



## **MARITIME AUTHORITY OF THE CAYMAN ISLANDS (MACI)**

### **Minutes of Board of Directors' Meeting**

Held on 20 February 2019 at 3:00 p.m.  
Queensgate Bank, Harbour Place  
North Church Street, George Town, Grand Cayman

#### **Members Present:**

Philip Barnes, Chairman  
Sherice Arman, Deputy Chairman  
Robb Maass, Director  
Gene DaCosta, Director

#### **Ex – Officio Attendees:**

Joel Walton, CEO  
Lorna Washington, Secretary

#### **Apologies:**

Andreas Ove Ugland, Director  
John Mackenzie, Director

#### **Invited:**

Kenrick Ebanks, Global Director, Commercial Services  
Osbert Francis, Global Director Operations  
Greg Evans, Global Director, Safety & Compliance

#### **1. CALL TO ORDER**

The Meeting was called to order at 3:09 p.m.

#### **2. APOLOGIES**

Andreas Ove Ugland, Director, John Mackenzie, Director.

#### **3. QUORUM**

**IT WAS RESOLVED** that in accordance with Schedule I, Section 7 (9) of the Maritime Authority Law (2013 Revision), a quorum of a simple majority of the Members was present and that business would proceed.

#### **4. REVIEW AND APPROVAL OF PREVIOUS MINUTES**

**IT WAS NOTED** that the Minutes of the Meeting held on 23 January 2019, was approved by the Board after the following amendments:

1. Correct the date held to "3 January 2019";
2. 5.c.7. – changed to "MACI has requested a Ministry position specifically for Maritime and Aviation Affairs".

Moved by Mr. Robb Maass and seconded by Mr. Gene DaCosta.

#### **5. UPDATES FROM PREVIOUS MINUTES**

- a. **MACI Policy on Health Care in-Retirement Benefit** – Mr. Francis stated nothing has changed. Ms. Arman indicated that we are still waiting on the advice from Ritch & Conolly. This item was noted by the Board.
- b. **Update on new Ministry** – The CEO informed the Board that as a result of the new Ministry taking over the current office space of MACI, new office accommodations are being looked at. July 1 is the planned move date.

6. **NEW BUSINESS**

a. **Cayman Registry Performance, January 2019** – Mr. Ebanks gave the presentation. This item was noted by the Board.

b. **Potential Business Development, Events, Special Projects, Training, HR and Official Meetings Programme, January 2019 – December 31, 2019** – The CEO gave the presentation. The CEO stated this is an item missing. During March or April there will be a tour of South of France. He will be joined by the Premier on this tour.

There is also a symposium in Jamaica the last week in February. The CEO will attend on behalf of the Premier.

There is a Cayman Islands Shipping Advisory Committee (CISAC) in May.

Investment Summit in June. This item was noted by the Board.

c. **2018 Revision to GT and UK Employee and Office Policies Handbook** – This item was deferred.

d. **Annual Report and Financial Statement for Submission to Cayman Islands Government (CIG) and Cayman Islands Audit Office (CIAO)** – Mr. Francis gave the presentation. The Annual Report and Accounts will be given to the Auditor on 28 February 2019. Board members were given until 25 February 2019 for any comments. This item was noted by the Board.

e. **Presentation of Paper to the Board Regarding COLA** – The Cabinet Paper was presented to the Board for confirmation. Board members were given until 28 February 2019 indicate their confirmation or rejection of the recommendation.

f. **2018 Annual Report on Corporate Document Performance** – The CEO, Messrs. Ebanks & Evans gave a powerpoint presentation.

g. **Draft FY 2019 – 2021 Corporate Document** - Board members were given until 28 February 2019 for any comments.

7. **OTHER BUSINESS**

a. **Circulation of Signed Minutes: 12 December 2018**

b. **Tax Corporation International** – Ms. Arman gave the update.

On 27 December 2018, the Cayman Islands published The International Tax Co-operation (Economic Substance) Law, 2018 and The International Tax Co-operation (Economic Substance) (Prescribed Date) Regulations, 2018 (together, the "Economic Substance Law"), as well as some related amendments to certain other laws.

The Economic Substance Law is responsive to global OECD Base Erosion and Profit Shifting ("BEPS") standards regarding geographically mobile activities. Requirements of this type are rapidly being implemented on a level playing field basis by all OECD-compliant 'no or only nominal tax' jurisdictions.

The Economic Substance Law applies economic substance requirements to the following categories of geographically mobile activities previously identified by the OECD (and adopted by the EU):

- Banking;
- Insurance;
- Shipping;
- Fund management;
- Financing and leasing;
- Headquarters;
- Distribution and service centres;
- Holding company; and
- Intellectual property.

We will only be able to fully assess the implications for relevant industry sectors once relevant Guidance has been issued. However, an initial step will be to determine whether an entity may fall within the classification of a 'relevant entity' and, if so, to determine if it is conducting or if it intends to conduct a 'relevant activity'.



Those who establish Cayman Islands structures do not generally do so to engage in BEPS activity; they do so because the Cayman Islands is an efficient, stable and trusted neutral hub with key expertise in handling complex transactions.

Accordingly, the Cayman Islands financial services industry and its clients should be able to take this development in their stride given the nature of the transactions structured in the Cayman Islands and the global standards that are already applicable in the Cayman Islands.

The law and guidance is still being reviewed. We will keep the board updated as to how this affects clients of MACI.

**8. DATE OF NEXT MEETING**

a. Monday, 29 April 2019

**9. ADJOURNMENT OF MEETING**

The Meeting adjourned at 5:00 p.m.



Philip Barnes  
Chairman

*29 April 2019*

Date