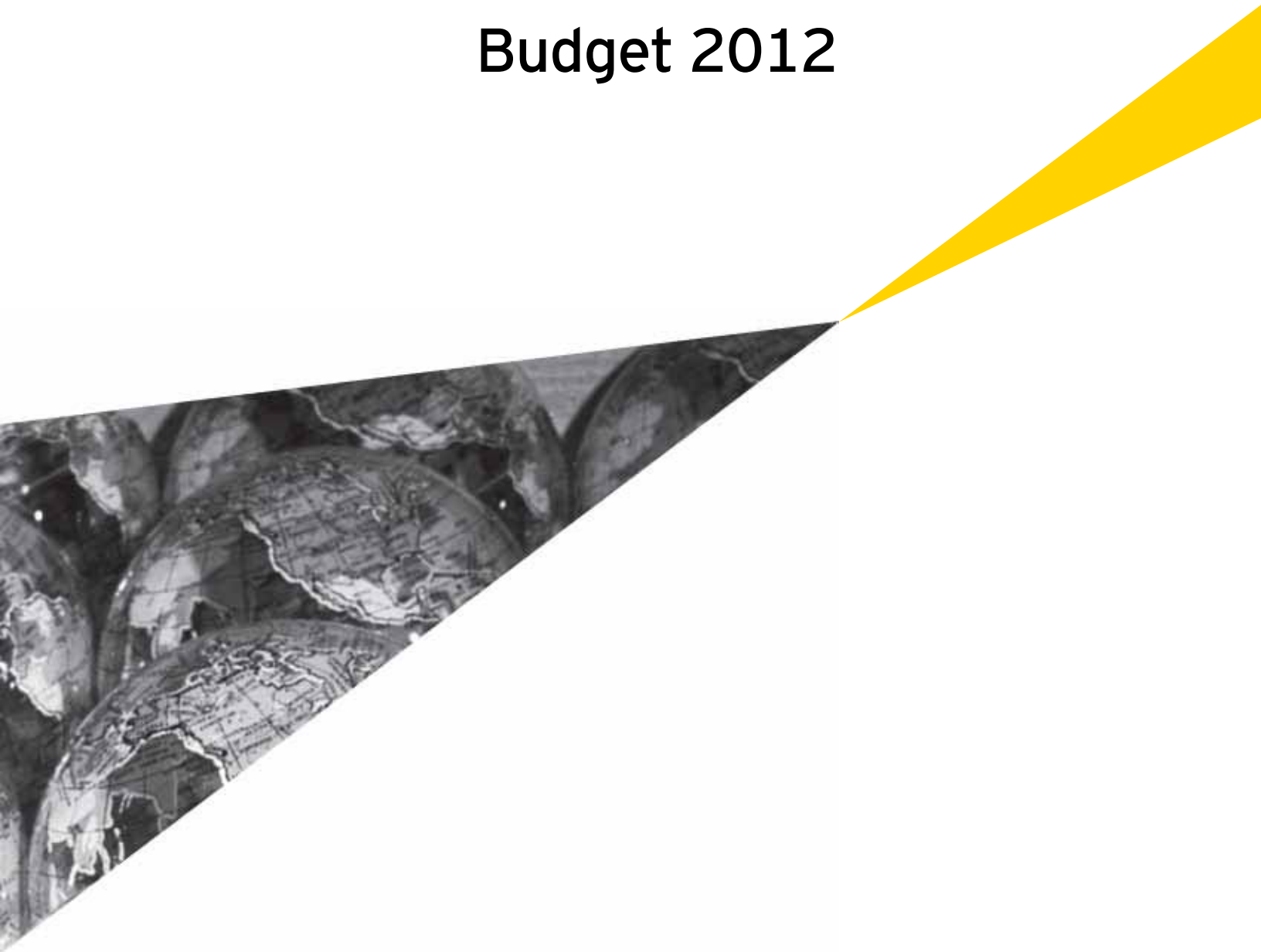


# Focus on Trinidad & Tobago Budget 2012



# Trinidad & Tobago budget 2012

## **Caveat**

The Trinidad and Tobago Budget 2012 is based on the Budget Statement delivered by the Minister of Finance, the Honourable Mr. Winston Dookeran, in Parliament on 10 October 2011.

This review summary was prepared by Ernst & Young and is intended for the benefit of our clients and associates as a general guide. Readers are encouraged to consult with professional advisors for advice concerning specific legal, accounting or tax matters before making any decision.

This publication is distributed with the understanding that Ernst & Young Services Ltd. or any other member of the Global Ernst & Young organization is not responsible for the result of any actions taken on the basis of this publication, nor for any errors or omissions contained herein.

Ernst & Young Services Ltd.  
5/7 Sweet Briar Road  
St. Clair, Port of Spain  
Trinidad, W.I.

Tel: (868) 628-1105  
Fax: (868) 622-0918

Email: [ey.caribbean@tt.ey.com](mailto:ey.caribbean@tt.ey.com)  
Website: [www.ey.com/caribbean](http://www.ey.com/caribbean)

10 October 2011

# Table of contents

	Page
Chairman's message	3
Executive overview	4
2012 measures: reading between the lines	7
2012 sector review	18
Summary - revenue statistics	30
Summary - expenditure statistics	31
Income tax computation comparative	32
Analysis of tax revenues & recurrent government expenditure	33-35
Status of fiscal measures	36

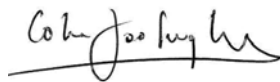
# Chairman's message

## Ernst & Young Caribbean\*

The Honourable Minister delivered his second budget on 10 October 2011. Globally, the outlook is one of "fear and uncertainty" as pundits predict a double dip recession while others describe the risks facing the global economy as greater today than at any other time since the 1930s. In Trinidad & Tobago we face tough choices as the Honourable Minister of Finance announced steps to stimulate the economy, resolve Clico and avoid increasing debt levels.

We need to encourage investment in the Energy sector and drive incremental economic activity in construction and other sectors but we must spend wisely and avoid massive overruns as well as untenable projects that add little value to our people. Going forward as we seek to grow and diversify our economy we should anticipate a tough and uncompromising international and global environment and take the bitter medicine that is sometimes required.

We hope that you take the time to read our budget presentation and I take the opportunity to thank all of our staff and partners who contributed to this quality document in such a short period of time.

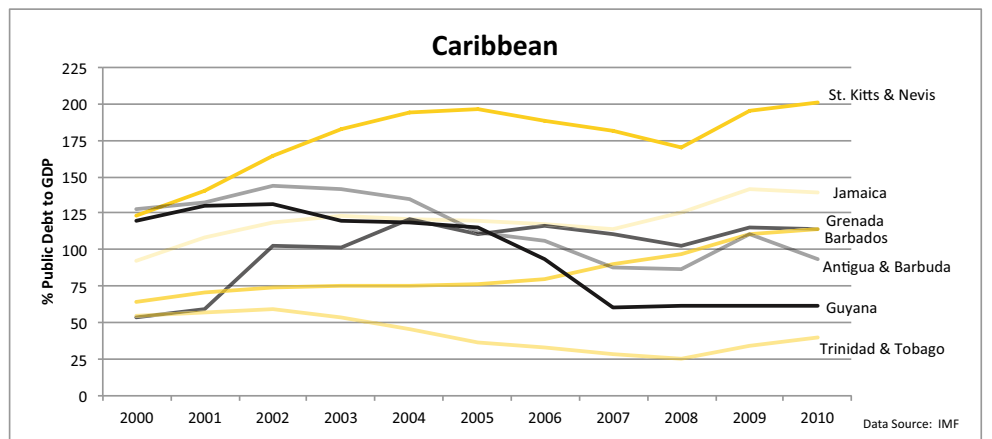
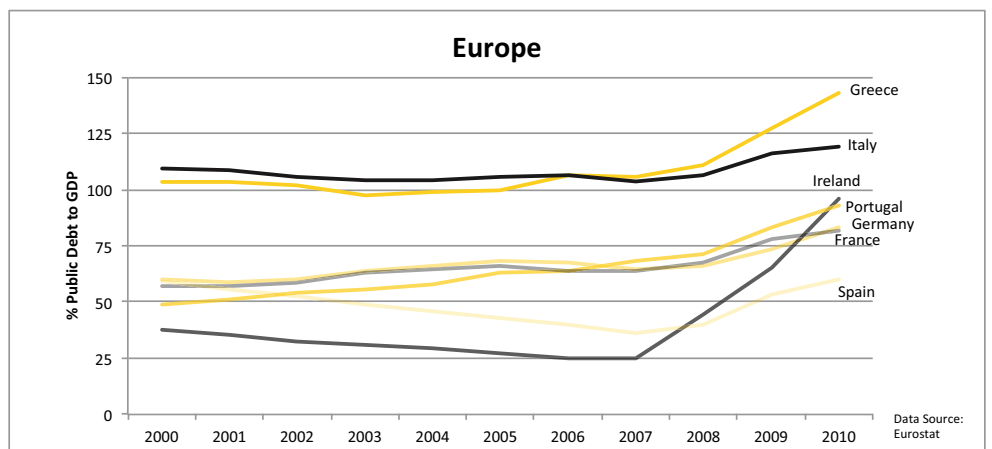


Colin Soo Ping Chow  
Executive Chairman  
Ernst & Young Caribbean Ltd.

