

Trade & Business Licensing Law (2014)

Frequently Asked Questions

What is the new Trade & Business Law (2014)?

The New Trade & Business Licensing Law 2014 will repeal and replace the current Trade & Business Licensing Law (2007 Revision).

This new law will make significant modifications that address fundamental issues faced by DCI, the local business community and the Trade & Business Licensing Board. This law was passed in the Legislative Assembly in November 2014 and it is anticipated to be implemented in the Summer 2015.

What are some of the biggest changes/additions to the new law?

One of the most important additions to the new Trade & Business Law (2014) is the definitions of small and micro businesses:

The law states that “micro business” means a business that employs less than five persons, not including the owner and has an annual gross revenue of two hundred and fifty thousand dollars or less;

And “small business” means a business that employs up to a maximum of twelve persons, not including the owner, and which has an annual gross revenue of up to seven hundred and fifty thousand dollars;

Additionally the law now provides for “trade officers” who are public officers from the Department of Commerce and Investment and who will carry out a variety of regulatory and enforcement tasks

What was the purpose of the proposed changes to the Trade & Business Law (2007) Revision in this new law?

- Delegation of duties from the Board to DCI
- Enforcement Powers
- Correct Ambiguities
- Provide Penalties and introduction of a ticketing system
- Create a Process of Appeals
- Creates the ability to revoke and suspend licenses
- Allows for the granting of incentives to small and micro businesses

What are some of Authorities and Powers of Trade Officers and the T&B Board?

DCI Trade Officers will have authority under this law to carry out such instructions given by the Trade & Business Board or the Department of Commerce & Investment.

DCI Trade officers will have all the rights, powers, privileges and immunities of a constable when carrying out their duties under this Law and will be able to enter and search any premises with a necessary warrant from a JP or Magistrate.

Where the Board or Department reasonably suspects a breach by a licensee of any provision of this Law, the Regulations or a licence, or where an allegation of breach is made to the Board or Department against a licensee, the Board or Department can conduct an investigation if necessary in relation to the licensee.

Are there penalties for breaking the law?

If a person or a business operates without the proper Trade & Business License they can be subject under the law to a fine of five thousand dollars or to imprisonment for a term of one year, or to both for a first offence. In the case of a second offence there is a potential fine of twenty thousand dollars or imprisonment for a term of two years, or both. There is also a ticketing system through which persons/businesses can be issued tickets and fined for some offences.

Anyone who destroys, alters, hinders, obstructs, prevents or interferes with a trade officer or police officer while he attempts to carry out his duties under this section also commits an offence and is liable on summary conviction to a fine of five thousand dollars or to imprisonment for a term of one year, or to both.

What forms will I need to apply for a Trade & Business License under this new law?

The documents and applications for a Trade & Business license under this law will be similar to those already required. They will include:

- * Application Form
- * Stamped copy of the company's annual return
- * Evidence of status as a Caymanian
- * A police clearance for the grant of a license
- * A bank reference for the applicant for the grant of a license
- * Evidence of the approval of the Governor in Cabinet to carry on business in such a public place;
- * Where permission is required under any Law in force in the Islands relating to planning, pensions, health insurance evidence of such permission;

* Relevant Fees

Any other information the Board may require which may include corporate & personal documents

Other new provisions in the law include:

Expedited non-refundable fees of \$400 for grants and \$100 for renewals

The Board may grant or renew a license within five days of receiving an application

There are also late fee penalties as follows:

Failure to pay the renewal fee within twenty eight days after the expiry date of the licence, unless waived by the T&B Board shall incur a surcharge not exceeding twenty-five per cent (25%) of the annual fee for every month or part of a month that the annual fee is not paid up to the total of the annual fee.

If the annual fee is not paid, the unpaid fee may be sued for by the Board by action as a civil debt and the Board may request that the court order, the payment of any surcharge accrued in respect of the late payment of the annual fee.

Where the renewal fee is not paid for a period of five months a licence will be suspended or revoked by the Board.

What are the benefits of these new regulations?

This new law will better prescribe categories of licences and impose conditions for specific categories of licences to help better regulate businesses.

It will also reserve specified businesses and specified categories of licences for Caymanians and may impose restrictions or prohibitions on the carrying out of specified businesses and the granting of specified categories of licences to persons who are not Caymanian.

Additionally it will grant incentives to micro businesses and small businesses including relief from customs duties and other taxes and ensure that fines do not exceed five thousand dollars