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# The Bahama Journal

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# "GOV'T RING-FENCING ON GAMING"

## Foreign entities get preferential treatment, says Attorney Sears

BY LEAH COOPER  
 Journal Staff Writer

Former Attorney General Alfred Sears is calling on the government to remove "the ring-fencing" against gaming houses in the Bahamas as the dispute on gaming taxes continues. Mr. Sears who now represents the Web Shop Owners in litigation in the Supreme Court, yesterday addressed comments made by current Attorney General Carl Bethel made recently on the state of negotiations between the government and the operators of gaming houses and a recent policy statement by the Ministry of Finance.

Mr. Bethel told the Press that he put a proposal to the gaming houses, which was followed up by a counter proposal that he described as "unacceptable".

He further said that he has rejected what Mr. Sears and "his clients" have to say.

Mr. Sears in a statement yesterday said, "as counsel for Playtech Systems Limited, I find it curious that the Attorney General would choose to communicate with me through the media.

"It is even more curious that the Attorney General failed to disclose that I had written an email to him on January 2, 2019

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▶ Former Attorney General, Alfred Sears (Journal file photo)

## C.H. REEVES READY FOR CLASSES

BY LEAH COOPER  
 Journal Staff Writer

Education Minister Jeffrey Lloyd assured yesterday that the facilities at the C.H. Reeves Junior High School are ready for classes this morning.

Last week, the Bahamas Union of Teachers (BUT) planned to conduct a walkabout of the campus to ensure that everything was in place, however that never happened.

The Minister instead conducted a walkabout yesterday and he said that he is pleased with what he has seen.

"We had engaged Frank Hanna Cleaning Company, who has done a



▶ Education Minister, Jeffrey Lloyd (Journal file photo)

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## MP Not Surprised With Post Office Delay

BY BERTHONY MCDERMOTT  
 Journal Staff Writer

The plan to relocate the General Post Office to Town Centre Mall has been delayed once again to February, according to the Minister of Transport, Renward Wells.

However, the former minister responsible for the Post Office during the recent Christie administration, Glenys Hanna-Martin, said that this came as no surprise to her.

She added that the Minnis administration had no regard for the

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## Minister Confident Union Disputes Will Be Settled

BY JAMEELHA MISSICK  
 Journal Staff Writer

Last year unions in the country made their voices known, as many of them threatened industrial action and applied for strike certificates due to various pressing concerns.

Currently, both The Bahamas Nurses' Union

(BNU) and The Bahamas Union of Teachers (BUT) are in possession of their strike certificates.

However, Minister of Labour, Dion Foulkes, said he is confident their disputes will be settled.

"With respect to the nurses union, the Minister of Health, Dr. Duane

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▶ Minister of Labour, Dion Foulkes (Journal file photo)

## Foulkes Touts "Labour On The Blocks" Success

BY JAMEELHA MISSICK  
 Journal Staff Writer

The government says its commitment to reducing the country's level of unemployment has been

strong.

With a number of Labour on the Blocks job fairs held throughout 2018, this year will be no different.

Confirming as much to

The Journal, was Minister of Labour, Dion Foulkes, who said since the initiative, hundreds of Bahamians are now employed.

"Our last update was

1200. Now that was many months ago, and since then for example Fusion, the Imax Theatre, has opened.

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## BPSU Unaware Of Post Office Delay

BY BERTHONY MCDERMOTT  
 Journal Staff Writer

The President of The Bahamas Public Services Union, Kimsley Ferguson says his union does not think the government is addressing the matter of relocating the General Post Office as urgently as it should be.

"There are ramifications with regards to health issues, persons are still challenged with respiratory issues in that environment and in my opinion, I think they can do a little more.