*\* Ernst & Young Caribbean refers to the Caribbean organisation of member firms of Ernst & Young Caribbean Limited, each of which is a separate legal entity.*

# Executive overview

The Honourable Minister of Finance delivered his second budget statement against the backdrop of a global economic environment which the International Monetary Fund has recently described as having entered a "dangerous phase". Many years after the financial crisis officially began, the United States' unemployment rate remains at stubbornly elevated levels, lesser developed European countries are suffering the effects of unsustainable deficit spending and high levels of public debt and many of our Caribbean neighbours sit on the doorstep of a Sovereign debt crisis which will likely require IMF lending and resulting economic restructuring and austerity.



The Trinidad & Tobago economy has not avoided the impact of the global recession, having suffered two consecutive years of economic contraction, and faces the real prospect of a flat performance in the current year. Nevertheless, the advantage of continued relatively buoyant oil and petrochemical prices and the opportunity for arbitrage in the LNG market, coupled

with our rich hydrocarbon resources and strong industrial gas based sector have allowed the country to sustain a healthy balance sheet despite persistent deficit spending over the last few years. In support of the healthy state of the country's finances, our credit ratings remain unchanged; our National Debt to GDP ratio stands at approximately 50%; and our foreign currency reserves remain at a healthy 13 months of import cover.

The People's Partnership 2012 budget termed "From Steady Foundation To Economic Transformation" was definitive in articulating its vision in its second year in office. The major themes emerging from the Honourable Minister's statements on economic transformation can be divided between matters of revenue and expenditure as detailed below.

On the revenue side, the Government did not promote the introduction of any new taxes and, in fact, did not even mention whether Land & Building Taxes and House Rates would be reintroduced in 2011. This appears to be a major oversight. Instead, the Honourable Minister focused on stimulating increased activity in the country's vital energy sector.

We endorse the Government's efforts in this respect because of the significant contribution of the sector to the country's GDP and revenues. Credit must be given to the Ministry of Energy & Energy Affairs (MOEEA) for the expedient manner in which negotiations for contracts for the Shallow & Average Water Depths acreage were conducted. Also of promise were the successful bids and ongoing negotiations on deep water blocks. Further, the significant investment announced in the down-stream sector is a major positive for the country.

The Honourable Minister also focused on various economic diversification initiatives such as a development plan around alternative forms of renewable energy supported by various tax incentives; collaboration with the private sector on a ship building and repair initiative; the encouragement of a private sector venture in a regional fast ferry service; making available additional state-owned land for private sector development along the water front at Invaders Bay and Chaguaramas; and a new Evolving Technologies and Enterprise Development Company/foreign private sector partnership aimed at the construction of a modern data center which will serve Trinidad & Tobago and the South-Eastern Caribbean. Some of the above initiatives seem tangible and we are hopeful that, with private sector leadership, many of the commercial ventures announced will come to fruition.

In keeping with the general theme of the encouragement of further private sector participation in the economic revitalization of the economy, the Honourable Minister announced a number of measures aimed at increasing activity in the country's capital markets - such as the introduction of the Junior Market, making available for investment purposes shares in various state owned enterprises and renewed efforts to encourage the development of a regional stock exchange. These are all laudable initiatives, which, if executed, would provide alternative financing for small and medium enterprises and increased savings and investment opportunities for the general public.

In terms of expenditure, the Government communicated an increased focus on enhancing public sector efficiency as a means of improving the business environment for private sector activity. In this regard, the Honourable Minister articulated a promise to the public of the Government's expectation that its taxes will be paid on a timely basis. On the other hand, Minister Dookeran made it clear that, in return, taxpayers could expect expedited tax refunds where due and, as equally important, a modernized and efficient public service. In this regard, the Government announced that public sector service would be improved through, among other measures, the better use of technology, HR practices, information collection, treasury management, the implementation of ASYCUDA and its integration with the Single

## Executive overview

Electronic Window. Improvements in the area of public sector efficiency would go a long way in increasing the country's productivity and improve our diminished global competitiveness ranking and it is hoped that the Government can execute on this strategy.

The Honourable Minister spent considerable time elaborating on the Public Sector Investment Program (PSIP) in the areas of: Health Services with the construction of new hospitals and improved technology; Housing and Home Ownership with the construction of 4,450 new houses and expedited access for long standing applicants; improved transportation infrastructure through a proposed Bus Rapid Transit System, park and ride facilities and the construction of new highways; modern sporting facilities through the construction of a national cycling park, a national aquatic center and a national tennis center; and the extension of significant allocations to Tobago to assist with the necessary re-engineering of its Tourism Sector. In addition, the Government introduced various measures to expand the social safety net for the impoverished and differently abled members of society.

Overall, the Honourable Minister promulgated a Budget based upon a projected deficit of \$7.6 billion or just under 5% of GDP based upon an oil price of US\$75 a barrel and a natural gas price of US\$2.75 per mmbtu. The proposed measures would constitute the third consecutive budget deficit in three years and the second under the People's Partnership regime.

Government intervention to stimulate economic activity is generally desirable in periods of economic contraction but, whilst temporarily necessary, unbalanced budgets are not sustainable and, overtime, will result in economic crisis. This situation is now playing out in Greece and other lesser developed European countries where high levels of Government expenditure funded by external debt have resulted in Sovereign Debt ratings downgrades, decreased access to private sector credit and forced reliance on European Union support. Germany and France have made it clear that the latter support will not continue to be extended without forced restructuring, including reduced Government spending, a decrease in the public sector wage bill and increases in taxes. The social toll of such forced austerity programme is never pleasant and we witness, almost on a daily basis, the outcome of such measures in the form of social unrest captured by the international media.

A legitimate concern with the Honourable Minister's Budget is that it does not clearly communicate Government's plan around the removal of costly transfers and subsidies such as the petroleum subsidy, even over the medium term. One is only left to assume that the promotion of CNG and alternative renewal energy resources are being proffered in order to gradually prepare the population for one day, to be determined, when such programmes are no longer affordable. Perhaps, more importantly, the Honourable Minister did not communicate a medium term plan to balance the Budget. Instead, the country has embarked on a highly expansionary capital expenditure programme and increased social spending seemingly in the hope that the local economy would rebound in time to bolster Government revenues and avert any kind of funding crisis. Recent history has proven that this is not a wise course of action to take, regardless of how blessed we are with precious oil and gas resources.

# 2012

# measures: reading between the lines

## Transfer Pricing

The Honourable Minister of Finance proposed the introduction of transfer pricing rules in Trinidad & Tobago. Transfer pricing essentially deals with the charges between related parties for goods, services and the use of intangible property. Since the charges are between related parties, there is always a risk that the pricing arrangements may be manipulated in order to achieve a tax advantage. It should be emphasized that transfer pricing is not, in itself, illegal or abusive. What is illegal or abusive is transfer mispricing or transfer pricing manipulation.

In recent times, transfer pricing has been of widespread interest both to tax authorities throughout the world as well as multinational enterprises. A 2008 survey by Ernst & Young of 850 multinational enterprises across 27 countries found transfer pricing to be:

- ▶ The most important tax issue facing them (40%)
- ▶ Absolutely critical or very important over the next 2 years (80%)

As recently as 15 years ago, very few countries had implemented transfer pricing regimes. Currently, however, over 40 countries have introduced transfer pricing rules (and that number keeps increasing) in an effort to protect their tax base.

Transfer pricing rules generally seek to treat members of a group as if they were operating separately as third party entities so as to ensure that the prices charged between them accord with the arm's length principle. While this principle is easy to state, applying the arm's length principle in practice can be quite complex and involves applying competing methods. Essentially, these methods prescribe various ways of comparing the relevant transaction with comparable transactions so as to arrive at an appropriate arm's length price.

While the details of the measure announced by the Minister would be found in the proposed legislation, international best practice suggests following the OECD Transfer Pricing Guidelines which have widespread acceptance among tax authorities and multinational enterprises. In his Budget Statement, the Honourable Minister of Finance signaled that the transfer pricing regime will, in fact, be based on the principles embodied in the OECD Transfer Pricing Guidelines. This is to be welcomed since adoption of the OECD Transfer Pricing Guidelines would result in more certainty for multinational enterprises in the application of the relevant rules by the Board of Inland Revenue.

Transfer pricing in Trinidad & Tobago must be viewed in the context of the current tax legislative framework. The Income Tax Act currently arbitrarily restricts the deduction of management charges paid to non-residents to 2% of all out goings and expenses (exclusive of such management charges and capital allowances). In 2006 the definition of "management charges" was expanded to include personal and technical services as well as the allocation of head office costs. The amendment was aimed at abuse arising primarily from transactions between related parties but, as presently worded, the legislation disallows legitimate charges

incurred for the purposes of the business. This legislation has had a serious negative impact on businesses engaged in international transactions.

It is hoped that the introduction of transfer pricing rules would see the repeal of the arbitrary 2% management charges restriction so that unreasonable charges would now be more appropriately disallowed under such transfer pricing regime. Conversely, all reasonable charges based on arm's length principles will be fully deductible.

We would also note that under the present legislative framework, pricing manipulation may be challenged by the Board of Inland Revenue on the ground of artificiality under the provisions of section 67(1) of the Income Tax Act. Further, the arm's length principle is applied in the Petroleum Taxes Act for the purposes of crude oil and natural gas sales and transfers.

