

The Secondhand Dealers Law, 2014

Frequently Asked Questions

What is the new Secondhand Dealers Law (2014)?

The New Second Hand Dealers Law 2014 is a new law which will address the process and sale or second hand goods and materials. This law was passed in the Legislative Assembly in November 2014 and it is anticipated to be implemented in the Summer 2015.

Who is a Secondhand Dealer?

A “Secondhand Dealer” is any person who, by way of the internet or otherwise –

- (a) conducts business within the Cayman Islands which consists wholly or partly of acquiring secondhand articles for the purpose of trade, sale or exchange or otherwise dealing in secondhand articles, including scrap metal or jewellery;
- (b) conducts business within Cayman and contracts with entities outside of Cayman to purchase or sell any secondhand articles, including scrap metal or jewellery; or
- (c) acts as a pawn shop, taking goods as a pawnbroking business OR acquires, exchanges and disposes of secondhand articles - including scrap metal and jewellery – on behalf of said business

What persons or entities are exempt from this law?

1. Registered non-profit, religious or charitable organizations or any school-sponsored organizations that sell secondhand articles or scrap metal, but only where -
 - a. none of the scrap metal sold is acquired by the organization by purchase and
 - b. the proceeds of sale are used solely for the purposes of the organization.
2. Trustees in bankruptcy, executors, administrators or receivers.
3. Public officials acting under judicial process or authority who present proof of such status.
4. Persons engaging in a course of action dictated by a court and who present proof of such status.
5. Householders holding garage sales in their homes at which clothing, furniture, appliances or other personal or effects belonging to the householders are sold.

6. Public officials acting under judicial process or authority who present proof of such status.
7. Persons engaging in a course of action dictated by a court and who present proof of such status.
8. Householders holding garage sales in their homes at which clothing, furniture, appliances or other personal or effects belonging to the householders are sold.

Are there any items prohibited from sale under this law?

- Firearms
- Prohibited goods specified under the Customs Law (2012 Revision)
- Any article or substance not allowed to be in one's possession
- Ammunition
- Explosives

What are the key obligations of secondhand dealers under the law?

A secondhand dealer are directed to report to the police station or a police officer any instances where they are offered, shown, or otherwise informed about an article:

- a) that is being sold at a price that is significantly less than its value
- b) for which the seller is unable to provide proof of ownership as required by the Law;
or
- c) that is being sold in circumstances that should lead him to suspect that the article is stolen.

In addition secondhand dealers will be obliged to maintain and retain certain records and other information regarding the seller, purchaser and items in their possession. This will assist authorities when carrying out regular enforcement checks and other regulatory duties.

Who is responsible for enforcing the new Secondhand Dealers Law (2014)?

Under this new law, both the Royal Cayman Islands Police and DCI Trade Officers will be responsible for a variety of enforcement and monitoring activities.

What powers will DCI Trade Officers have under the law?

DCI Trade Officers will be responsible to monitor secondhand trade and activities of secondhand dealers and carry out regular inspections of secondhand dealers premises to ensure compliance with this Law. They will also co-ordinate the duties of the assigned trade officers and work with the RCIPS to ensure that the law is complied with or to prosecute offenders. DCI Trade officers will have also have the rights, powers, privileges and immunities of a constable when carrying out their duties under this Law and will be able to enter and search any premises with a necessary warrant from a JP or Magistrate.

What powers will RCIP Officers have under the law?

A police officer acting on reasonable suspicion may, without a warrant, enter the premises of a secondhand dealer and request that they produce any or all articles in the possession of the dealer; inspect any articles produced by the secondhand dealer or otherwise found on the premises and request that they provide records required under the Law.

Where the Board or Department reasonably suspects a breach by a licensee of any provision of this Law, the Regulations or a licence, or where an allegation of breach is made to the Board or Department against a licensee, the Board or Department can conduct an investigation if necessary in relation to the licensee.

What are the penalties for breaking the law?

Secondhand dealers who fail to comply with any of the requirements of the law and commit an offense can be prosecuted and liable on summary conviction to fines ranging from twenty to fifty thousand dollars and/or terms of imprisonment up to five years.