

2025-12-09

OBJECTS AND REASONS

This Bill would establish a fund, to be known as the Economic Diversification and Growth Fund, to provide financial support to certain companies to increase employment and economic growth in Barbados.

Arrangement of Sections

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SCHEDULE

Economic Diversification and Growth Fund Committee

BARBADOS

A Bill entitled

An Act to establish a fund, to be known as the Economic Diversification and Growth Fund, to provide financial support to certain companies to increase employment and economic growth in Barbados.

ENACTED by the Parliament of Barbados as follows:

Short title

1. This Act may be cited as the *Economic Diversification and Growth Fund Act, 2025*.

Interpretation

2. In this Act,

“Committee” means the Economic Diversification and Growth Fund Committee established by section 5;

“company” includes a society with restricted liability and any other body corporate;

“Fund” means the Economic Diversification and Growth Fund established by section 3(1);

“qualifying company” has the meaning assigned to it by section 3(3).

Establishment of Fund

3.(1) There is established a fund, to be known as the Economic Diversification and Growth Fund.

(2) The purpose of the Fund is to provide financial support to qualifying companies to increase employment and contribute to economic growth.

(3) In subsection (2), “qualifying company ” means a company which

(a) has a real and substantial economic presence in a jurisdiction other than Barbados; and

(b) also engages in, or intends to engage in, real and substantial economic activity in Barbados.

Resources of Fund

4. The resources of the Fund shall consist of
- (a) the sum of \$225 000 000 to be drawn from the Consolidated Fund over a three-year period in annual instalments of \$75 000 000; and
 - (b) such other sums as are
 - (i) approved by Parliament by Resolution;
 - (ii) made available to the Fund by way of gift, grant or otherwise.

Establishment and functions of Committee

- 5.(1) There is established a committee, to be known as the Economic Diversification and Growth Fund Committee, which shall be responsible for
- (a) considering applications from qualifying companies for disbursements from the Fund and making recommendations to the Minister on such applications; and
 - (b) monitoring qualifying companies which receive disbursements from the Fund to determine whether they are in compliance with the terms and conditions of the disbursement.
- (2) The *Schedule* has effect with respect to the composition of the Committee and otherwise in relation to the Committee.

Application for disbursement

6. A qualifying company may apply in such form as the Minister determines for a disbursement from the Fund and shall submit with its application
- (a) a summary of its current business operations in Barbados, if any, including the number of employees;
 - (b) its plans for expansion and diversification of business including
 - (i) any facilities to be established or developed;

- (ii) projected increases in employment; and
 - (iii) projected timelines for the completion of the matters set out in subparagraphs (i) and (ii); and
- (c) the total sum requested from the Fund and, where relevant, the duration over which the sum is to be disbursed and the amount to be disbursed annually.

Determination of application

7.(1) Subject to subsection (2), the Committee may recommend to the Minister that the Minister agree to a disbursement from the Fund in respect of a company that submits an application pursuant to section 6 where the Committee is satisfied that the company is a qualifying company that

- (a) provides or will provide senior managerial, coordination, or shared corporate services or any other services associated with corporate headquarters;
 - (b) employs or will employ, and will maintain in employment for no less than 7 years, a staff of at least 100 persons, including senior management and professionals, who are citizens or permanent residents of Barbados; and;
 - (c) has complied, where applicable, with its obligation to file returns and pay tax under the *Income Tax Act*, Cap. 73 and the *Value Added Tax Act*, Cap. 87.
- (2) The Committee shall, in determining whether to make a recommendation to the Minister pursuant to subsection (1), take into account, where applicable
- (a) the current size and scope of the company's operations in Barbados, including the number of employees;
 - (b) the scale of the proposed increase in employment, in both absolute and relative terms;
 - (c) any proposal for expansion of the company's operations; and

- (d) the number of years that the company has maintained operations in Barbados,

and shall give preference to companies that have substantial business operations in Barbados.

