

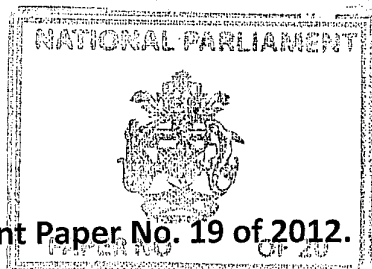


NATIONAL PARLIAMENT OF SOLOMON ISLANDS  
BILLS AND LEGISLATION COMMITTEE

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**Report on the *Customs and Excise*  
(Amendment) (No. 2) Bill 2012 (No.  
9 of 2012)**

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**National Parliament Paper No. 19 of 2012.**

Presented on 22<sup>nd</sup> November 2012

National Parliament Office

## How to contact the Committee

Members of the Bills and Legislation Committee can be contacted through the Committee Secretariat. Written correspondences and enquiries should be directed to:

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**The Director of Committees**

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**National Parliament of Solomon Islands**

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**Vavaya Ridge, P.O. Box G.19, Honiara**

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**Internet: [www.parliament.gov.sb](http://www.parliament.gov.sb)**

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**Facsimile: +677 22472**

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## Terms of reference

That the Bills and Legislation Committee –

- (a) review and examines the *Customs and Excise (Amendment) (No. 2) Bill 2012 (No. 9 of 2012)*; and
- (b) report its observation and recommendations on the Bill to Parliament.

## Committee membership

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<b>Hon. Manasseh Sogavare</b>	Chairman
<b>Hon. Dr. Derek Sikua</b>	Member
<b>Hon. John Maneniaru</b>	Member
<b>Hon. Milner Tozaka</b>	Member
<b>Hon. James Tora</b>	Member
<b>Hon. Matthew Cooper Wale</b>	Member
<b>Hon. Sam Induri</b>	Member
<b>Hon. Douglas Ete</b>	Member

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### **Secretariat**

Mr. Wilson Ani'i, Committee Secretary  
Mr. Jefferson Hallu, Committee Secretary  
Mrs. Emily Kupenga, Senior Administration Officer

### **Hansard**

Mr. Liam Sau, Assistant Editor

## Chair's foreword

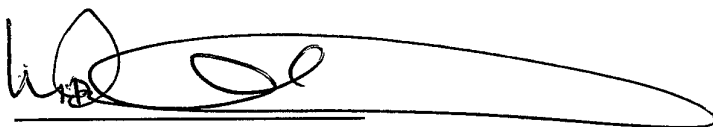
I am pleased to present the Report on *Customs and Excise (Amendment) (No.2) Bill 2012, No. 9 of 2012*.

Granting of tax exemption is an issue that is of interest to anyone that imports or exports various commodities. Vesting the power solely to the responsible Minister may invite the likelihood of the powers being tempered with.

By aligning the role of the Exemption Committee to the Ministerial power is essential in ensuring that there is a transparent and accountable process in determining applications for an exemption.

The Committee welcomes this timely innovation.

I thank all of you who have participated in one form or another in making this report possible.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke that tapers to a point on the right.

Hon. Manasseh Sogavare  
**Committee Chair**

## Acknowledgment

The Committee acknowledged the commitment of the Clerk to National Parliament, the Committee Secretariat, and staff of the National Parliament for the sound secretariat support that enabled the professional conduct of the Hearing.

Sincere thanks to all the members of the Committee who were present and provided probing questions to bring out better understanding of the subject matter.

The Committee would also like to thank all individuals and organisations who appeared before the Committee as witnesses at the hearing. Thank you for responding positively to the Committee's invitation and for attending the Committee hearing. This report would not have been possible without the valuable information provided to assist the Committee to undertake its important oversight role of ensuring accountability to the people of Solomon Islands.

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## **Summary of recommendations**

After examining all of the witnesses and the evidence before it, the Committee recommends the following –

**Recommendation 1:** That the Ministry establish and implement the necessary administrative mechanisms equipped with the capacity to properly advise the Minister in making executive decisions within the bounds of his or her powers and responsibilities as prescribed and delegated by Parliament.

**Recommendation 2:** That the Ministry of Finance develop, implement, and enforce the required guidelines that will direct the Exemption Committee when considering applications for exemption or other matters designated to them.

