



SAINT LUCIA

CHAPTER 15.17

FREE ZONE ACT

Revised edition

Showing the law as at 31 December 2005

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Revised Edition of the Laws Act.

This edition contains a consolidation of the following laws—

FREE ZONE ACT

Act 10 of 1999 in force 22 May 2000 (S.I.115/2000)

Amended by Act 3 of 2004 in force 24 May 2004

CHAPTER 15.17**FREE ZONE ACT****ARRANGEMENT OF SECTIONS****Section**

PART 1	5
PRELIMINARY	5
1. Short title.....	5
2. Interpretation.....	5
PART 2	7
ESTABLISHMENT, FUNCTIONS, ETC., OF THE FREE ZONE MANAGEMENT AUTHORITY	7
3. Establishment of Free Zone Management Authority.....	7
4. Board of Directors.....	7
5. Meetings of the Board.....	8
6. Functions of the Board.....	8
7. Designation of free zones.....	8
8. Appointment and functions of Chief Executive Officer.....	9
PART 3	10
ACTIVITIES, TAX REGIME, ETC., OF FREE ZONE	10
9. Powers and responsibilities of free zone developer.....	10
10. Application for operation within a free zone.....	11
11. Activities within free zone.....	11
12. Free zone imports and exports.....	12
13. Sale outside free zone of merchandise produced or warehoused in free zone.....	13
14. Sales within a free zone.....	14
15. Records.....	14
16. Safety measures.....	15
17. Foreign exchange control.....	15
18. Free zone regulatory regime.....	16
19. Free zone tax regime.....	16
20. Free zone labour regime.....	17

PART 4	18
FINANCIAL PROVISIONS	18
21. Revenue of FZMA.....	18
22. Application of revenue of FZMA.....	18
23. Temporary investment of funds.....	19
24. Power to borrow.....	19
25. Temporary borrowing.....	20
26. Guarantee of borrowing of FZMA.....	20
27. Reserve fund.....	21
28. Application of surplus.....	21
29. Annual budget.....	21
30. Accounts.....	21
31. Audit.....	22
32. Auditor's report.....	22
33. Report to Minister.....	22
PART 5	23
MISCELLANEOUS PROVISIONS	23
34. Enforcement liabilities.....	23
35. Appeal Board.....	24
36. Regulations.....	24
37. Amendment of Schedule.....	25
38. Saving.....	25
SCHEDULE 1	26
SCHEDULE 2	26

CHAPTER 15.17

FREE ZONE ACT

(Act 10 of 1999 and 3 of 2004)

AN ACT to provide for the establishment and operation of free zones in Saint Lucia to foster commerce, trade and investment with other countries; to promote economic growth and development and related matters.

Commencement [22 May 2000]

PART 1 PRELIMINARY

1. SHORT TITLE

This Act may be cited as the Free Zone Act.

2. INTERPRETATION

In this Act—

“**Chief Executive Officer**” or “**CEO**” means the Chief Executive Officer of the FZMA;

“**domestic Saint Lucian business**” means any local individual, partnership, corporation or other entity conducting a trade or business within the national customs territory;

“**FZMA**” means the Free Zone Management established under section 3;

“**free zone**” means a geographical area in Saint Lucia designated as such by the Cabinet, where investors may establish businesses and conduct trade and commerce, outside of the national customs territory and may include a single business and its facilities, referred to as “Special Free Zone”;

“**free zone business**” means a private or public party which has been granted approval to operate a business under this Act or any regulations under this Act and which conducts a

trade or business, including but not limited to manufacturing, commercial, office, warehousing, professional or other activity, within any free zone established under this Act or any regulations under this Act;

“free zone developer” means the National Development Corporation (NDC) established under the National Development Corporation Act or any other body designated as such by the Minister, by order published in the Gazette;

“free zone export” means anything sold for export by a free zone business and originating in a free zone, regardless of whether such export passes through the national customs territory for shipping or transportation purposes and departs the country outside a free zone;

