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MINUTES OF THE 139th MEETING OF THE TWELFTH ANGUILLA EXECUTIVE COUNCIL HELD ON THURSDAY 8th JUNE 2023 AT 9.00 AM

PRESENT: Acting Governor, Mr Perin Bradley

The Honourable Premier and Minister for Finance, Economic Development & Investment and Health, Dr Ellis Webster

Acting Deputy Governor, Mr Karim Hodge

The Honourable Minister for Social Development, Cultural Affairs, Youth Affairs, Gender Affairs, Education and Library Services, Ms Dee-Ann Kentish-Rogers

The Honourable Minister for Home Affairs, Immigration, Labour, Human Rights, Constitutional Affairs, Information and Broadcasting, Lands and Physical Planning, Mr Kenneth Hodge

The Honourable Minister for Sustainability, Innovation and Environment, Mrs Quincia Gumbs-Marie

The Honourable Attorney General, Mr Dwight Horsford

Clerk to Executive Council, Mrs Angela Hughes

IN ATTENDANCE: The Honourable Parliamentary Secretary, Mr Merrick Richardson

Financial Specialist, Mr Stephen Turnbull

ABSENT: The Honourable Minister for Infrastructure, Communications, Utilities, Housing and Tourism, Mr Haydn Hughes

EX MIN 23/178 **CONFIRMATION OF THE MINUTES**

Parliamentary Secretary and Financial Specialist remained.

Council confirmed the Minutes of the 138th Meeting of Executive Council held on Thursday 1st June, 2023.

MATTERS ARISING FROM THE MINUTES

EX MIN 23/179 **EX MEMO 23/140 COST OF LIVING SUPPORT - EXEMPTIONS FROM CUSTOMS DUTY AND TAX FOR ESSENTIAL ITEMS**

Parliamentary Secretary and Financial Specialist remained.

As per Ex Min 22/351, in order to assist households with the purchase of essential items, Council removed the duty and tax on items to make them more affordable for consumers from April 2022 to October 31, 2022 and then extended this to December 31, 2022.

These items were exempted of Import Customs Duty (ICD), Interim Goods Tax (IGT) and customs administrative costs fee. Since then the IGT has been repealed and a large portion of the items are zero rated for GST.

This exemption in respect of ICD and CSF was extended until March 31, 2023 and then June 30, 2023 due to continuing inflationary pressures. It is now proposed to extend it to December 31, 2023.

Under Section 76 of the Customs Act, the Governor in Council may by regulation exempt goods or classes of goods subject to such conditions, if any, as may be specified. Such regulation must either implement an item in a budget approved by an Act of the Legislature; or be approved by resolution of the House of Assembly.

Council:

1) noted that the estimated total revenue loss related to the removal of ICD and CSF on food items for the period of the six month extension is EC$828k. The estimated total revenue loss is based on the monthly estimated loss of EC$138k, which is based on current revenue loss trends during the period April 2022 to May 2023. The revenue collection as at May 31, 2023 is EC$184 million against a profile of EC$120

million. Accordingly, there is an over performance of EC$64 million which will adequately support the proposed measure. Noted the total revenue loss thus far is EC$2.3 million for April 27, 2022 to May 23, 2023;

2) noted that 25% of the forecasted revenue loss is attributable to bread being purchased by hotels. Noted that bread must be either included or excluded and it is not possible to remove bread from the list of exemptions in relation to hotels only;

3) approved the extension of the current ICD and CSF exemption on essential food items until December 31, 2023;

4) instructed the Attorney General's Chambers to draft Regulations to facilitate the waiver of Customs Duties under Section 76 of the Customs Act in respect of the extension of the exemption on food essentials for subsequent execution; and

5) instructed the Attorney General's Chambers to draft Regulations to waive the administrative fees under the Customs Administrative Costs Recovery Act in respect of the goods exempted of Customs Duty under Section 76 of the Customs Act for subsequent execution.

Council authorised the issue of the Action Sheet before confirmation of the Minutes.

Action: PS, FIN; PAS, FIN; COC; HON, AG; HON, PREM

EX MIN 23/180 **<u>EX MEMO 23/141 REMOVAL OF EXCISE TAX ON GASOLINE</u>**

Parliamentary Secretary and Financial Specialist remained.