The introduction of a transfer pricing regime in Trinidad & Tobago would require businesses to review their current pricing arrangements among related entities. The documentation requirements can also be quite burdensome and, in this regard, it is hoped that the proposed legislation will seek to strike an appropriate balance between the need for relevant information and the high costs associated with such documentation. We also hope that the legislation makes provision for Advanced Pricing Agreements whereby taxpayers can obtain advance approval from the Board of Inland Revenue of their pricing arrangements. This also points to the need for the Board of Inland Revenue to acquire the relevant expertise and resources required to rule on these Advance Pricing Agreements as well as to conduct transfer pricing audits.

In the final analysis, it is hoped that the tax authority would pay heed to the advice of the Court in the GE Capital Canada case:

*"...transfer pricing is largely a question of facts and circumstances coupled with a high dose of common sense."*

## Value Added Tax (VAT)

In respect to VAT, the Government has proposed changes to the following:

### *VAT on the Importation of Rigs/Vessels*

The Honourable Minister of Finance indicated that the importation of the following assets that are utilized in the offshore energy development and exploratory business would be zero rated for the purposes of VAT:

- Drilling Rigs
- Drill Ships
- Pipelay Vessels and Barges
- Anchor Handling Tugs in excess of 35 metres in length
- Geophysical Survey Vessels
- Heavy Lift Installation Crane Barges
- Oil Skimming Vessels
- Rig and Platform Supply Vessels in excess of 60 metres in length
- Vessels used in bunkering in excess of 65,000 barrels (7,500 G.T.W.)
- Floating Dry Dock in excess of 1,000 DWT for repair of Anchor Handling Tugs and Platform Supply Vessels

In this regard, drilling rigs and support vessels are routinely imported on a temporary basis for use in the offshore petroleum sector in Trinidad & Tobago and subsequently re-exported.

Based on provisions in the Customs Act and the Value Added Tax Act, relief from Customs Duty and VAT is available where such assets are exported within a three month period (under a Temporary Import Licence). The importer is, however, required to post a bond with the Customs & Excise Department (C&E) as a condition of obtaining relief under the temporary importation provisions. Where the relevant asset is not exported within three months, the C&E demands payment of the full VAT which was due on importation.

VAT is generally computed at a rate of 15% on the insured hull value of the asset and values in excess of US\$100 million are not uncommon. It is not unusual for the VAT liability, computed on the aforementioned basis, to exceed the commercial value of the work to be executed in Trinidad & Tobago, thereby resulting in a considerable disincentive for service providers wishing to do business in the country. In many cases, the service providers are unwilling to bear such onerous costs and, as a result, the operators (i.e. the energy companies) are left with no option but to agree to act as the importer of record and so assume the VAT burden. While the VAT paid on importation is refundable, delays in the VAT refund process place a great strain on the resources of the importer.

In the circumstances, the relief announced by the Minister is a welcome measure that would positively impact on the competitiveness of the Energy Sector in Trinidad & Tobago. The Honourable Minister did not indicate the date when this measure will become effective so that VAT will continue to be due until such time.

### ***On-Line Filing and Payment of Taxes***

The Minister of Finance has recognized that VAT remains an integral source of non-oil revenue. The Government is committed to increasing the ease of filing and reporting and also the monitoring of VAT receipts. The proposed introduction of the e-payment system may assist the Government in achieving the objectives of improving the process of filing and reporting of VAT as well as the timely issuance of VAT refunds to VAT registrants.

### ***Increase in threshold for VAT***

Since 1999, persons making commercial supplies in excess of \$200,000 have been required to register for VAT. The Minister has proposed an increase of this threshold to the amount of \$360,000.

It is assumed that where existing VAT registered persons make supplies below the proposed \$360,000 threshold, such persons will not be required to deregister.

### ***Penalties under the VAT legislation***

The Government has identified that there have been efforts to evade payment of VAT and has proposed an increase of the penalties for breaches of the VAT legislation. However, the specific increase in penalties was not identified by the Minister.

## Junior stock exchange

The Government proposes to provide incentives for eligible entities to access domestic capital via a Junior Stock Exchange (JSE). The main features of this initiative are as follows:

- ▶ Eligible entities with a minimum capital of TT\$5 million and a cap of TT\$50 million would be able to list on the JSE.
- ▶ Eligible entities must have no less than 25 shareholders, holding at least 30% of the Share Capital.
- ▶ Eligible entities listed on the JSE will be liable to Corporation Tax at a rate of 10% on taxable profits for the first five years after listing.

For qualifying entities, this measure will provide an alternative to traditional forms of financing. Financing requirements beyond the TT\$50 million cap for companies listed on the JSE may result in a graduation from the JSE to the main stock exchange.

While we recognize that there is a cost of listing on the JSE, the benefit of the reduced Corporation Tax rate of 10% should outweigh the cost to eligible entities. The process for listing on the exchange is generally time consuming; however, based on the Jamaica experience, we expect to see a number of entities listed on the JSE within the next two to five years.

## Late filing of returns under the Companies Act

Every company registered under the Companies Act is required to file a return under that Act on an annual basis (Annual Return). At present, the penalty for non-compliance with this requirement is \$100 per month.

The Minister has noted that several small and medium-sized companies are delinquent in filing their Annual Returns. With a view to encouraging compliance, the Minister has proposed to grant a waiver of such penalties where outstanding Annual Returns are filed between the time of the reading of the Budget Statement and 30 June 2012.

The Minister has also proposed that, subsequent to the waiver period, the penalty for late filing of an Annual Return be amended to \$500 per annum.

Though the above waiver will serve to benefit many companies that are currently not up-to-date with their filings under the Companies Act, such a waiver may appear unfair to those that have sought to settle outstanding obligations prior to the announcement of the waiver.

## Tax Incentives for Alternative Energy Sources

With a view to encouraging investment in the provision of retail dispensing of compressed and liquefied natural gas as the basis for reducing the use of gasoline fuel and by extension fuel subsidy payments, additional incentives have been proposed as follows:

- ▶ A tax allowance of 50% of the expenditure incurred in the purchase of retail dispensing of compressed and liquefied natural gas up to a maximum of \$2 million per station excluding installation costs. This expenditure will not be entitled to capital allowances and will cover the period from 1 January 2011 to 31 December 2015.
- ▶ A reduction in import duty by 50% on vehicles which are manufactured to use natural gas, and have an engine capacity smaller than 2300cc. This reduction in duty will cover the period from 1 January 2011 to 31 December 2015.
- ▶ With effect from 1 January 2012 a wear and tear allowance of 130% of expenditure incurred on:

The acquisition of plant, machinery and equipment excluding installation costs, for the purpose of providing a compressed natural gas kit and cylinder installation service.

The acquisition and installation, in a motor vehicle, of a compressed natural gas kit and cylinder.

- ▶ Wear and tear allowances of 150% of expenditure incurred with respect to:

Plant, machinery, parts and materials for use in the manufacture of solar water heaters.

Wind turbines and supporting equipment.

Solar photovoltaic systems.

The first initiative is meant to encourage the modification of petroleum gas stations to provide compressed natural gas (CNG) in T&T. This initiative is in line with the incentives which have been previously granted to taxpayers to convert fuel systems in motor vehicles to CNG kits.

The second initiative is meant to increase the number of vehicles in T&T which use CNG as an alternative source of fuel. This of course, is in keeping with the go-green strategy of the Government.

With respect to the measures identified in the third and fourth bullet points above, these measures have already been enacted via the Finance (No. 2) Act, 2010 and took effect on 1 January 2011. This, therefore, appears to be an oversight on the part of the Minister.

## **National Insurance Scheme**

The following amendments were proposed in relation to the National Insurance Scheme:

### ***Increase in minimum guaranteed monthly retirement pension***

It is proposed to increase the minimum pension benefit payable under the National Insurance Act (the Act) from \$2,000 to \$3,000. The alignment of the minimum pension benefit payable to insured persons under the Act with the maximum pension paid to Senior Citizens under the Senior Citizens' Pension Act (monthly income of \$500 or less) is a welcomed initiative. Individuals who have worked and contributed to the National Insurance Scheme should not be placed in a less favorable position to those who are receiving old age pension.

### *Increase in Insurable Monthly Income*

It is proposed to increase the insurable monthly ceiling from \$8,300 to \$10,000. It would seem that the intention is to add another class for contributions. Currently individuals with monthly earnings of \$8,300 and over contribute \$68.94 per week (employer's contribution-\$137.88). The Honourable Minister of Finance has stated that the increase in the monthly ceiling will help fund the increase in the guaranteed minimum pension. This proposal seems to contemplate the introduction of a new earnings class of \$10,000 and over with a higher contribution rate.

### *Simplification of the Calculation of National Insurance Benefit*

The current mechanism for the calculation of the retirement benefit is convoluted. An average rate of contribution is calculated by considering all the contributions paid. The earnings class to which this average rate corresponds is the class in which the benefit will be paid. Effective 1 January 2012 the retirement benefit will be calculated by taking 1% of salary, up to a maximum of \$10,000, for each of the insured's years of contribution. An employee earning \$10,000 per month and having contributed to the scheme for 31 years will be entitled to a pension of \$3,100 per month ( $\$10,000 \times 1\% \times 31$ ).

### *Registration of Self Employed*

Under the current National Insurance regime, self employed individuals fall with the definition of "employed person" and should be registered with the National Insurance Board and pay contributions accordingly.

