

THE SUGAR INDUSTRY EFFICIENCY (AMENDMENT) BILL

(No. XXXVII of 2016)

Explanatory Memorandum

The main object of this Bill is to amend the Sugar Industry Efficiency Act to –

- (a) prepare the sugar cane industry to face challenges in view of the abolition of European Union (EU) country sugar quotas;
- (b) implement measures destined to ensure the long-term viability of the sugar cane industry;
- (c) provide for the setting up of a Sugar Cane Sustainability Fund for the purpose of fostering the production of sugar cane and bagasse;
- (d) lay the foundations for Mauritius to transit to a low carbon economy by, inter alia, providing for the use of lower carbon emission fuel in the transport sector;
- (e) empower the Mauritius Cane Industry Authority to develop –
 - (i) a Renewable Sugar Cane Industry Based Biomass Framework to enable the country to best fulfil its international commitments;
 - (ii) an Ethanol and Molasses Framework to allow the mandatory blending of ethanol and mogas;
 - (iii) a Sugar Based Agro-Industry Framework to promote a sugar based agro-industry and generate value added sugar or other sugar products through the use of local raw materials;
- (f) ensure that consumers secure quality sugar-based products which comply with international norms;
- (g) make better provisions for revenue accruing to planters from molasses and the allocation of molasses between distilleries;
- (h) make better provisions with respect to land conversion; and
- (i) provide for the implementation of the award of 31 July 2015 of the Arbitration Panel regarding seasonal labour in the sugar cane industry.

2. Opportunity is being taken to make other amendments to the Act to remove obstacles in the way of business facilitation, more particularly in respect to land conversion.

3. Opportunity is also being taken to amend other Acts in line with the objectives of this Bill, including the need to re-engineer the Mauritius Cane Industry Authority and to ensure the long-term viability of the sugar cane cluster.

M. K. SEERUTTUN
*Minister of Agro-Industry and
Food Security*

16 December 2016

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ARRANGEMENT OF CLAUSES

Clause

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| 2. Interpretation | 11. Section 18 of principal Act repealed |
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| 5. New sections 13A and 13B inserted in principal Act | 14. Section 28 of principal Act amended |
| 6. Section 14 of principal Act amended | 15. New sections 28A and 28B inserted in principal Act |
| 7. Section 15 of principal Act repealed and replaced | 16. Section 29 of principal Act amended |
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A BILL

To amend the Sugar Industry Efficiency Act

ENACTED by the Parliament of Mauritius, as follows –

1. Short title

This Act may be cited as the Sugar Industry Efficiency (Amendment) Act 2016.

2. Interpretation

In this Act –

“principal Act” means the Sugar Industry Efficiency Act.

3. Section 2 of principal Act amended

Section 2 of the principal Act is amended by inserting, in the appropriate alphabetical order, the following new definitions –

“crop year” has the same meaning as in the Mauritius Cane Industry Authority Act;

“fob” means free on board;

“ICUMSA” means the International Commission for Uniform Methods of Sugar Analysis;

“LCR” means Land Conversion Right;

“manufactured” in respect of sugar, means sugar of any polarisation obtained from a mill or refinery where the starting raw materials are canes cultivated and harvested in Mauritius;

“Mauritius Standards Bureau” means the Mauritius Standards Bureau established under section 3 of the Mauritius Standards Bureau Act;

“Ministry” means the Ministry responsible for the subject of agriculture;

“raw sugar” –

(a) means sugar with a polarisation not exceeding 99.5; and

(b) includes plantation of white sugar with very high polarisation (VHP) sugar and very very high polarisation(VVHP) sugar;

“SPRP” means the Sugarcane Planters Regrouping Project referred to in the Mauritius Cane Industry Authority Act;

“sugar reform” means a policy measure recommended pursuant to the Sugar Sector Strategic Plan, the Multi Annual Adaptation Strategy or the Blue Print on the centralisation of sugar factories;

4. Section 11 of principal Act amended

Section 11 of the principal Act is amended –

(a) by inserting, after subsection (1), the following new subsections –

(2) Subject to the approval of the Minister and to subsection (8), a person may convert 2 units of acreage for every unit of acreage sold to Government or any entity designated by Government, provided that the sale is effected at a nominal price of one rupee and he undertakes to plough back the proceeds arising from the conversion to any economic activity in Mauritius.