The objective is to protect consumers from significant cost of living increases caused by the application of Excise Tax to gasoline imports.

In order to subsidise fuel prices for consumers, the proposal is to extend the reduction in tax on gasoline imports by extending the removal of Excise Tax to December 31, 2023.

Currently, Excise Tax is imposed on such imports at a rate of EC$1.59 per Imperial Gallon. In full, the importation of gasoline attracts the following rates:

Gasoline

Goods and Services Tax (GST) 13% (0% until June 30 2023)

Excise Tax (EXC) 0.04 per L

Customs Service Fee (CSF) 1%

Import Custom Duty (ICD) 0.40 per L

The Excise Tax exemption was first implemented as at April 27, 2022 and expires on June 30, 2023. Excise Tax foregone for the period commencing on April 27, 2022 and ending May 23, 2023 is EC$4.24 million.

Council:

1) noted that the estimated cost of extending the exemption for a six month period is EC$2.12 million. Whilst Excise Tax collections are currently underperforming total revenue has a significant positive variance above profile and this revenue loss can be adequately accommodated;

2) noted that a paper is to be presented before the end of June regarding the removal of GST, given that the 0% rate ends on June 30, 2023;

3) approved the extension of the removal of the application of Excise Tax on Gasoline until December 31, 2023; and

4) instructed the Attorney General's Chambers to prepare the required Regulations under Section 11 of the Excise Tax Act, 2022 for subsequent execution.

Council authorised the issue of the Action Sheet before confirmation of the Minutes.

Action: PS, FIN; PAS, FIN; COC; HON, AG; HON, PREM

EX MIN 23/181 **EX MEMO 23/142 STATUTORY BODY QUARTERLY FINANCIAL REPORTS**

Parliamentary Secretary and Financial Specialist remained. PAS Finance, Ms Marisa Harding-Hodge and Director of Finance, Mrs Solange Lloyd-Browne joined the meeting.

Executive Council has requested that the Ministry of Finance provide quarterly updates on the financial position of the Statutory Bodies of the Government of Anguilla. The publication of these quarterly financial reports was also a requirement of the UKG Financial Aid MOU and the continuation of preparing these is a requirement under the Anguilla Economic Resilience Programme MOU.

The Principal Assistant Secretary briefed Council, salient points as follows:

- Without historic balance sheets it is not possible to make comparisons with past years when preparing subsequent reports for 2022 and 2023.
- There are no 2023 approved budgets for the Anguilla Tourist Board (ATB), Anguilla Social Security Board (ASSB), Anguilla Community College (ACC), Water Corporation of Anguilla (WCA) and Select Anguilla (SA) and a budget is needed in order to undertake quarterly reporting.
- The ACC had challenges demonstrating why certain positions were being filled, when there was no projected increase in revenue and this had to be revisited. There was no balance sheet for 2021 or 2022. The responsibilities as it relates to reporting requirements need to be reinforced and strengthened.
- SA has a low number of staff, it has a unique financing arrangement, business is not thriving and the RBI scheme is under scrutiny as part of the Mutual Evaluation.
- The ATB were required to make adjustments after spending savings.

Council:

1) noted the fiscal performance of the Government’s Statutory Bodies as at December 31, 2021;

2) noted the brief and the quarterly reports of the Statutory Bodies, which includes income statements and balance

sheets. Noted that narratives to the quarterly reports have been prepared; and

3) noted that the expectation is that the process of financial reporting by the Statutory Bodies should improve over time and the Hon Premier will work with the Boards to reinforce the need for effective and routine financial reporting. The Director of Finance will also work on strengthening reporting. Where public funds are utilised it is a necessary process and failure to submit reports is not acceptable. Noted that reporting on the quarter ended March 31, 2023 should be taking place now.

Action: PS, FIN; PAS, FIN; HON, DG; HON PREM

EX MIN 23/182 **EX MEMO 23/143 2023 STATUTORY BODY BUDGETS – HEALTH AUTHORITY OF ANGUILLA (HAA)**

Parliamentary Secretary and Financial Specialist remained. Accountant General, Mr Vonlee Harris and HAA Acting CEO, Mr Malcolm Webster joined the meeting.

Council noted that Budgets should be submitted to Council for consideration for onward presentation to the House of Assembly thereafter.