“free zone import” means any import or service to be delivered to a free zone business, whether from outside or inside the Saint Lucia national customs territory;

“infrastructure” means a physical structure which facilitates economic or other activity, or protects property, such as roads, bridges, or storm sewers;

“Minister” means the Minister for the time being responsible for commerce and industry except where otherwise stated;

“national customs territory” means any area, within Saint Lucia which is located outside a free zone and which is subject to national customs and excise laws;

“private party” means any individual, partnership, company, corporation, or other entity, domestic or foreign, which is not an agency of the Government of Saint Lucia;

“public party” means any agency of the Government of Saint Lucia;

“public service” has the same meaning as in section 124 of the Constitution of Saint Lucia;

PART 2
ESTABLISHMENT, FUNCTIONS, ETC., OF THE FREE ZONE
MANAGEMENT AUTHORITY

3. ESTABLISHMENT OF FREE ZONE MANAGEMENT AUTHORITY

- (1) There is hereby established for the purposes of this Act the Free Zone Management Authority.
- (2) The FZMA shall be a body corporate to which, subject to this Act, section 19 of the Interpretation Act applies.

4. BOARD OF DIRECTORS

- (1) The Minister shall appoint a Board of Directors (in this Act referred to as “the Board”) of the FZMA which, subject to this Act, shall be responsible for the policy and general administration of the affairs of the FZMA.
- (2) The Board shall comprise the following members—
 - (a) one representative of the Ministry of Commerce and Industry;
 - (b) one representative of the Ministry of Finance and Planning;
 - (c) one representative of the Saint Lucia Air and Sea Ports Authority (SLASPA);
 - (d) two representatives of the private sector;
 - (e) one representative of a free zone developer;
 - (f) two representatives of free zone businesses: one representing the commercial sector and the other representing the manufacturing sector;
 - (g) the Chief Executive Officer appointed under section 8, who shall be an ex-officio member and shall have no right to vote.
- (3) The Minister shall appoint suitable persons from among the members of the Board to be Chairperson and Deputy Chairperson;
- (4) Members of the Board of the FZMA shall hold office for a period not exceeding 3 years, but may be reappointed.

5. MEETINGS OF THE BOARD

- (1) The Chairperson shall preside at all meetings of the Board and in his or her absence, the Deputy Chairperson shall preside.
- (2) The Board shall meet at least once every 2 months on a date and at a time set by the Chairperson or at the request of 3 or more members of the Board.
- (3) The quorum for a meeting of the Board shall be 5 members.
- (4) A decision of the Board shall be by a simple majority vote, and in the event of equality of votes, the person presiding at the meeting of the Board shall have a casting vote in addition to his or her original vote.
- (5) Subject to this Act and any regulations, the Board shall regulate its own procedure.

6. FUNCTIONS OF THE BOARD

The functions of the Board shall be to—

- (a) recommend to the Minister, policies, plans, and programmes for development and expansion of free zones;
- (b) designate duty-free shopping areas within free zones;
- (c) review and approve the annual budget, programme and functions of the FZMA as submitted by the CEO of the FZMA;
- (d) carry out any functions assigned to it under this Act and any regulations made under this Act.

7. DESIGNATION OF FREE ZONES

- (1) Cabinet may, by order, designate any geographical area to be a free zone.
- (2) The designation of a free zone shall be subject to a negative resolution of Parliament.
- (3) The Board may establish by regulations, the procedure by which public or private parties may apply for a free zone licence.

- (4) The approval of a free zone licence shall be by resolution of the Board.

