



**LEGISLATIVE COUNCIL
OFFICIAL REPORT**

**RECORTYS OIKOIL
Y CHOONCEIL SLATTYSSAGH**

P R O C E E D I N G S

D A A L T Y N

(HANSARD)

Douglas, Tuesday, 4th November 2003

Present:**The President of Tynwald (The Hon. N Q Cringle)**

The Attorney General (Mr W J H Corlett QC), Hon. C M Christian, Hon. P M Crowe, Mr D F K Delaney,
Mr D J Gelling CBE, Mr J R Kniveton, Mr E G Lowey, Mr L I Singer and Mr G H Waft,
with Mrs M Cullen, Clerk of the Council.

Business transacted

	<i>Page</i>
Leave of Absence granted	17
Questions for Oral Answer	
1. Former Noble s Hospital — Relocation of Departments.....	17
2. Hospital Contract — Overspend.....	18
3. New Hospital Building Work — Bovis Ltd.....	19
4. Civil Service — Interim PayAward	20
5. Civil Service Commission — Expenditure on Consultants and Training	22
6. Tobacco Products — Annual Revenue from Taxes	23
7. Drugs and Alcohol Strategy Committee — Action to reduce smoking	24
Orders of the Day	
Companies, etc. (Amendment) Bill — Clauses considered.....	25
Companies, etc. (Amendment) Bill — Third Reading approved	38
Procedural	39

Legislative Council

The Court met at 10.30 a.m.

PRAYERS

The Chaplain of the House of Keys

[MR PRESIDENT *in the Chair*]

LEAVE OF ABSENCE GRANTED

The President: Now, Hon. Members, if we are to sit this afternoon, the Hon. Member Mr Waft will be asking permission to be absent.

Questions for Oral Answer

HEALTH AND SOCIAL SECURITY

Former Noble's Hospital Relocation of Departments

1. The Hon Member (Mr Singer) to ask the Minister for Health and Social Security (Mrs Christian):

Which Departments, if any, have relocated back to the former Noble's Hospital, and why?

The President: We have seven Questions on the Order Paper for answer this morning and I call on the Hon. Member, Mr Singer

Mr Singer: Thank you, Mr President. I beg leave to ask the Question standing in my name.

The President: I call on the Minister for Health and Social Security, Mrs Christian, to reply.

The Minister for Health and Social Security (Mrs Christian): Thank you, Mr President.

There are two services originally planned as part of the hospital's Rehabilitation Department, which have or are in the process of being relocated back to the old hospital site. These are the Prosthetics Clinic and the Ultraviolet Light Treatment Service for the treatment of certain skin conditions. In both cases, the service has expanded since the new hospital accommodation was designed. Indeed, both services have become more community-focused and it is as logical and in the interests of patient care for them to be incorporated into a community-based facility.

The President: Mr Singer.

Mr Singer: Mr President, could I ask the Hon. Minister: is there an intention of any other Departments to transfer

back to the old Noble's site? For example, the blood or, we understand, the breast-screening is staying there, not moving to the new hospital, and has she heard of a consultant at all who wishes to move back to the old hospital?

The Minister: When the Hon. Member talks about blood, I presume he means the Blood Clinic. There are no plans to move the Blood Clinic back to old Noble's site.

I am not aware of any consultant expressing a wish to move back to the old hospital site. Currently these are the only two services which it has been felt appropriate to remove.

Mr Singer: I understood it was the intention that the old Noble's site would be sold for redevelopment to another Department of Government. Is it not a fact now, therefore, that this cannot be done, because the old Noble's is now being incorporated in the Health Service? And these changes back appear to be permanent, so what is the position as far as the cost of the transfer back, as well, and does it involve any extra staff?

The President: Minister.

The Minister: The Hon. Member's understanding is only partial in relation to the old site. It has been common knowledge that the Department intended to establish a community health facility at the Westmoreland Road site and that an element of the site, which was not required for the Department's use, would be transferred or sold to other Departments who expressed an interest.

It has long been known that the Department of Education had an interest. However, as time goes on, their plans change, as well as everybody else's, and so there is a working party currently looking at the element of the site which the Department feels it currently does not need. If other Departments no longer have a wish for it, then it can come back into the thinking of our Department, but at this stage the working party has not yet reported and nor have the three Departments who are involved determined the way forward in respect of the site.

The President: Mr Singer.

Mr Singer: I did ask what were the costs involved in these particular two Departments transferring back and whether there were any extra staff needed, but can the Minister explain, if we have engaged consultants to plan for a new hospital, surely that is their job to ensure there is enough room in the future. They must know what is going to happen or be able to gauge what is happening, as experts, and yet they have made quite serious errors here and it is going to cost the Department extra money.

The President: Mrs Christian.

The Minister: Mr President, I do not have the costs. It was not an element of the Question which was tabled.

In terms of staff, I am not aware of any additional staff requirement. With regard to the Hon. Member's comment about consultants being employed to design the hospital, I have said before, in the past, and I reiterate it again, there was an extensive consultation service with the users, who put forward their proposals as to what they felt would be

necessary at the new hospital. In my original reply, I did state that both of the services which have relocated to the old hospital site have expanded since the new hospital plans were drawn up and I have to reiterate, as I have said in the past, that I believe the plans which were drawn up at the time of the designing of the new hospital were drawn up in good faith by the staff in those areas.

For example, in relation to the Prosthetic Service, the area occupied at the old Noble's, when the plans were drawn up, was 22 square metres. The plans for the new hospital were of the order of 30 square metres for that service. However, in the meantime, the service grew and they took over an area in the old hospital of 40.5 square metres, which was much bigger than their original area, but smaller than that which was planned.

However, there are also staff changes going on at this time and plans were not changed in relation to the new hospital. Now, you may regard that as a failure. On the other hand, we are constantly being told that we should not change plans whilst buildings are in construction.

What we have done is a pragmatic response to the difficulties that we recognise have occurred in these areas in the new hospital because of the area available to those services and their location within the Rehabilitation Department and moved them for the benefit of the staff and the patients.

Mr Singer: A final supplementary, Mr President?

The President: A final supplementary.

Mr Singer: I hear what the Minister says, but can the Minister tell me then what happens if we get an unexpected expansion of other services? There appears to be not enough built-in extra capacity in the hospital to cope with any unexpected increases and, therefore, can we expect, when this happens, that other services will have to locate back to the old hospital at extra cost?

The President: Mrs Christian.

The Minister: Mr President, if services expand beyond what has been anticipated, indeed we will have to deal with the matter at the time.

If the Hon. Member has a crystal ball and can give me information over and above what is given by the service providers in the areas, who have done their best to anticipate what demand will be, then perhaps he would let me –

Mr Singer: Failed.

The Minister: – have a borrow of it.

Mr Singer: They have failed.

The Minister: Well, okay, they have failed. *(Interjection by Mr Singer)*

The President: Hon. Member.

The Minister: So we then have to deal with those issues and we are dealing with them in a practical way and we will continue to do that. Nobody knows, with any certainty, how services will expand. We do our best to anticipate the

way in which they will expand and make provision for them.

Mr Delaney: Yes, Mr President, please.

The President: Mr Delaney.

Mr Delaney: Could I ask a supplementary, then: on the commissioning of the new hospital and the design of the new hospital, on this particular service that the Minister has referred to, what expansion was allowed for the movement from Noble's Hospital to the new hospital? What was allowed for in expansion terms?

The Minister: Mr President, I gave those figures. In terms of the Prosthetics, it was about a 50 per cent increase, just under a 50 per cent increase.

Mr Delaney: And what is the actual increase then?

The Minister: Doubled.

Mr Delaney: So, if, as has been asked already, we have a similar pattern on any other services, are we going to have these people having to relocate in part at least back to the old hospital?

The Minister: Mr President, I cannot say where they would relocate to. We will have to examine those issues as and when they develop, but it should not be assumed –

Mr Delaney: An interesting time, I would have said.

Mrs Christian: Of course.

Hospital Contract Overspend

2. The Hon Member (Mr Singer) to ask the Minister for Health and Social Security (Mrs Christian):

Has your Department finally determined the overspend on the new hospital contract as referred to in the Quarterly Report?

The President: Hon. Members, we turn then to Question 2. Mr Singer.

Mr Singer: Thank you, Mr President. I beg leave to ask the Question standing in my name.

The President: The Minister for Health and Social Security.

The Minister for Health and Social Security (Mrs Christian): The Quarterly Report makes no reference to matters relating to costs of the new hospital.

However, I can inform the Hon. Member that the Department has not yet finally determined the overspend on the new hospital contract.

The process of agreeing the final accounts of work package contractors and of concluding expenditure on other items, such as furniture and equipment, is ongoing and until

such time as these accounts are finalised, the Department will not be in a position to finally determine the overspend.

Mr Singer: Can I ask the Minister: has she not had a document called a Quarterly Report in her hands which talks about an overspend of perhaps £14 million on the hospital? Has the Minister had that document in her hand?

The Minister: I have had draft reports, Mr President, which are confidential documents which discuss potential overspend and they discuss claims put in by contractors.

There is a concern that claims, if talked about, become realities and those claims are being very carefully examined by our quantity surveyors and it is the policy of the Department not to pay out on claims until they have been confirmed by our quantity surveyors as being justifiable. That is why we cannot give a figure on the final overspend while this work continues.

Mr Singer: Could the Minister possibly tell me when she would be expecting to be able to finalise some kind of figure; is it 6 months, 12 months?

The President: Minister.

The Minister: Mr President, I cannot give you a timescale. I can say that some works packages have been agreed in an entirety. Others are nearing completion in terms of their agreement and others are of a more difficult and argumentative nature and will maybe take some time.

The President: Mr Delaney.

Mr Delaney: This report that is referred to in the Question. When does the Minister envisage that the Members of Tynwald, outside of their little circle on the Health Service, will be able to see it and will the Minister give an undertaking that the amounts being claimed, even in part, will be covered by existing moneys, rather than a revisit to Tynwald for more cash?

The President: Minister.

The Minister: Mr President, I cannot tell the Hon. Member when the figures will be published. For the reasons that I have said, we will have to give careful consideration to the effect of publishing what, in our view, are unreasonable claims.

The Hon. Member has asked when we can give some assurance that we will not be coming back to Tynwald. I cannot give you that assurance.

There will be, I believe, an overspend on the voted amounts for this project. The overspend is particularly in the area of the construction element of the contract. There are some overspends which are occasioned by the requirement of the Department to bring about changes in the scheme in relation to best practice or, indeed, statutory legislation which has occurred during the construction period, which we have had to meet. Therefore, there will be some savings in other elements of the budget, but they are unlikely to meet the overspend.

New Hospital Building Work Bovis Ltd

3. The Hon Member (Mr Singer) to ask the Minister for Health and Social Security (Mrs Christian):

- 1. Are the works which are necessary due to major defects in the new hospital building covered by the performance bond held by Bovis Ltd on behalf of Government, and*
- 2. why, after you made the statement that Bovis Ltd had left the Island, are representatives of Bovis back and appearing to do work at the hospital?*

The President: Question 3, then. Mr Singer.

Mr Singer: Thank you, Mr President. I beg leave to ask the Question standing in my name.

The President: Again, Mrs Christian to reply.

The Minister for Health and Social Security (Mrs Christian): Mr President, where recommended by the design and construction team, works contract guarantee bonds and/or parent company guarantees have been put in place, these being between the relevant works package contractor and Bovis Lend Lease, but with the facility for assignment to the Department.

Where defective work is identified, the responsibility for rectification lies with the relevant work package contractor, with recourse to the contract guarantee bond and/or the parent company guarantee only being required in the event of the failure of the work package contractor to perform his contractual obligations.

The guarantee to the Department on behalf of Bovis Lend Lease – and I think there is some confusion in the Hon. Member's Question about the distinction between these two bonds – is in the form of a parent company guarantee and not a performance bond.

Practical completion of the new hospital in respect of the second part of the Question was certified on 28th October 2002, at which point in time the contractual defects liability period of 12 months commenced.

Since that time Bovis Lend Lease have maintained a presence on the site. The making-good of any defects which have occurred during this period is required under the terms of the relevant works contracts and Bovis Lend Lease has an obligation under the management contract to ensure that such making-good is carried out.

It is only when such defects have been made good that a Certificate of Making Good Defects will be issued and residual retention moneys released by the Department.

The President: Mr Singer.

Mr Singer: Could I, therefore, ask the Minister: with all these bonds, et cetera – and she has done the difference in the bonds – can she assure us that the total remedial work, minor and major, will be done at no cost to the Department and, therefore, no cost to Government, for example, the draining, the wiring, the mortuary floors, et cetera.

