



**2018/19 SESSION  
of the  
BERMUDA HOUSE OF ASSEMBLY  
OFFICIAL HANSARD REPORT**

**1 November 2019**

*Sitting number 30 of the 2018/19 Session  
(pages 2535–2598)*

**Hon. Dennis P. Lister, Jr., JP, MP  
Speaker**

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**BERMUDA HOUSE OF ASSEMBLY****OFFICIAL HANSARD REPORT****1 NOVEMBER 2019****10:08 AM***Sitting Number 30 of the 2018/19 Session**[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]***PRAYERS***[Prayers read by Mrs. Shernette Wolffe, Clerk]***The Speaker:** Good morning, Members.*[Gavel]***CONFIRMATION OF MINUTES***[Minutes of 27 September 2019]***The Speaker:** Members, the Minutes from the 27<sup>th</sup> of September have been circulated.

Are there any corrections or omissions?

There are none.

The Minutes will be confirmed as printed.

*[Minutes of 27 September 2019 confirmed]***MESSAGES FROM THE GOVERNOR****The Speaker:** There are none.**ANNOUNCEMENTS BY THE SPEAKER  
OR MEMBER PRESIDING****The Speaker:** There are none.**MESSAGES FROM THE SENATE****The Speaker:** There are none.**PAPERS AND OTHER  
COMMUNICATIONS TO THE HOUSE****The Speaker:** We have three papers this morning to be communicated to the House.

The first is in the name of the Minister of Finance.

Minister.

**Hon. Curtis L. Dickinson:** Good morning, Mr. Speaker.**The Speaker:** Good morning.**PENSION COMMISSION ANNUAL REPORT FOR  
THE YEARS 2011 TO 2017****Hon. Curtis L. Dickinson:** Mr. Speaker, I have the honour to attach and submit for the information of the Honourable House of Assembly the Pension Commission Annual Report for the years 2011 to 2017.

Thank you.

**The Speaker:** Thank you.

The next paper this morning is in the name of the Minister of Health.

Minister.

**Hon. Kim N. Wilson:** Good morning, Mr. Speaker.**The Speaker:** Good morning.**BERMUDA HEALTH COUNCIL ANNUAL REPORT  
FOR THE YEAR 2018/19****Hon. Kim N. Wilson:** Mr. Speaker, I have the honour to attach and submit for the information of the Honourable House of Assembly the Bermuda Health Council Annual Report for the year 2018/19.**The Speaker:** Thank you.

And the third is in the name of the Minister of Education.

Minister.

**Hon. Diallo V. S. Rabain:** Good morning, Mr. Speaker.**The Speaker:** Good morning.**CHARTER PROFESSIONAL ACCOUNTANTS OF  
BERMUDA AMENDMENT BY-LAWS 2019****Hon. Diallo V. S. Rabain:** I have the honour to attach and submit for the information of the Honourable House of Assembly the Charter Professional Accountants of Bermuda Amendment By-Laws 2019.**The Speaker:** Thank you.**PETITIONS****The Speaker:** There are none.

## STATEMENTS BY MINISTERS AND JUNIOR MINISTERS

**The Speaker:** This morning we have some nine Statements to be delivered. The first Statement is in the name of the Premier.

Premier, would you like to present your Statement?

**Hon. E. David Burt:** Yes, Mr. Speaker, I shall. Good morning to you, Mr. Speaker.

**The Speaker:** Good morning.

### APPOINTMENT OF MEMBERS TO THE COMMISSION OF INQUIRY INTO LOSS AND DISPOSSESSION OF PROPERTY AND RECOMMENDATIONS FOR VICTIMS OF WRONGFUL ACTION

**Hon. E. David Burt:** Mr. Speaker, Honourable Members will recall that I advised this Honourable House on the 31<sup>st</sup> of May of my intention to establish a [Commission of Inquiry](#) to fulfil the mandate of this House as expressed in its Resolution on the 4<sup>th</sup> of July 2014. Honourable Members will similarly recall that this now forms part of the legacy of the late Honourable Member, Walton Brown, who was its champion.

Mr. Speaker, it is in our late colleague's honour that I am pleased today to advise this Honourable House of the members appointed to this important commission.

Mr. Speaker, Bermuda is privileged to have lured out of retirement Mrs. Justice Norma Wade-Miller, who has agreed to serve as the commission's chairman. Members appointed are as follows:

- Honourable Wayne Perinchief, a former Member of this House, Minister of National Security and Assistant Commissioner of Police;
- Ms. Lynda Milligan-Whyte, senior counsel practicing at the Bermuda Bar;
- Mr. Quinton Stovell, a prominent quantity surveyor;
- Ms. Frederica Forth, a former banking executive and an experienced realtor;
- Mrs. Maxine Binns, consultant legal counsel within the Business Development Unit; and
- Mr. Jonathan Starling, Economic & Cooperative Development Officer within the Bermuda Economic Development Corporation.

Mr. Speaker, I am also pleased to advise the House that senior civil servant Ms. Marva-Jean O'Brien, most recently Permanent Secretary in the Ministry of Legal Affairs, has been seconded as secretary to the commission.

Mr. Speaker, now that the commission has been appointed, Honourable Members and the public

will be advised of the location of the commission's offices, their contact details and the commission's procedure, next week. On behalf of the Government and the people of Bermuda, I am extremely grateful to the chairman and members for agreeing to serve and to conduct this important work.

Mr. Speaker, my comments in [1 June] bear repeating, and I quote: "Truth can be uncomfortable. Unearthing historic wrongs may be inconvenient for some. . . . But, Mr. Speaker, it is never too late for justice."

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Premier.

The second Statement this morning is in the name of the Minister of Finance.

Minister.

### GOVERNMENT GUARANTEE HOTELCO BERMUDA HOLDING LTD.

**Hon. Curtis L. Dickinson:** Mr. Speaker, in accordance with section 2AA(3) of the Government Loans Act 1978, I rise to inform this Honourable House of the execution of a [Government Guarantee on behalf of Hotelco Bermuda Holding Ltd.](#), part of the Hotelco International group of companies, in relation to loans to finance the development costs and related expenses associated with the construction of the proposed St. Regis Bermuda Hotel in St. George's. This is indeed a historic project for the tourism industry, the St. George's community and Bermuda as a whole.

Mr. Speaker, Honourable Members will recall that the previous Government signed a master development agreement [MDA] with Hotelco Bermuda Holding Ltd., which was followed by a groundbreaking ceremony that took place on May the 4<sup>th</sup>, 2017.

Mr. Speaker, just to provide Honourable Members with a little bit of background on the Hotelco Group: The origin of Hotelco goes back 60 years, when it started in Venezuela as a construction company and real estate developer of housing and commercial projects. The company went international at the beginning of the 2000s. In the 1990s, the company switched the main focus of its business to the development and direct construction of hotel properties. Hotelco has built five hotels with a total of 1,160 rooms, all of them operated by Marriott International under its various brands. The portfolio of current developments of Hotelco includes a Ritz Carlton Resort in Providenciales, Turks and Caicos Islands (129 rooms and 72 residences), a St. Regis Hotel and residences in Aruba (127 rooms and 56 residences) and the St. Regis Resort in Bermuda (120 rooms and 102 residences). It is the philosophy of the company to hold the ownership of the hotels for the long run.

<sup>1</sup> [Official Hansard Report](#), 7 June 2019, page 1742

Mr. Speaker, the Government gave an undertaking to support the financing of this project by providing a guarantee for up to \$25 million of the estimated project cost of \$160 million. The developers relied on this commitment when arranging the financing for this project, and it is only fair that the current Government also honour this commitment. This project has and continues to provide jobs for Bermudians in the construction phase, as well as jobs for Bermudians once the facility becomes operational.

Mr. Speaker, the guarantee provides that the Government cannot be legally required to fund more than \$25 million to repay the lender if Hotelco Bermuda Holding Ltd. is unable to perform their obligations to the lender. The financing being guaranteed is provided under a loan [facility] maturing in 15 years.

Mr. Speaker, it is important to note that the Government will be compensated for providing the guarantee. Also of note is the fact that, initially, the developer invested a greater sum of their own equity capital into the project, [which] is a sign of good faith and a show of confidence by the developers in the viability of the project.

Mr. Speaker, to be clear, the Government guarantee is in relation to the bank loan and not the developer's equity; therefore, the Government's actual contingent liability only exists in line with the bank loan—that is, a tranche A loan. The funding arrangements for the project are as follows:

- the first \$35 million of the project cost was funded with equity capital;
- the next \$125 million will be funded between equity and the bank loan;
- 62.5 per cent, or \$100 million, will be funded with equity [capital];
- 37.5 per cent, or \$60 million, will be funded with bank loans; and
- the Government's guarantee is limited to \$25 million of the bank loan.

Mr. Speaker, the development is on time and on budget, and its estimated opening of the hotel is scheduled for the spring of 2021. At the end of September 2019, the total investment in the St. Regis development was \$65 million, and 100 per cent of that was funded by equity from the developers.

Mr. Speaker, the 120-room St. Regis Bermuda Resort will be the first significant hotel development in St. George's, which includes a casino, spa and golf resort, and will potentially provide for many opportunities for local residents and businesses to participate, firstly, in the construction of the development, and eventually in the running of this tourism facility in the East End.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Minister.

Minister, the next Statement is also in your name. Would you like to present that one, as well?

## PENSION COMMISSION ANNUAL REPORT FOR THE YEARS 2011 TO 2017

**Hon. Curtis L. Dickinson:** Mr. Speaker, in accordance with section 64(1) of the National Pension Scheme (Occupational Pensions) Act 1998, [the Act], I am pleased to table the [Pension Commission Annual Report for the years 2011 to 2017](#).

Mr. Speaker, Honourable Members will be aware that the National Pension Scheme (Occupational Pensions) Act 1998 provides for the establishment, administration and regulation of private occupational pension plans for Bermudians.

Mr. Speaker, the Pension Commission received a clean audit on its financial statements for the years 2011 to 2017. The Pension Commission has advised that delays in the submission of annual financial statements between 2011 and 2017 were initially caused by resourcing issues at both the Office of the Auditor General and the Pension Commission.

Mr. Speaker, notwithstanding the delay in tabling this annual report, as I mentioned previously, all audits were successfully completed with clean opinions. I am pleased to advise that the commission's 2018 audit has been completed and the commission has received another clean opinion on its 2018 financial statements. The annual report for 2018 will be tabled in this Honourable House in 2020.

Mr. Speaker, Honourable Members are advised that, as at December 31, 2017, a total of 3,096 employers and 22,006 employees/self-employed persons were participating in registered plans. In comparison, 2,996 employers and 23,722 employees/self-employed persons were in registered plans at the end of 2010. The commission estimates that there was \$2.36 billion held in employer pension plans and a further \$656 million in domestic prescribed retirement products at the end of 2017, compared to \$1.4 billion and \$239 million, respectively, at the end of 2010.

Mr. Speaker, according to reports submitted to the commission, there were approximately 731 delinquent employers/self-employed persons by the end of 2017. The commission continues to work with employers committed to making the necessary back payments and to this end held 106 compliance meetings with such employers in 2017. The commission continues to exercise its civil recovery power under the Act by initiating legal proceedings against 20 employers and/or their directors and officers in 2017, compared to 3 in 2010.

Mr. Speaker, a few noteworthy achievements during the 2011 to 2017 period were as follows:

- The commission was invited to make presentations at the Canadian Investment Institute education program in Bermuda, the Rotary, the Chamber of Commerce, a Human Rights Commission panel, the Bermuda Human Resources Association, the Centre on Philan-

thropy, the BEDC, the Bermuda Health Council, and local [radio] talk shows.

- The commission also approved \$24.3 million of financial hardship withdrawals.
- The CEO of the commission was elected to the executive of the Caribbean Association of Pension Supervisors, a regional supervisory and regulatory body for occupational pension plans.
- The commission held its first two-day Trustee Training Programme for individual and corporate trustees of pension plans.
- And the commission continued to provide assistance and expertise to a number of external entities such as the Spending and Government Efficiency Commission, Government's Fiscal Responsibility Panel, and the Pension and Benefits Working Group.

In closing, I would like to acknowledge the tireless efforts and inarguable progress that the Pension Commission is making, and extend my appreciation to the Board, management and staff of the commission for their efforts during the 2011 to 2017 period.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Minister.

The next Statement this morning is in the name of Minister Furbert.

Minister, would you like to present your Statement?

### **UNIVERSAL POSTAL UNION EXTRAORDINARY CONGRESS**

**Hon. Wayne L. Furbert:** Thank you, Mr. Speaker.

Mr. Speaker, today I would like to provide this Honourable House with a report on the recent developments within the [Universal Postal Union](#) (UPU), particularly pertaining to the contentious issue of rates charged by countries for the handling of mail and parcels flowing through their postal services.

Mr. Speaker, Honourable Members will recall that, in July of this year, I gave a background on the history of the UPU, as well as its composition of 192 member countries, including Bermuda. In my previous report in this Honourable House, I mentioned the problems the UPU was facing with the stance of the United States of America (USA) pertaining to rates charged for shipment of mail and parcels.

Mr. Speaker, as a backdrop to the impasse, the postal remuneration system, also known as the terminal dues system, ensures that countries are compensated for the cost of handling, transporting and delivering bulky letters and small packages across borders. Member countries agreed on a new system during the 2016 Universal Postal Congress in Istanbul. However, the USA consistently voiced displeasure with this new system.

Mr. Speaker, I attended the 3<sup>rd</sup> Extraordinary Congress of the Universal Postal Congress, which was held in Geneva, Switzerland, from September the 24<sup>th</sup> to the 26<sup>th</sup>. This Honourable House will recall my previous statement concerning the UPU and the significant challenges it faced with the announcement that the USA intended to leave the UPU in order to set its own postal rates. As I previously mentioned, under the 2016 fee structure, the USA was restricted by the UPU in what it could charge for handling parcels imported into the USA.

Mr. Speaker, at this Extraordinary Congress, several options were discussed on the way forward regarding the terminal dues charged country-to-country for the handling of mail and parcels. This congress was swiftly arranged specifically to vote on the various proposals devised by the UPU in response to the USA's declared intention to leave the UPU in order to charge its own rates.

Mr. Speaker, 153 countries were represented at this 3<sup>rd</sup> Extraordinary Congress, with well over 400 delegates present.

Mr. Speaker, at this congress, the USA issued its statement that included assertions that it was costing the USA a disproportionate amount of money to ship parcels through the US. They also reaffirmed their position that countries should be allowed to declare their own rates and that they fully intended to do so. However, they stated that they are willing to compromise, giving the right for the USA to have self-declared rates while other countries implement it over a five-year period.

The USA urged those present to support their plan for self-declared rates, as they believed it was beneficial to all concerned. Representatives from other countries with large economies, including Canada, Australia, Norway, Brazil, New Zealand and South Africa, while aligning with the USA, called for changes in the way terminal dues were structured, since not all of them fully supported the US position. Of significant note is that China, one of the largest exporters of goods in the world, opposed the proposal of the United States and supported a compromise proposal that would achieve a win-win for all countries. Mr. Speaker, likewise, other economic powers such as Japan, Germany and France supported a compromise proposal that would see a gradual change in the terminal dues remuneration system.

Mr. Speaker, I hasten to note that at the UPU Congress, the United Kingdom had two votes—one vote for themselves and one vote for the Overseas Territories [OTs], including Bermuda. Although I had my finger on the button to vote on behalf of the Overseas Territories, it was clear that we had to vote under the direction of the United Kingdom. In this particular situation, the UK supported Option A. Bermuda however, would have benefitted best under Option B. I have asked the Foreign Office to look into how OTs could cast their own votes, since Bermuda pays ap-

proximately \$80,000 annually as a member of the UPU. Mr. Speaker, eventually, the UK supported a compromise to the position of the USA, while also recognising the need for the structure of the terminal dues to evolve in order to preserve cost-efficient services to our communities.

Mr. Speaker, initially, there were three major options proposed and discussed at this Extraordinary Congress. They were as follows:

- i. Option A—a proposal by the UPU under which, in 2020, all except the least-developed countries would pay the same rates of terminal dues;
- ii. Option B—the proposal made by the USA, which would allow all countries to set their own terminal dues rates, up to a maximum of 100 per cent of the domestic postal tariff; or
- iii. Option C—a compromise option which would allow countries some freedom to set their own terminal dues, subject to caps over a fixed time period.

Mr. Speaker, over the course of two days of gruelling negotiations, several variations of options B and C emerged, and these received close consideration and scrutiny by member countries. After much deliberation and presentations by several countries, the first vote was cast on option B, as amended by a proposal by South Africa. There were 144 countries present for this vote, and option B was defeated by a count of 57 for, 78 against, with 9 abstentions.

Mr. Speaker, it was clear from this vote that there was a significant difference of opinion on the way forward on this vexatious and controversial issue. Following this vote, a wide range of proposals and amendments emerged, all of which were carefully considered.

Mr. Speaker, an additional option, labelled Option V, eventually emerged after several meetings, predominantly between the USA and the UPU Headquarters staff. During deliberation on this new option, the USA stated that it would remain in the UPU *if* it was approved. In essence, option V allows qualifying countries to set their own terminal rates at 70 per cent of its tariff rates, with an annual increment of 1 per cent, up to a limit of 80 per cent. During debate and discussion of this new option, over 35 countries voiced their strong support for it. The Extraordinary Congress overwhelmingly approved the option V proposal by acclamation.

Mr. Speaker, the decision will see the UPU accelerate rate increases to the system used to remunerate the delivery of inbound, international, bulky letters and small [packets], while phasing in self-declared rates starting as soon as 2020. Under the agreed solution, member countries that meet certain requirements—including inbound letter-post volumes in excess of 75,000 [metric] tons (based on 2018 data)—would be able to opt in to self-declared rates starting 1 July 2020. Interestingly enough, the United

States was the only country that can do that. Mr. Speaker, the decision also included thresholds to protect low-volume developing countries from the impact of the swift reform.

The anticipated result of this new system for calculating terminal dues is an increase in revenue for the Bermuda Post Office. For example, we anticipate an increase in revenue of \$167,800, or 49 per cent, for 2020, and \$72[,123], or 21 per cent, for 2021.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Minister.

The next Statement this morning is in the name of the Minister of Works.

Minister.

**Lt. Col. Hon. David A. Burch:** Good morning, Mr. Speaker.

**The Speaker:** Good morning.

**Lt. Col. Hon. David A. Burch:** The Minister of Tourism and Transport is distracting me.

**The Speaker:** Well, you can ask him to slide down a little. How is that?

**Lt. Col. Hon. David A. Burch:** No, I am going to do better than that; I want his seat moved.

[Laughter]

**The Speaker:** All right.

**An Hon. Member:** You want *his* seat moved?

[Laughter]

#### TEMPORARY REPURPOSING OF T. N. TATEM FACILITY

**Lt. Col. Hon. David A. Burch** Good morning, Mr. Speaker. Prior to the start of the school year, my colleague, the Minister of Education, the Honourable Di-allo Rabain, made a very difficult decision to keep [T. N. Tatem Middle School](#) closed for this current school year. This decision was based on the findings contained in the Facilities Inspection Report prepared by the Government's Safety and Health Coordinator. That report not only documented several health and safety issues, including mould, but it also highlighted that negligent human behaviour was a contributing factor.

Mr. Speaker, with that decision, it became clear to both the Ministry of Public Works Building Section and the Ministry of Education Facilities Department that the buildings could not simply remain shuttered for an entire school year. Everyone knows what happens when any building in our subtropical

climate is closed; it is the perfect environment for mould and mildew (Bermuda's National Flower, in my opinion) to flourish. The team discussed options to ensure that did not happen. The first thing would be for the T. N. Tatem staff to remove all school supplies and personal effects from the buildings so that a thorough cleaning of the facility could occur and any unwanted supplies and equipment could be disposed of. The request was for that to occur by the 31<sup>st</sup> of October 2019 so that crews could begin the full cleaning exercise.

Concurrent with those discussions, in August, Mr. Speaker, I conducted a tour of the facility to ascertain what steps should be taken to ensure the integrity, security and ongoing cleanliness of the buildings. Those discussions included how we could temporarily repurpose some of the buildings so that there remained a physical presence onsite to discourage vandalism, damage or even unauthorised occupancy of the buildings, all of which have occurred over this period.

Mr. Speaker, several of the classrooms, particularly those in the family services block, a single-story structure at the eastern end of the property, were suitable for various community activities that would provide that physical presence we sought. Included in that area was a weight-training room, carpentry and woodwork shops, family studies and counselling rooms along with toilet facilities. All of these areas tested clean of any mould or air-quality issues.

Mr. Speaker, Pembroke Hamilton Club (or PHC—and let me declare my interest as a member) have had a long-standing lease arrangement with the Ministry of Public Works for the use of the playing field for both training and their multitude of community football programmes. So, it was a natural fit to approach them first to see if there could be some temporary, expanded use of the school facilities that could assist those programmes. Needless to say, they were very receptive of the offer, and we are advancing those discussions. But in the interim, we have immediately extended use of the toilet facilities for Saturday mornings, when they have dozens of young people participating in their various programmes.

Mr. Speaker, we then set about looking at community-minded activities that would assist particularly young people in the Warwick area. (And again, let me declare my interests. T. N. Tatem sits on the boundary of my district and is in MP Lister's district.)

Mr. Speaker, other activities we are exploring are the use of the weight-training room to include a boxing ring; the carpentry shop to be run by qualified carpenters as an afterschool programme; and the family centre to be converted into a community kitchen that will provide teaching opportunities for those who wish to learn how to cook and bake, as well as kitchen space for those budding entrepreneurs who can no longer produce baked or cooked goods for sale at home, as they do not meet stringent health

department conditions. Interest has also been expressed in utilisation of the gymnasium for a fitness programme and use of the auditorium for church services. Those discussions are ongoing. All these activities will be under licence for a period that ends on the 31<sup>st</sup> of July 2020, by which time the Ministry of Education will have made a decision on their future needs for the T. N. Tatem campus.

Mr. Speaker, you will know that every building needs to breathe in order not to deteriorate. We believe these efforts will ensure that the T. N. Tatem campus will require minor repairs next year to be able to cater to students once again, should that be the Education Ministry's decision. In a practical sense, this temporary use of T. N. Tatem will provide tangible assistance to a wide cross section of our community and protect the integrity of this asset. Thank you, Mr. Speaker.

**The Speaker:** Thank you, Minister.

I believe the next Statement is also in your name. Would you like to continue with that one?

**Lt. Col. Hon. David A. Burch:** Yes. Thank you very much, Mr. Speaker.

**The Speaker:** Go ahead.

## INFRASTRUCTURE IMPROVEMENTS

**Lt. Col. Hon. David A. Burch:** I wish to report this morning on a few [infrastructure projects](#) that are currently in train. Mr. Speaker, I have previously reported to this House on the importance of infrastructure in general, and bridges in particular. Our bridges play a vital role in social development and economic growth for Bermudians.

Our engineers regularly inspect and repair our bridges to ensure safety and infrastructure integrity, but no structure is impervious to the ravages of time, particularly in our harsh Atlantic environment. The Swing Bridge, connecting St. David's Island to St. George's Island; and Longbird Bridge, connecting the mainland to St. David's Island, are two examples, and both are due for replacement. In fact, the RFI [request for information] for that project ends this afternoon, and we look forward to discussing those responses.

Mr. Speaker, in the case of Longbird Bridge, it was condemned in 2007. Two single spans of Bailey Bridge were built to divert traffic coming from the west and the L. F. Wade International Airport, as a temporary solution.

**The Speaker:** I was the Minister. I was the Minister at the time. I remember that.

**Lt. Col. Hon. David A. Burch:** Oh, you were the Minister?

**The Speaker:** That is right.

**Lt. Col. Hon. David A. Burch:** Okay. That is why I say you would know most of these things, Mr. Speaker.

**The Speaker:** Yes. Go right ahead.

[Laughter]

**Lt. Col. Hon. David A. Burch:** An action plan was developed and executed, and we are nearing the time when construction can begin on a replacement. However, before this can happen, the existing structure must be demolished to make way for the new. A public tender was issued for the demolition, removal and safe disposal of the Longbird Bridge superstructure, piers, approach slabs, walls and services. After the selection process, Crisson Construction Limited was the successful bidder and awarded the contract for the sum of [BD]\$249,000, having scored the most points on qualification and also on cost, being the lowest bidder.

Mr. Speaker, the works will commence onsite immediately following an environmental impact assessment. The demolition of Longbird Bridge will not just remove an eyesore that greets our air passengers and endangers the boating community, but will also signal the rebirth of both the Longbird [Bridge] and the Swing Bridge.

Mr. Speaker, I would now like to turn to the Ottiwell A. Simmons Arbitration Centre (formerly the Allenhurst Building). Mr. Speaker, one of the initiatives of this Ministry is the reuse of vacant government buildings when it is financially prudent to do so. This building has been vacant since 2011 when the police station moved to its current location at the Dame Lois Browne-Evans Building.

Mr. Speaker, Allenhurst was originally built as a hotel and was purchased by the Bermuda Government in the 1920s for government offices on the ground floor and police barracks on the upper floors. Subsequent to that, the building underwent major refurbishments in the 1970s, to convert it into the Hamilton Police Station, when the cell blocks were also added.

Mr. Speaker, in 2017, the Bermuda Business Development Corporation proposed that the vacant property be converted into an international arbitration centre. And in the 2018 Speech from the Throne, it was announced that this would be the direction of this Government and that the building would be re-named the Ottiwell A. Simmons Arbitration Centre in honour of this most distinguished Bermudian. Mr. Speaker, the plan was to renovate the original structure and add on to the building to accommodate the addition of elevators. The building was gutted earlier this year, and a structural survey was carried out on the integrity of the building, by engineers from the Ministry this

past September. That survey revealed that there had been significant deterioration and structural cracks to the external walls. It was also found that the water tank and electrical main supply are shared with the adjoining Valerie T. Scott Building, currently occupied by the Information Commissioner's Office. Separately, our Estates Department have had various discussions with the Information Commissioner on deficiencies with that building, involving air quality, dampness and mould issues.

Mr. Speaker, in light of the current state of both buildings, it is now not economical to refurbish either building, and the engineers within the Ministry have recommended that it would be expedient to demolish them both to make way for the new arbitration centre. An application for a demolition permit has been submitted, with the plan to complete the demolition work expeditiously. The ICO [Information Commissioner's Office], as soon as practicable, will be relocated to allow the demolition to occur.

Mr. Speaker, you will recall that in 2002, the building was named after the first Bermudian Registrar General, Mrs. Valerie T. Scott. I can advise that her family have been advised of this plan and informed that Government will find another suitable means of honouring her distinguished service to Bermuda.

Separately, Mr. Speaker, the Ministry is in the advanced stage of a public/private partnership to build a brand-new building to house the Ottiwell A. Simmons Arbitration Centre on both lots, and I shall report further on progress as I am able. Thank you, Mr. Speaker.

**The Speaker:** Thank you, Minister.

The next Statement this morning is in the name of the Minister of Education.  
Minister.

**Hon. Diallo V. S. Rabain:** Thank you. Good morning, Mr. Speaker. Good morning, colleagues.

**The Speaker:** Good morning.

#### **RECOGNITION OF ACCOUNTANTS WITH THE ACCA DESIGNATION IN BERMUDA**

**Hon. Diallo V. S. Rabain:** Mr. Speaker, this morning I rise and take great pleasure in sharing with my honourable colleagues that, effective Monday, October 21<sup>st</sup>, 2019, accountants in Bermuda holding the professional designation of the [Association of Chartered Certified Accountants \(or better known as ACCA\)](#) are now fully recognised as professional accountants in Bermuda.

Mr. Speaker, this has been a journey indeed. Let me share with my honourable colleagues the context of this journey. Since 2009, the ACCA Caribbean has been engaged in discussions with key stakehold-

ers in Bermuda, primarily to address recognition issues and to promote the ACCA qualifications as viable and alternative career pathways [for an individual] to becoming a professional accountant. In 2012, after much discussion, the Bermuda College, through its Division of Professional and Career Education [PACE], commenced offering the ACCA accounting qualification and became a licensed computer-based testing centre for examinations administered by the ACCA.

Mr. Speaker, the ACCA Certified Accountant Technician [CAT] programme, after being offered by the Bermuda College, was promoted at both of our senior [high] schools and deemed to be very attractive. There was a definite interest in incorporating the programme into the high school curriculum as an option under the Career Pathways Dual Enrolment programme. However, after a lack of market recognition of the ACCA designation, there was significant drawback to making this happen.

Mr. Speaker, a key benefit of the ACCA technical programme being offered in Bermuda is the fact that, unlike other accounting designations, students do not need a bachelor's degree in order to enrol in the programme. They can enter the programme and earn their Bachelor of Science in Applied Accounting and Master of Business Administration degrees as they progress through the coursework and the three years of relevant work experience. The ACCA programme provides an avenue for Bermudians to earn an internationally recognised professional accounting designation without having to leave the Island. It was recognised that acquiring the ACCA designation locally would position Bermudians for accounting jobs, particularly in light of the high number of non-Bermudian accountants in Bermuda on work permits.

Mr. Speaker, the journey continued in April 2014, when the CPA Bermuda Act was amended, but [the legislation] did not recognise the ACCA qualification. The amendments stated that only members of CPA Bermuda could refer to themselves as professional accountants and could use their professional designations in Bermuda. This negatively impacted both the perception of the ACCA designation in the marketplace and enrolment in the ACCA programme at the Bermuda College. Despite efforts to rectify this injustice, little progress was made.

Consequently, Mr. Speaker, after becoming the Minister of Education in July [2017], in September [2017] I ensured discussions were re-engaged with the principals of CPA Bermuda, with a directive issued to amend the CPA Act and the CPA by-laws to include professional accountants who currently hold the ACCA designation.

Mr. Speaker, the ACCA qualification upholds the global accounting education standards set by the International Federation of Accountants [IFAC]. The qualification has also been officially benchmarked to the master's degree level in the UK. Finally, after sev-

eral years of advocacy and dialogue with a number of government ministers and officials promoting the value and benefits of the ACCA qualification, in 2018, CPA Bermuda agreed to support the amendment of their Act to include ACCA professionals.

