



HOUSE OF KEYS OFFICIAL REPORT

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PROCEEDINGS

DAALTYN

HANSARD

Douglas, Tuesday, 13th November 2012

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Present:

The Speaker (Hon. S C Rodan) (Garff);
The Chief Minister (Hon. A R Bell) (Ramsey);
Hon. D M Anderson (Glenfaba); Mr L I Singer (Ramsey);
Hon. W E Teare (Ayre); Mr A L Cannan (Michael); Hon. T M Crookall (Peel);
Hon. P Karran, Mr Z Hall and Mr D J Quirk (Onchan);
Mr R H Quayle (Middle); Mr J R Houghton and Mr R W Henderson (Douglas North);
Hon. D C Cretney and Mrs K J Beecroft (Douglas South);
Hon. C R Robertshaw and Mrs B J Cannell (Douglas East);
Hon. J P Shimmin and Mr C G Corkish MBE (Douglas West);
Mr R A Ronan (Castletown); Mr G D Cregeen (Malew and Santon);
Hon. J P Watterson, Mr L D Skelly and Hon. P A Gawne (Rushen);
with Mr R I S Phillips, Secretary of the House.

Business Transacted

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The House adjourned at 12.26 p.m.

House of Keys

The House met at 10.00 a.m.

[THE SPEAKER *in the Chair*]

The Speaker: Moghrey mie. Good morning, Hon. Members.

5 **Members:** Good morning, Mr Speaker.

The Speaker: The Chaplain will lead us in prayer.

PRAYERS

10 *The Chaplain of the House of Keys*

Photos to be taken during the sitting Leave granted

15 **The Speaker:** Hon. Members, the Seneschal will be taking one or two photographs of Members in the Chamber this morning, for use in the Tynwald Report. I trust this will cause no distraction. No flash photography is involved. Is that agreed, Hon. Members? (*It was agreed.*)
20 Thank you.

Questions for Oral Answer

25 **CHIEF MINISTER**

National Strategy Group Purpose

30 1.1. The Hon. Member for Douglas South (Mrs Beecroft) to ask the Chief Minister:

What the National Strategy Group is; and what its purpose is?

35 **The Speaker:** We turn now to Question 1 on our Order Paper. Hon. Member for Douglas South, Mrs Beecroft, please.

Mrs Beecroft: Thank you, Mr Speaker.
I ask the Question standing in my name.

40 **The Speaker:** I call on the Chief Minister, Mr Bell, to reply.

45 **The Chief Minister (Mr Bell):** Mr Speaker, three main subcommittees have been created by the Council of Ministers to ensure that the utmost priority is given to delivering this Government's stated priorities of growing and diversifying the economy, rebalancing public finances and protecting the vulnerable within our community are delivered. The three subcommittees are Environment and Infrastructure; Social Policy and Children; and the National Strategy Group.

50 The National Strategy Group's main purpose is to co-ordinate efforts across Government to ensure we are supporting growth and diversification of the economy but, in line with all subcommittees, it keeps all three stated priorities in mind at all times. The Group monitors international developments and any threats which could impact our economy. It ensures that major

pan-government reviews or issues with national level implications are moving forward at a suitable pace.

55 The subcommittees co-ordinate work across Government, spread the workload between Ministers and speed up decision-making within Government. This is particularly relevant where such a position requires the involvement of more than one Department or legal entity. Efficiencies are achieved when a smaller group of politicians and Ministers, working with a group of officers for technical advice, give detailed consideration to issues which cut across Government.

60 **The Speaker:** Mrs Beecroft, supplementary.

Mrs Beecroft: Thank you, Mr Speaker.

I thank the Chief Minister for his response, but could he clarify if there is anybody else regularly in the Group, and who advises that Group? Do they meet with anybody else regularly?

65 **The Speaker:** Chief Minister.

70 **The Chief Minister:** The membership of the Group, Mr Speaker, is: myself, Mr Teare, Treasury Minister and Mr Shimmin, Minister for Economic Development, as the three politicians; and advising us are the Chief Secretary, the Chief Financial Officer, the Chief Executive of the Department of Economic Development, the Director of Financial Services from Economic Development, the Assessor of Income Tax, the Economic Adviser, the Director of European Affairs, the Director of External Affairs, and the Director of Performance and Delivery.

75 **The Speaker:** Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

Could the Chief Minister confirm whether the minutes are available to everybody, or is it just for the Council of Ministers?

80 **The Chief Minister:** It is just for the Council of Ministers.

The Speaker: Mr Karran, supplementary.

85 **Mr Karran:** Can the Ard-shirveishagh just inform this House, how often have they met, as far as this Group is concerned, allowing for *[Inaudible]* as far as the economy is concerned?

The Speaker: Chief Minister.

90 **The Chief Minister:** I do not have that number, but it meets on a regular basis, Mr Speaker.

The Speaker: Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.

95 Would the Chief Minister like to give to the House information on who actually serves on this National Strategy Group – who are the members?

Mr Anderson: We've just had that. *(Interjection)*

100 **The Chief Minister:** I have just answered that.

The Speaker: Yes, that answer has been given.

105 **EDUCATION AND CHILDREN**

**Kirk Michael Land Exchange
Involvement of Charles Lewin**

110 1.2. The Hon. Member for Onchan (Mr Karran) to ask the Minister for Education and Children:

What negotiations in relation to the Kirk Michael Land Exchange Swap deal Charles Lewin was involved in on behalf of Dandara?

115 **The Speaker:** Question 2, Hon. Member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I ask the Question standing in my name.

120 **The Speaker:** I call on the Minister for Education and Children, Mr Crookall.

Mr Crookall: Thank you, Mr Speaker.
We are not aware of any involvement at all.

125 **The Speaker:** Mr Karran.

Mr Karran: Thanking the Shirveishagh son Ynsee for his reply, has he kept with the previous Ministers, as far as his statement is concerned? I know this Minister for Education had no involvement, but other Ministers before my time, did they have any involvement?

130 **The Speaker:** Mr Crookall, Minister.

Mr Crookall: That is the case, Mr Speaker. I have checked with the former Minister, Mr Teare, and that is the case, as far as we know it, sir.

135

HEALTH

Liverpool Care Pathway review in UK Statement

140

1.3. The Hon. Member for Douglas South (Mrs Beecroft) to ask the Minister for Health:

145 *If he will make a statement on the recently announced review of the Liverpool Care Pathway in the UK?*

The Speaker: Question 3, Hon. Member for Douglas South, Mrs Beecroft.

150 **Mrs Beecroft:** Thank you, Mr Speaker.
I ask the Question standing in my name.

The Speaker: Minister for Health, Mr Anderson.

155 **The Minister for Health (Mr Anderson):** Thank you, Mr Speaker.
There has been a lot of adverse media coverage lately about care being given to dying patients. Marie Curie Centre, who are responsible for the development of the Liverpool Care Pathway, are continuing to work with the Department of Health in the UK, End of Life Care National Programme Co-ordinators and other national bodies to improve the care and support given to all dying patients and their families, as well as improving the understanding of the aims of the Liverpool Care Pathway.

160

It must be recognised that the adverse stories and concerns have come about in circumstances where all aspects of the standards within the Liverpool Care Pathway have not been fully implemented in the way it is intended, and where there is a lack of understanding about the Liverpool Care Pathway, the main such concern being the involvement and consultation with patients and families about end-of-life decisions.

165

The Health Secretary in the UK, Jeremy Hunt has stated he wants a revamp of the NHS Constitution which will legislate that medical professionals speak to relatives before implementing the Care Pathway. Mr Hunt's determination that patients and families should have a right to be involved in the care and decision-making at the end of their relative's life is in truth already enshrined within the Liverpool Care Pathway.

170

Here in the Isle of Man, the recent 2011-12 National Audit of the Liverpool Care Pathway showed our documented evidence of compliance with the standard relating to communication with

relatives or carers regarding a plan to promote understanding was 95%, against a national average of 71%.

175 Where this communication does not happen with patients and their families reflects where the Pathway is not being properly implemented. Our recent appointment of a Liverpool Care Pathway Co-ordinator, funded and employed by the Isle of Man Hospice, who will monitor implementation of Liverpool Care Pathway across all healthcare settings, will certainly help ensure our high standard of implementation is maintained and built on. We will watch with interest the continued developments and ensure that we implement any further best practice recommendations, with consultation and review.

180 It must also be recognised that ensuring that those at the end of their life achieve a good death is one of the greatest challenges our medical and healthcare colleagues face. I will do everything in my power to ensure that they have the tools and appropriate support that they need to achieve this.

185 **The Speaker:** Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

190 I thank the Health Minister for his comprehensive response. I am delighted to hear that we are so much better than the UK. I think that will set a lot of minds at rest.

However, I just wonder if he could clarify: I know that the UK consultation is closing at the end of January, and they are hoping to have revised the NHS Constitution by April next year. There is a bit of a difference between complying with best practice and legislation: I am wondering whether the Minister could confirm that, if the UK decides it needs to go into legislation, will he be following suit?

195 **The Speaker:** Minister.

The Minister: I thank the Hon. Member for her supplementary.

200 It will be interesting to see how the proposed legal requirement to involve families in the decisions will play out. There is clear potential for conflict between the wishes of patient to go on the LCP or not. We will look with interest to see what comes out of the review. I cannot say what our position will be, but I think it will be difficult to improve upon what we have got. I think the appointment of the Care Co-ordinator is a very positive step forward, and I am confident that our service will actually improve as we go forward.

205 But I am more than happy to see what comes out in UK, and then to reassess our situation when that happens.

210 **The Speaker:** Mrs Beecroft, supplementary.

Mrs Beecroft: Thank you, Mr Speaker.

Would the Minister keep Members updated of the position after the review is completed in the UK, so that we know exactly where we are going?

215 **The Speaker:** Minister.

The Minister: I will be happy to keep Members updated, when that information comes out, of our position in relation to what happens and what has been proposed in the UK.

220

Noble's Hospital Healthcare Commission Report Recommendations not implemented

225 1.4. The Hon. Member for Douglas South (Mrs Beecroft) to ask the Minister for Health:

Pursuant to his Written Answer to Question 13 at the 30th October sitting of the House of Keys, which of the recommendations have not been fully implemented?

230 **The Speaker:** Question 4, Mrs Beecroft, please.

Mrs Beecroft: Thank you, Mr Speaker.

I ask the Question standing in my name.

235 **The Speaker:** Again, I call the Minister for Health, Mr Anderson.

The Minister for Health (Mr Anderson): Mr Speaker, the recommendations which have not been fully committed fall mainly into one group which centres around the development of information systems, benchmarking with UK trusts, the provision of outcome data and the provision of performance management information.

240 It is well recognised that we have endeavoured to complete the action with regard to IT developments. However, the systems we have and the restrictions placed upon us have hampered us. We do not have the same number of staff as would be seen in an NHS trust, which greatly restricts our ability to extract, in particular, clinical information. Those Members who attended the waiting-list update briefing by the Department last week will recall that it is a major problem for us. These recommendations affected by IT problems are numbered 8, 21, 22, 25 and 27 in the HCC Report.

245 Recommendation 55, involving antimicrobial prescribing and the related guidelines is almost complete and will be finally implemented following the arrival of the new consultant microbiologist, who will be commencing in post in the near future.

250 With regard to the review of staff and facilities for diagnostic imaging services, whilst the review at the time of the HCC Report showed sufficient resources for our needs at that time, due to the rapidly changing and increasing demands for diagnostic services, it is now necessary to undertake a further review, and this will be conducted in due course.

255 As the pace of change within healthcare is rapid, not least due to developments in medical training, treatment and diagnostic services, the recommendations made by the Commission in 2006 are not now all necessarily relevant. Many have been overtaken by further developments and our provision is in excess of that noted in 2006.

260 **The Speaker:** Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

265 Would the Minister then be prepared, maybe in a table format, to say which are being complied with, which are no longer relevant, and the other reasons that he has given? And would the Minister accept that, had he given me a better response to the Written Question that I tabled, he might not have been asked this Question yet again today?

The Speaker: Minister.

270 **The Minister:** I am quite happy to provide the details on the individual recommendations, but as I have already said, a lot of this has been surpassed by technology that has evolved since.

I am more than happy to do that and I can do that for Hon. Members.

275 **SOCIAL CARE**

**Atos Healthcare
Terms of contract**

280 1.5. The Hon. Member for Douglas South (Mrs Beecroft) to ask the Minister for Social Care:

What the terms of the contract with Atos Healthcare are; and what the cost is?

285 **The Speaker:** Question 5, Mrs Beecroft, please.

Mrs Beecroft: Thank you, Mr Speaker.
I ask the Question standing in my name.

290 **The Speaker:** I call on the Minister for Social Care, Mr Robertshaw.

The Minister for Social Care (Mr Robertshaw): Mr Speaker, the Department does not actually have a contract with Atos Healthcare. Services are being provided to the Department under the provisions of the contract which exists between Atos Origin IT Services UK Ltd and the UK Department for Work and Pensions, which was entered into in March 2005. Within that

295 contract, there is an explicit provision for services to be provided to the Isle of Man. The services
being provided to my Department by Atos Healthcare are in relation to the personal capacity
assessment for incapacity benefits. The Department is currently two-thirds of the way through a
300 six-month pilot exercise. This will help inform future throughput and the service levels that will be
likely needed to meet that throughput. At the end of the exercise, we will determine how specialist
services in relation to personal capacity assessments will be provided in the future.

Mr Speaker, I am not at liberty to confirm how much Atos Healthcare are being paid for their
services, as to do so could prejudice the interests of Atos Healthcare and the Department's future
dealings with Atos Healthcare or other service providers. Furthermore, it would compromise any
tender process the Department may be required to undertake in the future.

305 However, I can advise that the Department is being charged by Atos Healthcare the same, on a
pro rata basis, as is charged to the Department of Work and Pensions and that I am satisfied that
we are getting excellent value for money.

The Speaker: Mrs Beecroft.

310

Mrs Beecroft: Thank you, Mr Speaker.

I thank the Minister for his response, but could he clarify whether there was no suitably
qualified medical professionals on the Island who could have undertaken this work? Whilst the
Minister might be satisfied with the value-for-money aspect of this, is he satisfied with their
315 performance?

The Speaker: Mr Robertshaw.

The Minister: Thank you, Mr Speaker.

320

No, there was no suitable local specialist, because this effectively now is very much a
specialist area. Yes, I am satisfied with the performance. So far, 106 assessment cases have been
concluded. Of those, 33 signed themselves off before the assessment even took place; 33 had their
benefits confirmed; and 40 were found capable of work.

The Speaker: Mrs Beecroft.

325

Mrs Beecroft: Thank you, a final supplementary, Mr Speaker.

Could the Minister confirm if there have been any complaints received from the people who
are being assessed, and if so, how many?

330

The Speaker: Minister.