The Honourable Minister of Finance has stated during his budget presentation that there are approximately 115,000 persons who currently do not make any contributions to the National Insurance Board. He has stated that although these individuals fall within the National Insurance legislation, there are no arrangements in place to govern the payment of contributions or benefits to be paid to these individuals.

He has signaled the Government's intention to rectify this problem in order to enforce compliance with the Act by self employed individuals.

### *Amnesty*

The Government proposes the following amnesty in relation to non compliance with the National Insurance Act:

- ▶ Waiver of penalties and interest on all outstanding contributions payable by the employer up to 10 October 2011 paid by 30 June 2012.
- ▶ Amnesty does not apply to companies that are not currently registered with the National Insurance Board.

It is questionable how effective this amnesty may be in light of the recent tax amnesty granted in relation to PAYE for the years of income 2009 and prior. It seems plausible that companies who took advantage of recent tax amnesty would more likely than not seek to make themselves current in relation to all payroll withholding obligations.

## Tax Exemptions for Clico Trust

The Honourable Minister of Finance proposed the establishment of a Trust that would issue an instrument to holders of Short Term Investment Products issued by Clico and British American Insurance Company (Trinidad) Limited and mutual fund investors of Clico, who have exercised the option to exchange their Bonds with maturities in years 11-20 (see Financial Services Sector Overview for more details).

The Honourable Minister indicated that the income and dividends of the Trust would be exempt from tax. In this regard, we wish to point out that section 6(1)(w) of the Corporation Tax Act exempts from tax the profits of such a trust where the trustee is a financial institution licenced under the Financial Institutions Act.

Similarly, section 8(1)(v) of the Income Tax Act and section 6(1)(y) of the Corporation Tax Act exempts dividends paid to resident individuals and companies where the trust is operated by a financial institution licenced under the Financial Institutions Act.

It would appear, however, that the Trust envisaged may not be operated by a financial institution licenced under the Financial Institutions Act and, as such, the proposed exemptions would necessitate amendments to the relevant legislation.

## Energy Sector Measures

### *Licences*

Prior to any person engaging in petroleum operations on land or in a submarine area within T&T, such person must obtain a licence (or contract) under the Petroleum Act. The Minister has recognized the need for increasing the efficiency and effectiveness of the administration of the industry and proposed the following amendments to the existing licence fee structure:

- ▶ An increase from \$4,000 to \$40,000 in respect of the following eight licences:
  - 1) Exploration Licence
  - 2) Exploration and Production (Public Petroleum Rights) Licence
  - 3) Exploration and Production (Private Petroleum Rights) Licence
  - 4) Refining Licence
  - 5) Liquefaction of Natural Gas Licence
  - 6) Transportation (other than by pipeline) Licence
  - 7) Marketing Licence (with respect to wholesale and bunkering operations)
  - 8) Petrochemical Licence
  
- ▶ The imposition of an annual licence fee for gas stations, based on the annual total sales of all grades of gasoline and diesel for the immediate preceding year, as follows:
  - 1) Annual sales of less than 1,000,000 litres - \$1,000
  - 2) Annual sales in excess of 1,000,000 litres but less than 5,000,000 litres - \$2,000
  - 3) Annual sales in excess of 5,000,000 litres - \$4,000

## 2012 measures

- ▶ An increase in the marketing licences for peddling operations (small wholesale transactions of less than 600 imperial gallons or refined petroleum products other than gasoline) from \$50 to \$1,000. In addition, peddling operations shall be renamed "Authorized Distributors".
- ▶ The imposition of an annual licence fee of \$500 for persons engaged in the transportation of gasoline and fuel other than by pipeline (subject to inspection of the road tank wagon).
- ▶ Introduction of a new licence for the transmission of natural gas, based on capacity of pipeline, as follows:
  - 1) Line capacity greater than 100 MMcf/d - \$40,000
  - 2) Line capacity between 2 and 100 MMcf/d - \$10,000
  - 3) Line capacity less than 2 MMcf/d - \$5,000
- ▶ An increase in licence fees for servicing, marketing or consumer refueling of Compressed Natural Gas as follows:
  - 1) CNG Service Licence - from \$1,000 to \$2,000
  - 2) CNG Marketing Licence - from \$1,000 to \$2,000
  - 3) CNG Consumer Refuelling Licence - from \$5,000 to \$10,000

The above-mentioned are proposed to take effect from 1 January 2012.

### *Increase in penalties for petroleum operations*

The Minister announced the following increases in respect of penalties imposed under the Petroleum Act and Petroleum Production Levy and Subsidy Act:

- ▶ Carrying on petroleum operations without firstly obtaining a licence under the Petroleum Act (i.e. noncompliance with section 6(2) of the Act):

Per occurrence: \$300,000 (previously \$30,000)  
Increment for each day offence continues: \$5,000 (previously \$1,500)
- ▶ Non-compliance with regulations made under the Petroleum Act and the provisions of a licence granted in accordance with such regulations:

Per occurrence: \$150,000 (previously \$15,000)  
Increment for each day offence continues: \$3,000 (previously \$300)
- ▶ Failure to pay Petroleum Production Levy (which is limited to 4% of gross income from crude oil disposal for the respective petroleum operation and the proceeds thereof is used to fund the subsidy on refined fuel for local consumption):

Per occurrence: \$100,000 (previously \$10,000)  
Increment for each day offence continues: \$2,000 (previously \$200)

- ▶ Non-compliance with other regulations made under the Petroleum Production Levy and Subsidy Act:

Per occurrence: \$10,000 (previously \$1,000)

The above increases in penalties evidence Government's intent to safeguard an important source of revenue given the substantial burden placed on the Treasury by the current fuel subsidy, which is estimated to be as much as \$3.5 billion.

### *Illegal exportation of subsidized fuels*

Gasoline, diesel and other fuels that are subsidized for the benefit of local citizens have been found to be illegally exported. The Minister has proposed to increase the fines for such exportation from the current \$10,000 to the following:

- ▶ \$150,000 for volumes under 40,000 liters
- ▶ \$600,000 for volumes greater than 40,000 but less than 160,000 liters
- ▶ \$3,000,000 for volumes greater than 160,000 liters

Given the prevalence of this activity and the substantial impact on Government's resources, the introduction of a scale of penalties that would be applied based on the quantum of fuel seized in an individual shipment may merely cause illegal traders to restrict their operations in order to cap their exposure in respect of the seizure of one shipment. In this regard, we suggest that a single, substantial penalty be imposed.

## **Non-Governmental Organizations**

Pursuant to Section 10(O) of the Corporation Tax Act, where in a year of income a company makes a covenanted donation to charity, the company shall be entitled to a deduction equal to the amount of the covenanted donation payable during that year, not exceeding 15% of the company's total income<sup>1</sup> in ascertaining its chargeable profits.

With respect to Non-Governmental Organizations (NGOs), the Minister proposes the following measures:

### *Tax Deductible Expense*

At present, the process associated with claiming a deduction under a Deed of Covenant, as well as applying for approved charity status is bureaucratic and tedious at best. The Minister recognizes the importance of improving the current system and plans to amend the appropriate legislation to be in line with international standards and introduce for such contributions to be treated as tax deductible expenses. With such an effort towards best practice, it is anticipated that corporate and individual citizens will be encouraged to increase their contributions to NGOs.

<sup>1</sup> Generally, total income is defined as gross income less wholly and exclusively incurred expense deduction, wear and tear allowance and loss relief.

### *Green Fund Levy Amendment*

With regard to Green Fund Levy legislation, the Minister also proposes that the categories of activities carried on as NGOs, which are eligible to access the Green Fund, be broadened to include environmental education and public awareness on environmental issues. The Miscellaneous Tax Act which governs the Green Fund is to be amended accordingly.

## **Expansion of Deposit Insurance Coverage**

The Deposit Insurance Corporation (DIC) was established by the Central Bank and Financial Institutions (Non-Banking) (Amendment) Act, 1986. Membership in the Fund is compulsory for all institutions licensed under the Financial Institutions Act, 2008. Currently, there are 25 members of the Deposit Insurance Fund (the Fund) and the deposit insurance coverage limit is \$75,000. The Fund's primary purpose is to provide insurance coverage to depositors in the event of unforeseen losses of deposits by failed financial institutions.

The Minister announced that the DIC will increase its deposit insurance coverage limit from \$75,000 to \$125,000 for deposit holders of commercial banks and non-banks (Finance Houses, Trust Companies and Merchant Banks) licensed under the Financial Institutions Act, 2008. It is important to note that deposit insurance is not applicable to Credit Unions.

## **Amendments to the Central Bank Act**

In instances where the Central Bank of Trinidad & Tobago (the Bank) has exercised its emergency powers over a financial institution, the Central Bank (Amendment) Act No.18 of 2011 (Amendment Act) provides for the implementation of a stay of proceedings in respect of claims against the financial institution, or its successor or transferee.

In an attempt to preserve the statutory rights of persons seeking legal action against an institution, the Minister announced the following amendments with regard to the Central Bank Act, Chap. 79:02:

- ▶ If an institution is brought under the emergency control of the Bank, the four year statute of limitations is no longer applicable.
- ▶ Where an institution has been brought under the emergency control of the Bank, the four year statute of limitations resumes once the stay of proceedings has been lifted.

The proposed legislation attempts to give investors some measure of redress from the provisions of the Amendment Act.