(2A) The total acreage of land to be acquired by Government to which subsection (2) applies shall not exceed 100 hectares (236.918 arpents) in the aggregate or such other increased acreage as may be prescribed.

(b) in subsection (7), by deleting the words “subsection (3)” and replacing them by the words “subsections (2) and (3),”;

(c) in subsection (8), by deleting the words “subsection (3)” and replacing them by the words “subsection (2), (3)”;

(d) in subsection (9), in paragraph (a), by inserting, after the word “subsection”, the words (2) or”;

(e) in subsection (11), by deleting the words “subsection (3)” and replacing them by the words “subsection (2), (3)”;

(f) in subsection (12), by inserting, after paragraph (a), the following new paragraphs –

(b) any body corporate complying with subsection (2) which transfers its leasehold rights in State land to any of its subsidiaries shall be exempted from payment of the tax under Part VIA of the Land (Duties and Taxes) Act where the deed witnessing the transfer contains an authorisation for land conversion under Part V; or

(c) where the person referred to in subsection (2) sells land at concessionary prices to Government, a specified entity or any entity designated by Government, the deed witnessing the transfer shall be exempted from payment of the duty or tax leviable under Part II and Part III of that Act.

5. New sections 13A and 13B inserted in principal Act

The principal Act is amended by inserting, after section 13, the following new sections –

13A. Sugar Cane Sustainability Fund

(1) There shall be a Sugar Cane Sustainability Fund for the purposes of fostering the production of sugar cane and bagasse.

(2) The Sugar Cane Sustainability Fund shall be managed by the Mauritius Cane Industry Authority.

(3) (a) Any contributions made on a yearly basis by such bodies as may be prescribed shall be credited to the Sugar Cane Sustainability Fund.

(b) Any contribution referred to in paragraph (a) shall be made on or before 1 March of every year and in such amount as may be prescribed.

(4) Subject to subsection (6), the Mauritius Cane Industry Authority shall, on such terms and conditions as may be prescribed, effect payment to planters on or before 31 March of every year.

(5) Where the Mauritius Cane Industry Authority is satisfied that a planter has registered himself with the Sugar Insurance Fund as from crop year 2015 for the sole purpose of obtaining payments under this section, it shall not effect such payment to the planter.

(6) Any planter in a regrouping scheme under SPRP shall, for the purpose of any payment under this section, be considered on an individual basis.

(7) In this section –

“planter” means a planter registered with the Sugar Insurance Fund on or before 31 May 2015.

13B. Renewable Sugar Cane Industry Based Biomass Framework

(1) The Mauritius Cane Industry Authority shall develop and monitor a framework to be known as the Renewable Sugar Cane Industry Based Biomass Framework to promote production of energy from biomass, including sugar cane, cane trash, high fibre cane, fuel canes, gramineae and other related biomass, generated by the sugar cane industry.

(2) The Renewable Sugar Cane Industry Based Biomass Framework shall include such items and such incentives as may be prescribed.

6. Section 14 of principal Act amended

Section 14 of the principal Act is amended, in subsections (1), (3)(a), and (7), by deleting the words “, (e)”.

7. Section 15 of principal Act repealed and replaced

Section 15 of the principal Act is repealed and replaced by the following section –

15. Ensuring quality products

(1) No person shall sell or otherwise deal with or refer to sugar as white sugar unless such sugar –

- (a) is referred to EEC Grades 1 and 2 sugar; and
- (b) has the characteristics referred to in subsection (3).

(2) Sugars of polarisation not exceeding 99.5 shall be sold or otherwise dealt with or referred to as raw sugar.

(3) White sugar shall have the following characteristics –

- (a) polarisation of 99.70 or more;
- (b) ICUMSA colour of 45 or less;
- (c) moisture of less than 0.06 per cent; and
- (d) invert sugar of less than 0.04 per cent.