Resultantly, persons holding the ACCA designation will be able to practice in Bermuda with the same rights and privileges as any other professional accountant and be recognised on equal footing. The acceptance of the ACCA designation will also introduce competition to the job market, thus facilitating choice, driving standards and, ultimately, growing the economy. The amendments will also allow the Act and By-Laws to take into account those accountants entering Bermuda on a temporary basis, thus strengthening the regulatory arm of the accounting profession and protecting the public.

Mr. Speaker, in support of this momentous occasion, the Head of ACCA Caribbean, Ms. Shelly Ann Mohammed, along with Dr. Kenneth Henry, ACCA Council Member and Associate Professor at FIU; Ms. Paula Marcelle-Irish, Head of the Business Development and Members at ACCA Caribbean; and Ms. Anouska Sammy, Education and Student Development Manager at ACCA Caribbean, all travelled to Bermuda this week from Trinidad to meet with members of the CPA Bermuda and launch the local ACCA chapter in Bermuda. A professional networking event, as well as a joint press conference, were held yesterday at the Hamilton Princess Hotel to announce the partnership.

Mr. Speaker, at this time let me thank all those involved from the Chartered Professional Accountants in Bermuda for working with technical officers in the Ministry of Education to amend the legislation as required. And, Mr. Speaker, while not mentioned within the Statement, I do want to express my gratitude to my fellow colleague, MP Patricia Gordon-Pamplin, for the assistance that she gave to getting this across the finish line. The results of these collaborative efforts have brought this journey to an end. The result is that the ACCA professional designations are now, finally, fully recognised in Bermuda. Thank you, Mr. Speaker.

*[Desk thumping]*

**The Speaker:** Thank you, Minister.

## **ANNOUNCEMENT BY THE SPEAKER**

### **HOUSE VISITOR**

**The Speaker:** And, as you take your seat, I think we should acknowledge the presence of Ms. Mohammed, who was part of [those] assisting in that.

**Hon. Diallo V. S. Rabain:** Yes.

**The Speaker:** Welcome.

*[Statements by Ministers, continuing]*

**The Speaker:** The next Statement this morning is from the Minister of National Security.  
Minister Caines.

**Hon. Wayne Caines:** If it pleases you, Mr. Speaker.

**The Speaker:** Yes.

### DISASTER RISK REDUCTION AND MITIGATION TEAM UPDATE

**Hon. Wayne Caines:** Mr. Speaker, I rise this morning to update this Honourable House on the ongoing work performed by the [Disaster Risk Reduction and Mitigation \[DRRM\] Team](#) to ensure that Bermuda is prepared for any large-scale natural or man-made disaster, and on the team's activities scheduled for the coming months.

Mr. Speaker, climate change has been a hot-button issue throughout the international media. Some Honourable Members will be aware that Bermuda hosted its first Climate Risk Forum this past Wednesday, October 30<sup>th</sup>, at the Hamilton Princess and Beach Club. The event was attended by Mayor Bloomberg and other notable academics in the climate change field. Discussions at the forum focused on the likely effects of climate change, supported by scientific data.

Mr. Speaker, the data suggest that small islands will feel these effects first. Bermuda's scientists have documented that sea levels have been raised by 19 inches since 1876. In the 10-year period between 2007 and 2017, the sea levels rose three inches. With rising sea levels and temperatures, and record-setting hurricanes being reported, it has become increasingly imperative that Bermuda understand the effects that climate change will have right here at home. Therefore, I am asking for the re-instatement of the Working Group on Climate Change. It is anticipated that the group will become a formal board tasked with ensuring that Bermuda is well informed on the effects of climate change and will be equipped to manage accordingly.

Mr. Speaker, Honourable Members will also be aware that the Atlantic Basin experienced a fairly busy hurricane season. At one point, there were as many as seven tropical storms churning. On the 1<sup>st</sup> of September 2019, the Bahamas had the unfortunate experience of suffering a direct hit by Category 5 Hurricane Dorian. The storm devastated the Abaco Islands and portions of Grand Bahama Island. There was loss of life, homes were destroyed and the landscape was damaged. The Bermuda Government was inundated with requests from numerous individuals, businesses and organisations wanting to assist with relief efforts, in the true Bermudian spirit.

Mr. Speaker, the Disaster Risk Reduction and Mitigation Team were tasked as the lead agency to coordinate the efforts and to ensure that the resources were directed to the appropriate agencies. Honourable Members will recall that the *HMS Protector* was, coincidentally, in Bermuda at the time and agreed to transport some relief supplies to the Bahamas on behalf of the people of Bermuda. The generous Bermudian people quickly responded at the Hamilton Seventh-day Adventist Church, and the hall was quickly overwhelmed with goods and volunteers who were there to help pack the goods for transport to the Bahamas. The *HMS Protector* departed Bermuda on Monday, September 9<sup>th</sup>, loaded with relief supplies. Bermuda's National Disaster coordinator travelled on board to continue the logistics planning for the arrival of the goods.

Mr. Speaker, an additional four 40-foot containers were packed by the DRRM in conjunction with BEST Shipping. BEST Shipping graciously provided the containers, stored the goods and assisted with the onward transport of the containers to the Bahamas. BEST Shipping, Meyer Agencies and Container Ship Management waived their local fees. The Green family covered the costs of transporting the containers from Florida to Nassau, Bahamas. The Bahamian Association oversaw the distribution of the supplies once they arrived in the Bahamas. The Bermuda Government would like to thank every volunteer, every business and anyone who participated in this relief effort. It was truly a community effort, and the people of the Bahamas greatly appreciated our assistance.

Mr. Speaker, on September 16<sup>th</sup>, the Disaster Risk Reduction and Mitigation Team and the Emergency Measures Organisation [EMO] had the opportunity to test our own responsiveness plans. The aim of the DRRM Team was to set confidence in the local and overseas community through effective and timely communications to the public. As the Island anticipated the arrival of Hurricane Humberto, the DRRM Team worked with the EMO Executive to coordinate inter-agency activities and ensure that pertinent information was dispersed to all relevant agencies and partner organisations. The EMO Executive met every day at 10:00 am to address hurricane matters and updates until Humberto had passed and was no longer a threat.

Mr. Speaker, as Humberto passed, and with Hurricane Jerry threatening to follow behind, I had the opportunity to see and work with the Disaster Risk Reduction and Mitigation Team first-hand. The team was stationed at ComOps and at Ministry of National Security Headquarters to coordinate the [actions] and activities of all agencies. I was impressed with their organisation and their professionalism. Members of the team worked tirelessly to ensure that Bermuda was well informed and well equipped to weather the storm. Of particular note, for the first time, signers for the deaf and hard of hearing were used by the EMO

at our press briefings, further ensuring that the important messaging could be accessed by the entire community.

Mr. Speaker, in my last update of the DRRM Team, I informed this Honourable House and the public of the team's focus on developing a Hazard Emergency Evacuation Plan for the Ferry Reach area, including the two prisons. Since that update, a working group comprising the DRRM Team, Sol Petroleum, RUBiS Energy and Ferry Reach community representatives have completed phase one of the plan. The plan was distributed to the wider community and has been well received.

Mr. Speaker, phase one of the plan prescribes using a small government ferry to evacuate residents from the dock on the Prison Farm property to deliver residents to the fisheries dock located at Coney Island. Residents will then be escorted and temporarily located at the Bailey's Bay Field to receive medical attention and have their basic welfare needs [addressed].

Mr. Speaker, planning for phase two will incorporate logistics pertaining to advance medical needs, long-term shelter, mass transportation, security and extended welfare requirements to support a maximum of 600 people to stay for up to seven days. I am pleased to report that the target date to have the completed plan remains December 1<sup>st</sup>, 2019.

Mr. Speaker, oil pollution on our shores is a real threat and one that we must be prepared for. To that end, the DRRM Team works with the Department of Environment and Natural Resources to ensure that the Marine Contingency Pollution Plan is adequate. A training session was held in March of this year and saw 70 people receive level-one training in oil pollution response.

Mr. Speaker, a DRRM Team member continues to work closely with Government House, government departments and private entities on updating contingency plans for national infrastructure. The planning includes facilitating tours to familiarise the responders with the ground layout, industry terminologies, mapping updates and partnerships with stakeholders. In particular, the DRRM Team has been working with Skyport Corporation to develop the Airport Emergency Plan in anticipation of the opening of our new international airport in 2020.

Mr. Speaker, Honourable Members may recall that Bermuda was involved in a regional tsunami exercise in March. The exercise tested Bermuda's communications capabilities. The DRRM Team continues to be involved in finding viable ways to alert the public of pending national emergencies. These efforts are in conjunction with the Department of Communications (which successfully launched the Tree Frog notification app earlier this year), the Bermuda Weather Service, Maritime Operations and other EMO agencies, as well as the private sector. Additionally, a DRRM Team member sits on the steering committee for the

new government radio initiative, which will allow inter-agency operability, once implemented.

Mr. Speaker, from June 12<sup>th</sup> to June 14<sup>th</sup>, the Government Cybersecurity Manager, attached to the DRRM Team, travelled with representatives of the Ministry of National Security to participate in the Regional Conference, Policies and Strategies on Cybercrime for the Caribbean Community, held in the Dominican Republic. The conference focused on international cooperation and the establishment of good practices to combat cybercrime at the national and international levels.

Mr. Speaker, October was Cybersecurity Month. Events were planned by the Cybersecurity Governance Board. Two of the DRRM Team members sit on this board. Honourable Members will be aware that the board has made a total of eight presentations with the goal of informing the public of the activities that are planned from the Government Cybersecurity Strategy. The Cybersecurity Governance Board is continuing to review the Bermuda Government's cybercrime legislation to ensure that it is aligned with international standards.

Mr. Speaker, the DRRM Team's National Event Planning Coordinator has been actively involved in the planning for the safety and security of our upcoming large-scale events, including the Bermuda Championship PGA Tour Event that is happening at the Port Royal Golf Course right now. From the time it was confirmed that Bermuda would host this event, the National Events Planning Coordinator has been involved in meetings among the organisers and government ministries, emergency service providers, and non-governmental entities such as the Bermuda Hospitals Board and St. John's Ambulance, to ensure that the event is professionally and safely organised. Hosting events such as the PGA Tour gives Bermuda an opportunity to showcase to the world that Bermuda is capable of successfully and safely accommodating prestigious sporting and entertainment events.

Mr. Speaker, Bermuda will play host to a number of high-profile events in 2020, such as the CARIFTA Games. They will be held in April. Planning meetings with the organisers have recently commenced, and further updates will be provided as they become available. The National Events Coordinator works alongside the Liquor Licensing Authority and the Bermuda Police Service, as well as other stakeholders, to ensure that the public events are properly organised to decrease the risk of a major incident occurring and anything that could lead to jeopardise Bermuda's reputation.

Mr. Speaker, in line with recommendations [from] the World Health Organization [WHO] and Pan American Health Organization [PAHO], a Disaster Health Coordinator has been appointed to work alongside the DRRM Team. It is intended that this appointment will develop a joined-up approach between health planning and disaster contingency plan-

ning. A regional health exercise is being planned to allow Bermuda to test its Public Health Emergency Response Plans.

Mr. Speaker, the work of the Disaster Risk Reduction and Mitigation Team is important in ensuring that Bermuda is prepared for any large-scale natural or man-made disaster. I will continue to update this Honourable House on this work and the important work of all of the departments and units within the Ministry of National Security.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Minister.

But, Minister, before you start, I am going to ask the Deputy to take the Chair, and you can do your last Statement.

**Hon. Wayne Caines:** Yes, Mr. Speaker.

**The Speaker:** Thank you.

*[Pause]*

**The Speaker:** Minister, you can go ahead and start.

#### **GANG VIOLENCE REDUCTION TEAM**

**Hon. Wayne Caines:** Mr. Speaker, this morning I will wish to highlight and to acknowledge the important work that the National Security Ministry's [Gang Violence Reduction Team](#) continues to do in our community. Honourable Members will recall that the team operates from a coordinated plan to tackle gang violence and antisocial behaviour through a series of strategically designed prevention, intervention and rehabilitation programmes and initiatives.

Mr. Speaker, during the summer and continuing into this current school year, the Gang Violence Reduction Team has been hard at work. I am pleased to provide some highlights, outputs and outcome data for the programmes that were delivered during the summer and are now being expanded upon.

Mr. Speaker, this summer saw the successful launch of the Gang Violence Reduction Team's Work Placement and Mentoring Initiative. Fifteen local companies grasped the opportunity to host 14 student employees for a six-week training programme. The programme's main objective was to help at-risk youth develop the people skills and personal insights needed to transition from adolescence and antisocial behaviour to a life of meaningful work through the work readiness programme and work placement experience.

*[Hon. Derrick V. Burgess, Sr., Deputy Speaker, in the Chair]*

**Hon. Wayne Caines:** Mr. Deputy Speaker, the programme evaluation data that have been collected

highlight the positive outcomes of the initiative. One hundred per cent of the selected students participated in the Work Readiness Workshop. Thirteen of the fourteen students completed the entire six-week programme. Twelve of the fourteen students did not miss a day during their work schedule.

Mr. Deputy Speaker, each student was given a job coach/mentor who was responsible for providing weekly coaching and checking-in sessions to support the young person during their work experience. These business partners demonstrated their engagement with the programme, with 93 per cent completing weekly evaluations and coaching meetings with students. A total of 118 job-coaching sessions were held by the programme manager. One hundred per cent of the business partners have indicated that they would participate in the programme again.

Mr. Speaker, commitment of the students involved in the programme was such that the programme manager granted 11 of the 14 students an additional two weeks paid [work], based on their weekly performance reports and supervisor satisfaction. Five of the students have subsequently been hired part-time or in full-time positions by the companies on their own accord. In addition, two students were offered summer jobs for the 2020 season.

Mr. Deputy Speaker, the Gang Violence Reduction Team made two referrals to additional emotional and social support services and supported four students through crisis incidents. It gives me great pride to report that 13 of the 14 students in the programme stayed clear of antisocial or criminal behaviours for the length of the programme.

Mr. Speaker, I would like to commend the Gang Violence Reduction Team for the outstanding work they have done with the Summer Youth Placement Programme. We would like to also extend a thank-you to each business partner who agreed to engage in this Initiative. Programmes such as these allow us to show our young men that there are opportunities outside of the life of antisocial behaviour. They also give the business community a first-hand opportunity to develop the work ethic and capabilities of some of the marginalised young people.

The Gang Violence Reduction Team intends to extend this programme into the school year to provide students within the team's high school programmes to experience meaningful work opportunities.

Mr. Speaker, Honourable Members will also be aware that the opening of Redemption Farm has been a priority of the Gang Violence Reduction Team for several months. The Redemption Farm pilot programme has been operational for the last 16 weeks. The ten trainees have been identified as possible at-risk youth that are prone to antisocial behaviour. Each one of these participants has expressed their desire to redirect their life towards pro-social and a productive path. Prior to the enrolment in this programme, each

trainee was required to complete the registration programme, which included an interview with the programme manager, completing the trainee registration forms and participating in the trainee orientation led by the Gang Violence Reduction Team.

Mr. Deputy Speaker, trainees work from Monday through Friday, each day comprising either personal development sessions or farming sessions. Weekly evaluations are completed by the Redemption Farm trainees and by the Gang Violence Reduction Team. The goal of the trainee evaluation is to review and assess the trainee's performance, aptitude and skill. These evaluations help the trainees to understand the key areas that they are doing well in and the areas they need to improve. The Redemption Farm Programme has an MOU [memorandum of understanding] with the Bermuda Housing Corporation to pay the individuals from this program.

Mr. Speaker, the importance and distinct power of education is a key focus of the Redemption Farm. The trainees [participate in] personal development sessions, life skills sessions, job readiness workshops and career exposure sessions. As the programme grows and develops, GED classes will be fused into the sessions, which are built into the Redemption Farm training. Through constructive training and the relevant education, the Redemption Farm aims to equip the trainees to be able to manage the everyday demands and frustrations of life.

Mr. Deputy Speaker, since the programme was launched 16 weeks ago, trainees have completed 48 personal development sessions. These sessions include

- Word of the Day Sessions;
- Job Readiness Sessions;
- Life Skills Sessions;
- Career Exposure Workshops;
- Financial Literacy Workshops;
- Sessions on life and challenges; and
- Goal Setting Sessions.

Mr. Speaker, the Redemption Farm trainees have also completed 32 farming sessions, which include

- Introduction to Agriculture;
- Introduction to Tools and Equipment used in Agriculture;
- Introduction to Garden and Design, and Bed Layout;
- Garden and Bed [Preparation] for pumpkins, parsley, cassava, thyme, pawpaws and sweet potatoes;
- Clearing Farm Areas;
- Introduction to the practice of Tilling, Planting, Fertilising, Cultivating and Harvesting.

Unfortunately, Mr. Deputy Speaker, Hurricane Humberto created some unavoidable issues, but provided an opportunity for the trainees to learn how hurricanes can affect the production of the crops.

I am proud to announce that 98 per cent of the registered trainees in the Redemption Farm have showed up to work on the scheduled days [and] for training sessions. Six trainees are eligible to receive their GEDs and completed the GED assessment and will begin the GED courses built on the Redemption Farm programme. One former trainee was connected to a higher education programme and subsequently left Redemption Farm. Another trainee left the programme after he was accepted in an apprentice training programme. The current trainees will stay on the programme for another 18 weeks. It is our goal to see each of them transition into full-time education and/or employment opportunities.

Mr. Deputy Speaker, the Gang Violence Reduction Team has delivered 90 individual case management check-in sessions with the Redemption Farm trainees. Additionally, the team has supported the trainees through five crisis situations. By all accounts, the programme is off to a remarkable start. The necessary systems and structures are set up and functioning, and the team have a clear implementation plan, moving forward.

Mr. Deputy Speaker, at the commencement of the school year in September, the Gang Violence Reduction Team relaunched its work with the Administration and Student Services [Teams] at the CedarBridge Academy and the Berkeley Institute. Alongside the Bermuda Police Service, the team strives to provide much-needed support services for at-risk students. Honourable Members will recall that at the beginning of the school year we saw some increased tensions within the school bodies. In response, the team is currently visiting the schools daily to support the management team and build positive relationships with the young people.

Mr. Deputy Speaker, the team continues to provide various support services including [incident] management support services, restorative justice sessions and daily check-ins. We are also working with the school teams to provide individual student, parent and family support sessions. In this school year, the Gang Violence Reduction Team will be partnering with the Berkeley MILE Programme and launching My Ambition Programme at the CedarBridge Academy.

Mr. Speaker, the Gang Violence Reduction Team continues to make positive influences with our at-risk population. We must continue to support them.

Thank you, Mr. Deputy Speaker.

## REPORTS OF COMMITTEES

**The Deputy Speaker:** There are none.

## QUESTION PERIOD

**The Deputy Speaker:** The questions for the Premier have been deferred.

And the Honourable Member, Mr. De Silva, Minister, you have got some oral responses?

**Hon. Zane J. S. De Silva:** Yes, I do. Are the questions going to be put first, Mr. Deputy Speaker?

**The Deputy Speaker:** They can be.

**Hon. L. Craig Cannonier:** Yes. Thank you, Mr. Deputy Speaker. In the absence of the Deputy Leader, I will read those questions:

#### **QUESTION 1: MAN TECHNICIANS EMPLOYED AT DEPARTMENT OF PUBLIC TRANSPORTATION**

**Hon. L. Craig Cannonier:** *[for Ms. Leah K. Scott]* Would the Honourable Minister please provide this Honourable House with the total number of MAN technicians currently employed at the Department of Public Transportation [DPT] Bus Depot, and what is the hourly rate each one is currently being paid?

**Hon. Zane J. S. De Silva:** Mr. Deputy Speaker, total MAN technicians currently employed at DPT. There are two technicians visiting for two and a half weeks to support with the ongoing 2014 series emissions project. And they arrived on October 29<sup>th</sup>. The hourly rate is 85 euros.

**Hon. L. Craig Cannonier:** I am sorry. Eighty-five—did you say euros, euros?

**The Deputy Speaker:** Yes.

#### **QUESTION 2: MAN TECHNICIANS EMPLOYED AT DEPARTMENT OF PUBLIC TRANSPORTATION**

**Hon. L. Craig Cannonier:** *[for Ms. Leah K. Scott]* Okay. Thank you, Mr. Deputy Speaker. Second question: Would the Honourable Minister please advise this Honourable House how long these MAN technicians have been in Bermuda (which apparently is part of what he has already stated), and how much has the Government paid out in salaries, housing allowance, room and board and cycle livery rentals to date?

**Hon. Zane J. S. De Silva:** Mr. Deputy Speaker, the DPT periodically contracts specialist technician services from MAN for training, maintenance projects and out-of-service repairs.

I do have a fairly lengthy table that I would be willing to give, but I can read them out to you wish, Mr. Deputy Speaker.

**The Deputy Speaker:** Mr. Opposition Leader, would you like for him to read them out, or . . .

**Hon. L. Craig Cannonier:** If he can provide it in writing. He has it in writing? Do you have it in writing?

**Hon. Zane J. S. De Silva:** Yes, I do. I know they are oral, but I can fire . . .

**The Deputy Speaker:** Yes, it depends on whatever satisfies you.

**Hon. Zane J. S. De Silva:** Okay. I will go ahead. I will go ahead, Mr. Deputy Speaker.

**The Deputy Speaker:** Okay.

**Hon. Zane J. S. De Silva:** It will not take me that long.

Out-of-service repairs—13<sup>th</sup> of June 2018 to 13<sup>th</sup> of July 2018, two MAN technicians for four weeks. [The] 6<sup>th</sup> of August 2018 to 24<sup>th</sup> of August 2018, three weeks, two men. [The] 4<sup>th</sup> of September 2018 to 2<sup>nd</sup> of October 2018, four weeks, two men. That was for the out-of-service repairs.

The 2009 refurbishment project of 14 buses—29<sup>th</sup> of October 2018 to 17<sup>th</sup> of November 2018, three weeks, two men. [The] 19<sup>th</sup> of November 2018 to 8<sup>th</sup> of December 2018, three weeks, two men. [The] 20<sup>th</sup> of January 2019 to 9<sup>th</sup> of February 2019, three weeks, two men. [The] 11<sup>th</sup> of February 2019 to 2<sup>nd</sup> of March 2019, three weeks, two men. [The] 4<sup>th</sup> of March 2019 to 23<sup>rd</sup> of March 2019, three weeks, two men. [The] 25<sup>th</sup> of March 2019 to 12<sup>th</sup> of April 2019, two weeks, two men.

Out-of-service repairs again—on the 20<sup>th</sup> of May 2019 to 19<sup>th</sup> of August, 12 weeks, one man. [The] 13<sup>th</sup> of May to 31<sup>st</sup> of May 2019, three weeks, one man. [The] 3<sup>rd</sup> of June 2019 to 21<sup>st</sup> of June 2019, three weeks, one man.

The 2014 series emissions project, which is 16 buses—19<sup>th</sup> of August 2019 to 6<sup>th</sup> of September 2019, three weeks, two men. [The] 9<sup>th</sup> of September to 27<sup>th</sup> of September, three weeks, two men. [The] 30<sup>th</sup> of September 2019 to 18<sup>th</sup> of October 2019, three weeks, two men.

For 2018/19, the total cost has been \$348,640. The accommodation is \$36,898. Airfare, \$19,707. Cycle rental, \$3,264. For a total of \$408,508 for that period.

For the period 2019/20 year to date, it is \$222,527 for the MAN costs. Accommodation, \$56,870. And the airfare, \$1,827. For a total of \$291,224.

#### **QUESTION 3: MAN TECHNICIANS EMPLOYED AT DEPARTMENT OF PUBLIC TRANSPORTATION**

**Hon. L. Craig Cannonier:** *[for Ms. Leah K. Scott]* Yes. Thank you, Mr. Deputy Speaker. Third question: Would the Honourable Minister please provide this Honourable House the number of local bus mechanics that have been apprenticed under the MAN technicians, with a view to reducing the reliance on the MAN technicians and increasing the knowledge and skill base of our Bermudian technicians, and what is the

longest work permit term granted to any MAN technician?

**Hon. Zane J. S. De Silva:** Mr. Deputy Speaker, it is DPT's policy that local technicians work alongside MAN technicians on maintenance projects and repairs. This provides a unique opportunity for the knowledge, sharing and development of local technicians.

Concerning formal apprenticeships, DPT has one recent graduate and one third-year apprentice, and is in the process of recruiting for an entry-level apprentice, tradesman and technician.

**The Deputy Speaker:** There are questions from Statements, one for the Premier from the Opposition Leader, on the Commission of Inquiry.

#### **QUESTION 1: APPOINTMENT OF MEMBERS TO THE COMMISSION OF INQUIRY INTO LOSS AND DISPOSSESSION OF PROPERTY**

**Hon. L. Craig Cannonier:** Yes. I will repeat the question. I must say . . . Sorry.

I did speak with the Premier, and he gave preliminary answers, but I will, for the general public's awareness . . . I was just curious, knowing that the appointment has been made, on the second page . . . or is it the third page? On the second page, down below, it says, "I am also pleased to advise the House that senior civil servant, Ms. Marva-Jean O'Brien . . . [will be] seconded as secretary to the commission."

I was just curious as to the appointment and whether the appointment has been made to replace Marva O'Brien in the Ministry of Legal Affairs, who that PS is.

**Hon. E. David Burt:** Thank you very much, Mr. Deputy Speaker.

Mr. Deputy Speaker, it would not be appropriate for me to comment on matters of the public service, as those are matters that are reserved for the Head of the Public Service and the Governor.

**The Deputy Speaker:** Any further questions?

**Hon. L. Craig Cannonier:** No.

**The Deputy Speaker:** The next question is for Minister Dickinson, the Finance Minister, from Cole Simons. Honourable Member.

#### **QUESTION 1: GOVERNMENT GUARANTEE HOTELCO BERMUDA HOLDING LTD.**

**Mr. N. H. Cole Simons:** Thank you, Mr. Deputy Speaker.

The guarantee, I understand, is for a face value of \$25 million. My question to the Minister: Has he

made a reserve for legal fees that will be attached to the guarantee should it be called? So, I know you said you put a limit of \$25 million, but that would be the face value of the guarantee. I am not certain that it will include legal costs. Can he expand upon that, please?

**Hon. Curtis L. Dickinson:** Mr. Deputy Speaker, no reserve has been made in contemplation of legal fees associated with the calling of this particular guarantee, for a couple of reasons. At the moment, it is my view that the likelihood of this guarantee being called or having to be funded is fairly low. The structure of the transaction provided for the inflow of a whole bunch of equity capital before debt amounts were allowed to be drawn. As I mentioned during the course of the Statement, the \$160 million is the cost of the project. The project, as contemplated, is fully funded, with \$100 million of those costs being in the form of equity and the other \$60 [million] being in the form of two bank loans—a \$25 million tranche A and a \$35 million tranche B.

Our guarantee relates to the tranche A loan, which is the most senior of the two pieces of debt. So, inasmuch as there is a potential issue, the creditors who would be in line to receive proceeds from any potential sale of the asset if it had to be sold, the first monies go to the tranche A lenders, which is where our guarantee sits. So, the likelihood of there being a loss or a real need to call the guarantee for that piece of debt is fairly remote; hence, no provision has been made for legal expenses associated with it.

**The Deputy Speaker:** Mr. Simons.

#### **QUESTION 2: GOVERNMENT GUARANTEE HOTELCO BERMUDA HOLDING LTD.**

**Mr. N. H. Cole Simons:** Thank you.

The second question: The Statement said that it is important to note that the guarantee will be compensated for by . . . it says, "The Government will be compensated for providing the guarantee." Can the Minister of Finance tell the Honourable House how much the Government is being compensated for the issuance of the guarantee?

**Hon. Curtis L. Dickinson:** The Government will be paid 25 basis points per year, or \$62,500, for the guarantee.

**The Deputy Speaker:** Any further questions?

No further questions.

The next question is for Minister Furbert from Mr. Dunkley.

Honourable Member Dunkley, you have the floor.

### QUESTION 1: UNIVERSAL POSTAL UNION EXTRAORDINARY CONGRESS

**Hon. Michael H. Dunkley:** Thank you, Mr. Deputy Speaker, and good morning, colleagues.

The Honourable Minister, on page 2 of your Statement, the fourth paragraph says, "The USA issued its statement that included assertions that it was costing the USA a disproportionate amount of money to ship parcels through the US." To the Honourable Minister, what reasons did the US provide for this assertion? And how is that different from the challenges faced by any other country?

**Hon. Wayne L. Furbert:** I am sorry; I did not hear the last part.

**Hon. Michael H. Dunkley:** Okay. For what reasons did the US provide for this assertion that it was costing them a disproportionate amount of money to ship parcels through the US? And how does this differ from the challenges faced by any other country in shipping parcels within their country?

**Hon. Wayne L. Furbert:** The whole purpose, Mr. Deputy Speaker, was that the US asserts that it costs them more to ship from Miami to New York than from China to New York. And so, what they are trying to say is that we want some parity as far as . . . because how it works is that countries are charged based on developing . . . China is considered an undeveloped country, interestingly enough. And so, their rates are much lower than the United States [rates] are, hence [the reason] why a lot of Bermudians can buy from Alibaba, I think it is called, [Alibaba.com] whatever it is, and get it shipped from China to here [less expensively] than it would be from New York to Bermuda.

### SUPPLEMENTARY

**Hon. Michael H. Dunkley:** Mr. Deputy Speaker, I appreciate the answer from the Minister, but maybe my question was not clear; the Minister did not answer it.

The USA says it costs them a disproportionate amount of money to ship parcels through the US. If that is the case, what is the reason for that, and why do other countries not face the same challenges, whether they are developed or not? The US is a large country, but there are many other larger countries in the world; they should [also] have this challenge. So, what reason did the US give for those disproportionate challenges and costs?