8. APPOINTMENT AND FUNCTIONS OF CHIEF EXECUTIVE OFFICER

- (1) The Board shall, after consultation with the Minister, appoint a suitably qualified person as the Chief Executive Officer of free zones, or contract out the duties of such office to a corporate body.
- (2) The functions of the Chief Executive Officer shall be to—
- (a) attend to the daily management of the business activities of free zones in accordance with this Act and regulations and to carry out the policies of the Board;
 - (b) recruit, supervise, discipline and dismiss staff;
 - (c) formulate loan requests for the FZMA and an annual budget with plans and programmes for presentation to and approval by the Board;
 - (d) prepare quarterly reports and an annual report as required by the Board, to be presented to the Board and the Ministry responsible for commerce and industry;
 - (e) execute decisions and resolutions made by the Board;
 - (f) contract the services of management consultants or technical experts on matters of organisation and operations of a free zone;
 - (g) issue permits for the entry and exit of persons, goods and services to and from free zone premises;
 - (h) issue licences approved by the Board to free zone businesses operating within free zones;
 - (i) collect fees and charges as imposed under this Act or the regulations;
 - (j) receive applications for certificates of origin for onward transmission to the Customs and Excise Department;
 - (k) ensure that all building and landscape plans within a free zone comply with the national building codes and any other laws in force;
 - (l) carry out any other responsibilities that may be assigned by the Board.

- (3) For the purpose of this section, “Certificate of Origin” means the documentation issued by the Customs and Excise Department in Saint Lucia for the purpose of designating goods and services as originating from Saint Lucia.

PART 3

ACTIVITIES, TAX REGIME, ETC., OF FREE ZONE

9. POWERS AND RESPONSIBILITIES OF FREE ZONE DEVELOPER

The free zone developer shall have power to—

- (a) lease or sell land to private parties which have been issued a licence to operate in the free zone;
- (b) make improvements, construct facilities and develop infrastructure to enhance the economic development of a free zone;
- (c) provide public or other services within a free zone;
- (d) construct roads, drains, railways, ports, wharves, docks, places of embarkation and disembarkation, stations to transit passengers and merchandise or loading and unloading docks, which shall facilitate trade within a free zone and with a free zone and international trading parties;
- (e) charge fees for any services or facilities it provides within a free zone;
- (f) adopt rules and regulations within a free zone to promote the safe, efficient and successful operations of a free zone business;
- (g) promote and advertise free zones to prospective investors, business owners and operators and promote free zones abroad to increase sales for clients;
- (h) provide adequate services and facilities within the free zone in accordance with the recommendations of the Board;
- (i) conduct any other activities authorised under this Act or any regulations under this Act and approved by the Board.

10. APPLICATION FOR OPERATION WITHIN A FREE ZONE

- (1) Any public or private party desirous of operating in a free zone shall submit an application to the Board for review and approval in accordance with this Act and any regulations made under this Act.
- (2) The Board, in considering an application for approval submitted under subsection (1), shall take into consideration whether the proposed business enterprise will—
 - (a) conduct trade and investment activities such as a commercial office, warehousing, manufacturing, insurance services, telecommunication services, financial services, banking services, or other professional, or related activities;
 - (b) not have a deleterious effect on the environment having regard to any environmental impact assessment made for the purpose; and
 - (c) be conducted in compliance with all applicable, legal and regulatory requirements under this Act or under any other law in force in Saint Lucia.
- (3) Private and public parties shall operate only within the free zone in which they have been authorised to operate.

11. ACTIVITIES WITHIN FREE ZONE

- (1) The licence for a free zone business shall state the business activity the free zone business may conduct within the Zone, and the free zone business shall be limited to the business authorised in the licence.
- (2) Activities of a free zone business may be conducted entirely within the free zone or between the Saint Lucia free zone and foreign countries.
- (3) Activities of a free zone business within the national customs territory shall be limited to transportation or business meetings.
- (4) Any private or public party, or group of parties may establish wholesale business on property it occupies within the free zone if it has secured approval from the FZMA to establish such business.

- (5) A trade licence shall not be required to conduct a free zone business except in situations where the Board directs in writing that the applicant should apply for a trade licence under the Trade Licences Act.
- (6) Where the Board makes a trade licence a requirement for the operation of a free zone business, then the Trade Licences Act shall apply to the business despite any provision in this Act.

