



GOVERNMENT OF BARBADOS

The Hon. Christopher Sinckler, M. P.
MINISTER OF FINANCE AND ECONOMIC AFFAIRS
Government Headquarters,
Bay Street, St. Michael, BB11156, Barbados, W.I.

Our Ref:

Tel: (246) 426-2814
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5th November 2013

TO WHOM IT MAY CONCERN

**Re: Sandals / Grande Cass. Management (Barbados) Limited
CPH Property Holdings (Barbados) Limited
Tax Concessions Application- Local Suppliers**

Having considered the application by CPH Property Holdings (Barbados) Limited and Grande Cass. Management (Barbados) Limited (together hereinafter called "Sandals") as per the Memorandum of Understanding agreed and signed between the Government of Barbados and Sandals International Inc. on the 18th of October 2013, requesting concessions in respect of the acquisition, expansion, development and operation of the hotel property formerly known as Casuarina which is located at Dover in the parish of Christ Church (hereinafter called "the Hotel") and pursuant to the Duties, Taxes & Other Payments (Exemption) Act Cap. 67B of the Laws of Barbados and other enabling legislation, I write to inform you that, during the Tax Holiday Period hereinafter defined, I have, with respect to the purchase of goods from local suppliers hereinafter set out in the attached Schedule, granted the following:-

1. Waiver of:- BARBADOS UNDERGROUND BLOG
 - (a) all import duties, taxes, imposts and levies of any nature whatsoever, including Value Added Tax, on the importation or local purchase of:
 - (i) all capital goods such as building materials, articles of hotel equipment, furniture, furnishings, fixtures, fittings, construction machinery, boats, watercraft, vehicles for the Hotel's use, televisions, computer equipment, telephones, software, hardware, shrubs and plants, garden and agriculture equipment, promotional and marketing materials for operating the Hotel and for the cyclical re-furbishing undertaken from time to time in order to maintain the Hotel to the standards of the Sandals brand;
 - (ii) consumables for the operation of the Hotel, including but not limited to operating supplies, soft furnishings, printed

materials, guest supplies, spa supplies, paper, stationery, books and spare parts for equipment;

- (iii) food, alcohol and beverages;
 - (b) all import duties taxes, imposts and levies of any nature whatsoever on all vehicles required for the operation of the Hotel including vehicle assigned to senior managers;
 - (c) all import duties taxes, imposts and levies of any nature whatsoever on personal and household effects and vehicles for senior staff (as outlined in (b) above) who are contracted to work in Barbados and are not citizens or permanent residents of Barbados;
 - (d) Value Added Tax on the provision of services that directly relate to construction works or cyclical refurbishment of the Hotel undertaken from time to time in order to maintain the Hotel to the standards of the Sandals brand;
 - (e) all import duties taxes, imposts and levies of any nature whatsoever on all vehicles required for the operation of the Hotel including vehicle assigned to senior managers; and
 - (f) all import duties taxes, imposts and levies of any nature whatsoever on personal and household effects and vehicles for staff who are contracted to work in Barbados and are not citizens or permanent residents of Barbados.
2. On the expiration of the Tax Holiday Period, a reduction of 50% of the applicable rates and taxes then prevailing in respect of the aforementioned concessions for a further period of 15 years.

“Tax Holiday Period” means the period of 25 years after the commencement date of the commercial operation of the Hotel but, without lessening this period, shall include the period before the commencement date of the commercial operation and during which the Hotel is being acquired, expanded and developed and the Tax Holiday Period shall begin on the date of this letter.

Please be further advised that this letter in an interim approval which shall remain valid until replaced by a permanent letter together with the appropriate statutory instruments is issued by the **Ministry of Finance and Economic Affairs**.

Yours faithfully

BARBADOS UNDERGROUND BLOG

CHRISTOPHER P. SINCKLER
Minister of Finance and Economic Affairs

cc: Grande Cass. Management (Barbados) Limited
CPH Property Holdings (Barbados) Limited
Comptroller of Customs