**The Deputy Speaker:** This is a supplementary, right?

**An Hon. Member:** Yes.

**The Deputy Speaker:** Okay.

*[Inaudible interjection]*

**Hon. Michael H. Dunkley:** Yes. I am trying to get it answered.

**The Deputy Speaker:** No, I understand. I understand.

**Hon. Wayne L. Furbert:** Mr. Deputy Speaker, I do not speak for the United States. But it is very clear that they made it very clear that their rates had to go up by July 2020. If not, they are out of the picture.

**Hon. Michael H. Dunkley:** Okay. Mr. Deputy Speaker, since the Minister is unable to answer the question, the Minister did say that the USA issued a statement. Can the Minister provide a copy of the statement so [we can have] a better understanding?

*[Inaudible interjections]*

**Hon. Michael H. Dunkley:** Okay. The Minister said he does not have the statement. But it was at the conference, so maybe he can research it.

### QUESTION 2: UNIVERSAL POSTAL UNION EXTRAORDINARY CONGRESS

**Hon. Michael H. Dunkley:** Second question, Mr. Deputy Speaker: On page 3, the Honourable Minister says that Bermuda pays \$80,000 to be a member of the UPU [Universal Postal Union]. Can the Honourable Minister please inform this Honourable House what benefits does being a [UPU] member bring to Bermuda?

**Hon. Wayne L. Furbert:** Well, that is quite simple. You would not be able to move your postal [items] if you were not a member of the UPU. You have to be a member to get your products from here to the United States, here to China, wherever it is. And so, if we were ever out of the picture, we could not move within that chain around the world.

**Hon. Michael H. Dunkley:** So, supplementary, Mr. Speaker.

**The Deputy Speaker:** Yes.

### SUPPLEMENTARIES

**Hon. Michael H. Dunkley:** If the US removes itself from the UPU, how will that upset the chain of mail throughout the world?

**Hon. Wayne L. Furbert:** Well, I can tell you very clearly. This is how it worked: They had threatened to remove themselves from the UPU. And the UPU is like a membership; it is like part of the union. And so, the UPU said that we would not be able to deal with

the United States because we are now a member of that union, per se. And so, we would have to form our own agreement with the United States. And basically, the UPU said that would not happen.

But all I can say, Mr. Deputy Speaker, is that everything is ironed out. Everybody is on board. We [will be] making more money than we were. We will be making more money next year than we are now. So, everything is sorted out now.

**Hon. Michael H. Dunkley:** Supplementary to that question, Mr. Deputy Speaker.

The Honourable Minister, in that paragraph, says that the UK had two votes, one for themselves and one for the Overseas Territories. If the UK would not allow us to vote, why should Bermuda pay the \$80,000? Why should the US pay the money? Because if you pay the money, you cannot vote. You are just paying for somebody else to do your work. Did the Minister broach that with the UK, to pay our fees if we do not get our vote?

**Hon. Wayne L. Furbert:** Mr. Deputy Speaker, I could tell you I was *very* disturbed, *very* disturbed. I said my finger was on that button. I had to vote according to what the UK told us to do. Now, if you want to go independent tomorrow, I have no problem with that. But they told us that we had to vote accordingly, based on the agreement they have with the UPU, and that is the way it is. That is the way it is. Now, I have asked the Foreign and Commonwealth Office to find a way that the Overseas Territories can vote accordingly by themselves. But we had to vote according to what the UK told us.

**The Deputy Speaker:** Mr. Dunkley.

**Hon. Michael H. Dunkley:** The question was, specifically, has the Minister asked the UK to pay our fee since we cannot vote?

**The Deputy Speaker:** Well, I think he answered it. But go ahead. Continue.

**Hon. Wayne L. Furbert:** No.

**Hon. Patricia J. Gordon-Pamplin:** I have a supplementary.

**The Deputy Speaker:** The Chair recognises the Honourable Member, Mrs. Gordon-Pamplin.

#### SUPPLEMENTARY

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker, I am just curious. The Minister indicated that he had his finger on the button to vote. So, the question is, if Bermuda was deemed

to be effectively an observer and not a participant, was there any reason why the Minister had the button? And could the Minister not have still pushed the button in the manner in which he wanted to?

*[Inaudible interjection]*

**Hon. Wayne L. Furbert:** Mr. Deputy Speaker, let me explain how it [was]. I am sitting in my seat, I got my finger on the button. And about four people are sitting behind me making sure how I have voted.

*[Laughter]*

**Hon. Wayne L. Furbert:** It is, truthfully. That is how it went. As a matter of fact, I was so disturbed they called me outside of the room and said, *You are going to vote according to how the Overseas . . . [rather] the UK, wants us to vote. That is how it goes.*

**The Deputy Speaker:** The Chair recognises the Honourable Member, Ms. Atherden.

#### SUPPLEMENTARY

**Hon. Jeanne J. Atherden:** Thank you, Mr. Deputy Speaker.

To the Minister: Something similar happens when you go to the WHA, the health . . . I mean, PAHO, [Pan American Health Organization]. So, what I want to understand is . . . the UKOTs [UK Overseas Territories] . . . do we have one vote so that you are there representing all of those rather than it is not just our \$82,000 *[sic]* that was up? Do any of the other countries also, the territories, pay any money? So, do they have a vote?

**Hon. Wayne L. Furbert:** The Overseas Territories have one vote, collectively. I had my finger on the button for all the territories. But I had to vote according to what the UK tells us to vote.

**The Deputy Speaker:** I do not know why we are going down this road. We are not independent. We are guided by the UK no matter where we go. Once they are there, they vote for us.

#### SUPPLEMENTARY

**Hon. Patricia J. Gordon-Pamplin:** I just have one supplementary, another supplementary, if I may.

And that is, were there any other representatives of Overseas Territories at the conference? And if there were other representatives, what policy decision was made so that our representative would be the representative for the entire number of the Overseas Territories? Just curious.

**Hon. Wayne L. Furbert:** They like me, Deputy Speaker. And they asked me to push down the button.

*[Inaudible interjections]*

**Hon. Wayne L. Furbert:** Mr. Deputy Speaker, you know, this is becoming a little silly. There were certain areas where the UK was sitting. Like a long line that was sitting in front of us. Here are some seats that the Overseas Territories sat in, myself and a few other ministers. I just happened to be close to the button. Yes.

*[Inaudible interjection]*

**Hon. Wayne L. Furbert:** No, no, no. They said, *This is the button here*. You can press the button when we tell you to press the button. I do not see a problem with it.

**The Deputy Speaker:** That is . . . when you are [an] Overseas Territory, you are not an independent nation.

Any further questions?

Okay. The next question is for Minister Burch from Mr. Cannonier, the Honourable Leader of the Opposition.

#### QUESTION 1: TEMPORARY REPURPOSING OF T. N. TATEM FACILITY

**Hon. L. Craig Cannonier:** Thank you, thank you, Deputy Speaker.

On the first page for the Infrastructure Improvements, I just wanted to ask a question, recognising that Crisson Construction Limited was awarded the contract. Was there any time limit given to complete the works? The reason I am asking that is that I know that the East End constituents, from my experience from town halls there on the bridges, they always like to know the time frames and what is going on. Was there any time frame given to completing that particular work?

**Lt. Col. Hon. David A. Burch:** Are you talking about the demolition?

**Hon. L. Craig Cannonier:** The demolition, yes, concerning Longbird Bridge.

**Lt. Col. Hon. David A. Burch:** I believe that there is no time frame that has been set on him in terms of doing it. But he is . . . the contract was awarded, I think in the last week or so. So, as soon as he can mobilise, he can start the work. You will find when you go to St. George's—you had better find that there should have been new signs put up this morning, saying that we are concerned about the integrity of the bridge and that people should not be fishing off of it.

**Hon. L. Craig Cannonier:** Yes.

**Lt. Col. Hon. David A. Burch:** But as soon as he can mobilise and get to work, he will.

**The Deputy Speaker:** Any further questions?

There appear to be none.

That brings us to the end of questions.

The next order of business?

### CONGRATULATORY AND/OR OBITUARY SPEECHES

**The Deputy Speaker:** Let me first . . . obituary to . . . I would like for this House to send condolences to the family of Mr. Randolph Furbert, from Aubrey Estate in Hamilton Parish.

As you all probably know, Mr. Furbert produced the best honey in the world and right from Hamilton Parish. And I can tell you that if you wanted a perfect family man, Mr. Furbert was such [a] person. He was very kind and very respectful. And so is his family. So, he is certainly a perfect example to all in the neighbourhood . . . or not just his family, to all—to all persons. And I know he will be sorely missed by his wife, Gail, and his children, Paul, John and Heather. Thank you.

The Chair recognises the Premier, the Honourable David Burt.

**Hon. E. David Burt:** Thank you very much, Mr. Deputy Speaker.

Mr. Deputy Speaker, I would like to ask this Honourable House to send a letter of condolence to the family of the late Ms. Isla Symonds. And I would like to be sure to associate Mrs. Patricia Gordon-Pamplin with those particular remarks, as she attended the home-going service with me. Ms. Symonds was my constituent, but a lot of persons will know her from the Pembroke area, as she had a long life, a very vibrant life, and she was loved by many. She made a particular impact on me, of course, in my early days of canvassing, and would never, ever hesitate to give me a call whenever she needed something. And it normally had to do with one of her neighbours who was not doing what they needed to do.

There was a very touching tribute at the home-going service by all of her grandchildren. I can assure you, Mr. Deputy Speaker, that there was not a dry eye inside of the place, as all six of her grandchildren gave a very touching tribute. And it was a beautiful send-off at the First Church of God.

I would also like to ask for a letter of condolences to be sent to the family of the late Mr. Trenton David Elwood Butterfield.

**The Deputy Speaker:** Yes.

**Hon. E. David Burt:** He passed away recently and his services were held at the St. Paul AME Church. And I would like to send my heartfelt sympathies to his wife Donna and to his children, Corey, Christin and Damon, during this very difficult time. Thank you.

**The Deputy Speaker:** The Chair recognises the Honourable Ms. Atherden.

**Hon. Jeanne J. Atherden:** Thank you, Mr. Deputy Speaker.

I would also like to be associated with the condolences to go to the family of Randolph Furbert. For as long as I knew him, I knew him as “Mr. Furbert”, the reason being Mr. Furbert worked for my father in Adderley Brothers Trucking, Adderley Brothers Construction. And he was one of those individuals who you knew he was one of the supervisors. He got lots of awards for the excellence of his work. And I do not know—for those of you who are old enough, when Rafer Trucking started, my recollection was that the truck that he used to have for my father, my father said, *I’m not going to be in the business anymore. Therefore, you should have it to get your business started.* And the type of commitment and excellence to service that Mr. Furbert had carried through that when I had to use some of his services when I was at the bank; you suddenly realised that Rafer Trucking had that type of reputation. But he learned all these services when he was a young man. And afterwards, when he went into the beekeeping, I remember having to call him when there were bees at the house. And I suddenly realised that he went from one career to another career. But he always used the excellence. And I want to say to him and to his family and to Gail that Bermuda misses him. And he was just a wonderful man. Thank you, Mr. Deputy Speaker.

**The Deputy Speaker:** Thank you.

The Chair recognises the Honourable Member Wayne Caines.

**Hon. Wayne Caines:** Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker, I rise to ask this Honourable House to send a letter of condolence to the family and friends of Mr. Ramsey “Bo” Saggar. He was laid to rest this past weekend at the New Testament Church of God. Mr. Deputy Speaker, this was a phenomenal send-off. I have *never* seen this many people at a funeral. There were approximately 1,500 people inside the church and approximately 1,500 people outside the church. What was so significant, it was every walk of life represented in Bermuda. As you know, Mr. Deputy Speaker, Bo was a firefighter for 23 years, Firefighter Number 91. They talked, and people spoke, that he was a golfer. He was a motorcycle enthusiast. He was a football enthusiast. He was a “every man.” And he represented so many people from

different walks of life. His wife, Crystal, gave a moving tribute. So did his son Marley, and so did his son Ramsey.

It was indeed the best of who we are as a country. And, Mr. Deputy Speaker, it warmed my heart to see so many people there in tribute to a firefighter. There was a cortège that went from the church to his home in Devonshire. To see 16 or 17 vehicles led by a procession of the firefighters—everyone just going to lay tribute to him. To see the fire service, all in their finest, their regalia, their dress uniforms, to support their fallen colleague. It was indeed a privilege. On behalf of the Ministry of National Security and to his service, too, that he has given yeoman’s service to our country, Mr. Deputy Speaker, I would like to acknowledge his passing.

Also, Colour Sergeant Parnell Emery. Colour Sergeant Parnell Emery recently passed after an illness. He served the Bermuda Regiment with distinction, served with the Junior Leaders, served with A Company, served Training Company in the Bermuda Regiment. He was responsible for a number of our young soldiers in Bermuda learning discipline, learning drill. He had an avid understanding of how to make our young men and women better through the service of their country in the Bermuda Regiment. I was a young subaltern, having returned from Sandhurst, Mr. Deputy Speaker. And I was assigned to him, and he was my drill sergeant. And we worked together. And he was indeed an excellent complement to my leadership. His family are left to mourn his passing.

He then, on his leaving the Bermuda Regiment, Royal Bermuda Regiment, Mr. Deputy Speaker, was active in the Seventh-day Adventist Church Pathfinders. This is a group that groomed young people, kind of like the Scouts, and is very active in the community. So many of our young people have been affected by his passing. Such is the man who has given his life to service. He will be buried at the weekend, on Sunday, at the Hamilton Seventh-day Adventist Church. His passing has affected his brothers and sisters in arms at the Bermuda Regiment, Mr. Deputy Speaker. And I ask that a letter is sent to his family.

Congratulations, Mr. Deputy Speaker—for congratulations, I ask for a letter to be sent to Rakia James E. Lambe, my nephew who is 12 years old, a student at the Bermuda . . . was struggling at the summer. And I told him that if he brought his grades up, I would mention him in the House today. Today we went to the Bermuda Institute, Mr. Deputy Speaker. He got a 3.4 GPA!

**An Hon. Member:** Hear, hear!

**Hon. Wayne Caines:** All his grades came up, all of the right subjects. And we are just proud of him!

Thank you, Mr. Deputy Speaker.

**The Deputy Speaker:** Thank you.

The Chair recognises the Honourable Cole Simons.

Mr. Simons, you have the floor.

**Mr. N. H. Cole Simons:** Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker, I rise this morning to send congratulatory remarks to the People's Pharmacy, who are celebrating their 35<sup>th</sup> anniversary.

**The Deputy Speaker:** Yes.

**Mr. N. H. Cole Simons:** As the name of their business implies, this is truly a people's pharmacy. When you walk in that store, you feel that the staff and the owners of this organisation really take a personal interest in you, and they provide you with yeoman's service. I want to commend the Pearman family. As you know, the business was started by the late Norris Pearman, and obviously Donna is there, and Donna's daughter, Tamara. They are running it with Aleathea Rabain.

You know, it bodes well for sustainability that they have been able to grow to the level that they have grown and be a player in the pharmaceutical business here in Bermuda. Right now, they have 50 employees. They have their business that goes from, I think, Reid Street, basically covers the whole block. And that is the testament on strategic planning and strategic investment and moving forward. In addition, they have a pharmacy at the hospital. So, again, to the Pearman family, to the People's Pharmacy employees, congratulations. And I trust that you [will] have many more successful years, especially during these difficult times.

I would like to associate myself with Mr. Furbert, the beekeeper. And he was an educator. He was *such* a gentleman. When I was the Minister of the Environment, we always had a chat about the bees. And I always learned quite a bit from him. He was such a dignified man.

**The Deputy Speaker:** Yes.

**Mr. N. H. Cole Simons:** And he will be sorely missed by his family and Bermuda at large.

And I would like to also associate myself with the comments made in regards to the fireman, Mr. Saggar. Thank you, Mr. Deputy Speaker.

**The Deputy Speaker:** Yes. The Chair recognises the Honourable Member Michael Scott.

**Hon. Michael J. Scott:** Good morning, Mr. Deputy Speaker.

Sir, may I be associated with the condolences offered to the family by the Premier to Mr. Trenton Butterfield, and in particular his surviving widow, Don-

na, and his sons Corey and Christin and the last name (the youngest boy whose name escapes me), to him, as well. Mr. Deputy Speaker, I know that the Minister of Health, the Honourable Kim Wilson, wishes to be associated with this. Trenton was a regular member at our church, Allen Temple. And so, I am asking to be associated with those remarks of condolence. Thanks.

**The Deputy Speaker:** The Chair recognises the Honourable Member Rolfe Commissiong.

**Mr. Rolfe Commissiong:** Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker, I would like for the House to extend condolences to the families of, firstly, Tamra Broadley of St. George's. She was a very good friend of mine, a very tragic circumstance that led to her passing. It was around the same time as our colleague. In fact, the other two names I am going to mention, it was at the same time as our colleague, Walton Brown, the Honourable Walton Brown, passed away. And so, Tamra Broadley, as I said, was a good friend of mine. And she is sorely missed by her family. The mother, I had spoken to the mother, and she has lost . . . actually, I think Tamra may have been the fifth child that she has seen pass in her lifetime.

The other is Mr. Stevie Smith. Mr. Stevie Smith was known to be habituated around this area of the country. He was a good friend of mine. We go back to when we were little boys. He was a good soccer player. He suffered terribly from diabetes.

Thirdly, another, she may have been mentioned already, condolences to [the family of] Darnell Wynn, Todd-Wynn, another very good friend, a highly accomplished educator. She led the Reading at . . . What was it called again?

*[Inaudible interjections]*

**Mr. Rolfe Commissiong:** —the Reading Clinic (I am sorry, Mr. Deputy Speaker) for some time. And I will associate the Premier and the whole House. She made major contributions to Bermuda in the field of education. Thank you, Mr. Deputy Speaker.

**The Deputy Speaker:** The Chair recognises the Honourable Sylvan Richards.

**Mr. Sylvan D. Richards, Jr.:** Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker, I would like to be associated with the remarks just given by the Honourable Member for Ms. Darnell Wynn. She was a constituent of mine. She was a friend of mine. She was a supporter of mine, and she was just a really lovely person. And she will be missed. As MP Commissiong said, she spent two decades teaching English and Literature at the high school and middle school levels. And she was also the Education Officer for Reading at

the Ministry of Education. She was also President of the Bermuda Reading Association.

The one thing about Darnell, she was a runner. She enjoyed running. Even when her health was failing and when she was facing considerable physical issues, she continued to run. And I always admired her spirit in that regard. If there was a 5K or a 10K or whatever it was, she was out there running. So, she will definitely be missed; I will miss her. And I offer condolences on behalf of the House to her family and friends.

Thank you, Mr. Deputy Speaker.

**The Deputy Speaker:** Thank you.

The Chair recognises the Honourable Member, Mr. Cannonier.

**Hon. L. Craig Cannonier:** Thank you, Deputy. Thank you, Deputy Speaker.

I would like to associate myself with the condolences to the Furbert family. Every time I saw Mr. Furbert, he was committing me to suit up and go honey harvesting.

*[Laughter]*

**Hon. L. Craig Cannonier:** And I also had the great opportunity of working with his son in telecommunications. In addition to that, his daughter's beauty shop, I have been getting my hair cut there ever since she had opened up. But just a beautiful family, as we have heard. So, condolences go out to the family.

Also, a university friend of mine, Cliff Savery, passed maybe two months ago. They are just having the memorial service today, actually. He was the nephew of Sir John Swan, former Premier of Bermuda. And so, I want to extend condolences to [the family of] a young man who was a taxi driver, who lost his life, unfortunately, at a young age. And so, my condolences go out to the family, in knowing them very well.

Also, congratulations to the People's Pharmacy. I think we heard it in the House before. I was general manager there for over 11 years during many of the expansions of the company. It is truly the epitome of how, when family comes together and sticks together, what can be accomplished.

**The Deputy Speaker:** Yes.

**Hon. L. Craig Cannonier:** Thirty-five years, notably, in numerology means prosperity. And certainly I am excited to look in the paper. You see three generations there. But really, it is four and five generations. They have got a lot of the family members still working there and bringing along the young ones, as well, within that family unit and that business.

**The Deputy Speaker:** Yes.

**Hon. L. Craig Cannonier:** I recall some funny things that took place there, especially with the name, when I got in there, on whether we should be changing the name. And truly, it was all about the people of Bermuda. And they were the first pharmacy. It was strategic on their behalf to be in that location in Hamilton, because it was the only pharmacy within the city that had its own parking. And it was a very good, strategic move that they made at that time. And so, I congratulate them. I continue to be very, very close friends with the family. And I wish them well as they go forward in their endeavours. Thank you, Mr. Deputy Speaker.

**The Deputy Speaker:** The Chair recognises the Honourable Member, Minister Lovitta Foggo.

**Hon. Lovitta F. Foggo:** Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker, I rise to express condolences for the family of Mrs. Dolores Harrison. She was a mother to [the lady] formerly known as Donna Wright. She was a Miss Bermuda. And she was a constituent of mine, and an absolutely lovely, lovely woman. And I will say that she was also a relative. And she will be missed. She will definitely be missed. I think some will remember her lastly when she was working at the Carter House in St. David's. That was her most recent job until she succumbed to Alzheimer's. And then, being feeble, she did pass on.

I also want to be associated with the comments as they relate to Tamra—"Tammy", we called her Tammy, Tammy Broadley—who as long as I have known Tammy, she always, always wanted to be a nurse. And her nursing career was one that was exemplary. And in fact, she took on the role of being educated within that area. And so, the nursing community came out full force for her. And she will sorely be missed in the health profession. I do not think you will be able to find someone who had that same personality, always open, highly respected, extremely, extremely knowledgeable. She always kept herself well informed of trends within that industry. And so, St. George's mourns the loss of Tammy Broadley. And my sincere condolences go out to her family.

Thank you, Mr. Deputy Speaker.

**The Deputy Speaker:** The Chair recognises the Honourable Member Christopher Famous.

**Mr. Christopher Famous:** Good morning, Mr. Deputy Speaker; and good morning, colleagues; and good morning, Bermuda.

Mr. Deputy Speaker, I want to give tribute to the late Mr. Malcolm Nisbett, a co-worker of mine at BELCO for 30 years. Mr. Nisbett was one of the calming forces in the powerhouse, which could always be very rambunctious. He taught a lot of us to save our money, invest in real estate and do the right thing.

I also want to speak about Ms. Darnell—well, most know her as Ms. Wynn. Those of us at Berkeley know her as Ms. Todd and later Ms. Paynter. This lady spared no red ink on her students. She ensured that we knew how to read and we knew how to write. And possibly right up until a few months ago, she was still lecturing me on Facebook.

*[Inaudible interjection]*

**Mr. Christopher Famous:** Yes, I listened.

I would like to echo the comments of the Minister of National Security in regard to Colour Sergeant Emery. I served with him briefly in the Royal Bermuda Regiment before I left.

And, Mr. Deputy Speaker, last week Bermuda saw a coronation of one of its own, from Devonshire, that we will never see again, Firefighter Ramsey Sagar. We knew him as Bo-Bo. What the Minister did not put in was that he was the son of Devonshire, Elliott [Primary] School, Robert Crawford [School], lived in Devonshire most of his life.

Mr. Deputy Speaker, what we saw at that church that day was Bermuda. As the Minister said, uptown, downtown, Back o' Town, front of town, everyone came out to [show] respect. This was one of the humblest people you would ever know in your life. But he always looked out for [everybody]. And what drew people out more was, even during his last days, he was on WhatsApp calls, Facebook, calling people, not to commiserate about himself, but to ensure that everybody looked out for each other. And one of the last things he said to me, Mr. Deputy Speaker, was to ensure that the crew that he works with, the firefighters, get the treatment that they need, because they were suffering.

So, I just ask the people of Bermuda to look out for Crew 4 and all the firefighters.

Thank you, Mr. Deputy Speaker.

**The Deputy Speaker:** Thank you.

The Chair recognises the Honourable Member Pat Pamplin-Gordon . . . or . . .

**Hon. Patricia J. Gordon-Pamplin:** It is good enough, Mr. Deputy Speaker.

**The Deputy Speaker:** Yes. They knew who I am talking about.

*[Laughter]*

**Hon. Patricia J. Gordon-Pamplin:** I have been called a lot worse, believe me.

*[Laughter]*

**Hon. Patricia J. Gordon-Pamplin:** Mr. Deputy Speaker, I would like to associate myself with the

comments made by the Premier, although he did mention to associate me on the family and the loss of Isla Symonds. Ms. Symonds was one of the Crichlow girls. And it was interesting because, you know, it was a family. She has a sister, Gladys, and a sister, Renee, both of whom worked at Shopping Centre when I was working there as a 13-year-old as my first little summer job.

So, when I say that I have known this family effectively my whole life, I can attest to that. Also, their brother, their late brother Michael, we went to high school together. So, our family go a long way back. Sister to Cleve. And it was just such a touching tribute, as the Premier indicated, as to how her grandchildren were able to stand there and pay tribute to a grandmother who was very, very special in each of their lives.

**The Deputy Speaker:** Right.

**Hon. Patricia J. Gordon-Pamplin:** And I can verify the comments made by the Premier that there was not a dry eye in the place when those young grandchildren finished speaking.

I would also like to be associated with the comments in respect of Trenton Butterfield, who was known as the “usher in charge” when the AME churches had their annual conference. He, along with Elwood Lambert, they took over. And they were just sharp, and they were churchmen. They were good Christian men.

Darnell Wynn—there is not much more that can be said about her, other than that she was the sweetest spirit that anyone could ever have met. And she was a dear, dear friend. And I certainly mourn her passing and give my condolences to her children and her significant other, her deep friends.

I would like, Mr. Speaker, to also associate with the death of Mr. Savery. That is Sylvia Savery, who is sister to John Swan—this was her son. And it is always very difficult when a mother has to eulogise a child. It is very difficult for her. And I want to offer my condolences.

But I would also like, Mr. Deputy Speaker, in my time, to pay tribute and to ask for condolences to be sent to the family of Jennifer (Darrell) Greenidge. Jennifer was one of the Darrell family. She is sister to Harold. She was . . . you know, we kind of grew up [together]. She was a city girl. She grew up over on Court Street and Victoria Street, on that corner when her house was there. And we literally go way back from high school days.

So, Mr. Deputy Speaker, finally, I would ask to be associated with the condolences to the Emery family. Carlton Emery's mother, Judith, is a cousin of mine. And when one looks at how families can support one another, Carlton's mom was there to support us through our own family bereavements. And certain-

ly, I would want to be there for her as she goes through this challenging time that she is experiencing.

Thank you, Mr. Deputy Speaker.

**The Deputy Speaker:** Thank you.

And the Chair recognises the Honourable Member Renee Ming from down the East there.

**Mrs. Renee Ming:** Good morning, Mr. Deputy Speaker.

I am standing on my feet today because, although the others have done Tamra Broadley, she was actually my constituent. And to have a constituent like Tamra would definitely keep you on your toes. She had me on . . . she never WhatsApp'd me, but she texted me often, and it would be about trees, road, noise at Tobacco Bay . . . anything that she came across in the constituency that needed to be taken care of, she made sure to let me know so that I could take care of it. And when it was [rectified], she would be sure to let me know that it had been done.

So, you appreciate constituents like Tamra because, as a Member of Parliament, she made sure, as she used to say, *Work for your money*. And so, she will surely be missed because, even just before her passing, we had spoken on phone and via text with regard to her situation. And although it is unfortunate, we extend prayers to her family, especially to her mom and her dad, who recently celebrated 75 years of being married. And she will truly be missed in our area.

And also, Mr. Deputy Speaker, from constituency 2, Ms. Joyce Ann Doyling. I grew up, actually, in that area, Sofer Lane it was called at that time. And so, the Doyling family are known to me, and their children know me from running around at a young age in that area of St. George's. So, they are in our thoughts and prayers.

And I also have two young men I would like to mention, Mr. Deputy Speaker, because it is awesome when we hear of our young males who are doing some positive things out there. And one of them is Mr. Zenawi Bowen, and he hails from St. George's. And he was the North Atlantic Conference Player of the Week two weeks ago. He is at Thomas College, and he is playing football.

And then the second one is Mr. Tai-Quan Ottley. Mr. Ottley's talent is art. And so, the new mural that is over there where the old Par-le-Ville car park is, he painted that one on the wall. And he gave an interview this week. He explained why he did these certain areas of it. But Mr. Ottley is no stranger to art, murals and painting. And so, hopefully, we are only seeing what is the beginning of his career as he moves forward with that.

So, on that note, I would like to say thank you, Mr. Deputy Speaker.

**The Deputy Speaker:** Thank you.

Any further speakers?

There appear to be none.

## MATTERS OF PRIVILEGE

**The Deputy Speaker:** There are none.

## PERSONAL EXPLANATIONS

**The Deputy Speaker:** There are none.

## NOTICE OF MOTIONS FOR THE ADJOURNMENT OF THE HOUSE ON MATTERS OF URGENT PUBLIC IMPORTANCE

**The Deputy Speaker:** There are none.

## INTRODUCTION OF BILLS

**The Deputy Speaker:** There are none.

## NOTICES OF MOTIONS

**The Clerk:** For Mr. W. L. Furbert.

**The Deputy Speaker:** Furbert is not here. He is not.

**The Clerk:** Who is there to table his Motion?

[Pause]

**The Deputy Speaker:** Minister Caines will do it.

**Hon. Wayne Caines:** Mr. Deputy Speaker, I propose to move the following Motion at the next day of meeting: That this Honourable House take note that the Future State Report dated August 23<sup>rd</sup>, 2019, by Bermuda First.

Thank you, Mr. Deputy Speaker.

## ORDERS OF THE DAY

**The Deputy Speaker:** There are, I think, four Orders of the Day, and the first one is in the name of the Minister for Finance.

Mr. Dickinson, the second reading of the Government Loans Amendment (No. 2) Act 2019. You have the floor.

## BILL

### SECOND READING

#### GOVERNMENT LOANS AMENDMENT (NO. 2) ACT 2019

**Hon. Curtis L. Dickinson:** Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker, the Government Loans Act 1978 provides for the government's authority to borrow money, the maximum amount that may be borrowed and related matters. The Bill now before the House proposes to increase the maximum amount that may be borrowed.

