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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 more than 700 businesses and associations from every major industry sector and have recently expanded our operations to include a Visitors Centre.

MINUTES OF THE 7th MEETING OF THE 2012 COUNCIL ON 11th JULY 2012 AT THE CHAMBER OF COMMERCE & VISITORS CENTRE SECOND FLOOR BOARD ROOM, WEST BAY, GRAND CAYMAN, CAYMAN ISLANDS.

ATTENDING:

- Mr. David Kirkaldy, President and Chairman
- Mr. Johann Moxam, Vice President
- Mr. Lendon Jackson, Secretary
- Mr. Wayne Cowan, Treasurer
- Mr. Shayne Howe, 3rd Year Councilor
- Mr. Barry Bodden, 3rd Year Councilor
- Mr. Kyle Broadhurst, 2nd Year Councilor
- Mr. Rory Mohammed, 1st Year Councilor
- Mrs. Natalie Urquhart, 1st Year Councilor
- Mr. Wil Pineau, CCE, Chief Executive Officer

1. Call to order

President David Kirkaldy called the meeting to order at 3:35 p.m. He confirmed the required quorum of five Council members for the meeting. CEO Wil Pineau recorded the minutes.

2. Apologies

- Mr. Chris Duggan, President-Elect
- Mr. James O'Neill, Immediate Past President
- Mr. Alan Brady, 1st year Councilor

3. Review/Approval of draft minutes from the 13th June 2012 Council meeting

The draft minutes were distributed prior to the meeting for review. A motion to accept the draft minutes without amendment was moved by Councilor Mohammed, seconded by VP Moxam and approved unanimously. The President and Secretary will sign the approved minutes which are to be posted to the members section of the Chamber website.

a. Request for proposal (RFP) for health insurance plan for Chamber members

Council accepted the proposal from ASUIA on condition that the required licenses from the Health Insurance Commission are submitted to the Chamber by the 13th September 2012. President David has written to the company informing them of the Council's decision.

b. Employment Guide for Chamber members

Councilor Alan has met with Mr. Nic Joseph, Partner at Appleby, to review the arrangements for the development of a Chamber Employment Guide that can be used by members to better understand the various pieces of employment legislation. Mr.



Joseph previously confirmed that he had developed such a guide for the firm and this document can be adapted to meet the needs of the Chamber. The document will be co-branded with the Chamber and Appleby will be recognised for producing the document. Councillor Alan said the document will address pension, labour and health insurance information. He is reviewing the partnership and should have this wrapped up before the September Council meeting. Mr. Mario Ebanks was unable to attend today's Council meeting to share details about the structure of the new department. He is prepared to attend the September meeting.

c. Council membership referrals

The CEO distributed an electronic version of the membership directory to the Council and requested each Councillor to submit the names five businesses that are not included in the membership from their industry sector. To date, two Councillors have submitted possible membership referrals in their industry sector.

d. One Person One Vote campaign

Web advertising has been placed on Cayman News Service to promote the Chamber's support for One Person One Vote and is posted from 6th June until 18th July. A full page ad has been inserted in CHAMBER Magazine which was released in the Compass today (11th July) one week before the referendum vote. President David and CEO Wil spoke on the Talk Today programme on Thursday, 20th June and Rooster FM on Tuesday, 3rd July. Email information encouraging registered voters within the Chamber membership to vote yes for the referendum has also been released weekly.

e. Chamber appointments to Government boards and advisory groups

A list was completed and distributed to the Council.

4. CEO Report (8th June – 6th July 2012)

The report was distributed to the Council prior to the meeting for review and will be attached to the minutes.

5. New Business

a. Showmethemoney.ky website presentation

The CEO provided the Council with an update on the progress with introducing the new scholarship, training and education website and the benefits for students and businesses. The new scholarship website is planned for launch in September.

b. Small Business Committee report

Secretary Len, who serves as Chairman of the Chamber Small Business Committee, presented the committee's main recommendations for consideration by the Chamber Council:



1. Businesses have government fees, insurance, rent, inventory, employees, advertising, as well as other costs to do business today. There is no difference between what a consumer and business pays in duty to import an item and in most cases the cost to buy that item is the same for both. We recommend that a licensed business receive a duty discount of 30 percent off on all items they import for resale. A licensed business will pay a duty of 12% (if retail items) compared to 22% that is paid currently. That represents a savings of \$100.00 off per thousand dollars imported.

This will do two things.

- The local consumer will be encouraged to purchase locally, as most retailers will pass the saving on to the consumer. At the most basic level, when you buy local more money stays in the local economy.
- If a business is not in compliance (as that will be verified by the Customs Department under the new registration process) that business will find it much harder to compete.

Please note: Government has given discounts on stamp duty, construction supplies, as well as other discounts to stimulate the economy. This needs to be put into action for the 2012 Christmas season.

We also feel that a public media campaign is needed to support this.