12. FREE ZONE IMPORTS AND EXPORTS

- (1) All merchandise, articles, or other goods entering a free zone for commercial purposes shall be exempt from all customs duties, taxes and related charges.
- (2) All fuel and goods including building materials, furniture, equipment, supplies and parts required for the proper functioning of a free zone business shall likewise be exempt from all duties and taxes and charges referred to in subsection (1).
- (3) Motor vehicles and fuel for personal use entering a free zone shall not be exempted from the taxes and duties referred to under subsection (1).
- (4) Quotas upon any article, item, or good shall not apply to imports or exports of a free zone business.
- (5) Subsections (1) to (4) shall apply to the free zone developer.
- (6) The FZMA shall exercise responsibility and control, in accordance with regulations, over all such goods and merchandise allowed to enter a free zone.
- (7) Merchandise destined for a free zone shall be taken from port of entry in sealed containers to the free zone where they shall be inspected by the Customs and Excise Department to ensure that—
 - (a) they do not contain prohibited items or materials; and
 - (b) the goods are accompanied by appropriate documentation.
- (8) All merchandise entering a free zone shall be consigned to a person or firm established in the free zone.

- (9) Imports or exports by a free zone business shall not require an import or export licence except goods the importation of which is restricted under the External Trade Act.
- (10) The following goods shall not be allowed to enter a free zone—
 - (a) goods which are prohibited by law to enter Saint Lucia;
 - (b) arms and ammunition, except for purposes of security;
 - (c) merchandise not approved for sale by the Board of the FZMA; and
 - (d) goods and articles which are not required for the commercial functioning of a free zone.
- (11) All exports from a Free Zone to the national customs territory shall be subject to duties under the national customs regime, however, such duties shall be based on the customs value in accordance with the provisions of Schedule 2 to the Customs (Control and Management) Act.

(Amended by Act 3 of 2004)

13. SALE OUTSIDE FREE ZONE OF MERCHANDISE PRODUCED OR WAREHOUSED IN FREE ZONE

- (1) Merchandise produced or warehoused in a free zone may be sold—
 - (a) for direct export whether by sea, air or land, if such merchandise arrive at the port of exit under customs control;
 - (b) to ships that dock at ports in Saint Lucia and are destined for other foreign ports;
 - (c) into national customs territory, provided the goods are wholesaled, and the import licence if so required, is secured and the customs duties paid;
 - (d) to diplomats of other countries who under customary and conventional international law are exempted from payment of duties;
 - (e) into national customs territory, if the goods are sold retail in operations which have licences to sell to duty-free residents and non-residents who are leaving the country and have submitted proof of departure.

- (2) Goods sold under subsection (1)(e) shall be delivered to the buyers at an approved port of exit or embarkation.
- (3) The removal of merchandise from a free zone for sale into the national customs territory or to ships in transit may be effected on any day and at any time.

14. SALES WITHIN A FREE ZONE

- (1) Merchandise may be sold within a free zone from one business to another, if a proper record is kept of such transactions.
- (2) A licence is not required for any goods, articles or services sold within a free zone.
- (3) A free zone business may, if so required by the vendor, pay for any article, item, material, goods or service in any currency.
- (4) Price controls imposed under any law shall not apply to the sale of any such article, goods or service sold or supplied within a free zone.

15. RECORDS

- (1) The Customs and Excise Department or the Board shall require a free zone business to furnish such information about imports, and exports and other transactions occurring within a free zone as may be necessary to exercise regulatory control over free zone activities.
- (2) A free zone business which is required to furnish information in accordance with subsection (1), shall comply with such request without delay and shall cooperate fully with the Customs and Excise Department and the FZMA in the proper discharge of their regulatory functions.
- (3) In special cases, the FZMA may consider it necessary to have an inventory account, sales and transfer record prepared on demand and these records may also apply to free zone activities.
- (4) Every free zone business shall submit a detailed account of its full inventory in whole or in part to the FZMA within one week from the last day of every month or upon request by the FZMA and such account shall include all records of entry, sales, destruction and transfers of such inventory.