Mr. Deputy Speaker, Honourable Members will recall that in the 2019/20 National Budget, Government announced that, in view of the projected surplus, we had no plan to incur any additional long-term borrowings in this fiscal year. However, due to unexpected events, the Government has been forced to increase the debt ceiling in order to honour obligations in respect to the Caroline Bay project, formerly known as Morgan's Point. Mr. Speaker, before I go into further detail in this debate, I feel it necessary to remind this Honourable House of the background surrounding the Caroline Bay project, to illustrate how we got to this position.

Honourable Members will recall that, on September 13, 2019, I held a press conference updating the general public on the latest developments at the Caroline Bay project. During this press conference, I notified the public of the following:

(1) To date, the developers had been unsuccessful in their attempts to secure a funding to meet their financial obligations to the tranche B and tranche C lenders. As a result of these defaults, both the tranche B and tranche C lenders had demanded repayment in full of their outstanding loans.

(2) In seeking to defend the public purse, the Government has elected to exercise its option, by reason of the defaults, to acquire the interest of both the tranches B and C loans.

(3) The Government was in the process of negotiating a credit facility with local banks for up to \$200 million, the proceeds of which would be used, in the first instance, to pay the tranche B and tranche C lenders. These extraordinary circumstances and the liabilities triggered by these defaults have resulted in the Government having no choice but to raise the debt ceiling in order to borrow monies to fund the payments to the tranche B and tranche C lenders, as set out in the guarantees.

(4) An amendment to the Government Loans Act of 1978 to increase the debt ceiling by \$250 million to \$2.75 billion was being tabled with immediate effect.

Mr. Deputy Speaker, subsequently, on September 27, 2019, I made a Ministerial Statement notifying the House of the successful execution of a \$200 million credit facility with local financial institutions. Honourable Members were advised that this facility offered the Government valuable flexibility with regard to its duty to exercise the full range of options provided under the Caroline Bay Project Agreement, which includes, in the first instance, the purchase of the in-

terest of the B and C lenders. Remaining proceeds will be used substantially to fund other costs associated with this matter. The total value to buy the legal interests of the B and C lenders was approximately \$170 million, and I can confirm that the Government has closed on the certificate purchase agreements for the B and C lenders.

Mr. Deputy Speaker, I must re-emphasise that at this time Government has not borrowed \$200 million, but simply has a facility in place to borrow up to that amount. Funds will be drawn only when absolutely necessary, and only funds that are drawn will be charged with interest. At this time, I can confirm that Government has drawn approximately \$170 million on that facility, and these proceeds have been used only to fund costs associated with this matter.

Mr. Deputy Speaker, let me be clear that neither the new borrowing nor the revised debt ceiling amounts have been determined for any purpose other than to fulfil the Government's obligation and exercise of its rights under the respective guarantees for the Caroline Bay project. However, as I presented in my press conference on September 13, 2019, we will seek advice from professional advisors to determine the extent [to which] there are other potential liabilities the Government may need to address. Without this advice, borrowing or establishing a debt ceiling, without room for contingency, would be irresponsible.

Mr. Deputy Speaker, I can report that the Government has begun the process of assessing the amounts owed to contractors and subcontractors associated with this project. That work remains ongoing and will be conducted in a transparent and prudent way.

Mr. Deputy Speaker, at this time, net debt stands at \$2.63 billion, and the only borrowing we have incurred during this fiscal year is in relation to this transaction, being the Morgan's Point, or Caroline Bay, project. Mr. Deputy Speaker, Government remains committed to prudent long-term financial planning and to maintaining a robust debt-management policy. And on November the 10<sup>th</sup>, we will use funds in the Sinking Fund to pay off \$80 million in private placement notes when they mature. This will reduce our annual interest costs by \$4.7 million.

Mr. Deputy Speaker, if interest rates continue to head lower, the Government will look to minimise its borrowing costs by performing an asset liability management exercise by refinancing the \$200 million loan and any other relatively expensive government debt. The Government continues to review its options with respect to Caroline Bay and take professional advice on how to best protect the public's investment in this project.

Mr. Deputy Speaker, the decision to increase the debt ceiling runs counter to the plan that I outlined in this Government's budget in February, which stated that we had no plans to incur any additional long-term borrowing in this fiscal year. While this turn of events

was unplanned, our commitment to being prudent stewards of the public purse remains unchanged.

With those introductory remarks, Mr. Deputy Speaker, I now read for the second time the Bill entitled the Government Loans Amendment (No. 2) Act 2019.

Thank you, Mr. Deputy Speaker.

**The Deputy Speaker:** Thank you, Minister.

Any further speakers?

The Chair recognises the Honourable Member Pat Gordon-Pamplin.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker, the Minister has indicated in his comments that he had made the necessary arrangements to discuss, to arrange for a facility for this \$200 million additional in order that the Government is in a position to exceed . . . (Well, I am sorry.) It would be exceeding the existing loan ceiling; therefore, it is required then to have a higher ceiling so that those loans could actually be called upon if needed.

But I think the Minister also indicated that he had actually purchased the B and C tranches of the financing. And I just want the Minister to clarify for us whether we have actually paid out the money to the holders of the B and C [tranches] for Government to have acquired that. And if that was the case, would that payment out have caused our debt ceiling, as it existed, to have gone through that debt ceiling? You know, would that payment have caused us to go through the debt ceiling, and therefore should we not have had the approval prior to?

I am just wanting clarity for that because you will know, Mr. Deputy Speaker, that the situation with respect to Morgan's Point, or Caroline Bay, and how that actual project reached the stage that it was at came as a result—if I may, just a very brief history—came as a result of a swap from Southlands, or the people who owned Southlands swapped it under a previous Administration, swapped it for a property at Morgan's Point, renamed Caroline Bay. I believe that the investors in that project at Caroline Bay, notwithstanding some of their best intentions, have fallen short. And while a guarantee was given, a guarantee was actually required because the remediation standards and the costs relating thereto were going to cause the project to rise exponentially over and above what it was that was initially anticipated.

So, I am just curious as to whether the actual money has been paid out to purchase back those B and C tranches.

We know that in that deal that was made on that swap, the holders, now of the Caroline Bay project, actually had received something like three times more in freehold and probably four times more leasehold property in exchange, and we all recognised at the time that there was an exchange of a very dirty

site for a very pristine site that existed at Southlands. So, we understood at the time the reasons for the differential in the allotment of property, as it were. But within that allotment, the requirement to clean it up was going to be almost out of the realm of bringing things, because it was initially required that we would remediate to international standard. And, ultimately, it was agreed by the previous Administration, before the previous Administration, that they would remediate it at residential standard, which effectively was a higher degree of remediation and therefore would cause an extra lot of money in order to be able to achieve that.

So, in order for that project to proceed, it was necessary for the Government at the time, once all of the negativity of what the costs were going to be were brought to the fore, it was necessary to provide a guarantee. Because it would appear that there would never have been a project that would have gone on at that site, and we would still have been in a situation where the US base, where they left very, very sludgy conditions, and they do not clean up behind themselves when they go to various jurisdictions. They leave that mess for the countries in which they have operated to, literally, pick up the pieces.

And I think that, in fairness to the people of Bermuda, we did not necessarily want to sit by and allow sludgy conditions to prevail, whether or not that property was going to be used and switched over to the Caroline Bay project.

The question that we have is just to try to ensure whether . . . I know that the Government at one point in time, there was a shifting around of the board members in respect of Caroline Bay. And in putting additional people or different people in on that board to be able to oversee what was happening at Caroline Bay, I just wondered what exactly . . . what difference was made by having different people on the board? Because it still seems as though the financing that was going to be required to bring the project to its ultimate conclusion was still not made available to the existing investors.

So, I am just wondering how the shifting of the board has made any difference in terms of what it is that the project was able to do and whether, in fact, there is any recourse? Because the last information that I heard was that the investors were still trying to get money so that they could complete another part of their project. So, with the Government now having to satisfy the tranche B and C lenders, I am just wondering how the shareholders of that project are going to be held to account for the money that has been required, notwithstanding the guarantee.

Because what we do not want is a situation—and if I can just have an aside. This morning, we heard that there was also the guarantee in St. George's which was also arranged. And the Minister indicated that he did not believe that that guarantee was going to have to be called. I believe that when guarantees are offered, the idea is that they would not

have to be called. However, there are times when projects are required, in order to make sure that their funding is adequate and appropriate, that they may have to have a government backing. We have seen it on several occasions. We have seen it with Bank of Butterfield, over time. So, I just want to know whether the shareholders of Caroline Bay, with this negotiation, have been effectively exonerated from their responsibility or whether there still will be a reasonable requirement for them to continue to attempt their efforts to bring additional financing in so that, notwithstanding the Government will end up paying for the tranche B and C loans, where is the clawback of the money going to come from?

Because I do not believe that, notwithstanding the best efforts and notwithstanding the requirement, I do not believe that the taxpayer should be left on the hook indefinitely or, you know, forever for the \$165 million.

To raise the debt ceiling, as the Minister has just alluded to . . . it was interesting that the Minister was relatively new coming into the last budget cycle. And when we heard the budget statement indicating that there would be no necessity to raise the debt ceiling, it was interesting that “The best-laid [plans] o’ mice an’ men / Gang aft a-gley.” And really, what it says is that, while you may not have had any intention at that point in time, there are times when you look at what your liabilities are at any given point, and you look at what contingencies might be required. And I believe that this was one that would have manifested itself at that point in time. So, I am just not certain that, by making a declaration that there is no necessity to raise the debt ceiling or to borrow any more money, that this was a given. I just think that a little close scrutiny would have indicated that maybe that statement was a little bit ambitious under the circumstances.

And while it is regrettable that we have reached this stage, because one hopes that when you offer to an entity a guarantee, that they would still fulfil their side of the bargain. And what I have not heard, notwithstanding that Government or the Minister has indicated that Government will take over the B and C tranches, I want to understand exactly what responsibility is still being laid at the feet of the investors in the project to try to minimise the costs to the taxpayer.

With those few comments, Mr. Deputy Speaker, I will take my seat.

**The Deputy Speaker:** Thank you.

Any further speakers? The Chair recognises the Honourable Member Cole Simons.

Mr. Simons, you have the floor.

**Mr. N. H. Cole Simons:** I just have a question for the Minister.

**The Deputy Speaker:** Yes.

**Mr. N. H. Cole Simons:** The Minister, as you said in your Statement, you charge 25 basis points for the guarantee that is in place for the same wages. Now, I understand that the former Minister of Finance also charged 25 basis points for the guarantee at Morgan’s Point.

Can you confirm whether we received the fees, the 25 basis points fees on an annual basis, since the guarantee has been outstanding? And also, confirm whether the total fees aggregated can be used against the amount that you are using to retire the debt from the creditors? How much did we receive in guarantee fees from Morgan’s Point?

**The Deputy Speaker:** Any further speakers?  
Minister.

**Hon. Curtis L. Dickinson:** Thank you, Mr. Deputy Speaker.

In answering the first question about, have funds been paid to the B and C lenders, the answer to that is yes. The Government Loans Act 1978, the substantive legislation . . . this legislation is carried out in accordance with the Provisional Collection of Revenue Act of 1975. And as a result of that, on the day that the legislation is tabled it becomes effective. So, the legislation became effective on the 13<sup>th</sup> of September, well before any payments were made to anyone. So, I think that there was some confusion, clearly, with the Member as well as the general public. I think I had read in the blogs that they had not even debated the Bill. I think people may not have understood that the Bill became effective the moment that it was tabled back in September.

There was some discussion around the clean-up of the site. I am not familiar with all of the particulars of that exercise. But I do know that there are various points of view around how clean or how dirty the site actually was and how much money was required to clean it up. And I think I have said publicly, I think on television, that I have no issue as a general principle with governments providing guarantees as a way to encourage investment. My particular issue with this one was in how it was done and in whether or not the appropriate protections were put in place to ensure that the Government’s interests were always protected.

And by way of example, I will draw a comparison. With respect to the earlier statement I made around St. Regis, we talked about a fully funded, fully financed package of capital to get that project done, the number being \$160 million; \$100 million of that was in equity and \$60 million of it was in debt, in two tranches, an A and a B piece, 25 and 35. Government’s guarantee was associated with the tranche A piece, the most senior piece of debt. Inasmuch as that project fails completely, the question that we have to ask ourselves is, Do we think that we can get at least—the banks can get at least \$25 million to satisfy

tranche A? And the reason why Government is concerned about the tranche A piece in particular is because its guarantee is associated with that piece of debt.

I am of the view that we have probably got at least \$25 million of asset value there if something goes wrong, and that therefore our liability, our contingent liability is fairly small. Now, granted, anything can happen. A bomber could fly by and drop a bomb on this spot and eviscerate the site and it would be rendered worthless. But that is a fairly unlikely situation.

With respect to the Morgan's Point project, what we had is, what I can tell, a situation where there was not a fully financed package of funding for the development. In actual fact, government's guarantee seemed to be used to kind of aid in getting debt financing when the hole to be filled was other debt and other equity which never materialised. And so, what we had in that instance is a not fully financed project for which government had a guarantee. And therefore, our risk increased as the result of not having a fully financed transaction. Inasmuch as there had been a fully financed transaction, I think the outcome of this would have been a whole lot different.

The Member asked a question about the board composition. My understanding is when issues were flagged up to this Government, a suggestion was made and an action taken to enhance the governance of the project. And the addition of two people, Mr. Andy Burrows and (I think) Ms. Nancy Duperreault, were added to the board. And Mr. Christensen and Mr. Hunt stepped off. My understanding is that, as the result of the improvement in the governance process, there was greater oversight placed on draws of money to fund the various parts of the project.

There was a question with respect to shareholders. The documentation that we have had a chance to review includes in that something called a reimbursement agreement, which sets out what happens in the event that the guarantees are called and Government has to actually expend money. And the developers of the project are responsible for reimbursing the Government for funds that the Government has advanced. We have elected in the case of the tranche B and C loans to actually acquire the loans, as opposed to honouring the guarantees.

And some would ask . . . someone suggested that that is a distinction without a difference. And I would say that it actually is a big difference. What we have sought to do is to ensure that the Government has the strongest position possible in seeking to remedy the situation with respect to the monies that we have funded. What we did not want to do is to . . . and in the case of the C notes, where the accrued liability was greater than the amount that we guaranteed . . . So, let's just say . . . so the guarantee for the Cs was \$80 million. The accrued value of their loans was \$98 million. So, in actual fact, through negotiations with

the C lenders, the Government was able to save \$18 million. Had we not been able to enter into proper negotiations, had we honoured the guarantees and left the \$18 million outstanding, that \$18 million of debt would have had a claim to the assets. And so, in an effort to gain control, a stronger negotiating position, we decided to negotiate with the lenders and acquire their claims, as opposed to just paying out on the guarantees.

We have not had any substantive discussions with the shareholders. And we have had fairly limited outreach from them to us. And I will leave that there.

It is my intention that the taxpayers will not be left on the hook with respect to this project. Inasmuch as there is an inability to raise additional equity capital by the developers, then we will exercise our rights as creditors on this project and take control of it. I am taking very careful and thoughtful advice on what the appropriate next steps should be with respect to where we find ourselves on this matter. And, as I am with respect to the incurrence of additional debt related to this project, I am being very thoughtful and considerate about the actions that I take on that front, as I will be on the next steps around how we go about remedying the situation that we have on our hands.

With respect to MP Simons's question about the guarantee fee and the payment of it, my understanding is that the fees have been paid, the quantum of them. I do not have it at my fingertips right now, but we can get that information to you. But it was 25 basis points. I am being advised that the number was \$99,000 per quarter. And those funds generally go into the Consolidated Fund. And so, left pocket—right pocket; at the end of the day, it is kind of all government's money, and the funds are used as they are required.

I think I covered off on most of the questions. If I did not, please let me know and I will attempt to address any unanswered questions.

**The Deputy Speaker:** Thank you, Minister.

We have about five minutes to go before lunch. But at this point, I will ask the Deputy to adjourn for lunch.

*[Inaudible interjection]*

**The Deputy Speaker:** Pardon?

**Hon. Patricia J. Gordon-Pamplin:** I am just asking a question, whether we can take it to Committee and then break for lunch?

**The Deputy Speaker:** Well . . .

**Hon. Patricia J. Gordon-Pamplin:** So that when we come back, we will be in Committee.

**The Deputy Speaker:** Well, we can do that. Thank you.

**Hon. Curtis L. Dickinson:** I just want to be sure. I know that there were a number of questions that the Member asked. I want to be sure I answer all of your questions.

**The Deputy Speaker:** Well, that is finished once you get up.

**Hon. Curtis L. Dickinson:** Okay. Fine.

**The Deputy Speaker:** Yes.

*[Inaudible interjections]*

**The Deputy Speaker:** The Minister has it covered; I can assure you.

**Hon. Curtis L. Dickinson:** I am sorry for the confusion.

**The Deputy Speaker:** That is all right, Minister.

**Hon. Curtis L. Dickinson:** I know that the Member asked a number of questions. I attempted to write them down as she asked them. I think I have answered most of them. But what I was offering was if I did not cover off anything that you asked—because my intention is to answer all of your questions as best I can—please let me know.

And then if not, then we can move the Bill to Committee. Are we good?

**Hon. Patricia J. Gordon-Pamplin:** Yes. We are good.

**The Deputy Speaker:** Yes. We are good.

**Hon. Curtis L. Dickinson:** Mr. Deputy Speaker, I move that the Bill be committed.

**The Deputy Speaker:** The Bill will be committed to Committee. But we will take that when we come back.

At this time, I will ask the Deputy Leader to adjourn for lunch.

**Hon. Walter H. Roban:** Thank you, Mr. Deputy Speaker.

I move that we adjourn for lunch until 2:00 pm.

**The Deputy Speaker:** We will adjourn for lunch and return at two o'clock, 2:00 pm.

*[Crosstalk]*

*[Gavel]*

**Proceedings suspended at 12:29 pm**

**Proceedings resumed at 2:04 pm**

*[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]*

**The Speaker:** Good afternoon, Members.

*[Gavel]*

**The Speaker:** I believe we are at a point, Minister, where you were about to wrap up and go into Committee.

*[Inaudible interjection]*

**The Speaker:** We moved to Committee already?

**Hon. Curtis L. Dickinson:** Yes, sir.

**The Speaker:** Okay. Deputy, would you like to come assume the Chair?

**House in Committee at 2:05 pm**

*[Hon. Derrick V. Burgess, Sr., Chairman]*

## COMMITTEE ON BILL

### GOVERNMENT LOANS AMENDMENT (NO. 2) ACT 2019

**The Chairman:** Members, we are now in Committee of the whole House for further consideration of the Bill entitled [Government Loans Amendment \(No. 2\) Act 2019](#).

Minister, you have the floor.

**Hon. Curtis L. Dickinson:** Thank you, Mr. Chairman. Mr. Chairman, I move that clauses 1 through 3 be moved.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** This Bill seeks to amend section 2A of the Government Loans Act 1978 to increase the limit on the public debt.

Clause 1 cites the title of the Act and is self-explanatory.

Clause 2 amends section 2A(1) of the Government Loans Act 1978 so as to increase the statutory limit on the public debt by \$250 million to \$2.75 billion.

Clause 3 provides for commencement on the day that this Bill was tabled in the House of Assembly, in accordance with the Provisional Collection of Revenue Act 1975.

**The Chairman:** Any further speakers?

The Chair recognises the Honourable Member Pat Gordon Pamplin.

You have the floor.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Chairman.

Mr. Chairman, the clauses and the content of this Bill are straightforward and certainly we understand the reason for which the debt ceiling needed to be raised and we have no objection. So I am quite happy to concur with the comments made by the Minister.

**The Chairman:** Any further speakers?  
Minister, you have the floor.

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move that the preamble be approved.

**The Chairman:** It has been moved that the preamble be approved.

Are there any objections to that?  
There appear to be none.  
Approved.

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move that the Bill be reported to the House as printed.

**The Chairman:** Move clauses 1 through 3.

**Hon. Curtis L. Dickinson:** I am sorry. I move that clauses 1 through 3 be approved.

**The Chairman:** It has been moved that clauses 1 through 3 be approved.

Any objections to that?  
There appear to be none.  
Approved.

*[Motion carried: Clauses 1 through 3 passed.]*

**Hon. Curtis L. Dickinson:** And I move that the Bill be reported to the House as printed.

**The Chairman:** It has been moved that the Bill be reported to the House as printed.

Any objections to that?  
No objections.  
The Bill will be reported to the House.

*[Motion carried: The Government Loans Amendment (No. 2) Act 2019 was considered by a Committee of the whole House and passed without amendment.]*

**House resumed at 2:08 pm**

*[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]*

## REPORT OF COMMITTEE

### GOVERNMENT LOANS AMENDMENT (NO. 2) ACT 2019

**The Speaker:** Members, is there any objection to the Government Loans Amendment (No. 2) Act 2019 being reported to the House as printed?

No objections.

So moved. It has been reported.

We will now move on to the next Order of the Day. The next Order is [Order] No. 4, which is the second reading of the Casino Gaming (Miscellaneous) Amendment Act 2019 in the name of the Minister of Finance.

Minister?

## BILL

### SECOND READING

#### CASINO GAMING (MISCELLANEOUS) AMENDMENT ACT 2019

**Hon. Curtis L. Dickinson:** Thank you, Mr. Speaker.

Mr. Speaker, the purpose of this Bill before the House today entitled Casino Gaming (Miscellaneous) Amendment Act 2019 is to make amendments to the Casino Gaming Act 2014.

Mr. Speaker, the Casino Gaming Regulations 2018, which were made on the 26 September 2018, represented only a portion of the casino gaming regulatory package. I can now inform this Honourable House that the Casino Gaming Amendment Regulations 2019—the remainder of the regulatory package—has been made operative on the 12 September 2019 and has thus completed the casino gaming regulatory regime.

Mr. Speaker, the Casino Gaming Amendment Regulations 2019 made pursuant to section 196 of the Casino Gaming Act 2014 and subject to the negative resolution procedure make the provision for the following matters:

- a) advertising and promotion of casinos and casino gaming;
- b) provision and use of cashless wagering systems;
- c) provision and maintenance of patron accounts;
- d) resolution of gaming complaints;
- e) problem and responsibility gaming;
- f) exclusion orders;
- g) provision of credit;
- h) service of liquor;
- i) betting;
- j) casino marketing arrangements;
- k) temporary managers; and
- l) disciplinary procedures.

Mr. Speaker, for the purposes of and in respect of the amendments to the regulatory regime there have been a number of proposed amendments to the Casino Gaming Act 2014, the Prohibition of Gaming Machines Act 2001, and the Casino Gaming (Casino Fees) Regulations 2017. These amendments have been consolidated into the Casino Gaming Miscellaneous Amendment Act 2019. To that end the amendment seeks to:

1. clarify various provisions of the Casino Gaming Act 2014 in order to better support the underlying policy and to enable such policy to be carried out via the regulations;
2. make provisions for various fees, which have now been provided for in the Regulations; and
3. make general housekeeping amendments.

Mr. Speaker, with respect to the proposed fee amendments to the Casino Gaming (Casino Fees) Regulations 2017 the Bermuda Casino Gaming Commission consulted with established jurisdictions, well-known and respected testing laboratories, and experts in technical areas as regard to those regulations in relation to the appropriate fees to be levied. It is important to note that while some of these fees proposed at this time are necessary in relation to the opening of a casino, there will be further amendments to the fees in respect of operational matters, which will be proposed at a later date.

Let me be clear, Mr. Speaker. It is the intent of this Government to move forward with gaming as we believe that this will enable economic growth as well as create jobs and opportunities for Bermudians.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Minister.

Does any other Member wish to speak?

We recognise the Honourable Member Mrs. Gordon-Pamplin.

Honourable Member, you have the floor.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Speaker.

Mr. Speaker, I thank the Minister for his presentation. Apart from some fee specificities that are included in this Bill, the rest of the Bill is fairly innocuous. There is not . . . it is not earth-shattering, it is not a whole lot . . . they are really kind of like housekeeping changes.

But what I would have liked the Minister to say, given that he has in his closing clause and statement indicated that it is the Government's intention to continue with casino gaming because they believe—as we believed when it came on line—that it would create economic growth and job opportunities, it would have been good to have some kind of update so that we know, number one, are there training processes in place so that we have our workforce being prepared to be able to take on these types of jobs that are likely to happen? It does not make sense waiting

until a casino is ready to open and then say, *Oops! We don't have the personnel and, therefore, we have to have work permit holders.* And I am not suggesting that there will not be any, but if we are able to create and produce the lion's share of employees in this industry, it would have been good to hear where we are down that continuum.

The other thing we would have liked to have heard is where are we in respect of the allocation of licences? I would imagine that when the hotel of which we spoke this morning with the guarantee—not reflecting on a debate—but I am sure that they would have had a little bit of concern because I believe that they were one of those who were interested in ensuring that they had a licence, and that was part of the arrangement that they would have had so that they can begin to operate. So it would be useful to know where we are in terms of the specific allocation by the Gaming Commission—I realise this is not the Minister's responsibility, I realise it comes under the umbrella of the Gaming Commission—but the Gaming Commission, presumably, would be reporting back to the Minister and it would be useful for the Minister to be able to explain to this Honourable House where we stand in that process.

But most importantly, while our best intentions are laudable, my question is that the impediment that we have experienced thus far and the thing that has caused us to pause and halt with going full force ahead . . . full steam ahead, has been the banking issue in relation to casino gaming proceeds. And if the Minister is now saying that it is the Government's intention to push forward with this—and we are not trying to throw spanners in the works—we just want to know where do we stand? We know that Bermuda's reputation financially is critical. But we also know that there are gaming environments in other places . . . there is Atlantic City, there is Las Vega, there is . . . now, almost every time you drive down a US highway they are highlighting the fact that there is another casino opening and *come to this one and do this.* So they, obviously, have found a methodology by which they are able to bank their proceeds.

Now we know that the major stepping . . . the major stumbling block is the impediment that they have in terms of anti-money laundering and anti-terrorist financing. And that is something that Bermuda has to ensure that our reputation is maintained on a pristine basis, that we are a blue-ribbon destination and we need to make sure that we can maintain that. But that does not make us any different from other jurisdictions. So if the other jurisdictions have managed to find a banking solution, can the Minister give us some indication as to where we are [on that]?

It is fine to have a lot of housekeeping changes and I am sure that in looking at the legislation itself and with amendments that were made in September (as the Minister indicated) that we can . . . we can tweak this from now until the cows come home, but

where are we with the substance? And I did not hear that in the Minister's presentation and I would be grateful for some update.

Thank you, sir.

**The Speaker:** Thank you, Honourable Member.

Does any other Member . . . we recognise the Honourable Member Pearman.

**Mr. Scott Pearman:** Thank you, Mr. Speaker.

**The Speaker:** You have the floor.

**Mr. Scott Pearman:** Mr. Speaker, the Honourable Member who spoke just before me said she was not going to throw spanners. Well, let me throw one.

The reason that casino gaming is not progressing in Bermuda is because of the legislation change that brought in an element of governmental oversight into the Casino Gaming Commission. And that is what killed things stone dead.

*[Inaudible interjection]*

**Mr. Scott Pearman:** And it is that—it is that—

*[Inaudible interjection]*

**The Speaker:** Member.

**Mr. Scott Pearman:** —that causes concern to correspondent banks.

And if the Minister is to be believed—and I believe him—when he says that this Government wants to progress gaming, that is the problem that needs remedying . . . and fast. And perhaps the Minister could address that concern.

Thank you.

**The Speaker:** Thank you, Honourable Member.

Does any other Honourable Member wish to speak?

I recognise the Opposition Leader.

Honourable Member, you have the floor.

**Hon. L. Craig Cannonier:** Yes, I just wanted to say to the Minister I am grateful that at least we finally have gotten to this occasion today, notwithstanding some of the concerns that have already been voiced. I am glad to see that we are revising certain wording and the likes, but I also want to say that in speaking with some of the members who are interested in a licence and who have been, quite frankly, assured of this as they continue forward with their plans, I am glad to see this because they have been waiting.

I recognise when we talk about the areas defined and the likes—and I am talking about the property in St. George's—that they have been very much concerned about where are we. And they wanted to

see this piece of legislation coming to the table as they continue on with their construction.

So with that in mind, Mr. Speaker, I do want to thank the Honourable Member and his team for getting us to where we are right now so that we can proceed. The main concern right now is to hear from the Minister as to exactly where we are with the dollar value . . . not the dollar value, but with financing the money that come—proceeds, I should say—that come from gaming, how is that going to be handled in the banking system?

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Honourable Member.

Does any other Honourable Member wish to speak?

There are none.

Minister, would you like to wrap up?

**Hon. Curtis L. Dickinson:** Yes, Mr. Speaker.

Let me address the questions that were raised in the order in which they were raised.

With respect to an update, it is no small coincidence that this legislation is being debated today. Today marks the one-year anniversary of me being sworn in as the newest Minister of Finance. So it has been a fairly—

**An Hon. Member:** Congratulations.

**Hon. Curtis L. Dickinson:** Thank you very much.

It has been a year, and I can tell you that I put some pressure on myself and on my team to move things forward so that we had something substantial to talk about. Having said that, I was not prepared to move forward with this legislation until we reached the point in the development of a gaming regime where we actually had something to talk about.

I am intimately familiar with the issues surrounding banking and their impact on our ability to move forward as a jurisdiction with gaming. It was in 2016, I believe it was, when I took the then Minister—Minister Crockwell—and the then Chairman—Mr. Dunch—to New York in my capacity as the Head of Treasury at Butterfield to meet with the Bank of New York to discuss the concerns around correspondent banking. And the Honourable Member talks to the basicness of gaming establishments in the United States, and I would remind colleagues of one very important piece of information that needs to be considered when talking about and comparing Bermuda to onshore jurisdictions. The United States has two banking systems: one is a national banking system and the other is a state banking system. And so it may actually be the case that certain gaming establishments in certain places in America are actually banked by state banks as opposed to national banks.

The correspondent banks that bank Bermuda—the likes of JP Morgan Chase, Bank of New York,

Wells Fargo, and others—are national banks. And in my short time in this job I have also learned that there have been profound challenges by jurisdictions to the south of us around correspondent banking services where the banks have effectively exited those markets completely. So I understand the concern expressed by Members opposite with respect to the progress being made.