"I would have thought

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ALL THE NEWS YOU NEED TO READ IN THE MORNING

# "GOV'T RING-FENCING..."

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to complain about his intemperate statements reported under the caption "Bethel ready to take Web Shops to Court", remind him that we are currently in good faith settlement negotiation, that our clients had refrained from speaking to the Government through the media and that we were waiting for his substantive reply to our clients' counter proposal of December 24, 2018."

He added, "On August 31, 2018, the Attorney General gave an undertaking in the Supreme Court to Madam Justice the Honourable Indra Charles to stay the implementation of the Stamp (Amendment) Act 2018 and Regulation 57 (1) of the Gaming House Operator (Amendment) Regulation 2018 until after the determination of Playtech's application for leave to apply for Judicial Review and to engage our client in good faith negotiations. This undertaking of the Attorney General was reduced to an Order filed in the Supreme Court on September 24, 2018."

Playtech, he said, has since sought to engage the Attorney General in good faith settlement negotiations.

"We have sent a num-

ber of written settlement proposals to the Attorney General, supported by opinions of leading international gaming experts, on December 24, 2018, November 13, 2018, October 26, 2018", he said.

None of which have received any substantive written response from, serious consideration of or engagement by Mr. Bethel on Mr. Sears' clients' settlement proposals.

"There are grave interests at stake in this matter, with profound implications for the public revenue, the sustainability of Bahamian-owned gaming enterprises and the security of over 3,000 full-time jobs of Bahamian citizens which require our careful and fair conduct", he said.

He added, "Concurrently, as the Minister of Finance claims that he and his team are working diligently to 'demonstrate [a] commitment to global standards' in the Financial Services Sector, the Attorney-General is boasting about going to "war" against Bahamian-owned gaming house licensees to protect the new, discriminatory gaming tax regime and put The Bahamas at further risk of being sanctioned for affording

preferential treatment to foreign enterprises in the gaming sector."

He also said that foreign owned financial institutions, such as banks, trust companies, international business companies do not pay corporate taxes or many of the taxes that Bahamian owned financial institutions pay.

He described this as "unfair ring-fencing and preferential tax treatment of foreign-owned enterprises".

He said that relative to the Bahamian-owned enterprises in the same sector, "this creates a risk of international sanctions under the EU' anti-Tax Avoidance Directive."

He added, "As part of measures to have The Bahamas removed from the negative list of the European Union, The Government is currently drafting policies and legislation to eliminate preferential treatment of entities within the banking, insurance and trust sectors."

In January of last year, Deputy Prime Minister and Minister of Finance Peter Turnquest announced that the Ministry of Finance will implement a new framework to "make the playing field level for all financial institutions in The Bahamas."

The statement indicated that the focus of

this new framework world permit all financial institutions to offer services to local and international clientele and remove any differences in fiscal treatment of financial institutions that cater primarily to the domestic markets and those that cater to international clientele.

Mr. Sears said, "while certain financial institutions, such as banks, insurance, trust and international business companies, are afforded the opportunity to engage in broad consultation with the Government, guided by global standards, mutual respect and the principle of a leveled playing field, Bahamian gaming house operators have not been given the same consideration."

He added, "Gaming House Operators and Casinos are also financial institutions, pursuant to the Financial Transactions Reporting (Gaming) Regulations, 2014 and the Financial Transaction Reporting Act 2014, with the same statutory compliance and KYC obligations as banks and other financial institutions."

The Government, during the 2018 budget debate, sought to increase the tax rate on gaming house operators up to 400 per cent.

This, Mr. Sears said, "will deepen preferen-

tial treatment of and the ring-fencing around casinos owned by foreign companies some of whose shareholders are citizens in OECD member countries and will likely increase channelization of patrons into the unregulated gaming market; thus, increasing the risk of international sanctions against The Bahamas".

"Recklessly, the Government proposes to increase the tax rate on gaming house operators by a sliding scale from 20 per cent up to 50 per cent, plus a 5per cent Stamp Tax on patrons' deposits. However, the rate of tax on casinos will remain the same", he said.