Obligations under the Financial Administration and Audit Act:

- Section 64 of the Financial Administration and Audit Act requires Government Agencies to submit estimates of expenditure and revenue for approval by the respective Minister and the respective Minister of Finance.
- In accordance with subsection 4 of Section 64, these estimates of recurrent and capital expenditure must not be altered without the approval of the Minister of Finance.
- The Minister of Finance must lay the approved estimates before the House of Assembly.

Council:

1) noted the 2023 Budget, HAA detailed Budget, Accounts Receivables Summary and Accounts Payable Summary. Noted that work has been done to address the concerns raised with the previous Budget presented;

2) noted that the HAA receives a Government subvention. The anticipated revenue for 2023 is EC$41.47 million, which represents a 1% decrease below the actuals for 2022 of EC$42.1 million. Noted that the anticipated 2023 revenue is comprised of EC$21.94 million in subvention, an increase of 6% when compared to the 2022 actuals of EC$20.78 million and EC$16.36 million in operational fees, an increase of 4% when compared to 2022 preliminary actual of EC$15.72 million;

3) noted that the HAA's recurrent expenditure budget for 2023 is EC$38.77 million which represents a 6% increase over the actual for 2022 of EC$36.52 million. The operational budget is EC$13.91 million which is a 14% increase over the actual for 2022 and a 10% increase over the budget for 2022;

4) noted that the 2023 Capital budget is EC$2.73 million, of which EC$1.74 million is allocated for the completion of the Isolation Ward, funded by the UK Government. Also, EC$0.58 million is allocated for the installation and implementation of the MRI machine, which is funded by GOA;

5) noted that Accounts Receivables as at March 31, 2023 are EC$13.9 million. Noted that Accounts Payable as at March 31, 2023 are EC$1.6 million. Noted that the high level of accounts receivables is concerning and the implications of this for the sustainability of the organisation. For 2023 HAA is projecting an operating deficit of EC$40k, which is 105% less than the actuals of EC$807k for 2022;

6) noted the plan to address Accounts Receivables. This includes working with Medicaid to ascertain which patients may have the ability to pay, there is a balance owing of EC$2 million, for patients presenting Medicaid and Medicare as insurance, which may ultimately have to be written off. After identifying the anomaly in the accounts Medicaid and Medicare are no longer accepted as a form of payment. For persons in arrears and where there is no guarantor in place, the sums owing may need to be written off;

7) noted that cash flow is steady and whilst a surge of EC$400k was experienced in May 2023 for claims against Senior Shield, this is not anticipated to be sustained and is expected to fall to a normal rate. Noted that MRI services are performing well, with 87 completed in the first month and 37 in the last 3 weeks, a few tests are being completed daily. However, the MRI machine has a high energy consumption and this has risen from 160 kwh to 240 kwh daily. Noted that the dialysis services are charged at EC$1k a day which is regionally competitive;

8) noted that the senior citizens home is at full capacity with 16 residents. It is not self-sustaining as current monthly fees for care are EC$1,600, but the fees should be more in the region of EC$5,000, to cover PE and other costs. Some residents are paying considerably less. New clients understand the financial commitment involved and collections are going well. Expansion to include 2 additional rooms is being considered, to see whether same is viable;

9) noted that in order to address the financial deficit operational expenses have to be reduced. Solar energy needs to be considered, including options which do not require upfront payment. Grant funding for solar energy support may be available and the Ministry of SIE will explore this further; and

10) noted and approved the planned 2023 Budget of the Health Authority of Anguilla.

Action: PS, FIN; PAS, FIN; PS, HLTH; HON, PREM

EX MIN 23/183 **EX MEMO 23/144 CONFISCATION IN THE MAGISTRATE'S COURT REGULATIONS, 2023**

Parliamentary Secretary and Financial Specialist remained. Senior Crown Counsel, Ms Erica Edwards, Director of the FSC, Ms Tina Bryan and FSC, Deputy Director – Supervision, Ms Charonay Carty joined the meeting.

Senior Crown Counsel briefed Council. Section 57 of the Proceeds of Crime Act allows for confiscation orders to be made by the Magistrate's Court. The sections allow for regulations to be made in respect of confiscation orders not exceeding EC$100,000.