I also understand the concerns, having been a former banker, and having had to change in fairly short order on two occasions the Bank of Butterfield's correspondent banking network when I was advised by the incumbent that I had 30 days to move my accounts and had to get it done in a timely fashion without creating any disruption to the economy of Bermuda.

So I treaded in this space very, very, very gently because I understand the consequences of the correspondent banks upping and leaving and that would pretty much put a screeching halt to the robust economic activity that we enjoy here in Bermuda.

So, from a banking perspective, I have made a point of keeping . . . and the Member talked about the licences with respect to someone who I mentioned earlier. I mentioned two names, one was the St. Regis and the other was Morgan's Point, and I want to be sure that I am addressing the parties who have been granted a provisional licence, which would be the folks in St. George's. I keep the folks at the Hamilton Princess and the folks at the St. Regis up to date on the progress that we are making with respect to the banking issue.

I think I have also indicated a level of flexibility around them honouring their commitments to pay fees because, technically, they should have paid fees. I have exercised some leniency in that because I understand that ultimately they want some certainty around whether the banking piece works because if the banking piece does not work then why should they even consider moving forward? So I make it part of my every day practice to keep the key stakeholders to whom I am largely responsible—and that is the voters as well as the broader Bermuda community and the real productive inputs into our economy—informed of the progress that we are making on key initiatives and how they will impact their businesses. And I will continue to do that going forward.

With respect to the banking piece we have done something, I think, that should be considered second nature, we have actually engaged the local banks and we have used relationships to work together and try to identify a creative solution. I would not feel comfortable coming here talking about this legislation today unless I felt that those conversations had progressed to a point where I could have some high degree of comfort or confidence that we are close to the end with respect to finding a solution. I think people are talking. People are gaining an understanding of what is going on and what is going to be required.

There are some economics involved, obviously, and I think people will want to fully understand what impact the economics is going to have on the business, being the bank, and the business being the casinos. And so those things are progressing nicely and I feel comfortable that within the right amount of time—hopefully before the end of the year—we will have this issue put to bed.

With respect to training, before, I think, folks are prepared to commit any money to actually . . . in the case of . . . well, there are two different scenarios here. In the case of the St. George's property, they are a greenfield site where they are building the facility right now and as part of the build of the hotel they will create space for the casino. Whether they will fit it out yet . . . they will wait, I am sure, until they have some certainty around whether the banking piece works.

The other property—the Hamilton Princess—where the space that has been identified, that space is currently being used for another purpose, but once there is some certainty around what will happen with respect to the banking piece, they would then decommission that space and commence an exercise to refit the space to make it suitable for a gaming facility. And so with the lead time of getting an answer on the banking front, they will then start the work on the construction. And my expectation is that while they are doing the work around construction they will also, at the appropriate point in time, start doing the work around training.

And so this will not be, in my mind, a last-minute exercise of people saying, *Okay, the banking piece is solved, now where are your people?* because there still needs to be a bunch of work done on fitting out a facility to ensure that it is ready and operable once the doors open for the casino.

**The Speaker:** That is it, Minister?

**Hon. Curtis L. Dickinson:** I think that is it.

**The Speaker:** Would you like to move us to Committee now?

**Hon. Curtis L. Dickinson:** Just one moment because I think the Member, in speaking just now, raised another issue that I do not think I addressed, and I am not sure if I can [do so] without some additional clarification.

There was a suggestion that the reason why the regulations had not . . . or the law . . . the amendments had not progressed was because of some changes that Government had made. I am not familiar with what changes the Member is speaking about and if there is an opportunity for the provision of some clarity around that I would certainly appreciate it.

What I do know, from where I sit, the issue heretofore has been around getting the banking solu-

tion addressed. It has been an issue that has been being worked, to my knowledge, for the better part of two and half, almost three years. It is complicated. It involves not just the folks in industry at the banks, but also folks in my organisation around NAMLC and understanding how we are going to regulate a regime that does an activity that does carry with it some degree of risk. We happen to enjoy a very favourable reputation with respect to tax transparency, our AML regime, and I do not think there is anyone in this House or in this Island or in my Ministry who is going to cut any corners in the aim of moving gaming forward while at the same time setting the jurisdiction back from an AML/KYC perspective.

I would like to, Mr. Speaker, if possible with your indulgence, if there is some clarity that I need to get with respect to answering a question that I have not answered in my response, get that clarity so that I can then move this to Committee.

**The Speaker:** Normally the opportunity for him to speak again is not there, but for the sake of the clarity of the question I will allow the Member just to put your question again so the Minister understands what you were trying to seek of him.

**Mr. Scott Pearman:** Thank you, Mr. Speaker, and I am grateful to the Minister for giving me a further opportunity to clarify the point I was making.

The point I was making was that there was a legislative change by your Government where you changed the ability of the supervising Minister to change the members of the board and have greater control over the Commission. So it was less independent and there was a potential for ministerial interference. When that happened it was criticised and it was linked by commentators—rightly or wrongly—and that is why I asked you the question—to the difficulties that were being encountered with the banks, i.e., the potential for political interference with the Casino [Gaming] Commission was a reason that the banks had concern about providing correspondent banking services.

Whether that link is accurate or inaccurate is not something I can comment on, but that was certainly the criticism at the time. And it was suggested that that legislation needed to be reversed. And that was the point of my question.

Thank you, Mr. Speaker.

**The Speaker:** Okay.

**Mr. Scott Pearman:** And thank you, Minister.

**The Speaker:** Minister, does that help you?

**Hon. Curtis L. Dickinson:** It does . . . it does tremendously and I can . . . I can categorically refute that perception because at the point that the law was

changed, I was running Butterfield's private banking business, but retained responsibility for correspondent banking relationships. The change had no effect at all on the bank's posture from where I sat.

And, in fact, my analysis of the change positions the Gaming Commission similarly to how the Bermuda Monetary Authority [operates], how the Minister has the ability to make appointments. I will provide some level of comfort, but I accept that I am the Minister today and I have my own views on how to do my job and that my successors may have a different one, but I have no tolerance for interfering in the independent operations of the Gaming Commission or the BMA. And so I leave those bodies to do their jobs accordingly.

My understanding is that the hurdle here was on the banking front and getting the banks comfortable that their correspondents would be fine with accepting money that came from the casinos—no more and no less than that.

With that, Mr. Speaker, I move that the Bill be committed.

**The Speaker:** Thank you.  
Deputy Speaker?

**House in Committee at 2:31 pm**

*[Hon. Derrick V. Burgess, Sr., Chairman]*

## COMMITTEE ON BILL

### CASINO GAMING (MISCELLANEOUS) AMENDMENT ACT 2019

**The Chairman:** Members, we are now in Committee of the whole House for further consideration of the Bill entitled [Casino Gaming \(Miscellaneous\) Amendment Act 2019](#).

Minister, you have the floor.

**Hon. Curtis L. Dickinson:** Thank you, Mr. Chairman. I would like to move clauses 1 through 6.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** This Bill seeks to amend the Casino Gaming Act 2014.

Clause 1 provides the citation of the Bill.

Clause 2 amends section 2 of the principal Act in order to clarify, in respect of a number of definitions, the distinction between the terms “wager” and “bet,” to expand the definition of “gaming equipment” to include a computerised betting system, and to better clarify the meaning of “disciplinary action.”

Clause 3 amends section 33(2)(c) of the principal Act (regarding the consideration to be provided by the Commission in respect of an applicant for a casino licence), to remove the reference to an appli-

cant “that is not a natural person” where such an applicant will always be a corporate body.

Clause 4 amends section 41 of the principal Act to insert new subsection (5A) for the purpose of enabling a fee to be prescribed in respect of a request, by the casino operator to the Commission, to amend the conditions of the casino operator’s casino licence.

Clause 5 amends section 42(2)(b) of the principal Act to clarify that when further defining a gaming area, the gaming area is to be further defined within the boundaries of the casino premises and when further defining an eGaming zone, the eGaming zone is to be further defined within the boundaries of the designated site.

Clause 6 amends section 46(1)(b) of the principal Act to include, as a ground for disciplinary action against a casino operator, any contravention by the casino operator or his agent of a direction given by the Commission under the Act or any instrument made under the Act. This clause also repeals and replaces section 46(3) to provide that an agent of the casino operator includes any person who performs functions that are part of the normal operation of the casino, including such ancillary functions as catering and cleaning, whether or not the person is directly employed by the casino operator.

**The Chairman:** Any further speakers?

The Chair recognises the Honourable Member Pat Gordon-Pamplin.

You have the floor.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Chairman.

Mr. Chairman, my query for the Minister is on page 2 of the Bill on clause 2(2)(a) and [clause] 2(2)(e).

Subsection (2)(a) it looks as though this Bill seeks to delete “bet” and “betting” or, under the definition of “betting” deleting “bet” and substituting “wagering.” But in subsection (2)(e)(i) it says that we are deleting “in connection with gaming and includes” and substituting “in connection with gaming and betting” and I am wondering whether . . . if we are looking at substituting “wagering” for “betting” whether we would want the word “wagering” as opposed to “betting” in subsection (2)(e)(i). It is just . . . it just did not read well for me and it might be that I am misunderstanding something, but if the Minister could just speak to that I would appreciate it.

Other than that I have no other comments on clauses 1 through 6.

**The Chairman:** Any further speakers?  
Minister?

**Hon. Curtis L. Dickinson:** I am just waiting for some technical advice on this, Mr. Chairman.

**The Chairman:** No problem.

**Hon. Curtis L. Dickinson:** Mr. Chairman, I have been advised that the comments raised by the Honourable Member . . . the response is that the revised language should be read in the context of the substantive legislation. And so if you will indulge me I will, for the benefit of Members, read how the language will appear once the amendments have been made.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** So I am looking at the definition of the word “gaming equipment” which “means an electronic, electrical, or mechanical contrivance or machine or any device or thing (including chips) used, or capable of being used, for or in connection with gaming”—and the new language—“and betting and includes”—and new language—“any of the following.”

So we have added the word “betting” to the word “gaming,” so it is gaming and betting.

**The Chairman:** Any further questions?

**Hon. Curtis L. Dickinson:** And then under the definition of the word “gaming machine” the word “bet” has been replaced with the word “wager.” So it now reads “as a result of making a wager on the device, winnings may become payable.”

**The Chairman:** Go ahead.

**Hon. Patricia J. Gordon-Pamplin:** I understand because actually I read this in conjunction with the principal legislation and I came to the same conclusion, which also solidified my thought process that if we are looking to delete “betting” and substitute “wagering” whether, by introducing in the amendment “betting” rather than “wagering,” we were not working at cross purposes.

**Hon. Curtis L. Dickinson:** We will take a look at that.

**Hon. Patricia J. Gordon-Pamplin:** Okay.

**The Chairman:** Any further speakers?

Minister, do you want to move clauses 1 through 6 be approved?

**Hon. Curtis L. Dickinson:** I have got a bunch more so I would like to move—

**The Chairman:** Clauses 1 through 6.

**Hon. Curtis L. Dickinson:** Let us move clauses 1 through 6, Mr. Chairman.

**The Chairman:** It has been moved that clauses 1 through 6 be approved.

Are there any objections to that?  
No objections?

**Hon. Patricia J. Gordon-Pamplin:** I just have a slight unreadiness, Mr. Chairman, and that is with respect to the fact that the Minister is going to look at that situation.

**The Chairman:** That is what he said here.

**Hon. Patricia J. Gordon-Pamplin:** Right. So I am happy if it is done, or if it is deemed to be required to be effective under a slip clause or something else to change that wording from “betting” to “wagering,” then I can agree to accepting those—

**The Chairman:** He said he will look at it.

**Hon. Patricia J. Gordon-Pamplin:** Right, but if we approve the clauses, we are approving the clauses as they stand, and I am a little unready with approving the clauses as they stand, given that there is an outstanding issue here.

**The Chairman:** Mm-hmm.

With that, I mean, if it is a legislative change, then the Minister will bring it back to change that line. That is why they said they will look at it, you know, you take it under advisement.

So, no objections to approving clauses 1 through 6?

*[Motion carried: Clauses 1 through 6 passed.]*

**Hon. Curtis L. Dickinson:** Okay. I would like to move clauses 7 through 12.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** Clause 7 amends section 47 of the principal Act by inserting new subsection (A1) to clarify that the Commission take “appropriate” disciplinary action against a casino operator where it is satisfied that a ground for disciplinary action has been proved.

Clause 8 amends section 48 of the principal Act by inserting new paragraph (ba), which enables the Minister to prescribe the powers of the Commission to investigate matters relating to disciplinary action and to provide for the variation or suspension of a casino licence during such investigation.

Clause 9 amends section 52A(1) of the principal Act in order to clarify that every casino operator is required to establish and maintain a compliance committee in accordance with any regulations made under this Act and any guidelines issued by the Commission.

Clause 10 amends section 67(2) of the principal Act, in respect of an application for a special em-

ployee licence, to remove the reference to a “natural person” as that provision can only apply with respect to a natural person and not to a corporate body.

Clause 11 amends section 78(1) of the principal Act by inserting new paragraph (e) to add, as a type of disciplinary action that may be imposed in relation to a special employee, the variation of the conditions of a special employee licence.

Clause 12 amends section 79(1)(c) of the principal Act to include, as a ground for disciplinary action against a special employee, any contravention by the special employee of a direction given by the Commission under the Act or under any instrument made under the Act.

**The Chairman:** Are there any speakers to clauses 7 through 12?

Any speakers to clauses . . . no? No [speakers].

Minister, do you want to move that clauses 7 through 12 be approved?

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move that clauses 7 through 12 be approved.

**The Chairman:** It has been moved that clauses 7 through 12 be approved.

Are there any objections?

There appear to be none.

Approved.

*[Motion carried: Clauses 7 through 12 passed.]*

**Hon. Curtis L. Dickinson:** I move clauses 13 through 18.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** Clause 13 amends section 81 of the principal Act to clarify that the Commission take “appropriate” disciplinary action against a special employee where it is satisfied that a ground for disciplinary action has been proved. This clause also removes the list of penalties as these have already been defined under section 78 as the types of disciplinary action that may be taken.

Clause 14 amends section 112 of the principal Act by inserting new subsections (3A) and (3B), which provide that a self-exclusion order made by the Commission may apply to all casinos in Bermuda, unless otherwise specified in the Order, and that a self-exclusion order made by a casino operator may only relate to the premises of or business conducted by the operator making the order.

Clause 15 amends section 113(6) and 113(7) of the principal Act to change the reference to “Rules” in respect of those provisions to read “regulations.”

Clause 16 amends section 114(5) of the principal Act to change the reference to “Rules” in respect of that provision to read “regulations.”

Clause 17 amends section 117(1) of the principal Act to clarify that a person who is subject to an exclusion order may not enter any casino premises to which that exclusion order applies.

Clause 18 amends section 170(1)(d) of the principal Act to delete the word “bet” and substitute the word “wager.”

**The Chairman:** Are there any speakers to that?

**Hon. Patricia J. Gordon-Pamplin:** I can say on clause 18 I rest my case. We are deleting “bet” [and] we are substituting “wager”, which was my comment in respect of what we discussed earlier. So, I appreciate the Minister having a look at it.

The only question that I have is on clause 14, and this is on the top of page 5 under (3A). It speaks to “A self-exclusion order made by the Commission”—under (3A)—which “shall apply to all casinos in Bermuda unless otherwise specified in the Order.” And (3B) “A self-exclusion order made by a casino operator may only relate to the premises.”

Self-exclusion, by its definition, would be personally driven; otherwise it is an imposed exclusion. And I am just curious as to why we would have something that is saying this is a “self-exclusion” that the Commission is imposing on somebody. That cannot be right. So . . . I mean, I can understand an “exclusion,” but “self-exclusion” does not seem to be appropriate, and I wonder if the Minister could answer that for me.

**The Chairman:** Minister?

**Hon. Curtis L. Dickinson:** In reverse order, I accept the point that the Member makes with respect to clause 18, and I undertake to fix it. And inasmuch as the fix is not something that is consistent with her comments, we will be in touch with her to discuss them to make sure that there is less unreadiness.

Now I did manage to stretch the time out long enough to get the technical officers to give me the answers to the other piece, and so they are still formulating the answer, if you would give your indulgence. Thanks.

*[Pause]*

**The Chairman:** You do not have to have any more questions, Pat.

*[Laughter]*

**The Chairman:** We are coming again; it is not the last session.

**Hon. Curtis L. Dickinson:** Okay, Mr. Chairman.

With respect to the question around the “self-exclusion order,” I am advised that the person elects to be excluded and notifies the Commission regarding that desire. Then the Commission is put in the position to issue an Order on that voluntary premise, the Order is then provided to the casinos.

**The Chairman:** Any further questions.

Mrs. Gordon-Pamplin?

**Hon. Patricia J. Gordon-Pamplin:** No further questions, but I just wanted to reiterate, Mr. Chairman, that I do my homework so, therefore, [regarding] these things that pop up, it is important to make sure that they are clarified.

**The Chairman:** Yes. Well, we understand—

**Hon. Patricia J. Gordon-Pamplin:** I will wait until the Schedule comes, I have another question.

**The Chairman:** Okay.

Do you want to move [clauses] 13 through 18?

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move that clauses 13 through 18 be approved.

**The Chairman:** It has been moved that clauses 13 through 18 be approved.

Are there any objections to that?

There appear to be none.

Approved.

*[Motion carried: Clauses 13 through 18 passed.]*

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** I move clauses 19 and 20, please.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** Clause 19 amends sections 5 and 6 of the Prohibition of Gaming Machines Act 2001. Section 5 of that Act is amended by inserting new subsection (11), which provides that the prohibition on selling, supplying or maintaining a gaming machine does not apply to a person who is an approved gaming vendor under section 95 of the Casino Gaming Act 2014 who is acting in accordance with the terms of that approval. Section 6 is similarly amended by inserting new subsection (7), which provides that the prohibition on the importation of gaming machines does not apply to a person who is an approved gaming vendor under section 95 of the Casino Gaming Act 2014 who is acting in accordance with the terms of that approval.

Clause 20 amends the Casino Gaming (Casino Fees) Regulations 2017 to revoke the Schedule of fees and substitute a new Schedule incorporating the existing fees (at paragraphs 1 to 4 and 12) as well as those fees that apply in respect of licences, approvals and services provided under the principal Act and the under the Casino Gaming Regulations 2018.

Thank you, Mr. Chairman.

**The Chairman:** Any further speakers?

Mrs. Gordon-Pamplin?

There appear to be none.

Minister, do you want to move clauses 18 and 19 for approval?

**Hon. Curtis L. Dickinson:** I move clauses 19 and 20 be approved.

**The Chairman:** It has been moved that clauses 19 and 20 be approved.

Are there any objections to that?

No objections.

Approved.

*[Motion carried: Clauses 19 and 20 passed.]*

*[Inaudible interjections and laughter]*

**The Chairman:** Sometimes you have to count backwards in order to count forward.

Do you want to move the Schedule, Minister?

**Hon. Curtis L. Dickinson:** I move that the Schedule be approved.

**The Chairman:** It has been moved that the Schedule be approved.

Any objections to that?

**Hon. Patricia J. Gordon-Pamplin:** I have no objection to the Schedule being moved, but I just have a question on the Schedule, and I do not know when the appropriate time is to—

**The Chairman:** Go ahead.

**Hon. Patricia J. Gordon-Pamplin:** Okay.

So the Minister had indicated earlier in terms of . . . I am sorry, one of my [colleagues] indicated earlier about the payment of the application fees and the status. The Minister indicated in his response to my honourable colleague that he has been lenient with respect to the payment. And I am just wondering whether the fees have been re-looked at, if they are deemed to be still appropriate, and whether, in fact, there is any pushback at all from the proposed applicants or from the applicants to pay up in the absence of anything tangible to start to earn their money back.

**Hon. Curtis L. Dickinson:** As I am sure the Honourable Member will appreciate, there is a toing and froing, a pushing and pulling, that usually goes on with respect to fees. Those who have to pay them usually like paying as little as possible, those who like to raise them like to get as much as they can.

Inasmuch as the operators have not been able to advance their business plans towards the opening of a facility, my own view has been that it would be a big ask to require them to fund fees. And I have shared my views with the Gaming Commission and, as luck would have it, they have been accommodating in the requests by the operators for some leniency with respect to the payment of the fees.

I think there is a recognition that capital is not free, and inasmuch as the operators are expending capital without having an opportunity to earn a return on it, this is a losing proposition for them. And my own view, my own concern, is that you could, in the worst case, see an operator say that *I'm opting out*. And that is not something that we want to encourage. We want people to remain in.

There has been an approach made by an operator to seek some amendment to the fees—they have approached me. My response has been that is the remit of the Commission, and inasmuch as reasonable people can sit down and discuss an issue and come to an accommodation that actually creates a win-win, then great. But the regime is one that has an operating cost and those costs need to be met. Heretofore those costs have been met by the Government providing guarantees to the Commission, who have then gone out and taken advances in the form of loans. Those loans we pay back when fees are coming into the Commission. And so there . . . I have sought to provide the Commission with the opportunity to be as flexible as they can be around considering requests for changes to fees, and I think that they are considering the wide berth that they have from me and are acting accordingly. But at the end of the day they have to decide and determine what is appropriate to run the regime overseeing gaming in Bermuda and I am guided by their insights.

**The Chairman:** Okay.

Any objections to the Schedule being approved?

No objections.

*[Motion carried: The Schedule passed.]*

*[Inaudible interjection]*

**The Chairman:** Just move the preamble.

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move that the preamble be approved.

**The Chairman:** Any objections to the preamble being approved?

No objections.  
Approved.

**Hon. Curtis L. Dickinson:** And I move that the Bill be reported to the House—

**The Chairman:** It has been moved that the Bill be reported to the House—

**Hon. Curtis L. Dickinson:** —as printed.

**The Chairman:** —as printed.

Any objections to that?  
There appear to be no objections.  
The Bill will be reported to the House.

*[Motion carried: The Casino Gaming (Miscellaneous) Amendment Act 2019 was considered by a Committee of the whole House and passed without amendment.]*

**House resumed at 2:53 pm**

*[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]*

## **REPORT OF COMMITTEE**

### **CASINO GAMING (MISCELLANEOUS) AMENDMENT ACT 2019**

**The Speaker:** Good afternoon, Members.

Are there any objections to the Casino Gaming (Miscellaneous) Amendment Act 2019 being reported to the House as printed?

No objections. It has been reported.  
That brings that matter to a close.

We will now move on to the next item for the day, which is [Order] No. 5, the Incorporated Segregated Accounts Companies Act 2019. That also is in the name of the Minister of Finance.

Minister, would you like to present your Bill?

## **BILL**

### **SECOND READING**

#### **INCORPORATED SEGREGATED ACCOUNTS COMPANIES ACT 2019**

**Hon. Curtis L. Dickinson:** Thank you, Mr. Speaker.

Mr. Speaker, I am pleased to present to this Honourable House the Bill entitled the Incorporated Segregated Accounts Companies Act 2019. This Bill seeks to introduce a new corporate group structure for use by local and international clients who wish to conduct business in Bermuda.

Mr. Speaker, Bermuda has historically been a pioneer in developing segregated cell account company structures and concepts. The development of the Bermuda segregated account companies regime in the early 1990s took the form of private acts and has evolved into the enactment of the Segregated Accounts Companies Act 2000. The overriding aim of this Bill was to ensure that Bermuda remained at the forefront of international corporate law developments so as to maintain our competitive edge in order to take advantage of any future growth opportunities.

This Bill seeks to further modernise our segregated accounts companies regime. The segregated accounts companies concept, originally embraced by Bermuda's captive market and larger commercial insurers and reinsurance industry, has since been extended to use for other purposes, for example, the investment funds business. It is therefore unquestionable that SACs have worked well in Bermuda, just as cell companies have done in a growing number of competitor jurisdictions.

The approach taken in respect of this new Bill is to merge elements of two concepts that are the basis of the SAC Act and the Companies Act 1981 resulting in the creation of a new regime governing ISAC structures. Such structure is, therefore, a hybrid of our existing segregated account company and the conventional limited liability company.

Notwithstanding the intention of this new legislation it is important to note that both the new ISAC and existing SAC structures will be offered as two distinct and marketable corporate products.

Mr. Speaker, in order to fully appreciate the differences between a SAC and ISAC structures it is important to understand the business purposes and rationale why one product may be preferred over the other.

Mr. Speaker, prior to the introduction of the Bermuda SAC regime statutory segregation of assets and liabilities could only be achieved by incorporating multiple subsidiaries by private act or creating trusts. Segregated account companies are appealing for two main reasons: firstly, they enable the form of corporate group structure to be created, but with lower administration costs than a traditional corporate group structure consisting of multiple individual registered companies; secondly, the ability to take advantage of synergies and economies of scale, such as operating multiple types or lines of businesses under one umbrella, is inherent in such structures.

In order for a company registered under the Companies Act to achieve legally recognised segregated accounts, it must, subsequent to its initial registration, then register as a SAC under the SAC Act with the Registrar of Companies and, therefore, comply with statutory requirements as may be applicable under both the SAC Act and the Companies Act in addition to any other relevant laws, regulations or rules, depending on the nature of its business. Notwith-

standing legal recognition the accounts underlying a SAC structure do not themselves have legal personalities separate and apart from their incorporating SAC. Upon registration that SAC is able to hold certain assets in segregated accounts, firewalled from the assets and liabilities of the SAC itself, which is the SAC's own account and is usually referred to as the "general account" and those of its individual segregated accounts or funds.

A fundamental characteristic of the ISAC regime is to ensure that where assets have been allocated to any particular incorporated segregated account these assets are held exclusively for the benefit of the owners of the relevant account and any counterparty to a transaction linked to such account. Under our existing SAC structure each account established as a part of that structure is legally constrained by the capacity of the registered SAC itself and, ultimately, dependent upon the decision-making and actions of its management.

Mr. Speaker, on the other hand, using a Delaware series structure as an example as compared to our SAC, each series can hold its own assets, have its own members, conduct its own operations, and pursue different business objectives, yet remain insulated from claims of members, creditors or litigants pursuing the assets of or serving claims against another series. In this respect the new ISAC structure has similar characteristics and more closely resembles the Delaware series structure.

For this reason, Mr. Speaker, some local practitioners have raised concerns as to whether or not the assets, liabilities, and other legal obligations of a SAC would be effectively and legally segregated and recognised as such by the courts in other jurisdictions. One of the purposes of this Bill is to alleviate this concern and provide legal certainty to local practitioners.

Mr. Speaker, from a competitive perspective, jurisdictions providing alternative corporate solutions in the form of incorporated cell companies or protected cell companies have been successfully challenging Bermuda with a view to gaining competitive advantages in a wide range of areas, including the ILS market, which Bermuda currently dominates.

There are clearly clients and situations where such structures are considered more advantageous than Bermuda's existing SAC regime. Indeed, the inability to provide a similar option like ISACs may be perceived by the market to be a weakness in our product offering, which is already being exploited by Bermuda's competition. At least 12 jurisdictions currently have ICCs and/or PCCs legislation, including our principal insurance competitors, namely, Cayman, Guernsey, Jersey, Isle of Man and several US states and these structures have gained international industry acceptance.

Nevertheless, there are clearly clients and situations where the SAC is considered the vehicle of

choice and for this reason we should continue to provide the SAC as an alternative corporate structure.

Mr. Speaker, an ISAC offers even more robust segregation of assets and liabilities than a SAC because the creation and registration of incorporated segregated accounts is a more formal process than merely creating separate accounts. Additionally, an incorporated segregated account is less dependent upon the decision-making and actions of its management. For this reason, such structures are more attractive to potential investors as they offer more robust asset protections amongst underlying accounts rather than sharing in the misfortunes of any other account within the same structure or the ISAC itself.

Mr. Speaker, although our proposed ISAC will have the ability to operate multiple business lines, such structures cannot, however, be used for a purpose which could not otherwise be achieved using a number of companies in the conventional parent holding company subsidiary relationship.

Mr. Speaker, upon the registration of each account it will immediately have a separate legal existence from its ISAC that will be recognised as such, not only in Bermuda, but in other jurisdictions. In the same manner as any other Bermuda registered entity, each registered account will be governed by its own governing documents, that is, having its own memorandum of association and by-laws, or evidence of any other formal agreements, thereby allowing complex binding commercial agreements to be created adding structural sophistication to the well-known SAC concept and an enhanced level of flexibility in conducting business in Bermuda.

Mr. Speaker, the key characteristics and advantages of an ISAC over a traditional limited liability or SAC, comparatively speaking, include the following:

1. ISACs provide the flexibility for each segregated account to completely and legally separate its assets, liabilities, member agreements, and other legal obligations from other accounts within the structure.
2. ISACs have the ability to enter into contractual relationships with incorporated segregated accounts formed under the ISAC.
3. Due to the separate legal personality of each account, the ISAC is likely to be considered an easier structure for which to obtain a credit rating, which may be a prerequisite for being able to conduct or facilitate the expansion of business.
4. Limited liability companies and SACs can merge, amalgamate, re-domicile, or convert into ISACs and vice versa, thereby diversifying the usefulness and flexibility of those structures, if necessary.
5. Each account has its own board, separate from the ISAC board, which would be acquainted with the business conducted by that account and in a better position to immediate-

ly act upon any opportunities or threats to the business.

6. ISACs have the ability to pool professional support services, such as insurance and reinsurance management, investment management, legal, actuarial, and auditing services.
7. ISACs can be used beyond insurance and fund sectors with ministerial consent, as is the case with SACs.

Mr. Speaker, again, the predominant aim of the ISAC is to utilise economies of scale. For example, the standard annual government fee for Bermuda companies (which applies similarly to an ISAC and is set on a sliding scale calculated on the basis of the company's accessible, or in the case of an investment fund, authorised capital). . . [so the] annual government fees for exempted companies presently range from \$2,095 to \$32,676 per company. One of the primary benefits of an ISAC is that it renders it unnecessary to incorporate subsidiaries to conduct separate businesses or hold different assets. Instead, one ISAC with minimal accessible capital can be created, administering any number of incorporated segregated accounts, each individually ring-fenced. There are no limits on the number of accounts than an ISAC may establish.

