



MONTSERRAT

CHAPTER 15.05

SMALL ENTERPRISES DEVELOPMENT ACT

Revised Edition

showing the law as at 1 January 2013

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Revised Edition of the Laws Act.

This edition contains a consolidation of the following laws—

SMALL ENTERPRISES DEVELOPMENT ACT

Act 10 of 1994 .. in force 17 June 1994

Amended by Act 9 of 2011 .. in force 27 September 2011 (S.R.O. 40/2011)

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CHAPTER 15.05
SMALL ENTERPRISES DEVELOPMENT ACT
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CHAPTER 15.05

SMALL ENTERPRISES DEVELOPMENT ACT

(Acts 10 of 1994 and 9 of 2011)

AN ACT TO MAKE PROVISION TO PROVIDE INCENTIVES TO SMALL ENTERPRISES.

Commencement

[17 June 1994]

Short title

1. This Act may be cited as the Small Enterprises Development Act.

Interpretation

2. In this Act unless the context otherwise requires—

“**Director**” means the Director of Development, Ministry of Economic Development and Trade;

“**small enterprise**” means an enterprise approved under section 3 by the Governor acting on the advice of Cabinet as a small enterprise.

(Amended by Act 9 of 2011)

Governor acting on the advice of Cabinet may declare by Order an enterprise as an approved small enterprise

3. Subject to the provisions of this Act the Governor acting on the advice of Cabinet may by Order declare an enterprise as an approved small enterprise within the meaning of this Act. *(Amended by Act 9 of 2011)*

Appointment of Registrar of small enterprises

4. The Governor shall appoint a registrar of small enterprises to—
 - (a) register all small enterprises;
 - (b) promote and assist the growth of small enterprises throughout Montserrat;
 - (c) monitor and supervise to ensure compliance with this Act;
 - (d) make policy recommendations;
 - (e) advise on the eligibility of registered small enterprises for incentives under this Act.

Application to be made to the Minister

5. Application to have any enterprise declared as an approved small enterprise may be made substantially in the form as may be prescribed by Order and forwarded to the Minister who shall as soon as practicable but not later than forty five days from receipt of the application inform the applicant whether the application has been approved or not.

Appointment of Incentives Committee

6. The Governor acting on the advice of Cabinet shall appoint a Small Enterprise Incentives Committee which shall—

- (a) consider and report to him on all applications for incentives from registered small enterprises;
- (b) recommend policy improvements to government with regard to small enterprises.

(Amended by Act 9 of 2011)

Composition of Incentives Committee

7. (1) The Incentives Committee shall include—

- (a) the Director of Development or a representative who shall be the Chairperson;
- (b) a representative of the Ministry of Agriculture, Trade and the Environment who deals with small enterprises development;
- (c) a representative of the Customs Department;
- (d) a representative of the National Development Foundation;
- (e) a representative of the Chamber of Commerce and Industry; and
- (f) a representative from a financial institution.

(2) An officer from the Ministry of Economic Development and Trade may be appointed to serve as a recording Secretary without being a member of the Committee.

Guidelines of the Committee

8. In evaluating an enterprise and making its recommendation the Committee shall have regard to—

- (a) the need to encourage self employment;
- (b) the need to encourage income generation;
- (c) the need to encourage import substitution;
- (d) the need to encourage exports;

- (e) the need to encourage foreign exchange earnings and savings.

Minister to forward to the Governor acting on the advice of Cabinet

9. It shall be the duty of the Minister of Finance and Economic Development to forward the recommendations of the Incentives Committee to the Governor acting on the advice of Cabinet together with the evaluation report of the Committee. The evaluation report should *inter alia* indicate the nature of the incentives that may be granted.

(Amended by Act 9 of 2011)

Incentives

10. An enterprise declared as a small enterprise under section 3 shall be entitled to one or more of the following incentives for such period and subject to such conditions as may be determined by the Governor acting on the advice of Cabinet by Order—

- (a) exemption from income tax on the income derived from that enterprise;
- (b) exemption from customs duties and consumption tax;
- (c) funds made available by Government for the development of the small enterprise sector;
- (d) technical assistance.

(Amended by Act 9 of 2011)

Owner to submit reports

11. It shall be the duty of the owner of the enterprise which is declared as an approved small enterprise under section 3 to maintain proper books of accounts and submit a report to the Director of Development every year with regard to the progress of the enterprise.

Power to monitor

12. The Registrar shall monitor and inspect the operations of all small enterprises that have been granted incentives.

Revocation of the order declaring an Enterprise as a Small Enterprise

13. The Governor acting on the advice of Cabinet may by order revoke the Order made under section 3 declaring an enterprise as an approved small enterprise—

- (a) if it is discovered at any time that the particulars furnished by the applicant in his application to have the enterprise declared as a small enterprise were false in any material particulars or calculated to deceive the Government; or

- (b) if there is failure on the part of the owner to submit reports as required under section 11; or
- (c) if it is found that the enterprise has not commenced within a reasonable period or has failed; or
- (d) if the enterprise can no longer be deemed a small enterprise as defined under section 3.

(Amended by Act 9 of 2011)