16. SAFETY MEASURES

- (1) The free zone developer may, or at the request of the Ministry of Health, shall, prevent any merchandise which poses a threat to public health or safety from entering the free zone.
- (2) Merchandise may remain in a free zone for an unlimited period of time, if they are non-perishable and are warehoused in places and under conditions suitable for such merchandise.
- (3) The FZMA shall require the owner of a free zone business to dispose of perishable goods under its control within a certain period.
- (4) The free zone developer may, or at the request of the Ministry of Health, shall require the FZMA to remove from a free zone any particular merchandise which poses a threat to public health or safety.
- (5) Where the owner of a free zone business who has been requested to dispose of goods under his or her control within a certain period fails to dispose of the goods, the FZMA shall remove the goods and dispose of the goods and recover any expenses incurred in the removal and disposal from the owner or person in charge of the goods or sell the goods by auction and recover any extra expenditure from the owner or person in charge of the goods.

17. FOREIGN EXCHANGE CONTROL

- (1) Despite anything contained in the Exchange Control Act or regulations made under it—
 - (a) restrictions shall not be made on foreign exchange transactions including the sale of foreign currency, or the transfer of foreign exchange into, out of, or within a free zone by free zone businesses;
 - (b) Government charges or taxes shall not be made on the use of foreign currency within a free zone;
 - (c) each free zone business shall open an account in any currency with a duly registered bank of its choice which is located in the free zone.

- (2) A free zone business shall furnish to the FZMA and the Eastern Caribbean Central Bank, a monthly report of transactions in its foreign currency accounts.
- (3) Subject to section 10 banks and financial institutions which are licensed under the laws of Saint Lucia shall be allowed to operate within a free zone, but their transactions shall be limited to free zone businesses only.

18. FREE ZONE REGULATORY REGIME

- (1) A person shall not be allowed to ordinarily reside within a free zone except with the written permission of the Board.
- (2) An exclusive franchise to sell any particular good or service shall not be granted within a free zone.
- (3) Restrictions shall not be placed on the transfer of investment of a free zone business within a free zone and a free zone business shall not be restricted to investing in any other free zone business in its purchase of stocks or bonds.
- (4) The sale of stocks and bonds of any free zone business shall be registered at the Registry responsible for the registration of companies and the FZMA shall be furnished with a certified copy of the company certificate and articles or memorandum of association.

19. FREE ZONE TAX REGIME

- (1) Despite anything contained in the Income Tax Act there shall be levied on the chargeable income of a free zone business within a free zone, income tax at the rates prescribed in Schedule 1.
- (2) In the computation of income tax under this section, there shall be given credits in accordance with the number of citizens of Saint Lucia employed on a continuous basis by every free zone business in accordance with the scale prescribed in Schedule 2.
- (3) During the first 5 years of its operation, a free zone business shall be exempt from income tax or capital gains tax or any new corporate tax levied by the Government of Saint Lucia after the commencement of this Act, and any dividends paid by a free

zone business shall be exempt from such tax for the first 20 years of its operation.

- (4) Where a free zone business incurs a total net loss over the 5 year tax holiday specified in subsection (3) that loss may be carried forward and deducted against profits in the 3 years following the tax holiday period.
- (5) Any proceeds from the sale of stock or other partial or complete ownership interest in a free zone business shall be exempt from tax levied under this section.
- (6) The tax levied under this section shall be collected by the Comptroller of Inland Revenue and the Income Tax Act shall, subject to this section and any regulations made under this Act, apply to the collection of tax, and any appropriate action may be taken under the Income Tax Act against a defaulter.
- (7) A free zone fee equal to the sum of 5% of tax collected by the Comptroller of Inland Revenue under this section in any year of assessment shall be placed to the credit of the FZMA.
- (8) The FZMA shall be exempt from all taxes.
- (9) Despite the Income Tax Act gross receipts tax and any form of value added tax shall not apply within a free zone.