The initial registration fee to register a traditional limited liability company as an ISAC is \$250 and thereafter the current annual fee is \$295 for each segregated account operated by the SAC, subject to a maximum of \$1,180 per annum. Therefore, by way of example, an ISAC with minimal share capital operating 10 segregated accounts will attract an annual government fee of \$3,275. At today's rates 10 separate companies with minimal share capital would attract \$20,950 in government fees each year. Leaving aside the considerable savings in legal and incorporation fees and ongoing secretarial fees, which are usually payable per company, the cost benefit of operating segregated accounts can be considerable.

Notwithstanding the lower cost of incorporation of such structures, ongoing annual and transactional fees applicable to companies (for instance, under the new Head 35A of the Government Fees Regulations 1976) will also apply to an ISAC and each of its underlying registered accounts. This will have the potential to increase corporate revenues for operating such structures in Bermuda.

Mr. Speaker, key elements of oversight of the ISAC structure is the notification and consent of the Registrar of Companies, and in the case of a financial institution, the BMA is required in respect of any material changes to the ISAC or any of its underlying accounts, and prior to strike off or winding up an ISAC or any of its accounts.

When winding up an ISAC, a liquidator is required to deal with the assets and liabilities which are linked to each incorporated segregated account only in accordance with the ISAC Act. The liquidators must

ensure that the assets linked to one segregated account are not applied to the liabilities linked to any other segregated account or to the general account unless an asset or a liability is linked to more than one segregated account, in which case, he shall deal with the asset or liability in accordance with the terms of any relevant governing instrument or contract. The ISAC Act ensures a high standard of limited resource and insolvency protection.

Mr. Speaker, as a consequence of such concerns and uncertainties regarding the SAC, the ISAC structure has come to the fore as a structure that provides both a statutory and common-law basis for the segregation of assets and liabilities.

Mr. Speaker, the fundamental benefits of proposing this ISAC legislation are:

1. to maintain Bermuda's reputation for being dynamic and innovative, and to cater for the needs of existing and future business partners;
2. to provide a business framework which enables Bermuda to compete on a level playing field with its competitor jurisdictions;
3. to continue to provide a comprehensive regulatory and legal framework for Bermuda's stakeholders and potential customers which enhances our reputation as an international financial service centre;
4. provide a legislation framework that is bespoke in nature and that incorporates the commonly acceptable best attributes from other competitor jurisdictions, but which also includes unique attributes not found everywhere; and
5. ensure that all local, legal, regulatory compliance rules and regulations and international standards apply equally to this new ISAC structure and each of its underlying incorporated segregated account companies, including beneficial ownership requirements in respect of transparency and compliance with economic substance requirements.

Mr. Speaker, it is important to note that the Bermuda ISAC regime will be supervised by the Registrar of Companies and BMA who will ensure that Bermuda's reputation as a leading offshore financial centre and highly regulated and respected jurisdiction is maintained.

Mr. Speaker, this Government intends to continue to lead and succeed as a dominant force in offshore product and service development. And this has been accomplished in many ways including by means of amendments to the Companies Act 1981 and the enactment of legislation in support of highly bespoke and innovative products like SACs, LLCs, and now ISACs. The introduction in Bermuda of this new dynamic, efficient and multifaceted regime will no doubt provide our industry partners with yet another compel-

ling reason for choosing to domicile their business in Bermuda rather than in a competitor jurisdiction.

Mr. Speaker, the ISAC Bill being debated today is as a result of the collaborative efforts of the Bermuda Government, the legal profession and the private sector. The Government, therefore, wishes to thank members of the ISAC Working Group, the Bermuda Business Development Agency, legal professionals, the Office of the National Anti-Money Laundering Committee, the Bermuda Monetary Authority, the Ministry of Finance, the Attorney General's Chambers, and the Business Development Unit of the Cabinet Office for their assistance in advancing this legislative initiative.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Minister.

Does any other Member wish to speak?

I recognise the Honourable Member from constituency 23. Honourable Member Gordon-Pamplin, you have the floor.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Speaker.

Mr. Speaker, this has probably been one of the most exhilarating pieces of legislation that I have had to deal with in the 20 years of my being in Parliament. I think sometimes people look at things and they look at the glass as being half-empty, I look at this as being half-full. I have to say in going through this legislation I started to get a feeling of *déjà vu* because of the painstaking effort that went into the segregated cell legislation, and this seemed almost like a mirror image with a little bit of additional protections in terms of the incorporation.

So as I went through this I thought there is very little that puts me to sleep five times over, but it meant that I was interested enough to pick it up five times over to try to get the gist of what it was that this legislation was attempting to do.

The one thing that became patently clear, Mr. Speaker, is that Bermuda historically has been able to enjoy a reputation—a pristine reputation—because of our regulation, because of our legislation, and because of our . . . the manner in which we conduct our business.

We know, Mr. Speaker, that recently with some of the changes that have been made in onshore situations in the United States that there is, in some instances, less incentive for onshore companies to re-domicile to become offshore companies. And if that becomes a thought pattern or if it is behaviour that is replicated too frequently, then we are going to find ourselves in the situation of being behind the eight ball in terms of how we have structured both our economy and our environment.

So the one thing that I noticed, Mr. Speaker, is that Bermuda . . . we have always been on the cutting edge, so when we get out in front and then our

competitors come behind us and they start nipping at our heels, we jump a level higher. And I think that this is what this legislation is showing that we have been able to do. We have jumped a level higher so that we can leave our competitors still standing in the dust wondering, *Okay, what do I do next in order to be able to catch up, keep up, and to be equally as appealing to companies and to be able to get their business in their jurisdictions?* which we have been able to have, almost as a matter of course.

So when I looked at this legislation, while I was kind of getting almost cross-eyed between an ISA and an ISAC, it was . . . you know, and there were times, even in the legislation, I think that somebody went to sleep and put something in that should have been something else and I will point that out when we get there. But I think it is important that this kind of legislation is something else that keeps us on the cutting edge. And as the Minister indicated, we want to ensure that Bermuda maintains its competitive advantage, and whatever it is that we need to do to facilitate those structures, it is critical and it is important.

One of the things I would just be curious about though, which had not come up, is whether the ISAC . . . the ISAs—which is the entity underneath the ISAC—whether they would be subjected to the IFRS 17 Regulations in terms of their accounting, if they are an insurance company. And the reason I ask that is because there are changes that are being required as time goes on in terms of how insurers are accounting for their insurance products. And my question then begs, how are we then going to handle this? And will these ISAs (incorporated segregated accounts) . . . how will they be subjected to the vagaries and the changes that are coming down the pipeline in respect of accounting requirements for each? Because this is now a legal entity, and if it is a legal entity, even though it has this sort of hybrid status, it certainly still is going to find itself having to comply with international accounting standards, and IFRS 17 is going to be the bane of their existence, the same way Solvency II was over the last 10 or more years. The IFRS is going to create the same or similar kind of challenge.

And I just want to make sure that we have built in the checks and balances that are likely to be required to ensure that these ISAs are effectively accounted for and that we do not have any issues, especially given their regulated . . . their incorporated status.

The comment that came to mind . . . I do not know how many . . . if there is any indication of any numbers of applications that are likely to be expected, but the Minister did give a “for instance” in terms of if we had 10 companies what the government revenue would be and the efficiency of economies of scale such that your ISA—your incorporated segregated account—can actually help to save money as being part of this structure, as it were. But I am just curious, when you look at the legislation that is required and

the amount of what I would deem to be the oversight, it seems to me that apart from the inexpensive fees for the incorporation of each of these entities, that there should be a nuisance factor cost in terms of the fees, because I cannot imagine that the regulation is going to be inexpensive.

So while it is wonderful to say that it is only going to cost you \$250, or whatever—\$295—to establish, then on an ongoing basis you still have the responsibility to ensure that these entities are sufficiently . . . not just legislated, but that the oversight exists to ensure that they are operating in accordance with what they ought to, you know, how they ought to operate. And I just think that \$295 may seem to be a little bit less than reality.

And I am not suggesting that we put fees in at such a level that it dissuades people from taking advantage of this, but I just want to ensure that we are not going to find ourselves having to find money in the final analysis from a management and oversight perspective that it is going to end up costing the government as opposed to it being a revenue-neutral situation, if we look at the fees at the levels at which they presently exist.

There were just one or two things in the actual legislation, and I can go into it in detail when we get to the clauses, but there was one thing that struck me as interesting in looking at it as an overview. And that is in respect of if a company applies . . . if an ISAC applies to the Registrar of Companies for registration and the Registrar of Companies declines, the Registrar is not required to give a reason for refusing to register that company. And I found that to be quite interesting, because it seems to me that if you have an environment and a regime and you think that you have met all of the criteria in order to be able to make your application and then your application is turned down, then it would seem to me that at least natural justice would suggest that a reason be given.

And this legislation permits for no reason to have to be given. It does not say that no reason *could* be given, but it does not . . . it says no reason will have to be given. And that just strikes me as being a little bit odd, and it just seems like it is against the order of natural justice. And I just wondered if we could, perhaps, explore that a little more in detail when we actually get to the clause.

And the other thing that I wanted to be sure of is that when you have directors who may serve on one incorporated segregated account, will those directors on that board be able to serve on others within the same ISAC? Or will each ISA be required to have its own independent . . . I mean, even though the directors will be an independent board of directors, will there be able to be any sort of cross-[pollination]? Sometimes these companies may have some kind of similarities, but then sometimes it is not necessarily so in terms of their operations. So I am just curious in terms of what restrictions may exist for the ability of a

director to be able to serve on, you know, three or four boards if you have got, let us say, 10 under an ISAC, would you have directors who are able to cross-pollinate? And I think that that is important from a director's perspective for them to know.

And also the Minister had indicated that there was a . . . I had to just quickly look at the legislation itself to formulate my question. It spoke about an ISAC being engaged in insurance business or operating as an investment fund or any other kind of company that might be appropriate to put under an ISAC. And I just wondered if the Minister could give us some indication as to what he perceives to be the "any other type of business" that might come under that heading that would support that clause in the legislation.

I think that clearly, you know, the best attributes of what we have to offer in compiling the knowledge base and the intelligence that we have between the legal profession, the Registrar of Companies, and certainly the people who have sat on the Committee, but I think before I do anything else I want to take my hat off to the drafters of this Bill, because I can tell you . . . I called it "exhilarating" at the beginning. Mr. Speaker, I think that you can probably read through my enthusiasm for this and understand what I mean. Because there are some things that, notwithstanding how mundane they might appear to others and how uninspiring it might be to the average . . . to the layperson (I cannot say "average," but to the layperson), these are things that are very important to keep our economy going. And I think it is this that actually drives my enthusiasm and my excitement about this particular piece of legislation.

So with that . . . the other questions that I have will come up while we actually do the clauses. I just want to make sure that I have not got anything else here that is in . . . no, I think I have covered the areas that I wanted to cover and I will just wait until we get into Committee to bring forward the other questions that I have in respect of this legislation.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Member.

Does any other Honourable Member wish to speak?

No other Member?

Minister, would you like to wrap up?

**Hon. Curtis L. Dickinson:** Thank you, Mr. Speaker.

I think there was a particular question with respect to IFRS 17, and I think the Honourable Member just wants everyone to know that while she has formally retired, she is not behaving like a retired person.

*[Laughter and inaudible interjection]*

**Hon. Curtis L. Dickinson:** I am advised that ISAs will follow accounting regulations as per typical insurance

companies and current SACs. Directors can sit on multiple ISACs of an ISAC.

With that, Mr. Speaker, I move that the Bill be committed.

**The Speaker:** Thank you.  
Deputy?

**House in Committee at 3:22 pm**

*[Hon. Derrick V. Burgess, Sr., Chairman]*

## COMMITTEE ON BILL

### INCORPORATED SEGREGATED ACCOUNTS COMPANIES ACT 2019

**The Chairman:** Honourable Members, we are now in Committee of the whole [House] for further consideration of the Bill entitled [Incorporated Segregated Accounts Companies Act 2019](#).

Minister, you have the floor.

**Hon. Curtis L. Dickinson:** Thank you, Mr. Chairman.  
I move Part 1, which includes clauses 1 and 2.

**The Chairman:** One and two?

**Hon. Curtis L. Dickinson:** Yes.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** The primary purpose of this Bill is to introduce a regime for the registration of incorporated segregated accounts companies and govern the establishment of incorporated segregated accounts by ISAC. The ISAC is intended to be a hybrid of the existing segregated accounts company provided for by the Segregated Accounts Companies Act 2000 and the conventional company with limited liability.

Mr. Chairman, clause 1 provides that this Bill shall be cited as the Incorporated Segregated Accounts Companies Act 2019.

Clause 2 provides for the interpretation of the terms used the ISAC Bill. This clause also confirms that although the Bill adopts similar trust concepts, any business carried on by an incorporated segregated account company is not to be taken as carrying on trust business for the purposes of the Trusts (Regulation of Trust Business) Act 2001.

Mr. Chairman, the remaining clauses set forth in this Bill have been drawn from and are largely consistent with the requirements contained in the Companies Act 1981, which provides for the overarching legislative framework for the registration and administration of all Bermuda registered entities and the Segregated Accounts Companies Act 2000, which

specifically provides for the registration and administration of companies that are desirous of using legally recognised, interdependent, underlying segregated account companies to operate various lines of business under the same corporate structure.

**The Chairman:** Any further speakers?

Minister, do you want to move clauses 1 and 2?

**Hon. Curtis L. Dickinson:** I move that clauses 1 and 2 be approved.

**The Chairman:** It has been moved that clauses 1 and 2 be approved.

Any objections to that?

There appear to be none.

Approved.

*[Motion carried: Clauses 1 and 2 passed.]*

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move clauses 3 through 7.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** Mr. Chairman, clauses 3 to 7 in Part 2 of the Bill prescribe the entities that may register as an ISAC, specifically.

Clause 3 provides that a company to which the Companies Act 1981 applies may be registered as an ISAC under this Bill and may establish one or more incorporated segregated accounts (ISAs). This clause also makes it clear that a company carrying on insurance or investment fund business may apply for registration as an ISAC without the prior approval of the Minister of Finance, but all other companies must first obtain the approval of the Minister. This requirement is consistent with the legislative intent of the SAC Act in that from the date of registration of a company as an ISAC the company may register one or more proposed ISAs in order to achieve its business objectives. Both the ISACs and each of the ISAs will, therefore, be bound by both the ISAC Act and the Companies Act 1981 as set forth in clause 56.

Clause 4 establishes the requirement for registering a company as an ISAC. For example, a company must provide the following: (a) a notice of its intention to be registered as an ISAC; (b) a statement of the company's intention to establish and operate ISAs; (c) full particulars and background information of the company; (d) a copy of the proposed memorandum and bylaws to be adopted; (e) a declaration attesting to the solvency of the company and each ISA and the ability to comply with the provisions of the ISA Act; and (f) confirmation that the creditors of the company and the public at large have been notified of the company's intention to register as an ISAC. This

clause also specifies who can object to the proposed registration of a company as an ISAC.

Clause 5 provides that all documents, consents, information required to registration must be delivered to the Registrar of Companies together with the proscribed fee before the Registrar is able to register the company as an ISAC or any of its ISAs. This clause also makes it clear that registration may be granted subject to conditions or requirements or may be revoked or varied by the Registrar in certain circumstances.

Clause 6 makes provision for the members, account owners or creditors of this ISAC who object to the registration of an ISAC to make an application to the Court for an order annulling or confirming such registration and further that the Court can issue any other orders or directions as is appropriate in the circumstance.

Clause 7, the Memorandum of an ISAC must state that it is an ISAC and include the letters I-S-A-C in its name, failing which it will not be recognised as an ISAC.

**The Chairman:** Any further speakers for clauses 3 through 7?

The Chair recognises the Honourable Member Pat Gordon-Pamplin.

**Hon. Patricia J. Gordon-Pamplin:** Yes, thank you, Mr. Chairman.

On page 7, clause 3, subsection (1)(c), the question is (and I asked it in the regular debate) if the Minister could just give us some indication as to what kind of companies that he envisages as being a company “other than” one that is engaged in insurance and one that is engaged in investments. It says here “a company other than” that company. So I am just curious as to what he envisages as being appropriate for that structure, just as a general question. He may not know the answer because companies come up with all kinds of iterations as to what they want to do, but I was just kind of curious.

And the other question that I have is on page 10, which is clause 5, subsection (4) where it says: “Where the Registrar refuses to register a company as an ISAC pursuant to subsection (1), he shall not be bound to assign any reason for his refusal.” And my question was, is this not against the course of natural justice? It would seem to me as if somebody is making a legitimate inquiry as to . . . or a legitimate application to form an ISAC and the Registrar says no, then what? Is it come back again with more information? Is it do not come back again? Is it your business plan does not work? Is it this is not what the intent is? It just does not seem fair that somebody would be just turned down and there is no reason, you know, he is not “bound to assign” a reason for the refusal and I just wondered if the Minister could speak to that.

**Hon. Curtis L. Dickinson:** With respect to the Member’s first question, I think, in a way, you answered the question yourself in speaking of kind of the . . . what we are trying to do here is provide the framework for innovation. And ostensibly insurance companies and investment managers will avail themselves to the ISAC legislation to innovate.

But it would not surprise me if others see some benefit in this legislation and decide to avail it to themselves. And so I do not want to be cheeky, but I think the question is, how long is a piece of string? I do not know who would make themselves . . . I think the obvious characters would be insurance companies, charitable trusts, investment funds. But I am sure that inasmuch as your colleague sitting to your right could find a way to kind of sell this service to someone else, as creative a lawyer as he is, I am sure that he will try, because in the spirit of not only growing his business at the law firm that he works at, I am sure he is also actively promoting the interest of growing the economy of Bermuda.

So, I think with respect to the natural justice question, I am not a lawyer—and I am not even going to pretend to be one, which I am sure you colleague to your right will also appreciate. I think the question is, should the Registrar be bound to disclose their reasons for turning down an application? I am not sure that I think that they should be. My expectation in terms of how people conduct themselves is that generally there is a communication—a two-way communication—between applicant and the regulator. Having said that . . . and I have not polled the regulator around this particular provision. I am sure that they would like to have the discretion to withhold or not be as explanatory in their reasons for turning something down, although I suspect that if that did happen, it would be more an exception than the rule.

**The Chairman:** Ms. Gordon-Pamplin.

**Hon. Patricia J. Gordon-Pamplin:** Yes, just because it is not specified here. If the Registrar does, in fact, refuse to register a company without giving a reason, is there any possibility for that applicant to make an appeal? It does not say so specifically, whereas in other portions of the legislation you have an appeal process through the courts and the likes. So I am just curious . . . just to wrap it up.

**Hon. Curtis L. Dickinson:** I will take some advice on that follow-up question. But in response to the earlier question, I am advised that the construct here is consistent with the Companies Act where a . . . I am going to get to that . . . where this legislation kind of parallels what is in place and, as you did say, it does not make it right. And so I will commit to have a look at that. I am not committing to changing it, but I will have a look at it to kind of see if the legal team has any guidance that they would like to offer.

In [clause] 64, on page 44 of the legislation, there is a provision in here for . . . with respect to the question around appeals, I am being guided to defer to answering that question just for a moment.

**The Chairman:** Ms. Gordon-Pamplin?

**Hon. Patricia J. Gordon-Pamplin:** I am sorry, the Minister referred to [clause] 64, and I think we can wait until we get there, but I think it is important to just put a marker—just stick a pin in this—that [clause] 64 does not permit for an appeal in respect of if the Registrar refuses to register in the first instance. [Clause] 64 enables the Registrar to . . . enables an appeal if the Registrar does not fulfil certain conditions, but refusal to register is not one of those conditions, so I was just curious about that. Okay. But we will . . . I am happy to wait until we get to [clause] 64 or I am happy for the Minister to get an answer to me whenever he is ready.

**Hon. Curtis L. Dickinson:** Yes. That is why . . . I got ahead of myself and that is why the team told me to defer, because I think, in polite company, you were right.

**The Chairman:** So do you want to approve clauses 3 through 7 Minister?

**Hon. Curtis L. Dickinson:** Yes, Mr. Chairman. I move that we approve clauses 3 through 7.

**The Chairman:** It has been moved that clauses 3 through 7 be approved.

Are there any objections?

There appear to be none.

Approved.

*[Motion carried: Clauses 3 through 7 passed.]*

**Hon. Curtis L. Dickinson:** I move clauses 8 through 11.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** Mr. Chairman, Part 3 of the Bill includes clauses 8 through 11 and provides for the requirements for the registration of the proposed ISA and, for the sake of consistency, is aligned closely with the requirements set forth in respect of the registration of an ISAC.

More specifically, Clauses 8 and 9 provide for conditions and restrictions by which an ISA may be established and recognised as a legal person under the ISAC Act. Upon registration each account would have the capacity, rights, powers and privileges of a natural person to sue and be sued and enter into contracts and transactions with its ISAC and any other ISA within the same ISAC structure. However, clause

9(5) provides that whilst existing as an ISA under such structure, an ISA may not itself be an ISAC, nor is it intended by this Bill that such an ISA will be able to operate as an independent subsidiary of an ISAC. This does not, however, preclude that ISA from taking further steps to become legally independent of its ISAC structure if it so desires. Unlike the parent/subsidiary relationship, the general concept underlying this new corporate structure is that each ISA operating within the ISAC structure would be able to take advantage of inherent efficiencies, economies of scale, and synergies of operation and administration not currently possible under any other Bermuda corporate structure.

Clause 10 provides for the requirements for registering a segregated account and objections to such registration. The Registrar may also impose, revoke or vary conditions on the registration of such account or, ultimately, refuse to allow such registration.

Clause 11 requires that each ISA must have its own governing documents and provides for the information to be included in such documents, similar to the requirements specified for the registration of ISACs.

**The Chairman:** Any questions concerning clause 8 through 7 *[sic]*—

**Hon. Curtis L. Dickinson:** Eleven.

**The Chairman:** —[clause] 11?

**Hon. Patricia J. Gordon-Pamplin:** Sorry, Mr. Chairman.

**The Chairman:** It is all right, my glasses are failing me.

**Hon. Patricia J. Gordon-Pamplin:** I understand. It goes with old age. We understand that, Mr. Chairman.

*[Laughter]*

**Hon. Patricia J. Gordon-Pamplin:** Mr. Chairman, clause 8 . . . and this is on page 11 . . . on page 11 and this is clause 8, subsection (2)(c) where it says that the ISAC or the ISAs can actually—or *must*—“appoint a board for each proposed incorporated segregated account.” And my question was is there able to be cross-pollination between the directors that serve on any or all of the ISACs? So, in other words, if you have got 8 or 10 ISAs under the umbrella of the ISAC, does each of them have to have independent directors? Or can a director be deemed to be appropriate to serve any one of those (I will call them cells) any one of those cells? I am just curious about that.

And also under page 12, [clause] 9, subsection (3) . . . sorry, subsection (4), indicates that the “incorporated segregated account shall have the

same registered office as its ISAC.” But does that preclude it from having a different physical office?

**The Chairman:** Minister?

**Hon. Curtis L. Dickinson:** With respect to directors, yes, they can share common directors.

**Hon. Patricia J. Gordon-Pamplin:** Okay.

**Hon. Curtis L. Dickinson:** With respect to premises . . . the answer is no physical office anywhere.

*[Crosstalk]*

**Hon. Curtis L. Dickinson:** I am sorry, that was clearly a literal reading—

**Hon. Patricia J. Gordon-Pamplin:** Okay.

**Hon. Curtis L. Dickinson:** The answer was no. They can have physical offices anywhere.

**Hon. Patricia J. Gordon-Pamplin:** Elsewhere, okay, yes, thank you.

**Hon. Curtis L. Dickinson:** Yes.

**Hon. Patricia J. Gordon-Pamplin:** That makes sense. I am good now.

**The Chairman:** Okay. Do you want to move [clauses] 8 through 11, Minister?

**Hon. Curtis L. Dickinson:** I move that clauses 8 through 11 be approved.

**The Chairman:** It has been moved that clauses 8 through 11 be approved.

Any objections to that?

There appear to be none.

Approved.

*[Motion carried: Clauses 8 through 11 passed.]*

**Hon. Curtis L. Dickinson:** I move clauses 12 through 17.

**The Chairman:** [Clauses] 12 through 17. Continue.

**Hon. Curtis L. Dickinson:** Mr. Chairman, Part 4 of the Bill includes clauses 12 through 17 and imposes duties on the Registrar of Companies as follows:

Clause 12 requires the Registrar of Companies to maintain a register of ISACs and incorporated segregated accounts registered under this Bill which must be made available for inspection by any member of the public.

Clauses 13 through to 15 empower the Registrar of Companies to issue, amend or cancel a certificate of registration of any ISAC or ISA. In the case of an ISAC or any ISA that is a financial institution the Registrar must first notify the Bermuda Monetary Authority of its intention to cancel that company's certificate of registration.

Clause 16 provides for a written request to be made to the Registrar for the removal of an ISAC or an ISA from the register with the prior written consent of the members, account owners and/or creditors of the company to be removed. This clause also sets forth the requirements and circumstances under which such removal could occur.

Clause 17 provides that the Registrar may, on his own initiative or on any application by a member or a creditor of an ISAC or ISA and having taken into account any representations made by the ISAC or account, remove such company if he is satisfied that either there has been a material breach of the provisions of this ISAC Act, or directions given or regulations made thereunder. As stated previously, in the case of an ISAC or an ISA being a financial institution, the Registrar must notify the BMA of his intention to remove such company. Note: The rights and obligations of any member and creditors will remain unaffected by such removal and the powers of the ISAC or ISA will continue in respect of such accrued rights and obligations, but solely for the purposes of the discharge thereof.

**The Chairman:** Any further speakers?

Ms. Gordon-Pamplin.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Chairman.

I just one quick question on page 13 of the Bill, clause 12, subsection (2), it indicates that “The register kept pursuant to subsection (1) shall be available for inspection by members of the public.” Is there a fee for the inspection?

**Hon. Curtis L. Dickinson:** Mr. Chairman, I am advised that there currently is not one, but there will be one set under the rules.

**The Chairman:** Any further speakers?

Minister, do you want to move clauses 12 through 17?

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move clauses 12 through 17 be approved.

**The Chairman:** It has been moved that clauses 12 through 17 be approved.

Are there any objections?

There appear to be none.

Approved.

*[Motion carried: Clauses 12 through 17 passed.]*

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move clauses 18 through 20.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** Mr. Chairman, Part 5 of the Bill sets forth the provisions that govern the assets and liabilities and transactions of an ISAC and each of its ISAs, specifically:

Clause 18 requires that the assets and liabilities of an ISAC be kept separately and identifiable from each of its ISAs. This clause also provides that assets and liabilities of each account be kept separate and identifiable as between each account.

Clause 19 prohibits an ISA from entering into a transaction on behalf of an ISAC, and vice versa. The directors have a duty to ensure that transactions being entered into clearly state whether the transaction involves a specified ISA or the ISAC.

Clause 20 provides for registration of charges on the assets of an ISA in the same manner as currently provided for in respect of other registered entities under Part V of the Companies Act 1981.

**The Chairman:** No further speakers.

Minister, do you want to move clauses 18 through 20?

**Hon. Curtis L. Dickinson:** I move that clauses 18 through 20 be approved.

**The Chairman:** It has been moved that clauses 18 through 20 be approved.

Are there any objections?

There appear to be none.

Approved.

*[Motion carried: Clauses 18 through 20 passed.]*

**Hon. Curtis L. Dickinson:** I move clauses 21 through 32.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** Mr. Chairman, Part 6 of the Bill includes clauses 21 through 32 and makes provision regarding the management and administration of the business affairs of an ISAC and its ISAs. These provisions seek to mirror the requirements of the Companies Act [1981] and the SAC Act [2000], for example:

[Clause 21] requires that an ISAC or ISA entering into any transaction be separately identified by including in its name the letters "ISAC" or "ISA" so as to inform all persons that they are dealing with an ISAC or an ISA, as the case may be.

[Clause 22] makes special provisions requiring an ISAC to appoint an ISA representative to manage the business affairs (among other things) of the underlying accounts must be resident in Bermuda. Where an ISAC or ISA is a financial institution, such representative must submit a report to the BMA where any incorporated accounts fail to comply with any of the requirements under the ISAC Act and Companies Act [1981] with respect to: (a) making statutory filings; (b) maintaining records of accounts and preparing and laying financial statements; (c) maintaining meeting minutes; (d) maintaining registers of directors, officers, members and ISA owners (however, the register of accounts will not be open for public inspection); (e) permitting minute books to be inspected by any member or director; (f) holding annual general meeting (an account may not hold an annual meeting unless required by its memorandum of association, bylaws, special resolution or the court); and (g) appointing auditors and fixing their remuneration.

Part 6 also provides for the default fine for failure by the ISAC and requires an officer of the ISAC to comply with requirements of that part.

**The Chairman:** Ms. Gordon-Pamplin?

**Hon. Patricia J. Gordon-Pamplin:** I am good with those clauses.

**The Chairman:** Okay.  
Minister?

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move that clauses 21 through 32 be approved.

**The Chairman:** It has been moved that clauses 21 through 32 be approved.

Are there any objections?

There appear to be none.

Approved.

*[Motion carried: Clauses 21 through 32 passed.]*

**Hon. Curtis L. Dickinson:** Mr. Chairman, with your indulgence, I just would like to go back and provide a more fulsome answer to the Member with respect to the natural justice question.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** I am advised that the Registrar has discretion to consider all applications and if there is a valid reason for not allowing the company . . . allowing that the company does not have the right to be registered, that discussions would be held between the company, the Registrar and the BMA (if necessary) and this is in keeping with the SAC Act [2000]. So, there would be dialogue.

**Hon. Patricia J. Gordon-Pamplin:** Okay.

**Hon. Curtis L. Dickinson:** Mr. Chairman, I would like to move clauses 33 through 43.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** Mr. Chairman, Part 7 of the Bill specifies what constitutes material changes and requirements governing amalgamations, mergers and discontinuations of an ISAC or an ISA.