**Recommendation 3:** That the Ministry of Finance must vigorously administer and safeguard the exemption regime by implementing suitable measures including imposing appropriate terms and conditions on the exemptions granted.

**Recommendation 4:** That the Ministry of Finance rationalize its ongoing legislative reforms incorporating the various relevant amendments to their respective parent Acts. This ensures efficient usage by those responsible to implement it as well as those that are going to be affected by the legislative actions in one way or another.



## Chapter 1 – Introduction

This Chapter provides a background to the inquiry, an overview of the Committee's terms of reference, and a description of the inquiry process.

### Background to the inquiry

1.1 On 14<sup>th</sup> November 2012, the Minister of Finance, through the Attorney General's Chambers, submitted to Parliament notice of presentation of the Bill in accordance to Standing Orders 45 and 46.

1.2 On 16<sup>th</sup> November 2012, the Committee deliberated to have a one-day hearing into the Bill.<sup>1</sup>

1.3 The Committee sent out invitations to identified stakeholders to give evidence at a hearing held 16<sup>th</sup> November 2012. Given the time constraints, some of the stakeholders were not able to appear at the hearing nor were able to provide written submissions.

### Terms of reference

1.4 The inquiry's terms of reference are set out in page ii. The Committee may report to Parliament on matters referred to it either by the Parliament or the Government.<sup>2</sup> It also has the power to initiate inquiry to consider other matters relating to legislation.<sup>3</sup> Other functions of the Committee are contained in **Appendix 1**.

1.5 The Committee presents its observations and recommendations on the Bill to Parliament on Thursday 22<sup>nd</sup> November 2012.

### Conduct of the inquiry

1.6 The inquiry process included seeking written submissions and a public hearing at Parliament House. A total of four (4) stakeholders were identified and invited to make written submissions or to appear in person at the hearing, or both. All stakeholders appeared as witnesses before the Committee on November 16<sup>th</sup> 2012.

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<sup>1</sup> Appendix 4.

<sup>2</sup> Standing Order 68(5), *Standing Orders of the national parliament of Solomon Islands*, Paper No. 41 of 81, National Parliament of Solomon Islands.

<sup>3</sup> Standing Order 71(f), *Ibid*.

### Submission

1.7 There were no written submissions received by the Committee.

### Hearing

1.8 A public hearing was held for a day (Friday 16<sup>th</sup> November 2012) at the Parliament House.<sup>4</sup>

1.9 A list of individuals and organisations who responded to the Committee's invitation to respond to the inquiry is contained in **Appendix 2**.

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<sup>4</sup> See Appendix 5.

## **Chapter 2 – Power to grant duty exemption**

This Chapter provides background information on the Bill, in particular what the Bill intends to achieve, and the issues that emanates from the discussions.

- 2.1** This Bill seeks to amend the Customs and Excise Act [Cap.121] ('the Act') by amending section 2, repealing section 8, and insertion of new provisions including consequential amendments to related tax Acts namely, the Income Tax Act, Goods Tax Act, Sales Tax Act and the Stamp Duties Act.
- 2.2** The Bill intends to achieve three things. First, it clearly empowers the Minister to grant duty exemptions. Secondly, it seeks to amalgamate the Inland Revenue Division ('IRD') Committee and the Customs and Excise Division ('CED') Committee into a joint committee to be known as the Revenue & Customs Exemption Committee<sup>5</sup>. Thirdly, whilst the Bill seeks to amend the Customs Act, it also seeks to make relevant consequential amendments to other tax Acts mentioned above in 2.1.

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<sup>5</sup> The Bill refers to this Committee as the 'Exemption Committee'.

## Chapter 3 – Proposed exemption regime

### Power to grant duty exemption

- 3.1** Under the current regime, the power to grant or refuse an application for an exemption is not crystal clear. Reading the relevant sections, the power to grant exemptions is vested in the committee.<sup>6</sup> The Minister simply endorses the committee's approval and may or may not accept the committee's recommendations.<sup>7</sup>
- 3.2** In the proposed regime, the Bill elevates the Minister's position to that of the committee in relation to the power to grant an exemption. It clearly states that the Minister is empowered to grant an exemption upon the recommendation of the Exemption Committee. This innovation is justified by the Director for the Economic Reform Unit as –

*...given the impact of exemptions on the revenue available to government, it is inappropriate that the authority to give final approval to exemptions from income tax is an administrative decision.<sup>8</sup>*

- 3.3** In effect, the Bill seeks to make the power to grant duty exemptions an executive decision rather than an administrative decision as it is in the current regime.

