, live their best lives that they envisioned for themselves and their families in environments which foster

improvements in their mental health and their enjoyment of life.

Madam Speaker, with the national economy growing stronger, we intend to continue to prudently share this growth with Caymanians in the form of tangible, measurable results that add value to the kitchen tables and bank accounts of the people of this country.

Just to remind Members, Madam Speaker—at what I regard to be an appropriate time—of the outline five Broad Outcomes that we included in our Strategic Policy Statement for 2024-2026, all aimed at benefiting, developing and enriching the lives of the people of the Cayman Islands. They were:

1. Improved quality of life for Caymanians;
2. Enhanced competitiveness while continuing to meet international standards;
3. Future proofing to increase resiliency;
4. Modernising Government to improve public sector performance and the delivery of services in the most efficient manner; and
5. Protect and promote our Caymanian culture, heritage and identity.

Madam Speaker, every one of these goals has both quantitative and qualitative measurements. Each one is aimed at improving both the economy and the quality of life of our people and families. One does not have to happen, Madam Speaker at the expense of the other, we *can* do both; we *must* do both is the reality. The numbers that I've outlined earlier, those standard economic and accounting measures prove that achieving a better quality of life for more of our people can be done in a responsible, prudent and sustainable way.

Madam Speaker, this Government is committed to continuing to improve the quality of life for our people, building our country, creating a strong and diverse economy, whilst also protecting our natural environment, respecting and promoting our culture, our heritage, our Caymanian identity. Real progress, Madam Speaker, cannot be measured by money alone. This Government understands that, that is why every day we dedicate ourselves to looking beyond the numbers, beyond the balance sheets, beyond income statements; straight to the hearts, needs and hopes of our people, Madam Speaker. This is a true measure of success in any Government enterprise, tracking how the lives of our citizens are improved.

Madam Speaker, this Government has accomplished much in the first half of this Administration but there is a lot more work to be done beyond the jargon, the footnotes, the appendices; beyond the terms of trade, the money and addendums. Madam Speaker, there is a beating heart of a caring Government, ready to reach for excellence and continue to achieve excellence on behalf of its people because this is why we do all of this, Madam Speaker. This is why we are meeting in this honourable House today, for the people. We are all here because of them.

Madam Speaker, this Government heard the people's call in '21 and we hear that call still ringing in our ears today. I ask the Members of this honourable House to join me, to join us; we all work together. Let us continue to hear the people's call and continue to work together for the people of our three beloved Cayman Islands.

Madam Speaker, I thank you for the opportunity and I thank all Honourable Members of this House for their attention.

[Desk thumping]

The Speaker: Honourable Members, we will now take this time for our lunch hour.

I also want to remind all of those Members for the Parliamentary Management Council that we will be having a meeting during the lunch break so we'll do an extra 30 minutes so that Members can eat, and then an hour for the meeting. That would take us to 2.20 p.m.; so we will resume at 2.20 p.m.

Proceedings suspended at 12.50 p.m.

Proceedings resumed at 2.45pm

The Speaker: Proceedings are now resumed. You may be seated.

Honourable Members, I have given leave to the Honourable Minister for Tourism and Ports to make a statement. Honourable Minister for Tourism and Ports.

CRUISE INDUSTRY

Hon. Kenneth V. Bryan: Thank you, Madam Speaker.

Madam Speaker, I rise to give a brief statement on the half year results and cruise tourism strategy in respect to tourism and ports.

Madam Speaker, with tourism being the second pillar of our economy, I thank you for allowing me this opportunity to provide a brief overview of our tourism industry's half-year performance results. In so doing, I will compare where we are now, to where we were pre-pandemic in 2019, to illustrate how the industry is recovering.

For the first six months of the year, Madam Speaker, between January to June, 2023, the Cayman Islands welcomed 235,370 stay-over visitors, which represents close to 84 per cent of our visitor arrivals registered for the corresponding period in 2019. Canada was the second-largest source of visitors with 7.5 per cent equating to an increase of 0.9 per cent points from the 2019 year, and Europe followed in third place, with 4.4 per cent of visitors, which was similar to the corresponding period in 2019.

From a revenue perspective, Madam Speaker, the results are equally good, if not better; between January and June, 2023 revenues collected by the Department of Tourism for tourism accommodation tax

amounted to \$28.8 million as the Honourable Premier said in his previous statement earlier. This is \$12.4 million ahead of the mid-year projections and \$3 million over the target anticipated for the full year, Madam Speaker. In other words, Madam Speaker, the level of revenues anticipated for the full year was collected in the first six months of the year, by June of 2023—Madam Speaker, I think that is worthy of note.

What this essentially means, Madam Speaker, is that the country is earning more per visitor, so while visitation is still slightly below 2019 levels, we are making more money per capita. This increase is due to a significant rise in the average daily rate for hotel accommodations over the past year, and is an indication of strong and sustained interest in the Cayman Islands as a premier travel destination.

Data is still coming in, but what we are being told anecdotally by the industry is that occupancy levels during the summer are holding steady, and in many instances are better than what it used to be in the norm pre-pandemic. And, Madam Speaker, I would say those comments are specific to the month of July, as we are still awaiting the final numbers for August. Obviously, Madam Speaker, we are still in the month of September, so we won't know those numbers.

Prior to 2020, it would not be unusual for occupancy to dip to approximately 50 per cent; this year, occupancy levels for the month of June have been averaging as high as 70 per cent of the 2019 occupancy numbers. If you compare the two to three slow months of the year, you will see that we have been doing better in 2023 than in 2019, as per the slow months. This shows that the industry is bouncing back to where we were not just prior to the pandemic, but where we were in our highest record-breaking year of 2019 under the leadership of the former Minister, the Honourable Moses Kirkconnell.

Madam Speaker, if we were to extrapolate these half-year results across the full year, we could say with some degree of comfort, that based on the current trajectory we are optimistic of meeting, or exceeding, our stay-over visitation target of 70 per cent or more.

Looking at Quarter 3, the months of July and August have also out-performed projections. September numbers are not in yet to be able to do a like-for-like comparison of the entire quarter which encompasses July, August and September; but the indications are that both visitation and revenue figures are on target without any cause for concern.

Madam Speaker, even in the cruise sector, which was projected to take a full year to reach the 70 per cent of the 2019 passenger arrivals, trends are indicating that we are on track to surpass our target. Cruise passenger arrivals for the first half of the year amounted to 38,462 passengers, or 73 per cent of the 2019 pre-pandemic visitation numbers. Revenue collected for cruise passengers' departure tax amounted to CI\$4.4 million, which is approximately 6 per cent

ahead of the midyear forecast. When I delivered my budget address, when Parliament meets next month, I will go into more depth with these statistics, but I feel it is important that we take this opportunity to share this information with Members and update the public on the true position regarding our tourism industry performance.

To put these results in context, Madam Speaker, it is important to remember that our borders only fully opened a year ago, and straight out of the gate, my Ministry set a goal to obtain 40 per cent of the 2019 arrival numbers for the year 2022; and for yet more context, Madam Speaker, let me state that the 2019 arrivals for the full year were the highest in the country's history, so our benchmark was quite high. Notwithstanding, I challenged my Ministry and the Department of Tourism to achieve almost half of that historic record-breaking number with our borders being only fully reopened for four months. How anyone can think that we have lowballed the target against that stark reality is beyond me, Madam Speaker.

Having achieved the goal for 2022, the arrivals target for 2023 was increased to 70 per cent. Perhaps it can be argued that for 2023 borders would have been open for a full year so... we are only aiming for 70 per cent of the 2019 numbers, one would ask? The answer is, Madam Speaker, on a global scale, a number of factors are impeding people's ability, and willingness to travel. This includes the residual effects of the pandemic, where airlines are still having to cancel flights due to staff shortages, coupled with the rising cost of living and higher mortgage interest rates, just to name a few.

When economic factors start to impact daily life, people tend to differentiate between needs and wants, Madam Speaker, which includes rethinking travel decisions, often putting them off until the economic environment is more stable and favourable. The saving grace for the Cayman Islands against this reality, Madam Speaker, is the fact that we target higher net-worth individuals who are more insulated against sudden economic shocks; but what we cannot mitigate against, Madam Speaker, are the global realities which exist beyond our shores, which we have no control over. With all of those realities in mind, we set a realistic target of 70 per cent, or approximately 300,000 passengers, and Madam Speaker, I would say that target was appropriate, as we are maintaining just 4 per cent above it at the halfway mark.

Madam Speaker, while I welcome this opportunity to update Members on our tourism performance, I am particularly keen to explain to the Members of this House, and the public, what my Ministry is doing to grow a resilient and sustainable cruise tourism sector.

I am aware that Members of the Opposition have expressed concerns about the decline in cruise calls compared to the pre-pandemic cruise ship arrivals and I have to say, Madam Speaker, I am a little bit surprised by their actions. It should not come as a surprise

to anybody, Madam Speaker, least of all the Opposition, that for logistical reasons, cruise lines are unwilling to disembark passengers on the mega class ships by tender. The public was made aware that without piers, cruise calls would gradually reduce over time as the cruise lines transitioned to larger vessels. We cannot do anything about what the people wanted in respect to their decision about having a berthing facility, but what we can do and we are doing, Madam Speaker, is focusing on increasing stay over visitation to bring more revenue into our country.

At the same time, Madam Speaker, we are working hard to increase the value proposition from each cruise passenger so that operators in this space can still make a good living earning just as much or almost as much money from the reduced cruise passenger headcount. This is why my Ministry is taking a fresh look at the business model and concentrating on quality-over-quantity aspects of the industry, to compensate for the drop in passenger numbers due to the country not having piers.

If that stance is not in line with the Opposition's position, I'll accept it for what it is, Madam Speaker, but I do believe this is what the people wanted and expressed when they made their position on the piers clear. Does it come with some disadvantages? Yes, Madam Speaker, it does; but the people spoke loudly and clearly on what they wanted and what they didn't want.

Madam Speaker, we are representatives of the people and if the people's opinion has changed in that respect, then our job is to represent the people's viewpoint. Now, Madam Speaker, I can confidently say that I have received no indication from the public in this regard; not as a representative or as the Minister responsible for tourism. I have not heard the kind of pushback that the Deputy Leader of Opposition expressed in a video released by the Progressives a short while ago.

You may recall, Madam Speaker, that in a previous sitting of this honourable House I stated that I would be spearheading the creation of a comprehensive cruise tourism strategy that will guide our path forward in this sector. My team and I have been diligently working on the development of a document that which will take into account environmental impacts, carrying capacity, social responsibility, and the integration of cruise tourism within the local community.

We recognise that there is a need for a well-thought-out plan that not only addresses the current challenges, but also capitalises on the opportunities that lie ahead. The strategy is not only about economic prosperity, Madam Speaker; it is about preserving our natural beauty, protecting our culture, and ensuring a high-quality experience for both tourists and residents alike. At the next sitting of Parliament, when we present the budget, I will speak more on the finer details of the cruise tourism strategy— what each section looks at and what the next steps in the process will be.