Clause 33 provides what would amount to a material change to an ISAC or an ISA and sets forth requirements to notify the Registrar of any material change within 30 days after the change takes effect. But, an ISAC or ISA that has been established by a company that is a financial institution, and the ISAs of such ISAC, must also notify the BMA of any material changes that it intends to make. The BMA will have the opportunity to object to any such change.

Clauses 34 to [42] provide for: (a) the manner in which a memorandum may be altered or any amendment made to the bylaws of an ISA; (b) transferring an ISA from one ISAC to another ISAC; (c) registering a non-registered company as an ISAC; (d) amalgamations, merger or discontinuation of an ISAC and ISAs; (e) registration of an ISA as a company under the Companies Act 1981, specifying the requirements and the effects of such registration; and (f) providing for account owners or creditors to object to the registration of an ISA.

Clause 43 provides for the effect of a transfer, amalgamation, merger or discontinuance of an account under the ISA Act.

**The Chairman:** Any speakers to clauses 33 through 43?

No.  
Minister?

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move that clauses 33 through 43 be approved.

*[Inaudible interjection]*

**The Chairman:** That is all right. I understand.  
Continue.

**Hon. Patricia J. Gordon-Pamplin:** Yes, this is in respect of clause 41 and this is on page 35, and it is the subsection (2). I think it is just . . . it might be a typo or oversight or whatever, but it reads that—this is the application to the Court under subsection (1)—“may be made by” and it gives a list of (a) to (d) of the people who can make the application.

And it says, “provided that an application shall not be made by any person who has voted in favour of the registration or has been given to the incorporated.” I think the “been” needs to come out, I think either has

. . . it should be, I think, “provided than an application shall not be made by any person who has voted in favour of the registration *or has given* to the incorporated segregated account a statement in writing duly signed that he, having had notice, consents to the registration.”

I think the word “been” is redundant and it needs to come out, I think.

**The Chairman:** Okay.

**Hon. Curtis L. Dickinson:** Sorry, we accept the change.

**The Chairman:** Mm-hmm.

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move that clauses 33 through 43 be approved.

**The Chairman:** It has been moved that clauses 33 through 43 be approved.

Any objections to that?  
There appear to be none.  
Approved.

*[Motion carried: Clauses 33 through 43 passed.]*

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move clauses 44 through 55.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** Mr. Chairman, Part 8 of the Bill includes clauses 44 through 55 and generally sets out provisions dealing with the making of receivership orders that are similar to the provisions in Part XIII of the Companies Act [1981] and Part V of the SAC Act [2000] for winding up of an ISAC. This part makes it clear that the winding up of an ISAC must not prejudice the affairs of its underlying accounts in any way. Further, Part 8 provides that an ISAC cannot be dissolved unless arrangements have been concluded for its accounts to be otherwise transferred, continued or wound up.

**The Chairman:** Minister, do you want to move clauses 44 through 55?

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move that clauses 44 through 55 be approved.

**The Chairman:** It has been moved that clauses 44 through 55 be approved.

Are there any objections to that?  
There appear to be none.  
Approved.

*[Motion carried: Clauses 44 through 55 passed.]*

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move clauses 56 through 58.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** Mr. Chairman, Part 9 of the Bill includes clauses 56 to 58 and provides for:

1. A general application of the Companies Act 1981 in relation to the affairs of an ISAC and its ISAs. This includes the provision in Part VIA of the Companies Act relating to beneficial ownership.
2. Application of the Economic Substance Act 2018 to ISACs and ISAs with respect to compliance with economic substance requirements.
3. Application of section 9 of the Registrar of Companies (Compliance Measures) Act 2017 in respect of the regulations and inspections by the Registrar for the purposes of forcing compliance of all Bermuda registered entities with the statutory obligations under the various governing acts.

**The Chairman:** Any further speakers?  
Minister?

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move that clauses 56 through 58 be approved.

**The Chairman:** It has been moved that clauses 56 through 58 be approved.

Are there any objections to that?  
There appear to be none.  
Approved.

*[Motion carried: Clauses 56 through 58 passed.]*

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move clauses 59 through 76.

**The Chairman:** Continue.

**Hon. Curtis L. Dickinson:** Mr. Chairman, Part 10 of the Bill includes clauses 59 through to 76 and sets forth a number of miscellaneous provisions which are needed to ensure proper implementation of this Bill. It also contains provisions for penalties and offences, for instance:

Clause 59 empowers the directors of an ISAC or ISA to make an application to the Court for directions generally on how they might act in the conduct of any of the company's affairs.

By clause 60 an ISA owner who considers that the affairs of the company are being conducted in a manner oppressive or prejudicial to the interests of some part of the membership, including himself, may make an application to the Court by petition for an

order against its account or ISAC as if that applicant was a member of the ISAC.

Clause 61 provides that an ISAC cannot be struck off the register unless each of its ISAs has been appropriately dealt with, for instance, either: (a) removed from the register; (b) transferred to another ISAC; (c) registered as a company under the Companies Act; (d) continued under the law of another jurisdiction; or (e) wound up.

Clauses 62 and 63 provide: (a) penalties for false statements in records or failure to make a statement; (b) what constitutes the commission of an offence by a body corporate and/or an officer of the company.

Clauses 64 and 65 provide for appeals by an ISAC or an ISA against a decision of the Registrar and with respect to the effect on any transaction or interest or failure to comply with or breach of any provision of this Act.

Clauses 66 and 67 provide protection to the Registrar and the official receiver for anything done or omitted to be done in their official capacity in good faith.

Clause 69 proscribes fees under the Government Fees Act 1965 for registration and annual renewal of such registration.

Clauses 69 through to 73 make provision for: (a) preservation of confidentiality; (b) the application of the Public Access to Information Act 2010; (c) the application of the Personal Information and Protection Act 2016; and (d) the Minister to make regulations and rules subject to negative resolution for the purposes of the ISAC Act.

In order to give effect to the intent of the Bill, clauses 74 and 75 provide for consequential amendments to be made to: (a) section 132Q of the Companies Act with respect to the registration of a proposed ISA as a company under that Act; (b) the Fifth Schedule to the Companies Act to prescribe annual fees for ISACs and ISAs; and (c) the Government Fees Regulations 1976 to insert a new Head 36A to specifically prescribe new government fees applicable to ISACs and ISAs.

Mr. Chairman, clause 76 provides that the ISAC Act will come into operation on such day as the Minister may appoint by notice published in the *Gazette*.

Thank you, Mr. Chairman.

**The Chairman:** Any further speakers?

The Chair recognises the Honourable Pat Gordon-Pamplin.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Chairman.

Mr. Chairman, page 43, clause 61. It is entitled "Striking off incorporated segregated account." But if you look at the content of that clause it refers to the striking off of an ISAC, not an ISA. So either the

heading needs to be consistent with the content—right now it is not consistent—or the content needs to catch up with the heading, but right now the two are not congruous. I wonder if the Minister could just make sure that this is corrected or, if I am wrong, if he can explain to me how.

**Hon. Curtis L. Dickinson:** Mr. Chairman, I remember when this lady used to play softball.

**The Chairman:** That is a long time ago.

**Hon. Curtis L. Dickinson:** But she is still batting two for two.

*[Inaudible interjection]*

**Hon. Curtis L. Dickinson:** I did not say all that, but we accept the change.  
Thank you.

**The Chairman:** Any further speakers?  
Minister.

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move that clauses 59 through 76 be approved.

**The Chairman:** It has been moved that clauses 59 through 76 be approved.  
Any objections to that?

*[Inaudible interjections]*

**Hon. Curtis L. Dickinson:** It is a typo.

**The Chairman:** That is a typo.

**Hon. Curtis L. Dickinson:** I have been advised that it will be fixed . . . slip rule. I am learning about the new rules all the time.

*[Inaudible interjection]*

**Hon. Curtis L. Dickinson:** I know you will.

*[Motion carried: Clauses 59 through 76 passed.]*

**The Chairman:** Minister, do you want to move the preamble and—

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move that the preamble be approved.

**The Chairman:** It has been moved that the preamble be approved.

Are there any objections?  
There appear to be none.  
Approved.

**Hon. Curtis L. Dickinson:** Mr. Chairman, I move that the Bill be reported to the House as printed.

**The Chairman:** It has been moved that the Bill be reported to the House as printed.

Are there any objections to that?  
No objections.  
Approved.

**Hon. Curtis L. Dickinson:** Thank you.

**Hon. Michael J. Scott:** Mr. Chairman, should it be approved as amended or . . .

*[Alarm ringing and crosstalk]*

**An Hon. Member:** There's a fire out there.

**Hon. Michael J. Scott:** Didn't you make lots of amendments?

**The Chairman:** [The alarm] will stop.

*[Crosstalk]*

*[Motion carried: The Incorporated Segregated Accounts Companies Act 2019 was considered by a Committee of the whole House and passed without amendment.]*

**House resumed at 4:01 pm**

*[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]*

## **REPORT OF COMMITTEE**

### **INCORPORATED SEGREGATED ACCOUNT COMPANIES ACT 2019**

**The Speaker:** Good afternoon, Members.

Are there any objections to the reporting to the House of the Incorporated Segregated Account Companies Act 2019 as printed?

There are none. It has been reported. So moved, which brings that to a close.

We now move on to the next item on the Order Paper for discussion today, and that is the Misuse of Drugs (Hemp) Amendment Act 2019 in the name of the Minister of Health.

**Hon. E. David Burt:** The Minister is on premises, Mr. Speaker, I think that it might be a question of privilege right quick.

**The Speaker:** Is someone prepared to start on her behalf?

Can we have one of the Ministers at least start it, to read her brief?

**Hon. Wayne Caines:** As the Acting Attorney General I will step in the breach, Mr. Speaker.

**The Speaker:** Thank you.

## BILL

### SECOND READING

#### MISUSE OF DRUGS (HEMP) AMENDMENT ACT 2019

**Hon. Wayne Caines:** Mr. Speaker, I am pleased to start the debate on the Bill entitled the Misuse of Drugs (Hemp) Amendment Act 2019, which was laid in this Honourable House on December 27, 2018.

Mr. Speaker, the purpose for this Bill is to amend the Misuse of Drugs Act 1972 to create a legal distinction between cannabis and hemp. Currently, under the Misuse of Drugs Act 1972 the definition of cannabis can be interpreted as including hemp. This has caused problems as consumers expect to be able to legally purchase hemp-based products locally.

Mr. Speaker, hemp is a strain of *cannabis sativa* plant species that is grown for industrial uses and its derived products. It can be refined into a variety of commercial items including food, clothing, and textiles.

Mr. Speaker, although cannabis and hemp both derive from the species of *cannabis sativa*, hemp has lower concentrations of the psychoactive component tetrahydrocannabinol (THC). Both cannabis and hemp can produce cannabidiol or CBD. It is a non-psychoactive component. Hemp produces a higher amount of CBD which essentially decreases the psychoactive effect.

Mr. Speaker, the regulation of hemp varies between jurisdictions with some governments permitting only hemp with especially low THC content.

Mr. Speaker, the Misuse of Drugs (Hemp) Amendment Act in the new definition of “hemp” provides for THC concentration of not more than 1 per cent.

Mr. Speaker, over the last 5 to 10 years there has been a global influx of hemp products available at varying outlets. These include products ranging from soaps to cosmetics to handbags to shoes to hemp seed oil and protein powder, rope, canvas, carpeting and fuel.

Mr. Speaker, this Government acknowledges that there is a distinction in the composition of cannabis and hemp and the need for this to be reflected in legislation. The definition of “cannabis” will be amended to exclude “hemp.” Although the definition of cannabis has been amended, cannabis remains a Schedule 2 controlled drug which remains unlawful to import, supply, sell and possess subject to the Misuse of Drugs (Decriminalisation of Cannabis) Amendment Act 2017.

Mr. Speaker, the new definition of “hemp” will be inserted into the Misuse of Drugs Act 1972 to differentiate hemp from cannabis, which will remove the legal barriers for the proper import, supply, sale, and possession of hemp products in Bermuda.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Minister.

Does any other Member wish to speak?

I recognise the Member from constituency 23.

Honourable Member Gordon-Pamplin, you have the floor.

**Hon. Patricia J. Gordon-Pamplin:** Thank you, Mr. Speaker.

Mr. Speaker, on behalf of the proprietors who have contacted me in respect of how this legislation impacts their imports and their inventories, I want to say thanks to the Honourable Acting Attorney General, in this instance (the Honourable Minister is just entering the Chamber) who is holding for the Attorney General in respect of clarifying this issue.

It was interesting that when I was having consultation on this, as we do on our side, there was one particular proprietor who advised me that one of the products or some of the products that she was carrying actually had a hemp content and that one of the Government Ministers had gone into the shop and had effectively said to the proprietor, *You realise that this is illegal, you have to take this stuff off the shelf.* So I think you can imagine that when one believes that they are acting appropriately and that their imports are not *ultra vires* the legislation, based on their belief that it is important that they are seen to be operating in accordance with the law.

So by ensuring that this clause is included, that this hemp now is specified and comes into the Act, that it now regularises the position. Because the fear was *if I can't carry this stuff then there is a financial loss* to the entrepreneur who, effectively, would not be able to continue to carry this if they had to adhere to the directive of the Minister or the Ministry or the person who was suggesting that they were doing something *ultra vires* the law, that they would have to divest themselves of their inventory stocks.

So I think that people in that particular category are particularly pleased. And I do know that there are several products that actually contain, as the Minister indicated in his preface, there are several products that contain hemp and hemp supplies. I have no clue how . . . I have to say that I have to plead my ignorance when it comes to cannabis and the parts thereof and the THC content and the like, but I have no doubt that with the regulation and with the legislation being regularised that it is important now that at least the importers will know what is appropriate and was it not and they will act accordingly. As such, the proprietors who are bringing in such inventories will then be able to be comforted that their money is not

going to be wasted if they are being ordered to then divest themselves of inventory that they are not entitled to be selling.

So, on their behalf I say thank you and I appreciate this clarification and this amendment.

Thank you.

**The Speaker:** Thank you, Member.

Does any other Member wish to speak?

I recognise the Honourable Member from constituency 8. Honourable Member Simons, you have the floor.

**Mr. N. H. Cole Simons:** Thank you, Mr. Speaker.

Mr. Speaker, this is an interesting topic. I support the Minister in her endeavours in that, in essence, we are regularising what already exists in the community.

Mr. Speaker, I can remember quite clearly going to farmer's markets and this lady was selling hemp bread. And then I said, *Well, I'm gonna buy some to see what happens.*

*[Laughter]*

**Mr. N. H. Cole Simons:** Because I was not as knowledgeable about hemp and the marijuana issue, so I bought the bread. And I got home, Mr. Speaker, I said, *I wonder if it will have a little buzz?* And no buzz came.

*[Laughter]*

**The Speaker:** You sound like you were disappointed you did not get a buzz.

**Mr. N. H. Cole Simons:** And so, Mr. Speaker, then I go to the gas station in Warwick and I see all these drinks that have hemp in them. And so I am saying, *Good Lord! It is here, it has taken over now.* And then you have the soaps and the shoes and everything.

And, Mr. Speaker, I recently travelled and I was visiting a friend's place overseas and they were doctors and they, in their country, have hemp growing in their backyard because—

*[Inaudible interjection]*

**Mr. N. H. Cole Simons:** —and it is legal.

**An Hon. Member:** Did you partake?

**Mr. N. H. Cole Simons:** No, I did not partake.

*[Laughter]*

**Mr. N. H. Cole Simons:** And, Mr. Speaker, under the law in South Africa you can grow hemp and marijuana

in your backyard as long as there is no commercial use.

**The Speaker:** Yes.

**Mr. N. H. Cole Simons:** So I think, Mr. Speaker, we are kind of catching up. And it took me a while to consider supporting this type of legislation, but it is here, we have to regularise it.

So, in my research in preparation for this debate I said, *Well, what are other countries doing?* And I note that, you know, there are prescribed criteria in regard to what is deemed to be hemp and marijuana.

Now, I know the current legislation says that hemp must not have more than 1 per cent THC. I note in Canada and the UK and the US that limit is 0.3 per cent. So, my question to the Minister is, how did they arrive at the 1 per cent by dry weight of THC as the criteria limit and anything above that is deemed to be marijuana? So why did they not adhere to the international standard that is, basically, in place by Canada, the US and the UK, which is 0.3 per cent not 1 per cent? So, I would just like for her to provide clarification on that.

Mr. Speaker, now that hemp is excluded as a controlled substance, what are we going to do about growing hemp in Bermuda? There can be—

*[Inaudible interjection and laughter]*

**Mr. N. H. Cole Simons:** There can be an industry or our backyard gardeners may be able to grow hemp in their gardens. So the question becomes, Mr. Speaker, what criteria will there be in place for the issuance of licences for the growth of hemp commercially or privately? Will we control the growth of marijuana?

*[Inaudible interjection]*

**Mr. N. H. Cole Simons:** I am sorry, hemp.

I know that in the UK the criteria of growing hemp, when you submit an application, you have to say where you are going to grow the hemp, where the field is located, and you have to mark out in a plan where the garden will be. Does that garden comply with zoning legislation? Can it be . . . it cannot be near a school zone. It cannot be—

**Hon. Kim N. Wilson:** Point of information, Mr. Speaker.

**Mr. N. H. Cole Simons:** Yes.

**The Speaker:** I will take your point of information.

#### POINT OF CLARIFICATION

**Hon. Kim N. Wilson:** Perhaps I can assist my Honourable Member. This Bill speaks specifically to ad-

dressing the issue of the classification of hemp and declassifying it from under the cannabis classification. This Bill does nothing to address any issues that you speak about with respect to the growing of hemp, manufacturing it and so forth. This is simply a declassification of hemp and separating it from the cannabis, Misuse of Drugs, definition.

**Mr. N. H. Cole Simons:** I take the Minister's point, but we are in a general debate, Mr. Speaker, and in a general debate we can talk about the hemp industry in Bermuda.

Mr. Speaker, at the end of the day, if we are talking about hemp in Bermuda, and it is declassified as a controlled substance or drug, then we need to be prepared as a Government to address an industry which may arise, or we may have to address the growth of hemp gardens in this country. And so if we are, basically, allowing it to happen, then there should be controls in place for farming hemp in Bermuda. And I think those standards can mirror those prescribed in other jurisdictions, just so that we can have control over the hemp.

In addition, the Minister has indicated that there could be no more than 1 per cent of THC in the hemp. So my question, again, is if we have a young person that has a little hemp garden, how are we going to provide a licence? And are we going to control the seeds in regard to what is used to cultivate the gardens because you get the seeds from somewhere, Mr. Speaker.

The other issue is if we are going to have a hemp garden are we going to issue . . . how much will licences cost? Has the Government considered that? Because at the end of the day what we are doing is saying—

#### POINT OF INFORMATION

**Hon. Kim N. Wilson:** Point of information, Mr. Speaker.

Is it not correct under the rules that the general debate is meant to be . . . notwithstanding the word "general" is included in the title, it is meant to be surrounding the circumstances of the Bill in question as opposed to generally. Can I talk about . . .

**The Speaker:** Well, well, well, he is making—

**Hon. Kim N. Wilson:** But we are not anywhere in the zone here, Mr. Speaker, with respect to this. I mean, we could talk about the moon, if that is acceptable, but I am just saying it is not—

**The Speaker:** Well, as long as the moon has hemp on it.

**Hon. Kim N. Wilson:** Oh, Lord.

*[Laughter]*

**Hon. Kim N. Wilson:** Thank you, Mr. Speaker.

*[Inaudible interjections and laughter]*

**Mr. N. H. Cole Simons:** So, I am just saying, you know, we have just, through this legislation, in my eyes, given the green light for the community to move ahead and have hemp grown in this country.

**Some Hon. Members:** Ooh!

**Mr. N. H. Cole Simons:** Because we are saying that it is acceptable and it is no longer illegal if the content is below 1 per cent.

Mr. Speaker, so I would like for the . . . and if the Minister is saying no, then I would ask her—

**The Speaker:** She will help you when she gets on her feet. She will help you.

**Mr. N. H. Cole Simons:** —to give us the framework of the use of hemp in Bermuda as far as controlled drugs. And does she mean that we will not allow hemp to be grown in Bermuda for personal purposes or for industrial purposes—

**The Speaker:** Clean it up for him. Clean it up.

**Mr. N. H. Cole Simons:** —because it is deemed to be an unregulated plant, Mr. Speaker?

**The Speaker:** Thank you, Honourable Member.

Does any other Honourable Member wish to speak?

We recognise the Honourable Leader of the Opposition. Honourable Member, you have the floor.

**Hon. L. Craig Cannonier:** Thank you, Mr. Speaker.

And I appreciate the previous speaker, the Honourable Cole Simons, and where he was attempting to go. I know exactly where he was heading.

I do appreciate this piece of legislation because I do know that when we were Government and I know that with our current Government, the Health Minister, including probably the Premier as well, has been bombarded with questions and concerns about people who are bringing in products with hemp in them. And the Customs Officers, quite frankly, not really understanding what to do and stopping the product from coming in because of confusion. The pharmacy inspectors . . . and I must declare my interest. At one point in time my wife was the pharmacy inspector for Government and—

**The Speaker:** Mm-hmm.

**Hon. L. Craig Cannonier:** —and I know there was a lot of confusion over the particular product . . . its . . . its—

*[Inaudible interjection]*

**Hon. L. Craig Cannonier:** No, I was not the Minister of Health.

**Hon. Zane J. S. De Silva:** No, I was.

**Hon. L. Craig Cannonier:** Oh, you were. You obliged.

And so I know there was a lot of confusion by retailers and wholesalers as to exactly what it is that they could bring in. I believe that this a huge step in the right direction that we are going with this particular product and identifying exactly what it is that we can do with hemp that has less than 1 per cent of the THC within it. I do believe a good question is to ask why is it at 1 per cent when many of the international standards are 0.3 per cent? And I do believe and I do understand (having worked in the industry before) that 1 per cent is considered to be not effective at all within the system itself, which is probably why, but it would be good to hear from the Minister why we are at the 1 per cent and what they found.

It is interesting that a lot is made [with] hemp. And a lot of products that we already use have hemp in them. And we have been buying it for many, many, many years and just were not aware of it. Even candles that we burn have hemp in them. And so if you did get high, it certainly was not from the hemp in the candle.

But I do appreciate this piece of legislation. I guess one of the other questions that I would have of the Minister, with particular products, especially the protein powders and the likes there is occasion where there may be hemp that will have slightly higher levels—just slightly higher—than 1 per cent within them. I am not sure how we are going to regulate that or [manage] that, maybe it is just a spot-on check that we will go into a particular retailer or wholesaler and check the manufacture of the product to find out whether or not the hemp within that product is more than 1 per cent. Not all products that are imported will actually say the THC content of the hemp.

So it will be interesting to hear from the Minister exactly how we are monitoring that and will it just simply be if it is on the label. But we do know that many of these shampoos and creams and lotions do not have the percentage on them, so how will we regulate that particular part of it? And it may just be a case of . . . it is difficult, again, just going out and doing spot checks on some of these products. But I am glad to see that this will open up entrepreneur opportunities for Bermudians—wholesaler and retailer—to be able to have these particular type products that we know are healthy, that we know does not create any

issues as far as it being intoxicating or habitual and having the psycho-effects on the body itself.

So, again, we do appreciate this coming to the table to help clarify, for years now, the many issues those importers have really, really had. One person can bring in a product—a shampoo—and it comes through and it is fine. And then you have another person bring in a similar type shampoo and it gets blocked, which is unfair practice. So it is now good to see that we have clarified it in this particular instance. And I want to thank the Minister for actually bringing this to the table.

**The Speaker:** Thank you, Honourable Member.

Does any other Member wish to speak?

I recognise the Honourable Member from constituency 11, Honourable Member Famous.

**Mr. Christopher Famous:** Good evening . . . sorry, good afternoon, Mr. Speaker.

**The Speaker:** Good afternoon (it is still early).

**Mr. Christopher Famous:** Good afternoon, colleagues and good afternoon, Bermuda.

Mr. Speaker, this Bill brought by the Honourable Minister of Health is not just a Bill. It represents the maturing of our country, the, can I say, removal of phobias. Can I just read something from the Internet, please?

**The Speaker:** As long as it is short.

**Mr. Christopher Famous:** Real short. “Hemp is among the oldest industries on the planet, going back more than 10,000 years . . . Presidents Washington and Jefferson both grew hemp.” “Hemp seed is far more nutritious than even soybeans.” “The bark of the hemp stalk contains the bast fibres, which are among the Earth’s longest soft fibres.”

I can go on and on. It is all positive. So what I say is, this the maturing of us as a country is because for too long we have been fed . . . I do not want to say propaganda, but opinions about cannabis and everything around the cannabis that it is so negative and this and that and if you even get near it you are going to be a criminal . . . on and on.

I have a neighbour. He stops by my house regularly and says, *Hey, they took my products*. And I am like, *What happened?* He was bringing in some hemp lollipops, hemp gummy bears, no THC whatsoever it them. They got tested, [he] got them back and was able to sell them. It sold real fast too. And so he brings in the next shipment, a bigger shipment. The same thing, they hold it. So he has to keep going back through this process.

*[Inaudible interjection]*

**Mr. Christopher Famous:** Yes, they took samples, yes. Yes, I did not think about that.

So what I say is, not even just from a business point of view, this is going to help the small business person who is importing legal hemp products. But more importantly, as a country, it takes the stigma away that this should not be used, this should not . . . you know, it is craziness.

So I say to the Minister, thank you for bringing this Bill. To those in the Ministry, thank you for the requisite work that you have done. But we still have a [long] way to go in regard to a lot more products that are derived from cannabis. So I thank you, thank you, thank you.

**The Speaker:** Thank you, Honourable Member.

Does any other Honourable Member wish to speak?

There are none.

Minister, would you . . . oh, Premier?

**Hon. E. David Burt:** Thank you, Mr. Speaker.

Mr. Speaker, I just wanted to rise to . . . of course, without question, this is a Government Bill that enjoys my support, but [I want to] also thank the Attorney General for the work which is being done in the Ministry of Legal Affairs to advance the issue surrounding all matters in dealing with the, as it is stated in I think section 11 of the law, the genus of cannabis.

And I say that, Mr. Speaker, because this Bill is coming by itself for a particular reason. And it is coming by itself for the particular reason that this was supposed to be a part of the overall medicinal cannabis Bill that was supposed . . . that is going to be laid in this session, as was promised in the Throne Speech and as this session continues.

However, while that is still . . . not necessarily still in consultation because I think the consultation is finished and Members should expect to see it shortly, it will most likely be tabled in the Senate in short order. . . I am sorry, the "other place," Mr. Speaker.

The challenge is there are particular matters dealing with hemp and the importation of hemp products right now which need to be dealt with and addressed. And that is the reason why this Bill itself is so minor. But while we were working on making sure that we have a regime that deals with the other things, which other Members may be talking about, dealing with licensing and cultivation and other types of matters, right now we are just dealing with the importation, supply, of these products here on Island.

So I just want to make sure that this part is clarified because a lot of Members were talking . . . at least, I think, one particular Honourable Member, who I think likes to be out on the farm so he is figuring out where his hemp farm is going to be . . . figure out where his hemp farm is—

**The Speaker:** Opportunity.

**Hon. E. David Burt:** I want to make sure that he is aware that we are not there yet. Section 11 of the Misuse of Drugs Act, of course, still prohibits the cultivation of such, but those things will be subject to the licensing requirements, et cetera, when the medicinal cannabis Bill comes forward. And that Bill, as I said, is expected not only in this session, but certainly will be expected before we break for a Christmas holiday.

So there are particular issues that are inside of this. There have been challenges with entrepreneurs who have been subjected to, in my view, unfair treatment by the Bermuda Police Service, which happens very often I will say. People that look, Mr. Speaker, like you or me happen to be more scrutinized than people who might not look like you and me in the eyes of the Bermuda Police Service. And so I have had the young entrepreneurs who have been challenged by the definitions which exist in this particular Act. The Government is listening. The Government was planning on resolving them all at once. However, at this time the Government is going to take this step and then we are going to move on to the next step. And as I announced in my speech to the Progressive Labour Party delegates that we are going to move on to the next step as my caucus has endorsed us taking the matter even further. But this is step number one.

And to the entrepreneurs who have been challenged with this I am sorry that it has taken this long, but we are going to make sure that we resolve this issue. And we hope that this will bring clarity to the Bermuda Police Service who are still seemingly doing their job enforcing the law as it currently stands, [so they] will now recognise that we have now created a legal definition and that these businesses can continue in the way in which they would like to do as there is a difference of interpretation of our law currently. So we want to make it 100 per cent clear and hopefully this will make it 100 per cent clear.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Premier.

Does any other Honourable Member wish to speak?

There are none.

Minister?

**Hon. Kim N. Wilson:** Thank you, Mr. Speaker.

Mr. Speaker, I think, seemingly, the only question that was raised relates specifically with the percentage in the hemp product being 1 per cent. That is for two reasons. One is that it is consistent with the amount of THC that is available on the market for purchase over the counter. And two, it is also to allow for more hemp products to be made available on the market. The majority of hemp products do contain a minimum of 1 per cent with respect to the THC level. So it will allow for the availability of more products as

well as the ones that we have seen that are coming into the Island.

Mr. Speaker, with that I would like to move that this Bill entitled the Misuse of Drugs (Hemp) Amendment Act 2019 be now committed.

**The Speaker:** Thank you.  
Deputy?

#### House in Committee at 4:29 pm

*[Hon. Derrick V. Burgess, Sr., Chairman]*

### COMMITTEE ON BILL

#### MISUSE OF DRUGS (HEMP) AMENDMENT ACT 2019

**The Chairman:** Honourable Member, we are now in Committee of the whole [House] for further consideration of the Bill entitled the [Misuse of Drugs \(Hemp\) Amendment Act 2019](#).

Minister, you have the floor.