He suggested that Minister of Finance's effort to eliminate ring-fencing and level the playing field in the Financial Services Sector should apply equally to the ring-fencing that exists in the gaming sector, which represents a "clear and present danger for The Bahamas".

He said, "By aggressively pursuing the exorbitant "sliding scale" taxation structure on the domestic gaming industry, while widening the gap between domestic and foreign gaming operators, the Attorney General is only compounding the ring-fencing in the gaming

sector that the Minister of Finance is seeking to eliminate between foreign-owned financial institutions, such as banks, trust companies and IBCs. This contradiction in Government's tax policy will expose The Bahamas to continuing punitive sanctions as a low-tax jurisdiction and litigation by Bahamian gaming house operators.

"Similar to the consultation undertaken by the Ministry of Finance with the banking and trust company representatives, including AIBT, BFSB and the leading Accounting Firms, to eliminate any preferential treatment in that sub-sector, we call on the Government to undertake the same broad-based consultation in the gaming sector, inclusive of gaming house operators, casino operators and the Gaming Board.", he added.

This broad-based consultation with gaming industry stakeholders, he said, is the only way to remove the ring-fencing and preferential treatment of entities within the same sector, ensure fairness and equity in the gaming sector in The Bahamas, reduce channelization into the unregulated gaming market and protect The Bahamas from further punitive sanctions based on ring-fencing and preferential tax treatment of foreign -owned casino operators.

## Minister Confident Union Disputes Will Be Settled

Continued from / PAGE 1...

Sands and the PHA (Public Hospital's Authority) board, are in constant discussions with the president and her executives," he said.

"The last report that I received from Dr Sands, which was yesterday, is that significant progress is being made and as Minister of Labour, I am confident that we will be able to settle their disputes," said Mr. Foulkes.

On Wednesday, B.U.T President, Belinda Wilson, said teachers at the C.H. Reeves Jr High School are prepared to strike if conditions are not improved by Monday. (She now says the Union is pleased with progress at the school.)

However, the Minister said he's hopeful their concerns will be fully addressed as well.

"With respect to the teachers union, I did certify the strike vote for C.H. Reeves and the president did a tour of C.H. Reeves day before yesterday, and I have not heard back from her yet," he said.

"But I am told by Minister Lloyd that all of the matters at C.H. Reeves, all of the physical matters in terms of the mold issues, the physical conditions,

that they have been resolved," he added.

"So I am very hopeful that beginning this new year that those two matters will be settled expeditiously," said Mr. Foulkes.

Meantime, Bahamas Nurses' Union President, Amancha Williams says her union is hoping to meet with the Prime Minister sometime early this month.

## Foulkes Touts "Labour On The Blocks" Success

Continued from / PAGE 1...

"I understand the majority of the employees there came from the Labour on the Blocks event and they have employed over 300 persons there.

"So, I would say to be safe to give you an estimate, and this is only an estimate, because we have not scientifically called all of the companies, that at the minimum 1500 persons have been assisted."

The Minister said since its inception, more companies have also come on board making the initiative a huge success.

"The first one we started off with about eight or nine companies.

"Our second and third one we had about 12 companies, the last one we had at the prison, we had about 17 companies present.

"So, I am very pleased with the cooperation of the business sector in terms of making [labour] on the blocks a massive success," he said.

For those who have not gotten a chance to attend one of the Labour on the Blocks job fairs, Minister Foulkes said the first for this year will be in February, catering to the Over the Hill Community.

This in conjunction with the Prime Minister's Over the Hill rejuvenation





  
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# MOE ADVANCES TECHNOLOGICAL REVOLUTION

BY LEAH COOPER  
Journal Staff Writer

The country's educational system is expecting to see some major technological changes this year as the Ministry of Education yesterday joined forces with Cable Bahamas and Sam's Business Machines to commence the second

installment of the Ministry's technology upgrades on the islands of Grand Bahama and Eleuthera.