Since the enactment of the Proceeds of Crime Act, there have been no regulations to deal with confiscation by the Magistrate's Court. Currently the confiscation applications are all sent to the High Court, although the amount is within the threshold for the Magistrate's Court.

The proposed Confiscation in the Magistrate's Court Regulations, 2023 seeks to remedy this and provide procedures for the Magistrate in dealing with confiscation matters. The Regulations also allow for the Hon Attorney General or the defendant to appeal the Magistrate's decision regarding confiscation orders.

Council:

1) noted that public consultation will be completed;

2) approved the Confiscation in the Magistrate's Court Regulations, 2023; and

3) instructed the Attorney General's Chambers to prepare the Regulations for execution.

Action: SCC (Cr); HON, AG

EX MIN 23/184 **EX MEMO 23/145 ANTI-MONEY LAUNDERING AND TERRORIST FINANCING (AMENDMENT) REGULATIONS, 2023**

Parliamentary Secretary and Financial Specialist remained.

Senior Crown Counsel briefed Council. Recommendation 28 of the FATF Recommendations deals with Designated non-financial businesses and professions ("DNFBPS"). The recommendation advises that DNFBPs should be regulated and supervised. Furthermore, Recommendation 22 deals with DNFBPs obligations relative to customer due diligence and record-keeping.

In 2014 lawyers in Anguilla applied for and received a stay relative to certain requirements. Section 1(f) of Schedule 2 of the Anti-Money Laundering and Terrorist Financing Regulations; section 3 of the Externally and Non-Regulated Service Providers Regulations and Section 152E of the Proceeds of Crime Act.

FATF Recommendation 22 specifically states, "*DNFBPs should be required to comply with the CDD requirements set out in Recommendation 10 in the following situations:*

Lawyers, notaries, other independent legal professionals and accountants when they prepare for, or carry out, transactions for their client concerning the following activities:

- *buying and selling of real estate;*
- *managing of client money, securities or other assets;*
- *management of bank, savings or securities accounts;*
- *organisation of contributions for the creation, operation or management of companies;*
- *creating, operating or management of legal persons or arrangements, and buying and selling of business entities.*"

It therefore appears that the current drafting of the AML/TF Regulations required more than FATF.

On 9th February 2023, the Privy Council decided that the Jamaican Regime does not breach attorneys' or clients' constitutional rights. It should be noted that the portion of Jamaica's legislation that was in question was similar to the amendments proposed to Anguilla's AML/TF Regulations.

It should also be noted that in the draft report the assessors noted, "A stay has been placed on the provisions of the POCA and the AML/TF Regulations and Code by the Anguilla Court in relation to the obligations placed on lawyers, independent legal professions and notaries. As a result, independent legal professionals and notaries are not supervised and monitored for AML/CFT compliance. Accountants are not subject to any regulation for AML/CFT compliance."

The amendment to the Anti-Money Laundering and Terrorist Financing Regulations seeks to remedy the two deficiencies noted by the assessors.

Council:

1) noted that the decision of the Privy Council would not be recognised automatically in Anguilla, some action has to be taken to bring it into effect and the intention is to make an application to have the stay struck out before the assessment;

2) noted that presently the FSC will regulate the Bar Association,

but if they do establish the necessary framework, the Bar Association may move to self-regulation. Noted that the requirements may be onerous for some legal practitioners;

3) approved the Anti-Money Laundering and Terrorist Financing (Amendment) Regulations, 2023; and

4) instructed the Attorney General's Chambers to prepare the Regulations for execution.

Action: SCC (Cr); HON, AG

EX MIN 23/186 **<u>EX MEMO 23/147 DRAFT DIGITAL ASSETS BUSINESS ACT AND REGULATIONS</u>**

Parliamentary Secretary and Financial Specialist remained.

The Deputy Director, FSC briefed Council. Anguilla is scheduled to undergo its 4th Round Mutual Evaluation Process in June 2023. Recommendation 15 (New Technologies) states:

"Countries and financial institutions should identify and assess the money laundering or terrorist financing risks that may arise in relation to (a) the development of new products and new business practices, including new delivery mechanisms, and (b) the use of new or developing technologies for both new and pre-existing products. In the case of financial institutions, such a risk assessment should take place prior to the launch of the new products, business practices or the use of new or developing technologies. They should take appropriate measures to manage and mitigate those risks.