(4) The Mauritius Standards Bureau shall be responsible for the testing of samples of sugar to determine whether such samples qualify as white sugar or raw sugar.

(5) Any importer or refiner, or any other person dealing in sugar shall, as and when required by the Mauritius Cane Industry Authority, submit samples of sugar destined for home consumption for testing to the Mauritius Standards Bureau.

(6) The Mauritius Standards Bureau shall, where it is satisfied that a consignment of sugar destined for home consumption responds to the food and hygiene standards of HACCP, issue a certificate regarding the suitability of the product for human consumption.

(7) Any sugar which is put on sale shall be labelled by clearly specifying the following –

- (a) its country of origin;
- (b) the weight, date of expiry, name of packer and distributor according to the Consumer Protection Act and the Legal Metrology Act;
- (c) whether it is from cane or beet;
- (d) whether it is manufactured, processed or imported;
- (e) whether it is white or raw;
- (f) its polarisation and ICUMSA colour; and
- (g) details on the certificate of suitability for human consumption issued by the Mauritius Standards Bureau.

(8) The Mauritius Standards Bureau shall take such measures as it may determine to inform consumers of the quality characteristics of such sugar being marketed.

(9) In this section –

“EEC” means the European Economic Country;

“HACCP” means the Hazard Analysis Critical Control Point standard published by the Mauritius Standards Bureau.

8. New section 15A inserted in principal Act

The principal Act is amended by inserting, after section 15, the following new section –

15A. Sugar Based Agro-Industry Framework

(1) The Mauritius Cane Industry Authority shall develop and monitor a framework to be known as the Sugar Based Agro-Industry Framework to promote sugar-based agro-industry and to generate value added sugar or other sugar products through the use of local raw materials, including those specified in the Tenth Schedule.

(2) The amount of sugar comprised in any product to which the framework applies shall not be less than 10 per cent of the weight of the final product.

(3) The Sugar Based Agro-Industry Framework shall apply to enterprises that are set up after the commencement of this section.

9. Part III of principal Act amended

Part III of the principal Act is amended by inserting, after Sub-part B, the following new Sub-part –

Sub-Part BA – Ethanol and Molasses Framework

15B. Ethanol and Molasses Framework

(1) The Mauritius Cane Industry Authority shall develop and monitor an Ethanol and Molasses Framework.

(2) The objectives of the Ethanol and Molasses Framework shall be to provide value addition from ethanol obtained from molasses or from any other raw material obtained from sugar cane, such as –

- (a) the mandatory blending of ethanol with mogas;
- (b) the production of goods where ethanol is used as a substrate or an ingredient; and
- (c) the production of beverages and syrups from molasses.

15C. Revenue to planters from molasses

(1) The revenue accruing to a planter per tonne of cane for molasses at 86-degree brix accruing to him out of canes supplied by him and sold on his behalf shall be derived from a basket of prices as the Mauritius Cane Industry Authority may determine.

(2) The basket referred to in subsection (1) shall be made of –

- (a) the sale prices of molasses sold to –

- (i) distillers producing ethanol for blending with mogas or export;
- (ii) distiller bottlers producing potable alcohol for export; or
- (iii) any person using molasses to produce beverages and syrup,

which shall be deemed to be equal to a deemed fob price as the Mauritius Cane Industry Authority may determine;

- (b) the sale price for exports of molasses, which shall be equal to the deemed fob price as specified in paragraph (a);
- (c) the sale price to distiller bottlers producing potable alcohol for the domestic market or any person using molasses to produce syrups and beverages, which shall be equal to 1.75 times the deemed fob price specified in paragraph (a) and which shall not exceed such amount as may be prescribed under the Mauritius Cane Industry Authority Act; and
- (d) the contributions referred to in section 47 of the Mauritius Cane Industry Authority Act as appropriately converted by the Mauritius Cane Industry Authority into a price per tonne of molasses at 86-degree brix.

(3) The price specified in subsection (2)(c) shall apply to such other uses as may be prescribed.