## **Tax Free Allowance for Members of the Protective Services**

A tax free allowance of \$1,000 was introduced for the year of income 2010 in relation to an office holder in the Police Service. The tax free allowance has now been expanded to other members of the Protective Service including the Fire and Prison Services and the Defence Force. It is unclear whether this tax free allowance will be effective retroactively for the year of income 2011 or effective the year of income 2012.

## Betting Levy Board Act

The Minister has stated that financial support and funding provided by the Betting Levy Board for the development and improvement of the local horse racing industry is severely compromised. To rectify same, the Minister proposed a robust monitoring system and two amendments to the Betting Levy Board Act as follows:

- ▶ Increase the penalty for contravention of the licence requirement from \$50,000 to \$250,000.
- ▶ Increase in the fine payable on summary conviction where the licensee of a licensed betting office fails to pay the levy from \$50,000 to \$250,000.

The Betting Levy Board Act encompasses taxes, duties, fees or other payments referred to in the Act as well as any sums payable under the Gambling and Betting Act.

As per the Gambling and Betting Act the licensed betting office shall pay to the Betting Levy Board a tax at the rate of 10% per cent on all bets placed at fixed odds in any manner at the licensed betting office or an annual levy of \$400,000, whichever is greater. In relation to Trinidad & Tobago Turf Clubs, the pool betting duty payable is currently 10% for race meetings held in Trinidad.

The proposed measures are intended to discourage the violations the Minister cited in his presentation.

## Gaming Industry

With respect to Private Members' Clubs, the current taxes payable on gaming tables and other devices as defined by the Registration of Clubs Act are as follows:

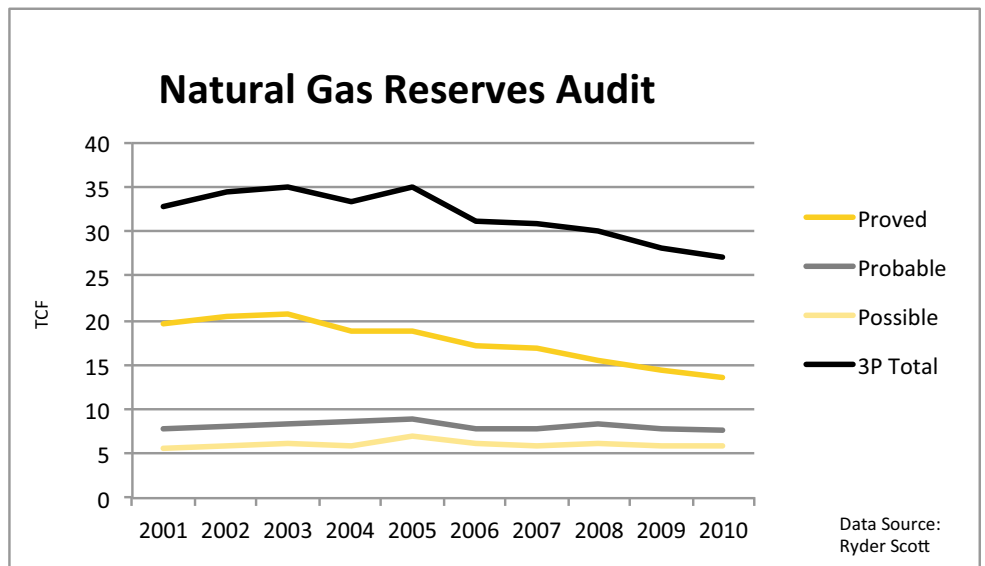
	Rate per annum
For every Baccarat table	\$40,000
For every Black Jack table	\$50,000
For every Caribbean Stud Poker table	\$75,000
For every Dice table	\$25,000
For every regular Poker table	\$20,000
For every Pool table	\$2,000
For every Roulette table	\$50,000
For every Rum 32 table	\$75,000
For every Sip San table	\$75,000
For every Slot machine	\$10,000
For every other table or device not mentioned above	\$10,000

Given the prevalence of "casino operations" in Trinidad & Tobago and the underlying profits associated therewith there is widespread concern as to the levels of compliance with T&T law and the Minister has identified the Government's intent to treat with same. The Financial Intelligence Unit (FIU) may be the statutory body to ensure compliance with regulatory standards.

# 2012 sector review

## Energy sector

Failure to adequately address the fiscal regime governing upstream petroleum companies and incentivize exploration activity has once again manifested itself in declining natural gas reserves as documented in the recently concluded natural gas reserves audit conducted by Ryder Scott for 2010:



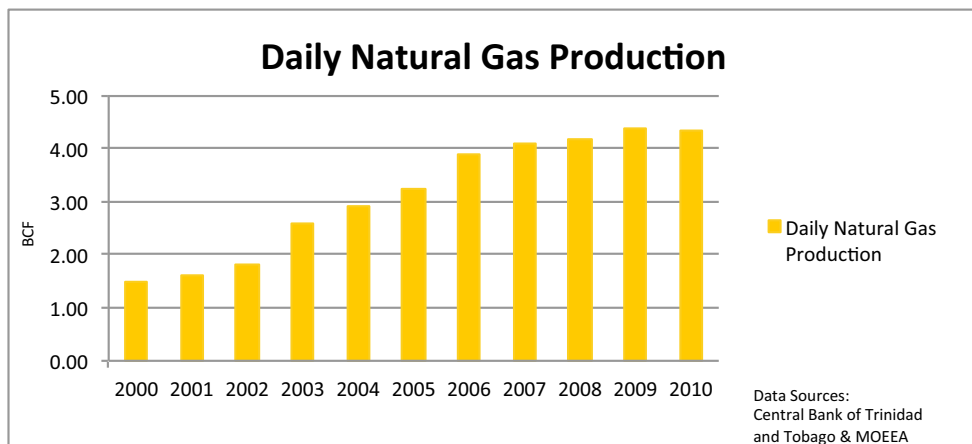
Proven natural gas reserves registered its seventh consecutive year of decline in 2010 to 13.460 tcf (compared to 14.416 tcf in 2009). Probable and possible reserves remained relatively flat at 7.642 tcf and 5.995 tcf respectively. Not surprising was the replacement ratio of 35%, far south of the target of 100% recommended by Ryder Scott.

While there is consensus among stakeholders for the need to move probable and possible reserves to proven, in an effort to meet contractual obligations and facilitate the expansion of the downstream energy sector, there is a divergence of views on the mechanism for achieving same.

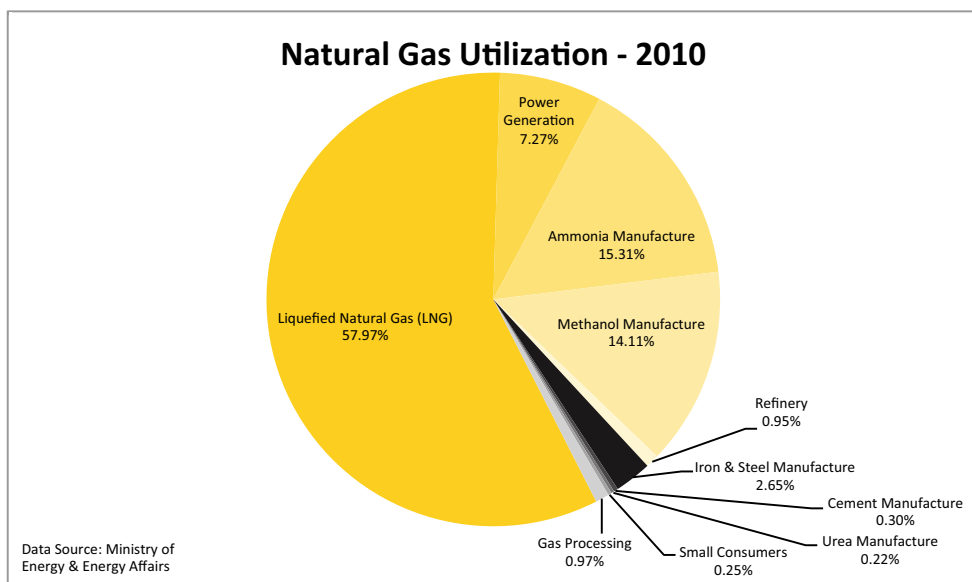
Improvements in reserves may be achieved through various methods, including enhanced exploration activity, and credit must be given to the Ministry of Energy & Energy Affairs (MOEEA) for the expedient manner in which negotiations for contracts for the Shallow & Average Water Depths acreage were conducted, paving the way for exploration programs to commence in blocks NCMA (2), NCMA (3), NCMA (4) and 4(b). The zero rating of rigs and other offshore vessels for VAT purposes will also assist in moving exploration activity forward.

Also of promise were the successful bids by BP for blocks 23(a) and TTDA 14 and, while block 23(b) was not awarded, the MOEEA has exercised its option to go outside the bid process to negotiate with a consortium which comprises BHP Billiton and Repsol. A similar option has been exercised by the MOEEA with respect to block 5(d) with BG T&T.

Annual natural gas production for 2010 was 1.472 tcf, with daily production of approximately 4.319 bcf (4.102 bcf to July 2011).