However, one thing I would like to state now regarding the development process, is that I have chosen to develop the strategy in-house, within my Ministry and the Department of Tourism. By utilising the expertise within our government agencies, consulting with local and international experts where needed, and harnessing the knowledge of our dedicated civil servants, I believe we can create a strategy that is uniquely tailored to our Islands' needs while saving hundreds of thousands of dollars that would otherwise have been spent on consultancy fees, Madam Speaker.

Instead, we are drawing on the talents and capabilities of our people locally which not only makes fiscal sense, but also instils a sense of ownership and pride in the outcome. This in-house approach does not preclude collaboration with external partners, Madam Speaker, but as the strategy develops, if the need arises, we will engage with experts, academics, and even look towards other countries that have successfully navigated similar challenges to gather insights and best practices.

We are committed to a transparent and consultative process, ensuring that our strategy reflects the collective wisdom of our global and local communities. I look forward to elaborating more in the next sitting of Parliament, when we present the budget Madam Speaker, but rest assured that I remain committed to transparency, accountability, and inclusivity every step of the way.

As we move forward, it goes without saying that my Ministry staff and I are keenly aware of the significance of the cruise tourism industry to this country and to our people, and we recognise the importance of striking a balance. Madam Speaker, you would have heard the Honourable Premier hone in on the word "balance", it is what this Government is trying to juggle— between economic growth and environmental stewardship, this strategy will be a dynamic document adaptable to changing circumstances, and responsive to the evolving needs of our community and our tourism industry, particularly that of the cruise industry. Madam Speaker, I look forward to presenting it to the public earlier in the new year.

Thank you, Madam Speaker.

CRAFT MARKET

Hon. Kenneth V. Bryan: Madam Speaker, by your grace I was offered the opportunity to give two statements. This new statement is in reference to the Cayman Islands Craft Market.

Madam Speaker, I stand before you today to provide the Members of this honourable House with an update on the Cayman Islands Craft Market and its move to a new, temporary location.

Madam Speaker, in August 2021 while the borders were still closed, the Tourism Attraction Board (TAB), now known as the Cayman Islands National Attractions Authority, received formal notice from the

landlord signalling the end of the Craft Market's tenancy at the intersection of Boilers Road and South Church Street effective January, 2022. Consequently, the site that the Craft Market had occupied for many years was vacated as requested by the owners.

The relocation of the Craft Market was a strategic response to evolving circumstances. In March 2022, in anticipation of the return of cruise ships, the site of the old Tower Building was chosen to become the temporary new location due to its convenient proximity to the port. The space was cleaned and resurfaced, and small tents were purchased to accommodate approximately eight vendors. Five months later, in August 2022, after consultation with the Port Authority, enhancements were undertaken to improve the site for vendors, and elevate the overall visitor experience; these upgrades included, but were not limited to:

- a reconfigured layout which provides more space for commercial activity;
- the installation of a spacious 60x40 tent; and
- upgraded parking facilities which can accommodate approximately 25 vendors.

All within a visually pleasing environment. The entrance was redesigned so as to separate pedestrian and vehicular access ensuring a seamless flow of foot traffic, while enhancing safety and accessibility; feather flags and signage were installed to attract attention, and heighten visibility of the craft market's presence in that new location.

Madam Speaker, it is acknowledged that the set-up at the old Tower Building location is a temporary solution— and I emphasise a temporary solution, Madam Speaker— until the craft market is able to move to its more permanent location at the Tourism Waterfront Experience Project, which is just North of the Lobster Pot Restaurant. The anticipated timeline for completion of that project is the year 2025, consequently, all of the enhancements that have been put in place are temporary in nature, and can easily be dismantled as to not hinder any future plans at the Tower Building site.

From an end-user perspective, a meeting was held with the craft market's vendors on August 26th of this year and their feedback was positive, expressing contentment with the space that they have been provided. Given the additional time that the craft market would have to remain in the Tower Building site, and in an effort to keep our tourism product at acceptable levels, certain works will be carried out in the immediate future.

Madam Speaker, I recall a Member requesting knowledge of any updates to the location. These include some landscaping of the space, a shift to the centre of the property and an expansion of the pavers' area to accommodate the tent-covered vending space, refreshing of the signage, and fencing repairs. Those are the substantial major changes, Madam Speaker; we will also beautify the area with more vegetation.

Madam Speaker, in providing this update, I would like to record my thanks to the Honourable Premier for his support and agreement that the Cayman Islands Craft Market continues to operate at the site of the former Tower Building, under the management of the Cayman Islands National Attractions Authority. As you know, Madam Speaker, the location is allocated to another project.

While the aesthetics and physical comfort at the site are essential, my Ministry remains committed to addressing all aspects of the craft market's transition. In December 2022, our attention was drawn to concerns regarding items being sold at the craft market that were acquired from wholesale souvenir suppliers. This goes against the craft market's Code of Conduct, which states that products sold at the craft market have to be either made or finished locally.

In January 2023, the Director of the Cayman Islands National Attractions Authority and the administrative officer with responsibility for the site, met with vendors' representatives before proceeding to inspect their products being sold. Following the inspections, several vendors were issued warning letters for breaching the Code of Conduct. Unfortunately, this did not resolve the issue, as just a few months later, in May of this year, reports were again received by the Ministry that some vendors were still selling products that were purchased from wholesale souvenir shops. The Director of the Cayman Islands National Attractions Authority emphasised the need for compliance, reiterating that only authentic, Caymanian-made products that were either made or finished in the Cayman Islands should, and can be sold at the market and consideration was given to suspending re-occurring offenders.

Aside from the issue of non-compliance, which now seems to be resolved, Madam Speaker, during a routine site inspection in February of this year, maintenance staff discovered that a section of the canvas tent was damaged. A replacement tent was purchased on the advice of the maintenance team, and sidings were also installed to provide more protection during the rainy season.

Looking to the future now, Madam Speaker, and keeping with the Government's commitment to skills' development and training, the plans are in place for the craft market vendors and their representatives to undergo PRIDE re-certification training. The first session will occur later this month and other sessions will follow in due course. The Cayman Islands National Attractions Authority also intends to develop partnerships with shop owners at the port to provide direct promotions of the market to disembarking passengers. A new survey tool will be launched to track the number of visitors to the site and to ascertain their satisfaction with the market and their interactions with vendors.

I am happy to note, Madam Speaker, that earlier this year, four new applicants were interviewed and all have been recommended to be licenced as new

vendors subsequent to receiving their PRIDE training and certification from the Department of Tourism.

In conclusion, Madam Speaker, I would like to express my gratitude to all of those involved in the re-locating and enhancing of the Cayman Islands craft market at its new temporary location. The collaborative efforts of our government teams, the Cayman Islands National Attractions Authority, and our valued stakeholders have been instrumental in creating an attractive and visitor-friendly atmosphere that functions well, and is pleasing to vendors.

With that said, Madam Speaker, I take this opportunity to reaffirm that I will continue to work tirelessly to ensure that the Cayman Islands remain a destination of choice, offering enriching and memorable experiences for all, even from a temporary location and structure if needs be.

Thank you, Madam Speaker.

The Speaker: I have also given leave to the Minister for Planning, Agriculture, Housing, and Infrastructure to make a few statements.

VARIOUS SECTION 11 (5) REALLOCATIONS

Hon. Johany S. Ebanks: Thank you, Madam Speaker.

Thank you so much, Madam Speaker. I wish to make a short statement as to the circumstances surrounding the Ministry of Planning, Agriculture, Housing and Infrastructure requesting for the increase in the allocation of funds according to Section 11(5) of the Public Management Finance Act (2020 Revision).

In 2022, several Ministry entities realised a shortfall in the funding due to increased costs and services. To alleviate the shortfall and accommodate the 2022 Budget, the Cabinet approved a number of reallocations at the end of last year. In such an action, Ministry primarily utilised internal savings in 2022 to facilitate the reallocation, however, by doing this, the following appropriations from which funds were transferred, have since required additional funding.

PAH 10 – Management of Government Properties received additional funding in the amount of \$393,077. The Facilities Management department anticipates that operational costs such as the Utility and Security services will continue to increase based on the trend of the current expenditures. Funding utilities ensure the smooth functioning of necessary services, allowing government officials and staff to carry out their duties efficiently. Without proper utilities like electricity, and cooling, the operations could be severely disrupted, leading to delays in decision-making and service delivery. The Facilities Management Department Supplies and Consumables revised 2023 Budget is \$3,801,234— a reduction of almost \$300,000 or just under 8 per cent from the 2022 budget year. Forecasts indicate cost overruns by the end of the year of approximately \$285,897, or 7.5 per cent of the 2023 budget.

PAH 14 – Management of Planning Applications, received an additional \$300,000. The Planning Department had some unexpected expenses that were realised during the 2023, primarily as a result of the appeal of the court case between the National Conservation Council (NCC) vs Department of Planning (DOP) and Cayman Investment Property. While funds had been originally budgeted for the appeal, costs were somewhat higher than expected. To cover this expense, Ministry transferred funds from Planning's Personnel appropriation to the department's supplies and consumables in the amount of CI\$300,000. Consequently, additional funds were required to cover the personnel costs that were transferred to supplies and consumables. Without these funds being replaced, the DOP could not complete its recruitment exercise, which is necessary to respond to the demand in the growth of the industry.

There are a number of projects that are in the development pipeline, including the redevelopment of the Westin Hotel, Prisma, OneGT and Lacovia; these projects total over CI\$500M in development and require multiple reviewers/inspectors. Overall, the department has recorded and processed over CI\$3 billion in development, thereby generating significant Planning & Building fees to the Government.

PAH 16 – Licensing of Drivers and Vehicles received \$400,000. Supplementary expenditure was requested for expenditures related to the DVDL due to the significant increase in the number of vehicles being registered/licensed. For example, Madam Speaker, the number of vehicles added to the register increased from just over 50,000 at the end of 2021, to around 60,000 units. This required additional resources in staffing yet, the DVDL has performed well financially, collecting CI\$7,390,012 for the year, thus far. Having said that, the three entities received a total of \$1,093,077 of newly-appropriated funds, which led to an overall increase to the budget.

Madam Speaker, I want to move on to funding for the National Housing Development Trust's (NHDT) Housing Repairs Programme, and make a short statement as to the circumstances surrounding the Ministry of Planning, Agriculture, Housing and Infrastructure's requests for the re-appropriation of funds pursuant to Section 11(5) of the Public Management and Finance Law (2020 Revision).

Madam Speaker, the Ministry requested a re-appropriation of funds from the existing EI 161 – Subsea Cable allocation to increase EI 57 - National Housing Development Trust allocation by \$500,000 to carry out housing repairs. The National Housing Development Trust currently facilitates and manages the Government's affordable housing programmes. Madam Speaker, the Trust is typically funded through an EI, which is used to repay its expenses, such as overheads and loans. These loans are, in turn, utilised to subsidise the construction of affordable houses for Caymanians.

Madam Speaker, this additional funding will continue to assist Caymanians, including the elderly, single-parent and low-income households, who are unable to complete essential home repairs, whether from damages as a result of storms or otherwise, due to their financial position and home insurance situation. The Government is acutely aware that we have Caymanians who are struggling financially due to various factors, such as the high cost of living, and high construction costs. While we are working on solutions to this on other fronts, we cannot ignore our people who would not be able to undertake the required home repairs without assistance, putting their health and the safety of others at risk. The Trust will manage and disperse payments when the work undertaken is certified as completed according to the established NHDT Housing Repairs Programme.