### Exemption Committee

- 3.4** Under the current regime, a committee is established in each of the tax regime to process applications for exemptions. These committees operate independently of each other. However, the difficulties faced by IRD and CED is that –

*Currently, exemptions are processed through the two committees that currently exist within the Inland Revenue Division and Customs... The Inland Revenue exemption process, unlike the Customs exemption process, is an administrative process not set up by legislation. There is no facility to ensure consistency in the decision and administration of the two exemption committees - IRD and Customs... The administrative nature of IRD, the Inland Revenue Guidelines leads to them being*

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<sup>6</sup> See Appendix 3. Note: Section 8 of the Act [Cap. 121] was amended by the 2002 Amendment Act by repealing section 8 and replacing

<sup>7</sup> Section 8(7), *Customs and Excise Act* [Cap. 122] as amended by the *Customs and Excise (Amendment) Act 2002 (No.1 of 2002)*.

<sup>8</sup> Selwyn Takana, *Hansard Transcript*, 16<sup>th</sup> November 2012, p.9.

*perceived as not transparent. The perceived lack of transparency in the process exposes the Minister and officials to accusation of unfairness. This Bill here, the propose changes will improve the exemption process by eliminating inconsistency in decision making, it will reduce the burden faced by business or business entering application for exemptions can be considered by a single committee and it provides a statutory authority - a joint committee.<sup>9</sup>*

- 3.5** The proposed regime intends to amalgamate the two committees in the IRD and CED. This committee will be responsible for processing application for exemptions under the entire tax regime. As the Commissioner of Inland Revenue ('the Commissioner') explained –

*While the bill obviously covers import duty exemptions, there's a whole raft of other exemptions spread amongst a number of acts – the sales tax, goods tax, income tax, there's some tax holidays in there, stamp duty; and it's bringing then altogether under one committee<sup>10</sup>.*

- 3.6** The proposition is also supported by the Comptroller stating that the Bill is basically to improve the coordination of exemptions granted by the Government. By bringing the two committees together it will best streamline and improve the record keeping of the exemptions.<sup>11</sup>

- 3.7** The Comptroller of Customs further stated that –

*I think the bill is straightforward and with your concurrence, we believe in this. The amalgamation of the two exemption committees will do us more good than what it is currently. We can also provide better data for the government in terms of the amount of exemptions that have been foregone throughout the year and so I think it's a move that will be both supported by Finance and of course the Bills Committee.<sup>12</sup>*

- 3.8** The Exemption Committee is established by Clause 8A of the Bill. This is another innovation of the Bill. The Exemption Committee is to be appointed by the Minister consisting of officers from the Customs Division, Inland Revenue Division, and Ministry for National Planning and the Ministry of Commerce.<sup>13</sup>

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<sup>9</sup> Above, n7.

<sup>10</sup> Mark Bell, *Hansard Transcript*, 12<sup>th</sup> November 2012, p.12.

<sup>11</sup> Nathan Kama, *Hansard Transcript*, 12<sup>th</sup> November 2012.

<sup>12</sup> *Ibid.*

<sup>13</sup> Clause 8A, above, n13.

### *Committee comment*

- 3.9** The Committee noted that exemption committees exist and operate independently in the various departments responsible for processing applications for exemptions, whether it is administered through the various Tax Acts.
- 3.10** The Committee welcomes the amalgamation of the exemption committees because it believes the projected outcome intends to achieve administrative consistency and transparency.

### **Application process**

- 3.11** The application process remains much the same as in the current regime, except for a few minor changes. Under the current regime, an application is made to the Comptroller. In the new regime, it is the Secretary, appointed by the Minister within the IRD or CED.<sup>14</sup>
- 3.12** The Comptroller/Secretary will determine whether or not that the required information in support of the application is obtained. The Comptroller/Secretary has seven days, in the current regime, or five working days in the new regime, to consider whether or not an application fulfils the requirement.<sup>15</sup> If the application fulfils the requirements, the Comptroller/Secretary forwards the application to the Exemption Committee. If in the negative, the application is returned to the applicant within the respective time limits, who then may resubmit an application if all the required information is obtained.<sup>16</sup>

### **Grounds and guidelines for considering an application**

- 3.13** The Committee noted that section 8C(4)(b) requires the Exemption Committee to take into account of any guidelines prescribed by regulations. When asked whether there is any likelihood of infiltration of vested interest on the part of the Minister, the Commissioner of Inland Revenue Division explained that –

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<sup>14</sup> Clause 8A(3).

