

**SAINT VINCENT AND THE GRENADINES**  
**INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES**  
**INVESTMENT INCENTIVES ACT, 2007**

**ARRANGEMENT OF SECTIONS**

**SECTION**

**PART I**

**PRELIMINARY**

1. Short title and commencement
2. Objective
3. Interpretation

**PART II**

**APPLICATIONS**

4. Eligibility for approved company status
5. Restrictions
6. Application for approved company status
7. Consideration of application
8. Revocation of approval

**PART III**

**INCENTIVES**

9. Exemption from import duty
10. Goods imported with import duty exemption
11. Restriction on disposal of goods
12. Work permits
13. Income tax concessions
14. Duration of incentives

**PART IV**

**MISCELLANEOUS**

15. Monitoring and inspection
16. Certification of incentives
17. Offences
18. Penalties under Customs Act
19. Regulations

**SCHEDULE**



**SAINT VINCENT AND THE GRENADINES**

**BILL FOR**

**ACT NO.        OF 2007**

**I ASSENT**

[L.S.]

**AN ACT** to facilitate investment in the information and communication technology services sector and for related matters.

[    ]

**BE IT ENACTED** by the Queen's Most Excellent Majesty, by and with the advice and consent of the House of Assembly of Saint Vincent and the Grenadines and by the authority of the same as follows:-

**PART I**

**PRELIMINARY**

1. (1) This Act may be cited as the Information and Communication Technology Services Investment Incentives Act, 2007.

(2) This Act shall come into operation on a day to be appointed by the Governor-General by Proclamation published in the *Gazette*.

2. (1) The objective of this Act is to encourage and facilitate investment in the information and communication technology services sector and to stimulate employment in, and the development of, the private sector of Saint Vincent and the Grenadines by:

- (a) reducing impediments to investment in the information and communication technology services sector in Saint Vincent and the Grenadines;
- (b) providing appropriate inducements by way of tax reduction and other incentives specifically designed to encourage investment in the information and communication technology services sector; and
- (c) adopting measures which are calculated to transfer technology and increase the rate at which the information and communication technology services sector of Saint Vincent and the Grenadines is developed and expanded.

(2) This Act shall be given a liberal interpretation to ensure the attainment of its objective.

3. In this Act:

“approved company” means a company which is granted the status of an approved company for the purposes of this Act under section 7;

“incentives” means the concessions and exemptions granted to an approved company under Part III of this Act;

“information and communication technology services” includes services provided by a company utilizing computer driven hardware and software exclusively to process information as the core activity in creating value, such as software development, data processing, telephone and direct mail sales, call center operations and customer and technical support services;

“Minister” means the Minister responsible for commerce;

“qualified employee” means a person employed by an approved company for whom a work permit is not required.

## **PART II**

### **APPLICATIONS**

4. (1) A company may be eligible for approved company status under this Act if:

(a) it is in the business of primarily providing information and communication technology services; and

(b) it is incorporated or registered in Saint Vincent and the Grenadines in accordance with the provisions of the Companies Act.

(2) For the purposes of subsection (1) (a), the articles of incorporation or by-laws of the company shall contain particulars that the company is permitted to engage in business activities relating to the provision of information and communication technology services.

(3) A company may be eligible for an approved company status without prejudice to the residence or nationality of its shareholders.

5. (1) The status of an approved company shall not be granted in respect of an application made under this Act to a company which is an approved enterprise under the Fiscal Incentives Act or to a company receiving a fiscal exemption, tax exemption or other relief under any other enactment.

(2) Where immediately before the commencement of this Act a company which provides information and communication technology services has been designated as an approved enterprise under the Fiscal Incentives Act or was receiving a fiscal exemption, tax exemption or other relief under any other enactment, the company may elect to continue to operate under the Fiscal Incentives Act, or it may, within six months after the commencement of this Act, or such further period as Cabinet may by order allow, apply for incentives under this Act.

(3) A designation as an approved enterprise under the Fiscal Incentives Act or the grant of a fiscal exemption or tax exemption or other relief under or any other enactment shall, upon the grant of the status of an approved company under this Act, terminate and the company shall only receive the incentives specified in this Act.

(4) An approved company is not eligible for designation as an approved enterprise under the Fiscal Incentives Act and is not eligible to receive any other fiscal exemption, tax exemption or other relief under any other enactment by virtue of being primarily engaged in the business of providing information and communication technology services, other than the incentives specified in this Act.

6. (1) A company that meets the requirements for eligibility under this Act may apply to the Minister for the consideration of Cabinet to be granted the status of an approved company under this Act.