The Minister: The way I would like to interpret that, Mr Speaker, would be to look at it from
the point of view of appeals. In other words, every person who goes through the assessment is
entitled to an appeal process. We have not had one single appeal throughout the process so far.

335

I would also, though, take the opportunity, if I may, to look at one or two of the sensitive areas
that have been raised in recent months with regard to Atos, and I would ask Hon. Members to be
aware that the Isle of Man waited four years before it adopted the Atos process. It was necessary to
ensure that all the wrinkles and difficulties were ironed out, and in fact, before we approached this,
340 Prof. Malcolm Harrington CBE conducted two reassessments of the process in the UK, and it is
only now that we are satisfied that it is fully settled.

There are one or two other sensitive areas as well, one being the issue of those with mental
health, and I am pleased to be able to assure the Hon. Member that we have two senior doctors
conducting our assessments, one of whom has a speciality in mental health.

345

Another area that was faulty in the UK was that Atos Healthcare in the UK operated an over-
booking system. We do not operate that in the Isle of Man.

I hope that assists the Hon. Member.

The Speaker: Mrs Cannell.

350

Mrs Cannell: Thank you, Mr Speaker.

Can the Minister advise, when he gave us the breakdown of those who were claiming prior to
the assessment, or those who were assessed, being the number of 106, he indicated that 40 were
assessed as being capable for work. Can he advise the House whether or not any of those 40 have

355 been able to actually gain employment in the Island, bearing in mind that his Department is also responsible for that area too?

The Speaker: Minister.

360 **The Minister:** Mr Speaker, thank you.

In fact, assessing somebody for a form of capability of work effectively places them on a different set of allowances and encourages the individual to approach the concept of going back to the workplace. I have not got the detailed answer so far. That is the sort of thing that I will review at the end of the six-month process and be happy to report to the House at that time.

365 Thank you.

The Speaker: Mr Houghton, Hon. Member.

Mr Houghton: I thank you, Mr Speaker.

370 Bearing in mind the rather staggering figures that the Minister has portrayed this morning, and the fact that Atos itself in the United Kingdom have got a reputation for bullying people who are unable to go to work, why has his Department not undertaken its own examination of those on Incapacity Benefit during its own time, rather than bringing this consultant agency in to do the work, in order to cut the figures down if it did suspect that some of the claimants – or indeed, as he
375 is trying to say now, a lot of claimants – were claiming benefit when perhaps they should not have done?

The Speaker: Reply, sir.

380 **The Minister:** Mr Speaker, this is a very sensitive and specialist area. The Isle of Man was not in the business of jumping into using specialist services until it was absolutely satisfied that those services were appropriate, and as I have indicated in an earlier answer, we took special precautions to make sure that we were both sensitive to the process and we had the appropriate specialities. So
385 I think we have got the pace about right, Mr Speaker.

The Speaker: Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.

390 Following on from the previous question, bearing in mind the extensive criticism of this organisation – not just in the United Kingdom, but in Scotland and Ireland also – the Minister is not seriously considering, is he, that at the end of this pilot scheme he will go into a contractual arrangement with this organisation? If he is, has it not occurred to him that they may have sent over their *best* general practitioners who have expertise in mental health areas in order to impress,
395 to win a contract at some point in the future?

Mr Houghton: Hear, hear.

The Speaker: Minister.

400 **The Minister:** Mr Speaker, I am not in the business of pre-judging a decision that I will make at the end of what is a trial, and the trial has not yet ended. I think it is appropriate that I make any decision based on the evidence before me and the performance that we have had.

405 With regard to her comments about Atos putting the right foot forward, if ultimately we do decide to go with Atos – and it may be Atos or another contractor – then we will make absolutely sure that they comply with the parameters which suit the Isle of Man, and thus far I am pleased with progress.

The Speaker: Mr Karran.

410 **Mr Karran:** Vainstyr Loayreyder, could the Shirveishagh, allowing for the fact that in his original Answer he said that he was not prepared to display the costs as far as the consultancy is concerned, does he not feel that Government, now that it is in hard times... that we need to get away from Government hiding behind commercial confidentiality all the time?

415 Once a contract has been awarded, then the details of the tenders of the successful contractor and the others should be in the public domain. Does he not agree that, once again, what we find is

420 that this House is not being given the full information, so it cannot analyse whether it actually is getting value for money as far as these consultancies, and allowing for the fact of some of the other Departments, will he raise it with the Council of Ministers that once it has been awarded, the whole tendering procedure should be transparent and out in the public domain? It is public money and the public have a right to know where their money... what amount is going on what.

The Speaker: Minister.

425 **The Minister:** Mr Speaker, I am sure the Hon. Member for Onchan appreciates that it is our duty at all times to protect taxpayer funds.

Mr Karran: You haven't done a good job up to now.

430 **The Minister:** We have not got a contract with Atos at the moment, as I explained in my original Answer. What we have is a trial period moving towards a contractual process in due course, and I am sure the Hon. Member appreciates that if we started producing numbers at this stage, it would completely prejudice the process.

435 **The Speaker:** Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

440 If the Minister could answer this: for Disability Living Allowance, there is a comprehensive review at staged periods over the time of those beneficiaries who claim those benefits, usually on a long-term basis, similar to incapacity benefits, so why and how has there not been a similar review done on those over the time, rather than bringing in a bullying outfit in order to pressurise people who may not be well enough to work?

The Speaker: Minister.

445 **The Minister:** Mr Speaker, I simply do not accept the language being used in this situation. (A Member: Hear, hear.) It relates and it correlates in no way, shape or form with the experience so far.

450 **Mr Houghton:** How do you know?

The Minister: I will be happy to report to the House, as I have said, the outcome of the trial when it reaches its end.

455
**Statutory maternity pay
Timeframe for implementing changes**

460 1.6. The Hon. Member for Onchan (Mr Karran) to ask the Minister for Social Care:

Over what period changes in Statutory Maternity Pay will be implemented on the Isle of Man?

The Speaker: Question 6, Hon. Member for Onchan, Mr Karran.

465 **Mr Karran:** Vainstyr Loayreyder, I ask the Question standing in my name.

The Speaker: Minister for Social Care to reply.

470 **The Minister for Social Care (Mr Robertshaw):** Thank you, Mr Speaker.

Statutory maternity pay has never existed on the Isle of Man, and there are currently no plans to introduce it here. Furthermore, it is not clear from the Hon. Member's Question what changes to statutory maternity pay in the UK that he is alluding to, so I am not able to respond in specific terms.

475 My Department does, however, provide a social security benefit specifically targeted at women who are pregnant or who have recently given birth, i.e. Maternity Allowance. It also provides a

benefit for fathers who are on paternity leave, i.e. Paternity Allowance. The Department has no plans to make any changes to the entitlement conditions for these benefits at the present time.

480 **The Speaker:** Mr Karran.

Mr Karran: Does the Shirveishagh not understand that the issue is about giving complete parity to the UK, as far as the interchanging of the statutory benefits that they have got in the United Kingdom, to the mother and to the father? Does he not feel that, if we are trying to be a modern nation, we should be following that example, and whether we play on the words of the different benefits, the fact is that we should be trying to make sure that if it is in the interests of the mother to go back to work and not the father, then we should be doing everything we can, as a responsible jurisdiction, to do so?

490 **The Speaker:** Minister.

The Minister: Mr Speaker, I thank the Hon. Member for raising this point, because it is an important one; but he talks about parity with the UK and I would caution him very, very carefully in that regard.

495 The UK, certainly – I think it was in the newspapers this morning – has been talking about the introduction of maternity and paternity pay, but what they do *not* say, and what I would bring the Hon. Member's attention to, is that effectively the UK has announced proposals to introduce a system of parental leave and pay from 2015. These propose to reduce the maximum period for which Maternity Allowance is payable to 18 weeks from the current 39 and to introduce a 21-week parental pay.

500 What effectively that is doing is it is moving away from the model that we have got at the moment, which is providing maternity benefit, and giving it over as a responsibility to the employer. Now, on the face of it, from the public's perception, it looks good; but when you when you address it from the standpoint of costs to businesses, it becomes very questionable.

505 In recent days, the Minister for Economic Development has been articulating the view that the Isle of Man has to be one of *the* perhaps most business-friendly small jurisdictions in the world. New business comes from small businesses and small businesses find it very difficult indeed to carry heavy maternity payments. In fact, it would inhibit some from actually entering into the market in the first place. The advantage paternity benefit has is that it effectively spreads the risk across society as a whole and indirectly, therefore, encourages employers to create jobs. I think the Treasury Minister would be the first to acknowledge that even he is surprised at the difference a small adjustment on National Insurance has made to employment.

510 So the Isle of Man has to be extraordinarily careful about how it proceeds and not fall into the trap that the UK is now falling into.

515 **The Speaker:** Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree that when dealing with benefits, we actually make allowance for small businesses, when we talk about the redundancy of other areas? Would the Shirveishagh not also agree that it is rich to lecture this House and this Hon. Member about the issues of the environment for small business, when we have allowed things such as the unrealistic costs of off-Island transport through Government intervention with the User Agreement, the issue of the MEA with the debt that we have had – ?

525 **The Speaker:** Hon. Member!

Mr Karran: How does the Shirveishagh try and pretend that somehow the excuse of bringing in social legislation is going to be the major factor in whether small businesses exist on this Island, when the fact is there are much more fundamental issues that should be addressed, if we are to worry about that?

530 **The Speaker:** Minister, without widening out the debate, you may answer.

The Minister: Just simply to apologise to the Member if he feels I have been lecturing him. I was just trying to point out a specific area of concern, which must matter to us all, that we keep our unemployment levels low and that we are encouraging new businesses wherever we can.

The Speaker: Finally, Mr Karran.

540 **Mr Karran:** Would the Shirveishagh not agree that many outside this House would see this as the usual tack that we have, being a Member of this House for the last 26 or 27 years, that when we talk about social legislation and about trying to get things done on the employment base, we have all the excuses under the sun; but when we are talking about Dutch auctions on taxation and other issues, there are no concerns about the long-term implications as far as that is concerned?

545 Does he not think that he needs to make sure that as Minister of Social Care, yes, we are in difficult times, but we should not be making the ones who have got the responsibility for the next generation pay for the mistakes, as far as bad governance in the past?

550 **The Speaker:** This is broadening out the Question far too much, really. I will leave it to the Minister how he responds.

The Minister: It is too broad a base to answer. I just draw the Hon. Member's attention to the details of my answer and ask him to consider them in more detail at a later date, perhaps on *Hansard*.

555 **The Speaker:** Thank you.

560 **Housing policy**
Choice of housing list for resident applicants

1.7. The Hon. Member for Onchan (Mr Karran) to ask the Minister for Social Care:

565 *If his Department will ask all housing authorities to introduce a policy that once applicants have a residential qualification for the Island they can go on the housing list of their choice as being most suitable for their housing needs?*

The Speaker: Question 7, Hon. Member for Onchan, Mr Karran.

570 **Mr Karran:** Vaintstyr Loayreyder, I ask the Question standing in my name.

The Speaker: Again, Minister for Social Care to reply.

575 **The Minister for Social Care (Mr Robertshaw):** Thank you Mr Speaker.

The Hon. Member will be aware that the delivery of public sector housing by an existing structure of 17 housing authorities presents significant challenges to the target of those in acute housing needs across the Island. I referred to this as the postcode lottery in a recent media release and the issue of fairness and equity within the public sector housing sector is one I personally feel very strongly about.

580 In short, my personal answer to the Question is yes and I have asked that this be included in detailed follow-on work required to progress the findings of the housing review. Any policy changes in this area as a result of this work will be brought before Tynwald for approval in due course. The Housing Review has identified a number of areas where policy changes are needed to ensure the Isle of Man has financially sustainable, good-quality housing services, fit for purpose and target those in real need. As it stands now, all housing authorities have their own waiting list and allocate properties in line with the Tynwald approved shared allocation criteria, using a points system, which includes residency, need and local connection.

585 Some housing authorities have worked with my Department to help those in severe housing need find a suitable property outside their usual housing authority area. However this does not happen across all housing authorities, as some do not wish to share waiting lists and there is currently no legal requirement to do so. This is another of the issues my Department will be addressing in the follow-up work from the Housing Review.

590 I am committed to working with all the public sector housing authorities to address this and the other challenges presented by the current arrangements and hope my colleagues will support me in this endeavour.

595 **The Speaker:** Mr Karran.

Mr Karran: Vainstyr Loayreyder, I thank the Shirveishagh for his reply.

600 Would the Shirveishagh consider, maybe, when it comes to statutory review, to put a simple clause in to give that statutory right, allowing for the fact that the taxpayers subsidise sheltered accommodation, first-time buyer housing and local authority housing and not the ratepayers that often many people get confused with?

605 Would he consider giving it some priority with that flexibility and would he agree that is really the main issue that needs to be addressed? Once they have got their residency, then an individual who has got children in a different part of the Island, who is getting old, can actually apply to be transferred there.

Let's stop that nonsense and not worry about getting all the housing authorities together.

610 **The Speaker:** Minister to reply.

The Minister: Mr Speaker, with the exception of the last remark, I am in broad agreement of the spirit of his comments. However, I do not want to say too much at this stage, because one is going through a period of considerable, sensitive discussion with local authorities and I think that needs to conclude before I start arriving at concrete proposals.

615 **The Speaker:** Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.

620 In respect of the sensitive discussions that are ongoing at the moment with local authorities, is he able to advise the House on why Douglas Corporation feel confused at this time with his pre-determined policy desire that his Department become responsible for all of the local authority housing in the Island and to banish all housing authorities?

625 **The Minister:** Mr Speaker, what emotive and inaccurate language! I have not made any such statement.

The Speaker: Mr Hall.

Mr Hall: Thank you, Mr Speaker.

630 Would the Minister confirm that in the recent consultation, one housing authority with regional administration was nearly as popular as a single housing authority? Is having regional lists administered by one authority with regional officers an option still being considered? Does he not think that, as far as reform of local authorities, any detailed research – from my questioning – has not yet been completed?

635 **The Speaker:** Minister.

640 **The Minister:** Mr Speaker, nothing has been completed, which is why it is not appropriate for me to say too much at this stage. Negotiations and discussions are ongoing and again, in due course, I will bring conclusions back to the House as soon as I possibly can and not before.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

645 Can I ask the Minister, then, what is his view? Is his view that his Department should carry housing for housing stock? Or should it all be given away and not in Government control?

Could he also, as a second part, as to... is it not the case already for sheltered accommodation that people can transfer right round the Island? Could the Minister confirm that?

650 **The Speaker:** Hon. Member, this is not a wide housing debate. All sorts of interesting, but superfluous views beyond the Question on the Order Paper and I am not going to have it widened out. We will leave that one.

Mrs Cannell.

655 **Mrs Cannell:** Thank you, Mr Speaker.