<sup>15</sup> Section 8(2), *Ibid.*

<sup>16</sup> Section 8(3), 8(4), *Ibid.*

*Currently, we have guidelines which are going to be adopted. Because they are administrative guidelines they obviously hold the power as per the Act, but these guidelines will be prescribed by the regulation and they'll be very specific and if there are any concern, I am sure they'll be well and truly covered off in that because it also takes the pressure off the committee as well. So we'll be operating in terms of subsection 4 so that provides us with a clear guide as to how we should consider applications on behalf of the Minister. The guidelines will be quite specific.<sup>17</sup>*

## **Exemption conditions**

**3.14** The Exemption Committee then reports its recommendations to the Minister, who may or may not grant an exemption,<sup>18</sup> with or without conditions.<sup>19</sup> The Comptroller explained that –

*All the exemptions that are granted by the Minister are always with conditions; conditions to ensure that the exemption that is not abused in anywhere but it's used for the purpose for which the exemptions were applied for and for which they were approved. I guess it is imperative on the part of the Minister that all exemptions must be accompanied by conditions to ensure that the exemptions are properly used.<sup>20</sup>*

**3.15** If the Minister raises any disagreement, the Exemption Committee may reconsider its report and later resubmit the report to the Minister.<sup>21</sup> When asked what was the rationale of this provision, the Commissioner responded clarifying that the Minister maybe of the opinion that the Exemption Committee may have missed something in the prescribed guidelines that needs to be considered before recommending an application.<sup>22</sup>

**3.16** If the Minister does not make a decision on the recommendation of the Exemption Committee within ten days, the recommendation of the Exemption Committee 'shall be deemed to be the decision of the Minister.'<sup>23</sup> When asked why a ten-day time limit, the Comptroller of Customs explained that –

*...it is for trade purposes that we don't want to keep clients waiting. I think the 10 days there is reasonable. It is there basically to ensure the Minister makes a*

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<sup>17</sup> Above, n9, p.21

<sup>18</sup> Clause 8C(3); Section 8(7)

<sup>19</sup> Clause 8(2); Section 8(5).

<sup>20</sup> Above, n10, p.15.

<sup>21</sup> Clause 8(4)-(7).

<sup>22</sup> Above, n9.

<sup>23</sup> Clause 8(7).

*decision. If he is not present then the committee will remind him that he has up to this time to make a decision so that the client is informed of the decision. I believe the 10 days there is reasonable to put the Minister in a position to make that decision. If the Minister doesn't make a decision within 10 days it must be for a very strong reason, which may not be acceptable in trade practices hence I believe that 10 days is there to ensure that the Minister is obligated to make a decision within that time period.*<sup>24</sup>

**3.17** The Commissioner of Inland Revenue Division further explained that –

*The other thing is that you'll see it in the lighter provisions is that timeframes are actually imposed on the exemption committee as well. So it is not unique just to the Minister. There are timeframes proposed in here that relates to the committee as to how quickly it is required to process the application. I think it is in general to move things along.*<sup>25</sup>

**3.18** An aggrieved applicant does not have a right of appeal. However, s/he may resubmit an application if the required information in support of the application is obtained.<sup>26</sup> When asked whether this provision is essentially giving back the power to the Minister, the Commissioner of Inland Revenue Division explained that –

*... my understanding of this is that it is not in relation to the committee. If I go through the process; the exemption committee makes a recommendation to decline and the Minister agrees with that, when the Minister agrees the applicant hasn't got the right of appeal...there isn't a right of appeal in respect of the applicant if the applicant wants to revisit then put another application....That provision (9) is no application to the committee but covers where the applicant may want to revisit, they can't appeal the Minister's decision.*<sup>27</sup>

### ***Committee comment***

**3.19** The Committee is concerned that an exemption may be granted without conditions.

We are of the view that the rationale of granting an exemption is to pin down the exemption to a particular purpose for which it was applied for and not for any other purpose.

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<sup>24</sup> Above, n10, p.19

<sup>25</sup> Above, n9, p.19.

<sup>26</sup> Clause 8(9); Section 8(6).