20. FREE ZONE LABOUR REGIME

- (1) All free zone businesses shall pay their employees in the currency of Saint Lucia.
- (2) There shall be no restrictions in respect of hours of operations of free zone businesses and they may open 24 hours a day, 7 days a week.
- (3) Subject to this Act the provisions of any law in force with respect to work permit shall apply to the free zone developer, the FZMA and to free zone businesses.
- (4) Applications by free zone businesses for work permits shall be submitted to the Ministry of Labour through the office of the FZMA.
- (5) Despite anything contained in the Immigration Act or any other law, no fees shall be payable for work permits issued under this section to management staff of free zone businesses for an initial period of 5 years.

- (6) The Minister may by order extend the period under subsection (5) for a further period.

PART 4 FINANCIAL PROVISIONS

21. REVENUE OF FZMA

- (1) The Revenue of the FZMA shall consist of—
- (a) the sums received by the FZMA in respect of dues and charges levied and payable under this Act and any regulations; and
 - (b) all other sums other than loans that may become payable to or vested in the FZMA in respect of any matter incidental to its powers and duties.
- (2) All sums referred to in subsection (1) and all loans shall be paid into and placed to the credit of an account at a Bank approved by the Minister.

22. APPLICATION OF REVENUE OF FZMA

The revenue of the FZMA in any financial year shall be applied in payment of the following charges—

- (a) the interest and other charges on, and provisions for repayment of any loan payable by the FZMA;
- (b) the sums required to be paid towards the repayment of any loan made to the FZMA;
- (c) the remuneration, fees and allowances payable under this Act;
- (d) the salaries, remuneration, allowances, pensions, gratuities, provident fund and other superannuation benefits of the officers and staff, employed in or in connection with the activities carried on by the FZMA;
- (e) the working and establishment expenses of, and the expenditure on, or provision for the maintenance of the property and installations of the FZMA;
- (f) the discharge of the functions of the FZMA properly chargeable to revenue account;

- (g) such sums as the FZMA may deem appropriate to set aside in respect of obsolescence and depreciation or renewal of the property or installations of the FZMA;
- (h) the cost, or any portion thereof, of any new works, plant, or appliances not being a renewal of property of the FZMA, which the FZMA may determine to charge to revenue;
- (i) any other expenditure authorised by the Board and properly chargeable to revenue.

23. TEMPORARY INVESTMENT OF FUNDS

- (1) The FZMA may, after consultation with the Minister, temporarily invest any of its funds not required to be expended in meeting obligations or in the discharge of its functions.
- (2) All income from such investment shall be paid to the credit of the FZMA's account as provided in section 21(2).

24. POWER TO BORROW

- (1) Subject to this Act, the FZMA may, for the purposes of this Act raise loans—
 - (a) from the Government; or
 - (b) with the consent of the Minister, from any other source.
- (2) The power to borrow under this section may be exercised—
 - (a) to borrow and reborrow moneys by the creation, issue and sale of debentures or debenture stock or other security for the purpose of raising funds for the FZMA for the effective exercise by it of the powers conferred by this Act;
 - (b) to create and issue debentures or debenture stock or other security for any debentures or debenture stock or other security respectively issued in respect of moneys previously borrowed by the FZMA, and not repaid;
 - (c) to create, issue and sell debentures or debenture stock or other security for the purpose of borrowing money for redeeming any loans owing by the FZMA and for paying the expenses incurred in the creation and issue of the

- debentures or debenture stock or other security and otherwise carrying out the provisions of this Act;
- (d) to effect any conversion authorised by this section either by arrangement with the holders of the existing debentures or debenture stock or other security, or by the purchase of the debentures or debenture stock or other security out of moneys raised by the sale of the security or partly in the one way or partly in the other.
- (3) Despite section 25, the power of the FZMA to borrow under this section shall not be exercised unless a proposal in writing is first submitted to and approved by the Minister showing—
- (a) the amount and particulars of the proposed loan;
 - (b) the rate of interest to be paid on the loan;
 - (c) the source or sources from which the loan is to be obtained;
 - (d) the purposes to which the money proposed to be borrowed is to be applied; and
 - (e) the manner in which the loan is to be repaid.