Having accepted that the Question said, 'If the Department will ask all housing authorities to introduce a policy', my concern is the policy that the Minister is presently pursuing with the housing authorities. Rather than criticise me for my language used in this House, which is

660 perfectly appropriate and not against Standing Orders, is the Minister not aware of the comments
made by the Leader of the Council of Douglas Corporation in the last 24 hours? If he is not, will
he familiarise himself with it first before he criticises this Member in this House?

The Minister: I have got no comment to make on that, Mr Speaker, at all.

665

INFRASTRUCTURE

Southern Plan Date for Tynwald debate

670

1.8. The Hon. Member for Onchan (Mr Quirk) to ask the Minister for Infrastructure:

675 *When the Southern Plan will be brought before Tynwald?*

The Speaker: We move to Question 8. Hon. Member for Onchan, Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

680 I wish to ask the Question standing in my name, sir.

The Speaker: Minister for Infrastructure to reply, Mr Cretney.

685 **The Minister for Infrastructure (Mr Cretney):** Mr Speaker, the Department is currently
reviewing representations which were submitted following a public consultation which ran from
7th to 29th June on the proposed modifications to the Area Plan for the south. Once these have
been reviewed and assessed, any required final changes will be made to the Area Plan for the
south. Following this, the Plan will be adopted by the Department and then move via Council of
Ministers to Tynwald for approval.

690 At this stage, I am not able to specify when this final stage will take place, but I am hopeful
that it will be undertaken very soon.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

695 Can I ask the Minister, does he think the process is taking far too long? I am just wondering
why – could the Minister indicate to the House why – the process is taking a bit longer? If we are
to have development plans speeded up in the future, for our economy, can we change the model?

The Speaker: Mr Cretney.

700

The Minister: A number of elements of planning do take a long time, and that is because
legislators have laid down processes which have to be followed by the planners.

705 I understand the frustration of Hon. Members and it is my clear intent, whilst I am in the
position that I am in, to try and speed up that process in order to facilitate and work with all sectors
for the benefit of the Isle of Man and its economy.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

710 Could I ask the Minister, in the intervening period, is the Planning department happy to have
special planning orders brought forward in the Southern Plan, prior to it being adopted by the
House?

The Minister: No.

715

ECONOMIC DEVELOPMENT

720

**Irish Sea oil
Estimate of DED's share**

1.9. The Hon. Member for Douglas North (Mr Houghton) to ask the Minister for Economic Development:

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What estimate he has made of his Department's share of Irish Sea oil off the west coast of the Island?

730

The Speaker: Question 9, Mr Houghton.

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

735

The Speaker: The Minister for Economic Development, Mr Shimmin, to reply.

The Minister for Economic Development (Mr Shimmin): Thank you, Mr Speaker.

740

As Members are aware, the Isle of Man owns its territorial seas up to 12 nautical miles from our shoreline. During the 1990s, the Department issued a number of hydrocarbon prospecting licences to assess the potential of oil and gas in the Isle of Man territorial seas. Applications for a first round of exploration were received in 1995 and licences for a six-year period were awarded to Elf and Marathon.

745

Elf relinquished its licences prior to the expiry of the six-year term after disappointing results using 2-D seismic survey work and a drilled well in 1996. Based on these results off the west coast of the Island, Elf did not consider further exploration was justifiable, as it considered there was no source rock potential in the area. Marathon also drilled a well in 1996, which was abandoned as a dry well. In 1996, out-of-round licences were also granted to Marathon and BP, but both have relinquished early after disappointing results.

750

The previous well and seismic data relating to our territorial seas to the west of the Island is available for use by the oil and gas industry, and should the Department be approached, we would consider applications for an out-of-round licence. The results from Elf were not encouraging; however, as technology advances and the value of hydrocarbons increases, then we would welcome dialogue with serious parties interested in revisiting our territorial waters.

755

The Speaker: Mr Houghton, a supplementary.

Mr Houghton: Thank you, Mr Speaker.

When the Minister states that he would welcome dialogue from those appropriate interested parties, can he inform this House what his Department has done to progress that matter?

760

The Speaker: Mr Shimmin.

765

The Minister: Mr Speaker, via our work both on the renewables and renewable energy, but also on the British-Irish Council, we come into contact with all of those parties who are currently involved in the oil and gas exploration. We are aware of the considerable amount of investment in the south, off the coast of Ireland, and indeed, although that is 200 miles or more away, it does indicate that there are hydrocarbons within the Irish Sea area.

770

We are aware that there is a company called Cuadrilla Resources fracking for gas in Lancashire, and this is part of the technology that we are keeping a close eye on. The issue of direct approaches to companies would require us to have some actual evidence that there is something that is of interest to them. My Department, albeit a small resource, are currently looking at renewable energy, coal, oil and gas, and looking for suitable partners to have dialogue. At the moment, in reality, the main interest is in offshore renewable energy.

775

The Speaker: Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

Could the Minister answer the question: what actions his Department has taken to go and find the business, go to the people who could assist, to see whether there are any hydrocarbon oils

780 within our territorial limit? What has his Departmental done? And, if it is nothing, would he state nothing and then would he state that he is going to take some action to find out if we can progress this matter further?

The Speaker: Minister, I am not sure how you answer that. It is the same question.

785 **The Minister:** I think the Hon. Member obviously has got concerns about the Department and my management thereof, so is using an opportunity of looking as if we are failing to take advantage of opportunities.

As I outlined in my Answer, Mr Speaker, the opportunities do not exist. It is foolhardy for the Island to go approaching people to say, 'We have dry wells, we have had investigations which indicate nothing is there, but by the way, would you, as one of the companies involved in this, like to spend large amounts of money exploring to see if there is still nothing there?'

790 Mr Speaker, the industry for this is very actively looking for all opportunities, and I am not sure which particular oil or gas companies the Hon. Member is considering, but we do talk to numerous electricity companies and companies involved in exploration, and indeed we have significant parties on the Island who are involved in significant global oil and mineral exploration. Therefore, we do have contacts.

Does he think that I am going out to individual companies? No, but I would enjoy the opportunity of talking to the Hon. Member to find out which of the numerous ones he believes would be interested in taking this further.

800

A Member: Hear, hear.

The Speaker: Mr Karran.

805 **Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh not agree that maybe the issue that really needs to be addressed is the issue of the EEZ and the fact that the United Kingdom government actually got, for its colony in the Falkland Islands, the EEZ of 200 miles of the median line? Would the Shirveishagh not agree that maybe the time has come again to make representation to the United Kingdom government on the basis of fairness and justice and its responsibilities as far as the United Nations is concerned, in that they should be honouring their commitment to this Island by giving us the EEZ as far as this Island is concerned?

810 Would he not agree that, if that was the case, the large deposits more than likely in the Morecambe gas field would actually be in our territorial sea – they *should* be in our territorial sea – and would he go back and see whether he can open negotiation with the United Kingdom on this most important thing, to get the rights of the people of the Isle of Man, the median line, which would be recognised by any other jurisdiction but for the fact that the United Kingdom government is adjacent to our territorial sea and not Argentina?

820 **The Speaker:** Minister to reply.

The Minister: Thank you, Mr Speaker.

I would hate to get the Hon. Member's or the public's expectations that this is achievable, but I genuinely say that we have and will continue to look at those issues. It is not fair, but we also are aware that all parts of the British Islands would love to have the opportunities that we have on the Isle of Man, which is owning the territorial sea beds and therefore all of the prospecting opportunities that brings. We are the only jurisdiction in these islands that actually owns the seabed, and that is something which is jealously looked at by our neighbours in the Channel Islands, and indeed Scotland, Northern Ireland and Wales.

825 The reality is that we are aware that we have renewable opportunities within our 12 miles. We are aware that other parties are looking at the potential of fracking and gas shale and other new technologies that were not available some years ago, and we are actively looking to see if we can find an opportunity to capitalise on our 12-mile territorial seas.

830 Mr Speaker, this does represent 87% of the area of the Island. It is, as yet, unexploited, and were there to be oil and gas reserves found anywhere near our waters, we would be talking to the parties involved to ensure that we were possibly getting a percentage of that, if some of it was indeed under our 12 mile-territorial area.

835 **The Speaker:** A final supplementary, Mr Karran.

840 **Mr Karran:** Vainstyr Loayreyder, thanking the Shirveishagh for his reply, but does he not feel
that he confuses the issue when talking about Scotland and Wales? We have never been part of the
United Kingdom. We are a Crown dependency, and we are not a devolved parliament of the
United Kingdom. Does he not agree that the Irish Republic never had to pay for its territorial sea?
845 It took its territorial sea and has its median line as far as the EEZ is concerned. Would he not
consider that maybe we need to raise this at the highest level again, as far as the fact of what is
right and what is wrong?

The Speaker: Minister.

850 **The Minister:** Mr Speaker, I think we are going some distance further than I can in just
answering questions. However, I referred to the British Islands, not the United Kingdom. I am
aware of our constitutional position. We are not a sovereign state, unlike the Republic of Ireland;
therefore the powers that we may have are different. We are equivalent, in many constitutional
855 ways, to the Crown dependencies who do not have, but would really love to have, the situation we
have.

Within all of these matters we are aware that it is an unfair system, that we would like to have
it out to the median line. Realistically, I believe that that is something that would not even get past
the conversational stage at political level. However, I assure the Hon. Member, when the
opportunity arises, we will take it not with an expectation, but certainly with the moral position to
860 say that would be fair and decent for our position as we move forward.

CIVIL SERVICE COMMISSION

865

Director of Financial Services, DED Terms and salary

870 1.10. The Hon. Member for Douglas North (Mr Houghton) to ask the Chairman of the Civil
Service Commission:

(a) Whether the recently appointed post of Director of Financial Services at the Department of
Economic Development is within the Civil Service;
875 (b) if so, when the post was confirmed; and
(c) what the salary scale is?

The Speaker: Question 10, Hon. Member for Douglas North, Mr Houghton.

880 **Mr Houghton:** Thank you, Mr Speaker.
I beg leave to ask the Question standing in my name.

The Speaker: I call on the Chairman of the Civil Service Commission, Mr Cannan.

885 **The Chairman of the Civil Service Commission (Mr Cannan):** Mr Speaker, I am aware that
a Director of Financial Services was recently appointed by the Department of Economic
Development. This, though, is *not* an appointment made by or on behalf of the Civil Service
Commission and therefore does not fall within the ambit of the Civil Service.

As this is not a Civil Service appointment, I have no other information about it and am
therefore unable to provide answers in relation to parts (b) and(c) of the Hon. Member's Question.

890 **The Speaker:** Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.
If I could ask the Chairman of the Civil Service Commission, under the Civil Service Act, is
895 the Department of Economic Development... or does that Department have the *vires* to make an
appointment to an established position outside the Civil Service?

The Speaker: Mr Cannan.

900 **The Chairman:** The Civil Service Act 1990, as amended, provides that roles which are wholly or mainly administrative, professional, technical, or clerical fall within the ambit of the Civil Service. Having said that, I am not in a position to give a view as to whether the position should be within the Civil Service, as I have no information about the post, other than contained in the news releases which have been made public.

905 While I am aware that, as a separate corporate entity, the Department of Economic Development has the facility to contract in its own right, I have no information about the way in which the Department has engaged the new appointee, or the rationale underpinning its approach.

910 **The Speaker:** Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

So bearing in mind that the Chairman has stated that this does fall within the ambit and of course, I think every Hon. Member in this House understands that very position, can he just clearly state, whether or not the Department of Economic Development consulted with the Office of Human Resources or the Civil Service Commission, before this appointment was made?

915 **The Speaker:** Mr Cannan.

The Chairman: As I said before, there was no consultation with the Civil Service Commission in respect of this role.

The Speaker: Mr Karran.

925 **Mr Karran:** Vainstyr Loayreyder, would the Caairliagh of the Civil Service Commission, the Chairman, not agree that the interesting points, as far as the appointment of a Director of Financial Services is concerned, what is the Commission doing to reassure the staff throughout the public service that we are having parity as far as cutbacks in different sections and making sure that we are not having a situation where we have talks about the cutback on workers' times and conditions?

930 Is he, as the Chair of the Commission making sure that that principle is having priority from the top to the bottom, as far as wages and salaries in the future?

The Speaker: Chairman, you are not required to answer that. It has nothing to do with the Question on the Order Paper – very, very loosely associated with it.

935

OFFICE OF FAIR TRADING

940

Cowboy builders Complaints; powers to deal with

1.11. The Hon. Member for Middle (Mr Quayle) to ask the Chairman of the Office of Fair Trading:

945

(a) How many complaints his Office has received during the last three years regarding the activities of cowboy builders; and

(b) whether current legislation provides his office with sufficient scope to deal adequately with cowboy builders?

950

The Speaker: Question 11, Hon. Member for Middle, Mr Quayle.

Mr Quayle: Thank you, Mr Speaker.

955 I beg leave to ask the Question standing in my name.

The Speaker: I call on the Chairman of the Office of Fair Trading, Mr Quirk.

The Chairman of the Office of Fair Trading (Mr Quirk): Thank you, Mr Speaker.

960 Complaints about builders and home repairs are a significant issue for the Office of Fair Trading. Over the last financial year, the Office has handled 1,209 complaints in this category, and

this year, up to the end of October, a further 197 complaints. Not all these complaints were about cowboy builders – some were reputable builders for whom things went wrong – and indeed not all the complaints were justified. However, this category represents 10% of the complaints which the OFT receives, and I am afraid a small but busy number of cowboy builders, both resident and
 965 itinerant, do feature regularly.

From a trading standards perspective, we do give cowboy builders a high priority, not only based on the volume of complaints but particularly because of the real hardship and anguish that they cause. Problems associated with these activities were limited, until relatively recently, to those caused by a handful of local cowboy builders and a small number of itinerant tarmac gangs from the adjacent jurisdictions, but within the last few years most of the problems have been
 970 caused by itinerant traders and also itinerant traders who have settled here, albeit perhaps not on a long-term basis.

The activities of cowboy builders cause many residents distress and tie up enforcement authorities. It is no coincidence that they often prey on the more vulnerable members of our community. The OFT has issued many warnings verbally, advising householders on how to avoid falling prey to cowboy builders. However, they are becoming more difficult to distinguish from the genuine trader. For example, to gain credibility, the itinerant trader will use locally registered vehicles; they also use the pay-as-you-go phones; they also will have, sometimes, residential lines; they will often seek business by going door to door, but will also make use of the local media,
 980 advertising their services. In a few cases, they have even gone as far as registering their business names. On occasion, they may just deliver professional-looking flyers, giving the impression that they are established local businesses, but often they hassle householders on the doorstep to try to persuade them to carry out the work.