2. The Chamber must have a stronger voice for its members. To do this it should have a seat on each of the Government Boards that effect the business community such as Trade and Business Licensing, Immigration, Labour, etc.
3. Government offer any new one, two or three person startup a discount of 50% off their Trade and Business License and 50% off on their first two work permits (if needed) for the first two years of operation.
4. The public should be given access to an online database that lists the names and types of businesses as well as how long they have been licensed to operate. Listing of all licensed businesses will protect the public from illegal operators. Doing so will force more non-compliance businesses to comply.
5. There are too many different work permit descriptions. The difference between an administrative assistant and clerk filing is \$1,000.00 per year difference and an administrative secretary is \$3,500.00 but a personal assistant is \$ 4,000.00. What's the difference? Is anyone unknowingly working under the wrong license breaking the law? Let's make it easy to comply by reducing job descriptions so people don't make errors.



The committee is also recommending that its work does not stop with this report and suggests the following action to be taken once the committee obtains a list of approved trade and business license holders:

1. Determine the types and number of businesses and what they offer in terms of goods and services;
2. Educate the public as to what is available locally and educate other businesses about what can be accessed and utilized locally;
3. Determine what items and services businesses have to seek overseas suppliers for, which could lead to a new business which could supply those needed goods or services at a wholesale level;
4. Draft a series of articles which could be published about our vibrant economy and what is available locally, and the importance of buying locally rather than supporting a foreign jurisdiction - making it clear that unless a local business is supported it will not be there when they need it
5. Develop an educational campaign to educate the public and government about just how much small businesses contribute to our economy and community by way of create jobs which leads to increased dollars in the local economy, provide goods and services locally, mentor and educate/train locals, many businesses create spin off businesses (suppliers/complimentary), small businesses fund government through various license fees, duty, garbage fees, offer scholarships, serve on boards and fund non-profit organizations and charities.;
6. Educate small businesses regarding being trustworthy, honouring warrantees, giving back through contribution of funds and time to charity, non profits and government

The Council was supportive of the work of the committee, but believed that additional research and statistical analysis needed to be completed before presenting any recommendations to Government. It must first be demonstrated that by lowering import duty rates for local businesses and increasing import duty rates for residents this will lead to increase local shopping and will improve duty collection for Government. There is also a need to ensure that any changes to the duty structures will lead to the desired economic stimulus for small businesses. Everyone also agreed that there is also a need to carry out additional research to examine duty systems used in other overseas territories and evaluate their effectiveness.

ACTION ITEMS: Additional research on duty systems in other OTs will be conducted. Government and private sector officials will be consulted to seek their views on the recommendations and the current duty system and how it can be improved to support small businesses. Once completed, a revised strategy will be presented to the Council for consideration.

c. Impact of duty increase on shell fish from 12 to 17%

Mr. Dax Foster from Progressive Distributors Ltd. wrote to the Chamber to advise that the duty rate for shellfish, namely lobster and shrimp, has increased from 12 to 17%



which represents a 41% increase. He said Lobster and Shrimp are core items in the food service industry locally and worldwide. It is important to our local consumers and our tourist and visitors. He believed the decision to increase duty will have a major negative impact on local restaurants, hotels, supermarkets and their customers and suppliers. Lobster will simply be too expensive for the average consumer to buy and consume which could result in the following:

- Some restaurants removing Lobster from their menus due to an already high food cost now going even higher!
- The price of shrimp on menus will rise sharply which will lower demand
- A potential increase in poaching of Lobster from local waters to fill the void created by inflating the already high cost of importation
- Detract from the high standard experience that our locals and tourist enjoy when dining out

He also said to protect our local lobster inventory and waters; we should reduce the current duty and not increase it! This would increase supply and demand for the product locally and improve the dining experience for everyone in the Islands by making it affordable to buy, sell, cook and eat Lobster! It should be noted that Lobster is managed and regulated by worldwide quotas to preserve the species. In a nut shell, If we start attacking Lobster and Shrimp with even higher Duty rates, we are seriously hitting the tourism product as well as the local consumer! He asked if the Chamber could help to bring awareness to this new duty increase as it will negatively affect us all. The Council decided that before raising this matter publicly that the Customs Department should be contacted to confirm if this was a mistake. They also wanted to determine if there were other duty rates that had been adjusted, possibly in error.

ACTION ITEM: CEO is to contact the Customs Department to seek clarification on the duty rates.

6. Any other business

a. Generation Now invitation

Generation Now invited the Chamber President to serve on a panel to respond to questions on the One Person One Vote debate on Thursday, 12th July at the Harquail Theatre from 6:30 – 9:30 p.m. The President accepted the invitation and will speak on the Chamber position and will refrain from entering any discussion that can be perceived as political in nature.

b. Email from Global Compliance Solutions

Secretary Len informed the Council that he was copied on an email from this member on 1st July regarding a new anti-money laundering training course being planned by the Chamber's Professional Development and Training Centre in January 2013. The member was concerned that this course competes with her core business and that she was not contacted to offer the course. The CEO will meet with the firm and explain the process that led to the development of the course and will ensure that her business is



included on any future requests for proposals for training that are issued. This was an oversight by a staff member and was not intended to exclude the firm.

7. **Next meeting:** Wednesday, 12th September 2012, Chamber conference room, Governors Square, 3:30 p.m.
8. **Adjournment**
The meeting adjourned at 4:55 p.m.

Approved by:

David Kirkaldy
President & Chairman

Lendon Jackson
Secretary