<sup>27</sup> Above, n9, p.17.



- 3.20** The Committee noted that if the Minister does not decide on the recommendations of the Exemption Committee within ten working days, the recommendation of the Exemption Committee stands as if it is the Minister's decision.
- 3.21** The Committee noted that the reason for the time limitation imposed on the Minister is there to put the Minister in a position to decide.
- 3.22** The Committee appreciates that there may be circumstances that the Minister may not be able to make a decision within the ten-day period.
- 3.23** The Committee is of the view that the decision whether to grant an exemption or not is the Minister's and not the Exemption Committee's prerogative.
- 3.24** The Committee is of the view that the prescribe guidelines the Exemption Committee must adhere to when considering an application for exemption must ensure that the decision to grant an exemption is transparent safeguarding vested self-interest.

## Chapter 4 – Consequential amendments

- 4.1 The Committee notes that this Bill also seeks to amend relevant provisions in other tax Acts. When asked whether there should be separate Bills to amend other related tax Acts, the Commissioner for the Inland Revenue Division explained that –

*...While the bill obviously covers import duty exemptions, there's a whole raft of other exemptions spread amongst a number of acts – the sales tax, goods tax, income tax, there's some tax holidays in there, stamp duty; and it's bringing them altogether under one committee...<sup>28</sup>*

Since the amendments are consequential rather than substantial, having several amendment Bills would not be necessary when having one committee, the Exemption Committee, to collectively consider tax rates under several tax related Acts, as opposed to having two different committees such as Inland Revenue committee and Customs committee like before to consider all the different exemptions. Thus, substantial amendments to the Act would require separate Bills for each amendment.

### Goods Tax Act

- 4.2 One of the key features to the Goods Tax Act amendments is the referral of any proposed order for goods tax exemption by the Minister to the Exemption Committee for consideration. The Committee will then prepare a report and its recommendations and submit it to the Minister, which the he or she can act on based on the Committee's recommendation before any goods tax exception is either granted or not.

### Income Tax Act

- 4.3 Several amendments are made to the Income Tax Act to give the power of the Commissioner to grant exemption to the Minister, subject to recommendation of the Exemption Committee.

### Sales Tax Act

- 4.4 The amendments under this Act subject the power of the Minister to grant tax exemption to the recommendations of the Exemption Committee.

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<sup>28</sup> Above, n9, p.12.

## Stamp Duties Act

- 4.5** The amendments to the Stamp Duties Act subject the power of the Minister to grant tax exemption to the recommendations of the Exemption Committee.

## Chapter 5 – Conclusion

- 5.1 The Committee welcomes the innovation to amalgamate the IRD and CED committees into a single committee that will process all applications for an exemption under the entire tax regime. We note that this measure ensures efficiency and effectiveness in implementing administrative decisions.
- 5.2 We appreciate the innovation of elevating the authority of the Minister to make executive decisions which were usually made by the Commissioner or the Comptroller who would now only undertake administrative decisions. Whilst their role act as buffer to avoid unilateral decisions by the Minister, we are assured that that buffer role will now be played by the Executive Committee in properly advising the Minister.
- 5.3 The granting of exemptions must be always accompanied by conditions imposed on the exemption granted. If an exemption is granted without conditions, the likelihood of the exemptions being abused for purposes for which they are not granted is very high.
- 5.4 We note that, when considering applications for exemption, an adequate and proper guideline is essential in implementing administrative decisions in a consistent and fair manner.

**Recommendation: That the Ministry establish and implement the necessary administrative mechanisms equipped with the capacity to properly advise the Minister in making executive decisions within the bounds of his or her powers and responsibilities as prescribed and delegated by Parliament.**

**Recommendation: That the Ministry of Finance develop, implement, and enforce the required guidelines that will direct the Exemption Committee when considering applications for exemption or other matters designated to them.**

**Recommendation: That the Ministry of Finance must vigorously administer and safeguard the exemption regime by implementing suitable measures including imposing appropriate terms and conditions on the exemptions granted.**

**Recommendation: That the Ministry of Finance rationalize its ongoing legislative reforms incorporating the various relevant amendments to their respective parent Acts. This ensures efficient usage by those responsible to implement it as well as those that are going to be affected by the legislative actions in one way or another.**