Mr Delaney: And the leaks.

Mr Singer: Can we have the assurance that this will not be added to the cost of the hospital, but is covered by the bonds that are in place?

The Minister: Mr President, I can tell Hon. Members that, in relation to the Crowe EPH bond, that bond has failed, in that the management contractor has not been able to recover the bond. That is in the sum of £698,000.

In respect of any other works, then clearly if the remedial work has not been carried out, the bonds will be called into play.

Mr Delaney: Can I ask a supplementary, Mr President?

The President: Mr Delaney.

Mr Delaney: The Minister has referred to our old friend, Crowe EPH. Would the Minister, on this particular point, on this large amount of money, have a chance to look legally at the situation, bearing in mind that Crowe EPH, as originally debated and identified, was part of a set-up organised by the actual company who are controlling the construction of the hospital?

The President: Minister.

The Minister: Mr President, the Department is taking legal advice on various issues in relation to this contract.

Mr Delaney: Thank you, indeed.

The President: Mr Singer.

Mr Singer: Can I ask on the second part, Minister: are Bovis on the Island now and can the Minister confirm as either true or not true that Bovis have asked a Manx construction company to leave the site and they wish to bring in their own companies to do work? And if so, are these companies on the Government list of approved contractors and will all their workers have work permits?

The President: Mrs Christian.

The Minister: Mr President, whoever is on the site who are not Manx workers should have work permits.

Mrs Crowe: Absolutely.

Mr Singer: I said 'will'. Is it a matter for you and your Department to ensure that they have them?

Mr Delaney: It's yours.

Mrs Crowe: It's yours.

The Minister: Mr President, it is for the Hon. Member's Department to ensure that work permits are issued. They have an inspection team.

The Department of Trade and Industry is responsible for monitoring work permits.

Mrs Crowe: Absolutely.

Mr Singer: Monitoring, not issuing.

The Minister: We have a procedure in terms of the construction on the site that Bovis are expected to provide lists and check that all workers on the site have necessary work permits.

Their documentation is available to the DTI to check that issue and they have a responsibility to monitor who is working on which site.

With regard to the Hon. Member's question about a specific element of work, I cannot answer that because I do not know precisely what he is referring to.

The President: Mr Singer.

Mr Singer: Would the Hon. Minister assure me that any company that Bovis employ now or in the future for remedial works or whatever would be on the Government list of approved contractors?

The Minister: Mr President, yes they should be.

Mr Singer: Not should be, will be.

The Minister: That is a matter for your Department, sir.

Mr Singer: It is not.

Mrs Crowe: It is.

CIVIL SERVICE COMMISSION

Civil Service Interim Pay Award

4. The Hon Member (Mr Lowey) to ask the Chairman of the Civil Service Commission (Mr Waft):

1. How many civil servants received the Interim Pay Awards which were effective from 1st January 2003;
2. how many staff on the grades which qualified for this increase had left the service in the financial years 2000/2001, 2001/2002 and 2002/2003; and
3. how many staff on those grades have left the service since the Interim Pay Award was announced?

The President: Right. Okay. We turn to Question 4, Hon. Members, and I call on the Hon. Member Mr Lowey.

Mr Lowey: Mr President, I beg leave to ask the Question standing in my name.

The President: I call on the Chairman of the Civil Service Commission, Mr Waft.

The Chairman of the Civil Service Commission (Mr Waft): Thank you, Mr President.

The agreement in respect of the Isle of Man Civil Service Interim Pay Award was signed on 28th May 2003 and was implemented on 1st January 2003.

At 1st January 2003, there were 1,025 civil servants in

post in grades which received increases under the Interim Pay Award.

Of course, there are other civil servants who were appointed or promoted to their posts between January and 28th May 2003, either substantively or on substitutions that can be said to have benefited from the Interim Pay Award Scheme. I must caution, however, there may be an element of double-counting with regards to that.

In the financial year of 2000-01, a total of 69 staff, holding appointments in grades which qualified for increases under the Interim Pay Award, left the service. In 2001-02, that number was 55 and, in 2002-03, it was 49.

Whilst such figures should be viewed cautiously, because it is only half of the picture of the Civil Service, I believe Members will see from those figures that the Civil Service does not generally have a retention problem. Turnover is traditionally between 8 and 10 per cent, which is considered to be very good in all the circumstances.

However, the profile of the Civil Service is such that we have, perhaps, an imbalanced or disproportionate number of longer servers in senior positions. Whilst we must be proud of the loyalty and commitment shown to us by such staff, we have to recognise that they will one day need replacing and we must, therefore, ensure that the Civil Service is sufficiently respected to attract new and younger staff to develop and be the senior managers of the future.

But we must not overlook that loyalty, and it is our duty to ensure fair awards, so where it has shown that Civil Service salaries are not market-competitive, then that is something we must address, not only to ensure recruitment of tomorrow's managers but to ensure fair reward for the retention of today's.

The Commission is all too well aware of the need for the Civil Service to remain market-competitive in a buoyant economy. To ensure that it does, the Commission takes part in a highly-respected annual confidential survey of salaries in the professional market and subscribes to incomes data services to stay abreast of developments across the British Isles, part of our traditional recruitment ground. Monitoring of turnover and data from our exit survey helps to build the picture.

Moreover, having recognised the signs from the broad data available, the Commission undertook a particular study of pay comparison to test our market competitiveness. All of those factors lead the Commission to conclude that adjustments were necessary, principally for management and specialist grades in order to remain market competitive.

Turning to the last part of the Hon. Member's Question, I can advise that, since the Interim Pay Award was announced on 28th May, a total of 27 civil servants in those grades have left or will leave the service by 31st December.

To complete the picture, a total of five such officers left the service between 1st April and 27th May, thereby making the total number of 32 leavers in the first nine months of the current financial year.

This would appear to confirm a continuing trend of a reduction in the numbers of officers in such posts or grades leaving the service.

I believe that that trend is the result of numerous measures the Commission has taken in recent years, not just the Interim Pay Award, to improve the terms and conditions of service of civil servants and to ensure that the Civil Service remains a respected and market-competitive employer of choice.

It would be remiss of me to answer the Hon. Member's Question without referring to those grades which did not receive an increase under the Interim Pay Award.

I referred to the need to ensure fair award and the Interim Pay Award came about because it was recognised that certain grades were no longer market-competitive. However, I am sure Members will recognise that, whilst it was necessary to address pay scales which were not market competitive, it would have been wholly wrong to increase scales across the board. Such would have created an imbalance in the market and within the Civil Service itself.

We must not overlook the fact that other pay-scales, such as the accountancy and secretarial groups, have been adjusted in recent times to remain market-competitive and the effect of the Interim Pay Award has been to ensure that all our pay-scales are currently market competitive.

Thank you, Mr President.

The President: Mr Lowey.

Mr Lowey: A couple of supplementaries, Mr President.

Would the Chairman of the Civil Service Commission agree with me that an Interim Pay Award at the top half, or to a thousand civil servants, has improved morale throughout the service or has demoralised many of what I would call the engine of the Civil Service, which is the people in the lower half?

Secondly, would he confirm that, with the announcement of these top-half salaries being increased, the emphasis was put on retaining people, when the evidence for the last three years from his own figures this morning show that there was a lessening exodus from people in those grades?

And thirdly –

The President: Perhaps we could deal with those two to start with.

Mr Lowey: Just leave it at those two, thank you, sir.

Mr Waft: Yes, Mr President. The inference from the Hon. Member would seem to suggest that part of the Civil Service did not receive a pay increase last year and they certainly did; it was an overall pay award of about 5.6 per cent.

The change or the Interim Pay Award was awarded to become market competitive within certain areas of the Civil Service.

Mr Lowey: It didn't improve morale.

Mr Waft: Whether it has improved morale or not, I would think it probably would. Estimating morale between any section of Government services is sometimes difficult, but I think the efforts that have been gone through by the Civil Service Commission were aimed to improve that morale. The retaining of staff with regard to, perhaps, we have not had all that many staff resigning from those positions, does not get away from the fact that they have been underpaid in the past to a main market competitor. That was the aim of the Civil Service Commission.

The President: Mr Lowey.

Mr Lowey: Could I ask the Chairman of the Civil

Service Commission again to perhaps review his answer regarding morale. I can understand a thousand-plus people who got the rise have improved morale but for the majority, which is in the lower half, which has not received what I would call an upgrade, is the chairman interested in retaining those people in the Civil Service, or are they more expendable because to have dealt with the top half without dealing with the bottom half – and I am using that word loosely – it seems to me to be going against what I thought the Civil Service Commission had in the first place, which was a unified service.

Mr Waft: I think, Mr President, to answer that question, the Civil Service Commission do not think they are more expendable at all. This was an effort to adjust the market competitiveness of the service.

To say that the morale was changed because of that, the situation is that the people who have not had their pay adjusted were market competitive at the time.

Mr Delaney: A question, Mr President.

The President: Mr Delaney.

Mr Delaney: Mr President, the chairman will recall I wrote to him about a year ago in relation to this matter and spelled out the situation as I saw it then. Could the chairman give us an undertaking, on behalf of the Civil Service, which is part of the Isle of Man administration, that the point made by the Hon. Member, Mr Lowey, about this vacuum at the bottom half will be addressed so that we have a value of all our Civil Service, not those who have made it to the top or we import to the Island?

Mr Waft: Thank you, Mr President, I will take those comments back to the Civil Service Commission.

Mr Lowey: Could I have one final question of the chairman. He announced that, since the pay award in May, 27 have left the service. I think he recognised in his original remarks that there are more people now, if you base that over the 12 months, leaving the service since he introduced the reward system to retain staff. Has he any comments on those?

Mr Waft: I think, Mr President, that the figures did show that there was a reduction in the amount of civil servants leaving the service since the Interim Pay Award was introduced. I think that was the figures say.

Mr Lowey: Yes, right, sir.

Civil Service Commission Expenditure on Consultants and Training

5. The Hon Member (Mr Lowey) to ask the Chairman of the Civil Service Commission (Mr Waft):

- In respect of the financial years 2000/2001, 2001/2002 and 2002/2003, what has been the Commission's expenditure on –*
- a. consultants and for what purpose(s); and*
 - b. hotel costs for training purposes?*

The President: Okay. We will turn to Question 5. Again, I call on the Hon. Member, Mr Lowey.

Mr Lowey: Thank you, Mr President. I beg leave to ask the Question standing in my name.

The President: Mr Waft again, the Chairman of the Civil Service to answer.

The Chairman of the Civil Service Commission (Mr Waft): Thank you, Mr President.

I would like to answer the first part of the Hon. Member's Question, which is in two parts, separating the provision of one-off consultancy services from that of those provided on a regular basis in respect of the Commission's training and development programme.

In 2000-01, the Commission spent £77,000 on consultancy services in respect of grading reviews, assessment centres for chief officer recruitment and the Commission's Reward Strategy Review. This latter element covered chief officer and accountancy group pay, chief officer training and succession management.

In 2002-02, the total spent on consultancy services was £193,880 involving grading reviews, assessment centres for chief and senior officer recruitment and the reward strategy review involving the development of the competency framework and pay comparison exercise.

In 2002-03, the Commission spent £271,664, the majority of which has been in respect of the provision of a new senior management development programme. Again there have been assessment centres for chief officer recruitment and continuing work on the Reward Strategy Review, including the future of pay and grading in the Civil Service.

I need to point out to Hon. Members that, where there is shared responsibility, such as the development of training programmes, or where work is undertaken on behalf of another Department, such as with recruitment or assessment centre exercises, some of these costs are recharged to Departments.

Turning to the Commission's training and development programme – which I must stress is provided for the whole of the public service and not just the Civil Service – consultancy services are provided through the form of external trainers, who deliver courses on our behalf. Such courses provide training and interviewing skills, management, health and safety, financial skills, media skills, communication and inter-personal skills, as well as a major exercise covering equal opportunities, following the introduction of anti-discriminatory legislation, human rights, sex discrimination, et cetera.

The costs of such services have been £78,015 in 2000-01, £129,130 in 2001-02 and £105,020 in 2002-03.

I now turn to the second part of the Hon. Member's Question and can advise that, in each of the three years identified, the Commission has spent the following sums on hotel costs for training purposes: in 2000-01, it was £7,120, of which £4,025 was recovered through the recharging to course participants; in 2001-02, £21,210, of which £4,530 was recovered; and in 2002-03, £23,230, of which £4,710 was recovered.

Recharging is normally used only in respect of the annual senior management conference. The lower figure for 2002-01 reflects a lower level of activity that year and very

beneficial terms on which the Villa Marina was made available. I believe the Hon. Member himself was helpful in that respect.