Madam Speaker, if you allow me to, I will speak to the re-allocation of funding for projects needing additional budget for 2023.

Re-allocation of funding for projects needing additional budget for 2023

Madam Speaker, I wish to make a short statement as to the circumstances surrounding the Ministry of Planning, Agriculture, Housing and Infrastructure's requests for the reallocation of funds during the 3rd quarter of 2023, pursuant to Section 11(5) of the Public Management and Finance Law (2020 Revision).

Madam Speaker, these funds relate to entities within the Internal Services and Special Projects section of the Ministry that realised a shortfall in funding due to an increase in costs and services. To assist with shortfalls, \$1.325 million were reallocated from Executive Capital – EA 160 Design and Construction of a New Civic Centre and awarded as follows:

- To EA 78 – Government Administration Building in the amount of \$400,000. The Government Administration Building serves as the hub for various essential functions related to public services, governance, policymaking, and the government's core data centre. This funding will also assist with necessary maintenance and improvements in the building and allow for the replenishment of necessary furnishings.
- To EA 151 – Ramps and Jetties in the amount of \$425,000. Our ramps and jetties are heavily utilised by a cross section of our community and many across the Islands are in dire need of repair. These funds will facilitate the upgrades and refurbishment of ramps and jetties throughout the country. Madam Speaker, I should note that the Ministry will continue to systemically work through these repairs over the coming months.
- To EA 153 – Parks Upgrade in the amount of \$500,000 to assist with funding the creation of, and improving, the district parks that serve as

gathering places for the community. Parks are proven and highly-desired natural community enhancements; as such the need for parks has grown. Again, I note, Madam Speaker, that the development and improvement of our parks are a priority of this government.

Madam Speaker, I mentioned earlier that the funds were reallocated from within PAHI's existing appropriations, specifically EA 160 - Design and Construction of a new Civic Centre. While the design of the new civic centre for Northward is currently underway, the entire appropriation will not be fully utilised this year; therefore, as you can appreciate, Madam Speaker, it was more fiscally prudent to reallocate these funds in order to minimise the increase to the overall budget.

Madam Speaker, the funding reallocated here are all important to Government's broad outcome number 3— that is, to provide solutions to improve the well-being of our people so they can achieve their full potential.

I would like to take this opportunity to thank you, Madam Speaker, and the honourable Members of this House for their continued support. May God continue to bless these Cayman Islands.

The Speaker: Before we move on to the next statement, I call on the Honourable Leader of the Opposition.

Hon. Roy M. McTaggart, Leader of the Opposition: Madam Speaker, I just crave your indulgence to ask the Minister a couple of questions on his statement. If I might.

The Speaker: You may proceed.

Hon. Roy M. McTaggart, Leader of the Opposition: Thank you, Madam Speaker.

Through you to the Minister. I am trying to understand clearly what is the net increase in additional spending in these, if any.

If I could just walk you through: The one you just read, EA 160 to fund EA 78 [and] EA 51, is a straight re-allocation; net effect zero, no additional spending.

[For] the second one you read, with regard to the allocation from the subsea cable, the net effect is zero; no net additional spending there. Am I correct? So, the third one, which I think is the first statement that was made, it was not specifically clear to me, if it results in additional spending, or whether there was a reallocation and where it came from. There was mention of the shortfall in the 2022 budget, and [that] the Cabinet approved a number of re-allocations to the end of last year. If I might continue to read, as a result of that, the following appropriations from which funds were transferred have required additional funding.

It wasn't clear to me whether that was increase in additional spending, or a reallocation from another budget...

[Inaudible interjection]

Hon. Roy M. McTaggart, Leader of the Opposition:

And speaking of the additional spending for PAH 10 - Management of Government Properties; PAH 14 - Management of Planning Applications for \$300,000, and PAH 16 - Licensing of Drivers and Vehicles of \$400,000 in all, in your first statement, sir, there was approval granted for what looks to me like just over a million dollars. So, I am seeking clarity as to whether it was accomplished by re-allocating or transferring by 11(5), or whether it was an appropriation via section 11(5).

[Pause]

Hon. Johany S. Ebanks: Madam Speaker, if the Member would allow us to, we would undertake to maybe speak with him or correspond with him and ensure he understands the switching that he is asking about, because I think I'm a little bit off with whichever number he was talking about?

The Speaker: Honourable Minister, can I suggest that perhaps this question could be asked and answered during Finance Committee?

Honourable Leader of the Opposition?

Hon. Roy M. McTaggart, Leader of the Opposition:

Reluctantly I would agree, Madam Speaker, simply because this is a statement on the Floor of the House. What we will discuss in Finance Committee...

[Inaudible interjection]

Hon. Roy M. McTaggart, Leader of the Opposition:

Well, the question is whether something like this would be coming in a Finance Committee document, and I don't know that. I have no idea what is coming on Friday's Finance Committee.

I just don't want to lose it. I want to understand whether, as a result of the statement with these three amounts totalling about a million dollars, whether it increases the Government's spending, or whether it is a reallocation from other appropriations to cover the shortfall. That is what I'm seeking clarity on.

[Pause]

Hon. Roy M. McTaggart, Leader of the Opposition:

Madam Speaker, my question has been answered; because what I did not read carefully was the very last statement—that it results from the total of \$1,093,000 of newly appropriated funds which led to an overall increase in the budget. That is what I was really seeking; so, my apologies.

The Speaker: Thank you, honourable Members. Now that we have that sorted, I will give leave to the Honourable Attorney General to make a statement.

**EXCEPTIONAL CIRCUMSTANCES
TRANSACTIONS INCURRED DURING THE 2022
AND 2023 FINANCIAL YEARS FOR THE OFFICE
OF THE DIRECTOR OF PUBLIC PROSECUTIONS
PURSUANT TO SECTION 11(6) OF THE PUBLIC
MANAGEMENT AND FINANCE ACT
(2020 REVISION)**

The Attorney General, Hon. Samuel W. Bulgin:

Thank you, Madam Speaker.

Madam Speaker, I rise to make a statement in relation to exceptional circumstances transactions incurred during the 2022 and 2023 financial years for the Office of the Director of Public Prosecutions pursuant to Section 11(6) of the Public Management and Finance Act (2020 Revision). This statement is in respect to exceptional circumstances which were approved by the Cabinet for the Office of the DPP, as I stated, during the 2022 and 2023 financial years.

Madam Speaker, the exceptional circumstances required making changes to the 2022 and 2023 appropriations which I will briefly explain.

Funding totalling CI\$1,065,374 was required in 2022 for the purpose of settling a cost order made following the discharge of an extradition order by the Grand Court. An additional CI\$95,000 was required in 2023 to cover the shortfall following a further court order in February of that year, Madam Speaker. This matter meets the definition of exceptional circumstance for the following reasons:

- a. Once the extradition process commenced, the Office of the DPP was required to pursue the request on behalf of the US government;
- b. The US government had a good arguable case against Mr. MacKellar; and the request for Mr. MacKellar's extradition was properly made.

The extradition order was discharged, not due to a lack of merit as to the substance of the request; this was acknowledged by the judge, Justice Linda Dobbs, in her judgments, Madam Speaker.

The Grand Court initially ordered the sum of US\$825,544.25 to be paid to the applicant in October of 2022; a further order followed in February of 2023, for US\$559,368.50, as a result of which the total sum paid to the applicant was US\$1,384,912.75 or the equivalent of CI\$1,159,864.

Cabinet funding was sought and approved for an initial sum of CI\$1,065,374 in October 2022, for the interim costs certificates handed down in court, along with an additional sum to satisfy the costs subject to taxation. However, Madam Speaker, once the judgment on the taxation of bills of costs was delivered, it

was recognised that there was a shortfall of CI\$95,000. The funding in question was required for the purpose of giving effect to orders of the Grand Court in legal proceedings the outcome of which could not have been predicted by the DPP.

The orders gave rise to a significant legal liability for government, which required an immediate financial remedy and relevant information relating to the case and potential outcome, inclusive of the associated financial implications in the event of an unsuccessful judgment, had not been established at the time of the enactment of the Appropriation Act for the financial years 2022 and 2023. As such, Madam Speaker, the Office of the DPP did not include amounts for such settlement of claims within its budget. Total funding of CI\$1,065,374 for 2022 and CI \$95,000 for 2023, was therefore sought to cover this exceptional expenditure.

Madam Speaker, the following change was approved by Cabinet via section 11(5):

- a. increase 2022 Appropriation total appropriation increase, OE 105 - Settlement of Claim CI\$1,065,374;
- b. increased 2023 Appropriation total appropriation increase OE 105 - Settlement of Claim, CI\$95,000.

In conclusion, Madam Speaker, the above exceptional circumstances, which were approved by the Cabinet for the Office of the DPP during the 2022 and 2023 financial year, along with the overall effect on the government's compliance with the principles of Responsible Financial Management can be found in the 2022 and 2023 Supplementary Bills.

I thank you, Madam Speaker.

PERSONAL EXPLANATIONS

The Speaker: None.

OBITUARY AND OTHER CEREMONIAL SPEECHES

The Speaker: None.

RAISING OF MATTERS OF PRIVILEGES

The Speaker: None.

GOVERNMENT BUSINESS

BILLS

SECOND READING

PROCEEDS OF CRIME (AMENDMENT) BILL, 2023

The Speaker: The Honourable Attorney General.

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Speaker.

Madam Speaker, I beg to move the second reading of a Bill, the long title of which is a Bill for an Act to amend the Proceeds of Crime Act (2020 Revision) in order to reform that Act in the areas of intelligence gathering and investigations; to ensure that the Act conforms to international best practices; to clarify the evidential basis on which it may be shown that property is criminal property or is obtained through unlawful conduct; to amend the Act in order to protect self-regulatory bodies which are supervisory authorities from certain liability in the execution of their regulatory duties; and for incidental and connected purposes.

The Speaker: The Bill has been duly moved. Does the Honourable Attorney General wish to speak thereto?

The Attorney General, Hon. Samuel W. Bulgin: Yes, Madam Speaker, thank you.

Madam Speaker, as you are no doubt aware, in recent years the Cayman Islands has made significant improvements to its national anti-money laundering and counter terrorism financing framework. These reforms were as a result of deficiencies identified in part by the Caribbean Financial Action Task Force (CFATF) mutual evaluation process which we undergo in 2017. Some of the reforms were also based on gaps identified from our own self-evaluation exercises which were conducted by the Islands authorities either through national or sectoral risk assessments.

Despite the strides we have made in enhancing our AML-CFT regime, Madam Speaker, there is some remnant work to be done, and so presenting this Bill today is part of our continued sustained efforts Madam Speaker, to fine-tune our AML-CFT framework and provide authorities that have critical AML-CFT mandates with the legal powers and protections to support that effort. Therefore, Madam Speaker, the Bill is principally intended to do the following:

1. Strengthen the ability of the Office of the Director of Public Prosecution and investigative authorities to investigate and prosecute money laundering and terrorist financing offences;
2. Enable the sharing and exchange of information between relevant competent and supervisory authorities; and
3. Provide protection for designated non-financial business and profession supervisors (DNFBPs) against liability in the execution of their AML-CFT functions.

