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SUPPORT. PROMOTE. PROTECT.

The Cayman Islands Chamber of Commerce was established in 1965 and is a non-profit organisation that exists to Support, Promote and Protect Cayman business and the wider community. We proudly represent nearly 700 businesses and associations from every major industry sector.

27th February 2014

VIA EMAIL: wayne.panton@gov.ky

Hon. Wayne Panton
Minister for Financial Services, Commerce and Environment
Government Administration Building
George Town, Grand Cayman
Cayman Islands

Hon. Minister,

RE: SMALL BUSINESS RELIEF PROPOSALS

The Chamber Council is pleased to submit for your consideration proposals to assist small businesses in the Cayman Islands. This submission follows the public announcement by the Premier at the CEO conference on the 20th February 2014 confirming that Government intends to propose a “range of measures” during the spring’s budget process aimed at cutting operating fees for small businesses. We are sharing these proposals for your consideration as requested during our recent meeting and the pressing deadlines for the 2014/2015 budget cycle. If necessary, we would welcome an opportunity to meet with you to discuss these proposals in greater detail. We are also planning to host some focus sessions to engage the small business sector and would invite you and DCI representatives to attend.

As the largest association representing this important sector, the Chamber is uniquely positioned to provide information that you may find helpful when developing a small business relief package. The recent Chamber of Commerce State of Business survey confirmed that the cost of doing business is the leading issue facing Chamber members generally. Business costs are being driven mainly by high labour expenses, specifically work permit fees, government fees and fuel. The escalating costs of health and property insurance are also high on the list of small business concerns.

We are proposing that your Ministry considers the following small business relief initiatives for implementation over an 18 month period from 1st June 2014 to



December 31st 2016. The proposed package would be based on the following conditions:

1. Applicable only for micro and small businesses as classified by the Department of Commerce and Investment (DCI);
2. Small businesses that qualify must be fully compliant with pensions and health insurance obligations and have paid all outstanding fees owed to Government. If a small business has a formal arrangement in place with a Government agency to pay off their debts then they would also be eligible.

The small business relief package that we are proposing, subject to further review by the Cayman Islands Government, falls into two broad categories: financial and technical.

FINANCIAL

- 30% reduction in trade and business licensing fees;
- 7.5% off the current import duty tax;
- 25% concession on custom duties for new small business start-ups;
- 30% concession on customs duties for small businesses that introduce alternative energy solutions;
- 25% reduction in all work permit fees and a 50% discount on permit fees for part time staff (20 hours per week);
- 25% reduction in work permit fees for managerial level positions.

TECHNICAL

- Free access to training courses through the Chamber of Commerce Professional Development and Training Centre during the period. The Cayman Islands Government would reimburse the Chamber for the courses at reduced Chamber course rates. The DCI would work with the Chamber to identify





special courses that can be designed to meet the needs of small businesses.

- Access to two one hour small business consulting/ advisory sessions with a legal, accounting or other professionals during the period.
- Development of a small business mentoring programme that would match up small businesses with larger businesses who would be willing to offer advice and assistance on business related matters addressing all aspects of a business.

The Chamber is also willing to work with the Ministry and DCI to develop a national small business strategy as a matter of urgency. Such a strategy would include ways to stimulate small business growth in emerging industry sectors and would establish some measurable targets. The strategy could include stronger fines for illegal vendors and a more formal system managed by the DCI whereby small businesses get better access to large development projects and opportunities.

Thank you for considering these proposals and please let me know if you wish to meet to discuss them in greater detail.

We look forward to your response to these proposals which are intended to assist small businesses. We believe the proposals are in the best interests of our membership and will assist in national efforts to encourage more Caymanian entrepreneurs to start small businesses which ultimately benefits the wider community.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Johann Moxam", is written over a light blue circular watermark that contains three stars.

Johann Moxam
President