I am also pleased to advise Members that, with the assistance of the Hon. Member and Minister for Local Government and the Environment and her team, the Commission now has an excellent training suite in the Personnel Office in Goldie House and this should help reduce the cost in future years.

The President: Mr Lowey.

Mr Lowey: Thank you, Mr President.

Would the Chairman of the Civil Service Commission agree with me that, with half-a-million-pound consultants for the top – again, I note what he said in his reply – the senior management is an industry which really seems to be growing? From £77,000, £193,000 to £271,000 and it does seem to me to be an excessive amount of money to be spending. Where are the results? Perhaps he could tell me what they are.

To expend what I would call a fraction – not a fraction, but only about half of that – on the general training, I support, by the way: increasing skills for people, I am all for training and re-training. But these consultants' one-off fees, dealing with the top management, is excessive at any level. What is the Commission's policy for the future years? Is it to continue to grow at this level, or what?

The President: Mr Waft.

Mr Waft: I think I explained in my answer that we are hoping to reduce costs in future years, because (**Mr Delaney:** Hear, hear.) of the facilities that we have.

We have quite a small team in the Personnel Office, I think we have got about 25 staff with which to cover all this mountain of work that we get from Tynwald per se and that has a result of us having to engage consultants.

I think the Hon. Member is concerned with us training the senior staff more, so that the lower-down grades, (**Mr Lowey:** Yes.) the lower-down grades have training to suit their needs and I think we have been blessed with having a good Civil Service, which covers the whole spectrum of facilities, all of which the general public continually are more conscious of what they need. The general public, and, indeed, Ministers and Members have greater aspirations of what they expect the Civil Service to do. They can do only what they can within the limited budget available to us.

The President: Mr Delaney.

Mr Delaney: Yes, mine is a supplementary, Mr President.

I am sure the Hon. Member now is very clear he will be looking at these expenses before resolution goes down to Tynwald to stop them.

Will the chairman please inform us if another step will be taken, particularly where, on these training programmes, all staff are removed on the one day, virtually, they go down to all of these training colleges, leaving the public bereft of any administrators or junior civil servants even to actually use to their needs, and you find the Department virtually empty. Would that practice please decrease as soon as possible please, Mr Chairman?

The President: Hon. Member, Mr Waft.

Mr Waft: Thank you, Mr President. This has been mentioned before and, hopefully, it should have been addressed by now. Thank you.

The President: Hon. Member, Mr Lowey.

Mr Lowey: Could I ask one final supplementary which really . . . Would the Chairman of the Civil Service not agree that it would appear that the more money you spend on consultants . . . ? I use the figures again: £77,000, £193,000 and £271,000, which have resulted in those people who it was aimed at getting a ten per cent rise; those on the lower figures are still, if you like, waiting to be assuaged. It equates with what I would call: 'The more you spend on consultants, the better the results for the people who it has been directed at'.

The President: Mr Waft.

Mr Waft: I think, Mr President, the Hon. Member is again going back to his previous concerns of the lower echelons of the Civil Service are, perhaps, being disenfranchised by the training programmes that have been introduced. That is not the case at all; it is an overall view that the Commission takes, and they expend the amount of money that they have where it is best needed and best served to the community.

TREASURY

Tobacco Products Annual Revenue from Taxes

6. The Hon Member (Mr Waft) to ask the Member of the Treasury (Mr Gelling):

What is the annual revenue to the Isle of Man Government from taxes on tobacco products?

The President: We turn then to Question 6 and I call on the Hon. Member, Mr Waft.

Mr Waft: Mr President. I beg to ask the Question standing in my name.

The President: On this occasion we call on the Member for Treasury, Mr Gelling, to reply.

The Member of the Treasury (Mr Gelling): Yes, thank you, Mr President.

As Hon. Members are probably aware, the amount of tax collected on tobacco products is mainly determined by the Island's revenue sharing arrangements with the United Kingdom. Now these arrangements make it possible for products to move between the Island and the United Kingdom without them being subjected to customs checks and the payment of separate duties.

Every 10 years the Island takes part in a decennial test and this is an exercise that determines the amounts of tobacco – and other things, such as beers, wines and spirits

– which are being shipped into our Island. This information is used as a basis for a series of calculations which determine the Island's share of the duty and taxes which are collected.

Now, the last time that a decennial test took place was in the years 2001-02, and the final results are actually still a matter for negotiation. But, based on that information, I can inform Hon. Members that the amount received under that sharing arrangement, in respect of tobacco products for the year ended 31st March 2003 was nearly £15 million; in fact to be absolutely exact, it was £14,953,259, sir.

The President: Mr Waft.

Mr Waft: I thank the Treasury Member for his reply.

The President: Mr Kniveton.

Mr Kniveton: Just a question that comes to mind instantly after listening to those figures, Mr President: the Question does refer to taxes on tobacco products. Now, I know we are in line with the UK on this. Would it be possible, can I ask the Hon. Member: if we in the Isle of Man were to increase our taxes more than the UK, it would possibly, probably, result in fewer people smoking here on the Island, but, equally probably, the same amount of money being collected. Would it be possible to do that?

Mr Gelling: I think I would have to reply negatively, and say no, because the sharing is that we assume that the people in the Isle of Man smoke the same as the people in the UK smoke, and that sharing arrangement is done, as I say, every 10 years. However, there is another duty which, of course, does not come into that, which I was not questioned on, and that is the VAT content. That is done separately, but, quite honestly, Mr President, to try to quantify it is just about impossible.

The President: Thank you, okay.

HEALTH AND SOCIAL SECURITY

Drugs and Alcohol Strategy Committee Action to reduce smoking

7. The Hon Member (Mr Waft) to ask the Minister for Health and Social Security (Mrs Christian):

What are the reasons for the delay in the Drugs and Alcohol Strategy Committee taking action to reduce tobacco smoking, especially in public places?

The President: We turn to Question 7. Hon. Member, Mr Waft.

Mr Waft: I beg to ask the Question standing in my name.

The President: And we call on Mrs Christian, Minister for Health and Social Security.

The Minister for Health and Social Security (Mrs Christian): Yes, Mr President.

The Hon. Member will be aware that following the

decision taken to extend the remit of the Chief Minister's Drugs and Alcohol Committee to include tobacco, steps have been ongoing to develop a comprehensive programme aimed at reducing the prevalence of smoking in the community.

The strategy in relation to tobacco is due to be considered by the Committee in December.

The main objectives off the strategy are to stop people starting smoking, help smokers to stop or reduce their smoking, and to tackle the dangers of environmental tobacco smoke.

Assuming the acceptance of that strategy, progress in achieving the objectives will require co-ordinated approaches across a number of Government Departments and will depend upon consideration of legislation and law enforcement, health promotion, assistance with quitting, and fiscal policy.

I can understand the aspiration behind the Hon. Member's Question, but I have to say that progress will be dependent upon a steady and gradual approach to achievement of the objectives set out in the strategy, within the resources available.

The President: Mr Waft.

Mr Waft: Thank you, Mr President.

A steady approach it certainly is; it has been steady for a number of years now! (**A Member:** Yes.) I just wondered whether the answer from the Member of Treasury previously has any bearings on the considerations of this Committee and whether that might be a stumbling block, perhaps, in progressing the aim which we all seek.

The President: Mrs Christian.

The Minister: Mr President, I can say to my knowledge those figures have not been submitted to that Committee. The Committee, in fairness, has been concentrating on the drug and alcohol aspects of the strategy, which are partly developed and are on their five-year programme and, therefore, to complete that, need resources.

The tobacco strategy, in its final form, is only going to the Committee in December. It will require some resource; the resource is relatively modest in its amount. However, it is very difficult within next year's budget to say whether or not that requirement is going to be met.

The President: Mr Singer.

Mr Singer: Can you just tell me: there are obviously attempts being made now to reduce tobacco smoking in offering smoking-cessation products on the Health Service; does the Minister have any idea what sort of figure this is costing us – costing the Department? It must be quite considerable. I support it, I just wondered if she had any figures on that.

The President: Minister to reply.

Mrs Christian: Mr President, I have not any figures on the uptake of nicotine-substitution products delivered through the NHS, so I am afraid that I cannot help the Hon. Member with that figure.

There is a small pilot scheme being undertaken within

the hospital service itself, for which the budget is something around £30,000, primarily from charitable sources and not funded by Government. Other than giving you that figure, which is not entirely Government funded, I cannot help the Hon. Member with the figures.

The President: Mr Waft.

Mr Waft: Thank you, Mr President.

Would the Minister acknowledge the fact that, perhaps, the financing of that Committee has not been sufficient to produce anything tangible with regard to people who want to see a reduction of smoking in public places, and perhaps a Bill would not be too expensive to put through to legislation which would at least start some of the process going forward?

The President: Minister.

The Minister: Mr President, until the strategy is actually considered by the Committee and accepted and the way forward agreed, I do not think I can comment on how Government would seek to implement it.

There is an estimated cost of the proposed strategy at £135,000. I can also say that, in terms of the Drug and Alcohol Strategy, there is a much bigger budget requested, but that budget is not being met. A lot of budgets are simply not being met, in terms of the revenue available, and we are all having to determine how to prioritise.

The President: Hon. Member Mr Gelling.

Mr Gelling: Could I ask, Mr President, of the Minister: in trying to be helpful, would she not agree that actually to use the hospital as the indicator is a much better gauge than using the income?

A Member: It is.

Mr Gelling: The negotiated figure, I would expect, for duty coming in will increase, because of the fact that the UK is increasing; but the one thing that is not taken into consideration on the financial side is the fact that people now can go across into Europe and take back – you can imagine a heavy smoker bringing back – six months' supply for their own use, which is not calculated at all. So, actually, the concern would be greater because even the indication of the duty going up is actually made worse by the fact that they can bring it in.

The President: Minister.

The Minister: Mr President, certainly in early discussions on the overall strategy, the question of fiscal policy has been broached, in the sense that, I think, there is evidence to show that a 10 per cent increase in the cost will effect a considerable reduction in consumption.

However, against that, and given our relationship with the UK on duties and so on, it has to be recognised – as it has been recognised between the UK and Europe – that if there is a differential there, there will be a much greater potential for smuggling, and that is an issue the Treasury would have to address, so we have got to find a balance in those issues.

Orders of the Day

Companies, etc. (Amendment) Bill Clauses considered

The President: Hon. Members, we have completed the seven Questions which are on our paper; we turn to Item 2, which is the Companies, etc. (Amendment) Bill and we have reached the stage of dealing with the clauses. So I call on Mr Gelling to move clause 1.

Mr Gelling: Yes, thank you, Mr President.

I think clause 1 was the clause that Members showed quite a lot of interest in and I have taken the liberty, Mr President, with your permission, to circulate the 'Guidance Notes of Choosing Your Company or Business Name', which I think will be extremely helpful to Members to see what is already in being – the guidance notes from January 2002.

Now clause 1 substitutes a new section for section 17 of the Companies Act 1931, and the new section incorporates the current provisions contained in both the existing section 17 and in the existing section 8 of the Companies Act 1974.

It also includes some new provisions relating to the use of company names. The new section 17 changes the law as follows:

Subsection (1)(b) allows the Financial Supervision Commission (FSC) to place conditions on the use of certain company names.

Subsection (2)(b) permits the Commission to issue guidance notes on what criteria will apply in deciding whether a name is undesirable.

Subsection (2)(c) gives the Commission power to prescribe forms for use in connection with name approval.

Subsections (3) and (4) allow the Commission to change a company's name on the register if the company fails to do so within six weeks of the Commission having directed it to change its name. The Commission must then place a record on the company's public file, held by the Companies Registry, of both the direction for the company to change its name and the new name ascribed to the company by the Commission.

Subsection (5) introduces a right of appeal to the court in respect of either (1) the Commission refusing to register a company by a particular name or change of name, or (2) the Commission having directed the company to change its name. The court may set aside such a refusal, or direction, in which case the company would be able to use the name of its choice; alternatively, the court may order the company to comply with the Commission's instructions. The court may also specify the period in which the company must comply and the terms and conditions relating to such compliance.

With those remarks there, Mr President, I beg to move that clause 1 become part of the Bill.

Mrs Crowe: I beg to second, Mr President.

Mr President: Seconded by Mrs Crowe.
Mr Lowey.

Mr Lowey: Could I just ask one simple question. I notice the word 'may' is used and not 'shall'. There is a slight

connotation there; it is permissive, whereas 'shall' is directive, if you like, and you *shall* do this if they do not meet your requirements. Is there any particular reason why the word 'may' is used as opposed to the word 'shall'?