(4) Users or exporters of molasses and persons making contributions pursuant to section 47 of the Mauritius Cane Industry Authority Act shall make payments on a quarterly basis to the Mauritius Cane Industry Authority.

(5) The Mauritius Cane Industry Authority shall direct the payments made under subsection (4) to the Mauritius Sugar Syndicate which shall, in turn, effect distribution to planters.

15D. Allocation of molasses to distillers and distiller bottlers

(1) There shall be, under the Mauritius Cane Industry Authority, a Joint Molasses Allocation Committee.

(2) The committee shall consist of –

- (a) the Chief Executive Officer of the Mauritius Cane Industry Authority or such other officer as he may designate, as Chairperson;
 - (b) representatives of the Control and Arbitration Department of the Mauritius Cane Industry Authority; and
 - (c) representatives of distillers and distiller bottlers producing ethanol and potable alcohol.
- (3) The committee shall be responsible for the allocation of molasses between the distilleries, having regard to –
- (a) the principles of equal saturation of distilleries based on installed capacity as at 1 January 2016;
 - (b) the fact that one tonne of molasses yields at least 250 litres of anhydrous ethanol; and
 - (c) subject to subsection (4), the need to ensure that –
 - (i) distilleries producing ethanol for blending with mogas are viable and are allocated an amount of molasses to be prescribed; and
 - (ii) potable alcohol distilleries, in the aggregate, are allocated an amount of molasses to be prescribed.
- (4) The committee may modify the allocation referred to in subsection (3)(c) in a situation of force majeure.

15E. Blending ethanol with mogas

- (1) Notwithstanding any other enactment, a mandatory blending of hydrous or anhydrous ethanol with mogas shall be carried out by all mogas companies having as main operation the distribution of mogas.
- (2) The mandatory blending shall be effective on such date as may be prescribed.
- (3) The percentage of hydrous or anhydrous ethanol, as the case may be, added to mogas shall be determined pursuant to regulations made under the Consumer Protection (Price and Supplies Control) Act.
- (4) The percentage referred to in subsection (3) shall not be less than 2.5 per cent.

(5) In this section –

“anhydrous alcohol” has the same meaning as in the Excise Act;

“hydrous alcohol” means Rectified Ethanol Neutral Spirits (REN) for 96.4 per cent by volume of ethanol.

10. Section 17 of principal Act amended

Section 17 of the principal Act is amended, in subsection (4)(a), by deleting the figure “2012” and replacing it by the figure “2015”.

11. Section 18 of principal Act repealed

Section 18 of the principal Act is repealed.

12. Section 21 of principal Act amended

Section 21 of the principal Act is amended –

(a) by repealing subsection (2) and replacing it by the following subsection –

(2) (a) Subject to paragraph (b), where an employer has recourse to one or more job contractors, the total number of man-days to be performed in any crop year by –

(i) workers employed by the job contractor; and

(ii) seasonal workers employed by the employer,

shall be determined by the Mauritius Cane Industry Authority, in consultation with the Ministry responsible for the subject of labour, recognised trade unions and the employers, on or before 30 April of each year for the following crop year.

(b) Where an employer has recourse to one or more job contractors, or intends to employ seasonal workers, he shall, on or before 31 March of each year, inform the Mauritius Cane Industry Authority of the number of seasonal workers he will require for the following crop year.

(c) The number of seasonal workers to be required under paragraph (b) shall be determined by the Mauritius Cane

Industry Authority in consultation with the recognised trade unions and the employers.

- (b) by inserting, after subsection (2), the following new subsections –

(2A) For the purpose of this section, the Mauritius Cane Industry Authority shall set up a committee which shall consist of –

- (a) a representative of the Authority, as chairperson;
- (b) a representative of the employer; and
- (c) a representative of the relevant recognised trade union.

(2B) The number referred to in subsection (2) shall be arrived at after taking into consideration the award of the Arbitration Panel dated 31 July 2015.