This last objective is a particular critical imperative if these supervisors are to carry out their roles effectively.

Madam Speaker, I will, with your leave, summarise the provisions of the Proceeds of Crime (Amendment) Bill, 2023.

Clause 1, as usual, contains the short title of the legislation.

Clause 2 makes a miscellaneous amendment to the drafting style of the legislation as it is done within the Cayman Islands.

Clause 3, Madam Speaker, deals with definitions and interpretations. It provides for the definition of the terms “appropriate officer”, “designated non-financial business and profession”— as we call the DNFBPS; “self-regulatory bodies” (SRBs), and also the definition of virtual assets. SRB, a self-regulatory body, is defined to support another proposed amendment that will be dealt with during the Committee Stage. The DNFBP, or designated non-financial business and profession, is defined in the Bill to be consistent with meaning specified in the anti-money laundering regulations— basically, to streamline the definition between those two pieces of legislation. The definition for “appropriate officer” is inserted in the Act to specify precisely what the term means, as currently there are some 27 references to determine the process of crime without any clear definition of exactly what it means.

Madam Speaker, clause 3 also amends the definition of “virtual assets” to bring it in line with the definition that is found in the Virtual Asset Service Providers Act (VSPA), a piece of legislation that was piloted by the Ministry of Financial Services some time ago. Under that legislation, the definition of virtual asset aligns more closely with the FATF meaning of that term; and finally, Madam Speaker, clause 3 repeals the definitions of “property investment” and “single-family office”. The amendment to repeal property investment is associated with another Amendment proposed in this Bill to remove property investment as a relevant financial business, and we will speak to it later on, as well.

Similarly, Madam Speaker, the definition for “single family office” is being repealed following a proposed amendment to remove from the Proceeds of Crime Act the operation of a “single family office” as a separately identified, relevant, financial business. Madam Speaker, operating a “single family office” is deemed as a security investment business, and therefore need not be identified separately from that categorisation as a relevant financial business nor does it need to be defined in the Proceeds of Crime Act— in other words, Madam Speaker, it will be dealt with under the Securities Investment Business Act.

Madam Speaker, clause 4 repeals the meaning of “single family” which is currently contained in section 2 (a) of the Proceeds of Crime Act. As I said, this Amendment is related to an associated Amendment to remove operating a “single family office” as a regulated business under Schedule 6 of the Act itself. With the removal, it is no longer necessary to have a definition of “single family” in the Act itself.

Madam Speaker, clause 5 is an Amendment in section 4(2) [paragraph] (ca) allowing the financial reporting authority to exchange information— that is, Madam Speaker, information and results of any

analysis with all relevant authorities or persons. Madam Speaker, we will also speak to that in Committee Stage.

Madam Speaker, clause 6 addresses two amendments. The first is to correct an error in section 9(1) of the Proceeds of Crime Act by replacing the word “off” in the second line, with the word “or”. The section 9(1) provision was meant to read that the disclosure should be made to the Financial Reporting Authority (FRA) *or* the nominated officer, *not* a nominated officer of the FRA; indeed, there is no nominated officer in the FRA, Madam Speaker.

The second amendment regarding section 9(1) is to make it clear that the protection against disclosure to the FRA applies also when a person reports suspicion of terrorism or terrorist financing. This understanding is not quite clear in the current language. In other words, Madam Speaker, if a person reports an act of terrorism, or terrorist financing— an actual offence— they are protected; however, Madam Speaker, if they make a report about a mere *suspicion* on those two offences, it is not quite clear that their disclosure would be protected under the current framework.

Madam Speaker, clause 7 inserts a new protection for self-regulatory bodies, a provision that we will speak to at Committee Stage as well.

Clause 8 of the Bill, Madam Speaker, amends section 79(2) to make clear that with respect to civil recovery proceedings, property can be proven to be criminal property by circumstantial evidence. In other words, as we will see also in clause 15 of the Bill, dealing with section 144, I think... Yes, it is. The language there is unhappily worded, if I might put it that way. It is not made quite clear that you can prove criminal property not just by actual evidence of criminality, but also by means of circumstantial evidence, Madam Speaker. The language here is meant to make it clear that it can also be proven by circumstantial evidence.

As I said, the amendment is intended to close the gap in our legislative framework, and align it more with international best practices relating to civil recovery matters. As currently worded, civil recovery proceedings under the Proceeds of Crime Act require criminal property to be proved by showing that the property arises from an identified, specific unlawful activity— as I said, Madam Speaker, it ought to be able to prove so as well by using circumstantial evidence, and I would like to give an example of what we consider to be circumstantial evidence, Madam Speaker.

I remember when we were prosecuting and we were addressing a jury in order to make it simple for them as to what we referred to as circumstantial evidence; we would give an example whereas you have a cat and a piece of cheese and a barrel. You put the piece of cheese and the cat in the barrel and cover the barrel for a while. Later you went back and the cheese is gone, and the cat is there licking its lips, it could only be one inference, namely, that the cheese must have been eaten by the cat. That is a clear example of what

we consider circumstantial evidence, Madam Speaker. The inference is inescapable.

Madam Speaker, clause 9 amends section 82 (4) to align it more closely with the United Kingdom's Proceeds of Crime Act to clarify the requirements a Court must satisfy to make a property freezing order upon application. The language in 82(4) tracks almost precisely the mirror provision in the UK's Proceeds of Crime Act section 245 (a), but is set out in such a way that a court must satisfy itself of at least four conditions noted in the section before it can grant a property freezing order:

1. That the property which is the subject of the freezing order is recoverable property— it means it is property that is obtained by unlawful conduct;
2. Is an associated property;
3. Includes, for example, property which is alleged to be associated property

Under our framework, Madam Speaker, the court has to be satisfied of all four, whereas under the UK legislation which we try to mirror, Madam Speaker, and on which our Proceeds of Crime Act is based, they are only required to be satisfied of two conditions, and of course, only if it is absolutely necessary would they be required to consider two additional conditions.

Madam Speaker, clause 10 of the Bill amends section 110 of the Proceeds of Crime Act to define the term “minimum amount” in the context of recovery of cash seized during searches. The term “minimum amount” is used a few times in section 110 without any concrete understanding of what it means. I will see if I can find section 110 to add some context to what I am trying to say.

Section 110 of the Proceeds of Crime Act deals with recovery of cash in summary proceedings. It speaks about searches and says, Madam Speaker, **“Where a customs officer or a constable who is lawfully on any premises has reasonable grounds for suspecting that there is on the premises cash, which is recoverable property”**, which means, of course, Madam Speaker, that it is proceeds of crime, **“or is intended by any person for use in an unlawful conduct, the amount of which is not less than the minimum amount”**— however, Madam Speaker, there is no amount listed here. What we are trying to do is put in a definition of what is the minimum amount so it would read CI\$1,000, Madam Speaker; if the amount is less than CI\$1,000, then the search cannot take place because it falls below the threshold. It has to be CI\$1,000 or more, to trigger a search of the premises.

Madam Speaker, there are amendments to clauses 11, 12 and 13 which, again, we will refer to during the Committee Stage amendment.

Clause 14, Madam Speaker, amends section 138 (1)(b) of the Proceeds of Crime Act, and similarly, an amendment in section 4(2)(ca), which I spoke about earlier under clause 5 and again, to ensure that the FRA can share and exchange information relating to suspicions of criminal conduct with all competent and

supervisory authorities in the jurisdiction with AML-CFT mandates including, Madam Speaker, self-regulatory bodies such as the Cayman Islands Institute of Public Accountants it is called— CIIPA— when they are dealing with money laundering supervision of their members, or the regulatory body that supervises lawyers for money laundering, or the Non-Profit Organisations (NPO) Registrar, Madam Speaker.

Currently, under section 138 (1)(b), the FRA can share and exchange information with the parties specified in the law— that is, Madam Speaker, with CIMA and the tax authority, but it is not legally authorised to share and exchange information on suspicion of criminal conduct with authorities, such as the NPO Registrar, the Cayman Island Legal Practitioners Association (CILPA), or CIIPA. All, Madam Speaker, all of those agencies form part of the AML framework and are required to exchange information with the FRA but there is no reciprocal sort of a framework at the moment for FRA to share and receive. The amendment is intended to address that, Madam Speaker, because one of the critical things that we need to demonstrate under our ALM framework, is that there is the ability and capability to have what is called domestic cooperation and coordination among AML supervisors and competent authorities.

Now, there is also the emerging issue of Russian sanctions. If the FRA has information relating to some of these sanctions, they ought to be able to share that information with, for example, the Civil Aviation Authority or the Maritime Authority, we have provided for all of these kinds of things. What is being done is, Madam Speaker, instead of having all of these listings we now revert into using the term “competent authorities and supervisory authorities”, which is more all-encompassing of all of these bodies.

Madam Speaker, I spoke earlier about Clause 15, which is section 144, to clarify the evidential requirements proving that a property is criminal property by aligning the provision more closely with the UK's case on which it is based. As currently written, Madam Speaker, and as I said, it is unhappily worded. Section 144 has been the subject of different interpretations in our domestic courts on the issue of whether the Crown must prove that an underlying, specific crime, (predicate offence) had occurred before it can prove money laundering, in order to prove that the property is criminal property by the commission of this predicate offence.

Madam Speaker, it has caused uncertainty because of different judges interpreting the section in different ways; and that is quite understandable, but section 144 (5A) of our legislation is based, in general terms, on the common law principle in the decision of the UK Supreme Court case named *R vs. Anwoir* which was decided back in 2008.

In that case, it was held that a property could be proven to be criminal property not only by proving that an underlying criminal offence had occurred, but

also by way of circumstantial evidence; and I gave an example of circumstantial evidence, Madam Speaker—the evidence would have to lead to the irrefutable inference that the property could only have come from criminal conduct.

Madam Speaker, clause 16 amends section 196 to make clear that Orders in Council made pursuant to the UK Extradition Act are also applicable within the Cayman Islands.

Madam Speaker, under our extradition regime, we have what is known as the UK Extradition framework, which is their Extradition Act 2003 that was extended to the Cayman Islands and all the overseas territories in 2016. Under that Act, Orders in Council are made sometimes, that might have the effect of amending these things, but as worded in our legislation, when the Proceeds of Crime Act speaks about the extradition, it does not speak about the Orders in Council that can be made under that piece of legislation. So, this amendment is intended to clarify that Orders in Council that are relevant would also be captured and, for the purpose of extradition offences, the Proceeds of Crime have to bite on those as well.

Madam Speaker, clause 17 amends certain provisions in Schedule 5 to correct minor errors, for example, subparagraph (5); subparagraph 6(3)(a); paragraph 6(5), and paragraph 7, as addressing restraint order applications are incorrect. The amendment corrects these errors, and substitutes in their place the current provision in paragraph 6(4) that deals with the application for restraint orders. In other words, Madam Speaker, it should be saying paragraph 6(4).