(2) An application shall be in the form set out in the Schedule and shall:

- (a) contain the information specified in the form; and
- (b) be signed by the directors of the company.

(3) An application shall be accompanied by evidence of incorporation or registration of the company.

7. (1) If Cabinet is satisfied that a company meets the requirements for eligibility under this Act, it shall grant to the company the status of an approved company under this Act.

(2) An approval shall:

- (a) be valid for the period permitted in section 14 from the date of the grant of the approval; and
- (b) include any terms and conditions attached to the grant of the approval.

(3) An approval may, by Order of the Minister, be published in the *Gazette*.

(4) Where Cabinet refuses to grant an approval, the Minister shall in writing inform the applicant of the reasons for the refusal.

8. (1) Cabinet may, by serving a notice of revocation on the approved company, revoke the approval granted to a company upon a finding that the approval was procured by information which is false, inaccurate or misleading.

(2) A notice of revocation shall specify:

- (a) the date on which the revocation shall take effect; and
- (b) that the approved company may, before the date on which the revocation takes effect, show cause as to why the approval should not be revoked.

(3) Where an approved company ceases to satisfy the provisions of this Act in relation to its eligibility for the grant of the status of an approved company, it shall, by notice in writing, inform Cabinet and Cabinet shall revoke the approval.

(4) Where an approval is revoked, the Order declaring a company to be an approved company shall cease to have effect.

### **PART III**

### **INCENTIVES**

9. (1) An approved company shall be entitled to import free of import duty plants, machinery, equipment, and fixtures for the use in the provision of information and communication technology services of the business of the approved company.

(2) The goods referred to in subsection (1) may be imported free of import duty if the approved company satisfies the Comptroller of Customs by a document signed by the Secretary, Managing Director or other corporate officer authorised to sign the document that the goods are imported for the use in the provision of information and communication technology services of the business of the approved company.

(3) For the avoidance of doubt, goods for the personal use of directors, officers, employees or agents of an approved company shall not be exempted from import duty.

(4) No bond may be required of an approved company for the observance of any condition or restriction in connection with an importation under this section.

10. Every approved company which receives exemption from import duty under the provisions of this Act in respect of goods imported into Saint Vincent and the Grenadines shall:

- (a) keep records of the goods that were imported in a form and containing particulars as may be required by the Comptroller of Customs;
- (b) permit the Comptroller of Customs or any person authorised by him at all reasonable times to inspect the records relating to the goods and to have access to the premises under the control of the approved company for the purpose of examining the goods which the Comptroller of Customs believes to be therein for the purpose of satisfying himself of the accuracy of the particulars in relation to the goods contained in the records.

11. Goods imported into Saint Vincent and the Grenadines for an approved company with exemptions from import duty:

- (a) shall not be used for purposes other than for the use in the provision of information and communication technology services of the business of the approved company;
- (b) shall, in the case of capital goods which are sold or disposed of before four years from their date of importation, be subject to payment by the approved company to the Comptroller of Customs of the equivalent of the amount of import duty which would have been payable to the Government upon the importation of such goods but for the provisions of this Act.

12. (1) Notwithstanding the provisions of the Employment of Foreign Nationals and Commonwealth Citizens Act or other subsequent enactment regulating immigration in Saint Vincent and the Grenadines, a foreign national or a Commonwealth citizen who is engaged in occupation in Saint Vincent and the Grenadines for reward or profit by an approved company or who is to be employed in Saint Vincent and the Grenadines by an approved company is entitled to be granted a work permit subject to the conditions specified in subsection (2).

(2) There shall be an entitlement to:

- (a) three work permits for every fifty qualified employees employed or who are employed or are proposed to be employed by an approved company;
- (b) two work permits for less than fifty but more than thirty qualified employees who are employed or are proposed to be employed by an approved company;

(c) additional work permits, calculated in accordance with this section if the number of qualified employees increases or is proposed to increase.

(3) Work permits shall be granted within twenty-one days of the receipt of an application for a work permit.

(4) A work permit that is not granted within twenty-one days of the date of filing shall be deemed to have been issued on the twenty-first day after filing of the application for the work permit.

(5) A work permit that is granted under this section shall be for a period of not less than two years and may be extended on application for additional two year terms.

13. (1) Notwithstanding the provisions of section 75 of the Income Tax Act, tax shall be charged for each year of assessment on the chargeable income of every approved company at the following rates:

(a) on the chargeable income of an approved company whose expenditure for labour costs for qualified employees does not exceed \$100,000 for the year of assessment, 20 per cent;

(b) on the chargeable income of an approved company whose expenditure for labour costs for qualified employees exceeds \$100,000 but is less than \$500,000 for the year of assessment, 10 per cent;

(c) on the chargeable income of an approved company whose expenditure for labour costs for qualified employees exceeds \$500,000 for the year of assessment, 15 per cent.