- (c) by repealing subsection (4) and replacing it by the following subsection –

- (4) In this section –

“Arbitration Panel” means the Panel set up to look into unresolved issues relating to a labour dispute between the recognised Joint Negotiating Panel representing the recognised trade unions of the sugar industry and the then Mauritius Sugar Producers Association;

“employer” has the same meaning as in section 33 of the Employment Rights Act.

13. Section 27 of principal Act amended

Section 27 of the principal Act is amended, in the definition of “cultivation”, by deleting the words “, tea or tobacco” and replacing them by the words “or tea”.

14. Section 28 of principal Act amended

Section 28 of the principal Act is amended –

- (a) by inserting, after subsection (1A), the following new subsections –

(2) Subsection (1) shall apply to any agricultural land, whether forming part of a larger plot of land or not, which has been

under cultivation at any point in time during the past 10 years immediately preceding the effective date of an application under subsection (3).

(2A) Where the owner of a plot of land intends to put that plot of land to non-agricultural use and such plot of land has not been under cultivation at any point in time during the past 10 years, the owner may make a declaration to that effect to the Ministry in such form as the Minister may determine.

(2B) On the basis of the declaration made under subsection(2A), the Ministry shall, within 2 weeks of the date of the declaration, confirm in writing the status of the land.

(b) by repealing subsection (4CA);

(c) in subsection (4FA), by inserting, after paragraph (c), the following new paragraphs, the existing paragraph (d) being relettered as (f) –

(d) Where land conversion rights are transferred to, or acquired by, a Smart City company pursuant to section 28B, the land conversion rights shall, notwithstanding this Act, be reduced by such factor as may be prescribed.

(e) The factor referred to in this subsection shall not apply if the area to be relocated has already been reduced by the factor in accordance with paragraphs (a) to (d).

(d) in subsection (11), by repealing paragraph (b) and replacing it by the following paragraph –

(b) any application for the conversion of land that formed part of an agricultural morcellement in respect of which a morcellement permit was obtained prior to the coming into operation of sections 7(a)(iii) and 8(b)(iii) of the Sugar Industry Efficiency (Amendment) Act 2013 shall be dealt with and processed as if that Act had not come into operation.

15. New sections 28A and 28B inserted in principal Act

The principal Act is amended by inserting, after section 28, the following new sections –

28A. Land conversion rights

(1) Any person who is entitled to an exemption from land conversion tax under section 11, 14, or 29(1)(c), (d) or (f) pursuant to

expenditure incurred in the sugar reform, or in such other circumstances as may be prescribed shall –

- (a) where he has obtained written authority for land conversion under section 28(1) and has not yet effected the conversion; or
- (b) where he has not yet sought authority under section 28(1),

have a right which shall be known as Land Conversion Right (LCR).

(2) The Ministry or Mauritius Cane Industry Authority, as the case may be, shall quantify the LCR and keep respective LCR registers of LCR.

(3) Any LCR may be transferred by the holder of the LCR to any other person upon approval by the Ministry or Mauritius Cane Industry Authority, as the case may be.

(4) Any transfer carried out under subsection (3) shall be accompanied by a certificate from the Ministry or Mauritius Cane Industry Authority, as the case may be.

(5) Any transfer of an LCR shall entail a reduction of the LCR available to him and the Ministry or Mauritius Cane Industry Authority, as the case may be, shall amend the LCR Register accordingly.

(6) A fee of 175,000 rupees per hectare of land to which the LCR relates shall be payable prior to the certificate being issued under subsection (4) by both the transferor and the transferee to the Registrar General.

(7) The fixed fee specified in subsection (6) would, notwithstanding any other enactment, be in lieu of the land transfer tax and the registration duty.

(8) Notwithstanding the Land (Duties and Taxes) Act, the fee shall not apply where the transfer is made to a company, *société* or partnership or any other legal entity which is in the same group as the transferor.

(9) The transferor shall, not later than 14 days from the date of transfer of an LCR, give written notification thereof and forward a copy of the document witnessing the transfer to the Ministry and Mauritius Cane Industry Authority.

(10) Where a transferee under this section intends to use his LCR to put agricultural land to non-agricultural use, he shall make an application under section 28.