# Appendix 1 - Functions of the Bills and Legislation Committee

## STANDING ORDERS OF THE NATIONAL PARLIAMENT OF SOLOMON ISLANDS

### 71. BILLS AND LEGISLATION COMMITTEE

*LN 23/1995*

There shall be a Standing Select Committee designated the Bills and Legislation Committee whose functions, in addition to the provisions of orders 50 and 55, shall be to –

- (a) examine such matters as may be referred to it by Parliament or the Government;
- (b) review all draft legislation prepared for introduction into Parliament;
- (c) examine all subsidiary legislation made under any Act so as to ensure compliance with the Acts under which they are made; (d) monitor all motions adopted by Parliament which require legislative action;
- (e) review current or proposed legislative measures to the extent it deems necessary;
- (f) examine such other matters in relation to legislation that, in the opinion of the Committee, require examination; and
- (g) make a written report to each meeting of Parliament containing the observations and recommendations arising from the Committee's deliberations.

## Appendix 2 - List of witnesses

The Committee acknowledges and appreciates the attendance of the following witnesses who appeared before the Committee on the 16<sup>th</sup> of November 2012.

NAME	ORGANISATION
1. Mr. Selwyn Takana, Director, Economic Reform Unit. 2. Lonsdale Lungana, Policy Analyst, ERU. 3. Philip De La Rue, RAMSI Advisor, ERU. 4. Norma Qurusu, Policy Analyst, ERU. 5. Mr. Nathan Kama, Comptroller of Customs. 6. Mr. Mark Bell, Commissioner, Inland Revenue Division. 7. George Henry Tapo, Deputy Commissioner, IRD. 8. Joseph Dokekana, Assistant Deputy Commissioner, IRD.	Ministry of Finance and Treasury
9. Mr. Ranjit Hewegama, Legal Draftsman 10. Anthony Makabo- Senior Crown Counsel, AG Chambers	The Attorney-General Chambers

## **Appendix 3 – Section 7 *Customs and Excise Act (Amendment) Act 2002.***

### **PART II DUTIES, PROHIBITIONS, DRAWBACKS AND REFUNDS OF DUTY**

#### **Customs and excise duties**

*14 of 1966, s. 5*

*9 of 1963, s. 3*

*LN 46A of 1978*

*9 of 1974, s. 3*

7. It shall be lawful for the Minister from time to time, by order -

- (a) to impose; import or export duties of customs upon any goods whatsoever which may be imported into or exported from Solomon Islands and to revoke, suspend, reduce, increase or alter any such duties, and to provide for the importation or exportation of any goods without payment of customs duty thereon:

Provided that all import or export duties of customs and all exemptions from duties of customs set out in the First Schedule shall continue in force until revoked, suspended, reduced, increased or altered in the manner provided in this Act;

#### *First Schedule*

- (b) to impose excise duties upon any goods whatsoever manufactured in Solomon Islands and to revoke, suspend, reduce, increase or alter any such duties and to provide for exemptions therefrom.



## Appendix 4 – Minute – Committee deliberation



BILLS AND LEGISLATION COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

### Minutes of the deliberative meeting into the 'Customs and Exercise (Amendment) Bill 2012 and the Customs and Exercise (Amendment) (No.2) Bill 2012'

#### Meeting No 1: Deliberative Meeting

Friday 16<sup>th</sup> November 2012  
Conference Room II, Parliament House, 10:02am.

#### 1. Members Present

Hon. Manasseh D. Sogavare (Chairman)  
Hon. Dr. Derek Sikua  
Hon. James Tora  
Hon. John Maneniaru

#### Absent

Hon. Mathew Cooper Wale  
Hon. Milner Tozaka  
Hon. Sam Iduri  
Hon. Douglas Ete

#### Secretariat

Mr Jefferson Hallu, Committee Secretariat  
Mr Wilson Anii, Committee Secretariat

#### 2. Prayer and Chair's Opening Remarks

The Chairman say the opening prayer.  
The Chair welcomed Members and thanked them for attending.  
The Chair brief Committee Members that according to the Statement of Government Business for next week there is urgency to bring the two Bills forward for the Committee's scrutiny.

#### 3. 'Customs and Exercise (Amendment) Bill 2012 and the Customs and Exercise (Amendment) (No.2) Bill 2012.'

The Committee Secretariat provided a brief on the two Bills and a proposed list of stake holders for the inquiry into the Bill. Committee members were asked to make comments on what approach to take for the inquiry. The Chair then invited Committee members to comment on the proposed list of stake holders.