A similar technical error is noted under paragraph 6(10), which incorrectly references itself as opposed to the current provision which is subparagraph (9). The amendment corrects that error, Madam Speaker; it should be saying subparagraph (9).

Madam Speaker, clause 18 of the Bill proposes some amendments to Schedule 6 by way of Committee Stage amendments that were circulated last evening—thanks to your good self for approving the amendments.

Madam Speaker, it is a relatively short but very important Bill. As I mentioned, it has much to do with the Government of the Cayman Islands and the Cayman Islands as a jurisdiction, being able to continue to satisfy the FATF that the reforms that we have put in place to fight the scourge of money laundering and terrorist financing are being sustained. You know we recently had an audit from the visiting International Country Risk Guide (ICRG) joint group, who are looking for two things in particular:

1. That there is a necessary political commitment at the highest level; and
2. That the reforms that we have are being sustained.

In other words, we just didn't do them to satisfy the FATF or the CFATF but are in fact meaningful reforms and are being sustained for a prolonged period

to continue to fight the existing problem of money laundering and financing of terrorism and that we are in a position to meet those challenges, as they evolve. Persons who are involved in these activities always try to stay one step ahead of the state.

We as a jurisdiction, as a Government have to demonstrate to the FATF that we have the capacity to fight these scourges, and that the jurisdiction remains very vigilant in ensuring that the legislative and administrative framework that we have in place are compliant with international standards.

So, I commend the Bill to honourable Members of this Parliament, Madam Speaker, and seek their support.

The Speaker: Does any other Member wish to speak? The Honourable Leader of the Opposition.

Hon. Roy M. McTaggart, Leader of the Opposition: Thank you, Madam Speaker.

Very briefly just to say, on behalf of the Opposition, that we support the amending legislation in its entirety. We truly understand and appreciate the need for Cayman to keep in compliance with our international obligations and international best practice with the intent of ensuring that we are at the forefront in terms of the legislation and framework that we need to keep in place to combat the proceeds of crime and terrorist financing.

With those few words, Madam Speaker, no further comments from the Opposition. We support it.

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

I then call on the mover of the Bill to exercise their right of reply—we removed your leaning post.

[Laughter]

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Speaker. We obviously unravelled the newly-minted lectern.

[Laughter]

The Attorney General, Hon. Samuel W. Bulgin: I thank you, Madam Speaker; I thank the Honourable Leader of the Opposition and all honourable Members for their support. I do thank you.

The Speaker: The question is that a Bill shortly entitled the Proceeds of Crime (Amendment) Bill, 2023 be given a second reading.

All those in favour please say Aye, those against, no.

AYES.

The Speaker: The Ayes have it.

Agreed: The Proceeds of Crime (Amendment) Bill, 2023 was given a second reading.

The Speaker: The House will now go into committee to consider the bills.

House in Committee at 4.10pm

COMMITTEE ON BILLS

The Chairman: The House is now in Committee; you may be seated.

With the leave of the House may I assume that as usual, we should authorise the Honourable Attorney General to correct minor errors and such the like in these Bills. Would the Clerk please state the Bills and read the clauses.

PUBLIC LANDS (AMENDMENT AND VALIDATION) BILL, 2023

The Clerk:

Clause 1 Short title.

The Chairman: Are there any questions on clause 1? If not, I will put the question. The question is that clause 1 do stand part of the Bill.

All those in favour please say Aye, those against no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clause 1 passed.

The Clerk:

Clause 2 Repeal and substitution of section 6 of the Public Lands Act (2020 Revision) — Membership of the Commission.

The Chairman: I have received notice of an amendment to clause 2, and have given the Member leave to bring the amendment.

NOTICE OF AMENDMENT TO CLAUSE 2

Hon. Juliana Y. O'Connor-Connolly: Thank you, Madam Chair.

Madam Chair, in accordance with the provision of Standing Order 52 (1) and (2) I, the Honourable Juliana O'Connor-Connolly, JP, Minister responsible for District Administration and Lands, give notice to move the following amendments to the Public Lands (Amendment and Validation) Bill, 2023 -

1. That the Bill be amended in clause 2, in the proposed new section 6 as follows—

(a) in subsection (3) as follows —

(i) in paragraph (a), by deleting the word “and” at the end of the paragraph;

(ii) in paragraph (b), by deleting the full stop and substituting the words “; and”;

(iii) by inserting after paragraph (b) the following paragraph—

“(c) the other five Caymanian members of the public named in subsection (1)(b).”; and

(b) by deleting subsection (6) and substituting the following subsection —

“(6) The Commission shall be considered as being properly constituted notwithstanding a vacancy in the office of chairperson, deputy chairperson or one of the other members of the Commission.”.

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

The question is that the amendment stands part of the clause.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: The amendment passed.

The Chairman: Does anyone wish to speak on the clause as amended? If not, I will put the question.

The question is that clause 2, as amended, stands part of the Bill.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clause 2, as amended, passed.

The Clerk:

Clause 3 Miscellaneous amendments, deletions and substitution of various words throughout the Principal Act

The Chairman: Is there any question on clause 3? If not, I will put the question. The question is that clause 3 do stand part of the Bill.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clause 3 passed.

The Clerk:

Clause 4 Validation

The Chairman: I have received notice of an amendment to clause 4 and have given the Member leave to bring the amendment.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Madam Chair.

In accordance with the provisions of Standing Order 52(1) and (2), I the Honourable Juliana O'Connor-Connolly, JP, the Minister responsible for District Administration and Lands, give notice to move the following amendments to the Public Lands (Amendment and Validation) Bill, 2023 —

1. That the Bill be amended by deleting clause 4 and substituting the following—

“Validation

4. (1) Where, before the commencement of this amending and validating Act, members of the Commission were re-appointed under section 6 of the principal Act as members of the Commission for a period going beyond the term permitted under the principal Act, the re-appointments are declared to be valid as they would have been if this amending and validating Act had been in force at that date.
- (2) The acts or omissions of the Commission members referred to in subsection (1) in relation to the Commission shall not be regarded as invalid by reason only that their re-appointments were for a period beyond the term permitted under the principal Act.
- (3) The Commission shall not be regarded as improperly constituted during any period up to the commencement of this amending and validating Act because of the re-appointment of the Commission members referred to in subsection (1) beyond the period of expiry of their second two-year term.”.

2. That the Bill be amended in the Long Title, by deleting the word “two”.

The Chairman: The amendment has been duly moved. Does any Member wish to speak thereto? The question is that the amendment stands part of the clause.

All those in favour, please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: The amendment passed.

The Chairman: Does anyone wish to speak on the clause as amended? If not, I will put the question. The question is that clause 4, as amended, stands part of the Bill.

All those in favour, Please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clause 4, as amended, passed.

The Clerk: A Bill for an Act to amend the Public Lands Act (2020 Revision) as it relates to, among other things, the composition and terms of appointment of the members of the Public Lands Commission; to validate the appointments of two commission members and the Constitution of the commission and for incidental and connected purposes.

The Chairman: I have received notice of an amendment to the long title [by removing the word “two”], and have given the Member leave to bring the amendment.

The Clerk: A Bill for an Act to amend the Public Lands Act (2020 Revision) as it relates to, among other things, the composition and terms of appointment of the members of the Public Lands Commission; to validate the appointment of commission members and the Constitution of the commission and for incidental and connected purposes.

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

If no Member wishes to speak, the question is that the title as amended do stand part of the Bill?

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: The title, as, amended passed.

Plant Protection Bill, 2023

The Clerk:

Clause 1 Short title and commencement
Clause 2 Interpretation

Clause 3 Meaning of regulated article
 Clause 4 Establishment of NPPO
 Clause 5 Powers and functions of NPPO
 Clause 6 Director of NPPO
 Clause 7 Delegation of powers and functions of NPPO
 Clause 8 Phytosanitary inspectors
 Clause 9 Official laboratories
 Clause 10 Reference laboratories
 Clause 11 NPPO committees
 Clause 12 Principles for phytosanitary measures
 Clause 13 Designation of quarantine stations and other places
 Clause 14 Approved forms
 Clause 15 Requirements for import
 Clause 16 Exempt and prohibited imports
 Clause 17 Import permits
 Clause 18 Inspection of imports
 Clause 19 Phytosanitary actions on imports
 Clause 20 Release of imports
 Clause 21 Designated points of entry
 Clause 22 Requirements for export of certain plants
 Clause 23 Export permits
 Clause 24 Export phytosanitary certificate
 Clause 25 Re-export phytosanitary certificate
 Clause 26 Transit authorisation
 Clause 27 Declaration of pests
 Clause 28 Declaration of pest free or low pest prevalence area
 Clause 29 Declaration of pest free place of production or production site
 Clause 30 Notification by inspector
 Clause 31 Declaration of provisional quarantine area
 Clause 32 Declaration of quarantine area
 Clause 33 Declaration of phytosanitary emergency
 Clause 34 Phytosanitary emergency measures
 Clause 35 Revocation or amendment of quarantine or emergency declaration
 Clause 36 Notification of pest
 Clause 37 Prevention of infestation and spread
 Clause 38 Requirements for dealing with infested plant, product, or article
 Clause 39 Powers of inspectors
 Clause 40 Restrictions on power of entry
 Clause 41 Identity card
 Clause 42 Dealing with seized items
 Clause 43 Report to director
 Clause 44 Inspector may be assisted
 Clause 45 Obstruction and failing to comply with the requirement of inspector
 Clause 46 False or misleading information
 Clause 47 Administrative penalties
 Clause 48 Forfeiture of items and proceeds
 Clause 49 Protection from liability
 Clause 50 Evidentiary certificate
 Clause 51 Review of decisions of inspector

Clause 52 Regulations
 Clause 53 Repeal, savings and transitional provisions

Hon. Kenneth V. Bryan: Madam Chair, just before you take the vote.

On a procedural matter— just because this is the first time that I have seen a vote being taken in such large part. Normally— and I'm not saying that we cannot do it this way, because it is definitely much quicker, but in most Committee Stage voting, we would do them in blocks by the part of the Act, for example Part One, Part Two...

The Chairman: Honourable Minister, the reason why we have not taken any breaks is because there have not been any amendments. Usually you will do the vote prior to an amendment and then pause; perhaps we could have stopped at the different parts, but in the interest of trying to get through here quickly, we just did it as a block vote.

Hon. Kenneth V. Bryan: Thank you, Madam Chair.

The Chairman: With that being said, the question is that clauses 1 through 53 do stand part of the Bill.

All those in favour, please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clauses 1 through 53 passed.

The Clerk: A Bill for an Act to prevent the introduction of plant pests; to control the spread of plant pests; to protect plant resources; to facilitate trade in plants, plant products and other regulated articles; and for incidental and connected purposes.

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

All those in favour, please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: The title passed.

Terminal Charges (Validation) Bill, 2023

The Clerk:

Clause 1 Short title
 Clause 2 Validation of payment and collection of terminal charges

Clause 3	Validation of assessment and payment of penalties for non-payment of terminal charges
Clause 4	Validation of orders or determinations by a court
Clause 5	Immunity

The Chairman: Are there any questions on clauses 1 through 5? If not, I will put the question. The question is that clauses 1 through 5 do stand part of the Bill.