**Hon. Kim N. Wilson:** Thank you, Mr. Chairman.  
I would like to move clauses 1 and 2, please.

**The Chairman:** Continue.

**Hon. Kim N. Wilson:** Mr. Chairman, this Bill seeks to amend the Misuse of Drugs Act 1972 to create a distinction between cannabis and hemp and to provide for the lawful import, possession, supply or sale of hemp products.

Clause 1 provides the title of the Bill and clause 2, by inserting a new definition of “cannabis” and including a definition of “hemp,” to make a clear distinction between the two.

**The Chairman:** Any further speakers on this Bill?  
There appear to be none.  
Minister, do you want to move this Bill?

**Hon. Kim N. Wilson:** Thank you, Mr. Chairman. I move that the preamble be approved.

**The Chairman:** It has been moved that the preamble be approved.

Are there any objections to that?

*[Inaudible interjection]*

**Hon. Kim N. Wilson:** Mr. Chairman, I move that the Bill be reported to the House—

**The Chairman:** Move the clauses first.

**Hon. Kim N. Wilson:** Oh, I am sorry. Thank you, Mr. Chairman.

I move clauses 1 and 2 be approved in standing form as part of the Bill.

**The Chairman:** It has been moved that clauses 1 and 2 be approved.

Are there any objections to that?  
There appear to be none.  
Approved.

*[Motion carried: Clauses 1 and 2 passed.]*

**Hon. Kim N. Wilson:** Mr. Chairman, I move that the Bill be reported to the House as printed.

**The Chairman:** It has been moved that the Bill be reported to the House as printed.

Any objections to that?  
There appear to be none.  
The Bill will be reported to the House as printed.

ed.

*[Motion carried: The Misuse of Drugs (Hemp) Amendment Act 2019 was considered by a Committee of the whole House and passed without amendment.]*

#### House resumed at 4:31 pm

*[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]*

### REPORT OF COMMITTEE

#### MISUSE OF DRUGS (HEMP) AMENDMENT ACT 2019

**The Speaker:** Members, are there any objections to the Misuse of Drugs (Hemp) Amendment Act 2019 being reported to the House as printed?

There are none.

It has been reported and that matter has now passed, and actually that brings us to the close of the items that were on the Order Paper this morning.

*[Pause]*

**The Speaker:** Before we go to our third readings, I am going to invite the Honourable Minister from constituency 10 to restate the motion that he has on the Order Paper because it has timed out, and if he wants to keep it alive, he will have to reintroduce it.

Honourable Member.

### MOTION

#### CONSIDERATION OF INITIATIVES TO REDUCE THE ECONOMIC PRESSURE ON BUSINESSES AND PROTECT JOBS

*[Re-introduced, Standing Order 25(3)]*

**Hon. Michael H. Dunkley:** Thank you, Mr. Speaker.  
Mr. Speaker, I ask for leave of the Honourable House to reinstate the Motion standing in my name which reads as follows:

WHEREAS there are increasing challenges faced by small business and businesses in general;

AND WHEREAS there is declining economy lacking business confidence with escalating costs and increased regulation;

BE IT RESOLVED that this Honourable House consider initiatives that will reduce the economic pressure on businesses and protect jobs.

Mr. Speaker, in accordance with Standing Order 25(3), I am requesting the Motion remain in the Order Paper for an additional three months or until such date as the Order is discharged, whichever is earlier.

Thank you, Mr. Speaker.

**The Speaker:** It has been noted and will be added back onto the Order Paper. Thank you.

We will now do our third readings. We will start with the Minister of Finance.

Minister of Finance, would you like to do the third reading on the Government Loans Amendment Act?

#### SUSPENSION OF STANDING ORDER 21

**Hon. Curtis L. Dickinson:** Mr. Speaker, I move that [Standing] Order 21 be suspended to enable me to move that the Bill entitled Government Loans Amendment (No. 2) Act 2019 be now read the third time by its title only.

**The Speaker:** Any objections?

No objections.  
Continue on, Minister.

*[Motion carried: Standing Order 21 suspended.]*

### BILL

#### THIRD READING

##### GOVERNMENT LOANS AMENDMENT (NO. 2) ACT 2019

**Hon. Curtis L. Dickinson:** Mr. Speaker, I move that the Bill be now read a third time by its title only and passed.

**The Speaker:** Any objections to that matter being passed?

There are none.  
It has passed.

*[Motion carried: The Government Loans Amendment (No. 2) Act 2019 was read a third time and passed.]*

**The Speaker:** Minister, I think the next item is also in your name.

#### SUSPENSION OF STANDING ORDER 21

**Hon. Curtis L. Dickinson:** Mr. Speaker, I move that Standing Order 21 be suspended to enable me to move that the Bill entitled Casino Gaming (Miscellaneous) Amendment Act 2019 be now read the third time by its title only.

**The Speaker:** Any objections to the third reading?  
No. Continue on, Minister.

*[Motion carried: Standing Order 21 suspended.]*

### BILL

#### THIRD READING

##### CASINO GAMING (MISCELLANEOUS) AMENDMENT ACT 2019

**Hon. Curtis L. Dickinson:** Mr. Speaker, I move that the Bill be now read a third time by its title only and passed.

**The Speaker:** Are there any objections to that matter passing?

There are none.  
The matter has been passed.

*[Motion carried: The Casino Gaming (Miscellaneous) Amendment Act 2019 was read a third time and passed.]*

**The Speaker:** Minister, would you like to do your third item?

#### SUSPENSION OF STANDING ORDER 21

**Hon. Curtis L. Dickinson:** Mr. Speaker, I move that Standing Order 21 be suspended to enable me to move that the Bill entitled Incorporated Segregated Accounts Companies Act 2019 be now read the third time by its title only.

**The Speaker:** Any objections?

No objections.  
Continue, Minister.

*[Motion carried: Standing Order 21 suspended.]*

### BILL

#### THIRD READING

## INCORPORATED SEGREGATED ACCOUNTS COMPANIES ACT 2019

**Hon. Curtis L. Dickinson:** Mr. Speaker, I move that the Bill be now read a third time by its title only and passed.

**The Speaker:** Any objections to this matter being passed?

There are none.  
The matter has passed.

*[Motion carried: The Incorporated Segregated Accounts Companies Act 2019 was read a third time and passed.]*

**The Speaker:** And the last item for third reading today is the item in the name of the Minister of Health.

Minister, would you like to do your item?

### SUSPENSION OF STANDING ORDER 21

**Hon. Kim N. Wilson:** Thank you, Mr. Speaker.

Mr. Speaker, I move that Standing Order 21 be suspended to enable me to move that the Bill entitled Misuse of Drugs (Hemp) Amendment Act 2019 be now read the third time by its title only.

**The Speaker:** Any objections to that matter being read the third time?

None.  
Continue on, Minister.

*[Motion carried: Standing Order 21 suspended.]*

## BILL

### THIRD READING

#### MISUSE OF DRUGS (HEMP) AMENDMENT ACT 2019

**Hon. Kim N. Wilson:** Mr. Speaker, I move that the Bill be now read a third time by its title only and passed.

**The Speaker:** Any objections to that matter passing?

There are none.  
The matter has passed.

*[Motion carried: The Misuse of Drugs (Hemp) Amendment Act 2019 was read a third time and passed.]*

**The Speaker:** That now brings us to the Adjournment. Premier?

## ADJOURNMENT

**Hon. E. David Burt:** Thank you very much, Mr. Speaker.

Mr. Speaker, I move that this Honourable House do now adjourn until Friday, November 15<sup>th</sup>.

**The Speaker:** Any Member wish to speak to that matter?

I recognise the Member from constituency 11. Honourable Member Famous is on his feet.

**Mr. Christopher Famous:** I am the opening bet.

**The Speaker:** Opening bet.

### LEGACY OF MP WALTON BROWN

**Mr. Christopher Famous:** Good evening.

Mr. Speaker, the last time I spoke in this House there was a person in that chair over there. He is no longer there. He is here in spirit—MP Brown, a warrior.

A lot of people spoke of him as an academic, as this great pacifist. He was a warrior. And I saw that part of him come out in March of 2016, when we were faced with the Pathways to Status issue. When I say a warrior, he was not violent, was not boisterous, but he was strategic. He would be the one not only ready to get his hands dirty, but [he would] help other people get their hands dirty.

I remember one particular morning, early in the morning, a group of us were down on East Broadway and doing something, not quite illegal, but doing something that was important.

**An Hon. Member:** Extra-legal.

**Mr. Christopher Famous:** It was dark.

*[Inaudible interjection]*

**Mr. Christopher Famous:** It was not under cover. We saw . . . you know, there were people there, there were plenty of us.

*[Inaudible interjections]*

**Mr. Christopher Famous:** And the next thing you know, we saw the police roll up.

**An Hon. Member:** All of St. George's.

**Mr. Christopher Famous:** Half of St. George's.

We saw the police roll up. So we are like, *Hey Walton, you see the police are rolling up on us, right?*

He is like, *Comrades, we are here to do what we gotta do.*

The police officer came out and he said, *Sir, I agree with your stance, but what you are doing is not quite illegal, but you are kind of obstructing traffic.*

And Walton stood his ground.

And his courage of standing his ground spread to the group who were thinking, *Well, the police are here, maybe we should go home.* And we did not go home. And we had to do numerous things for the following month or so, culminating with thousands of people surrounding the House of Assembly.

So, I say to Bermuda that other persons have spoken about his legacy. I just want to add to that by saying that without someone like Walton Brown, we would be in a different situation right now.

Moving on, Mr. Speaker, in my former capacity as central organiser, I had the pleasure of going out canvassing with many MPs, Walton Brown being one of them. Going out canvassing with Walton was a *whole* different experience. He did not quite like the whole walking up and down, but in doing so, we had a lot of debates on a lot of different issues. Some days we were together and on some days we were as far apart as Somerset and St. George's.

What I found with Walton during canvassing is when we went to person's houses, many were like, *Yeah, PLP, got you brah.* Many were like, *Hmm, I don't know.* And Walton would look to engage more with that person. He was more excited to engage with that person than the solid PLP supporter—not that he did not like the PLP supporter, but he liked the debate.

And I remember one particular lady; she was like dead set against independence. She was dead set against same-sex marriage. Almost everything that Walton stood for, she was against. And he took his time and spoke with her. We were there for like an hour. And I was like looking at my clock, like saying, *Come on Walton, we gotta go, we gotta go.*

And he was like, *No, comrade, it is important to have this conversation.*

So, I say all that to say, right, that all of us on both sides, all of us have canvassed. All of us have knocked on doors that our people, our supporters have said, *We got you, Dunk. We got you, Ben.* And we have knocked on doors that people do not readily agree with us. But the beauty of interacting with our people is that even if you do not agree with them, we can have conversations with them.

So, if there is one lesson I have learned from Walton, it is when you meet people that don't readily agree with you, don't just walk away. Engage with them, because you can learn from them and they can definitely learn from you.

Moving on, Mr. Speaker, we now have to fill that spot. So, you know what? We are doing what we do best. We are out there canvassing. We are out there making calls. We are out there engaging with our people. And you know we have found, Mr. Speaker? People have concerns: health care concerns, price of grocery concerns, numerous concerns, noth-

ing more than anyone has ever heard before. You know, why-we-ain't-got-the-Cup-no-more concerns.

[Laughter]

**The Speaker:** That is a short conversation.

**Mr. Christopher Famous:** But you know what, Mr. Speaker? The people are not buying certain people's propaganda. Right? They are with us. They know that this Government, their Government, even with the concerns, is putting their interests at the forefront.

Recently we had an ADC [Annual Delegates Conference] in which the Premier took his time to say, *It is time to break the status quo.* It does not mean disregard other people. It means a time for us, right? We have political power. It is time for us to look towards economic power. I do not think anyone in here should disagree with that, because apart from having economic power, we are going to be economically dependent on people for jobs, for loans, for everything.

So, I say to my colleagues on this side in particular, I need each one of you.

*Hello, colleagues, hello!*

I need each one of you to get your shoes out, because for the next three weeks we have to honour our brother. We have to walk the hills and valleys of [constituency] 17.

You are welcome to join, Ben.

[Laughter]

**Mr. Christopher Famous:** We have to walk the hills and valleys of [constituency] 17, because just making a phone call is not good enough. We have to look eye to eye with our people and let them know that we are here for them. We are here to help them transition from being dependent to being independent. I do not mean that saying in a political sense, before someone misquotes me.

So, I say all that to say, Mr. Speaker, that all of us, all 36 of us, anyone aspiring to be part of this 36, always remember, we have to connect with our people. And when I say "our people," I do not mean just our people who wear red T-shirts. Our people who wear green T-shirts. Our people, our Bermudian people want to be connected with. I can say in my constituency most people never saw the former MP. That was part of his downfall in that constituency. People who had never voted for PLP.

[Inaudible interjection and laughter]

**Mr. Christopher Famous:** Saw the guy before, yeah, they saw you.

So, I want to end with this note, Mr. Speaker. We are going to miss Walton. And as a country we

honoured Walton, and as a party we will defend [constituency] 17 for Walton.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Honourable Member.

Does any other Honourable Member wish to . . . it is Devonshire Day, eh?

Will take the Member from constituency 10. Honourable Member, you have the floor.

### LEGACY OF MP WALTON BROWN

**Hon. Michael H. Dunkley:** Yes, it is Devonshire Day, so far.

Mr. Speaker, I thank the Honourable Member for his caucus speech in the House of Assembly, as the Opposition Leader said. And I agree with the Honourable Member in a couple of parts of it. I did not intend to speak on this tonight, but I will start with this focus.

I do agree with the Honourable Member that we have to get out and about. We have to have discussions. We have to have dialogue. Whether we agree or disagree on issues, we need to have it. However, Mr. Speaker, we do not need to refer to people within our community as enemies, because right away you build a bridge and you build a wall, and it makes it impassable for that conversation to take place.

I also agree with the Honourable Member in talking about the former colleague for whom we had a special sitting, I believe it was on October [11]<sup>th</sup>. And he was a master of doing politics in his own special way.

The second point the Honourable Member made about Walton, the former and Honourable Member, having dialogue was true. He loved to have conversation, and I think all of us on both sides of the House enjoyed the conversations we had with him. But Walton was also very adept that after he had the conversation he'd force you to do something that was not quite legal, and then he would just slide off to the sidelines while you stood up front and made sure it happened.

And Mr. Speaker, I agreed with the second part of the conversation about how Walton could have dialogue, but I did not agree with the first part, because there is a line that you cross, and the people look at us about how we cross the line. And eventually if that line drifts too far one way or the other, and then it is open for interpretation of what is actually right or what is wrong. But in politics everyone tries to get their voice across a certain way, and sometimes they do skew that line.

### BERMUDA HEALTH PLAN 2020

**Hon. Michael H. Dunkley:** Mr. Speaker, I want to refer back to my main comments on the motion to ad-

journal tonight, back to the Statement that the Honourable Minister of Health gave in this Chamber on the 27<sup>th</sup> of September [2019] in regard to the Bermuda Health Plan 2020.

After that plan and the Statement was delivered to this Chamber, there were questions from some Members on this side of the House. And one of the questions that I asked to the Honourable Minister was, and I am not using the exact phrase, but it is pretty accurate, *Can the Honourable Minister give an example of any other small jurisdictions who were following a similar concept with a single-payer plan and what had been the outcome of what they had done?*

The Honourable Minister stood up and with some uncertainty, I must say, did say that she believed the Bahamas was one of those places. Well, Mr. Speaker, I rise here tonight to talk about it because there are two significant things that have happened recently . . . well, three things that have happened recently that are significant as far as the Health Plan goes.

First, we see that there have been some senior staff changes within government. And I refer to . . . I think there was a publication that was put out earlier today that announced and highlighted the fact that the Permanent Secretary, Jennifer Attride-Stirling, is now the Chief Strategy Officer and takes responsibility for the overall direction and implementation of a health care reform initiative. Now, that is a significant change, Mr. Speaker, without any announcement from Government on the reason *why* that change is taking place and how they believe this will help move the direction forward.

I refer to that, because, clearly, Mr. Speaker, one of the things that the Minister said in the statement on the 27<sup>th</sup> and through this whole process [was] that *there would be consultation*. Well, Mr. Speaker, one of the things that I am hearing clearly from members of the community is that there have been meetings, but there has been a lack of consultation. People do not feel that they have been listened to, people do not feel that their concerns or their initiatives or some advice they would like to give is being taken on board, not only in the public meetings, but in private meetings, Mr. Speaker.

And what is interesting about it, in the public announcement today about the changes to senior positions, in the one that I just read it says, "<sup>2</sup>The new chief strategy officer . . . takes responsibility for the overall direction and implementation of the healthcare reform initiative . . ."

Consultation has gone by the board. We still have 11 months for the final implementation, and probably 9 months for the phased implementation which I believe the Minister said in the Statement would take place in August of 2020. So, it seems that

<sup>2</sup> [Royal Gazette](#), 1 November 2019

we have gone from consultation to implementation when people really have not been heard yet.

Now, Mr. Speaker, I say that because it is concerning to hear some of the feedback after these meetings. The most recent meeting that took place, I believe, last Thursday in St. George's, a member from another place criticised some doctors who were in attendance for their alleged comments and their behaviour during the meeting.

Now, Mr. Speaker, when I heard this . . . I was not at the meeting, but I was quite concerned to hear that allegation that was made. So, what I did was two things: First, I followed up with individuals who were at the meeting, who knew of the meeting. Second, I actually looked at a video of the meeting myself.

*[Hon. Derrick V. Burgess, Sr., Deputy Speaker, in the Chair]*

**Hon. Michael H. Dunkley:** And far from it did I see any behaviour by doctors that I thought was inappropriate, Mr. Deputy Speaker.

Now I say that because in the history of these types of issues being discussed, the biggest challenge for us to move forward and find ground that can be strong enough to support the initiative is when people start criticising each other for their approach on how they comment on things or how they act at meetings, and we are starting to get off the track, in my opinion, here. I make that point to move on to the Honourable Minister's comments about the Bahamas.

Obviously, when I asked the question, I had done a bit of research to get some feedback myself of what took place, and the Bahamas was not a place that had instituted a single-payer health system. Now, obviously, Mr. Deputy Speaker, anyone who has followed the history will know that the Bahamas has looked at it, but they shelved it, Mr. Deputy Speaker. And what I want to do tonight is go through some of the history of other jurisdictions, because I do not wish history to repeat itself in a bad situation here in Bermuda.

So, if you will allow me, first, I would like to refer to the Bahamas for some of the information that came out of their health plan, and this started back, Mr. Deputy Speaker, in January of 2016. And it is very familiar, when you read some of the history that took place there, what happened there, to what could be taking place here.

In the Bahamas, an alliance of doctors, and I quote from a news story that came out by the [www.Bahamaslocal.com](http://www.Bahamaslocal.com) on January 2016.<sup>3</sup> "An alliance of doctors associations demanded yesterday that the government respect the views of stakeholders and come up with a National Health Insurance (NHI) plan that all stakeholders can buy into."

It goes on: "It is unfortunate that we are here today because of a lack of consistent and meaningful engagement of all relevant stakeholders, the most significant being the public at large."

Sounds familiar, Mr. Deputy Speaker.

The individual goes on to say: "We find ourselves now with what we view as a very large information gap because of a lack of education, toxic political environment, and many groups with competing interests precluding honest, transparent, productive dialogue on such an important subject and landmark health reform policy."

It sounds quite familiar.

It goes on [saying] that we need, obviously, "rational constructive debates, . . . We will not make progress if there is a lack of willingness to compromise. . . ." unless that takes place.

It all sounds familiar, Mr. Deputy Speaker.

I go on to another article written about the same time by a business editor down in the Bahamas, and it goes on that the National Health Insurance scheme "is simply impossible' without the Bahamian medical profession's support," a well-known physician [warned] yesterday." And he went into reasons why it would be impossible. This gentleman says the doctors are arguing that the government has ignored their views and input on the NHI design, even though they are frontline professionals.

Sounds familiar, because the doctors in [the Bahamas] are in the same position as we are at the present time.

It goes on to say that the doctors have listed a myriad of concerns and they are not being taken on board. They are the professionals that actually give the service, provide the health care; they are not being listened to. Then they go on to say, Mr. Deputy Speaker, the tax burden being proposed for the Bahamian public is concerning considering the current economic state of the country.

Sounds familiar.

With this in mind, they say the sustainability of the programme is placed in jeopardy.

So, Mr. Deputy Speaker, there are two articles from the Bahamas. They, the doctors in the Bahamas, ended with the tagline, *Who do you trust in health care—your doctor or the government?*

Well, what happened in the Bahamas . . . and this was shortly before an election. The election was about a year and a half later. People said they were trying to make this reform ahead of the election to give the PLP at that time a leg up. It all collapsed. They had to withdraw the policy. They have not moved forward on it.

Now, Mr. Deputy Speaker, I move next to comments more recently in the British Virgin Islands [BVI] and the BVI has a national health system. Well, look what is happening to BVI. They initiated their

<sup>3</sup> [The Nassau Guardian](http://TheNassauGuardian.com), 22 January 2016

<sup>4</sup> [The Tribune](http://TheTribune.com), 22 January 2016

health system, I believe it was probably in 2017, somewhere around that area,<sup>5</sup> . . . and Minister for Health and Social Development, Hon. Carvin Malone<sup>6</sup> came to [their] House of Assembly on July 31<sup>st</sup> of this year, and called on Members of [their] House of Assembly on both sides and stakeholders and said, we need “to put our heads together to address the matter” (in regard to the national health plan) because they had a dire situation and it is “mainly financial.”

It goes on say, “While laying a report that speaks to the situation” (in the health world down in BVI), “. . . that the financial demands are becoming too much for the NHI” (to bear). He noted that the findings are “troubling” and essentially “a crisis can develop.” He talked about the deficit in the programme since its inception and that the deficit would be funded by higher contribution rates.

Sounds familiar, Mr. Deputy Speaker.

Now, Mr. Deputy Speaker, the last example I will raise is a larger jurisdiction: the state of Vermont. Now, we know in the United States . . . and the Minister mentioned in her Statement on the 27<sup>th</sup> of September that we have seen our US neighbours to the West struggle with health care debates for decades. She went on, “<sup>6</sup>We can look to the best, the fairest and the most efficient health systems in the world and seek inspiration from them.”

Well, Mr. Deputy Speaker, I noticed that the plan that the Government has currently followed was made up from the task force group in 2010. All of this history that I talked about relates to time that has lapsed since 2010. Well, in United States where health care has been one of the biggest election issues for the past, at least, three elections, and the only one that seemed to manage to bridge that divide between both sides was President Obama, and he managed to get a plan passed.

But in the state of Vermont, which had a lot of positives going for it in how it could implement a single-payer health system (because like Bermuda they had a relatively large number of people insured and a smaller number of people uninsured, and we should have no people that cannot get covered—I think we all agree with that) they also had a state which was relatively well-off and the people had the ability to fund programmes. But there was a governor about four years ago, Mr. Deputy Speaker, Governor Peter Shumlin of Vermont. And he had a vision and he got elected pretty much solely on his ability for the nation’s first single health plan, the nation’s first. And for three and a half years after he got elected, he struggled to implement the plan.

And I read from an editorial by someone who wrote this article after he stepped down: “<sup>7</sup>With a

deadline bearing down, [on the Governor] they worked through a frozen mid-December weekend, trying to find one computer model . . .” Now, they are doing it on the computer to figure out their financials, “[on] Friday night, another [on] Saturday night, yet another Sunday morning.” One computer model that could give them the hope to do something. “If they kept going, the governor asked his exhausted team on Monday [morning], could they arrive at a tax plan that would be politically palatable?”

(They said after all that work,) “No, . . . they could not.”

“Two days later, on Dec. 17, 2014, Shumlin, [a Governor] who had swept into office promising a health-care system that left no one uninsured, announced he was giving up, . . .” And it was the greatest political disappointment of his life.

So, from that euphoric spring election in 2011, he crash-landed in 2014, offering sobering lessons to *anyone* who looks through these types of health plans and does not look at the history of people who have tried it up to then.

Now, Shumlin can look back at it with 20/20 vision, but he said, in his words, “I learned the hard way. . . it isn’t just about reforming the broken payment system. Public financing will not work unless you get the costs under control.”

Sounds familiar.

Now, this state has some of the wealthiest individuals, lowest rates of uninsured that they could have, and they had one insurance company, Blue Cross and Blue Shield, I believe, that dealt with most of their insurance. They could not do it, Mr. Deputy Speaker. And one of the Governor’s insiders lamented after the fact (and he worked on this Bill for three and a half, four years), he said, “It’s easy to write a bill saying we are going to cover everybody, . . . It’s much harder to figure out . . . what exactly your benefit coverage will be . . .” and what your co-payments will be.

So, Mr. Deputy Speaker, as this Government tries to figure out what their financing model will be, and tries to figure out what the economic shock will be on the system . . . now, I know from what it appears the Government is trying to do, that they are going to push it out to have a single-payer system outside the ambit of government. It is very similar in many ways. What is concerning about what we are *not* hearing at this present time is the depth of consultation that is required, and the ability to put some firm numbers on the wall.

What is the basic plan going to cost? What are the basic coverages you are going to get? What will major medical cost? How will we deal with the indigent? How will premiums change for people who try to buy top-up insurance? Because as I go around and talk to people, like MP Famous is apt to talk about all the time, this is now one of the number-one issues. Government workers and private workers. Govern-

<sup>5</sup> [BVI Platinum News](#)

<sup>6</sup> [Official Hansard Report](#), 27 September 2019, page 2452

<sup>7</sup> [The Washington Post](#), 29 April 2019

ment workers are very concerned about the changes that will be taking place, and now is the time to shelve any discussion about this is what we *believe* the costs will be, to this is what we *expect* the costs to be, and this is what we *expect* to have covered.

We have to firm up the plan so people can get a better understanding of what it is going to be so they know what their liability will be, so we know how we can plan, not only to use it for our better health, but also how we can plan to pay for it. Mr. Deputy Speaker, colleagues on this side have not supported it up to the present time, because the questions have not been answered, and our model . . . our review of it, shows that it could be a recipe for disaster.

There are many things that are important in health care, reforms that we could take that the former Minister, the honourable colleague, Jeanne Atherden, has talked about. This issue right here, if it moves forward as it is without the Minister answering questions about what the financial models will be associated with, what other countries have shown success, how we will build on our plan without proper consultation with the doctors, with the insurers, even though the Government seems to want to throw the insurers under the bus and act like they are the bad people because they are making all the profit . . . until we have these conversations and everyone believes that they are being listened to so that we find a model that works, I and my colleagues remain very concerned [that] we could implement the system and, as time goes on, we will learn just like the Bahamas did. We will learn like BVI did.

Mr. Deputy Speaker, one jurisdiction in the Caribbean where they started the single-payer system anticipated that there would be 28,000 people on the system. After the first year, there were 42,000 people on the system. The financial models were shot; they were done.

So, I am not standing here today to do anything but to say let's pay attention to what we are doing, because other countries have learned their lesson. Other countries and jurisdictions have backed down because they knew that it would not provide the coverage that was being already supplied in Bermuda. And the Minister admitted in her Statement that a lot of what we have in our health care system is quite acceptable. Well, we do have some real challenges. And the high cost of it is one thing. In my view, that high cost will rise unless we change the current model—the model that the Minister is running forward with.

And so, I state this that we need to find a better ground, because right now going forward the ground looks rocky. It looks like some people are going to have to wait in line for coverage. You hear stories about the hospital already cutting back services because they are running tight on the budget. There was an editorial in the paper by someone at the hospital last week, I believe, who said they could cut

2.5 per cent from the budget this year, but they could not cut 4 per cent, and we hear of certain services being cut. These are warning signals that as much as the Government might try to pooh-pooh the comments that one might make about it, Mr. Deputy Speaker, these are warning signals we need to pay attention to, because if we do not get it right, somebody has got to pay, and that somebody is going to be the people of Bermuda.

Thank you, Mr. Deputy Speaker.

**The Deputy Speaker:** The Chair recognises the Honourable Member Jamahl Simmons. You have the floor, sir.

### LEGACY OF MP WALTON BROWN

**Hon. Jamahl S. Simmons:** Thank you Mr. Deputy Speaker.

Mr. Deputy Speaker, I am reminded of the phrase, *If I cannot convince you with facts, I will attempt to scare you with stories*. I think that what we have learned over the past two years, and our Premier alluded to it, is that there are some in this country who interpret consultation as, *we ask what they think and they tell us what to do and we do what they want*. That is not consultation. That is dictating. You know, people talk about coming together and unity. Dogs pulling a sled are working together. But they are being whipped by one person. Unity has many forms, and not all forms of coming together are by choice or for the best outcome of all.

Mr. Deputy Speaker, it is interesting that the Honourable Member raised the point to say that we should not refer to people as our enemies. He says it puts up walls and it puts up barriers. Mr. Deputy Speaker, what should we call people who call us *Kool-Aid drinkers*? What should we call people who call us *sheeple*? What should we call people who call us *crooked* and *corrupt*? What should we call people who throw around the aspersion of *friends and family*? Should we call them friends?

Mr. Deputy Speaker, what do we call people who think it is acceptable for their companies to rake in profits while seniors have to choose between keeping their lights on and eating? What do we call people who think that a father or mother should have to give up medical care because they cannot afford it because they have to keep their kids in school, or to feed their children? What should we call people like that?

They ain't my friends and they ain't friends of Bermudians.

Mr. Deputy Speaker, what do we call people who did what the One Bermuda Alliance did on October 18<sup>th</sup>? On October 18<sup>th</sup> . . . that date has great significance. But let me tell you what the OBA did on October 18<sup>th</sup>. They released a statement attacking the Progressive Labour Party entitled, "The PLP Must

Change Economic Course . . . .” Do you know when that was released, Mr. Deputy Speaker? It was released as we were in the cathedral, mourning and burying our brother, Walton Brown.

What do we call people like that?

They sure are not our friends. Thank you, Mr. Deputy Speaker.

**The Deputy Speaker:** Any further speakers?

The House stands adjourned until November the 15<sup>th</sup> at ten o'clock.

*[Gavel]*

*[At 5:07 pm, the House stood adjourned until 10:00 am, Friday, 15 November 2019.]*

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