Genuine traders often register complaints with the OFT about the activities of cowboy builders, and I welcome that. They are often justifiably aggrieved due to the fact that cowboy builders take work from them. The cowboy builders are often able to take work from genuine traders and not always follow recognised Health and Safety procedures, or employ cash in hand, or do not even declare their income.
 985

Whilst the Office of Fair Trading enforcement authorities do make life difficult for cowboy builders, the reality is that they are often difficult offences to prosecute. The victims are often targeted because they are elderly and frail, and often they are reluctant to make effective witnesses. We have another matter currently with the Attorney General getting a prosecution through the courts. However, it is very difficult and very demanding on resources. We need independent expert evidence that will stand up in a criminal court and we need definitive evidence of the work not having been carried out, or rather evidence of the work merely being substandard. It is often the case that the itinerant trader will have left the Island before it comes to light.
 990

Overall, Mr Speaker, I do not believe that the Office of Fair Trading has sufficient powers, and one method of disrupting the activities of cowboy builders would be a ban on cold calling. This would create a victimless offence that could be enforced. It would not solve the problem completely because, despite all of the warnings, people still respond to adverts and leaflet drops. In 2009, the Board of the OFT recognised that action was needed and asked the Department of Home Affairs to provide a small clause within a Bill, but unfortunately history overtook. As far as the OFT are concerned, this is still on our legislative radar, and Hon. Members will realise the pressure on the Government legislative programme.
 995

As I said, Mr Speaker, this would help in the matter, but it would not solve the problem in the Island. The Department of Economic Development have adopted a light-touch self-regulation on the construction industry. In other jurisdictions, controls have been put in place requiring compulsory registration of all builders, based on proper standards and qualifications, with a proper complaints system with real teeth and penalties. For the unregistered trader, it would be a significant step.
 1000

Thank you, Mr Speaker.

A Member: The End.

The Speaker: Mr Quayle, supplementary.

Mr Quayle: Thank you, Mr Speaker.

I thank the Chairman for that long and informative Answer.

Would the Chairman of the Office of Fair Trading, given the ‘significant’, to quote, and the high number of complaints received about rogue builder, support a Private Member’s Bill, should I take one forward, calling for the banning of cold calling? Would he also look into the habit of
 1005

some of the rogue builders who leave their business cards in the porches of people's houses, put in through the letterboxes and that sort of activity?

1025 **The Speaker:** Mr Quirk.

The Chairman: Thank you, Mr Speaker.

1030 Yes, I would welcome the support and help of the Hon. Member for Middle, regarding a Private Member's Bill and I will be happy to support it myself personally. I have not spoken with the board on this particular issue and I would seek at the next meeting a view from them.

The Speaker: Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

1035 Mr Speaker, in the Chairman's opening dissertation (*Laughter*) which he gave this Hon. House, he seemed to explain an awful lot about the knowledge his organisation has about this behaviour that is before us this morning. Therefore, can he tell us, how many people have been arrested and prosecuted and, out of those prosecutions, how many convictions there have been as a result of the work of the Office of Fair Trading over the last 12 months?

1040

The Speaker: Mr Quirk.

The Chairman: Thank you, Mr Speaker.

1045 To be helpful to the Member and the Court, I will actually find out the figures. I have not got them in front of me.

Mr Houghton: You don't need to look – there aren't any.

1050 **The Chairman:** But if I could say, Mr Speaker, through the Chair, to the Hon. Members of this Court, (**A Member:** House.) the Office of Fair Trading put the cases forward. It is up to the other agencies to take the matters to court.

Mr Houghton: No, it's not.

1055 **The Speaker:** Mr Hall.

Mr Hall: Thank you, Mr Speaker, and I would like to thank the Chairman for his comprehensive reply.

1060 Is the issue not one of co-ordination between different Government Departments dealing with such things as Health and Safety, National Insurance contributions, Work Permits, in addition to Fair Trading offences?

Can he confirm if there have been any moves towards a more co-ordinated Government approach in this matter and if there has been, what role the Office is taking in those moves?

1065 **The Speaker:** Mr Quirk.

The Chairman: Thank you, Mr Speaker.

1070 I am aware that the Office of Fair Trading does have liaisons with several agencies, but as I said to the Hon. Court there, we have to have evidence –

The Speaker: The Hon. *House.* (*Interjections*)

The Chairman: I am sorry, sir.

1075 It is sometimes difficult because these are itinerant traders, and some of the local cowboy builders that we do have that reside here do rely on knocking on people's doors for the weak and the vulnerable.

The Speaker: Mrs Beecroft.

1080 **Mrs Beecroft:** Thank you, Mr Speaker.

Could the Chairman explain what he has actually done actively since 2009, when I believe he stated that he tried to have a clause added to the legislation? Given that this really is a very, very

serious problem, what action has been taken since 2009? It is not good enough that history just overtook.

1085

Mr Houghton: Hear, hear.

The Speaker: Mr Quirk.

1090

The Chairman: Can I say that myself personally, when I became Chairman of the OFT, it was one of the issues that [*Inaudible*] The board has discussed it many times, and we actually approached the Department of Home Affairs regarding having some legislation inserted.

1095

But I welcome the...and also Members of the House have approached me prior to this Question going down, for support on a Bill. I am hoping with the support of the Member for Middle there, Mr Quayle, who has indicated – he is the first one who has come out publicly and said it – we will get something done.

The Speaker: Mr Cretney.

1100

Mr Cretney: Could I ask the Chairman, has it been brought to his attention about the potential abuse of the Small Claims Court by some cowboy builders in relation to, for a small fee, they can try and bully consumers into submission?

The Speaker: Mr Quirk.

1105

The Chairman: Thank you, Mr Speaker.

I am not aware of any issues to do with the Small Claims Court, but I will ask the officers.

The Speaker: We will have Mr Houghton.

1110

Mr Houghton: Thank you, I am very grateful indeed.

1115

Can the Chairman of the Office of Fair Trading add to his list of enquiries to go back, to add to the dissertation that he read out this morning, how much time has been spent out of the office pursuing these villains on observations and checking with people, etc, rather than just sending e-mails and answering the telephone and staying within? How much outdoor pursuance is being done? If he does not know that within his background papers, can he forward us that information in the last 12 months?

The Speaker: Mr Quirk.

1120

The Chairman: Sorry, Mr Speaker, I do not have all the information here, but I can assure the Member for North Douglas there that our officers do go out and do have surveillance. I will get you some – (*Interjection*)

1125

The Speaker: Mr Quayle.

Mr Quayle: Thank you, Mr Speaker.

1130

I thank the Chairman for his support for a cold-calling Private Member's Bill. But what will his Office of Fair Trading do to control the activities and builders going forward, banning cold calling, or working with me to ban cold calling?

The Speaker: Mr Quirk.

1135

The Chairman: Thank you, Mr Speaker.

1140

What I am hoping to, if the Member... It all depends on the content of the Bill. It would give an opportunity for people who do just wander round estates on the Island, cold calling on people's doorsteps. It will become a clear offence. We would have to be careful regarding that because sometimes in the newspaper adverts or – I should not name them, but I will do – the *Courier*.... If a *Courier* comes round on your doorstep and it spills on the floor, there will be leaflets that come out. They will be genuine. I am sure they will be genuine.

But once again, I must say to this Hon. House really, at the end of the day, we are giving the warnings out here to people that if you are getting work done, talk to somebody – ask the builder

or the person that is calling round, 'When did you do your last job? Who did you do you last job for?' Check that those people are reputable all the time.

1145 Those are the particular issues that I want to bring forward.

The Speaker: Mr Karran, you have a final supplementary.

1150 **Mr Karran:** Eaghtyrane, would the Caaarliagh, under his leadership, consider maybe the time has come for us to get away from the excuses of not doing stuff and actually get down to chairing a working party with industry representation from the building trade in particular, and maybe doing a statement to another place in January of what his Office of Fair Trading, which is getting something in the region of £900,000 a year plus from the taxpayer, wants to do as far as a hit list of legislation and other initiatives, in order to address this issue as far as this House is concerned?

1155

The Speaker: Mr Quirk.

The Chairman: Thank you, Mr Speaker.

1160 One would hope, really, the agencies who are professional, like the Employers' Federation, all these particular organisations would do their little part too, but as far as the question asked by the Hon. Member for Onchan is concerned, he will have to wait and see.

The Speaker: A final supplementary, Mrs Cannell.

1165 **Mrs Cannell:** Thank you, Mr Speaker, I am hoping it is going to be a helpful one for the Chairman. (*Interjections*)

Bearing in mind that a great number of us have served on the Office of Fair Trading in times gone by, will he accept that the issue of itinerant builders has grown out of all proportion, and will he accept that it was a problem in those days?

1170

By way of being helpful, could I suggest to him, and will he explore, having more discussions with the Employers' Federation, who some years ago came up with a *very* credible way of dealing with this problem, but it was rebutted at the time by the Department?

The Speaker: Mr Quirk.

1175

The Chairman: Thank you, Mr Speaker.

Yes, like I said in my speech, I am grateful to the industry itself that brings the complaints to us, but when we have the complaint, we need the evidence to back it up, and I do hope that any builders who are listening out there – small, medium or large – can provide us with the evidence so then we can chase these builders off the Island.

1180

**Standing Order 3.5.1(2) suspended
to complete Oral Questions**

1185

The Speaker: Mr Karran.

1190 **Mr Karran:** Vainstyr Loayreyder, I ask to move Standing Order 3.5.1(2) be suspended to enable the remaining Questions for Oral Answer to be taken at this sitting.

Mr Quirk: Happy to second, sir.

1195 **The Speaker:** Is that agreed, Hon. Members?

It was agreed.

1200

1200

WATER AND SEWERAGE AUTHORITY

**Peel sewage treatment works
Viability of potential sites**

1205

1.12. The Hon. Member for Onchan (Mr Karran) to ask the Chairman of the Water and Sewerage Authority:

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What the cost is of the viability study of the one location site for a sewage treatment works behind Peel power station; what consideration he has given to allocating this money alleviating the flooding of lower Peel during high rainfall by implementing surface water diversions; what mass of suspended solids the Chairman estimates will flow into Peel Bay on a daily basis; how many total system failures are permitted annually and what mass of suspended solids will flow into Peel Bay on each of these occasions; whether under the five-year review period of IRIS and the advent of new technology previously discounted sites are now eligible for consideration as viable locations; and if he will publish a list of sites which fulfil some of the criteria for public consultation?

1215

The Speaker: Question 12, Mr Karran.

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Mr Karran: I ask the Question standing in my name.

The Speaker: I call on the Chairman of the Water and Sewerage Authority, Mr Houghton, to answer.

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The Chairman of the Water and Sewerage Authority (Mr Houghton): Thank you, Mr Speaker.

1230

In answer to the first part of the Question, a cost for undertaking a feasibility study into a sewage treatment plant for Peel has not yet been determined. A brief has been prepared for the feasibility study, which will be used as the basis for obtaining a quotation for carrying out the work.

1235

In relation to the second part of the Question, I can confirm that surface water separation schemes are being undertaken in parallel with the sewage treatment schemes. This has been an integral part of the strategy from day one, which has been approved by Tynwald and is delivered by the Department of Transport, Department of Infrastructure and now the Water and Sewerage Authority. In fact, two surface water separation schemes have already been completed in Peel: phase 1 costing £812,000; and the second phase costing £250,000.

1240

With regard to part 3 of the Question, the suspended solids content of the treated effluent to be discharged through the sea outfall at Peel will be in compliance with the discharge content to be issued by the Environmental Protection Unit. The indicative suspended solids content is 60mg per litre. I am not in a position to confirm the total solids content until flow surveys within the sewer systems have been completed, which will form a part of that feasibility study.

1245

In answer to part 4 of the Question, it is not envisaged there will be any total system failures. Sewage treatment processes are robust and will consistently produce treated effluent in full compliance with the discharge consent.

In answer to parts 5 and 6 of the Question, the selection of the preferred site and the sewage treatment works will process part of the feasibility study. I confirm the results will be presented to the Commissioners of Peel and to the residents in the town in due course.

1250

The Speaker: Mr Karran.

Mr Karran: Thanking the Shirveishagh, I take it the cost of the feasibility study will be paid for by the Water and Sewerage Authority; and will the viability study be looking at only one site, or a number of sites as far as this is concerned?

1255

The Speaker: Mr Houghton.

The Chairman: Thank you, Mr Speaker.

1260

I am able to advise that the Water and Sewerage Authority will be paying for the feasibility study, of course, it is part of our total responsibility in that area and there will, for this feasibility study, only be one site under examination.

The Speaker: Mr Karran.

1265 **Mr Karran:** Will the Caairliagh not agree that, when we said over the issue of the Report that was done by the Public Accounts Committee that after every five years we were going to do a review on these issues, does he not feel that he is pre-judging the thing, if it is only to look at one site, allowing for the effects that can happen, especially in one of the flagship developments of this administration, which does not have many, in the new Food Park? Does he not feel that we need to make sure that issue is put to bed as part of any consideration of this study?

1270 **The Speaker:** Mr Houghton.

1275 **The Chairman:** Mr Speaker, in respect of the site selection, as the Hon. Member will know, because he has an insatiable appetite for the site in Peel, the situation with the site is in the furthest part away from the Food Park, with two fields in between, as the layout of the site is concerned. The feasibility study, obviously, professionally, must confirm the understanding that I have at this point, that within a very small number of sites in the outskirts of Peel that would be appropriate, it is the best targeted site to spend... to invest in a feasibility study to gain the appropriate answers first.

1280 **The Speaker:** Mr Karran.

Mr Karran: Vainstyr Loayreyder, does the Caairliagh not agree that maybe he is pre-judging it, by saying that it is the best site, by not looking at the other sites as well?

1285 **The Speaker:** Mr Houghton.

The Chairman: Thank you, Mr Speaker.

1290 In respect of the best sites, there are a limited number of sites in Peel. This is the best site, we feel, for a feasibility study, though, of course, it is the best investment that the Authority can give to the most appropriate site that we feel may match the requirements that will be borne out by the feasibility study. It is the very best we can do at this time and until we get that professional information back, we can make no further judgement or answer.

1295 **The Speaker:** Hon. Members, that brings us to the end of Questions for Oral Answer. There are five Questions for Written Answer, and the replies will be distributed.

Questions for Written Answer

1300

TREASURY

Films made under CinemaNX management Profit/loss

1305

2.1. The Hon. Member for Douglas South (Mrs Beecroft) to ask the Minister for the Treasury:

1310 *Pursuant to his Written Answer to Question 3 at the 30th October sitting of the House of Keys what the profit or loss to date is in respect of each of the films listed?*

1315 **Answer:** In response to the Hon. Member's Question, I would restate my previous comment that the recoupment of investment in any film production is by its very nature a medium to long-term return. Once a film has been produced, income is derived through sales, royalty payments and other media-related products over an extended period of time and due to this it is not possible to state categorically in the short term whether a film has made a profit or loss.

