



# **Legislative Assembly of the Cayman Islands**

## **Amended GOVERNMENT MOTION No. 4/2020-2021**

### **Government Guaranteed Loan Scheme for Medium and Large-Sized Businesses**

**WHEREAS** resulting from the contraction of the local economy and the loss of revenue due to COVID-19, the Government and five (5) local Banks have agreed to a Government Guaranteed Loan Scheme to assist qualifying Medium and Large-Sized businesses for the purpose of meeting their operating and capital expenditure and re-financing debt needs;

- a. A Medium-Sized business is defined as a business employing from 13 to 50 employees or it has gross revenue of CI\$750,001 to CI\$5,000,000;
- b. A Large-Sized business is defined as a business employing over 50 employees or it has gross revenue of over CI\$5,000,000;
- c. To be eligible for a loan under the Scheme, businesses must:
  - i. be at least 60% Caymanian owned;
  - ii. be a Cayman-registered company, Caymanian Sole Proprietorship, or Partnership on 22 March 2020;
  - iii. have 13 or more employees as at 22 March 2020;
  - iv. be in good credit standing with their bank; and
  - v. satisfy all credit approval and other requirements of the participating Banks.
- d. The maximum that each Medium and Large-sized business can borrow is up to CI\$750,000 and CI\$3,000,000, respectively;

- e. The interest rate will be variable at the prevailing CI Dollar or US Dollar Prime Rate of up to 1.50%. The Current CI Dollar and US Dollar Prime Rate is 3.25%. The Banks will charge the usual application, commitment and legal fees and may require businesses to obtain insurance in a sum at least equal to the loan amount, among any other internal requirements and may also necessitate other security from borrowers, in addition to the Government Guarantee;
- f. The maximum repayment period, including a 12-month moratorium period, is 7 years and businesses will have up to one (1) year to apply for the loan;
- g. The maximum duration of the Government loan Guarantee is for the duration of the loan – which is seven (7) years; and
- h. The Government will waive the 1 – 1½% Stamp Duty that may be applicable to any charges placed over assets to provide security for the loans. Other stamp duties and normal charges may be applicable.

**AND WHEREAS** the Government seeks to Guarantee 50 percent, or a total not to exceed CI\$100.0 million, of the loan Scheme limit of CI\$200.0 million;

**AND WHEREAS** the following Banks have agreed to lend up to a maximum of CI\$200.0 million of the sought Government Guaranteed Loan Scheme to Medium and Large-sized businesses:

- a. Butterfield Bank (Cayman) Limited;
- b. Cayman National Bank Ltd;
- c. FirstCaribbean International Bank (Cayman) Limited;
- d. RBC Royal Bank (Cayman) Limited; and
- e. ScotiaBank & Trust (Cayman) Limited.

**AND WHEREAS** Section 8 of the Public Management and Finance Law (2020 Revision), states that as a general rule, no Guarantee may be given by, or on behalf of, the Government unless it has been authorised by a resolution of the Legislative Assembly;

**BE IT THEREFORE RESOLVED THAT** a Government Guarantee for the Government Guaranteed Loan Scheme for Medium and Large-Sized Businesses be approved as follows:

- a. A blanket Guarantee, for seven (7) years, of 50 percent of the maximum loan scheme limit of CI\$200.0 million, which is equivalent to CI\$100.0 million;
- b. The Government to guarantee 50 percent of the loans which are not to exceed a total of CI\$200.0 million, to the following local financial institutions:
  - i. Butterfield Bank (Cayman) Limited;
  - ii. Cayman National Bank Ltd;
  - iii. FirstCaribbean International Bank (Cayman) Limited;
  - iv. RBC Royal Bank (Cayman) Limited;
  - v. ScotiaBank & Trust (Cayman) Limited; and

- vi. such other local financial institution as regulated by Cayman Islands Monetary Authority and as considered suitable by the Minister for Finance and Economic Development; and
- c. that the Guarantees shall be signed by the Minister for Finance and Economic Development, on behalf of the Government of the Cayman Islands.

Moved by:                   The Honourable Roy McTaggart, JP  
Minister for Finance and Economic Development

**Received in the Office of the Clerk this 5th day of October 2020**

**Passed by the Legislative Assembly this 14<sup>th</sup> day of October 2020**

**Clerk of the Legislative Assembly**

**Amendment to**  
**GOVERNMENT MOTION No. 4/2020-2021**

**Government Guaranteed Loan Scheme for Medium and Large-Sized**  
**Businesses**

In the Resolved section, item b. vi,

to insert after the words “financial institution” the words “as regulated by the Cayman Islands Monetary Authority and”

**The last resolved section in b. vi. will now read as follows –**

“such other local financial institution as regulated by the Cayman Islands Monetary Authority and as considered suitable by the Minister for Finance and Economic Development”;

Moved by: Honourable Roy McTaggart, JP  
Minister for Finance and Economic Development

**Received in the Office of the Clerk this 14th day of October 2020**

**Passed / Rejected by the Legislative Assembly this \_\_\_\_\_ day of October 2020**

**Clerk of the Legislative Assembly**