To manage and mitigate the risks emerging from virtual assets, countries should ensure that virtual asset service providers are regulated for AML/CFT purposes, and licensed or registered and subject to effective systems for monitoring and ensuring compliance with the relevant measures called for in the FATF Recommendations."

The FATF Recommendations require that virtual/digital assets service providers are registered or licensed prudentially and subject to an AML/CFT regulatory and supervisory framework. The jurisdiction is expected to have legislation in place to regulate digital/virtual asset service providers.

The Commission currently regulates utility token administrators and utility token issuers under the Anguilla Utility Token Offerings Act as well as service providers under the Utility Tokens Exchange Act. The draft Digital Asset Business Act must facilitate both pieces of legislation.

Council:

1) noted that public consultation has taken place and the comments have been taken into consideration;

2) noted that the definition of court should be developed and detail regarding whether the Magistrate's court or High court is engaged should be included;

3) approved the draft Digital Assets Business Act and Regulations; and

4) instructed the Attorney General's Chambers to conduct a final review and formatting of the Act and Regulations and table them for consideration at the next sitting of the House of Assembly.

Action: SCC (Cr); HON, AG

EX MIN 23/187 **EX MEMO 23/148 CONSIDERATION OF PROPOSED AMENDMENTS TO THE PAROLE OF PRISONERS ACT**

Parliamentary Secretary and Financial Specialist remained.

The Acting Deputy Governor briefed Council. Executive Council considered this matter in Ex Min 23/78.

A number of decisions were made concerning the reappointment and appointment of full members and alternate members. There is a need to validate the decisions that were made as the requirements of the existing Parole of Prisoners Act may not have been met. The proposed amendments also address the appointment of and remuneration for secretarial support provided to the Parole Board.

Council:

1) approved the arrangements for secretarial support;

2) reconfirmed the monthly remuneration for members and secretarial support, as follows:

    (i) Chairman – EC$1000
    (ii) Other members – EC$800
    (iii) Secretarial Support – EC$300

3) approved the amendments to the Parole of Prisoners Act. Approved the Bill for the Parole of Prisoners (Validation and Amendment) Act, 2023, which includes the appointment of alternate members; and

4) noted that there is a need to widen the pool of people that can be appointed when a member is absent or cannot perform their duties.

The Acting Governor declared an interest as his wife Mrs Hyacinth Bradley has acted as an alternate member.

Action: PS, PA; HON, AG; HON, DG

EX MIN 23/188 **<u>EX MEMO 23/149 PRIORITY TRAINING NEEDS FOR 2023</u>**

Parliamentary Secretary and Financial Specialist remained.

On May 17, 2023 the Training Policy Committee (TPC) met and recommended the Priority Training areas for the year 2023.

Council:

1) noted the financial implications. The Training Budget spending approved for 2023 is EC$2,696,510. EC$395,440 has been spent, leaving a balance of EC$2,301,070. EC$1,338,368 is projected to be spent for 2023 with a balance remaining of EC$962,702;

2) noted the process followed by the TPC and that a distinction had to be made between private sector training and public sector training. Agreed that the process for considering priority areas must be reviewed, further as Government is funding the training there should be collaboration. The Government bonds for scholarships process and the time periods for securing employment need to be reviewed; and

3) deferred a decision. Noted the Priority Training areas for 2023 and agreed that a meeting would be held with the TPC and Government Ministers in order to take this matter forward.

Action: PS PA; DDRM; HON, DG

EX MIN 23/189 **EX MEMO 23/150 APPLICATION FOR REDUCTION OF STAMP DUTIES PAYABLE UPON TRANSFER OF LAND — PROPERTY SITUATE IN REGISTRATION SECTION EAST END, BLOCK 99415 B, PARCELS 292**

Parliamentary Secretary and Financial Specialist remained.

This matter is related to the matter that was considered in Ex Min 20/474 and the background therein is applicable.

