



BERMUDA

HOTELS CONCESSION (FAIRMONT HAMILTON PRINCESS) ORDER 2014

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TABLE OF CONTENTS

1	Citation
2	Interpretation
3	Concessions
4	Terms and conditions
5	Amends Hotels Concession (Fairmont Hamilton) Order 2013

WHEREAS Hamilton Properties Ltd. has by application dated 19 November 2013 applied for a hotel concession order under section 3 of the Hotels Concession Act 2000 in respect of the Fairmont Hamilton Princess redevelopment;

AND WHEREAS the hotel developer has by supplementary application dated 11 April 2014 updated the details of the hotel redevelopment;

AND WHEREAS the Minister responsible for tourism, having considered the application, is satisfied that the hotel redevelopment is in the national economic interest of Bermuda;

NOW THEREFORE 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 Hotels Concession Act 2000, makes the following order:

Citation

1 This Order may be cited as the Hotels Concession (Fairmont Hamilton Princess) Order 2014.

Interpretation

2 In this Order—

## HOTELS CONCESSION (FAIRMONT HAMILTON PRINCESS) ORDER 2014

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“Act” means the Hotels Concession Act 2000;

“hotel” means the Fairmont Hamilton Princess as redeveloped by the hotel developer;

“hotel developer” means Hamilton Properties Ltd., a company incorporated in Bermuda on 10 January 1984;

“hotel redevelopment” means Phases 2 and 3 of the Fairmont Hamilton Princess redevelopment as described in the hotel developer’s supplementary application dated 11 April 2014;

“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 fifth anniversary of that date, full exemption from land tax otherwise payable in respect of the hotel, up to an amount not exceeding \$104,500.00 in each year of assessment;
- (c) for a period beginning with the opening date and ending on the fifth anniversary of that date, full 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 \$1,850,000.00 in each year of assessment;
- (d) for a period beginning with the opening date and ending on the fifth anniversary of that date, full 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 \$90,000.00 in each year of assessment;
- (e) for a period beginning with the opening date and ending on the fifth anniversary of that date, full 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 \$200,000.00 in each year of assessment.

## HOTELS CONCESSION (FAIRMONT HAMILTON PRINCESS) ORDER 2014

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(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 must, for the relevant period—

- (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 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 must, for the relevant period—

- (a) show to the satisfaction of the Minister that the entertainment has been provided at the hotel by Bermudian entertainers in accordance with guidelines issued by the Minister; and
- (b) provide 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 must, 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 an annual audited statement of accounts showing the amounts expended on such training.

(4) In this paragraph, "relevant period" means the period for which the exemption is claimed.

### Amends Hotels Concession (Fairmont Hamilton) Order 2013

5 The Hotels Concession (Fairmont Hamilton) Order 2013 is amended—

- (a) by deleting the words "Fairmont Hamilton" in the title and wherever else the words appear in the Order, and in each case substituting the words "Fairmont Hamilton Princess";
- (b) in paragraph 2 of the Order, in the definition of "hotel redevelopment", after the word "means", by inserting the words "Phase 1 of"; and

HOTELS CONCESSION (FAIRMONT HAMILTON PRINCESS) ORDER 2014

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(c) by, after paragraph 3(1)(a), inserting—

“(aa) 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;”.

Made this 5th day of August 2014

Minister of Tourism Development and Transport