Mr Gelling: The only thing I will say to that, Mr President, is the fact that it says: 'the court *may* set aside', well I would suggest that, in that term, it means that it may not, either; in other words, the court will make the decision as to whether or not the refusal or the direction is right or wrong. But certainly, the ultimate power lies with the court, when it is brought to their attention by the Financial Supervision Commission or, indeed, the company to which it has been given that direction.

Mr Lowey: Thank you, but that is not the point I am making, really, by understanding . . . Let me take the very first one: 'The Financial Supervision Commission may refuse to register a company by a name or refuse to register a change of a name of a company, which, in its opinion, is undesirable.' Well, if it is undesirable, then it should not be in, and therefore the '*shall*' bit . . . under that, it could still can be undesirable and they could still grant its recognition.

Mr Gelling: Yes, I think again, Mr President, it is a case of it is '*may*' for the simple reason that they have a choice, in fact, as to give them a direction to do so, or, in fact, to ask them if they will do it, and I would suggest again that normally the company would adhere to the direction rather than allow it to go to court. So I think that is really why it is '*may*', instead of '*shall*', sir.

The President: I think it crops up again in (4), of course, where it says: 'The Financial Supervision under subsection (3) shall be placed by the Financial Supervision Commission . . .'

Mr Gelling: Yes.

The President: Mr Kniveton.

Mr Kniveton: Yes, sir, I did have a couple of points, but I would like to thank the hon. mover for his guidance notes. I think he has answered several questions that we probably all had in our minds and they have been most useful, thank you.

The President: With that, Hon. Members, I put to you the motion that clause 1 do stand part of the Bill. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Hon. Members, I do appreciate it did crop up earlier in Question Time, where, in fact, we begin around the table, two or three at a time. Can I remind Members that, in fact, if they do direct it through the chair, it makes it much easier for *Hansard* and much clearer in the manner in which we are dealing with things.

Clauses 2 to 4, Mr Gelling, please.

Mr Gelling: Yes, thank you, Mr President. Clause 2, by replacing the current section 36 of the Companies Act 1931, this particular clause will further relax the obligation on a company to file a prospectus in the form set out in the fourth schedule to the Act. This applies where the company has

already been accepted for a listing on a recognised stock exchange.

The purpose of filing a prospectus is to make the information they would need in order to make their investment decision available to potential investors. The new provision allows a company that proposes to make a public offer of its shares or debenture to file a prospectus in the Isle of Man in the form acceptable to the listed exchange, provided that exchange is defined as a recognised investment exchange under the UK's Financial Services and Market Act 2000.

Now, clause 3: Hon. Members may recall that Mr Andrew Edwards, in the Home Office's Review of Financial Regulations in the Crown Dependencies, considered the ability of an Isle of Man company to issue share warrants to bearer to be undesirable – this was one of his comments. This is because criminals could, potentially, conceal their identity behind what are commonly referred to as 'bearer shares'.

Now, to address the criticism by both Mr Edwards and others, in connection with internationally accepted standards for the prevention of money-laundering, this particular clause substitutes a new section 71 of the Companies Act 1931. This prohibits companies from issuing share warrants to bearers, whilst transitional provisions honour the right or the rights attaching to warrants currently in issue.

Here, a holder of a share warrant may have rights to receive dividends or to vote at general meetings of the company, which gives the holder a property right. Because it would not be equitable to extinguish the property rights attaching to existing share warrants – subsections (3) and (4) permits that – the holders to exercise their rights, provided they first register as shareholders. This will only apply to any share warrants issued before 1st April 2004, when the prohibition on the issue of share warrants to bearer, comes into operation.

Clause 4: the new section substituted for section 72 of the Companies Act 1931, by clause 4, actually clarifies the law and changes the penalties for impersonating a shareholder, or a holder of a share warrant to bearer. If convicted in the lower courts the penalty will be a fine, and, if convicted in the higher courts, a fine not exceeding £5,000.

With those comments I would wish to move that clauses 2, 3 and 4 become part of the Bill, sir.

The President: Mrs Crowe.

Mrs Crowe: I beg to second and reserve my remarks.

The President: Mr Kniveton.

Mr Kniveton: Thank you, Mr President. I would like to just take you back to the second reading, when the learned Attorney, quite rightly, I am pleased to say, drew my attention to the bearer bonds and the somewhat new share warrants to bearer. Perhaps he, rather than you, Hon. Member, may like to answer this question: how will they collect the dividends on share warrants to bearer – that is the first part. And secondly, are there any bearer bonds remaining in being at this time, which I referred to, back in 1966, when I was in banking. I have lost trace of all this by now, so I am so looking forward to that reply.

The President: Mr Gelling.

Mr Gelling: Yes, I would agree with Mr Kniveton that the Attorney General (*Laughter*) is obviously the person to answer that particular question, hence he has all the information in front of him, Mr President. I put him on alert before we started!

The President: In that case, Mr Attorney.

The Attorney General: Well, thanks very much, Mr President.

The essence of a share warrant to bearer is, as the name suggests, that, instead of having a share certificate which is registered in the company's books, you actually have a certificate – ownership – which can be transferred by simple delivery from one person to another.

So, of course, if, to take an extreme example, if I am walking along the street and the wind blows and takes away all my share warrants to bearer, and they are picked up by somebody else, unbeknown to me, then that person is entitled to, on finding them, to say: 'I am now the owner of the share warrants', and he can present the share warrants to the directors of the company.

So to answer the question, if the directors are intended to declare dividends because they have had a successful year, Mr X, who has fortunately collected my share warrants which have blown away from my pocket, is entitled to those dividends.

Now, of course, you can see that this puts the directors in an extremely difficult position and, as the Hon. Member promoting this clause has said, it can be used by unscrupulous people to promote money-laundering, because the ownership of the company is never known to the directors.

In relation to bearer bonds, I am afraid I have very little knowledge of bearer bonds; they certainly did not crop up in my professional practice –

Mr Kniveton: I am much older than you. (*Laughter*)

The Attorney General: – and I am not aware of the extent to which they are used nowadays, I suspect very little.

The President: Mr Gelling, do you wish to add to that?

Mr Gelling: No, only thank Mr Attorney for that contribution, sir.

The President: In that case, Hon. Members, the motion I put to you is that clauses 2, 3 and 4 do stand part of the Bill. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Perhaps, Mr Gelling, clauses 5 to 9 inclusive.

Mr Gelling: Thank you, Mr President.

Clause 5 inserts a new section 85A to the Companies Act 1931, and this allows a company to register changes to the particulars of an already registered charge or mortgage.

Now subsection (3) specifies that sections 80, which is the duty of company to register charges created by the company, and section 81, the duty of company to register charges on property acquired, shall not apply, and therefore it will not be mandatory to register such changes.

Furthermore, because such registration does not alter the charge itself, the Financial Supervision Commission will

not be required to issue a new certificate.

Subsection (2) does, however, require the Commission to place the notification of change of particulars on the company's public record.

Then, if we move to clause 6, this substitutes a new section for section 94 of the Companies Act 1931.

Subsection (1) replaces the current requirement for a company to display its name outside every office or place in which it carries on its business by requiring that the name must be prominently displayed where the public has access to the place of business. The company name might, therefore, be displayed in the reception area inside an office building.

Subsection (1) also requires a company to show its name in an official document to be signed by or on behalf of the company. This includes, but is not limited to, all the documents described in the current provision.

Subsection (2) allows corporate service providers (CSPs) who are licensed under the Corporate Service Providers Act 2000 to display a notice stating that a list of the names of the companies that use the CSPs' premises as their registered office can be inspected by the public during office hours.

The new subsections (3) and (4) cover the provisions in the current subsection (3), which is the sanction on the company for non-compliance.

The current subsection (4), sanction on a director or a manager: the application of the sanction now only refers to every officer of the company.

The definition of 'officer' in section 341 of the Companies Act 1931 includes a director, manager or secretary.

The change reflects that an officer of the company either has specific statutory duties for the company's affairs, or is, by custom, expected to be responsible for specific affairs of a company. It would not be fair to place a sanction for non-compliance in respect of the publication of the company's name on persons who are not officers of the company.

Moving on then –

The President: Mr Gelling, I apologise: could I just warn you there on clause 6 you were referring to 94(4); is that in the old Act or the new Act? I do not have a (4) in the new Bill. In your notes I think you were referring to a (4). I certainly do not have any in my Bill.

Mr Gelling: Well, it says 'the new subsections (3) and (4) cover the provisions (*Interjections*) in the current subsection (3).'

A Member: No (4).

Mrs Crowe: No.

Mr Gelling: Yes, no (4). I am waiting for a –

The President: In your comment you referred to (4), but I do not have it in my Green Bill, that is the point I am making and I am . . .

Mr Gelling: Yes, well thank you for that.

The President: So perhaps we could move on to 7 while you are waiting for clarity on that.

Mr Gelling: Yes, I will await the indication as to whether it is an error, or typographical error, or otherwise. Thank you, Mr President, for that.

Clause 7 substitutes a new section for section 108 of the Companies Act 1931. This sets out the requirements for the annual return made to the Companies Registry by companies that do not have a share capital and companies that are limited by guarantee.

The new section 108 specifically excludes a company that has a share capital, but is limited by guarantee, which is generally referred to as a 'hybrid company'.

It alters the annual return requirements for companies not having a share capital and companies limited by guarantee by requiring, first of all, disclosure of the particulars of the company secretary, as shown on the company's register of secretaries; secondly, the number of members of the company and the total amount guaranteed by those members in the event of the company going into insolvent liquidation; and, thirdly, the company's principle business or activity by reference to such categories of business or activity, as may be prescribed by the Commission by regulation.

Then, moving to clause 8, sir: clause 8 of the Bill inserts a new section 108A into the Companies Act 1931. This will bring the annual return for a company limited by guarantee and having a share capital – this is the hybrid company – into line with the shareholder and guarantee member disclosures required respectively in the annual return of a company limited by shares and a company limited by guarantee.

Now a hybrid company will be required to disclose, in its annual return, the names of the shareholders, the date of the return and the number of shares held by each such person and any changes since it made its last annual return. It will also be required to show the number of guarantee members and the total amount guaranteed by those members in the event of the company going into insolvent liquidation.

In addition, Mr President, a hybrid company's annual return will also be required to show the particulars of the secretary of the company, as are required, to be held in the company's register of secretaries, and its principal business or activity by reference to the categories of business or activity described by the Commission by regulation.

And then moving on to clause 9, sir: the substituted section 144 of the Companies Act 1931 uses the expression 'official documents,' which includes what is not limited to the currently specified trade catalogues, trade circulars, show cards and business letters. It also clarifies that official documents include communications sent electronically. The current requirement to include the nationality of a non-British director has been removed. Also the expression 'christian names' has been changed to 'first names.'

Mr President, I beg to move, therefore, that clauses 5, 6, 7, 8 and 9 stand part of the Bill, sir.

The President: Mrs Crowe.

Mrs Crowe: I beg to second and reserve my remarks.

The President: Mr Kniveton.

Mr Kniveton: Yes, just one point, sir. It is not a question for the Hon. Member, it is just purely a comment: when he said the current requirement for a company to display its

name outside every office or place in which he carried on his business by requiring that name must be prominently displayed where the public has access to that place of business.

I get the impression, and I find it a pity, too, that we are going to lose that – shall we call it – ease of hunting out the company, whether it be for appointments, or meetings or deliveries and so on. We are going to come into a situation where the names are going to be displayed inside and offices are not open all the time; when people turn up later they are not going to find that office open and, therefore, they are not going to know where they are and where that company is. So I find it a pity that we are going to lose that.

I find it very easy at the present time to walk along Athol Street, or wherever, and find these names, but when we look at headed notepaper, company names, it says '27 Marlborough Terrace', wherever it is, but in actual fact when you try and find number 27 there is no number on the door, but there is often a nameplate at the side.

So, as I say, it is a comment. I find it a pity that we are going to change that.

The President: Mr Waft.

Mr Waft: Yes, thank you, Mr President. Just on clause 7, with regards to the situation of companies limited by guarantee. In this litigious world we live in at the moment, a lot of charitable groups are now becoming limited by guarantee and mention was made of the Financial Supervision coming into the Act with regard to these groups. Could he, perhaps, explain how different this would be to any of these companies who are involved in becoming companies limited by guarantee and who are charitable groups? Thank you, Mr President.

The President: Hon. Member, Mr Lowey.

Mr Lowey: Yes, just one query and I hope the Member forgives me, I am just maybe stating the obvious, but I have learned in past legislation you cannot overlook the obvious.