(2) In ascertaining the assessable income of an approved company for any year of assessment there shall, upon due claim and subject to such evidence as the Comptroller of Inland Revenue may require, be allowed as deductions in addition to the deductions specified in the Income Tax Act, expenditure wholly, exclusively and necessarily incurred by the approved company in the training of qualified employees of an amount not exceeding \$500,000.

(3) An approved company which makes any payments to a non-resident shall, notwithstanding section 66 of the Income Tax Act, deduct tax from such payments at the rate of fifteen percent of the rate specified in item 3 (c) of the Third Schedule of the Income Tax Act.

14. (1) Unless an approval is revoked or otherwise terminated, the incentives granted to an approved company under this Act shall remain in force for a period of 15 years from the date of the grant of the approval.

#### **PART IV**

#### **MISCELLANEOUS**

15. The Minister shall cause an approved company to be monitored and inspected to ensure that it complies with the provisions of this Act and for this purpose may:

(a) cause books, records and accounts of the approved company to be inspected; and

(b) request information as he considers necessary to enable the inspection to be carried out.

16. The Comptroller of Inland Revenue may certify the incentives enjoyed by an approved company under the provisions of this Act in order that such certification may be produced by the approved company to the fiscal authorities of any other country in which the approved company may be liable to taxation.

17. (1) A person who makes a false statement, makes fraudulent use of an approved company, or obtains a benefit under this Act under false pretences, commits an offence and is liable on conviction on indictment to all or any of the following:

- (a) a fine not exceeding \$250,000, or imprisonment for a term not exceeding five years;
- (b) the revocation of a certificate and the termination of benefits thereunder;
- (c) notwithstanding section 13, payment of taxes in accordance with the Income Tax Act, including interests and penalties thereon, less any tax paid on any chargeable income earned with respect to each income year commencing with the income year in which the approval was granted.

18. Nothing in this Act shall be interpreted to prevent the imposition of penalties for offences as provided for in the Customs (Control and Management) Act or other applicable enactment, in relation to the improper importation of goods or to the improper utilization of such goods imported pursuant to this Act.

19. The Minister may make Regulations for giving effect to the provisions of this Act.

**SCHEDULE**

**(section 6)**

**INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES INVESTMENT  
INCENTIVES ACT, 2007**

**Application**

1. Name of company:

---

---

2. Address of the registered office, telephone and facsimile number of the company:

Mailing address:

---

---

---

Telephone: 

---

Facsimile: 

---

3. Names of director(s) of company:

1. <hr/>	6. <hr/>
2. <hr/>	7. <hr/>
3. <hr/>	8. <hr/>
4. <hr/>	9. <hr/>
5. <hr/>	10. <hr/>

4. Background and business history of each director:

---

---

---

---

---

---

---

5. State or attach a description of the type, amount and locality of the area of the proposed investment:

---

---

---

---

---

---

---

6. Details of a timetable for the investments:

---

---

---

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Description of the services which the company provides or proposes to provide:

- (a) \_\_\_\_\_
- (b) \_\_\_\_\_
- (c) \_\_\_\_\_
- (d) \_\_\_\_\_

8. Number of employees employed or proposed to be employed by the company:

- (a) total employees \_\_\_\_\_
- (b) qualified employees \_\_\_\_\_

9. State professional qualification of employees or proposed employees:

\_\_\_\_\_  
\_\_\_\_\_

10. State estimated cost of training staff:

\_\_\_\_\_

11. Signature of each director:

_____ Signature	_____ Signature	_____ Signature
_____ Printed name	_____ Printed name	_____ Printed name
_____ Signature	_____ Signature	_____ Signature
_____ Printed name	_____ Printed name	_____ Printed name

12. Bank and other references:

*NB: The certificate of incorporation/registration of the company must be attached.*

The information given in this application is true to the best of my knowledge and belief.

Dated this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed name

\_\_\_\_\_  
Designation

Passed in the House of Assembly this            day of            2007.

Clerk of the House of Assembly

**OBJECTS AND REASONS**

The object of this Bill is to encourage the growth of the information and communication technology service sector in Saint Vincent and the Grenadines by providing incentives which would attract companies to provide these services.

Hon. Jerrol Thompson  
Minister of Telecommunications,  
Science, Technology and Industry