1320 At present, the amount of recoupment received against each of the films in which the IOM Government has invested whilst the Media Development Fund has been under the management of CinemaNX is shown in Table 2.1A:

Table 2.1A

	Amount invested			Amount recouped as at 30th September 2012
	USD	EUR	GBP	GBP
Wild Target			2,825,847	2,358,764
Bunch of Amateurs			2,912,000	538,043
Me and Orson Welles	4,400,000		9,550,000	2,285,561
The Cottage			2,583	NIL
Mutant Chronicles*			415,022	415,022*
Heartless			1,415,000	589,876
The Disappearance of Alice Creed			850,000	757,356
Albatross			1,925,000	121,467
Chico and Rita		4,425,000		453,906
TT3D			2,761,409	1,128,109
The Decoy Bride			2,199,718	933,354
Charge!	113,543			29,762
The Shadow Line			1,600,000	607,293
Ashes			1,490,270	142,633
Honour			1,413,000	NIL
Welcome to England			173,273	NIL
Belle			3,403,561	NIL
The Knot			300,000	NIL
Dom Hemmingway			1,000,000	NIL

*Legacy investment obligation of Isle of Man Film.

SOCIAL CARE

**Housing authorities
Sheltered units, houses and flats**

1325

2.2. The Hon. Member for Onchan (Mr Quirk) to ask the Minister for Social Care:

How many (a) sheltered units; and (b) houses or flats there are in each housing authority?

1330

Answer: The information requested by the Hon. Member for Onchan (Mr Quirk) with regard to public sector housing stock is set out in the Tables below:

(a) The number of sheltered units in each housing authority is as follows:

1335

Sheltered Authorities	No. of units
Castletown and Malew Elderly Persons Housing Committee	42
Cooil Roi Housing Authority	34
Douglas Borough Council	95
Marashen Crescent Elderly Persons Housing Committee	137
Onchan (Springfield & Heywood Court)	100
Peel and Western District Housing Committee	91
Ramsey and Northern Districts Housing Committee	144
TOTAL	643

(b) The number of houses and flats in each housing authority is as follows:

Housing Authority	No. of houses	No. of Flats	Total units
Braddan	165	20	185
Castletown	222	36	258
DSC	1068	120	1188
Douglas	1657	614	2271
Onchan	377	17	394
Peel	279	42	321
Port Erin	154	36	190
Port St Mary	106	16	122
Ramsey	379	179	558
Arbory	2	0	2
Rushen	4	0	4
Malew	8	0	8
TOTAL	4,421	1,080	5,501

1340

**Housing authorities
Rent arrears since 2011**

1345 2.3. The Hon. Member for Onchan (Mr Quirk) to ask the Minister for Social Care:

What the rent arrears for each housing authority are for (a) 2011-12; and (b) 2012 to date?

1350 **Answer:** The rent arrears* for each housing authority for the periods requested by the Hon. Member for Onchan are set out in the Tables below:

(a) 2011-12

Housing Authority	Arrears as at 31st March 2012 £
Braddan	923.21
Castletown	2,007.23
DSC	8,073.77
Douglas Borough Council	58,033.50
Onchan	18,909.98
Peel	9,229.49
Port Erin	12,978.14
Port St Mary	7,061.77
Ramsey	12,856.22
Castletown and Malew Elderly Persons Housing Committee	0.00
Cooil Roi Elderly Persons Housing	0.00
Douglas Borough Council Sheltered Housing	396.03
Marashen Crescent Elderly Persons Housing Committee	649.62

Onchan Sheltered Housing	980.15
Peel and Western District Housing Committee	1,756.74
Ramsey and Northern Districts Housing Committee	2,790.04
Total – General	130,073.31
Total – Sheltered	6,572.58
TOTAL	136,645.89

1355

(b) 2012 to date

Housing Authority	Arrears 2012-13 Quarter 1 £	Arrears 2012-13 Quarter 2 £
Braddan	1,179	1,062
Castletown	3,514	1,719
DSC	11,768	10,428
Douglas Borough Council	74,719	91,430
Onchan	38,659	46,321
Peel	12,103	14,117
Port Erin	16,861	16,509
Port St Mary	9,223	6,043
Ramsey	21,477	42,504
Castletown and Malew Elderly Person Housing Committee	0	0
Coil Roi Elderly Person Housing Committee	0	0
Douglas Borough Council Sheltered Housing	974	1,555
Marashen Crescent Elderly person Housing Committee	2,634	2,469
Onchan Sheltered Housing	3,364	4,903
Peel and Western District Housing Committee	1,781	2,802
Ramsey and Northern Districts Housing Committee	3,128	2,937
Total – General	189,502	230,133
Total – Sheltered	11,881	14,666
TOTAL	201,384	244,799

*Rent arrears are all negative balances over £0 and are as declared by the housing authorities.

1360

INFRASTRUCTURE

1365

Bendy buses DOI policy

2.4. The Hon. Member for Onchan (Mr Quirk) to ask the Minister for Infrastructure:

1370

What his Department's policy on bendy buses is?

Answer: The policy to use articulated buses on a limited number of suitable routes was decided by the Council of Ministers following consideration of my Departments' representations.

1375

There is, of course, some well-known history associated with this matter. Bus Vannin undertook a trial of an articulated bus on the Island and a public consultation was carried out, where it is acknowledged that some responses raised concerns about the appropriateness of this

type of vehicle for the Isle of Man's roads, and the issue has been considered by my Department due to the potential impact on the highways and regulations required.

1380 I can confirm that Council made its decision based on input from my Department and from the Department of Community Culture and Leisure and I shall of course ensure that the Department facilitates Council's policy.

1385

COMMUNITY, CULTURE AND LEISURE

Bendy buses DCCL policy

1390 2.5. The Hon. Member for Onchan (Mr Quirk) to ask the Minister for Community, Culture and Leisure:

What his Department's policy on bendy buses is?

1395 **Answer:** I have instructed my officers to investigate all possible efficiencies before the Department considers reducing services or increasing prices. As part of that process they have considered the type of public transport vehicles we operate, including both smaller and larger vehicles than those currently operated.

The policy to use articulated buses on a limited number of suitable routes was decided by the Council of Ministers, following consideration of my Department's representations.

1400 Bus Vannin has previously undertaken a trial of an articulated bus on the Island, which was successful. A small number of responses to a subsequent public consultation raised concerns about the appropriateness of this type of vehicle for the Island's roads. My Department is of the view that a small number of articulated buses operated on a limited number of high volume routes will allow significant revenue, capital and environmental savings.

1405 I can confirm that Council made its decision based on input from my Department and from the Department of Infrastructure. I shall of course ensure that the Department progresses Council's policy so that the savings can be achieved.

1410

Orders of the Day

1415

BILLS FOR THIRD READING

Cash in Postal Packets Bill 2012 Third Reading approved

1420 3.1. Mr Teare to move:

That the Cash in Postal Packets Bill be read a third time.

The Speaker: We turn now to Item 3, Bills for Third Reading.

1425 The first of those is the Cash in Postal Packets Bill 2012, and I call on the mover, the Hon. Member for Ayre, Mr Teare.

Mr Teare: Thank you, Mr Speaker.

1430 This Bill has, as its main purpose, the amendment of three existing Acts of Tynwald to provide for cash sent by post to be subject to similar restrictions as that sent or carried by other means.

The Bill amends the Customs and Excise Management Act 1986 to extend the cash declaration requirements to that sent to or from the Island by mail, the Proceeds of Crime Act 2008 to extend the power to seize cash linked to unlawful conduct to that which is sent by mail, and the Post Office Act 1993 to allow for the exercise of the powers contained in the aforementioned Acts.

1435 Under the provisions of part VA of the Customs and Excise Management Act, cash which is brought into or taken out of the Island and which is in excess of €10,000 is subject to a

1440 requirement to declare it to Customs and Excise. Following the visit of the International Monetary Fund inspection team in 2008, the subsequent report recommended that the Island extend its cash declaration requirements to cash sent by post. Such controls are, in essence, an extension of the anti-money-laundering (AML) requirements, and are designed to help deal with movements of cash that avoid methods which may be subject to scrutiny. By changing the law in this area, the Island is not only meeting a recommendation of the Financial Action Task Force, but is also closing a potential loophole in its AML framework.

1445 Extending the provisions of the Proceeds of Crime Act 2008 to cash sent in the post means that, should illicit cash be detected, it can be seized by a police or customs officer. As with the declaration requirements, the power to seize cash suspected of being linked to unlawful conduct already exists where a police or customs officer is lawfully present or if such cash is detected entering or leaving the Island.

1450 The amendments made to the Post Office Act 1993 remove the general inviolability protection for the mail to the extent needed to deal with cash which should be declared or may be liable to seizure. Some exceptions are already provided for other forms of contraband. However, it should be made clear that none of the changes provide the Police or Customs and Excise with any additional powers in respect of correspondence, or other items sent by the Royal Mail. The new provisions are concerned solely with undeclared cash or suspect cash.

1455 Any post or packets involved in the custody and control of the Post Office in law enforcement will have to have reasonable grounds that the packet contains cash either requiring declaration or being liable to forfeiture before the Post Office may be asked to detain and open the packet for examination. Even if detained and opened by the Post Office, the packet and its contents remain in the custody of the Post Office, which acts as agent for the sender or addressee, and only if any cash is subsequently seized will it then be taken into the custody of the Police or Customs and Excise.

1460 Safeguards are included, and even if seized, law enforcement can only detain the cash for a short initial period of 48 hours, excluding weekends and public holidays, before having to seek permission from the High Bailiff for continued detention. The new procedures will be governed by both the Code of Practice made under the Proceeds of Crime Act and the tripartite Memorandum of Understanding between the Post Office, Police and Customs and Excise on when and how packets may be detained and searched.

1470 As I have already stated, no new powers are being provided to law enforcement to interfere with correspondence or other items sent in the mail, and even if any cash is detained or seized, the rest of the packet and its contents will normally be allowed to proceed. Furthermore, should any cash is found by Customs and Excise, which lacks only the necessary declaration, the sender or the addressee, as appropriate, will be given an opportunity to make a declaration before any further action is taken.

1475 The Treasury feels that these provisions are a reasonable compromise and a proportionate response to both the recommendation of the IMF inspectors and the perceived risk from a loophole in cash declaration and anti-money-laundering controls.

1480 This Bill also amends section 15 of the Post Office Act 1993 for another purpose. It has been found that a minor amendment is required to allow the making of suitable and necessary subordinate legislation, which is needed to ensure that the Island's postal law can adapt in the light of changes to procedures of the Royal Mail in the United Kingdom, and so comply with the requirements of the Customs and Excise Agreement. Section 15 allows the application to postal traffic of Customs law in the same way as it applies to other goods imported, exported or removed into or from the Island. The section is amended so that a reference to statutory provisions in Customs law applied to postal traffic includes reference to any relevant Community Instruments: thus any such Instruments can be regarded as Customs law for the purpose of this section.

1485 The Treasury considers that this Bill is both a sensible and proportionate one and I commend it to the House. Mr Speaker, I move that the Third Reading of this Bill be made.

The Speaker: Mr Houghton.

1490 **Mr Houghton:** I beg to second.

The Speaker: Hon. Members, I put the question that the Cash in Postal Packets Bill be read for the third time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

1495

Sunbeds Bill 2012
Third Reading approved

1500 3.2. Mrs Cannell to move:

That the Sunbeds Bill be read a third time.

1505 **The Speaker:** We turn now to the Sunbeds Bill, and I call on the mover, Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.

As previously stated in this Hon. House, this Bill is a stand-alone Bill, the provisions of which initially started life in the Public Health (Amendment) Bill which has been on the legislative programme for some time.

1510 The Bill makes provision for the control of sunbeds, particularly for those under the age of 18 years. The Bill, amongst other things, imposes requirements on sunbed operators to make every effort to ensure their clients are over 18 years of age and enables the Department to investigate offences and to impose fixed penalties where breaches occur.

1515 This Bill is intended to protect the future health of the young people of this Island by regulating the use of sunbeds, which is done elsewhere. It is done in the United Kingdom – in Scotland, in Ireland and also in Wales. By regulating the use of sunbeds here, we will ensure that detailed guidelines are also in place.

Mr Speaker, I move that this Bill be read a third time.

1520 **The Speaker:** Mr Gawne.

Mr Gawne: I beg to second and reserve my remarks.

1525 **The Speaker:** Mr Karran.

Mr Karran: Vainstyr Loayreyder, could the mover of the Bill inform this Hon. House, will there be public consultation before the Order is put in Tynwald to actually bring this Bill into force? Has representation been made by the different owners of the different sunbed operators to the mover of the Bill?

1530 **A Member:** Prey on the young.

1535 **Mr Karran:** Could the mover just clarify that she has had information from them on this? It would be interesting to know, as this Hon. Member actually asked them to make representation about their disputes as far as the Public Health issue is concerned.

1540 Whilst I have to say that I find it very difficult to believe that there is no Public Health issue, especially if someone responsible is not there, could she possibly give that assurance that there will be some sort of public intervention, as far as when she is proposing to bring it back to Tynwald in order to bring in this piece of legislation?

The Speaker: I call Mrs Cannell to reply.

Mrs Cannell: Thank you, Mr Speaker.

1545 I thank the Hon. Member for his enquiry, it being the first one that has been raised on the issue of this Government Bill.

1550 Can I reassure the Hon. Member that I have been given all the paperwork in respect of this legislation, including the consultation exercise results. The consultation took place between 1st March 2011 and 31st May 2011. I can say that there were very few responses to the public consultation. However, there was one telephone response and that was also a letter – included with it, a number of survey forms from one of the sunbed operators.

1555 Now, clearly, it would come down to one particular sunbed operator, who is taking issue with the fact that currently they are able to put these machines – slot machines, if you like – in premises, and only go in perhaps once a day to empty the coins from the slot machines and to make sure that the place is clean and presentable before the commencement of business the next day. There is nowhere, within these premises and others like them, notifications or advice or guidelines to those using the sunbeds and particularly the young people under the age of 18, who

might be using them for the first time. Indeed, there are no attendants at all, if you should get into difficulties or a problem, in these premises.

1560 The reason we are bringing this in is that there is very strong evidence that suggests – surveys were conducted by the World Health Organisation – that it is within the first two decades of a young person’s life that we are susceptible to developing skin cancer later on in life. So this is one of the main reasons why we need to bring this sort of legislation, to protect our young people.

1565 There is also a great deal of evidence and fact that shows... and I have seen some very disturbing photographs of youngsters as young as 14 who have been into these unmanned coin-operated premises where there is no attendant in place and have received, some of them, up to 60% burns and been admitted into hospital the same day in intensive care and on a drip, simply because they did not feel that they had had sufficient time on the sunbed in order to give them a tan, so felt they should put more coinage in. Again, had an attendant been in place, had there been posters put up and guidance out up around the sunbed salon, then that young person may well have thought twice about putting more coinage in and actually risking life and limb.