Where we have a provision where there is a sanction of a fine of £5,000, if you do not do certain things, I do not see anywhere actually who enforces these sanctions. Is it the Financial Supervision Commission? Is it the Office of Fair Trading? Is it the police? I have tried throughout the Bill to look to see who will be the enforcer and I am assuming it is the Financial Supervision Commission, but I do not see anywhere in the legislation where that is spelt out and perhaps the mover could enlighten me as to who actually does the enforcing.

The President: Mr Gelling.

Mr Gelling: Yes, thank you, Mr President.

First of all may I thank you for drawing attention to clause 6, because that is an error. The new subsection (3) covers the old (3) and (4), so that is something that we need to have recorded so that can be put in correctly. So thank you for that, Mr President.

On Mr Kniveton's point, I think again it is moving with the times and people do not walk around in the evenings perhaps as much as they used to do looking at nameplates outside; but, again, the preference would be outside, as I said. But it could be on the entrance into the place of

business, that is – (*Interjection by Mr Kniveton*) yes, but for access of the public. In other words, it must be open to the public, but, of course, it is then only for office hours; it is not outside of that, so I thank you for that.

Mr Waft, registration of charities is not within the FSC's remit. It actually comes under the courts and I believe the General Registry, so, in other words, this does not give the FSC anything other than what we are changing in the limited liability companies (LLCs); it is actually under the courts.

The last one, Mr Lowey: the sanction of a fine, as you did answer your own question, it is the FSC, although it does not say it here, sir.

The President: Mr Attorney.

The Attorney General: Mr President, if I may, just by way of supporting what the Hon. Member has said and in relation to charities, I think it is important to state for the record that companies limited by guarantee, not having a share capital, are often used by promoters of charities and this is entirely proper, but of course we have to be, in these days, very alert to disclosure of proper information to the public, who deal with these companies. Therefore, it is a very welcome development that companies limited by guarantee, not having a share capital, should be obliged to file the same information on public record as do other companies.

So I regard this as being . . . As the Hon. Member has said, although the FSC does not have a particular jurisdiction in relation to charities, it is very appropriate that this provision strengthens our legislation on charities generally.

The President: Do you wish to add to that, Mr Gelling?

Mr Gelling: Yes, only again, Mr President, all this all comes in the light of, as I mentioned, Mr Edwards, in the fact that people use whatever vehicle they can. If one is blocked, they will use another and we have to be ever alert to the fact that these vehicles can be used.

Thank you, Mr President.

The President: In that case, Hon. Members, I put to you the motion that clauses 5 to 9 do stand part of the Bill. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Clause 10, Mr Gelling.

Mr Gelling: Yes, thank you, Mr President.

Clause 10 actually substitutes a new section for section 273A of the Companies Act of 1931. Now, section 273A provides an alternative procedure for a solvent company to be dissolved quickly and easily and the new section alters the current procedure in the following respects, sir.

Subsection (1) restricts the application of section 273A to private companies.

Subsection (2) by the addition of the words 'to the best of his knowledge and belief' qualifies the requirement for an officer or member of the company to make a statutory declaration that the company has no outstanding liabilities. The statutory declaration must also advise if there has been any change to the company's particulars, shown in its last annual return.

Now, subsection (3) provides that when the Commission receives an application for dissolution it will be responsible

for advertising the proposed dissolution and it will also be responsible for checking if the Assessor of Income Tax, the Collector of Customs and Excise or the Attorney General has any objection to the company being dissolved.

Currently the company – and I say that again, Mr President, 'the company' – is responsible for advertising its intention to apply for dissolution and for checking whether Income Tax or Customs and Excise have any objection.

However, there is currently no requirement to check if the Attorney General has any objections to the company being dissolved.

Now under subsection (4) the period allowed for Income Tax, Customs and Excise or the Attorney General to raise their objection is one month. However, they may apply to the court for an extension of that time period. Currently a company can only be dissolved after it has notified the Commission that it has distributed its surplus assets.

Subsection (10)(ii) allows a company to be dissolved, even if it is unable to distribute its surplus assets. Any assets remaining in the company's name when it is dissolved will be deemed to be *bona vacantia* without owner investing in the Treasury for the common good.

Now subsection (12); this now allows an officer of the company to apply to the court for the company to be restored to the register.

Subsection (14) introduces a power for the Treasury to make regulations in respect of waiving fees due to the Commission for the statutory filing of documents, or the performance of any of the Commission's functions, or the payment of non-resident company duty.

With those comments, Mr President, if I could just comment on something that was raised at second reading with regards to the company being easily removed. I think, at that time, I said 'Yes, but in an orderly manner and then the company can be put back on', but I think the question at that time was raised, 'Well, it could be put back on in another name, or something or other, and investors would be . . .' in fact, the company would go back on in the same name, so the claims would still be for the new company as were the old. In other words, once it was off, you were in the wilderness, but, once it came back on again, you could actually make that claim again, sir.

So with those remarks I would ask that clause 10 be part of this Bill, sir.

The President: Mrs Crowe.

Mrs Crowe: I beg to second and reserve my remarks.

The President: Mr Lowey.

Mr Lowey: Clause 10(10) and the use of Latin phrases, Mr President. I always thought when we are trying to do the law, we were trying to make it more understandable to the people in the street. Now, I am sorry, I am a Castle Rushen scholar, one year of Latin, which was a total disaster, and I do not know what *bona vacantia* is. The Member has moved when he said it will go back to the Treasury. Why, why, why can we not use words that mean something to the man in the street?

Mr Delaney: Okay, yessir, that's what it means!

Mr Lowey: That is the point I am making. Again, we

keep saying this time after time and yet it still does not seem to be getting through to the draftsman, and I think it is wrong; we should be making laws that are understood by ordinary people, as opposed to putting in Latin phrases which have to be interpreted.

The President: Mr Gelling.

Mr Gelling: Yes, thank you, Mr President.

I suppose that is the case. Having been in Treasury for a long, long time, *bona vacantia* means something to me, not because I went to Douglas High School and not to Castle Rushen, (*Laughter*) but that is only . . . I must admit, I wondered what on earth that was when I first came across it.

Of course, in the UK anything that is left without an owner, if they are struck off the register, it has to be somewhere and in the Isle of Man case it is in the Treasury, whereas in the UK – I think I am right – it is the Crown; the Crown takes possession.

Now, we have obviously got land in the possession of the Treasury. You must, therefore, keep that land and only dispose of it if you think it is done in a fit and proper way so that, if somebody came out of the woodwork years later, you could have been seen to have acted responsibly. But, certainly, *bona vacantia*: I do not know of any other word that would actually substitute it, that would give the right information.

Mrs Crowe: That is the problem.

Mr Gelling: It is ‘being held’ for a non-owner being registered.

Mrs Crowe: But it is not in trust.

Mr Gelling: It is not in trust, no. (*Interjections*)

The President: Again, Hon. Members, if we can . . . Mr Singer.

Mr Singer: If the company is, therefore, restored, will that money, those assets, that have gone to Treasury be restored to the company?

Mr Gelling: Yes, that is right; yes, that is correct.

The President: Mr Delaney, did you . . . ?

Mr Delaney: Well, just the translation: I am sure somebody around the table has the translation for us?

The President: Mr Attorney?

The Attorney General: Well, Mr President, I do have every sympathy with the criticism of the use of Latin and, of course, the trend nowadays is for the judges to try and excise all references to Latin in their procedures.

However, in relation to *bona vacantia* I am afraid that that is – so far as lawyers are concerned and those perhaps who use this legislation day in, day out – a well known phrase, I am afraid to say.

It literally means, I think: *bona vacantia* means goods and ‘vacantia’ means vacant, things which have become

wasted and vacant, without an owner, and, therefore, whilst I acknowledge the criticism, at least it did not say ‘shall be deemed to *escheat* as *bona vacantia*’, which is the normal use. (*Laughter*)

The President: Hon. Members, the motion I put to you is that clause 10 do stand part of the Bill. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Clauses 11 to 14, Mr Gelling.

Mr Gelling: Yes, thank you, Mr President.

Clauses 11 to 14 amend part 11 of the Companies Act of 1931 and if I could start at clause 11. This substitutes a new section for section 312 of the Companies Act of 1931. Now the current section 312 places an obligation on any company incorporated outside the Isle of Man, which I will refer to as a ‘foreign company’, to register under part 11 of the Companies Act of 1931 if it carries on business in the Isle of Man.

Now, the new subsection (1) repeats this provision.

Subsection (2)(a) incorporates the current provision in section 314(2) and a foreign company that holds land in the Island will still be construed to have established a place of business here in the Island.

However, the new subsection (2) adds that:

if land is held by way of security only, the foreign company will not be required to register.

Now, subsection (2)(b) introduces a power for the Treasury to make regulations if, in future, it becomes necessary, to define certain activities as falling within the requirement to register under part 11.

Then clause 12 substitutes a new section for section 315 of the Companies Act 1931, and this clarifies the existing requirement for a foreign company to notify the Financial Supervision Commission of any change to its registered particulars.

Clause 13: the new section 315A of the Companies Act of 1931 introduces an obligation for a foreign company to make an annual declaration confirming that the company still maintains a place of business in the Island and that it has complied with its obligations under the Companies Act of 1931.

Under subsection (2), failure to confirm that a foreign company is still maintaining its business in the Island will result in the Commission placing a notice on the company’s file and it will then be clear from the public record that the company is in default with its statutory obligations to make the annual declaration and the public will, therefore, be put on notice that the company might no longer be maintaining a place of business here on the Island.

Clause 14 substitutes a new section for section 317A of the Companies Act 1931 and this introduces a new obligation on a registered foreign company to state the names of its directors on all of its official documents.

I beg, therefore, to move, Mr President, that clauses 11, 12, 13 and 14 stand part of this Bill, sir.

The President: Mrs Crowe.

Mrs Crowe: I beg to second and reserve my remarks.

The President: The motion I put, Hon. Members, is

that clauses 11, 12, 13 and 14 do stand part of the Bill. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

To complete part 1 then, clause 15 and 16, Mr Gelling.

Mr Gelling: Yes, thank you, Mr President.

Clause 15: this amendment to section 340A of the Companies Act 1931 made by clause 15 allows the Financial Supervision Commission to prescribe any form for use in connection with the Companies Act 1931 to 1993 and not just where a particular section already specifies that the submission of particulars must be in the prescribed form.

The new section 340A also allows the Commission to make regulations in respect of how documents must be certified, where certification is required.

Clause 16, which completes that section, Mr President, introduces the new section 340B and that specifies the Tynwald procedure to be followed in making any public document under the Act. The procedure allows Tynwald to annul the measure, either after the sitting at which the public document is laid or at the next sitting, sir.

I, therefore, beg to move that the clauses 15 and 16 stand part of the Bill, sir.

The President: Mrs Crowe.

Mrs Crowe: I beg to second and reserve my remarks.

The President: Mr Delaney.

Mr Delaney: On clause 15, will the regulations that are thereby made under that clause make up part of the Tynwald paper that will come, so that the Members will decide whether or not to pass the legislation?

The President: Mr Gelling.

Mr Gelling: Yes, I think again I would look to Mr Attorney perhaps to confirm whether or not that is the case for the Hon. Member?

The President: Yes, they would have to be.

The Attorney General: Well, as I understand it, Mr President, that is answered by subsection (2): 340A(2), 'the regulations shall be laid before Tynwald.' Is that the point the Hon. Member is – ?

Mr Delaney: Yes, so that is all part and parcel of the whole overall . . . ?

Mr Gelling: What will be put to Tynwald?

The Attorney General: Yes.

Mr Delaney: We will have them at the time of . . .

The Attorney General: Yes, that is right.

The President: Any regulations made have to come to Tynwald.

The Attorney General: Will be approved by Tynwald.

Mr Delaney: With the Bill, yes.

The President: In that case, Hon. Members, and with that answer given, clauses 15 and 16. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Commencing with part 2 then, clauses 17 and 18 please.

Mr Gelling: Yes, thank you, Mr President.

Part 2 of the Bill amends the Limited Liability Companies Act 1996 so that the Act can be read without reference to the Companies Act 1931, and it also alters the law relating to limited liability companies.

Clause 17 substitutes a new section for section 11 of the Limited Liability Companies Act 1996 and section 11 provides for the Financial Supervision Commission to strike a limited liability company's name off the register and dissolve the company. The cross-reference to the Companies Act 1931 is replaced in the new subsections (1) to (5) by the inclusion of the equivalent provisions to those in section 273(1) to (5) of the Companies Act 1931.

Now subsection (6) introduces a right for a limited liability company or any member or creditor of the company to apply to the court for the company to be restored to the register. An application may be made within 12 years from the date on which the company was struck off the register. If the court is satisfied that the company should be restored, it will order its restoration on payment of whatever fee is prescribed by the Commission.

