

CAYMAN ISLANDS



HOTELS AID LAW

(1995 Revision)

Supplement No. 1 published with Gazette No. 9 of 1st May, 1995.

PUBLISHING DETAILS

Consolidated with Laws 4 of 1978, 2 of 1979 and 6 of 1989.

Revised under the Law Revision Law (19 of 1975).

Originally enacted-

Law 6 of 1976-23rd March, 1976

Law 4 of 1978-6th April, 1978

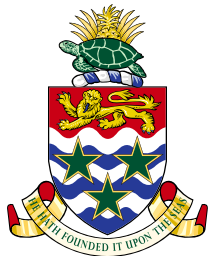
Law 2 of 1979-9th April, 1979

Law 6 of 1989-23rd May, 1989.

Consolidate and revised this 28th day of March, 1995.



CAYMAN ISLANDS



HOTELS AID LAW
(1995 Revision)

Arrangement of Sections

| Section | Page |
|---|-----------|
| 1. Short title | 5 |
| 2. Definitions..... | 5 |
| 3. Licensing Board..... | 6 |
| 4. Grant of import licences | 6 |
| 5. Procedure on application for grant of licence | 7 |
| 6. Entry of building materials and equipment | 7 |
| 7. Building materials and hotel equipment not to be used for any purpose other than that for which imported | 7 |
| 8. Collector of Customs may permit disposal of materials, etc..... | 8 |
| 9. Application of waiver..... | 8 |
| 10. Inventory of hotel equipment to be kept | 8 |
| 11. Power to revoke licenses | 9 |
| 12. Regulations | 9 |
| 13. Power to vary First Schedule | 9 |
| FIRST SCHEDULE | 11 |
| Articles of Hotel Equipment | 11 |
| SECOND SCHEDULE | 12 |
| Grand Cayman - Districts | 12 |



CAYMAN ISLANDS



HOTELS AID LAW

(1995 Revision)

ENACTED by the Legislature of the Cayman Islands.

Short title

1. This Law may be cited as the *Hotels Aid Law (1995 Revision)*.

Definitions

2. In this Law, unless the context otherwise requires —

“**articles of hotel equipment**” mean any of the articles specified in the First Schedule;

“**building materials**” mean materials of every description for use in connection with the construction of a hotel and all structures appurtenant thereto;

“**construct**” includes erect or extend but does not include repair or maintain;

“**extension to a hotel**” means any enlargement of the accommodation of a hotel whether by means of a newly-erected building or by the structural alteration of the existing building;

“**Governor**” means the Governor in Council;

“**hotel**” means any building or group of buildings within the same precinct containing or intended to contain when completed an aggregate number of not less than ten bedrooms and facilities for meals for the accommodation of transient guests including guests for reward together with the precinct thereof

and all other buildings and structures within such precinct not being a strata lot or an apartment house;

“**hotel purposes**” mean —

- (a) the provision of accommodation for guests for reward;
- (b) the provision of supplies, services, amenities and facilities for cultural and recreational pursuits, primarily for consumption by, or the enjoyment or use of, guests accommodated for reward at the hotel in relation to which the expression is used; or
- (c) any purpose directly ancillary to the purposes specified in paragraphs (a) and (b);

“**licence**” means a licence granted under section 4;

“**licensee**” means the holder of a licence;

“**precinct**” means the area of land within which the buildings and structures comprised in a hotel or an extension to a hotel are constructed or intended to be constructed, designated on the plan prescribed; and

“**proprietor**” means the person for the time being entitled to the profits of a hotel.

Licensing Board

3. (1) There is hereby established a Licensing Board consisting of a Member of Executive Council appointed by the Governor as Chairman, the Collector of Customs as Secretary and four other members appointed by the Governor.
- (2) The Chairman or, in his absence, a member of the Board voted by other members present shall preside at Board meetings.
- (3) A quorum shall consist of three members.
- (4) Each member, other than the Chairman or other person presiding at a meeting, shall have one vote and the majority of votes of members present and voting shall be the decision of the Licensing Board. In the event of a tie the person presiding shall have a casting vote.
- (5) Each member of the Licensing Board shall hold office at the pleasure of the Governor.