1570 It is for all of these reasons... In fact, the Department tried a while ago, before the public consultation, to ask sunbed operators on a voluntary basis to put up the necessary guidance, particularly for first-time users of sunbeds, with the younger person in mind. That request was acceded to, but the posters were very quickly removed from these premises and they never attempted to put fresh ones up, so it became time for the Island to then stop bringing legislation forward, which I have had the pleasure to do today in the House.

1575 What I can say is that the regulations that will flow from this legislation of course will be laid before Tynwald and will require approval. As written in the Green Bill before the Hon. Members today, the regulations will require Tynwald approval before they come into effect. As the Hon. Member, with his considerable time in this House, knows perfectly well, the Bill cannot function without meat on its bone, and the meat is in the regulations.

I hope that satisfies the Hon. Member. Thank you, Mr Speaker. I beg to move.

1585 **Mr Watterson:** I bet he’s glad he asked!

The Speaker: I put the question that the Sunbeds Bill be read a third time. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

1590

Licensing (Amendment) Bill 2012
Third Reading approved

1595 3.3. Mr Singer to move:

That the Licensing (Amendment) Bill be read a third time.

1600 **The Speaker:** We turn now to the Licensing (Amendment) Bill, and I call on the Member in charge, Mr Singer.

Mr Singer: Thank you, Mr Speaker.

This Bill seeks to amend the Licensing Act 1995 in respect of the disposal of liquor and drinking in public places.

1605 There are two main provisions: (1) currently a constable may order a person who is causing a nuisance to stop drinking in public areas of the Island designated for such permissible intervention – this Bill will permit the constable to act in all public areas of the Island; and (2) the Bill provides, by amendment of section 74 of the Licensing Act 1995, for an officer to dispose of liquor seized from a minor as he or she thinks fit, rather than as at present having to seek a court order or hand the liquor over to a parent or guardian, both of which are time-consuming matters.

1610 There are designated areas of the Island specified under section 76 of the Licensing Act 1995, within which a person commits an offence if, after having been warned by a police officer to stop drinking liquor, continues to do so. This carries as a punishment on summary conviction of a fine not exceeding £500. But there can be a problem if a person, having been warned, moves to a non-designated area and continues drinking, when normal arrest procedures then have to take place. By encompassing the provision Island-wide, it controls also the need for many unsightly signs in the major towns, marking the entry to such areas.

1615

1620 'Public areas' are defined in the Bill and I referred to these at the clauses stage. Fines for the offences remain at a maximum of £500 on summary conviction. The Bill will protect those people who are out socially from being adversely affected by persons whose behaviour is unacceptable, due to the imbibing of alcohol. The Department of Home Affairs has consulted widely and received strong support for these measures.

1625 There are two important points which I cannot stress too strongly. Firstly, the Bill will not stop law-abiding people out in public areas from having a drink, whether outside a pub or having a picnic, for example. An offence is only caused by a person who is causing a nuisance because of drinking and refuses to stop drinking when requested to do so by police officers.

1630 Secondly, the question was asked about overzealous police officers. Under the Police Powers and Procedures Act 1998, there is a code of practice for the Police in regard to police behaviour, and they are subject to disciplinary proceedings for not complying with the code. If this Bill becomes law, then the code of practice will be reviewed to define the police limits in exercising their new powers.

1635 In conclusion, Mr Speaker, I would like to thank Hon. Members for their support through the previous stages of the Bill, and hope that they will support this Third Reading. I would also like to take the opportunity of thanking the Minister for Home Affairs and Mr Lalor-Smith for their support, Melissa Hedqvist of the Attorney General's office for help in drafting the Bill, and the Clerk, Mr Phillips, for his advice.

Therefore, Mr Speaker, I move that the Licensing (Amendment) Bill 2012 receive its Third Reading.

1640 **Mr Watterson:** I beg to second, sir.

The Speaker: I put the motion that the Licensing (Amendment) Bill be read for the third time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it. Thank you, Hon. Members.

1645

BILL FOR CONSIDERATION OF CLAUSES

1650 **Financial Services (Miscellaneous Amendments) Bill 2012**
Clauses considered

4.1. Mr Teare to move.

1655 **The Speaker:** We turn now to Item 4, Bill for consideration of clauses: that is the Financial Services (Miscellaneous Amendments) Bill. I call on the Member in charge to move clause 1, Mr Teare.

Mr Teare: Thank you, Mr Speaker.

1660 As outlined in the Second Reading, the Financial Services (Miscellaneous Amendments) Bill 2012 amends the Financial Services Act 2008 and the Collective Investment Schemes Act 2008. The Bill has 36 clauses in four parts, as well as a schedule.

Part 1 of the Bill is introductory, providing for the short title, commencement and interpretation in clauses 1 to 3.

1665 Part 2 incorporates clauses 4 to 25 and the schedule. It makes amendments to the Financial Services Act 2008.

Part 3 incorporates clauses 26 to 34. It makes amendments to the Collective Investment Schemes Act 2008.

Part 4 incorporates clauses 35 and 36 and provides the closing provisions.

I will address each part of the Bill in turn.

1670 Part 1, introductory: clause 1 provides for the short title of the Bill.

Mr Speaker, I beg to move that clause 1 do stand part of the Bill.

The Speaker: Mr Henderson.

1675 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder. I beg to second and reserve my remarks.

1680 **The Speaker:** I put the question that clause 1 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 2.

Mr Teare: Clause 2 provides for the Bill's commencement. The Bill will come into operation on days specified in Orders made by the Treasury.
1685 Mr Speaker, I beg to move that clause 2 do stand part of the Bill.

The Speaker: Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.
1690 I beg to second, sir, and reserve my remarks.

The Speaker: I put the motion that clause 2 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 3, sir.

1695 **Mr Teare:** Clause 3 provides interpretation of abbreviations for the Collective Investment Schemes Act 2008 and the Financial Services Act 2008.
Mr Speaker, I beg to move that clause 3 do stand part of the Bill.

The Speaker: Mr Henderson.

1700 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

The Speaker: I put the motion that clause 3 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
1705 Clause 4.

Mr Teare: Thank you, Mr Speaker.
1710 Clause 4 is the first clause of part 2, which amends the Financial Services Act 2008. Clause 4 introduces the amendment.
Mr Speaker, I beg to move that clause 4 do stand part of the Bill.

The Speaker: Mr Henderson.

1715 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

The Speaker: I put the motion that clause 4 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
1720 Clause 5, Mr Teare.

Mr Teare: Thank you, Mr Speaker.
1725 Clause 5 adds a new section 3A and a schedule to the Financial Services Act concerning permission to approve the transfer of business from one licensed deposit-taker to another. This change is in respect to a request from industry and will replace the current need for deposit-takers to seek specific Acts of Tynwald. Suitable safeguards to protect depositors' interests are introduced by the schedule.

I understand that the Hon. Member, Mr Henderson, will be moving an amendment to widen the scope of this clause so that it may include business of a deposit-taker, other than purely its deposit-taking.
1730 Mr Speaker, I beg to move that clause 5 do stand part of the Bill.

The Speaker: Mr Watterson.

1735 **Mr Watterson:** I beg to second, sir, and reserve my remarks.

The Speaker: Hon. Members, the Order Paper shows an amendment has been tabled to clause 5. Just for the information of the House, clause 5 and the schedule, which is on page 6 of the Order

1740 Paper... the schedule has amendments numbered 5 and 6. So clause 5, which is amendment 1, and amendments 5 and 6 all go together, and therefore I would invite the Member to move the propositions together so that they may be debated together. Then we shall vote on clause 5 separately.

Mr Henderson.

1745 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder. I thank you for your indulgence in rounding the matters up together.

Vainstyr Loayreyder, following a recent request from industry, I propose amendments to the schedule of the Bill, which require a consequential amendment to clause 5.

1750 The schedule currently allows for the transfer of deposit-taking business from one party to another. The amendments widen this power to allow for the transfer of a deposit-taker's other business as part of the business transfer scheme. Clause 5 inserts a new section 3A, which provides for the new schedule 1A to have effect. The amendment to clause 5 replaces the new section 3A so that its content reflects the material which will be contained in schedule 1A. By
1755 allowing the transfer to include a deposit-taker's other activities – for example, investment business – this will reduce costs for the industry. No increased risk is [*Inaudible*] because of the protection contained in paragraph 4 and requirements in the FSC's Rule Book. The first and second changes are contingent upon the third amendment, which is to the schedule.

Therefore, Mr Speaker, I beg to move the first of three amendments standing in my name on this topic:

1760

Clause 5

On page 10 for lines 6 and 7 substitute –

'3A Transfer of business including deposit-taking

1765 *Schedule 1A (transfer of business including deposit-taking) has effect.'*

I will move the other amendments formally when we reach the consideration of the schedule, as you have indicated, sir. I beg to move.

1770 **The Speaker:** Mr Houghton.

Mr Houghton: I beg to second.

1775 **The Speaker:** I put before the House the vote in respect of clause 5, to which there is an amendment in the name of Mr Henderson. Those in favour of the amendment, please say aye; against, no. The ayes have it. The ayes have it.

Clause 5, as amended: those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 6, Mr Teare.

1780 **Mr Teare:** Thank you, Mr Speaker.

Clause 6 amends section 6 to impose an expressed requirement that key persons connected with an applicant for a licence should be fit and proper to act in that capacity. It also requires the FSC to have regard to the fitness of an applicant's employees and its associated persons when considering a licence application. This enhancement is designed to improve public protection.

1785 Mr Speaker, I beg to move that clause 6 do stand part of this Bill.

The Speaker: Mr Henderson.

1790 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

The Speaker: I put the question that clause 6 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 7, Mr Teare.

1795

Mr Teare: Thank you, Mr Speaker.

Clause 7 amends section 10, which relates to fitness and propriety. The clause renames a person who may appeal against a section 10 direction from an 'applicant' to an 'appellant'. Clause 7 also strengthens the obligation on a licenceholder not to appoint a person in contravention of

1800 such a direction in order to emphasise a licenceholder's responsibility to verify that its controllers, directors and key persons are fit and proper before they are appointed. There are consequential changes in clauses 8, 10 and 36.

Mr Speaker, I beg to move that clause 7 do stand part of this Bill.

1805 **The Speaker:** Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

1810 **The Speaker:** Mr Karran.

Mr Karran: Can I ask the Shirveishagh Tashtee moving the Bill are we going to actually put into the process, as far as the persons fit to be directors are good people... Is there going to be any sort of question raised about their ability to actually know what are actually supposed to be their duties as far as being directors is concerned?

The Speaker: Reply, sir.

1820 **Mr Teare:** The Financial Supervision Commission will have reasons for having reservations about individuals and the fact that the Financial Supervision Commission is uncomfortable with an individual can, in certain circumstances, be made available to an applicant for a licence.

The Speaker: I put the question that clause 7 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.
1825 Clause 8, Mr Teare.

Mr Teare: Clause 8 details the circumstances relating to a new prohibitions power. This power will enable the Financial Supervision Commission to prohibit any individual from performing functions in relation to regulated activities where this is considered necessary for public protection purposes. The new sections 10A to 10D specify who may be subject to a prohibition, what functions the individual may be prevented from carrying on, the process that must be used to impose a prohibition, variation and revocation procedures, and the requirement to publish a list of prohibitions. Prohibitions may be applied to any individual, unlike a section 10 direction, which can only apply in respect of vetted roles. Appeals may be made in respect of prohibitions and there are also consequential amendments in clauses 10 and 13.
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1835

Mr Speaker, I beg to move that clause 8 do stand part of this Bill.

The Speaker: Mr Henderson.

1840 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

The Speaker: I put the question that clause 8 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
1845 Clause 9, Mr Teare.

Mr Teare: Clause 9 amends provisions relating to section 11 warning notices.

Firstly, it enables the Financial Supervision Commission to issue warning notices for former directors, controllers and key persons in respect of their actions when they held these roles.
1850

Secondly, the clause makes it explicit that the Financial Supervision Commission may disclose a warning notice to a company of which a person is or may become an officer, so that the company will be aware of the FSC's concerns regarding that person.

Thirdly, the clause removes reference to 'remedial' in respect of any action that may be taken in response to a warning notice. This change will allow action to be specified which does not necessarily remedy a particular situation, as this is not always possible, but which may, for example, reduce the likelihood of a situation recurring.
1855

In consequence of the new prohibition power in clause 8, the FSC may issue a warning notice before imposing a prohibition.

The terms 'notified person' and 'officer' are introduced for simplification purposes.

1860 Mr Speaker, I beg to move that clause 9 do stand part of this Bill.

The Speaker: Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

1865

I beg to second, sir, and reserve my remarks.

The Speaker: Hon. Members, as you will see from the Order Paper, there is an amendment to clause 9 in the name of the Hon. Member for Rushen, Mr Skelly. That amendment to clause 9 in turn provides for the insertion of a new clause, which is amendment 3 on the Order Paper.

1870

I invite Mr Skelly, in moving clause 9, for the convenience of the House... that we debate clause 9 and the new clause together. Mr Skelly.

Mr Skelly: Gura mie eu, Loayreyder.

I beg to move the amendment clause standing in my name:

1875

Clause 9

On page 12 at the end of line 37 insert –

‘(3) After subsection (1) insert –

“(1A) Before giving a warning notice, the Commission must give the intended recipient of the notice an opportunity to make representations in accordance with section 11A.”’.

1880

Renumber following subsections and adjust cross-references accordingly.

I wish to move these amendments in order to make section 11 consistent with the other relevant sections in the original Act, the Financial Services Act 2008, and to enshrine in legislation a process which is clearly compliant with natural justice. In fact, almost the entirety of my amendments is the procedure which the Commission itself has set out for the new regulatory sanction in section 10B of the Financial Services Bill. This procedure is compliant with natural justice, and I assume its omission from section 11 is simply an oversight. I believe it is important we address this oversight now, since I am aware that this section’s compliance or not with natural justice will be tested next week during an appeal to be heard by the Financial Services Tribunal. Whatever the outcome of that appeal, we need to make sure that we are not open to such a challenge in the future and that the Commission benefits from a clear statutory process. These amendments will remove any ambiguity which inevitably gives rise to the possibilities of appeals and petitions of doleance. That, I am sure, we do not want.

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There is a serious impact on recipients of warning notices under section 11, and those recipients must be told the case against them and given the opportunity to apply. This is the cornerstone of natural justice, and as a legislature we should not hesitate to include in the Bill a procedure which is clearly compliant with natural justice principles. That is what the Commission has done with section 10B and that is all I ask for section 11.

1900

The consequences of a formal issue of a section 11 warning notice are severe and must not be underestimated. It is a formal sanction which states on record that the Commission has concerns about the fitness and propriety of the recipient. Having issued a section 11 warning notice, the Commission is able to disclose circumstances surrounding its recipient’s employers, potential employers, as well as other regulators: hardly business friendly. If the procedure by which such a notice was issued is not watertight and not clearly compliant with natural justice, then we could be faced with appeals and possible petitions of doleance.

