

GUIDELINES:

Assistance for the Development of Hotels/Motels/Beach Resorts and Manufacturing Enterprises for Exports:

Cabinet's Decision F.K. (01) Special 20, instructed the former Department of Trade, Commerce and Industry (now known as MCIL) to devise guidelines to be used in considering requests for developments as mentioned above. This assistance will be offered using the provision of the Customs Tariff Act 1975, Section 3.

A meeting between the Comptroller of the former Customs Department (now known as Ministry of Revenue) and his Assistant, and the Secretary of the former Trade, Commerce and Industry (now known as Ministry of Commerce, Industry and Labour) and one of their senior officials discussed and agreed on some guidelines to be recommended to Cabinet for endorsement.

The guidelines as provided is in line with number 4 of the mentioned Cabinet Decision.

The guidelines as listed below will be used when considering assistance for the development of hotels/motels/beach resorts:

- i) This assistance does not include requests for the development of beach fale. The assistance will only include properly built units that are fully furnished as in hotels/motels;
- ii) For existing hotels/motels/beach resorts, consideration will only be given if the expansion would consist of no less than four (4) rooms or two (2) units;
- iii) As for the new developments, only those that intend to construct twelve (12) or more rooms/units will be considered.
- iv) The construction of the units/rooms to commence within three (3) months from the date the first shipment of goods is cleared from the wharf by Ministry of Revenue.
The two(2) Ministries will closely monitor this assistance programme by way of constant visits to enterprises/companies concerned.
Any non-compliance will immediately result in the payment of full duty on items duly imported under this assistance programme;
- v) A lease agreement is to be in place should the proposed development be built on customary land;
- vi) An architectural plan of the proposed project is to be submitted so as to ascertain the total number of units/rooms to be constructed.
- vii) The full financial package for the whole development is to be submitted;
- viii) There will absolutely no assistance to be offered for office equipment/amenities such as computers, printers, scanners, photocopiers, fax machines and any other, allowed under this assistance.

Guidelines numbered v), vi) and vii) have been devised to ensure only genuine applications are received and that precious time of Cabinet is not wasted on non-genuine applications, and also to ensure financial packages to finance proposed projects are readily available.

The list of items to be allowed under this assistance has already been drawn up.

As follows will be guidelines when considering assistance to be accorded to manufacturing companies for exports only:

- i) All plant, equipment and building materials to be imported shall be used solely for the purpose it was requested for;*
- ii) Products manufactured by the plant shall be exported with six (6) months from the date the equipment was released by the Ministry of Revenue;*
- iii) Only plant, equipment and building materials directly involved in the production of the exported product will be allowed under this assistance. There will be absolutely no office equipment or office amenities allowed under this assistance.*
- iv) All raw materials will be imported under the existing Duty Suspension Scheme.*

This assistance takes effect as of today, *Wednesday 11 July 2001*, and is not retroactive.

Please find as follows the list of goods which may be subject of an exemption under Section 3 of the Customs Tariff Act 1975;

Duty Concessions Exemptions to assist particular Industry i.e. Hotel Development

- a) Furniture including tables, chairs, lounge suites, cupboards, drawers and beds to be used in a hotel development;*
- b) Commercial cooking equipment necessary for a hotel development*
- c) Bathroom equipment including baths, shower stalls, hand basins, toilet bowls and cisterns, bathroom and plumbing fittings and ceramic tiles necessary for a hotel development;*
- d) Building materials used solely for the construction of hotel accommodation and associated facilities with prior approval.*

These items will be identified using the Harmonised Code and will be administered by the Ministry of Revenue in collaboration with the Ministry of Commerce, Industry and Labour.