The manufacture of LNG remains the dominant consumer of natural gas with a share of approximately 60% of natural gas production. Natural gas utilization is shown hereunder:

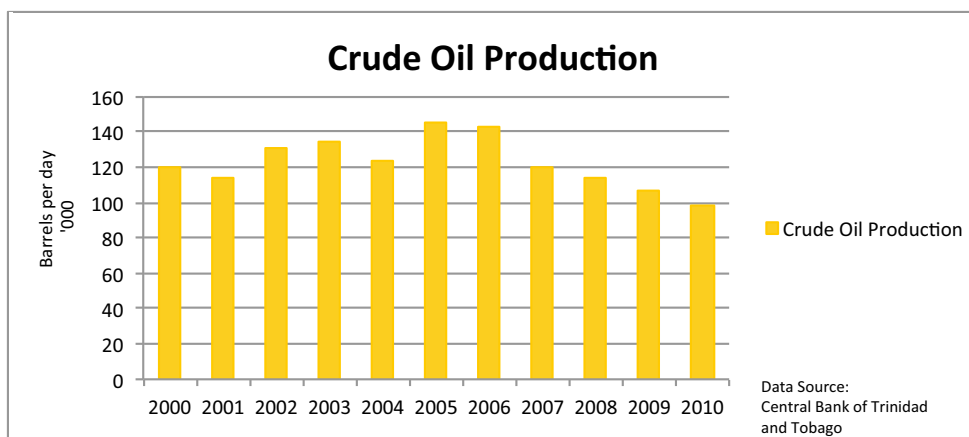


Recently, natural gas shortages are being experienced by petroleum chemical manufacturers located on the Point Lisas Industrial Estate which are driven, in the main, by systematic shut downs of production platforms to facilitate enhanced safety requirements. The shortfall in natural gas delivery has adversely impacted the operations and profitability of many petrochemical plants and continues to impact negatively on Government's revenue. The MOEEA has publicly recognized the importance of this issue and has signaled its intention

to work with the National Gas Company of Trinidad & Tobago Limited (NGC) and the major upstream producers to remedy this situation.

On a more positive note, the NGC and the National Energy Corporation (NEC), on behalf of the Government of Trinidad & Tobago, have signed a Memorandum of Understanding (MOU) with the Reliance Group, India's largest private sector enterprise, for a facility to upgrade bitumen (extra heavy oil) into synthetic crude for export. In addition, CariSal, a US\$450 million caustic soda and calcium chloride production facility, is expected to commence construction in the second quarter of 2012 at Point Lisas. The AUM 2 project, with domestic production of melamine for downstream industries including plastics, is also in the pipeline at an estimated cost of US\$1.9 billion. Request for Proposals (RFPs) were also issued for two Methanol facilities; one being natural gas to methanol and methanol to petrochemicals and the other is natural gas to olefins. There are also ongoing discussions for the construction of an iron and steel facility.

The newly appointed Minister of Energy, Senator the Honourable Kevin Ramnarine, has made no secret of the fact that the number one priority of the MOEEA under his stewardship will be to increase crude oil production, which has also declined significantly in recent years.



Citing idle drilling rigs and equipment, together with an abundance of local, readily available expertise, the Minister is confident that once investment decisions are made, mobilization can be fast tracked on land and near shore wells. So bullish was the Minister of this opportunity that he made public his target of 120,000 barrels of oil per day by 2014.

The petroleum subsidy, which costs the country approximately TT\$3.5 billion, continues to preoccupy the minds of policy makers. As stated in the Budget Presentation, the Minister of Finance proposes to clamp down on illegal bunkering of fuel, through increased policing and penalties, as well as to convert Government vehicles to compressed natural gas (CNG) and to enhance the retail station network.

As to the way forward, the MOEEA proposes a Deepwater bid round in November 2011, as well as a Shallow Bid round in the first quarter of 2012. The MOEEA has also envisaged taking NGC global, with the initial focus on the Caribbean, Ghana and Tanzania.

The 2012 Budget was prepared on conservative oil and gas prices of US\$75 per barrel and US\$2.75 per mmbtu.

## **Financial services**

### ***Banking Sector***

Perhaps due to a combination of a general lack of business confidence and tougher lending standards, one of the critical issues impacting the banking sector continues to be the low levels of commercial lending in an environment of high liquidity. Commercial bank excess reserves at the Central Bank jumped sharply to \$4.6 billion in September 2011. In this environment of excess liquidity, short term interest rates have fallen to record lows. More generally, headline inflation slowed to 0.6% in August 2011 on an annual basis. Based on these factors, the Central Bank maintained the Repo rate at 3% in its latest review on 30 September 2011 and this, in turn, has resulted in the continuing reduction in the prime lending rate to 7.75%.

Cheaper credit appears to have spurred consumer credit, which continues to show signs of activity with increases over the previous year. In addition, mortgage lending continues to show vibrancy with a 10% increase in July 2011 on a year-on-year basis. On the other hand, business lending declined by 0.6% in July 2011 from the previous year; although the rate of decrease moderated somewhat.

### ***Insurance - CLF/Clico***

The collapse of CLF and Clico in January 2009 continues to reverberate in the financial services sector and throughout the wider economy. In his Budget presentation in September 2010, the Honourable Minister of Finance announced a plan for settling the liabilities of Clico in respect of its depositors/investors. This plan included the following elements:

1. Paying all depositors/investors an initial sum of \$75,000.
2. Settling balances in excess of \$75,000 via the issuance of interest free 20 year bonds.

This plan met with resistance by the depositors/investors of Clico, especially with regard to the 20 year bonds and the anticipated low recovery rates associated with the bonds for years 11-20 (Long Dated Bonds).

The Government has now reconsidered its initial plan by giving depositors/investors the option of swapping (on an equal value basis on the date of the exchange) the Long Dated Bonds for a stakeholding in a closed ended trust which would become the legal holder of the shares in Republic Bank Limited currently held by Clico. The trust, which will benefit from tax incentives on its income and distributions, is expected to be listed and traded on the Trinidad & Tobago Stock Exchange.

Pursuant to the revised plan, the Government enacted the Purchase of Certain Rights and Validation Act, 2011 and the Central Bank (Amendment) Act, 2011 (the Amendment Act). The former Act provides for the purchase by the Government of certain rights of the depositors/investors and also empowers the Minister of Finance to make payments and issue bonds in consideration for such purchases. The latter Act prohibits various proceedings in respect of claims against Clico or its transferee or successor institution. It is noteworthy that in his Budget Statement the Honourable Minister proposed some additional amendments that essentially seek to preserve the rights of potential litigants after the stay of proceedings is lifted.

There remains an inevitable degree of uncertainty surrounding the recovery rate that can be expected by depositors/investors upon encashment of their bonds. While recovery rates as high as 92 cents on the dollar have been suggested, the actual rate would depend on market conditions and the appetite of the relevant players for such a large offering. For instance, it is widely expected that the majority of participants will opt to sell the year 1-10 bonds to financial institutions at a discount. It is understood that based upon current market conditions, assuming all the year 1-10 bonds are sold in aggregate, an investor can expect an 80% recovery on the face value of such bonds. However, this outcome would depend upon the appetite of the banking community for such a high volume of bonds, especially for the bonds maturing after year 5. Further, assuming the vast majority of investors elect to exchange the Long Dated Bonds for an ultimate interest in Republic Bank Limited, the efficacy of this strategy would depend upon the performance of Republic Bank Limited over the medium to long term.

Based upon Republic Bank Limited's track record and dividend yield, we view the Government's revised offer as being superior from an investor perspective. Whatever the final rate of recovery, another interesting question is what the depositors/investors will do with the cash they receive. We expect this to stimulate the Trinidad & Tobago economy, although it is difficult to predict how much funds will be used for local consumption versus investment and savings and also whether there would be an element of capital flight as depositors/investors seek diversification away from local investments. The impact of such capital flight on the economy and the resulting pressures on the exchange rate is left to be determined. In an attempt to insulate future investors in commercial banks and other non-financial institutions regulated under the Financial Institutions Act, the Honourable Minister also proposed to raise the deposit insurance limit to \$125,000. This measure should help to address any investor nervousness, real or perceived, around local savings instruments up to this dollar value of coverage.

### ***Capital Markets Development***

The Minister of Finance proposed the establishment of a Trinidad & Tobago Junior Market which would be modeled after the Jamaica Stock Exchange Junior Market launched in late 2008. The Jamaican initiative has been viewed as a success with more than 12 companies listed as of October 2011.

The primary areas of consideration which were addressed by the Honourable Minister regarding the Junior Stock Exchange are highlighted below:

1. Eligible companies must have a minimum capital after raising funds on the Junior Market of over TT\$5 million and not greater than TT\$50 million.
2. Eligible companies must have at least 25 shareholders with at least 30% of the issued share capital in the company.
3. A reduced corporation tax rate of 10% would be extended to a company listed on the exchange for a period of five years from the date of operations (which we assume to be from the date of listing).

The Government intends that the Junior Market will encourage domestic investment in entrepreneurship, employment and economic development. It is designed to allow investors to invest capital into legitimate small and medium sized companies (SMEs) that are listed. As such, it is hoped that the addition of the Junior Market to Trinidad & Tobago would provide an opportunity for SMEs to raise capital by non-traditional means, and for investors

to participate in both the Junior Market and, by extension the growth and development of the local economy.