Council:

a) agreed that the Stamp Duty be reduced from 2.5% to 1% on the transfer of property situate in Registration Section East End, Block 99415 B, described as Parcel 292, on the basis of financial hardship pursuant to the Financial Administration and Audit Act;

b) agreed that the Government of Anguilla forgo taxes in the amount of EC$14,919.51 for Stamp Duty for the registration of property described in the **Table below**:

Name	**Property**			2.50%	1%		
	Block	**Parcel**	**Assessed Value (EC$)**	**Value (EC$)**	**Value (EC$)**	**Loss to GOA (EC$)**	**Action**
Applicant	99415 B	292	$994,634.00	*$24,865.85*	*$9,946.34*	**$14,919.51**	To be Remitted

c) instructed the Attorney General's Chambers to prepare and issue Regulations under Section 16 of the Finance Administration and Audit Act, R.S.A. c. F27 to remit applicant from the payment of Stamp Duties in the sum of EC$14,919.51 owed to the Government of Anguilla; and

d) noted that this transaction is approved on an exceptional basis due to the hardship it will cause the applicant to pay the full rate at this time.

Action: PS, HA; DLS; HON, MIN HA

EX MIN 23/190 **EX MEMO 23/151 REFUSAL TO GRANT WORK PERMITS**

Parliamentary Secretary and Financial Specialist remained.

The Hon Minister for Home Affairs briefed Council. Section 165(3) of the Labour (Relations) Act 2018, requires the Minister for Home Affairs & Labour to consult with Executive Council before refusing to grant work permits. Nine work permit refusals were submitted to Executive Council, however, the Minister withdrew the refusal decision in relation to applicants numbered 1,2,3,5,6,7 and 8 and proceeded in relation to applicants 4 and 9.

Council noted the reasons for the Minister's proposed work permit refusals as follows:

In relation to two persons, pursuant to section 171(a) of the Labour (Relations) Act ("Act"), the employer has not demonstrated a genuine need to engage the services of the prospective worker; and section 171(b) of the Act, there are Anguillians, their spouses, or persons resident on island who are qualified to fill the position.

Council:

1) thanked the Ministry for the paper;

2) noted section 164 of the Labour (Relations) Act 2018 containing the principles governing work permits;

3) noted that in keeping with section 165(3) of the Labour (Relations) Act 2018, the Hon Minister for Home Affairs & Labour consulted with Executive Council before refusing to grant work permits; and

4) considered and endorsed the proposal by the Hon Minister that two persons be ***refused*** work permits on the basis of the foregoing information.

Action: PS, HA; LAB, COMM; CIO; HON, MIN HA

EX MIN 23/191 **EX MEMO 23/152 RESTORATION OF PUBLIC SERVICE SALARIES**

Parliamentary Secretary and Financial Specialist remained.

The PAS Finance briefed Council. In 2009 & 2010, in response to a fiscal crisis, salaries of public servants and other persons working in the public sector were reduced and suspended by an act of legislature. The salary reductions affected all public officers, including civil servants, waged workers and elected officials. The officers of government agencies and public corporations were not affected.

This decision was taken against the backdrop of a significant anticipated budget deficit due to a decline in Government revenues, which necessitated expenditure curtailment and reduction measures. The decision to implement the salary reductions was made in the context of anticipated poor economic and fiscal performance.

The salary and wage reductions were adopted as a means of reducing the Government's wage bill, without having to lay off employees and were instituted through the Public Service Salaries (Temporary) Reduction Act (PSSTR Act). The PSSTR Act allowed for a reduction in salaries and wages of public officers in two rounds of cuts, which were to be on a temporary basis. The cuts, which were validated by the PSSTR Act, took place over a period of two years (two rounds). The first cuts were staggered by type of officer, by up to 15% in the first round of cuts and up to 7.5% in the latter round. There was no clear date established under legislation for the reinstitution of salaries to their original levels, but Section 7 of the Act required the Minister of Finance to develop a policy to do this.

Since this time, Anguilla has experienced several crises and shocks, which have negatively affected economic and fiscal performance. Against a backdrop of significant inflationary cost of living pressures in 2022, improved fiscal performance due to strong performance in the tourism sector and stable revenues from the introduction of GST, the Government approved the reinstitution of increments and the transfer of officers to main scale, which was costed at EC$4.8 million.