(11) The LCR shall, for the purposes of the Land (Duties and Taxes) Act, be deemed to be registered as property.

28B. Incentives for Smart Cities

(1) Subject to section 28A, a person transferring land to a Smart City Company may, in addition –

- (a) transfer part or the totality of his LCR; or
- (b) transfer any LCR arising from an application made by the person under section 28(4F) in respect of a change of site or purpose accompanied by a written approval for land conversion.

(2) Subject to section 28A, where a company implements a Smart City Scheme, it may use any LCR entitlement transferred to it and acquire LCR from a person holding such an entitlement.

16. Section 29 of principal Act amended

Section 29 of the principal Act is amended, in subsection (1)(g), by deleting the words “0.4221 hectare (1 arpent)” and replacing them by the words “one hectare”.

17. Twelfth Schedule to principal Act amended

The Twelfth Schedule is amended, in Part II –

- (a) in paragraph 1 –
 - (i) in subparagraph (a), by deleting the words “a plot of land” and replacing them by the words “subject to paragraph 1A, a plot of land”;
 - (ii) by adding the following new subparagraph, the full stop at the end of subparagraph (c) being deleted and replaced by a semicolon –
 - (d) where land conversion is for the purpose of a Smart City project as specified in the Investment Promotion Act.
- (b) by inserting, after paragraph 1, the following new paragraph –

1A. Paragraph 1 shall not apply where the plot of land is in respect on an application made under section 28(11)(b);

18. Consequential amendments

(1) The Employment Rights Act is amended –

(a) in section 35 –

(i) by repealing subsection (2) and replacing it by the following subsection –

(2) (a) Subject to paragraph (b), where an employer has recourse to one or more job contractors, the total number of man-days performed in any crop year by –

(i) workers employed by the job contractor; and

(ii) seasonal workers employed by the employer,

shall be determined by the Mauritius Cane Industry Authority, in consultation with the Ministry responsible for the subject of labour, recognised trade unions and the employers, on or before 30 April of each year for the following crop year.

(b) Where an employer has recourse to one or more job contractors, or intends to employ seasonal workers, he shall, on or before 31 March of each year inform the Mauritius Cane Industry Authority of the number of seasonal workers he will require for the following crop year.

(c) The number of seasonal workers to be required under paragraph (b) shall be determined by the Mauritius Cane Industry Authority in consultation with the recognised trade unions and the employers.

(ii) by inserting, after subsection (2), the following new subsections –

(2A) The amount referred to in subsection (2) shall be arrived at after taking into consideration the award of the Arbitration Panel dated 31 July 2015.

(iii) in subsection (3) –

- (A) in paragraph (a), by deleting the words “subsection (2)(a)” and replacing them by the words “subsection (2)(a)(i)”;
- (B) in paragraph (b), by deleting the words “subsection (2)(b)” and replacing them by the words “subsection (2)(a)(ii)”.

(iv) by adding the following new subsection –

(4) In this section –

“Arbitration Panel” means the Panel set up to look into unresolved issues relating to a labour dispute between the recognised Joint Negotiating Panel representing the recognised trade unions of the sugar industry and the then Mauritius Sugar Producers Association.

(2) The Land (Duties and Taxes) Act is amended, in section 2(b), in the definition of “property”, by adding the following new subparagraph –

(ix) any land conversion right as specified in the Sugar Industry Efficiency Act;

(3) The Mauritius Cane Industry Authority Act is amended –

(a) in section 2 –

(i) in the definition of “Board”, by deleting the words “Mauritius Cane Industry Board” and replacing them by the words “Board of Directors”;

(ii) by deleting the definition of “FORIP”;

(iii) by inserting, in the appropriate alphabetical order, the following new definitions –

“intermediate product” means any product of the manufacture of sugar that occurs between the clarified juice stage and the syrup stage;

“Ministry” means the Ministry responsible for the subject of agro-industry;

“SPRP” means the Sugarcane Planters Regrouping Project undertaken by the Authority to modernise the

sugar cane planter sector and foster economies of scale;

(b) in section 4, by adding the following new paragraphs, the full stop at the end of paragraph (p) being deleted and replaced by a semicolon –

(q) foster the use of biomass, including sugar cane, cane trash, high fibre cane, fuel canes, gramineae and other related biomass, in the production of electricity and biofuels for transport; and

(r) foster competitiveness of all segments of production in the cane industry.