Agreement on disbursement

8.(1) The Minister may enter into an agreement with a qualifying company for a disbursement from the Fund on such terms and conditions as the Committee may recommend.

(2) Without prejudice to the generality of subsection (1), it is a condition of an agreement referred to in that subsection that the qualifying company provide to the Committee such reports and other information at such times as the Committee may require to determine whether the company is in compliance with the other terms and conditions of the agreement.

(3) Where a qualifying company fails to comply with a term or condition of its agreement, the Minister may recover from the company, in accordance with the agreement, the entire sum disbursed from the Fund or a part of the sum pro-rated having regard to the breach of the agreement.

Accountant General to administer Fund

9. Subject to sections 5, 7 and 8, the Accountant General shall be responsible for the administration of the Fund.

Audit of Fund

10. The accounts of the Fund shall be audited by the Auditor-General at least once annually.

Amendment of Schedule

11. The Minister may by Order amend the *Schedule*.

Regulations

12. The Minister may make regulations generally for giving effect to this Act.

SCHEDULE

(Sections 5 and 11)

Economic Diversification and Growth Fund Committee

1. The Committee comprise:
 - (a) *ex officio*
 - (i) the Director of Finance and Economic Affairs, who shall be the Chairman of the Committee;
 - (ii) the Governor of the Central Bank of Barbados, who shall be the Deputy Chairman;
 - (iii) the Chief Executive Officer of the Barbados International Business Promotion Corporation, known as “Invest Barbados”; and
 - (iv) the Chief Executive Officer of the Barbados Investment and Development Corporation, known as “Export Barbados”; and
 - (b) 2 persons with experience in Finance or Business Administration, appointed by the Minister.
2. A member of the Committee appointed under paragraph 1(b)
 - (a) shall hold office for such period, not exceeding 3 years, as the Minister may specify in his instrument of appointment, but is eligible for re-appointment for an additional term;
 - (b) shall be eligible for such remuneration as the Minister may determine; and
 - (c) may at any time resign his appointment by instrument in writing addressed to the Chairman, who shall forward the instrument to the Minister; and upon the date of the receipt by the Chairman of the

instrument, the member ceases to be a member of the Committee unless some other date is mentioned in the instrument.

3. The Committee shall meet at such times as are necessary for the conduct of its business.
4. Four members of the Committee, including the Chairman or Deputy Chairman, constitute a quorum.
5. The Chairman or, in his absence the Deputy Chairman shall preside at meetings of the Committee.
6. Decisions of the Committee shall be by a majority of votes and, in the event of an equality of votes, the person presiding at the meeting shall have a casting vote.
7. Minutes of each meeting of the Committee shall be kept by such officer as is designated for the purpose, and shall be confirmed in writing at the next meeting by the Chairman or Deputy Chairman.

EXPLANATORY MEMORANDUM

The Bill would establish a fund, to be known as the Economic Diversification and Growth Fund, to provide financial support to certain companies to increase employment, diversification and economic growth in Barbados.

- Clause 1:** provides the short title.
- Clause 2:** defines certain terms used in the Bill.
- Clause 3:** establishes the Economic Diversification and Growth Fund.
- Clause 4:** provides for the resources of the Fund.
- Clause 5:** establishes the Economic Diversification and Growth Fund Committee, the composition of which is set out in the Schedule, and specifies its functions.
- Clause 6:** provides the procedure for applying for disbursements from the Fund.
- Clause 7:** sets out the criteria to be considered by the Committee in determining which companies should be recommended to the Minister for disbursements from the Fund.
- Clause 8:** provides for the execution of agreements with companies identified for disbursements from the Fund.
- Clause 9:** provides for the Accountant General to administer the Fund.
- Clause 10:** provides for the Auditor-General to audit the Fund.
- Clause 11:** empowers the Minister to amend the Schedule.

Clause 12: allows for the Minister to make regulations to give effect to the legislation.