25. TEMPORARY BORROWING

The FZMA may, with the consent of the Minister borrow by way of a temporary loan or overdraft from a bank or otherwise, any sum which it may temporarily require—

- (a) for the purpose of defraying expenses pending the receipt of revenues recoverable by it in respect of the period of account in which those expenses are chargeable; or
- (b) for the purpose of defraying, pending the receipt of money due in respect of any loan authorised to be raised under section 24(1), expenses intended to be defrayed by any such loan.

26. GUARANTEE OF BORROWING OF FZMA

- (1) With the approval of Parliament, the Minister may guarantee, in such manner and on such conditions as he or she may think fit, the repayments of the principal of and the payments of interest and other charges on any authorised borrowing by the FZMA.

- (2) Where the Minister is satisfied that there has been default in the repayment of any such principal or the payment of any such interest or other charges guaranteed under this section, he or she shall direct the payment out of the Consolidated Fund, of the amount in respect of which there has been such default.
- (3) The FZMA shall make to the Accountant General at such times and in such manner as the Minister may direct, payments of such amounts as may be so directed in or towards repayment of any sums issued in fulfilment of any guarantee given under this section, and payments of interest on what is outstanding in respect of any sums so issued at such rate as the Minister may direct, and different rates of interest may be directed as regards different sums and as regards interest for different periods.

27. RESERVE FUND

The Authority shall establish and maintain a reserve fund which shall be dealt with and applied as the Authority may determine.

28. APPLICATION OF SURPLUS

Any balance at the end of the financial year resulting from the activities carried on by the Authority under this Act which is available after making full allowance for the matters enumerated in section 22 shall be paid to the credit of the Consolidated Fund.

29. ANNUAL BUDGET

- (1) The FZMA shall cause to be prepared and shall adopt every year a budget in respect of the ensuing financial year.
- (2) The FZMA may revise the budget so adopted at any subsequent meeting.
- (3) A copy of every budget and revised budget shall, after adoption by the FZMA, be sent to the Minister.

30. ACCOUNTS

- (1) The FZMA shall keep proper books of account in which shall be recorded all its transactions to the satisfaction of the Minister

and shall prepare and retain financial statements in respect of each financial year.

- (2) The financial statements shall present a true and fair view of the financial position of the FZMA and of the results of the operations of the FZMA.

31. AUDIT

- (1) The accounts of the FZMA shall be audited in each financial year by an independent, qualified and experienced auditor appointed by the FZMA.
- (2) The Board, officers and staff of the FZMA shall grant to the auditor appointed to audit the accounts under subsection (1) all books, deeds, contracts, accounts, vouchers or other documents which he or she may deem necessary to call for, and may require any person holding or accountable for any such document to appear before him or her and make a signed statement in relation thereto and may require from such person such information as he or she deems necessary.
- (3) Any person to whom a request to produce a document or to enter an appearance and make and sign a statement or furnish information, who fails without reasonable excuse, to comply with such requisition, commits an offence under this Act and is liable on summary conviction to a fine not exceeding \$5,000 or to a term of imprisonment not exceeding one year.

32. AUDITOR'S REPORT

The auditor shall, as soon as practicable but not later than 3 months after the end of each financial year, send copies of the audited financial statements and the report thereon to the FZMA.

33. REPORT TO MINISTER

- (1) The FZMA shall, as soon as practicable but not later than one month of the receipt of such financial statements and report as provided in section 32, submit a report to the Minister containing—
 - (a) such audited financial statements and report thereon; and

- (b) a review of the activities of the FZMA during the preceding financial year in such form as the Minister may direct.
- (2) The Minister shall cause a copy of the review together with a copy of the audited financial statements and the auditor's report thereon to be laid on the table of Parliament within one month of the receipt thereof.

