



Council of the  
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### OUTCOME OF PROCEEDINGS

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From: General Secretariat of the Council  
To: Code of Conduct Group (Business Taxation)  
Subject: Saint Lucia's Free Trade Zones regime (LC003)  
– Final description and assessment

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*Free Zone (Amendment) Act***SAINT LUCIA****No. 11 of 2018****ARRANGEMENT OF SECTIONS***Section*

1. Short title
2. Interpretation
3. Amendment of section 2
4. Amendment of section 7
5. Amendment of section 10
6. Insertion of new section 10A
7. Amendment of section 11
8. Insertion of new section 15A
9. Amendment of section 19
10. Amendment of Schedule 2

*Free Zone (Amendment) Act*

I ASSENT

[L.S.]

NEVILLE CENAC,  
*Governor-General.**December 11, 2018.***SAINT LUCIA****No. 11 of 2018****AN ACT** to amend the Free Zone Act, Cap. 15.17.

[ 12th December, 2018 ]

**BE IT ENACTED** by the Queen's Most Excellent Majesty by and with the advice and consent of the House of Assembly and the Senate of Saint Lucia, and by the authority of the same as follows:

*Free Zone (Amendment) Act***Short title**

1. This Act may be cited as the Free Zone (Amendment) Act, 2018.

**Interpretation**

2. In this Act, “principal Act” means the Free Zone Act, Cap. 15.17.

**Amendment of section 2**

3. Section 2 of the principal Act is amended —
  - (a) under the definition of “FZMA”, by inserting immediately after the words “Free Zone Management” the word “Authority”;
  - (b) under the definition of “free zone import”, by deleting the words “Saint Lucia”.

**Amendment of section 7**

4. Section 7 of the principal Act is amended by deleting subsections (3) and (4).

**Amendment of section 10**

5. Section 10 of the principal Act is amended —
  - (a) by deleting subsection (1) and by substituting the following —

“(1) A private party or public party may make an application for a licence to operate a free zone business to the Board in the prescribed form supported by —

    - (a) the prescribed application fee;
    - (b) a letter of compliance; and
    - (c) in the case of a company, a certificate of good standing.”;
  - (b) by inserting immediately after subsection (1), the following new subsections (1A) and (1B) —

*Free Zone (Amendment) Act*

“(1A) Where a proposed free zone business wishes to operate within a free zone area, the application to the Board must include —

- (a) the type of activity;
- (b) the amount and type of expenses and assets;
- (c) the physical plant, premises or office space;
- (d) the number of employees and the required skills and qualifications of full time employees.

(1B) A free zone business shall utilize reasonable resources for the effective management of its business.”;

- (c) under subsection (2)(a), by deleting the words “insurance services,” and “financial services, banking services, or other professional,”.

**Insertion of new section 10A**

**6.** The principal Act is amended by inserting immediately after section 10 the following new section 10A —

**“Licence to operate in a free zone**

**10A.** The Board may, after review and approval of an application under section 10, issue a licence in the prescribed form.”.

**Amendment of section 11**

**7.** Section 11 of the principal Act is amended by —

- (a) deleting subsection (2) and by substituting the following —

“(2) Activities of a free zone business may be conducted —

- (a) entirely within the free zone;
- (b) between a free zone business and a jurisdiction outside of the free zone, including a domestic Saint Lucian business.”;

- (b) deleting subsection (3) and by substituting the following —

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“(3) A free zone business may have business meetings and engage in transportation activities within the national customs territory in order to be operational.”.

**Insertion of new section 15A**

**8.** The principal Act is amended by inserting immediately after section 15 the following new section 15A —

**“Tax audit**

**15A.** A free zone business is subject to the Income Tax Act, Cap. 15.02.”.

**Amendment of section 19**

**9.** Section 19 of the principal Act is amended under subsection (3), by deleting the words “, and any dividends paid by a free zone business shall be exempt from such tax for the first 20 years of its operation”.

**Amendment of Schedule 2**

**10.** Schedule 2 of the principal Act is amended —

- (a) under paragraph (b), by deleting the words “five per cent of taxable income” and by substituting the words “two per cent of taxable income”;
- (b) under paragraph (c), by deleting the words “two per cent of taxable income” and by substituting the words “five per cent of taxable income”.

Passed in the House of Assembly this 20th day of November, 2018.

ANDY G. DANIEL,  
*Speaker of the House of Assembly*

Passed in the Senate this 22nd day of November, 2018.

JEANNINE GIRAUDY-MCINTYRE,  
*President of the Senate.*

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