

**THE SUGAR INSURANCE FUND (AMENDMENT) BILL**  
(No. IX of 2007)

**Explanation Memorandum**

The main objects of the Bill are to amend the Sugar Insurance Fund Act by –

- (a) making better provisions relating to the determination of insurable sugar of planters and metayers by lowering the band for selection of normal years of highest yield from 12 years to 8 years which reflects one crop cycle, and thereby reducing the element of over insurance;
- (b) streamlining procedures in order to enable the Board to make timely investment decisions;
- (c) providing a one time upliftment of ranking to 5 for an insured whose ranking is below 5;
- (d) encouraging regroupment of small planters into larger production units by providing a one time 25% increase on the average ranking of regrouped planters of the units;
- (e) making provisions empowering the metayer to have direct dealings with the Fund instead of being represented by planters;
- (f) changing the financial year of the Fund from 1 July to 30 June to 1 January to 31 December of any year in line with International Financial Reporting Standard, in particular IFRS 4.

**R.K. Sithanen**  
*Deputy Prime Minister,  
Minister of Finance and  
Economic Development*

04 May 2007

**THE SUGAR INSURANCE FUND (AMENDMENT) BILL  
(No. IX of 2007)**

**ARRANGEMENT OF CLAUSES**

**Clause**

1. Short title
2. Interpretation
3. Section 2 of principal Act amended
4. Section 5 of principal Act amended
5. Section 11 of principal Act repealed
6. Section 17 of principal Act amended
7. Section 21 of principal Act amended
8. Section 22 of principal Act amended
9. Section 27 of principal Act amended
10. Heading of section 30 amended
11. Section 32 of principal Act amended
12. Section 33 of principal Act repealed and replaced
13. Section 35 of principal Act amended
14. Section 37 of principal Act amended
15. Section 40 of principal Act amended
16. Section 43 of principal Act amended
17. Section 45 of principal Act amended
18. Consequential amendment
19. Transitional Provision
20. Commencement

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**A BILL**

**To amend the Sugar Insurance Fund Act**

**1. Short title**

This Act may be cited as the Sugar Insurance Fund (Amendment) Act 2007.

**2. Interpretation**

“principal Act” means the Sugar Insurance Fund Act.

**3. Section 2 of principal Act amended**

Section 2 of the principal Act is amended by –

- (a) deleting the definition of “cane plantation” and replacing it by –

“cane plantation” includes all the canes grown by a planter or metayer in a factory area in any given year whether or not these canes were grown in previous years by some other planter or metayer;

- (b) deleting the definition of “normal years” and replacing it by –
- “normal years” in relation to a planter or metayer, means the 3 crop years of the 8 crop years preceding any crop year which had the highest average sugar yield per hectare;

**4. Section 5 of principal Act amended**

Section 5 of the principal Act is amended in subsection (1), in paragraph (g), by deleting the words “, one of whom shall represent the Mauritius Planters’ Agricultural By-Products Processing Co-operative Society”.

**5. Section 11 of principal Act repealed**

Section 11 of the principal Act is repealed.

**6. Section 17 of principal Act amended**

Section 17 of the principal Act is repealed and replaced by the following section –

**17. Investment of the assets of the Fund**

The Board may, on the recommendation of the Committee, invest any money forming part of the assets of the Fund which is not required to meet the liabilities of the Fund.

**7. Section 21 of principal Act amended**

Section 21 of the principal Act is amended by adding after subsection (4), the following new subsection –

(5) Where the Board is satisfied that the cane plantations of planters or metayers within the same geographical location have been regrouped into a larger growing unit, the Board may assign a ranking which will be 125 per cent of the weighted average ranking of all planters or metayers within the larger growing unit immediately before the regrouping.

**8. Section 22 of principal Act amended**

Section 22 of the principal Act is amended –

(a) by deleting the figure “12” wherever it appears and replacing it by the figure “8”;

(b) by adding after subsection (2) the following new subsection –

(2A) Notwithstanding section 33, where the Board is satisfied that canes harvested from a cane plantation registered in the name of a planter or metayer have in good faith been sent to be

milled under the name of any other planter or metayer in respect of any crop year, the Board may, for the purpose of assessment of premium and compensation, determine the insurable sugar of each account by apportioning the total insurable sugar of the accounts of all the planters or metayers concerned with respect to the sugar accrued to each account.

**9. Section 27 of principal Act amended**

Section 27 of the principal Act is amended by deleting subsection (2).

**10. Heading of section 30 amended**

Section 30 is amended in its heading, by deleting the word “planters” and replacing it by the words “an insured”.

**11. Section 32 of principal Act amended**

Section 32 of the principal Act is amended in subsection (2), by deleting paragraph (b) and replacing it by the following paragraph –

- (b) in the case of a planter or metayer, his cane plantations have been registered.

**12. Section 33 of principal Act repealed and replaced**

Section 33 of the principal Act is amended by adding immediately after the word “planter” wherever it appears, the words “or metayer”.

**13. Section 35 of principal Act amended**

Section 35 of the principal Act is amended in subsection (1), by deleting the figure “3” and replacing it by the figure “10”.

**14. Section 37 of principal Act amended**

Section 37 of the principal Act is amended in subsection (1), in paragraph (b), by adding immediately after the word “planter”, the words “or metayer”.

**15. Section 40 of principal Act amended**

Section 40 of the principal Act is amended by deleting subsections (2), (3) and (4) and replaced them by the following subsections –

- (2) Subject to subsection (3), every planter or metayer shall, not later than 31 May, register with the Board all his cane plantations for the following crop year and shall declare in respect of each cane plantation registered in his name –

- (a) the area of land which he has under cane cultivation; and

- (b) the area which he intends harvesting during that crop year.

(3) Where a planter or a metayer fails to register his cane plantations under subsection (2), he may register his cane plantations with the Board on payment of a late registration fee of 100 rupees together with a surcharge of 10 rupees for every hectare or part thereof which he intends harvesting on those plantations.

(4) The Board may require a planter or metayer to furnish a certificate signed by a land surveyor in support of any declaration made by him under this section.

#### **16. Section 43 of principal Act amended**

Section 43 of the principal Act is amended in subsection (1), in paragraph (a) by adding immediately after the word “planter”, the words “or metayer”.

#### **17. Section 45 of principal Act amended**

Section 45 of the principal Act is amended –

- (a) in subsection (1), by adding after the word “planter”, the words “metayer,”;
- (b) in subsection (2), by adding immediately after the word “planter”, the words “or metayer”.

#### **18. Consequential amendment**

The Statutory Bodies (Accounts and Audit) Act is amended in the Schedule –

- (a) in Part I, by inserting in its appropriate alphabetical order, the following item –

Sugar Insurance Fund

- (b) in Part II, by deleting the following item –

Sugar Insurance Fund

#### **19. Transitional provision**

(1) Notwithstanding section 21(4) of the principal Act, any insured having a ranking below 5 in respect of crop year starting 1 June 2006 and ending 31 May 2007 shall be assigned a ranking of 5.

(2) For the purposes of the Statutory Bodies (Accounts and Audit) Act, if this Act comes into operation –

- (a) on or before the 30 June in any year, the end of the financial year of the Fund shall be deemed to be the 31 December;
- (b) after the 30 June in any year, the period extending from 1 July of that year to the 31 December of the following year shall be deemed to be the first financial year of the Fund.

## **20. Commencement**

Sections 3, 7 and 8 shall be deemed to have come into operation on the 1 June 2006.