(c) in section 5, in subsection (1) –

(i) in paragraph (d), by deleting the word “FORIP” and replacing it by the word “SPRP”;

(ii) by inserting, after paragraph (r), the following new paragraphs, the word “and” at the end of paragraph (r) being deleted –

(ra) manage, for the purpose of fostering the production of sugar cane and bagasse, the Sugar Cane Sustainability Fund set up under the Sugar Industry Efficiency Act;

(rb) keep and maintain, for the purpose of sugar reform under the Sugar Industry Efficiency Act, a land conversion right (LCR) register;

(rc) promote the production of energy from biomass generated by the sugar cane industry, develop and monitor the Renewable Sugar Cane Industry Based Biomass Framework specified in the Sugar Industry Efficiency Act;

(rd) determine, under the Sugar Industry Efficiency Act, the sale price of molasses to distillers producing ethanol for blending or export or potable alcohol for export;

(re) establish, under the Sugar Industry Efficiency Act, the Joint Molasses

Allocation Committee for the allocation of molasses between distilleries;

- (rf) promote the sugar-based agro-industry and to generate sugar through the use of local raw materials, develop and monitor the Sugar Based Agro-Industry Framework referred to in the Sugar Industry Efficiency Act;
 - (rg) provide value addition from ethanol obtained from molasses or from other raw material obtained from sugar cane, develop and monitor the Ethanol and Molasses Framework referred to in the Sugar Industry Efficiency Act; and
- (d) by repealing sections 8 and 9 and replacing them by the following sections –

8. Board of Directors

(1) The Authority shall be administered by a Board, to be known as the Board of Directors.

(2) The Board shall consist of –

- (a) a Chairperson, to be appointed by the Minister;
- (b) a representative of the Ministry;
- (c) a representative of the Ministry responsible for the subject of finance;
- (d) 4 members having wide experience in the sugar industry sector, including at least one representative from the milling activities sector and one from the small planter sector.

(3) Every member, other than members referred to in subsection (2)(b) and (c), shall hold office for 2 years and shall be eligible for reappointment.

(4) Every member shall be paid such fees and allowances as the Board may, with the approval of the Minister, determine.

(5) No person shall be qualified to be a member where he is a member of the Assembly or a local authority.

(6) Where a member, other than a member referred to in subsection (2)(b) and (c), ceases to hold office, the vacancy shall be filled by a person appointed by the Minister, who shall hold office for the remainder of the term of office of that member.

(7) No member shall engage in any activity which may undermine the reputation or integrity of the Authority.

(8) (a) The Board may co-opt any other person who may be of assistance in relation to any matter before the Board.

(b) A person co-opted under paragraph (a) shall –

(i) not have the right to vote at a meeting of the Board; and

(ii) be paid such allowances as the Board may determine.

(9) The Board shall designate an employee to act as Secretary to the Board who shall –

(a) prepare and attend every meeting of the Board;

(b) keep minutes of proceedings of every meeting of the Board; and

(c) have such other duties as may be conferred on him by the Board.

9. Meetings of Board

(1) The Board shall –

(a) meet at least once every month at such time and place as the Chairperson may determine;

(b) regulate its meetings and proceedings in such manner as it may determine.

(2) At any meeting of the Board, 3 members shall constitute a quorum.

(3) Where a member has any interest, direct or indirect, in any matter before the Board, he shall, as soon as reasonably practicable, disclose to the Board the nature of his interest, and shall not take any part in the deliberation of the Board relating to that matter.

(e) by inserting, after section 10, the following new section –

10A. The Advisory Council

(1) There is established for the purposes of this Act an Advisory Council which shall assist the Board in the discharge of its functions.