Grant of import licences

4. (1) Subject to section 5, the Licensing Board may grant to every person who desires —
- (a) to construct a hotel or an extension to a hotel, a licence to import into the Islands such building materials for use in the construction of such hotel or extension as may be specified in the licence; or



- (b) to equip a newly erected hotel or extension to a hotel, a licence to import into the Islands such articles of hotel equipment as may be specified in the licence.
- (2) For the purposes of this section a hotel shall be deemed to be newly erected, notwithstanding that one or more buildings or structures forming a part of a hotel are not newly erected, provided the hotel contains an aggregate number of at least ten bedrooms and facilities for meals for the accommodation of guests including tourists for reward.

Procedure on application for grant of licence

- 5. (1) Every application for the grant of a licence shall be submitted to the Secretary of the Licensing Board and shall be in such form and contain such information and be accompanied by such documents as may be prescribed.
- (2) Every applicant shall state in which District, as specified in the Second Schedule, the hotel in question will be situated.

Entry of building materials and equipment

- 6. (1) Notwithstanding any other law, every licensee shall be entitled, upon production of his licence to the proper customs officer, to import into the Islands in accordance with the terms thereof such building materials or articles of hotel equipment as may be specified therein on payment of such reduced customs duties as shall be applicable to the particular importation according to this Law.
- (2) Notwithstanding any other law, there shall be raised, levied, collected and paid, for the use of the Government of the Cayman Islands, on the importation of building materials and articles of hotel equipment in accordance with this Law, in addition to package tax at the prescribed rate, such percentage only of the value of such materials and equipment ascertained in accordance with the *Customs Law*, as is prescribed in the Second Schedule for the part of the Islands in which the hotel is located.

Building materials and hotel equipment not to be used for any purpose other than that for which imported

- 7. (1) Subject to section 8, where any building materials or articles of hotel equipment have been imported into the Islands under a licence, such building materials or articles of hotel equipment shall not be sold, exchanged, given away, exported from the Islands or applied for any purpose other than use in connection with the construction or equipment of the relevant hotel.
- (2) If any building within the precinct of a hotel is used otherwise than for hotel purposes, without the prior approval of the Governor, at any time within ten years from the grant of a licence under section 4, to import building materials or three years in the case of articles of hotel equipment for use in the



construction or equipment of any building within the precinct of that hotel, the person who is the proprietor of the hotel shall forthwith pay to the Governor the full amount of all the customs duties which, but for this Law, would have been payable in respect of that hotel.

- (3) Every person who contravenes subsection (1) is guilty of an offence and liable on summary conviction to a fine of five hundred dollars and to imprisonment for twelve months; and any sum which may be payable to the Governor under subsection (2) may be recovered by the Governor by suit in the Grand Court.
- (4) Any demise or device entered into or made after 1st March, 1979, whereby the availability of the whole or any part of a hotel for the accommodation of transient guests is in any way reduced or prejudiced operates to deprive such hotel of being the subject of any benefit under this Law and renders the proprietor thereof liable to pay in full, with interest at ten *per centum* per annum any customs duty which, but for the operation of this Law, would have been payable in respect thereof.

Collector of Customs may permit disposal of materials, etc.

8. (1) Where the Collector of Customs is satisfied that any building materials or articles of hotel equipment which have been imported into the Islands under a licence are no longer required for the purposes of the hotel, in respect of which the import licence was granted, he may grant a permit to the licensee to dispose of such building materials or articles of hotel equipment in such manner as he thinks fit.
- (2) No permit shall be granted under subsection (1) until the licensee has paid to the Collector of Customs or has given security to the satisfaction of the Collector of Customs that he will so pay all sums which would have been payable by way of customs duty, but for this Law, upon the importation of such building materials or articles of hotel equipment.

Application of waiver

9. For the removal of doubt it is hereby declared that waiver of customs duty under this Law is only available in respect of original buildings and not replacement. The installation of intercommunication systems for the first time is to be treated as original matter for the purposes of this Law.

Inventory of hotel equipment to be kept

10. Where any articles of hotel equipment are imported under a licence, the proprietor, for the time being, of the hotel to which the licence relates, shall keep the relevant customs entry forms as *prima facie* evidence of relief from customs duty and if duty is subsequently charged, the fact is to be entered thereon by customs.