All those in favour, please say Aye, those against no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clauses 1 through 5 passed.

The Clerk: A Bill for an Act to validate the payment and collection of terminal charges between the period commencing 1st October, 1997 and ending on the commencement of this Act; to validate penalties assessed or paid for the non-payment of terminal charges; to validate orders or determinations of the court relating to terminal charges; to validate certain actions taken in the collection of terminal charges; and for incidental and connected purposes.

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

All those in favour, please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: The title passed.

Proceeds of Crime (Amendment) Bill, 2023

The Clerk:

Clause 1	Short title
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The Chairman: I have received notice of the amendments to Clause 1 of the Bill and have given the Member leave to bring the amendment.

NOTICE OF AMENDMENT TO CLAUSE 1

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Chair.

In accordance with the provisions of Standing Order 52(1) and (2), I, move the following amendments to the Proceeds of Crime (Amendment) Bill, 2023:

1. That the Bill be amended in clause 1 as follows—

(a) In the section heading by inserting after the word "title" the words "and commencement";

(b) by renumbering the clause as subclause (1) of clause (1); and

(c) by inserting after subclause (1) the following subclause—

"(2) This Act shall come into force on such date as may be appointed by Order made by the Cabinet and different dates may be appointed for different provisions of this Act and in relation to different matters."

The Chairman: The amendments have been duly moved. Does any other Member wish to speak thereto?

[Pause]

The Chairman: The question is that the amendments stand part of the clause.

All those in favour, please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: The amendments passed.

The Chairman: Does anyone wish to speak on the clause as amended? If not, I will put the question. The question is that clause 1, as amended, stands part of the Bill.

All those in favour, please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clause 1, as amended, passed.

The Clerk:

Clause 2	Amendment of the Proceeds of Crime Act (2020 Revision) - references to Parts
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Clause 3	Amendment of section 2 - definitions and interpretation
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Clause 4	Repeal of section 2A - meaning of "single family"
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The Chairman: Are there any questions on clauses 2 through 4? If not, I will put the question. The question is that clauses 2 through 4 do stand part of the Bill.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clauses 2 through 4 passed.

The Clerk:

Clause 5 Amendment of section 4 - powers, functions and duties of Financial Reporting Authority

NOTICE OF AMENDMENT TO CLAUSE 5

The Chairman: I have received notice of the amendment to clause 5 of the Bill, and have given the Member leave to bring the amendment.

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Chair.

Madam Chair, that the Bill be amended by repealing clause 5 and substituting the following clause-
"5. (1) The principal Act is amended in section 4 as follows-

- (a) in subsection (2) as follows-
"(2) by repealing paragraph (ca) and substituting the following paragraph-
"(ca) may disseminate, in its discretion or upon request, information and results of any analysis to -
 - (i) any competent authority;
 - (ii) any Supervisory Authority within the Islands, and
 - (iii) such other institutions or persons in the Islands as may be designated in writing by the Steering Group,

and shall use dedicated, secure and protected channels for such dissemination;" and

- (b) by repealing subsection (9) and substituting the following subsection-

- "(9) The Cabinet may assign to-
 - (a) the Financial Reporting Authority;
 - (b) a public body;
 - (c) a self-regulatory body; or (d) any other person,

the responsibility of monitoring compliance with money laundering regulations made under this Law in relation to persons conducting "relevant financial business", who are not otherwise subject to such monitoring by the Cayman Islands Monetary Authority."

The Chairman: The amendments have been duly moved. Does any Member wish to speak thereto?

The question is—

Hon. W. McKeeva Bush, Elected Member for West Bay West: Madam Chair.

The Chairman: The Elected Member for West Bay West.

Hon. W. McKeeva Bush: We are dealing with the tabled amendment, yes?

The Chairman: Committee Stage Amendment to Clause 5.

Hon. W. McKeeva Bush: Because I have a question and I don't know if this appropriate time, but— why different dates for different matters?

The Attorney General, Hon. Samuel W. Bulgin: We passed that, but I will assist, Madam Chair.

For some of these amendments, some rules and regulations are going to be required; so the plan is— if I might put it that way, sir— that different sections will commence before others, so those that might require regulations might come into effect later.

Hon. W. McKeeva Bush: So, it is different times for regulations to be made, and not one set of regulations to cover the Bill.

The Attorney General, Hon. Samuel W. Bulgin: Right. We have several sets of regulations under the Proceeds of Crime Act, so these staggered dates will allow us to make regulations for some of these new provisions that were put here. Some of them will come into effect immediately, others will wait until the regulations are ready.

Hon. W. McKeeva Bush: Is there any reason why the amendment that I am asking about was not in the original green copy of the Bill?

The Attorney General, Hon. Samuel W. Bulgin: I wouldn't say there is any reason.

I think what happened is that as we develop the Bill and deal with it and we reviewed it, and consultations took place, we realised that there were changes that needed to be made.

Hon. W. McKeeva Bush: All right. Madam Chair, thank you. I thank the Attorney General, but I felt compelled to ask. Thank you.

The Chairman: Does anyone else wish to speak on the clause as amended? If not, I will put the question. The question is that clause 5, as amended, do stand part of the Bill.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clause 5, as amended, passed.

The Chairman: Before we move forward, I want to make one minor formatting comment which I'm sure legislative drafting will pick up on; for this, Subclause (d) should appear directly under Subclause (c).

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Chair. They have, in fact, spotted it.

The Clerk:

Clause 6 Amendment of section 9 - protection upon disclosure of information to Financial Reporting Authority.

The Chairman: Are there any questions on clause 6? if not, I will put the question. The question is that clause 6 do stand part of the Bill.

All those in favour please say Aye, those against no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clause 6 passed.

The Clerk:

Clause 7 Insertion of Part 2A - immunity of self-regulatory bodies appointed as Supervisory Authorities

NOTICE OF AMENDMENT TO CLAUSE 7

The Chairman: I have received notice of amendment to clause 7, and have given leave for the Member to bring the amendment.

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Chair.

That the Bill be amended by deleting clause 7 and substituting the following:

"Insertion of Part 2A - immunity of persons appointed as Supervisory Authorities

7. The principal Act is amended by inserting after Part 2 the following Part:

"Part 2A - Immunity of persons appointed as Supervisory Authorities

Immunity of a person which is a Supervisory Authority

14A. Notwithstanding the provisions of any other Act, while carrying out a regulatory function under this Act, a person which is a Supervisory Authority, and its delegates, managers, officers, employees and agents, shall not be liable in damages for anything done or omitted in the discharge or purported discharge of their respective regulatory functions unless it is shown that the act or omission was in bad faith or constituted wilful misconduct."

Madam Chair, for the benefit of Members again: I mentioned, for example, that we use the Cayman Islands Institute of Public Accountants to regulate accountants for money laundering purposes; it is a self-regulatory body not a government agency, so we need to give them the necessary immunity/protection when they carry out those functions.

The same will happen for the Legal Services Council when it is regulating lawyers for anti-money laundering purposes; so, these are bodies that are being given the necessary protection. CIMA has it under the Monetary Authority Act and the Department of Commerce and Investment has it under the Public Service Management Act, so this is just consistency across the board.

The Chairman: The amendment has been duly moved. Does any Member wish to speak thereto? If not, the question is that the amendments stand part of the clause.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: The amendment passed.

The Chairman: Does anyone wish to speak on the clause as amended? If not, I will put the question. The question is that clause 7, as amended, stands part of the Bill.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Clause 7, as amended, passed.

The Clerk:

Clause 8 amendment of section 79 - property obtained through unlawful conduct

Clause 9 amendment of section 82 - Application for property freezing order

Clause 10 amendment of section 110 - searches

The Chairman: Are there any questions on clauses 8, 9 and 10? If not, I will put the question. The question is that clauses 8 through 10 do stand part of the Bill.

All those in favour please say Aye—

Hon. Johany S. Ebanks: Madam Chair, can the Attorney General please breakdown the amendment to section 110? 10 (7A) says “For the purposes of this section and Schedule 5, the words “minimum amount” means one thousand Cayman Islands dollars.”.

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Chair, and thank you, Minister.

Madam Chair, as I mentioned during the second reading, currently under section 110 the legislation provides that when a customs officer, or police officer goes on a premises and has reason to believe that there is cash which is the proceeds of crime, or cash which is intended to be used for a criminal offence, they may carry out a search for that money. The legislation says a minimum amount, but it doesn't say what the minimum amount is in order to trigger the search, so the position there is that it has to be at least CI\$1000 in order to trigger the search.

Hon. W. McKeeva Bush: Sorry, Madam Chair. I am sorry; I kind of missed the Attorney General's (AG) explanation for the CI\$1000. I am sorry, I missed that.

If you could please, because— are these searches based on complaints? What are they based on because people lie, you know.

The Attorney General, Hon. Samuel W. Bulgin: Sorry, Member for West Bay... West. Thank you.

As I mentioned, if I read section 110 of the Act as it is now, the main heading is recovery of cash in summary proceedings, and the sub-headline is searches. Section 110 says,

“(1) Where a customs officer or a constable who is lawfully on any premises has reasonable grounds for suspecting that there is on the premises cash -

(a) which is recoverable property” which means it is the proceeds of criminal conduct, **“or is intended by any person for use in unlawful conduct; and**

(b) the amount of which is not less than the minimum amount, he may search for the cash there.”

However, it does not say what the minimum amount is. It just speaks about minimum amount, so what it will say, for example, is that where the amount is not less than Cayman Islands \$1000, the constable or customs officer can search for that— so it has to be that minimum amount in order to trigger the search.

What we did, basically, was just lifting the provisions of the UK legislation we pattern ours from; but for whatever reason, we had not put the amount...

[Inaudible interjection]

The Attorney General, Hon. Samuel W. Bulgin: £1000 Pounds Sterling.

[Inaudible interjection]

The Attorney General, Hon. Samuel W. Bulgin: Sorry, sir?

[Inaudible interjection]

[Pause]

Hon. W. McKeeva Bush: Madam Chair, thanks to the AG for the clarification.

The Chairman: The question is that clauses 8, 9 and 10 do stand part of the Bill. All those in favour Please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clauses 8 through 10 passed.

The Clerk:

Clause 11 Amendment of section 133 –
concealing, et cetera

The Chairman: I received notice of an amendment to clause 11 of the Bill, and have given leave for the Member to bring the amendment.

NOTICE OF AMENDMENT TO CLAUSE 11

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Chair.

Madam Chair, that the Bill be amended by deleting clause 11 and substituting the following clause:

"Amendment of section 133 - concealing, etc.

11. The principal Act is amended in section 133(2) as follows-

(a) by repealing paragraph (a) and substituting the following paragraph-

"he makes a disclosure to the Financial Reporting Authority and has the consent of the Financial Reporting Authority to commit the act, but this does not apply to the person who committed or was a party to the act from which the property derives;" and

(b) in paragraph (b), by deleting the words "nominated officer".

The Chairman: The amendments have been duly moved. Does any Member wish to speak thereto? If no

Member wishes to speak, the question is that the amendment stands part of the clause.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: The amendments passed.