Subsection (7) describes how the notice of the Commission's intention to strike a limited liability company name off the register, and it must be sent to the company and, in the case of a company in liquidation, to the liquidator.

If the Commission has reason to believe that a company does not have a registered office, the notice may be sent to the manager, registered agent or any member of the company, or to the persons named in the company's constitutional documents.

Subsection (8) introduces a ground for the Commission to believe that a limited liability company is no longer in business and failure by the company to submit its annual return within six months of its due date.

Subsection (9) states that the offence under section 10 in respect of non-compliance, with the requirement for a limited liability company to file an annual return is unaffected by the provisions of section 11.

Subsection (10) explains the method of publication by the Commission of a notice of its intention to strike a limited liability company off the register.

Clause 18 was the clause to which Members did comment, also regarding the restoration of dissolved limited liability companies at second reading, sir. This clause inserts a new section 11A, 11B, 11C and 11D in the Limited Liability Companies Act of 1996.

The new section 11A introduces to the Limited Liability Companies Act 1996 an alternative procedure for dissolving solvent limited liability companies.

Subsection (1) provides that the registered agent or any member of the company may apply to the Financial Supervision Commission for a limited liability company to be dissolved.

Subsection (2) provides that the application must be accompanied by a declaration made by either a manager or member of the limited liability company that, to the best of their knowledge and belief, the company has no outstanding liabilities. The statutory declaration must also advise if there

has been any change to the company's particulars shown in its last annual return.

Subsection (3) provides that, when the Commission receives an application for dissolution, it will be responsible for advertising the proposed dissolution. It will also be responsible for checking if the Assessor of Income Tax, the Collector of Customs and Excise, or the Attorney General, has any objection to the company being dissolved.

Under subsection (4), the period allowed for Income Tax, Customs and Excise or the Attorney General to raise their objections is one month. However, they may, as we stated in a previous clause, apply to the court for an extension of that time period.

If we move then to subsection (5), this requires that, before making an application for it to be dissolved, the applicant must advise the registered agent, and, if the members of the limited liability company have appointed one, the manager, of the intention to apply for it to be dissolved, offering them the opportunity to object.

The Commission is prohibited under subsection (6) from making the declaration of dissolution before the expiry of the one month period allowed for objections to be raised. If the Commission receives any objection, it must advise the applicant of the name of the objector and the dissolution will not proceed unless the Commission considers the objection to be groundless and there has been no appeal against the Commission's decision or the objection is withdrawn.

Subsection (9) requires that, when the Commission is in a position to make the declaration or dissolution, it must advise the limited liability company that it may distribute its surplus assets amongst its members. The distribution should be in accordance with the company's articles of organisation, operating agreement, or as otherwise agreed by the members.

Subsection (10) requires the limited liability company to advise the Commission when it has distributed its surplus assets, so that the Commission can publish a further notice, advising that the company is dissolved.

Subsection (11) provides that every manager and member of the company remains liable for the actions of the company after it has been dissolved. The court's power to wind the company up remains after it has been dissolved and its surplus assets distributed.

Subsection (12) allows the Commission, or the manager, if one has been appointed, a member or creditor of the limited liability company, to apply to the court, within 12 years of the dissolution, to have the company restored to the register. The court may, if it is satisfied, revoke the dissolution and order the restoration of the company to the register. The court may also give directions in connection with the company's restoration.

This is a new procedure for the LLCs, which is equivalent to the procedure for companies under section 273A of the Companies Act 1931, which we referred to in clause 10.

Then we move on to the new section; 11B repeats and adapts the relevant provisions of section 273B(1) to (9) of the Companies Act 1931. The current section 11(3) already allows for a dissolved limited liability company to apply to the Financial Supervision Commission for the company to be restored to the register by reference to section 273B of the Companies Act 1931. It also changes the current period allowed for application to be made, from within two years

to within 12 years after the company has been dissolved.

In addition to the company being able to apply for its restoration to the register, the new section 11B also allows any manager, member or creditor of the company to apply. The new section 11B follows the amendment made in schedule 1 to the Bill to section 273B of the Companies Act 1931 and that is altered as follows: subsection (2) requires the Commission to publish notice on its website of its application for restoration.

Secondly, subsection (3) requires the applicant to obtain written confirmation from the Attorney General in addition to the Assessor of Income Tax and the Collector of Customs and Excise, that he has no objection to the company being restored.

And, thirdly, subsection (4) requires the applicant to give notice of the intention to apply for the company to be restored, in only one Isle of Man newspaper and not two, and also to each member of the company.

Subsection (9) clarifies that any filing fees which were due to the Commission at the time of the company's dissolution, are payable at the rates current at the date of the company's restoration.

The new section 11C does correct an omission in the Limited Liability Companies Act 1998 by allowing the Financial Supervision Commission to refuse to register or to receive documents if the Commission considers them to be: unlawful; non-compliant with the Act; incomplete or incorrectly completed; not in a format suitable for processing, or in the prescribed form, or if the fee due on submission is not paid.

The section provides that the date of submission, which is relevant in relation to the time period in which certain documents must be filed, is the date when the Commission accepts the document. The Commission may require additional information or documents to be submitted before accepting a document.

Subsection (2) allows the Commission to make regulations in respect of electronic filing. And the new section 11D introduces to the Limited Liability Companies Act 1996 a right to appeal to a court of summary jurisdiction, against decisions of the Financial Supervision Commission in respect of refusal: (1) to register a Limited Liability Company; or (2) to receive any document relating to such companies. The appeal must be made within 21 days, unless the court allows an extension of that time limit. The court will either confirm the Commission's action or make whatever direction it considers appropriate.

Subsection (3), however, provides that an appeal under section 11D will not be allowed if a particular section of the Act specifies another appeals procedure or declares that the Commission's actions are to be conclusive or final.

However, subsection (4) provides that whilst an appeal is in train the relevant decision or act of the Commission shall stand in the interim until the court reaches its decision. Any obligations relating to that decision remain.

And then subsection (5) provides that if the decision or act of the Commission is overturned the limited liability company's record must be cleared of all references to that decision.

In another place there was a question arising from what was a misunderstanding of 11D(3), and it was suggested that there was no right of appeal in certain circumstances. That is not, in fact, what the subsection says; what the provision is doing is providing a procedure for appeal where

no other exists. It is, therefore, a default to fill a gap where no appeals procedure is specified and where one is already specified and that procedure will apply, and not the default provision.

So, in again, with those comments on that particular clause – and I am sorry that it was a long clause with quite a lot of detail, but I think it did require that to give Hon. Members a full understanding of those particular clauses – 17 and 18, sir.

The President: Mrs Crowe.

Mrs Crowe: I beg to second, Mr President.

Mr President: Mr Lowey.

Mr Lowey: Thank you, Mr President. Can I ask the mover, I notice, on two occasions, he emphasised the publication in one newspaper. I also note, by writing that into primary legislation, it actually prohibits the use of the radio, and, as more and more people now get financial advice with financial programmes on the radio, putting it into primary legislation . . . We used to have two or three newspapers, I think, at one time, and now it is down to one for practical purposes. But, by excluding the radio in primary legislation, it seems to me to be excluding that use in foreseeable future, we would have to have the primary legislation altered. Would it not have been better to have put, ‘and/or radio’?

In one of the parts of the clauses, you talked about new technology being permitted, then it does seem to me to be strange writing primary legislation just to say one newspaper and not to use what we all know is now used for dissemination of information, which is the radio. Perhaps the Member would like to comment on that.

Mr Singer: It mentions the website.

The President: Mr Gelling to reply.

Mr Gelling: Yes, I think the Hon. Member touched on the point that we are moving into more technical areas and certainly I think that is what this move is: the old way it was, without doubt, two newspapers, but it was felt that one newspaper, with us only having one newspaper company in the Island . . . but it then, as you probably noticed, said a ‘website’, and, of course, that is what people now use more and more: a website, (**Mrs Crowe:** Yes.) because of the individuals who are actually are on the website. So I think it is a case of, yes, definitely one newspaper, but certainly on the website and I suppose there would be nothing to stop it being put on the radio if they felt that was the thing to do; so it certainly does not exclude them, it certainly would be in addition to it.

The President: With the thought of one newspaper as the minimum allowed, clause 17 and 18 to stand part of the Bill, Hon. Members, those in favour please say aye; against, no. The ayes have it. The ayes have it.

Clauses 19 and 20, Mr Gelling, please.

Mr Gelling: Yes, thank you Mr President. Clause 19 replaces the current section 50 in the Limited Liability Companies Act 1996, but makes no change to the Financial

Supervision Commission’s power and the Treasury’s prior approval to prescribe fees and duties in respect of the filing of documents and its functions in relation to limited liability companies.

And then clause 20 inserts a new section 52A in the Limited Liability Companies Act 1996 and this allows the Commission to dispose of valueless documents, and here we come to 12 years after the dissolution of a limited liability company or, if it has made copies of such documents, two years after the companies dissolution, and it also permits Companies Registry to produce a copy of a document for inspection, instead of the original.

If I could again comment, in another place it was suggested that the destruction of LLC documents may affect the ability to get evidence in a criminal investigation, and, in response to that, it was pointed out that the power to dispose of valueless documents has been in place for over 40 years in respect of company records held by the Companies Registry. Furthermore, the Companies Registry completed electronic scanning of the records of all live companies prior to its move, in fact, to the new premises and it should also be noted that every Government Department has a statutory obligation to consult the Chief Registrar before destroying any documents.

So, again, with those comments I would ask Members to put those clauses, 19 and 20, as part of the Bill, sir.

Mrs Crowe: Beg to second, Mr President.

The President: The motion I put, Hon. Members, is that clauses 19 and 20 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

We turn then to part 3, 21 to 24. Mr Gelling please.

Mr Gelling: Thank you, Mr President.

By inserting a new section 8 in the Registration of Business Names Act 1918, clause 21 introduced a new requirement for an annual declaration to be made by a firm or person who has registered a business name, that the declaration must be made annually on the anniversary of the business names registration and must confirm that the name is still in use. If the declaration is not filed within six months of that anniversary, this will be noted on the relevant file.

Clause 22 inserts a new section 9A in the Registration of Business Names Act 1918. This introduced a requirement for documents relating to business names to be submitted in a form acceptable to the Financial Supervision Commission. It is equivalent to the power for the Commission to refuse to register or receive documents in section 283B of the Companies Act 1931 and section 11C of the Limited Liability Companies Act 1998.

Clause 23 substitutes a new section for section 15 of the Registration of Business Names Act 1918. This is substantially the same as the current provision relating to the removal of names from the Register of Business Names, but corrects a defect.

The Act applies to companies, as well as unincorporated bodies and individuals. It has, therefore, been necessary to substitute ‘person’ for ‘individual’, so that the Act applies to both natural and legal persons. References to the directors of companies and to the manager or members of limited liability companies have also been added where necessary.

Then, moving on to clause 24 of the Bill, which substitutes a new section for sections 16 and 16A of the Registration of Business Names Act 1918; subsection (1)(b) allows the Commission to place conditions on the use of certain business names, or to make a direction for the name to be changed.

Subsection (2) allows the Commission to issue guidance notes on what criteria it will apply in deciding whether a name is undesirable and to prescribe forms for use in connection with name approval.

Subsections (3) and (4) allow the Commission to change a business name on the register, if, within six weeks of the Commission having directed it to change its name, the firm or person fails to do so.

The Commission must also record on the Register of Business Names that the direction has been given, as well as the new business name ascribed, by the Commission.

Subsection (5) introduces a right of appeal to the court in respect of: (1) A refusal by the Commission to register a business name; (2) placing conditions on certain words in the business name; or (3) making a direction to change the business name. The court may either set aside or confirm the Commission's decision. If it confirms the Commission's direction, it may specify the period in which the direction must be complied with, order the Commission to change the name, or apply conditions to the use of that name.

Again, I wish to move that clauses 21, 22, 23 and 24 become part of the Bill, sir.

Mrs Crowe: I beg to second, Mr President.

The President: The motion, Hon. Members, is that part 3, clauses 21, 22, 23 and 24 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Turning now to 25 to 28, if you please, Mr Gelling.

Mr Gelling: Yes, we turn now to part 4 of the Bill, which is the substitution and insertion of sections in the Partnership Act 1909. Clause 25 inserts a new section 50A in the Partnership Act 1909. This introduces a power for the Financial Supervision Commission to refuse to register a limited partnership by a name that, in its opinion, is undesirable.