The Minister of Education Jeffrey Lloyd said that this is essential in a rapidly advancing digital universe for "effective, productive, and efficient living" in a globally competitive

society.

This contract signing is a continuation of phase one's fiber optic infrastructural upgrades which started back in September last year with the Bahamas Telecommunications Company (BTC).

The companies will provide improvements to 172 schools, 60 satellite offices, 60,000 students,

and 4,000 teachers.

According to the Minister, phase one's timeline is expected to take one year, and phase two, a Comprehensive Education Management Information System (commonly known as EMIS), will begin shortly after.

This phase will tackle the management of the student enrolment process,

electronic parent notifications, administration and reporting tools, school administration tools, teacher tools, and guidance counselors and intervention specialist information.

To complete phase one, the Ministry of Education will be paying BTC \$100,000 per month, which is \$1.2 million

annually.

Cable Bahamas will receive \$62,471.37 in addition to the \$89,920 in installation costs, giving them an annual cost of \$749,646.44.

Sam's Business Machines yesterday signed a \$1.9 million contract equipping students and teachers with brand new laptops and tablets.

# C.H. REEVES READY FOR CLASSES

Continued from / PAGE 1...

comprehensive scrub down of the entire school area. As you know, there are 13 brand new classrooms that are ready to be occupied by students and teachers."

He added, "there are a

number of classes that were of concern to teachers, which have been specifically addressed, but in addition to those and all of the others, the school is ready."

The Union also had an opportunity to scope out the improvements yester-

day ahead of classes this morning.

B.U.T. President Belinda Wilson confirmed with The Journal that the ministry addressed all matters of concern.

She said, "they did exterminate for termites and rodents. We are now

awaiting some extra desks and chairs for both students and teachers. With regard to the water problem, we expect them to put in the pumps tomorrow."

She added, "we have one or two other outstanding with the mold. We have to review that report along

with a few other matters. So, tomorrow morning teachers will come to school and they're going to their various classrooms so that they can make an assessment and then we will ensure that everyone is on the same page."

Minister Lloyd said that

there was one classroom at the school, according to the report, with "elevated mold in the air".

That classroom along with others is set to be tested again after the scrub down to ensure that its safe for both students and teachers.



## MINISTRY OF FINANCE DEPARTMENT OF INLAND REVENUE REAL PROPERTY TAX NOTICE for 2019

In accordance with the Real Property Tax Act, Chapter 375 as amended, the Chief Valuation Officer hereby gives notice:-

- that copies of the assessment lists are available as required by Section 7 subsection 7 of the Act, and may be inspected at the Office of the Chief Valuation Officer;
- that a notice of assessment addressed to each owner of property liable to tax under the Real Property Tax Act is available at the Valuation Office, located at rear of the shops at Carmichael Plaza, Carmichael Road and may be collected therefrom by or on behalf of the owner of such property during normal working hours;
- that pursuant to subsection (3) of Section 7 of the Act, upon the expiration of five days after the publication of this notice, a notice of assessment shall be deemed to have been served on every owner of property liable to tax under the Act;
- that without prejudice to the provision of subsection (3) of Section 7 of the Act, the Chief Valuation Officer may at any time after the publication in the Gazette of this notice send by post, a notice of assessment addressed to any owner of property liable to tax under the Act;
- that pursuant to Section 11(1) of the Act, any person aggrieved by a notice of assessment deemed to have been served under this Act may object thereto by serving on the Chief Valuation Officer within thirty days after the date on which the notice of assessment is deemed to have been served, a notice in writing of such objection stating the grounds upon which he relies;
- that pursuant to Section 18 of the Act, the tax is due and payable by the owners of property not later than sixty days after the date on which notice of assessment is deemed to have been served. Accordingly, it is the duty of each taxpayer to ensure that he receives a Notice of Assessment;
- that the exemption has been allowed for 2019 on those which have been declared as owner-occupied residences, and have satisfied the conditions. However, under Section 43 of the Act, the owners are required to disclose to the Chief Valuation Officer any change in the circumstances which does not entitle the property for the exemption allowed;
- that pursuant to Section 10 of the Act, every owner of property shall not later than the thirty-first day of December in each year, make to the Chief Valuation Officer in the prescribed form a return of such particulars of that property as may be prescribed, for the purpose of enabling that Officer to compile and maintain accurate assessment lists, and such owner shall declare to the correctness of such return before an authorized person.