The Chairman: Does anyone wish to speak on the clause as amended? If not, I will put the question. The question is that clause 11, as amended, stands part of the Bill.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clause 11, as amended, passed.

The Clerk:

Clause 12 Amendment of section 134 -
arrangements

The Chairman: I received another notice of amendment— this one to clause 12— and I have given the Member leave to bring the amendment.

NOTICE OF AMENDMENT TO CLAUSE 12

The Attorney General, Hon. Samuel W. Bulgin: Sorry, Madam Chair.

Clause 12 - that the Bill be amended by deleting clause 12 and substituting the following clause-

"Amendment of section 134 - arrangements

12. The principal Act is amended in section 134(2) by repealing paragraph (a) and substituting the following paragraph-

"(a) he makes a disclosure to the Financial Reporting Authority and has the consent of the Financial Reporting Authority to commit the act, but this does not apply to the person who committed or was a party to the act from which the property derives;"

The Chairman: The amendments have been duly moved. Does any Member wish to speak thereto? The question is that the amendment stands part of the clause.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: The amendments passed.

The Chairman: Does anyone wish to speak to the clause as amended? If not, I will put the question. The question is that clause 12, as amended stands part of the Bill.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clause 12, as amended, passed.

The Clerk:

Clause 13 Amendment of section 135 - acquisition,
use and possession.

The Chairman: I have received notice to amendment of clause 13, and have given notice to the Member to bring the Amendment.

NOTICE OF AMENDMENT TO CLAUSE 13

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Speaker.

That the Bill be amended in section 135 - acquisition, use and possession. The principal Act is amended in section 135(2) as follows-

(a) by repealing paragraph (a) and substituting the following paragraph-

"he makes a disclosure to the Financial Reporting Authority and has the consent of the Financial Reporting Authority to commit the act, but this does not apply to the person who committed or was a party to the act from which the property derives;" and

(b) in paragraph (b) by deleting the words "nominated officer".

The Chairman: The amendments have been duly moved. Does any Member wish to speak to the amendment? The question is that the amendment stands part of the clause.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: The amendment passed.

The Chairman: Does anyone wish to speak on the clause as amended? If not, I will put the question. The

question is that clause 13, as amended, stands part of the Bill.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it. closed

Agreed: Clause 13, as amended, passed.

The Clerk:

Clause 14 Amendment of section 138 – disclosure by the financial reporting authority

The Chairman: Are there any questions on clause 14? If not, I will put the question. The question is that clause 14 do stand part of the Bill.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clause 14 passed.

The Clerk:

Clause 15 Amendment of section 144 – interpretation

The Chairman: The Attorney General is keeping us busy.

NOTICE OF AMENDMENT TO CLAUSE 15

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Chair.

The Chairman: I have received a notice of amendment to clause 15 of the Bill and I have given leave for the Member to bring the amendment.

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Chair.

That the Bill be amended by inserting after clause 15 the following clause-

"Amendment of section 145- regulations

15A. The principal Act is amended in section 145(1) as follows-

(a) by deleting the word "and" at the end of paragraph (f); and

(b) by inserting after paragraph (f) the following paragraph-

"(fa) to establish a framework under which reporters of suspicion of criminal conduct may seek and obtain a defence to specified money

laundering or terrorist financing offences in relation to those reported offences; and".

Madam Chair just to *[inaudible]*... As I mentioned to the Member for West Bay West, some of these would require regulations. That is one example where the Cabinet is being given authority to make regulations under section 145.

The Chairman: The amendments have been moved. Does any Member wish to speak thereto? If no Member wishes to speak, the question is that the amendment stands part of the clause.

All those in favour, please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: The amendments passed.

The Chairman: Does anyone wish to speak to the clause as amended? If not, I will put the question. The question is that clause 15 as amended stands part of the Bill.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clause 15, as amended, passed.

The Clerk:

Clause 16 Amendment of section 196 – extradition where Schedule 1 to the Extradition Act 2003 applies

Clause 17 Amendment of Schedule 5 – modifications to the Act when applied to external confiscation orders and related proceedings

The Chairman: Are there any questions on clauses 16 and 17? If not, I will put the question. The question is that clauses 16 and 17 do stand part of the Bill.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clauses 16 through 17 passed.

The Clerk:

Clause 18 Amendment of Schedule 6 - activities falling within the definition of "relevant financial business."

NOTICE OF AMENDMENT TO CLAUSE 18

The Chairman: I received notice of the amendment to clause 18 of the Bill, and have given the Member leave.

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Chair.

Madam Chair, that the Bill be amended by deleting clause 18 and substituting the following clause-

"Amendment of Schedule 6 - activities falling within the definition of "relevant financial business"

18. The principal Act is amended in Schedule 6 as follows-
 - (a) by repealing paragraphs 14B and 22; and
 - (b) in paragraph 17 by deleting the words "\$15,000" and substituting the words "\$10,000".

Madam Speaker, certainly in respect of the amount dealing with the \$15,000 and \$10,000, if I might just clarify that for honourable Members' benefit if you give me a second. What happened there, Madam Chair, paragraph 17... I just need to find Schedule 6.

[Inaudible interjection]

The Attorney General, Hon. Samuel W. Bulgin: Yeah; so, Schedule 6, Madam Chair, deals with activities falling within the definition of relevant financial business.

Something caught under this provision is the activity of dealing in precious metals or precious stones when engaging in cash transactions that are equivalent to US\$15,000 or more; so, it's not every transaction that the dealers in precious metals and stones are required to report if it is suspicious. It is only if they are engaging in cash transactions that are like CI\$10,000 or more in cash. Then, clearly, they are required to make a report.

As it is now, the paragraph is amended to change US\$15,000 because that is how it is written—cash threshold at which a deal in precious metals and stones is deemed a relevant financial business to CI\$10,000. The amount is necessary to resolve a conflict between the country's two main money laundering laws— the Proceeds of Crime Act and the Anti-Money Laundering Regulations.

Under prior and recently proposed amendments to Regulations 11, 20 and 21 of the anti-money laundering regulations, dealers in precious metals and stones, like other regulated business, are required to satisfy their Customer Due Diligence (CDD) obligations when the transaction's amount is CI\$10,000 or more; however, under paragraph 17 of Schedule 6, dealers in

precious metals and stones have that obligation when a transaction is US\$15,000 or the equivalent of CI\$11,904 the POC and MLR are therefore in conflict. If I might just translate that.

[Inaudible interjection]

The Attorney General, Hon. Samuel W. Bulgin: We have two sets of legislation:

- the Proceeds of Crime Act; and
- the Anti-Money Laundering Regulations

One of these, namely the Anti-Money Laundering Regulations, says that where jewellers, et cetera, are dealing with transactions that amount to CI\$10,000 or more they are required to carry out certain due diligence requirement, ask where the money comes from, what is the source of the funds and so on, to make sure that is not laundering money by buying jewellery.

Under the Proceeds of Criminal Conduct Act it does not say CI\$10,000. It says CI\$15,000— but when you convert US\$15,000 it does not come out to CI\$10,000, so there is an anomaly. The equivalent of US\$15,000 is roughly \$11,004. There is a difference in terms of when the obligation arises to do CDD, so we are trying to align the two sets of legislation to ensure that you have CI\$10,000 across the board.

Hon. W. McKeeva Bush: Madam Chair, I am concerned as I said, first with the \$1,000, because I think it could be higher and now you're bringing this down from fifteen to ten [thousand]; you are deleting the fifteen, right?

The Attorney General, Hon. Samuel W. Bulgin: Yes.

Hon. W. McKeeva Bush: You are deleting US\$15,000 and then doing what?

[Inaudible interjection]

Hon. W. McKeeva Bush: I will just have to be very, very careful. People come to your yard and tell you they want to come in and look because they hear you got US\$15,000 or you got CI\$10,000...

[Inaudible interjection]

Hon. W. McKeeva Bush: Can't happen?

Do not say it cannot happen. Attorney General, I was the subject of a Governor who said in the statement to London, telling the police, "All you got to do is bring the boxes out of his office, and that will convince people that he is guilty"; so don't talk about what they can do. The Philistines are the Philistines, always will be. I was, and still am today, subject of lies and dirt trumped up by an administration that was...

Let me stop before I go too far, but I—

[Inaudible interjection]

Hon. W. McKeeva Bush: No, no thanks. No, no need to thank. I should have said what I had to say, because there is too much dirt going on in this country where poor people are getting licked hard and wealthy people getting away with all kind of dirt.

The Attorney General, Hon. Samuel W. Bulgin: Madam Chair, let me just—

Hon. W. McKeeva Bush: I am concerned about the whole thing, AG, but I am concerned about the numbers.

The Attorney General, Hon. Samuel W. Bulgin: Just let me just clarify that this paragraph, as I mentioned, you happen when people who we call dealers in precious metals and stones, jewellers, et cetera. For example, say a tourist walks into a jewellery shop and wants to purchase a piece of jewellery using \$10,000 cash. There is an obligation on the part of the owner of the shop to question where these \$10,000 come from, the source of the funds.

What happened here is that we have two pieces of legislation. One quoted the amount in US dollars, and one quoted it in CI dollars. We are trying to streamline it so that, instead of having CI\$10,000 in one, and the other speaks of US\$15,000, we just say CI\$10,000 across the board; but it has to do with people who walk into these stores, for example, and want to make purchases using cash amount of CI\$10,000.

Thank you.

The Chairman: The question is that the amendments stand part of the clause.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

The amendments passed.

The Chairman: Does anyone wish to speak on the clause as amended? If not, I will put the question. The question is that clause 18, as amended, stand part of the Bill.

All those in favour please say Aye, those against, no.

AYES and one audible No

The Chairman: The Ayes have it.

Agreed: Clause 18, as amended, passed.

The Clerk:

Clause 19 Transitional provisions

The Chairman: Are there any questions on clause 19? If not, I put the question. The question is that clause 19 do stand part of the Bill.

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: Clause 19 passed.

The Clerk: A Bill for an Act to amend the Proceeds of Crime Act (2020 Revision) in order to reform that Act in the areas of intelligence gathering and investigations; to ensure that the Act conforms to international best practices; to clarify the evidential basis on which it may be shown that property is criminal property or is obtained through unlawful conduct; to amend the Act in order to protect self-regulatory bodies which are supervisory authorities from certain a liability in the execution of their regulatory duties; and for incidental and connected purposes.

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

All those in favour please say Aye, those against, no.

AYES.

The Chairman: The Ayes have it.

Agreed: The title passed.

The Chairman: We have reached the conclusion of the committee and I put the question. The question is that the Bills be reported to the house.

All those in favour, please say Aye, those against no.

AYES.

The Chairman: The Ayes have it.

Agreed: Bills to be reported to the House.

Proceedings resumed at 5.10pm

The Speaker: The House will now resume. You may be seated.

Honourable Members, we have passed the hour of 4.30pm. I will call on a motion to suspend Standing Order 10 (2). Honourable Premier.

Suspension of Standing Order 10(2)

The Premier, Hon. G. Wayne Panton: Thank you, Madam Speaker. I rise to move the suspension of Standing Order 10(2) to allow the business of the House to continue past the hour of 4.30pm.