PART 5 MISCELLANEOUS PROVISIONS

34. ENFORCEMENT LIABILITIES

- (1) The FZMA may take action for violation of any requirements under this Act by a free zone business in accordance with this Act.
- (2) If a free zone business violates laws pertaining to its licence to operate a free zone business the FZMA, after proper notice and hearing, may revoke the licence to operate in the free zone.
- (3) Where the FZMA determines that a foreign national working for a free zone business is in breach of the requirements of his or her work permit, the FZMA may recommend the revocation of such permit to the Ministry of Labour.
- (4) A free zone business shall be liable for any damage to persons or property which may result from any violations of applicable regulatory requirements by the free zone business.
- (5) The Ministry responsible for Commerce, the FZMA, and other Saint Lucia regulatory authorities shall have authority to inspect any free zone operations or facilities for possible violation of applicable requirements.
- (6) Each free zone business shall have the right to sue the free zone developer in the courts of Saint Lucia or to submit to arbitration to enforce its rights under this Act.
- (7) The free zone developer shall have the right to sue the FZMA in the courts of Saint Lucia or to submit to arbitration to enforce its rights under this Act.

- (8) The free zone developer and free zone businesses shall enjoy protection from deprivation of property in accordance with the fundamental rights guaranteed under the Constitution of Saint Lucia.

35. APPEAL BOARD

- (1) There shall be established an FZMA Appeal Board (hereinafter referred to as “the Appeal Board”) which shall comprise of 3 members as follows—
 - (a) the Attorney General or his or her representative;
 - (b) a person with suitable knowledge and experience from the public sector to be appointed by the Minister;
 - (c) a private sector representative.
- (2) The Minister shall appoint one of the members of the Board to be the Chairperson of the Appeal Board.
- (3) The Chairperson of the Appeal Board shall serve for a period of 3 years and may be reappointed.
- (4) A free zone business may appeal any revocation of licence to the Appeal Board within 21 days of the revocation of such licence, and such revocation of licence shall remain in force until such time that a final decision is given by the Appeal Board.
- (5) Despite subsection (4), the Appeal Board may extend the time under subsection (4) upon good cause being shown.
- (6) The Appeal Board shall hear appeals under subsection (4) as far as practicable within 21 days of the appeal.
- (7) The Appeal Board may make rules to govern its own procedure.

36. REGULATIONS

The FZMA may, after consultation with the Minister, make regulations—

- (a) prescribing the criteria for obtaining a licence to establish a free zone business;
- (b) prescribing application fees and administrative fees; and

- (c) generally, for the better carrying out of the provisions of this Act.

37. AMENDMENT OF SCHEDULE

The Minister with responsibility for finance may amend any of the Schedules to this Act, by order published in the Gazette.

38. SAVING

Any geographical area or industry declared as a Customs Free Zone under the repealed Customs Free Zone Act, 1983, continues in operation as if it were a free zone business under this Act until such declaration is revoked under this Act or by regulation.

SCHEDULE 1

(Section 19(1))

RATE OF INCOME TAX

(a)	up to EC\$15,000 of total chargeable income.....	2%
(b)	over EC\$15,000 and up to EC\$30,000 of total chargeable income	4%
(c)	over EC\$30,000 and up to EC\$100,000 of total chargeable income	6%
(d)	over EC\$100,000 of total chargeable income.....	8%

SCHEDULE 2

(Section 19(2))

SCALE OF CREDITS

(a)	from 10 to 30 citizens of Saint Lucia employed.....	1% of taxable income
(b)	over 30 and up to 50 citizens of Saint Lucia employed.....	5% of taxable income
(c)	over 50 citizens of Saint Lucia employed	2% of taxable income