

# HYDROCARBON EXPLORATION INCENTIVES BILL, 2017

## EXPLANATORY NOTES

This Bill seeks to provide for incentives for investment in oil and gas exploration in the State of Grenada.

**Clause 1** provides for the short title.

**Clause 2** provides for the interpretation of expressions used in the Act for which this is the Bill.

**Clause 3** provides for exemptions on customs duties available to qualifying investments.

**Clause 4** provides for exemptions from the application of the Income Tax Act CAP. 149.

**Clause 5** provides for exemptions from the application of the Value Added Tax Act CAP. 333A.

**Clause 6** provides for exclusion of the application of obligations under the National Insurance Act CAP. 205.

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**A.K. Cajeton Hood**  
**ATTORNEY-GENERAL**

# HYDROCARBON EXPLORATION INCENTIVES BILL, 2017

## ARRANGEMENT OF CLAUSES

1. Short title
2. Interpretation
3. Customs Duties exemptions
4. Income Tax incentives
5. Value Added Tax incentives
6. No obligation under the National Insurance Act

# HYDROCARBON EXPLORATION INCENTIVES BILL, 2017

## GRENADA

### ACT NO. OF 2017

**AN ACT** to provide for incentives for investment in oil and gas exploration in the State of Grenada.

**BE IT ENACTED** by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives and by the authority of same as follows—

#### Short title

1. This Act may be cited as the

### HYDROCARBON EXPLORATION INCENTIVES ACT, 2017.

#### Interpretation

2. In this Act—

**“hydrocarbon exploration investment”** means any business activity surrounding or involving exploration and scientific research to determine—

- (a) the existence of a natural deposit of crude oil or natural gas in the State of Grenada; or
- (b) the quality, quantity or composition of crude oil or natural gas extracted from a natural deposit in the State of Grenada,

and excludes an investment that generates any profit from a transaction involving crude oil or natural gas, or any product of crude oil or natural gas, extracted from the State of Grenada;

**“qualifying investment”** means a hydrocarbon exploration investment exceeding \$80 million.

#### Customs Duties exemptions

3. For the purposes of the Customs Act, 2015, there shall be a 100% waiver on customs duties on the following items—

- (a) machinery and equipment;
- (b) spare parts machinery and equipment;

- (c) a maximum of six motor vehicles;
- (d) networking elements and computer hardware and software;
- (e) building materials and infrastructure materials,

for the purposes of a qualifying investment.

**Income Tax incentives**

4. The Income Tax Act, Chapter 149 shall not apply in respect of any income accrued by a non-resident individual in respect of services rendered for the purposes of a qualifying investment.

**Value Added Tax incentives**

5. For the purposes of the Value Added Tax Act, Chapter 333A, services rendered by a non-resident individual for the purposes of a qualifying investment shall be zero-rated.

**No obligation under the National Insurance Act**

6. For the avoidance of doubt, there is no obligation under the National Insurance Act, Chapter 205 in respect of an employee who renders services for the purposes of a qualifying investment if the employee is neither resident nor domicile in Grenada for the purposes of the National Insurance Act, Chapter 205.

Passed by the House of Representatives this        day of        , 2017.

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**Clerk to the House of Representatives.**

Passed by the Senate this        day of        , 2017.

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**Clerk to the Senate.**