The Speaker: The question is that this honourable House do continue past the hour of 4.30pm.

All those in favour please say Aye, those against no.

AYES.

The Chairman: The Ayes have it.

Agreed: Standing Order 10(2) suspended.

REPORT ON BILLS

PUBLIC LANDS (AMENDMENT AND VALIDATION) BILL, 2023

The Speaker: The Honourable Deputy Premier.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Madam Speaker.

Madam Speaker, I have to report that a Bill shortly entitled the Public Lands (Amendment and Validation Bill), 2023 was considered by a committee of the whole House and was passed with amendments.

The Speaker: The Bill has been duly reported and is set down for a third reading.

PLANT PROTECTION BILL, 2023

The Speaker: The Honourable Minister for Planning, Agriculture and Infrastructure.

Hon. Johany S. Ebanks: Thank you, Madam Speaker.

Madam Speaker, I am to report that a committee of the whole House considered the Bill shortly entitled Plant Protection Bill, 2023 and it was passed without amendments.

The Speaker: The Bill has been duly reported and is set down for a third reading.

TERMINAL CHARGES (VALIDATION) BILL, 2023

The Speaker: The Honourable Minister for Tourism and Ports.

Hon. Kenneth V. Bryan: Thank you, Madam Speaker.

Madam Speaker, I am to report that the committee of the whole House considered the Bill shortly entitled the Terminal Charges (Validation) Bill, 2023, and it passed without amendments.

The Speaker: The Bill has been duly reported and is set down for a third reading.

PROCEEDS OF CRIME (AMENDMENT) BILL, 2023

The Speaker: The Honourable Attorney General.

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Speaker.

Madam Speaker, I beg to report that the committee of the whole House considered a Bill shortly entitled the Proceeds of Crime (Amendment) Bill, 2023 and it passed with several amendments.

The Speaker: The Bill has been duly reported and is set down for a third reading.

THIRD READINGS

PUBLIC LANDS (AMENDMENT AND VALIDATION) BILL, 2023

The Speaker: The Honourable Deputy Premier.

Hon. Juliana Y. O'Connor-Connolly: Thank you, Madam Speaker.

Madam Speaker, I beg to move that a Bill shortly entitled the Public Lands (Amendment and Validation) Bill, 2023 be given a third reading and passed.

The Speaker: The question is that a Bill shortly entitled the Public Lands (Amendment and Validation) Bill 2023 be given a third reading and passed.

All those in favour, please say Aye, those against, no.

AYES.

The Speaker: The Ayes have it.

Agreed: The Public Lands (Amendment and Validation) Bill, 2023 passed.

PLANT PROTECTION BILL, 2023

The Speaker: The Honourable Minister for Agriculture.

Hon. Johany S. Ebanks: Thank you, Madam Speaker.

Madam Speaker, I beg to move that the Bill shortly entitled the Plant Protection Bill, 2023 be given a third reading and passed

The Speaker: The question is that a Bill shortly entitled the Plant Protection Bill, 2023 be given a third reading and passed.

All those in favour, please say Aye, those against, no.

AYES.

The Speaker: The Ayes have it.

Agreed: The Plant Protection Bill, 2023 passed.

**TERMINAL CHARGES
(VALIDATION) BILL, 2023**

The Speaker: The Honourable Minister for Tourism and Ports.

Hon. Kenneth V. Bryan: Thank you, Madam Speaker. Madam Speaker, I beg to move that a Bill shortly entitled the Terminal Charges (Validation) Bill, 2023 be read a third time and passed.

The Speaker: The question is that a Bill shortly entitled Terminal Charges (Validation) Bill, 2023 be given a third reading and passed.

All those in favour please say Aye, those against, no.

AYES.

The Speaker: The Ayes have it.

Agreed: The Terminal Charges (Validation) Bill, 2023 passed.

**PROCEEDS OF CRIME
(AMENDMENT) BILL, 2023**

The Speaker: Honourable Attorney General.

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Madam Speaker.

Madam Speaker, I beg to move that a Bill shortly entitled the Proceeds of Crime (Amendment) Bill, 2023 be given a third reading and passed.

The Speaker: The question is that a Bill shortly entitled the Proceeds of Crime (Amendment) Bill, 2023 be given a third reading and passed.

All those in favour please say Aye, those against, no.

AYES.

The Speaker: The Ayes have it.

Agreed: The Proceeds of Crime (Amendment) Bill, 2023 passed.

GOVERNMENT BUSINESS

MOTIONS

**Government Motion No. 1 of 2023-2024
Amendment to the Development Plan 1997
Proposed Rezoning: George Town East, Block
20D Parcels 447 (now 468 and 469), 448 and 451**

The Speaker: The Honourable Minister of Planning, Agriculture, Housing and Infrastructure.

Hon. Johany S. Ebanks: Madam Speaker,

The Speaker: Please go ahead, Honourable Minister.

Hon. Johany S. Ebanks: Thank you, Madam Speaker. Madam Speaker, proposed Amendment to the Development Plan 1997 Proposed Rezoning: George Town East, Block 20D Parcels 447 (now 468 and 469), 448 and 451.

Madam Speaker, in accordance with section 10(2) of the Development and Planning Law (2021 Revision) I wish to lay on the Table of this honourable House a proposed change to rezoning of George Town East, Block 20D Parcels 447 (now 468 and 469) 448 and 451 from low density residential to neighbourhood commercial.

Madam Speaker, the Members will find before them a written summary of the rezoning application, a map illustration of the location of the current zone of the proposed rezoning area and, finally, a map illustration of the proposed new zoning submission being discussed. The land, as mentioned in the motion, is currently zoned low density residential and is located adjacent to the Linford Pierson Highway between Halifax Road and the Silver Oaks Apartment Complex.

On the 17th February, 2015, the Central Planning Authority (CPA) resolved to include the Parcel 20D 447, 448, and 451 into an application to rezone Block 20D Parcels 173, 174REM1, 175, and 452. The rezone application requested change to the zoning from Low Density Residential to General Commercial. It was resolved by the CPA to proceed as a Neighbourhood Commercial rather than General Commercial. The CPA further resolved to forward the application for a 60-day public notification in accordance with Section 11(2) of the Development and Planning Act (2014 Revision), as was common at the time. During the comment period, no objections or representations were received.

On the 13th May, 2015, the CPA considered the application a second time and resolved to forward the matter to the Ministry of Planning, Lands, Agriculture, Housing, and Infrastructure as named at the time, with the recommendation to forward the rezone application to then titled Legislative Assembly for debate subject to Cabinet's approval.

On July 14th, 2015, the Cabinet resolved to approve the rezone proposal for Block 20D Parcels 173, 174REM1, 175, and 452 omitting the parcels we are discussing today— namely, 447, 478 and 451— from the Government Motion.

Madam Speaker, through you, I would like to advise Members of this honourable House that the Chambers reviewed the CPA's decision, added an additional parcel to the rezone application, and confirmed that the recommendation is compliant with the laws and therefore the Government would like to correct the omission.

Madam Speaker, the Cabinet heard the rezone application for Block 20D Parcels 447, 448 and 451 on November 17th 2020. The application was supported for onward motion to the House of Parliament, however it was not progressed. Thereafter, on February 8th, 2021, Block 447 was sub-divided into 468 and 469. Madam Speaker, I am pleased to say that on June 6th 2023, the Cabinet considered the application again and supported forwarding it to this House of Parliament, which is why we are here today.

In closing, I ask for the support of the honourable House for approval of George Town East, Block 20D 447, (now 468 and 469), 448 and 451 from Low Density Residential to Neighbourhood Commercial.

Thank you, Madam Speaker.

The Speaker: Does any other Member wish to speak to the motion?

Mr. Joseph X. Hew: Madam Speaker? George Town North.

The Speaker: Thank you.

Mr. Joseph X. Hew: Madam Speaker, maybe it's in late in the evening and I'm having trouble, but I did have a little issue following. If the Member could just confirm for me— I know there has been a long history, obviously going all the way back to 2015.

In his presentation, in the paper, he said that there was I guess a mistake, that we are coming back now with 451, 448, 468 and 469; but I guess where I'm not catching it is that the original application was passed in November 17th, 2020, but it was in February 8th, 2021 that it was sub-divided, so I'm not too sure how it was omitted if it wasn't sub-divided until it went thru Cabinet in 2020. It was subdivided in February 8th, 2021— and I could be missing something completely.

[Inaudible interjection]

[Pause]

Mr. Joseph X. Hew: Maybe, maybe, maybe just talking about it a bit.

The rezoning was approved by Cabinet on November 17th, 2020. Cabinet supported forwarding the additional parcel— Block 20D 451, 448 and 447 to the House of Parliament; but in February 8th, 2021 Block 20D, which was 451, 448 and 447 was subdivided into 468 and 469... So now you are bringing all of the— with

the new sub-divided pieces so it is the same thing from 2015 Just—

[Inaudible interjection]

Mr. Joseph X. Hew: Okay. Thank you, Madam Speaker.

Madam Speaker, but we did not have much time to look at this, Madam Speaker, but on the face of it, the official Opposition has no issues with the Motion.

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

If not, does the Honourable mover of the motion wish to exercise his right of reply?

Hon. Johany S. Ebanks: Madam Speaker, I just want to thank my colleagues and everyone in the House of Parliament for their full support on this motion titled Proposed Rezoning: George Town East, Block 20D Parcels 447 (now 468 and 469), 448 and 451.

Thank you.

The Speaker: The question is:

BE IT NOW THEREFORE RESOLVED that in accordance with section 10 (2) of the Development and Planning Act (2021 Revision), the Central Planning Authority hereby recommends and submits to the Parliament the following proposal for alteration to the Development Plan 1997 for which a summary maps are attached hereto;

AND BE IT FURTHER RESOLVED to alter the zoning area of Registration Section George Town East, Block 20D, Parcel 447 (now 468 and 469), 448 and 451 from Low Density Residential to Neighbourhood Commercial.

All those in favour please say Aye, those against, no.

AYES.

The Speaker: The Ayes have it.

Agreed: Government Motion No. 1 of 2023-2024 passed.

The Speaker: Can I call on a Member to move the adjournment?

ADJOURNMENT

The Premier, Hon. G. Wayne Panton: Thank you very much, Madam Speaker.

I just want to take the opportunity, before I move the Motion for adjournment, to thank all members of the various Ministry teams, in particular, the Honourable Attorney General's drafting teams who have been down supporting all Ministers with their legislation

today. I think we have done a good bit of work today to get through these Bills and Motions and the various questions.

Madam Speaker, with that, I again thank everyone for their attendance and I move the motion for the adjournment of this honourable House until 10 o'clock tomorrow morning.

The Speaker: The question is that this House do now adjourn until 10 a.m. tomorrow morning.

All those in favour please say Aye, those against, no.

AYES.

The Speaker: The Ayes have it.

This honourable House do now stand adjourn until 10am tomorrow morning. I ask that Members aim to make a fresh start at 10am tomorrow.

At 5.31pm the House stood adjourned until 10am Wednesday, 21st September, 2023.