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# MP Not Surprised With Post Office Delay

Continued from / PAGE 1...

workers when they stopped the previous administration's plan to give the General Post Office its own home in the old Independence Shopping Plaza.

"The point I'm making is that there was a plan, a considered one by people who were thinking, by people who preceded them.

"They then came and stopped it. They came with some idea of Gladstone Road and wasted more than a year with nothing to show. Those people were left to languish in those con-

ditions without any solution.

"Then they come back after a year with another idea, which is the Town Centre Mall. The Minister has been giving timelines which I suspected from day one was not realistic, because it's a fairly complex exercise to move from that one premises to the next.

"I am not surprised that he has not lost two timelines and he may lose a third, because he is continuing to put these bravado timelines on it, which are not being realized," she said.

Minister Wells also said the cause for the delay was due to the government's inability to move the post office boxes. To that, Mrs. Hanna-Martin said that this should have been known.

"Truthfully, he ought to have been aware that he couldn't move the post boxes because you know, truthfully, the Post Office is mostly about the post boxes.

"I would think that that is probably 60 to 70 per cent of the operations and if he was not aware that that could not happen, then he was not properly briefed or

he didn't properly brief himself.

"It's unfortunate. They ought to have allowed what they met in place to be completed and it would have been a win-win for the Bahamian people."

"Instead they've come with this huckle-up sort of prolonged process which took us all the way up in Gladstone Road and now back to Town Centre Mall," she added.

Mrs. Hanna-Martin said it seems as though the Post Office will not be moving from its East Hill location anytime soon.



► Glenys Hanna-Martin, M.P.  
(Journal file photo)

## BPSU Unaware Of Post Office Delay

Continued from / PAGE 1...

that some temporary location would have been sought and it was agreed that persons working in the General Post Office would go to the various sub stations and the mail would have been taken to the various sub stations and been sorted.

"I am disappointed that the government is

still allowing people to be in mold infested environments," he said.

Mr. Ferguson also said that with regards to the delay being as a result of the failures to move post offices boxes that a proper assessment wasn't done on this issue.

The Union President Ferguson weighing in on the ongoing issue of the Post Office being

delayed, said that he only found out about the delay on Friday through the media.

He added that the union is concerned that as a partner, they were not afforded a seat at the table to discuss the timeline regarding to the Post Office's relocation.

"Initially it was agreed that somewhere around the end of January the

Post Office would have moved. If there was an adjustment in the time frame, we felt like we should have been invited to have a discussion about anything that would affect the membership of The Bahamas Public Services Union and employees of the public service; that was our concern."

Mr. Ferguson said he

had to find out via the news media of the delay in relocating the Post Office. "Again it is what it is with regards to the delay at this time, but moving forward we're hopeful that would ever dialogue take place, the union would be privy to it," he added.

The plan is to lease 75,000 square feet of space at Town Centre

Mall for the concessionary rate of \$12 per square foot or \$900,000 a year.

The owners will bear the \$3.5 million cost of renovating the building. Calls were made to Transport Minister Renward Wells but no calls were returned up to press time.

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### From The Cabinet Office

#### Regarding the Observance of Majority Rule Day

An Ecumenical Service in observance of Majority Rule Day will be held on Thursday, January 10, 2019 at St. Francis Xavier Cathedral, West Street, at 10:00 a.m.

The general public is invited to attend.

Nassau, The Bahamas