



BERMUDA

HOTELS CONCESSION (CORAL BEACH AND TENNIS CLUB) ORDER 2015

BR 109 / 2015

WHEREAS CBC 2013 II Ltd. has by application dated 25 August 2015 applied for a hotel concession order under section 3 of the Hotels Concession Act 2000 in respect of stage 1 of The Coral Beach and Tennis Club redevelopment;

WHEREAS the Minister responsible for tourism, having considered the application, is of the opinion that stage 1 of the redevelopment is a "substantial redevelopment" within the meaning of the Act, and is satisfied that it is in the national economic interest of Bermuda;

The Minister responsible for tourism, with the written agreement of the Minister of Finance, in exercise of the powers conferred upon him by section 4 of the Act, makes the following order:

Citation

1 This Order may be cited as the Hotels Concession (Coral Beach and Tennis Club) Order 2015.

Interpretation

2 In this Order—

"the Act" means the Hotels Concession Act 2000;

"hotel" means The Coral Beach and Tennis Club as redeveloped by the hotel developer;

"hotel developer" means CBC 2013 II Ltd., a company incorporated in Bermuda on 22 March 2007 as Brickman Properties 3 Ltd., which merged with Match Holdings II Ltd., changed its name and was registered as CBC 2013 II Ltd. on 20 December 2013;

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“hotel redevelopment” means stage 1 of the Coral Beach and Tennis Club redevelopment described in the hotel developer’s application submitted under section 3 of the Act;

“opening date” means the date on which the hotel redevelopment is certified by the Minister to be complete.

Concessions

3 (1) Subject to paragraph 4, the hotel developer shall in respect of the hotel redevelopment be entitled to the following concessions—

- (a) full relief from customs duty until a year after the hotel’s opening date in respect of any building materials, furnishings, fixtures and equipment which are necessary for the building, furnishing and equipping of the hotel redevelopment;
- (b) for a period beginning with the opening date and ending on the second anniversary of that date, exemption from land tax otherwise payable in respect of the hotel, up to an amount not exceeding \$31,000 in each year of assessment;
- (c) for a period beginning with the opening date and ending on the second anniversary of that date, exemption from hotel occupancy tax (Hotel Occupancy Tax I) otherwise payable in respect of the hotel, for an amount equal to the sum expended by the hotel developer on marketing the hotel redevelopment up to an amount not exceeding \$159,000 in each year of assessment;
- (d) for a period beginning with the opening date and ending on the second anniversary of that date, exemption from hotel occupancy tax (Hotel Occupancy Tax II) otherwise payable in respect of the hotel, for an amount equal to the sum expended by the hotel on entertainment provided by Bermudian entertainers, up to an amount not exceeding \$110,000 in each year of assessment; and
- (e) for a period beginning with the opening date and ending on the second anniversary of that date, exemption from the employer’s share of the payroll tax otherwise payable in respect of persons employed by the hotel, for an amount equal to the sum expended by the hotel on training Bermudian employees of the hotel, up to an amount not exceeding \$150,000 in each year of assessment.

(2) For the purposes of subparagraph (1)(e), the employer’s share of payroll tax means that portion of payroll tax which the employer is not entitled to deduct from an employee’s wages under section 19 of the Payroll Tax Act 1995.

Terms and conditions

4 (1) To qualify for the full exemption from hotel occupancy tax (Hotel Occupancy Tax I) under paragraph 3(1)(c), the hotel developer shall, for the relevant period—

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- (a) show to the satisfaction of the Minister that sums equal to the amount of the exemption claimed have been expended by the hotel developer on the marketing of the hotel;
 - (b) comply with guidelines on the marketing of the hotel issued by the Minister; and
 - (c) provide to the Minister an annual audited statement of accounts showing the amounts expended on such marketing.
- (2) To qualify for the full exemption from hotel occupancy tax (Hotel Occupancy Tax II) under paragraph 3(1)(d), the hotel developer shall, for the relevant period—
- (a) show to the satisfaction of the Minister that entertainment has been provided at the hotel by Bermudian entertainers in accordance with guidelines issued by the Minister; and
 - (b) provide to the Minister an annual audited statement of accounts showing the amounts expended on such entertainment.
- (3) To qualify for the full exemption from the employer's share of the payroll tax under paragraph 3(1)(e), the hotel developer shall, for the relevant period—
- (a) comply with guidelines on the training of Bermudian employees issued by the Minister;
 - (b) satisfy the Minister that appropriate training has been provided in accordance with the guidelines; and
 - (c) provide to the Minister an annual audited statement of accounts showing the amounts expended on such training.
- (4) The hotel developer shall, on the completion of the hotel redevelopment, provide to the Minister an audited statement of accounts showing the amounts expended on the hotel redevelopment, and the Minister shall not certify the hotel redevelopment to be complete unless and until he has received such statement of accounts and is satisfied that not less than \$1,250,000 has been expended on the hotel redevelopment.
- (5) Any concession granted by paragraph 3, if it has not ceased to have effect by 31 March 2019, shall cease to have effect immediately after that date.
- (6) In this paragraph, "relevant period" means the period for which the exemption is claimed.

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Made this 23rd day of December 2015

Minister of Tourism Development and Transport