1905

In summary, it is important to remember that the amendments I propose are simply mirroring the Commission’s own wording in section 10B and reflect protections and rights afforded by natural justice. Lastly, it would not hinder or fetter the Commission in its enforcement role. Hon. Members, I seek your support with these amendments.

1910

The Speaker: Mr Houghton.

Mr Houghton: Mr Speaker, I am very happy to second this proposed amendment from the Hon. Member, and I would like to compliment him for bringing it forward to this Hon. House. I feel that it has been well explained to the House, the purpose why the Hon. Member wishes to bring this. I do feel it provides very good governance to the Bill and I would recommend other Hon. Members support it.

1915

The Speaker: Clause 9 and the amendment having been moved and seconded, the debate is now open to the floor on both issues.

1920

Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

1925 I rise to support the amendment in Mr Skelly's name. I think it is very sensible. It just makes it open and transparent and, I think, fair to everybody. I think he should be congratulated on spotting it and putting the amendment forward.

The Speaker: Mr Teare.

Mr Teare: Thank you for the opportunity, Mr Speaker.

1930 I cannot support the Hon. Member's amendments. Whilst I appreciate his good intentions, I am concerned that if the amendment is accepted, it will extend the period for the process which the FSC has to go through. We have to bear in mind, too, that during that period there is the potential for investors – I should say new investors, or indeed existing investors – to enter into contractual arrangements with the organisation involved, and we need to move as expeditiously as possible, whilst respecting due process and also natural justice.

1935 We are also aware that if there are concerns by the FSC over the probity, fit and properness of an individual, this is explained to the individual and they are given an opportunity. I will just go through it in a bit more depth, if I could claim your indulgence, sir.

1940 Any matter that gives rise to a concern will most likely be identified by the Commission as part of its normal supervisory programme. Such concerns will be discussed with the licenceholder and the licenceholder will be asked to correct the problem. Any such issues would also be set out in the post-visit report. A copy of this report is given to the directors of the licenceholder. It is expected that licenceholders will take action to correct whatever deficiency or concern has been identified.

1945 If the issue is not corrected promptly, or if it is particularly significant, a section 14 direction would be issued to the licenceholder. This would specify the action that the licenceholder should take to correct the deficiency. If the matter is not corrected, then the Commission may issue a section 11 warning notice to the directors to express concerns about the individuals' conduct. The warning notice may specify action that the Commission wishes the directors to take to correct the matter. Therefore, the warning notice would not be the first stage of a process. Several contacts would have been made with the licenceholder beforehand.

1950 In circumstances where the licenceholder does not or will not address the problem, there are only two options open to the Financial Supervision Commission. The first of these is to take no further action at all and allow the licenceholder to continue to conduct its affairs in an unacceptable manner. Hon. Members will appreciate that this poses a potentially unacceptable risk to the Island's reputation in the event of an escalation of the problem.

1955 The second option gives the Financial Supervision Commission the power to take action, such as issuing a direction under section 10 to an individual director or controller of the licenceholder. This has implications for the fitness and propriety of the individual concerned, but may also have knock-on implications for the licenceholder itself.

1960 Alternative action can be taken under section 23, which gives the Financial Supervision Commission the power to appoint a reporting accountant or other relevant professional. The appointee will be given powers to investigate the conduct of the licenceholder.

1965 I am sure that the Hon. Members will agree that neither the option to do nothing nor the heavy-handed one are optimal. The introduction of warning notices is a halfway house. It leaves the licenceholder in no doubt that the Financial Supervision Commission is serious about the action that is needed, but does not leave a permanent stain on the licenceholder's record or on that of its officers. Warning notices are not a matter of public record. They are also time bound and expire once the Financial Supervision Commission is satisfied that the matter has been resolved.

1970 In limited circumstances, the existence of a warning notice in respect of a particular individual may be notified to others. This is likely to occur only in two circumstances, the first being where there is an inquiry from another regulator about that individual. This is not a new power. There are currently what are known as gateways that allow this to happen in clearly defined circumstances.

1975 The second is where an individual seeks to leave a licenceholder rather than address the problem. The existence of a warning notice may then be notified to any prospective employer as part of a vetting process for key staff. Not to do this would place the prospective employer in a difficult position and one that is clearly not of their making. One must not lose sight of the fact that the Financial Supervision Commission's remit is to protect the customers of persons carrying on a regulated activity. It is not to protect the licenceholder.

1980 Requiring the Financial Supervision Commission to issue a warning of a warning notice will create a farcical situation, in my opinion. The immediate losers here could well be the customers of the licenceholder. Ultimately, not allowing the Financial Supervision Commission to take appropriate and timely action will pose a threat to the good reputation of the Isle of Man itself.

1985 Whilst the amendment is well intended, it will only run the risk of unduly extending the process, but I am sure that Hon. Members will appreciate that the Commission already adopts a flexible and proactive approach to areas of concern.

The Speaker: Any other Member wish to speak to the amendment or to the clause?
Mr Cannan, Hon. Member for Michael.

1990 **Mr Cannan:** Thank you very much, Mr Speaker.

I think the Treasury Minister probably raises some valid points there. I can automatically see some serious flaws in having a 28-day notice period to an individual. I think the risks to the customer in that period are fairly clear. On the basis that this is moving towards a last-resort action for the FSC, I do not think giving 28 days' notice is going to particularly benefit anybody.

1995 I think this is a private matter between the FSC and the institution and is not a public matter. It also ensures, I think, that the individual or individuals concerned are put in a position where they have to quickly and effectively address matters of concern, and whilst I can see the Hon. Member for Rushen's points, in terms of giving somebody equal opportunity – and I am firmly in favour of ensuring that people do not get treated overly harshly – I think the risks to the Island and to those members of the public who have moneys invested in that particular institution would be too great, and I think the Member would have to go a bit further to justify to me in particular why he feels that 28-day period would not add increased risk to the investors or to the reputation of the Island.

2000
The Speaker: I call on the mover of the amendment to reply. Mr Skelly.

2005 **Mr Skelly:** Gura mie eu, Loayreyder.

First of all, I thank Mr Houghton and Mrs Beecroft for their support in this amendment that I am trying to put forward. I also thank the Treasury Minister for his statement and reasoning.

2010 I would just like to highlight that the FSC is a regulator – I recognise that fact. They do have a role in enforcement. I do believe also that this clause does not hinder that enforcement role.

I would also like to reiterate the statement that all I am asking here is to mirror the very same wording that is in section 10B, so it is literally following the Commission's wording in that respect; and also the point of the rights and protections of natural justice. That is what I am standing up for in this case and I ask Members to support that.

2015 Lastly, Mr Cannan's point with regard to 28 days, is that reasonable? I think it is reasonable, personally, and if you are going to be dealing with appeals and petitions of doleance, it is going to be an awful lot longer, and I think we are going to be open to that if we do not accept this clause.

So, once more, I ask for Hon. Members' support. Gura mie eu.

2020 **The Speaker:** Mr Teare, reply.

Mr Teare: Thank you, Mr Speaker.

2025 I would just ask Members to consider carefully the potential implications of this amendment. I have great reservations about it. In financial matters, when we are dealing with the security of customers' funds and also the reputation of the Isle of Man, we need to be able to take timely action, and my view is that if this Hon. House is minded to accept the amendment put down by the Hon. Member for Rushen, it is going to run the risk of new deposits, new investments, being made by clients during that intervening period.

2030 I do not feel that it is going to impact on natural justice. People will have the opportunity to liaise with the FSC, as they have already, to address areas of concern and be given an option to address those areas of concern. As my hon. colleague, the Member for Michael, has said, we need to deal with these issues to protect investors whilst recognising that those involved in the industry also have their rights, but they are given explanations by the FSC and the FSC does work with them to ensure that a positive solution is found to their areas of concern.

2035 I would ask Hon. Members not to vote in favour of the amendment. Thank you.

The Speaker: I put the motion to the House that clause 9 be approved. To that clause, we have an amendment in the name of Mr Skelly. Those in favour of the amendment, please say aye; against, no. The noes have it.

2040

A division was called for and electronic voting resulted as follows:

FOR

Mr Quirk
Mr Hall
Mr Karran
Mr Houghton
Mrs Beecroft
Mrs Cannell
Mr Skelly

AGAINST

Mr Ronan
Mr Crookall
Mr Anderson
Mr Bell
Mr Singer
Mr Quayle
Mr Teare
Mr Cannan
Mr Henderson
Mr Robertshaw
Mr Shimmin
Mr Corkish
Mr Cretney
Mr Watterson
Mr Gawne
The Speaker

2045 **The Speaker:** With 7 votes for and 16 votes against, the amendment fails to carry.
I put clause 9 to the House. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.
Clause 10, Mr Teare.

2050 **Mr Teare:** Thank you, Mr Speaker.
Clause 10 amends section 13, concerning public statements, by clarifying the application of that section. It also involves a non-mandatory power to issue a public statement in respect of the new prohibition power and in respect of a section 10 direction. The change is the obligation to issue a public statement into a power to do so.

2055 Mr Speaker, I beg to move that clause 10 do stand part of this Bill.

The Speaker: Mr Henderson.

2060 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

The Speaker: I put the motion that clause 10 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 11.

2065 **Mr Teare:** Thank you, Mr Speaker.
Clause 11 adds to section 14 a new subsection that enables the FSC to vary or to revoke directions issued to permitted persons. The clause also requires that the FSC provides a statement of reasons for any variations it issues.

2070 Mr Speaker, I beg to move that clause 11 do stand part of this Bill.

The Speaker: Mr Henderson.

2075 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

The Speaker: I put the question that clause 11 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 12.

2080 **Mr Teare:** Clause 12 makes it explicit that failure to comply with the Rule Book on reporting requirements may result in an action for breach under section 19.

Mr Speaker, I beg to move that clause 12 do stand part of this Bill.

2085 **The Speaker:** Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

2090 **The Speaker:** I put the question that clause 12 do stand part of the Bill. Those in favour, say
aye; against, no. The ayes have it. The ayes have it.
Clause 13.

2095 **Mr Teare:** Clause 13 adds to section 20 injunction powers which may apply if a prohibition,
as per clause 8, is likely to be breached. This replicates injunctive powers which exist in respect of
breaches of various other requirements, including section 10 directions.

The clause also makes a change to recognise that clients of regulated businesses may be termed
customers or investors. The change means that where customers have suffered loss etc due to a
requirement being contravened, the High Court may order a remedy. At present, this only applies
to investors who have suffered loss.

2100 Mr Speaker, I beg to move that clause 13 do stand part of the Bill.

The Speaker: Mr Henderson.

2105 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

2110 **The Speaker:** I put the question that clause 13 do stand part of the Bill. Those in favour, say
aye; against, no. The ayes have it. The ayes have it.
Clause 14, please.

2115 **Mr Teare:** Clause 14 specifies that if a permitted person breaches a requirement in section 23
to provide a specific report, the FSC may undertake an action for breach. Reports by accountants
or other professionals on the business of a licenceholder are very occasionally required and the
change will increase the public's protection against non-compliant licenceholders.

Mr Speaker, I beg to move that clause 14 do stand part of this Bill.

The Speaker: Mr Henderson.

2120 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

2125 **The Speaker:** I put the motion that clause 14 do stand part of the Bill. Those in favour, please
say aye; against, no. The ayes have it. The ayes have it.
Clause 15.

Mr Teare: Clause 15 adds new appeal powers to section 32. These will enable affected
persons to appeal against prohibitions, as per clause 8, and allow for appeals against variations to
section 10 directions. For clarity, the current list of matters in respect of which an appeal may be
made is replaced with a table.

2130 Mr Speaker, I beg to move that clause 15 do stand part of this Bill.

The Speaker: Mr Henderson.

2135 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

2140 **The Speaker:** I put the motion that clause 15 do stand part of the Bill. Those in favour, say
aye; against, no. The ayes have it. The ayes have it.
Clause 16.

2145 **Mr Teare:** Clause 16 restructures the steps of the indemnity provisions of section 33 to make
it clear that anyone carrying out functions for and on behalf of the FSC is covered by the FSC's
statutory indemnity provisions unless their action is in bad faith. This amends the current wording,
which links indemnity to exercising functions conferred by or under a specified enactment. The
amendment also clarifies the indemnity position when the FSC carries out functions under powers
delegated to it by other areas of Government, for example by the Treasury. The changes provide
more certainty for officers etc of the FSC.

Mr Speaker, I beg to move that clause 16 do stand part of the Bill.

- 2150 **The Speaker:** Mr Henderson.
- Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.
- 2155 **The Speaker:** I put the motion that clause 16 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 17.
- Mr Teare:** Clause 17 changes the heading for section 40 and adds to it provisions relating to clause 12 in respect of reporting requirements under the Rule Book. Clause 17 makes it an offence to fail to supply information as required, except where there is a reasonable excuse or legal professional privilege could be maintained.
I beg to move that clause 17 do stand part of the Bill.
- 2160 **The Speaker:** Mr Henderson.
- Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.
- 2165 **The Speaker:** I put the question that clause 17 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 18.
- Mr Teare:** Thank you, Mr Speaker.
- 2170 **The Speaker:** I put the question that clause 17 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 18.
- 2175 **Mr Teare:** Thank you, Mr Speaker.
Clause 18 amends section 45 by extending the offences and penalties powers to contraventions of a licenceholder's obligation not to appoint a person in contravention of a section 10 direction, an individual's obligation not to perform a prohibited function, and a permitted person's obligation not to permit an individual to perform a prohibited function. The penalties under section 41 on summary conviction are a fine of up to £5,000, custody of up to six months, or both.
- 2180 **Mr Speaker,** I beg to move that clause 18 do stand part of the Bill.
- The Speaker:** Mr Henderson.
- Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.
- 2185 **The Speaker:** I put the question that clause 18 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 19.
- 2190 **Mr Teare:** Clause 19 amends section 48, which comprises definitions. The first change, which is in connection with the Foundations Act 2011, expands the meaning of the term 'director' so as to include a member of the council of a foundation. Clause 19 also adds the imposition of a prohibition under section 10A to the definition of 'action for breach' so as to reflect the powers introduced by clause 8.
- 2195 As mentioned at the Second Reading of this Bill, I understand that the Hon. Member, Mr Henderson, will be moving an amendment to this clause to revise the definition of 'controller', which is supported by the Treasury.
Mr Speaker, I beg to move that clause 19 do stand part of the Bill.
- 2200 **The Speaker:** Mr Watterson.
- Mr Watterson:** I beg to second, sir, and reserve my remarks.
- 2205 **The Speaker:** There is an amendment to clause 19 in the name of Mr Henderson. I call on him to so move.
- Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
As a result of revised international standards on the supervision of banking groups and holding companies, I propose an amendment to clause 19 of the Bill.
- 2210

2215 As the Minister has mentioned, clause 19 amends section 48 of the Financial Services Act
2008, which comprises definitions. The amendment that I propose is to vary the definition of the
term ‘controller’ such that it extends to companies and other persons who control licenceholders,
instead of only to individuals. This change is necessary to address the revised Basel Core
Principles for Effective Banking Supervision that were formerly published in September 2012.
The revised principles expect regulators to supervise banking groups on a consolidated basis,
including any non-financial entities in the group’s structure. The FSC’s powers do not currently
extend to non-financial parent companies of its licenceholders, but this amendment will provide it
with powers to meet the new Basel Core Principles. It is expected that the IMF will assess the Isle
2220 of Man against these principles in its next assessment.