Clause 26 inserts a new section 51A to the Partnership Act 1909. The new section 51A allows the Financial Supervision Commission to strike defunct limited partnerships off the Register of Limited Partnerships. This is equivalent to the Commission's power under section 273 of the Companies Act 1931 and, under the new section 11 of the Limited Liability Companies Act 1996, to strike a defunct company or defunct limited liability off their respective registers, as I described in relation to clause 17.

Clause 27 substitutes a new section for section 57 of the Partnership Act 1909, relating to the Office for Registration of Limited Partnerships.

Subsection (1) repeats the current section 57, but subsections (2) to (6) introduce a requirement to documents relating to limited partnerships to be submitted in a form acceptable to the Financial Supervision Commission.

Where the Commission refuses to accept a document, subsection (5) provides for appeal against that decision to a magistrate's court, and I could add, that this is equivalent to the requirement in respect of limited liability companies

in section 11C of the Limited Liability Companies Act 1996 as it was described in relation to clause 18.

Clause 28 adds a new section 60 to the Partnership Act 1909 and this allows the Financial Supervision Commission, after consultation with the Chief Registrar, to dispose of documents relating to dissolved limited partnerships.

Therefore, Mr President, I move the clauses 25 through to 28 become part of the Bill, sir.

The President: Mrs Crowe.

Mrs Crowe: Beg to second, Mr President.

The President: Mr Lowey.

Mr Lowey: Clause 27(2): I am finding difficulty in getting my head round this. I am accepting that the mover of the Bill says that it is the same as is in existence now for companies, but it does seem strange if you read (2):

subject to subsection 5

– which is the appeal one, if you look at subsection (5), you can appeal within 21 days –

a document shall be deemed not to have been submitted to the Financial Supervision Commission, whether by delivery et cetera, until the time when it is accepted for registration or otherwise received by the Financial Supervision Commission.

But how do I know that you are not going to accept it until I have submitted the thing to you, and you are not accepting submission of it until you have had the appeal, it does seem . . . I still cannot get my head round that.

Mr Gelling: I think Mr Attorney has got the legal answer to that. (*Laughter*)

The Attorney General: Mr President, I think I can probably answer that by illustrating that the problem that can arise, it may be that a Corporate Service Provider lodges a document – shall we say, the annual return — he goes to the Financial Supervision Commission and he hands it in at the desk, believing that it is in good order and is fully accurate. So, to that extent, he has submitted it to the Financial Supervision Commission.

But the important thing is that not only should he have physically submitted it, but it also must be in the correct form and must have the correct substance, so, until the Financial Supervision Commission actually gives him a receipt or acknowledgement that it has been accepted in good and proper form, only then can he be said to have fulfilled his obligation to have submitted it to the FSC. The time for appealing and so on and so forth, runs from the time when the FSC has actually accepted and said: 'This is in good form'.

Otherwise you can have people coming along and saying: 'Yes, well I have filed my annual return', but the substance and content of the return is completely hopeless. It has got to be in good form and have all the information which the regulations require.

The President: Mr Waft.

Mr Waft: Thank you, Mr President. On 26(6), again

we have the 12 years from the case of notice with regard to when a partner aggrieved by being struck off the register; where does the 12 years come from? Is there precedent for that within the original?

The President: Mr Gelling.

Mr Gelling: Well, first of all, may I thank Mr Attorney for answering the previous question, because I could not have put it better myself (*Laughter*) –

Mrs Crowe: Or at all!

Mr Gelling: – and this 12 years came up in the second reading, Mr President, and you yourself commented on that particular area of the 12-year-period in which a creditor or other interested person may apply for a dissolved company to be restored and so on. Now, I think basically that has been done through consultation, I would suggest with the industry and those who will be operating within this Bill, such as the CSPs.

I am now duly instructed: it has been a reasonable period, long enough to find out if people have made a mistake, so, in other words, you could be right in saying it was an arbitrary –

Mr Delaney: It could apply to marriages!

Mr Gelling: – it went from two years to 12 years, as that seemed to be a period that was acceptable, and, after consultation, it was agreed that it was.

The President: OK, Hon. Members, the motion that I put to you is that clauses 25 to 28 inclusive do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clauses 29 to 31, Mr Gelling, please.

Mr Gelling: Yes, thank you, Mr President.

Part 5 is the insertion of sections in the Industrial and Building Societies Act 1892.

Clause 29 substitutes a new section for section 10 of the Industrial and Building Societies Act 1892.

Subsection (1) adds refusal by the Financial Commission to register or receive any document submitted to it on the grounds for appeal against the decisions of the Financial Supervision Commission and it also specifies that such an appeal would be to a court of summary jurisdiction and that the period in which an appeal may be made is 21 days from the date of that decision.

It provides that whilst the appeal is in train the decision or act of the Commission shall stand, as we have said in previous clauses, and, in the interim, any obligations relating to that decision remain until the court reaches its decision.

Clause 30 substitutes a section for section 15 of the Industrial and Buildings Societies Act 1892, and this alters the law in respect of the inspection, production and the admissibility in evidence of documents which relate to building societies.

Subsection (1) allows the Financial Supervision Commission, in response to a request for the sight of a document, to provide a copy of the document. However, if the copy is illegible, the Commission must provide the original document.

Subsection (2) provides that the Commission shall not be compelled to produce documents without the express sanction of the court.

And, then, clause 31 inserts a new section, 24A, which allows the Financial Supervision Commission, after consultation with the Chief Registrar, to dispose of documents relating to building societies.

I would, therefore, put to Hon. Members that clauses 29, 30 and 31 become part of this Bill, sir.

The President: Mrs Crowe.

Mrs Crowe: Beg to second, Mr President.

The President: The motion, Hon. Members, is that part 5, clauses 29 to 31 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Now, Mr Gelling, part 6 dealing with clause 32 and schedules 1 and 2.

Mr Gelling: I think, if I may, Mr President, just point out that in the Bill, it was brought to my attention this morning by our Hon. Clerk, that, in fact in schedule 1 it is correct on page 38, where it says ‘sections 32(1)’, but, if you go through the Bill, you will come to the schedule 2, and, in fact, it makes reference to section 31, when it should be 32. So, if we can, just for the record, make sure that that is changed for when the Bill is . . . I think Mr Attorney will confirm that should be section 32 on page 52.

The Attorney General: Yes, on page 52, Mr President, it should indeed be section 32(2).

The President: It is 32(2).

Mr Gelling: Okay, so, with that, Mr President, clause 32 gives effect to schedules 1 and 2 to the Bill, which respectively contains amendments to and appeals of enactments.

Now, schedule 1 – these are quite long – is the Partnership Act 1909, and paragraphs 1 to 3 correct discrepancies between sections 50 and 51 of the Partnership Act 1909, in respect of the particulars a limited partnership is required to register and paragraph 4 introduces a power for the Financial Supervision Commission to make regulations to exempt any class of limited partnership from the requirements to disclose some or all of the details of the partnership on the public record. The Registration of Business Names, the miscellaneous amendments to the Registration of Business Names Act 1918 made in paragraphs 1 to 4, 9, 12 and 13 are supplementary to the amendments in part 3 to the Bill.

Paragraphs 5 and 6 contain the clarifications.

Paragraphs 7 and 8 remove the requirements for the applicant for a business name to state his business occupation, but require his date of birth.

Paragraphs 10 and 11 respectively, extend the time allowed to file documents from 14 days to one month.

Then the miscellaneous amendments made to the Companies Act 1931. Paragraphs 1, 2, 3, 7 and 11 clarify or correct defects in the current drafting where the scope of the provision is unclear or requires extension.

Paragraph 4 modernises the penalty provision.

Paragraphs 5, 6, 8, 9, 17 and 18 are supplemental to the amendments made to the Companies Act 1931 in part 1 of the Bill.

Paragraph 10 changes the period for the filing of an annual return from 28 days to one month, and this is in line with the statutory period allowed for the submission of a number of other documents.

Paragraph 12 amends section 143(1)(a) of the Companies Act 1931 to require the inclusion of dates of birth of directors and secretaries of the companies to be recorded in the company's register of directors and secretaries.

Paragraph 13 inserts a new subsection (8) in section 259 of the Companies Act 1931 and this requires the Financial Supervision Commission to keep a register of persons disqualified by the courts from acting as directors of companies because of their association with companies involved in fraudulent trading.

Paragraph 14 amends in some small particulars the procedure under section 273 of the Companies Act 1931 for the Commission to strike defunct companies off the register.

Paragraph 15 amends the procedure under section 273B of the Companies Act 1931 for the restoration of a company to the register on application to the Financial Supervision Commission.

Paragraph 16 specifies the Tynwald procedure to be followed in respect of the Financial Supervision Commission, prescribing the fees and duties payable under section 283A of the Companies Act 1931.

Paragraph 19 inserts a new subsection (4) in section 284, which allows the Financial Supervision Commission to make regulations in relation to electronic filing of documents at the Companies Registry.

Paragraph 20 inserts paragraphs (d), (e) and (f) in the sections 313(1) of the Companies Act so that a company incorporated outside the Island that has established a place of business in the Island will be required to appoint a person in the Island as the company's designated officer.

Paragraphs 21, 25 and 26 make amendments supplementary to the amendments in paragraph 20.

Paragraph 22 relaxes the requirement under section 317 for the display of the names of foreign companies at the premises of a CSP licensed under the Corporate Service Providers Act of 2000.

Paragraphs 23 and 24 amend section 317 in respect of the obligation to state the company's name on official documents issued by or on behalf of the company and clarifies that this includes any documents sent electronically.

Paragraph 27, by substitution of a new subsection (5) in section 319A of the Companies Act 1931, alters the mode of publication by the Financial Supervision Commission in respect of advertising the intention to strike a defunct foreign company off the register.

Paragraph 28 alters the law in respect of the burden of proof in relation to an offence committed by a company.

Paragraph 29 alters the law under section 324A of the Companies Act 1931 by extending to statements in lieu of prospectus the Treasury's power to exempt classes of company from the prospectus requirements.

Paragraph 30, by amendment to the section 324B of the Companies Act 1931, alters the law in relation to a company being able to elect to dispense with compliance with certain provisions of the Companies Act 1931 to 1993.

We go on to the Companies Act 1974: paragraph 1, by amendment to section 4(3) of the Companies Act, changes the definition of a substantial interest in the unrestricted voting shares of a public company and reduces it from 10 per cent to 3 per cent.

Paragraph 2 makes an amendment to section 143 which is supplemental to the amendments made in part 1 of the Bill.

Paragraph 3 extends to the Financial Supervision Commission, with Treasury's approval, the Treasury's power under section 22(1) of the Companies Act 1974 to make regulations in respect of the operation of the Companies Acts 1931 to 1993.

Paragraph 4 alters the law in respect of the burden of proof in relation to an offence committed by a company in respect of a breach of any regulation made under section 22 of the Companies Act 1974.

Paragraph 5 alters the law in relation to the Tynwald procedure applicable to regulations made under section 22 of the Companies Act.

Under the Interpretation Act 1976, the paragraph extends the definition of 'accountant' in the Interpretation Act 1976 to include the Chartered Institute of Management Accountants.

In the Companies Act 1982, paragraph 1 amends section 11 of the Companies Act 1982 to correct the timing difference between the obligation of the company to send accounts to the members prior to the general meeting at which those accounts are to be considered, which is seven days, and the statutory period for notice of such meetings; the notice period for both will be 14 days.

Paragraph 2 inserts a new subsection (1A) in section 31 of the Companies Act 1982 and this requires the Financial Supervision Commission to keep a register of persons disqualified by the court from acting as directors of companies because of their conduct at the time when the company went into insolvent liquidation.

On the Income Tax (Exempt Companies) Act 1984, the paragraph here amends section 2(4) and 2(5) of the Income Tax (Exempt Companies) Act 1984.

The Legal Practitioners' Registration Act 1986: this paragraph inserts a new definition in section 10 of the Legal Practitioners' Registration Act 1986. The expression 'firm' is defined to include both corporate and incorporated bodies.

The Financial Supervision Act of 1988: this paragraph corrects the cross-reference in section 31 of the Financial Supervision Act 1988.

Under the Companies Act 1992, paragraph 1 alters the law so that the auditor's report required in section 7(8) of the Companies Act 1992 becomes mandatory.

Paragraph 2 changes the period allowed for filing particulars of purchases and authorised contracts under section 16(1) of the Companies Act 1992 from 28 days to one month.

Paragraph 3, by inserting a new subsection in section 26 of the Companies Act, requires the Financial supervision Commission to keep a register of persons disqualified by the courts under section 26 of the Companies Act 1992.