The implementation of the reinstitution of increments and the transfer of officers to main scale has proven challenging due to the inconsistency in the treatment of persons in the main scale and persons in the progression scale. As an alternative, and to achieve the same policy objective of addressing the legal requirements for the restitution of salaries and improving public officers' remuneration, it is proposed that the salary cuts be reversed in a staggered approach that is affordable and to defer the reinstitution of increments. This deferral would allow for consultancy work on the reinstitution of increments and progressing officers to main scale to occur within 2023/2024, with an intention to reintroduce increments in 2025+.

Council:

1) noted the CPI Index – 2010 – 2022, Revised Scales for Public Servants and Revised Scales for Members of the House of Assembly;

2) noted the Hon Attorney General's brief summary of his written advice;

3) noted the wider plan to potentially return to 2008 salaries in 2024 and to reestablish increments in 2025;

4) noted the financial implications:

Under the 2023-2025 MTEFP and associated fiscal framework, a provision of EC$4.8 million was made for the reinstitution of increments and to accommodate placing employees in main scale. These funds were accordingly appropriated in the 2023 budget.

The reinstitution of salaries in a phased approach has been costed as follows:

Officer	Cost 2023 (Reversal of Column 3 cuts)	Cost 2024 (in addition to 2023 costs) (Reversal of Column 2 Cuts)
Civil Servants	3.96m	9.64m
Wage Workers	0.16m	0.32m
Ministers of Government, Elected Members of HOA, Speaker	0.25m	0.50m
Total	4.2m	10.71m

5) approved the reversal of the latter round (2010) of salary cuts for civil servants and wage workers;

6) instructed the Attorney General's Chambers to draft legislation to amend the PSSTR Act to provide for the reversal of Column 3 for civil servants and wage workers. For the avoidance of doubt this reversal should be effective from January 1, 2023, with reinstated salaries being payable from that effective date;

7) instructed the Attorney General's Chambers to draft legislation to amend the PSSTR Act to provide for the reversal of Column 3 in respect of parliamentarians, with the addition of full constituency and entertainment allowances, with commencement at the date of entry into force of the legislation;

8) instructed the Ministry of Finance to include the full reversal of salary cuts in the updated draft MTFF as a policy measure for subsequent review and approval; and

9) approved the procurement of a consultancy to conduct a new comprehensive review of the system of progression and job grading of the APS, including subvented SOEs and work related allowances.

Council authorised the issue of the Action Sheet before confirmation of the Minutes.

Action: PS, FIN; PAS; FIN; PS, PA; ACC, GEN; BD; HON; AG;
HON, PREM; HON, DG

EX MIN 23/192

EX MEMO 23/153 INCREASE IN CONTRIBUTION RATES FOR THE SOCIAL SECURITY FUND

Parliamentary Secretary and Financial Specialist remained.

The 12th Actuarial Review of the Social Security Fund was prepared as of December 31, 2020. Reserves are projected to be depleted in 2037 unless action is taken. When reserves are exhausted, there will only be two possible sources of additional income to meet benefit payments:-

(a) higher contributions; and
(b) special transfers from government.

The Anguilla Social Security Board conducted a series of consultations and in collaboration with the Ministry of Finance has prepared an action plan to take forward some of the actuaries recommendations.

Council:

1) noted and approved the Action Plan to address the recommendations of the 12th Actuarial Review of the Social Security Fund as at December 31, 2020. Agreed that the dates in the Action Plan should be realistic and they shall be reviewed and revised, before final submission. Any amendments to the MOU deadlines should be requested immediately, rather than waiting until everything is in place;

2) noted the Consultation Report dated December 9, 2022 on the 12th Actuarial Review of the fund;

3) agreed that an actuarial assessment of the financial implications of raising the EC$7k wage ceiling should be undertaken to assess the potential impact on the fund;

4) agreed that the exact dates for contribution rate changes should be detailed in the schedule in the Regulations;

5) approved the following schedule of revised contribution rates, subject to the amendments stated in 4 above, to improve the financial viability of the Social Security Fund in accordance with the recommendations of the 2020 Actuarial Review:

Contribution Rate		
Year	Employee (section 3(1)(a))	Employer (section 3(1)(b))
2023	5.25%	5.25%
2024	5.50%	5.50%
2025	5.75%	5.75%
2026	6%	6%

6) approved the release of an amendment to the Contributions Regulations made under the Social Security Act for public information.

Action: PS, FIN; PAS, FIN; HON, AG; HON, PREM

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