(2) The Council shall consist of –

- (a) a chairperson, to be appointed by the Minister;
- (b) a representative of the Ministry responsible for the subject of co-operatives;
- (c) a representative of the Ministry responsible for the subject of environment;
- (d) a representative of the Ministry responsible for the subject of public utilities;
- (e) the Chief Executive Officer of the Mauritius Sugar Syndicate;
- (f) the General Manager of the Sugar Insurance Fund;
- (g) a representative of the Irrigation Authority;
- (h) a representative of the Chamber of Agriculture;
- (i) a representative of the Fair Trade Cooperative Federation;

- (j) a representative of the employees of the Authority;
- (k) a representative of millers, to be appointed by the Minister;
- (l) a representative of power producing companies, to be appointed by the Minister;
- (m) a representative of refiners and agro-processors, to be appointed by the Minister;
- (n) 3 representatives of planters, one of whom shall represent small planters, to be appointed by the Minister;
- (o) 4 representatives of recognised trade unions of the sugar cane industry, including a representative of staff, overseers, non-agricultural employee and agricultural employee, to be appointed by the Minister;

(3) The Council shall meet at least once every month and at such time and place as the chairperson of the Council may determine.

(4) At any meeting of the Council, 11 members shall constitute a quorum.

(5) Every appointed member –

- (a) shall hold office for a period of 2 years and shall be eligible for reappointment;
- (b) shall be paid such fees and allowances as the Board may, with the approval of the Minister, determine.

(f) in section 11, in subsection (1) –

- (i) in paragraph (a), by deleting the words “and on such terms and conditions” and replacing them by the words “or on such terms and conditions”;
- (ii) in paragraph (c), by deleting the words “and at the termination of his contract” and replacing them with

the words “or, where he is under a fixed term performance contract, at the termination of his contract”;

- (g) in section 25, in subsection (1), by repealing paragraph (c) and replacing it by the following paragraph –

(c) transfer or receive sugar, an intermediate product or any co-product to and from another factory.

- (h) in section 29, in subsection (1), by inserting, after the word “sugar” and replacing it by the words “or an intermediate product”;

- (i) in section 47 –

(i) in the heading, by adding the words “**or importer of rum**”;

(ii) in subsection (1), by deleting the words “Every distiller-bottler shall” and replacing them by the words “Subject to subsection (1B), every distiller-bottler shall”;

(iii) by inserting, after subsection (1), the following new subsections –

(1A) Every importer of rum shall, in respect of rum imported in a crop year for home consumption under the Excise Act, make such contribution as may be prescribed to the Authority.

(1B) This section shall apply only to molasses used locally –

(a) to produce ethanol, potable alcohol; or

(b) as animal feed.

(iv) in subsection (2), by inserting, after the words “from a factory”, the words “or an excise warehouse”;

(v) by inserting, after subsection (4), the following new subsection –

(4A) (a) A person who, at any time from crop year 2010, refrained from making the

contributions specified in this section shall, on or before 30 June 2016, settle all arrears.

(b) Any person who fails to settle the arrears shall be liable to the payment of a penalty amounting to twice the contributions that he had to effect.

(vi) in subsection (5), by adding the following new definitions, the full stop at the end of the definition of "absolute alcohol" and "distiller-bottler" being deleted and replaced by a semicolon –

"excise warehouse" has the same meaning as in the Excise Act;

"factory" has the same meaning as in the Excise Act;

"rum" has the same meaning as in the Excise Act.

(4) The Value Added Tax Act is amended –

(a) in the First Schedule, by deleting item 33;

(b) in the Fifth Schedule, in item 2(e), by deleting the word "cane" and replacing it by the words "cane, molasses and bagasse".

19. Transitional provisions

Any action entered by the Authority against any person regarding FORIP or any action entered against the Authority by any person regarding FORIP shall be taken to be actions in respect of SPRP.

20. Commencement

(1) Subject to subsection (2), this Act shall come into operation on a date to be fixed by Proclamation.

(2) Different dates may be fixed for the coming into operation of different sections of this Act.