During discussions Committee members resolved that;

#### *Policy of the Bill*

- 1) The Customs Division, the Inland Revenue Division and the Economic Reform Unit of the Ministry of Finance & Treasury and the Attorney Generals Chambers Legal Drafting to make first appearance before the Committee to explain the policy behind the drafting of the Bill and the various issues covered under the clauses of the two Bills.

*Written Submissions*

- 2) Stake holders be asked to make written submissions before appearing though not necessary due to the urgency to conduct the Public hearing into the Bill.

*Public Hearing*

- 3) The public hearing into the two (2) Bills be conducted in the afternoon starting at 2:00pm due to the urgency of writing the Committee Report on the Bills before the second reading in the Chamber.

**4. Resolutions**

The Committee resolved that;

- 1) The Stake holders involved in the formulation of the Bill be invited to make first appearance before the Committee to present the policy behind the Bill.
- 2) Written submissions be sought from relevant stake holders though not necessary due to the urgency to write up the Committee Report on the Bills before the second reading.
- 3) The public hearing into the two Bills be held in the afternoon at 2:00pm due to the urgency to bring the Committee Report before the second reading of the Bills in Parliament.

**5. Close**

Meeting closed at 10:22am.

# Appendix 5 - Minute - Hearing



BILLS AND LEGISLATION COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

## MINUTES OF PROCEEDINGS INTO THE 'CUSTOMS AND EXERCISE (AMENDMENT) BILL 2012' AND THE 'CUSTOMS AND EXERCISE (AMENDMENT) (NO.2) BILL 2012'

### Meeting No 2: Public Hearing

Friday 16<sup>th</sup> November 2012

Conference Room 2, Parliament House, 2:03pm

### Members Present

Hon. Manasseh Sogavare, MP (Chair)

Hon. Dr Derek Sikua, MP

Hon. James Tora, MP

### Members Absent

Hon. Mathew Wale, MP

Hon. Milner Tozaka, MP

Hon. John Maneniaru, MP

Hon. Douglas Ete, MP

Hon. Sam Iduri, MP

### Stakeholders (Witnesses)

Nathan Kama- Comptroller of Customs, Ministry of Finance & Treasury (MOFT)

Mark Beu- Commissioner of Inland Revenue Division, IRD, MOFT

Selwyn Takana- Director Economic Reform Unit(Ag)(ERU), MOFT

Lonsdale Lungana- Policy Analyst, ERU, MOFT

Philip De La Rue- RAMSI Advisor, ERU, MOFT

Norma Qurusu- Policy Analyst, ERU, MOFT

Ranjit Hewagama- Legal Draftsman, Attorney Generals (AG) Chambers

Anthony Makabo- Senior Crown Counsel, AG Chambers

George Henry Tapo- Deputy Commissioner, IRD, MOFT

Joseph Dokekana- Assistant Deputy Commissioner, IRD,MOFT

### Secretariat

Mr Jefferson Hallu, Committee Secretary

Mr Wilson Anii, Committee Secretary

### In-attendance

Liam Sau- Hansard Dept

Steve Hachi- Media Dept

## 1. Welcome & Opening Statement

The Chairman acknowledges and thanked the stake holders (witnesses) for responding to the invitation to appear before the committee for the public hearing into the 'Customs and Exercise (Amendment) Bill 2012' and the 'Customs and Exercise (Amendment) (No.2) Bill 2012'. Chairman apologise for the short notice given and commented that these two Bills are

now being prioritised due to the statement of Government business for next week's Parliament meeting.

**2. Hearing into the 'Customs and Exercise (Amendment) Bill 2012 and Customs and Exercise (Amendment) (No.2) Bill 2012.'**

The Chairman made a brief opening statement and invited the witnesses to make opening statements to the Committee on the two Bills.

The following presented their opening statement;

- a. Selwyn Takana- ERU, MOFT
- b. Ranjit Hewagama- Legal Draftsman, AG Chambers
- c. Nathan kama- Comptroller of Customs, MOFT

The Committee questioned, made comments and seek clarification from the witnesses on the;

- policy issues of the Bills,
- on the various issues covered in the Bills clause by clause.

The evidence concluded and the Chair thanked the witnesses for their attendance.

**3. Closing**

The hearing closed at 3:30pm.