Vainstyr Loayreyder, I beg to move the amendment to clause 19 standing in my name:

Clause 19

2225 *Page 16, line 35 For subsection (2) substitute –*

‘(2) In subsection (1) –

*(a) in the definition of “controller”, in paragraphs (c) and (d) for “individual” substitute
“person”; and*

(b) in the definition of “director” at the end add –

2230 *“(e) in relation to a foundation within the meaning of the Foundations Act 2011, a member of
the council of the foundation;”.’*

The Speaker: Mr Houghton.

2235 **Mr Houghton:** I beg to second, sir.

The Speaker: I put the amendment first: those in favour of the amendment, please say aye;
against, no. The ayes have it. The ayes have it.

Clause 19 as amended: those in favour, please say aye; against, no. The ayes have it. The ayes
2240 have it.

Clause 20.

Mr Teare: Thank you, Mr Speaker.

Clause 20 amends schedule 1.

2245 In paragraph 1, the grounds on which an FSC commissioner may be removed from office are
set out. This follows an observation by IMF assessors that Tynwald should be required to make
public its reasons for removing a commissioner from office.

A revision to paragraph 3 requires that the FSC considers financial stability when discharging
its functions. This change addresses an IMF comment that the FSC should have an explicit
mandate to promote the stability of the financial system.

2250 Paragraph 4 addresses a comment from the IMF that the boundaries of Treasury’s powers to
specify policies and strategies to the FSC should be explicitly defined in legislation. This
amendment clarifies the Treasury’s powers to issue guidance and directions to the FSC. In
consequence, the heading of this paragraph is changed to reflect its content.

2255 Mr Speaker, I beg to move that clause 20 do stand part of this Bill.

The Speaker: Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

2260 I beg to second, sir, and reserve my remarks.

The Speaker: I put the motion that clause 20 do stand part of the Bill. Those in favour, say
aye; against, no. The ayes have it. The ayes have it.

Clause 21.

2265 **Mr Teare:** Mr Speaker, clause 21 amends schedule 2.

In paragraph 1, the FSC’s powers are clarified and enhanced to reflect its existing role in
approving and registering auditors of market traded companies who are known as recognised
auditors. This clause adds a power for the FSC to inspect and investigate current and former
recognised auditors in respect of their audits of market traded companies. The clause also adds
2270 definition of core terms that relate to this activity and a power for the Treasury to amend these
definitions in a case of need.

Paragraph 2 addresses an IMF comment that the regulator should be able to view the perimeter of regulation regularly. The amendment will enhance the FSC's powers to seek information from unregulated entities in order to help it detect and prevent abuse of the financial system.

2275

Mr Speaker, I beg to move that clause 21 do stand part of this Bill.

The Speaker: Mr Henderson.

2280

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

I beg to second, sir, and reserve my remarks.

The Speaker: I put the motion that clause 21 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

2285

Clause 22.

Mr Teare: Clause 22 amends schedule 3 by replacing a requirement for certain matters to be specified in legislation, namely the Rule Book, by an ability for the FSC to specify requirements in such other manner as it thinks fit. The clause also requires the FSC to draw any non-legislative requirements to the attention of affected parties. The change is expected to assist licenceholders and the FSC.

2290

Mr Speaker, I beg to move that clause 22 do stand part of the Bill.

The Speaker: Mr Henderson.

2295

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

I beg to second, sir, and reserve my remarks.

The Speaker: I put the motion that clause 22 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

2300

Clause 23.

Mr Teare: Clause 23 amends schedule 4, which relates to the Financial Services Ombudsman Scheme, as offered by the Isle of Man Office of Fair Trading. The changes vary the maximum levels of compensation that may be awarded by adjudicators and provide a power for the Treasury to vary the sum by order in future.

2305

Mr Speaker, I beg to move that clause 23 do stand part of this Bill.

The Speaker: Mr Henderson.

2310

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

I beg to second, sir, and reserve my remarks.

The Speaker: I put the motion that clause 23 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

2315

Clause 24.

Mr Teare: Thank you, Mr Speaker.

Clause 24 adds to schedule 5 the two existing gateways that are currently shown in Orders made under the Financial Services Act. These gateways permit the transfer of information between the FSC and other organisations. Incorporating the gateways in the Act increases transparency and enables them to be found more easily, primarily by external reviewers. Consequential on this change, clause 36 revokes the existing Gateways Orders.

2320

The clause also lists in a new subparagraph (2)(1A), the enactments to which one of these gateways relates, and provides in new subparagraph (2)(1B) that the Treasury may amend this list by order.

2325

Mr Speaker, I beg to move that clause 24 do stand part of this Bill.

The Speaker: Mr Henderson.

2330

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

I beg to second, sir, and reserve my remarks.

2335 **The Speaker:** I put the question that clause 24 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 25.

Mr Teare: Clause 25 amends terminology in various sections of the Financial Services Act from 'is in contravention of' to 'contravenes' for improved clarity. No change in meaning is intended by the change.
2340 Mr Speaker, I beg to move that clause 25 do stand part of this Bill.

The Speaker: Mr Henderson.

2345 **Mr Henderson:** I beg to second, sir, and reserve my remarks.

The Speaker: I put the question that clause 25 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 26.

2350 **Mr Teare:** Clause 26 is the first clause which deals with part 3, the amendment of the Collective Investment Schemes Act 2008. Clause 26 introduces the amendments and, as such, I beg to move that clause 26 do stand part of the Bill.

The Speaker: Mr Henderson.

2355

Mr Henderson: I beg to second, sir, and reserve my remarks.

The Speaker: I put the question that clause 26 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
2360 Clause 27.

Mr Teare: Clause 27 amends the heading to part 5.
Mr Speaker, I beg to move that clause 27 do stand part of the Bill.

2365

The Speaker: Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

2370 **The Speaker:** I put the question that clause 27 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 28.

2375 **Mr Teare:** Clause 28 amends section 11, which provides when the FSA may exercise its powers under part 5 – oversight and intervention – of the Act, and changes the section's headings as a result. This change is a consequence of the new sections 11A to 11F, as described in clause 29.
Mr Speaker, I beg to move that clause 28 do stand part of this Bill.

2380

The Speaker: Mr Henderson.

Mr Henderson: I beg to second, sir, and reserve my remarks.

2385 **The Speaker:** I put the question that clause 28 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 29.

2390 **Mr Teare:** Clause 29 adds new sections 11A to 11F to the Act to address lack of fitness and propriety in members of collective investment schemes' governing bodies. Specifically, the new sections add powers to issue directions that a person is not fit and proper, give warning notices and impose prohibitions on members of collective investment schemes' governing bodies. These powers replicate those in or proposed for the Financial Services Act so as to ensure equal

treatment for those who are subject to either of the Acts. The changes are designed to enhance public protection. Appeal powers are provided in respect of the FSC's use of these new powers.

2395

Mr Speaker, I beg to move that clause 29 do stand part of this Bill.

The Speaker: Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

2400

I beg to second, sir, and reserve my remarks.

The Speaker: I put the motion that clause 29 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 30.

2405

Mr Teare: Thank you, Mr Speaker.

Clause 30 introduces a power to impose civil penalties for failure to comply with legislative requirements. The new section 19A will enable the FSC to apply equivalent treatment to functionaries of schemes under this Act as to licenceholders under the Financial Services Act. Penalties may be imposed, for example, for failings relating to administering or managing collective investment schemes, and therefore this change is only expected to impact upon scheme administrators and scheme managers.

2410

The Financial Services Commission is required to make regulations to detail the circumstances in which penalties may be imposed and the amounts payable. The penalties powers aim to deter poor management and administration and will be subject to appeal provisions under new powers in section 21.

2415

Mr Speaker, I beg to move that clause 30 do stand part of this Bill.

The Speaker: Mr Henderson.

2420

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

I beg to second, sir, and reserve my remarks.

The Speaker: I put the motion that clause 30 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

2425

Clause 31.

Mr Teare: Clause 31 amends section 21 by adding powers to appeal against the FSC's decisions relating to the new fitness and propriety and civil penalties provisions in clauses 29 and 30. As in clause 15, which amends the Financial Services Act, for greater clarity, a tabular format will replace the current list of matters in respect of which an appeal may be made.

2430

Mr Speaker, I beg to move that clause 31 do stand part of the Bill.

The Speaker: Mr Henderson.

2435

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

I beg to second, sir, and reserve my remarks.

The Speaker: I put the question that clause 31 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

2440

Clause 32.

Mr Teare: Clause 32 adds a new section A24 relating to the form and content of information, which is in line with the change proposed to the Financial Services Act by clause 22. The amendment allows the Financial Supervision Commission to determine the form and content of any document or information to be submitted to it and the manner in which it is to be delivered. The FSC is required to draw such determinations to the attention of those likely to be affected by them.

2445

Mr Speaker, I beg to move that clause 32 do stand part of this Bill.

2450

The Speaker: Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

2455 I beg to second, sir, and reserve my remarks.

The Speaker: I put the motion that clause 32 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 33.

2460 **Mr Teare:** Clause 33 amends schedule 1, which relates to authorised schemes. The amendment will allow the FSC to vary the requirements for authorised schemes by order and reflects the power already in place for international schemes in schedule 2. The amendment mitigates the risk that the current lack of flexibility may hinder the future development of the authorised scheme industry in the Island.

2465 Mr Speaker, I beg to move that clause 33 do stand part of this Bill.

The Speaker: Mr Henderson.

2470 **Mr Henderson:** I beg to second, sir, and reserve my remarks.

The Speaker: I put the question that clause 33 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 34.

2475 **Mr Teare:** Clause 34 amends schedule 4, which relates to recognised schemes. The schedule currently requires the FSC to issue a notice in writing to require certain standard information from recognised schemes' governing bodies. The change will allow the FSC to make regulations to specify the standard information that governing bodies are required to publish to potential investors. Non-standard information will still be required by notices in writing from the FSC. The clause also clarifies that it is the jurisdiction in which a recognised scheme is authorised that is important, not where it is managed.

2480 Mr Speaker, I beg to move that clause 34 do stand part of this Bill.

The Speaker: Mr Henderson.

2485 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

2490 **The Speaker:** I put the question that clause 34 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 35.

Mr Teare: Clause 35 makes a consequential amendment to the Companies Act 1931 in respect of the transfer of deposit-taking business provisions that are contained in clause 5 and in the schedule to this Bill.

2495 Mr Speaker, I beg to move that clause 35 do stand part of this Bill.

The Speaker: Mr Henderson.

2500 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

2505 **The Speaker:** I put the question that clause 35 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.
Clause 36.

Mr Teare: Clause 36 repeals section 35(2) of the Financial Services Act, which requires the FSC to keep a register of directions issued under section 10. The repeal is in consequence of the changes to the fitness and propriety provisions in clauses 7 and 8.

2510 The clause also revokes the two Gateways Orders that are moved to the Financial Services Act by clause 24 and the Ombudsman Scheme Compensation Order that is made redundant by clause 23.

Mr Speaker, I beg to move that clause 36 do stand part of the Bill.

2515 **The Speaker:** Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

2520 **The Speaker:** I put the question that clause –
Mr Karran, you wish to speak?

Mr Karran: Vainstyr Loayreyder, just could the Shirveishagh Tashtee clarify with the... It says in here about the Financial Services (Disputes) (Maximum Award of Compensation) Order. Has he got any figures of what is the Maximum Award of Compensation Order as far as this [Inaudible] is concerned?

The Speaker: Mr Teare.

2530 **Mr Teare:** Thank you.

I am just speaking from memory now, and I will correct it if I am wrong, sir, but as I understand it, it is £150,000. An earlier clause in this Act deal with it, but also said that the maximum sum could be uprated by changes in monetary value, I think was the exact expression there, so there is provision in future for the Treasury, by direction, to increase the amount in line with inflation.

The Speaker: I put the question that clause 36 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Finally, we turn to the schedule. Mr Teare.

2540

Mr Teare: Thank you, Mr Speaker.

The schedule is enabled by clause 5. It contains the provisions relating to a transfer of business from one deposit-taker to another. The paragraphs describe the relevant transfer schemes, the application to transfer schemes of any compromises or arrangements in respect of sections 152 to 154 of the Companies Act 1931, how applications for transfer schemes may be made, how any requirements may be imposed on applications, who may be heard in respect of an application, and conditions that must be satisfied before the High Court may sanction a transfer scheme.

2545

I understand that my colleague, the Hon. Member, Mr Henderson, will be moving an amendment to widen the scope of the schedule so that it may include business of a deposit-taker, other than purely its deposit-taking. This amendment has the support of the Treasury.

2550

Mr Speaker, I beg to move that the schedule do stand part of the Bill.

The Speaker: Mr Watterson.

2555

Mr Watterson: I beg to second, sir.

The Speaker: Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

2560

I beg to formally move the two clauses to the schedule, as previously discussed at clause 5, which the House has already discussed and ostensibly voted upon. I beg to move, sir:

Schedule

2565

On page 33 for the heading to schedule 1A to be inserted into the Financial Services Act 2008 substitute –

‘TRANSFER OF BUSINESS INCLUDING DEPOSIT-TAKING’

On page 33 for paragraph 1 of schedule 1A to be inserted into the Financial Services Act 2008 substitute –

2570

‘1 Schemes transferring business including deposit-taking

For the purposes of this Schedule “a relevant transfer scheme” is a scheme under which –

(a) the whole or part of the business carried on in or from within the Island by a licenceholder (“the transferor”) is to be transferred to another person (“the transferee”); and
(b) the whole or part of the business to be transferred comprises, or includes, deposit-taking.’.

2575

The Speaker: Mr Houghton.

Mr Houghton: I beg to second, sir.

2580

The Speaker: I put the amendment to the schedule first: those in favour of the amendment in the name of Mr Henderson, please say aye; against, no. The ayes have it. The ayes have it.

The schedule as amended: those in favour, please say aye; against, no. The ayes have it. The ayes have it.

2585

Hon. Members, that now concludes the business of the House today.

May I remind Members of the House of Keys Standing Order Committee that there will be a meeting immediately after this sitting.

The House will now stand adjourned until the next sitting, which will take place at 10.30 a.m. on 20th November in Tynwald Court.

2590

The House adjourned at 12.26 p.m.