On the International Business Act 1994, by amendment to section 2(5)(b) and (6) of the International Business Act 1994, licensed CSPs and their key staff who have been vetted by the Financial Supervision Commission as part of the CSP licensing process will now automatically be qualified to act as a secretary of an international company.

Under the Limited Liability Companies Act 1996, paragraph 1 alters the law by inserting new subsections (3) to (10) in section 3 of the Limited Liability Companies Act 1996, and this allows the Financial Supervision Commission to refuse to register a limited liability company by a name that, in its view, is undesirable, or to refuse to register a change of name that is also undesirable.

Paragraph 2, by amendment to section 10(1) of the Limited Liability Companies Act, changes the period allowed for submission of an annual return from 28 days to one month.

Paragraph 3, by amendment to section 10(2) of the Limited Liability Companies Act 1996, requires disclosure of the date of the election of a manager, if any, of a limited liability company in the period of his appointment.

Paragraph 4 corrects an omission in the Limited Liability Companies Act 1996 by inserting a definition of the expression 'commission' in section 51A.

Paragraph 5 inserts a new section 4A to the Limited Liability Companies Act 1996 which allows a limited liability company to register supplemental particulars in relation to a registered charge.

Paragraph 6, by inserting paragraphs 11, 12 and 13 in schedule 3 to the Act, introduces new provisions relating to the registration of charges.

Paragraph 11 requires the Financial Supervision Commission to keep a register of charges and prescribes the particulars to be kept on the register.

Under the Companies (Transfer of Domicile) Act 1998 an amendment was carried in the other place for paragraphs 1 and 2 to be omitted.

Paragraph 3 extends the period allowed for the submission of documents under section 10(2) for 14 days to one month.

On schedule 2, Mr President, the majority of the repeals relate to changes already described, with the exception of one, and that was the Companies Act 1931: by repeal of section 82(4), the obligation of the Financial Supervision Commission to keep an index of charges entered in the Register of Charges is removed and, by repeal of section 321, if a company incorporated outside the Isle of Man carries on activity of a share transfer or share registration office, it will not now automatically be taken to be a place of business in the Island.

Mr President, I could say also in that, that we had the amendment from another place, which is a small but important amendment, which is now included in the Bill and that is to allow businesses to come into the Island without having to go through the problems of Private Members' Bills, which we have seen quite a few of in recent times. (Mrs Crowe: Yes.) This will allow them to do so through this vehicle, rather than having to go for a private one.

So with those comments, Mr President . . . I think it was also in another place quite a little while ago that a previous Chief Minister moved, and in *Hansard* of November 1997, it was commented upon then that this particular move would be something that would be helpful to the Island to get into a modern structure that would assist in bringing business to the Island. I would believe that that to be the same, Mr President.

So I beg to move that the clause 33 and schedules –

The President: Clause 32.

Mr Gelling: – sorry, 32 and schedules 1 and 2 become part of the Bill, sir.

The President: Mrs Crowe.

Mrs Crowe: I beg to second, Mr President.

The President: Mr Attorney.

The Attorney General: Mr President, I of course congratulate the Hon. Member for persevering in dealing with the schedules, which are very clear, but Mr President, my ears did prick up when the Hon. Member referred to the burden of proof being altered in relation to paragraphs 28 on page 44 of the Bill and at paragraph 4 under the Companies Act 1974 on page 45 of the Bill.

Mr President, I think it is important to point out that those provisions do not alter the burden of proof in any respect. What those clauses do is to make it clear that if an offence is committed by a company then not only is the company, but also a director or secretary who is proved to have been at fault is also responsible with the company. So I am sure it is something that the Hon. Member's brief did not perhaps cover accurately, but I do not think there is any suggestion that the burden of proof has altered in any way.

The President: Mr Waft.

Mr Waft: Just one comment, Mr President. Page 41, item 12, when it says 'the register of directors' '(a) in the case of an individual, his date of birth': I know with the data protection when we apply for staff, we are not allowed to ask their date of birth, as long as they fall within the criteria of retirement at 60 or 65, as the case may be, but these people seem to be able to demand their date of birth, but whether there is –

The President: It would be even worse if it was 'her date of birth', wouldn't it?

Mr Lowey: Yes.

Mr Waft: Absolutely.

Mr Gelling: My only comment is that that is in here and I understand that it is covered through the data protection situation that they agree that that should be the case.

Mrs Crowe: We would have to ask why, wouldn't we?

Mr President: In that case, Hon. Members, if Members are happy with that explanation, I will put to you that clause 32, along with schedules 1 and 2, noting the amendment made in the other place. Hon. Members, those in favour please say aye; against, no. The ayes have it. The ayes have it.

Finally, the short title and commencement, clause 33. Mr Gelling.

Mr Gelling: Yes, thank you, Mr President. Clause 33 gives the short title of the Act and provides for one or more appointed day orders to be made to give us provisions effect, sir, and I beg to move.

The President: Mrs Crowe.

Mrs Crowe: I beg to second, Mr President.

The President: The motion, Hon. Members, is that clause 33 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Companies, etc. (Amendment) Bill Third Reading approved

The President: Mr Gelling.

Mr Gelling: Mr President –

Mr Delaney: Yes!

Mr Gelling: – in thanking my seconder and thanking Mr Attorney for the assistance in clarifying all the details, with it in mind that it is important legislation that we would very much like to get through before the turn of the year because there are people waiting in the wings that could very well take up, particularly in the last couple of clauses, a situation of bringing business to the Island, could I perhaps ask Hon. Members whether they would take the short third reading of the Bill, so we can move it through.

Members: Agreed.

The President: Hon. Members, the request is that we should suspend standing orders to take the third reading of the Companies Bill this morning. Are we agreed, Hon. Members? (**Members:** Agreed.) In that case, Mr Gelling.

Mr Gelling: Yes, thank you again, Mr President. I thank Hon. Members, for allowing the third reading to be brought forward.

The Companies, Etc. (Amendment) Bill does make urgently required amendments to the Companies Acts 1931 to 1993 and other related legislation and the Bill also makes a number of other minor amendments.

Mr President, many of the changes are a result of representation from the private sector, whilst others adopt internationally accepted standards of best practice and corporate governance and the Bill has been generally welcomed by the private sector and I would say also by Hon. Members.

One of the key features of the Bill is the change in the law relating to issue of bearer shares. An Isle of Man company will no longer be permitted to issue share warrants to bearer. However, a holder of an existing warrant will still be able to exercise the rights attaching to that warrant by registering as a shareholder.

A number of the changes relate to the efficient operation of the Companies Registry and I would say a significant change is that a public company which is listed on a stock exchange outside the Island will be able to file in the Isle of Man the prospectus rather than having to prepare a completely different prospectus for filing in the Isle of Man.

So, therefore, Mr President, I am quite sure Members, with their support, can support the third reading and I would beg to move that the Companies, Etc. (Amendment) Bill 2003 be read a third time, Mr President. Thank you.

The President: Mrs Crowe.

Mrs Crowe: I beg to second, Mr President.

The President: Mr Lowey.

Mr Lowey: In support of the Bill, Mr President, the Member in charge says really we go back to 1931. We go back to 1918 in it, because some of the regulations have been amended in the Registration of Business Names Act 1918, so anything that is 85 years old certainly needs a makeover. I agree with him –

Mr Singer: Do you?

Mr Lowey: I certainly need a makeover – on a regular basis, I may add!

It just goes to show you how sound some of our older laws were that they managed to be complied with in this modern day and age, because the world has changed from 1918 or 1931. The Isle of Man's role is in the international business now, whereas before it was local business and then by our near neighbours, that was the sort of business we dealt with. We are now world leaders.

So, not forgetting that the world has changed, the legislation must certainly change. It is fair to say that Edwards did actually point out some weaknesses and I do not think that is a bad thing, but many of these, as was rightly said by the mover, were recognised long before Edwards was set up. It is in the consultation business and the way in which this legislation . . .

I would just say that the Island's business world has changed. Confidence, quality – a well and fairly regulated business jurisdiction the Isle of Man has certainly become. I think we have to have a sound, competent legal system and that is what this law is about and I think to service that we have got to have a professional legal system which is now competent and able, and we certainly have that, and all the professional services that go to make the finance sector: accountants, CPS providers, the lot. All are well regulated now, so I think the system is coming together, and I think this is another part in that jigsaw of getting a recognised jurisdiction externally that can actually carry out world-wide business. I think the Treasury is to be congratulated. I support the Bill.

Mr Delaney: Hear, hear.

The President: Mr Attorney.

The Attorney General: Mr President, may I wholly endorse what the Hon. Member of Council, Mr Lowey, has said.

It seems to me that, as the Hon. Member has said, our Companies Acts have indeed served us very well and I think it is extremely important that we bear in mind that our Companies Act has mirrored for the most part the companies legislation of the United Kingdom, and, indeed, our 1931 Act mirrored the 1929 Act of the United Kingdom and it has proved to be an excellent basis for our financial services industry.

From time to time we hear moves or suggestions that we ought to draft legislation which is tailor-made for the off shore jurisdictions, in other words to provide particular advantages for our jurisdiction which are not available in

some of the larger jurisdictions. Mr President, in my respectful view, there is some real element of danger in such a proposition.

It is extremely important that we continue to have a very firm weather eye on what goes on in the United Kingdom so that, for example, lawyers in London, who are not only now English lawyers, but American lawyers and lawyers from Hong Kong and so on, can do business with our lawyers and accountants in the Isle of Man and speak the same language, as it were, on the corporate sphere.

So I would, if I may, as I say, wholly endorse what the Hon. Member has said and would just, perhaps, advocate some caution if we are asked to have a dramatic departure from UK legislation.

Mr Gelling: Hear, hear.

The President: Mrs Christian.

Mrs Christian: Mr President, a brief point, just to support the third reading and to comment on the point made by my hon. colleague, Mr Waft, in bringing into the debate at an earlier stage the question of data protection.

There are circumstances where it is entirely appropriate that personal details are recorded for public consumption and if we have to do it statutorily, so be it. It may be a question that needs to be considered from an Island perspective, whether there are areas currently where we cannot ask for personal data, (**Mr Delaney:** Hear, hear.) where it would be in the interests of the community (**Mr Delaney:** Hear, hear.) at large to be able to ask those questions, and if that takes statutory change then perhaps that should be considered, (**Mr Delaney:** Yes.) but, as far as this legislation goes, I am quite sure that it does enable the right questions and data to be gathered.

The President: Mr Gelling.

Mr Gelling: Yes, thank you, Mr President. I do thank Hon. Members for their support for the Bill and I think, taking up the point of good legislation, old legislation, it would be fair to say that this really is part of the companies and a review of urgent – but I can warn Hon. Members that there is a bigger review possibly ongoing – but this was really what we required urgently, but certainly, somewhere in there I am quite sure I can remember a 1908 reference, so it does go back a long way.

On the data protection, that is a point and I take that on board, because even when you ring up a bank or something to identify yourself, one of the questions they ask you is either what your mother's name is or what your date of birth is. So it does seem inconsistent that that is obviously

acceptable in some areas and not in others.

But without delaying Hon. Members any further, I just thank you for the way in which we have handled this Bill and thank you for your support.

The President: Hon. Members, the motion which I put to Council is that the Companies, Etc. (Amendment) Bill 2003 be read for a third time. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Procedural

The President: Now, Hon. Members, that draws to a conclusion our business for this morning.

It would appear that we do not have any business coming from the Keys for next week, Hon. Members. I have not been notified of any questions which Members wish to raise. In that case, Hon. Members, with your concurrence, I think we can adjourn to the 18th, the sitting of Tynwald.

Mr Lowey.

Mr Lowey: Could I, Mr President, then perhaps respectfully suggest that in case people . . . if it is reported elsewhere we are not meeting again, it is because the House of Keys has not provided (**Mr Delaney:** Hear, hear.) us with any work, that we are not meeting, because I do think sometimes we do get a bad press, if I may say so. (*Interjection by Mr Delaney*) Well, whatever it is, I am taking the opportunity to state publicly that the role of the Council can only be to review legislation which has been approved by the Keys and, in this case, they have not got any for us and that is the reason why we are not meeting.

Mr Delaney: Can I raise a point similar to that of my colleague. It reminds me of the vicar who used to speak to empty churches; the situation is, I know, we had some of the hon. press corps here this morning, but I do feel, as other Members must do, that some of the issues that we are addressing here are not on the format of any journalist or any media I am aware of. We seem to be completely forgotten about in our role in this administration, Mr President.

The President: Mrs Crowe. No, you have passed, okay. Right. Now, Hon. Members, noting those comments, I think we will adjourn to Tynwald Court on the 18th November. Thank you, Hon. Members.

The Council adjourned.