Power to revoke licences

11. Where the Governor is satisfied that any licensee has —

- (a) obtained the grant of any licence by any false statement;
- (b) abused or misused any import licence; or
- (c) broken or failed to comply with any conditions of such licence,

he may either suspend the operation of such licence for such time and subject to such conditions as he may think fit or may revoke such licence.

Regulations

12. (1) The Governor may, on the recommendations of the Licensing Board, make regulations for carrying this Law into effect.

(2) Without prejudice to the generality of the power conferred by subsection (1), regulations may be made —

- (a) prescribing the form of, the information to be contained in and the documents to accompany, any application for a licence under section 4;
- (b) prescribing the form in which and the terms subject to which a licence may be granted under section 4;
- (c) prescribing the type of mark to be affixed to articles and the manner in which such mark shall be affixed; and
- (d) prescribing the form of any inventories kept under this Law.

Power to vary First Schedule

13. The Governor may, by order, vary the First Schedule.

FIRST SCHEDULE

(Sections 1 and 13)

Articles of Hotel Equipment

| | |
|---|---|
| Air conditioning equipment and appliances | Fire fighting equipment |
| Bathroom and shower fixtures | Floor coverings |
| Beds | Glass tableware |
| Bed linen | Iceboxes |
| Bedside tables or cabinets | Intercommunication systems |
| Bedspreads | Kitchen and pantry fixtures and utensils |
| Bell equipment and appliances | Laundry fixtures and equipment |
| Blankets | Lawn furniture and umbrellas |
| Blinds | Mattresses |
| Bolsters | Mirrors |
| Bookcases | Organs |
| Cash Registers | Pianos |
| Chairs | Pillows |
| Chests of drawers | Plated tableware |
| Children's playground fixtures | Pumping equipment |
| Counters | Refrigerating equipment |
| Crockery | Restroom fixtures |
| Cupboards | Safes |
| Curtains | Sideboards |
| Cutlery | Silver tableware |
| Desks | Sofas |
| Display cabinets | Stoves |
| Dressers | Swimming pool fixtures and cleaning equipment |
| Electric fans | Tables |
| Electrical equipment for- | Table linen |
| cooking and mixing | Tanks and boilers |
| heating | Telephone equipment |
| ironing | Toilet and washing fixtures |
| laundry | Towels |
| lighting | Vacuum jugs, flasks and jars |
| Electricity distribution equipment | Wardrobes |
| Electricity generating equipment | Water desalination and purification equipment |
| Elevators and connected equipment | Water softeners |
| Filing cabinets | Window shades |



SECOND SCHEDULE

Section 5(1) and 6(2)

Grand Cayman - Districts

1. West Bay Area-Grand Cayman

(The description of this is based on D.C.S. Map No. 328 (Series E821). Method of giving grid references are explained on the map).

All that area enclosed by the following boundaries-

Commencing at the junction of the North West Point Road with the West Bay- George Town Road (MR 575417); thence due east to the North Sound (MR 602417) thence south-easterly following the coast line, except that creeks are included in the area, to Welch Point (MR 619388); thence southerly following the coast line to a point north of the Sound Road (MR 623346), thence due West passing through the junction of the West Bay-George Town Road with School Road to the sea (MR 595346), thence northerly and north-westerly following the coast line to a point south of the junction of the North West Point Road with the West Bay-George Town Road (MR 575416) thence due north to the starting point.

The area is defined on boundary plan No. 1 held at the office of the Chief Surveyor.

| | |
|--------------------------------------|-----------|
| Hotels of not more than 150 bedrooms | Full duty |
|--------------------------------------|-----------|

| | |
|-------------------------------|-----------|
| Hotels exceeding 150 bedrooms | Full duty |
|-------------------------------|-----------|

| | |
|-----------------------------------|---------|
| 2. All other parts of the Islands | 2 1/2%. |
|-----------------------------------|---------|



**Publication in consolidated and revised form authorised by the Governor in Council
this 28th day of March, 1995.**

Mona N. Banks-Jackson
Clerk of Executive Council