The Honourable Minister did not provide additional details around the introduction of the Junior Market and as such many items remain unresolved. For example, a question remains as to whether a company would be required to conduct operations in Trinidad & Tobago to qualify for a listing or whether Caricom operations would be sufficient. Further, it is assumed but was not confirmed, that such listing would be subject to the approval of the Trinidad & Tobago Stock Exchange and eligible companies would have to comply with the requirements of the SEC and the Companies Act.

After many years of decline, the Trinidad & Tobago Stock Market has registered improved performance in 2011, buoyed in part due to attractive valuations, low interest rates and perceived marginal future improvement in the overall business environment. Against this backdrop, high dividend yielding stocks have exhibited especially good returns. It is hoped that the introduction of the Junior Market would add to investor appetite and further stimulate interest in the local capital markets.

The Honourable Minister also mentioned that the Government would embolden its efforts towards the establishment of a Regional Stock Exchange. This continues to be a critical initiative that would facilitate increased trading volume and liquidity, coupled with increased Caricom based investor access to large regional enterprises.

Another important idea that may serve the joint purpose of raising cash and stimulating the local capital markets is the planned divestment of further branches of the Government's interest in the Point Lisas Industrial Port Development Corporation Limited; the Trinidad & Tobago Mortgage Bank (a planned consolidation of the Trinidad and Tobago Mortgage Finance Company and the Home Mortgage Bank); and a planned initial public offering of the First Citizens Bank in order to raise funding for expansion purposes.

### ***National Infrastructure Bank***

The Honourable Minister announced the Government's intention to elicit the assistance of the International Finance Corporation with respect to the establishment of a National Infrastructure Bank that would be aimed at raising private funding in support of Government's Public Sector Investment Programme. Although a similar proposal is being piloted by the Obama Administration, details are sketchy at this point and it is uncertain whether the bank funding would be supported by Government guarantees, which would involve contingent liability considerations.

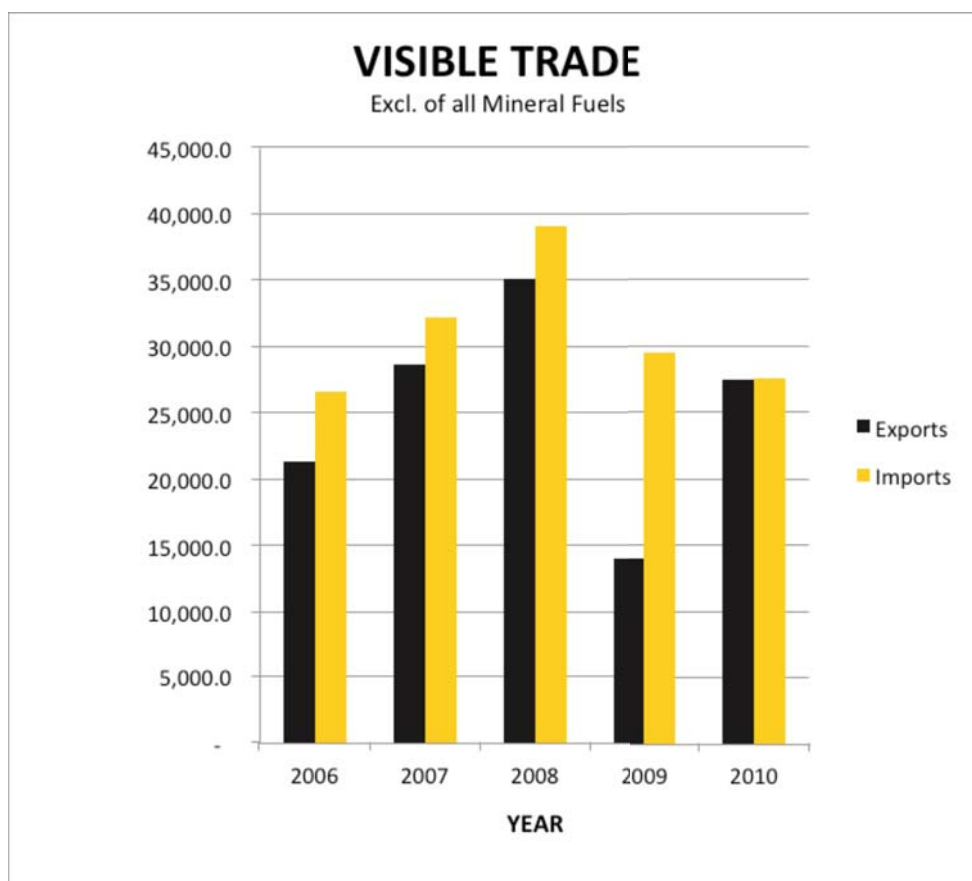
## **Manufacturing and distribution sectors**

Based on the Summary Economic Indicators to June 2011, the output in the manufacturing and distribution sectors, which accounted for 8.4% (2010p) of the GDP of Trinidad & Tobago, showed signs of improvement with growth of 3.4% and 0.4%, respectively in the first quarter of 2011 (year on year). The improvement in the manufacturing sector was primarily driven by the chemical sub-sector due to the introduction of melamine production from the MHTL Ammonium-Nitrate Melamine (AUM 1) Complex. Overall, manufacturing activity is still subdued as manufacturers operated at about 63.2 % of their existing capacity.

## 2012 sector review

Following eight quarters of decline, the distribution sector picked up slightly on account of improved retail trade. Retail trade expanded by 7.3% for the first quarter (year on year). The most significant increases were recorded in the sale of dry goods (27.7%) and textiles and wearing apparels (13.8%). New motor vehicle sales for the first three months of 2011 were 17.2% higher compared with the same period for 2010.

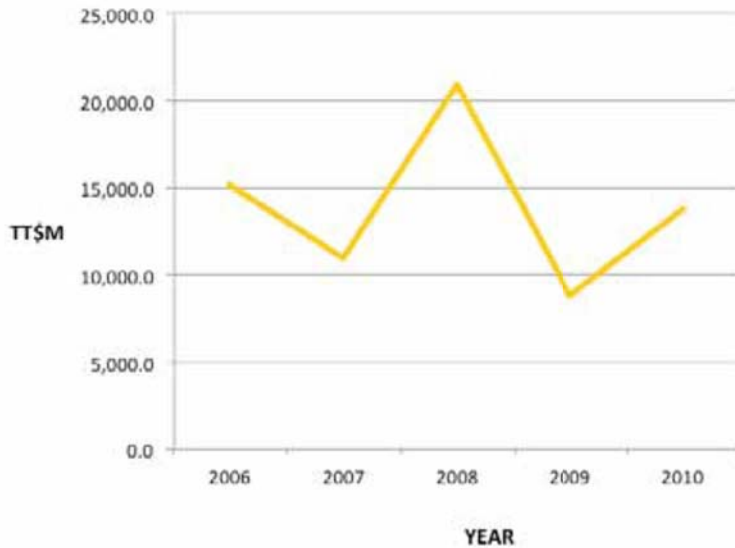
Preliminary data for 2010 showed that non-energy exports rose to \$1.9 billion, partly due to an increase in demand from Caricom countries. Total merchandise imports declined marginally during 2010 to \$6.5 billion due in the main to lower imports of manufactured items and machinery and transport equipment.



Based on the data available, economic growth in the Caribbean was sluggish in 2010; however, the prospects for growth in 2011 are more positive. Both the International Monetary Fund (IMF) and the Economic Commission for Latin America and the Caribbean (ECLAC) are forecasting marginal growth of around 2 - 3 % for the Caribbean Region after contracting by 2.7% in 2010.

Barbados, Jamaica and Guyana remain our main export markets within Caricom. Economic activity in Barbados improved in the first half of 2011 exhibiting growth of 2.1% (year on year). Guyana's economy recorded its fifth consecutive year of growth in 2010. The economy grew by 3.6% compared with growth of 2.9% in 2009. During the first quarter of 2011 Jamaica's economy grew by 1.4% (year on year) after experiencing four consecutive quarters of decline.

## DIRECTION OF TRADE WITH CARICOM COUNTRIES - EXPORTS



It is a “no brainer” that growth in the manufacturing and distribution sectors could only be accomplished with an expansion in export markets together with an increase in productivity and efficiency on the home front. For many years various groups representing these sectors have made their requirements known to the Government. However, even after many years of representation, they continue to be besieged with the same issues.

The statistical data to reflect the impact of the State of Emergency on these sectors is not currently available. However, based on discussions with manufacturers and distributors, the State of Emergency has negatively impacted these sectors.

## Real Estate/Construction

The real estate sector continued to contract. The high-end residential segment experienced the strongest battering. Once sought after, multi-family rental units have experienced record levels of vacancy. In general, rental rates in this segment trended downward over the past two years. However, market preference for newer developments (such as One Woodbrook Place) helped maintain rental rates achieved by these developments. Property values in the high-end segment experienced declines within the range of 15% to 25% since the start of 2009. In the upper-middle segment, values have fallen by about 10%. Evidenced by the steady volume of transactions, demand in the middle segment has remained strong. In general, property values in this segment have remained relatively stable.

The commercial office segment had a steady pulse over the last year. Vacancy levels at Class A and B properties are low in the main commercial districts, in particular Port of Spain and Environs. New supply which was introduced one to two years ago has been absorbed by the market. However, this addition to supply along with some slackened demand triggered declines in rental rates, particularly for Class A space. In fact, the average monthly basic rental rate for Class A space declined from the high-to-mid teens to mid-to-low teens. Government continues to be the main demand source for office space, although there has been some

uptake from the private sector in 2011. Tenants have found themselves in the driver's seat when negotiating rental rates, particularly for new space. Property values in the commercial office sector have remained flat with capitalization rates holding between 8% to 12%, depending on location and quality of space.

