

OBJECTS AND REASONS

This Bill would amend the *Fiscal Incentives Act, Cap. 71A* to make provision for

- (a) the extension of periods for which benefits may be granted to an approved enterprise;
- (b) the conferral of benefits in relation to new products made by enterprises that have enjoyed benefits in relation to products that may fall within the same classification but have significant distinguishing characteristics.

Arrangement of Sections

Section

1. Short title
2. Insertion of new sections into Cap. 71A.

BARBADOS

A Bill entitled

**An Act to amend the *Fiscal Incentives Act* to make provision
for**

- (a) the extension of periods for which benefits may be granted to an approved enterprise;**
- (b) the conferral of benefits in relation to new products made by enterprises that have enjoyed benefits previously under the Act.**

ENACTED by the Parliament of Barbados as follows:

Short title. **1.** This Act may be cited as the *Fiscal Incentives (Amendment) Act, 2007*.

Insertion of new sections into Cap.71A. **2.** The *Fiscal Incentives Act*, is amended by inserting immediately following section 11 the following new sections:

Extension of benefit period contingent upon new investment by approved enterprise.

11A.(1) Notwithstanding section 11, an approved enterprise that satisfies the Minister that it has, in relation to the production of an approved product, engaged in new investment in plant, equipment technology and innovative methods of production and management of \$1.0 million or more during the period of 3 years preceding an application, shall be entitled to a grant of an additional period of 5 years of benefits.

(2) An approved enterprise that is desirous of obtaining an extension of benefit referred to in subsection (1) shall submit an application together with evidence of the investment undertaken during the relevant period.

Extension of period of benefit based on production of new products.

11B. (1) An approved enterprise that is or has been the recipient of benefits under the Act shall be entitled to a new regime of benefits where the enterprise provides proof to the Minister that it intends to manufacture or is engaged in the manufacture of a new product that qualifies for approval in accordance with section 6.

(2) The product shall not be disqualified for approval as a new product by reason only that the producer had enjoyed benefits under an existing or previous classification in respect of a product that fell within the same generic category.

Expiration
of tax
holiday
not a bar
to grant
of addi-
tional
period.

11C. An enterprise that had been declared an approved enterprise under section 7 and whose period of the tax holiday has expired on or before the date of the commencement of this Act shall be eligible to apply for an additional period of tax holiday of 5 years where the enterprise meets the requirements set out in section 11A or 11B.