Activity in the construction sector has geared down to a crawl. The once familiar landscape permeated by heavy construction equipment and hoarded sites has noticeably diminished. In the commercial office segment (particularly for Class A), private sector developers appear to have gone into hibernation. Developers are unwilling to take the risk of speculative construction in the current environment. Furthermore, lenders have tightened their credit policies in light of heightened concerns over loan delinquencies as well as the number of distressed residential real estate projects. For the most part, activity in this sector has been concentrated on infrastructure development. There also exists a number of unfinished government funded construction projects, which began under the previous administration but now appear to be stuck in time. Government needs to accelerate its efforts and channel the required resources behind completing these projects so that the intended benefits could be realized. In downtown Port of Spain, there have been some slow signs of occupation by Government into the over two million square feet of space constructed under the previous administration. The Government Campus at Richmond Street is expected to house the Office of the Attorney General, the Legal Affairs Ministry, the Board of Inland Revenue and Customs & Excise offices and a few other ministries. Outfitting of this property is in-train and expected to take 12 months. In addition, Parliament has moved into Tower D at the Port of Spain Waterfront. This is a temporary relocation (about three years) as the 108 year-old Red House is being restored.

Popular sentiment suggests that the momentum that characterized the real estate and construction sectors, prior to 2009, was unparalleled and not likely to reoccur in the short or perhaps even medium term. However, there is merit in efforts aimed at resuscitating these interrelated sectors, both of which play vital roles in stimulating job creation and ultimately economic activity. As mentioned previously, housing demand has not completely flat lined. Shelter still remains a basic need of all individuals, and home ownership is a dream of many. Furthermore, over time, real estate still offers a sound investment option, and an income generating property offers an attractive yield-producing asset class. Surely, the current interest rate climate and trends in property prices enhance property acquisition. In fact, according to data obtained from the Central Bank of Trinidad & Tobago, the number and total value of consumer mortgage loan disbursements increased by 14% and 17%, respectively in 2010. Notably, improved tax allowances as well as revisions to the stamp duty rates could also provide further stimulus.

Outstanding amounts due to contractors, from Government or by way of VAT refunds, continue to adversely impact the businesses involved, and should be remedied immediately.

## **Tourism sector**

The tourism sector has been identified by the Government of the Republic of Trinidad & Tobago to be an important platform to create sustainable jobs and increase the contribution of tourism to the GDP.

The sector continues to fall short of meeting its full potential. The high crime rate has had a negative impact on the sector, as governments of major countries within the tourism market issue travel advisories that serve as a deterrent for travel to Trinidad & Tobago. More recently,

this sector was further challenged by the State of Emergency put in place by the Government to curb the escalating criminal activity.

Specifically in relation to Tobago, tourist arrivals have declined by approximately 60% over a five-year period. This decline may be attributable to a range of factors, including past incidents of serious crime against tourists, as well as the adverse effects to the global tourism sector as a result of the economic global recession being experienced by most major economies since 2008.

From a fiscal perspective, the Tourism Development Act does provide tax incentives for the purpose of encouraging the development of the tourism industry. These include corporation tax holidays, exemptions from customs duties on building materials and exemptions with respect to interest on approved loans. These incentives have not been widely utilized as the bureaucratic processes of the Government have hindered investors who have sought to access such benefits.

In October 2010, the Ministry of Tourism published The National Tourism Policy of Trinidad & Tobago which states that the Government is committed to the development of a responsible and sustainable tourism industry as a means of social and economic transformation of Trinidad & Tobago. The broad targets of this policy include the following:

- ▶ Significantly increase the contribution of tourism to GDP.
- ▶ Significantly increase visitor arrivals and tourist expenditure.
- ▶ Increase the quantity and quality of jobs generated by the tourism industry.
- ▶ Increase the multiplier effect of tourism throughout the economy.

In the 2012 Budget Statement presentation, the Government has stated its commitment to repositioning the tourism industry for growth.

The Government intends to roll out a stakeholder developed Tourism Action Plan to be implemented over a 15 month period which will provide financial incentives for investors in this industry. This Action Plan highlights five key areas of focus as follows:

1. Product development
2. Marketing and public awareness
3. Competitiveness and investment
4. Safety, security and access
5. Quality assurance

In relation to Tobago, the Government announced that it will work with the Tobago House of Assembly (THA) to ensure that Tobago's tourism product is appropriately positioned for growth. The Tourism Development Fund which is now set at \$100 million is designed to provide a Government guarantee, which will be accessed by both existing properties and new hotel property developers. Similar consideration is proposed to be given to private business sector partners, on the advice of the THA to support the Tobago economy.

With the above initiatives set out in the Budget Statement presentation, it remains uncertain as to whether these will materialize into a vibrant and sustainable tourism sector.

### Agriculture sector

The Agriculture sector remains a critical sector for the Government of Trinidad & Tobago for the purpose of addressing food price inflation and food security. The substantial Food Import Bill which stood at \$4 billion continues to attract a lot of attention with the Government seeking to find ways of improving domestic food production.

Earlier this year, the Prime Minister presented more than 600 agricultural land leases to former workers of Caroni (1975) Ltd. The Minister of Food Production, Land and Marine Affairs also announced that Cabinet approval was obtained for the distribution of 3,980 acres of land to the farmers of T&T for the Agriculture sector. This should assist in regularizing land ownership issues faced by farmers and increasing domestic food production.

Additionally, as part of the Commercial Large Farms Programme which aims at increasing domestic agricultural output through local and foreign entrepreneurship, Technology Farms Limited was commissioned on 5 October 2011. The Farm comprises of 40 hectares to be utilized for commercial production of vegetables, root crops and short term tree crops. This is the third large farm to be launched this year.

For the purpose of encouraging the purchase of domestic food products in T&T, the Government has mandated the Magdalena Grand Beach Resort, formerly the Hilton Hotel, to work with Tobagonian farmers and fishermen to provide the food needs of the hotel. This will act as the recommended innovative model for all of T&T with respect to greater purchases by hotels and restaurants of locally produced food. With such a buy-local initiative announced by the Government, it must be ensured that the quantity and quality of locally produced items match such an increase in demand.

The Minister has also announced the refurbishment of various fish landing sites throughout T&T with a focus on promoting food security. While this initiative ought to boost fishing activity, fishermen have complained that the curfew which was imposed along the coastline as a result of the State of Emergency has resulted in a loss of income.

Apart from the land tenure issues, other challenges facing the Agriculture sector include infrastructure such as access roads and proper water management, markets along the value chain, praedial larceny and a shortage of labour.

In response, the Government introduced an Agricultural Incentive Programme aimed at assisting local farmers in overcoming some of these challenges. The programme allows for percentage rebates (capped at specified amounts) on the cost associated with the purchase of irrigation equipment, land preparation, pest management, and post-harvest marketing. There are also incentives to encourage youth in agriculture, for fisheries, the provision of security and for agro-processing.

Notwithstanding the foregoing, one of the basic requirements is that applicants must be registered with the Ministry of Food Production, Land and Marine Affairs. Given the number of unregistered farmers in T&T, there will be a fall out of beneficiaries to the programme which the Government should seek to address.

In the Budget statement for the year 2012, the Government indicated that the Agricultural Development Bank (ADB) is playing a major role in the Agriculture initiative. To this end, it was indicated that interest rates at the ADB have been reduced from 3% to 5% which has resulted in an increase in credit demand of approximately 50%. A further review of the interest rates will be undertaken in the new fiscal year. With the influx of applications, however, it is understood that there has been a delay in the length of time farmers had to wait to access approved loans. This should be addressed in order to avoid having an adverse effect on farmers' businesses and dissuading farmers.

The Government is also encouraging the use of greenhouse technology and, in this regard, the Trinidad & Tobago Agri-Business Association has been charged with increasing greenhouse agricultural production and marketing and will include greenhouse vegetables in its contract production programmes.

An amount of \$1,954 million was allocated to the Agriculture sector as announced in the 2012 Budget. Given the importance of the Agriculture industry and the vital role it plays in food security and ensuring that the country has a healthy population, this sector ought to be kept at the forefront of the Government's agenda.

# Summary - revenue statistics

Revenue - \$'000	Estimates 2011	Revised Estimates 2011	Estimates 2012	Increase/ (Decrease)
<b>Taxes on Income &amp; Profits</b>	24,962,889	29,532,828	29,502,554	(30,274)
Oil Companies	11,771,400	13,989,027	14,109,951	120,924
Other Companies	6,978,519	8,787,337	8,487,604	(299,733)
Individuals	4,762,643	5,066,634	5,351,398	284,764
Other	1,450,327	1,689,830	1,553,601	(136,229)
<b>Taxes on Property</b>	173,864	10,347	15,000	4,653
<b>Taxes on Goods &amp; Services</b>	7,845,063	6,126,648	8,058,030	1,931,382
Value Added Tax	6,405,133	4,673,400	6,497,604	1,824,204
Excise Duties	706,380	706,380	768,203	61,823
Other Duties	733,550	746,868	792,223	45,355
<b>Taxes on International Trade</b>	2,101,039	2,101,040	2,248,079	147,039
<b>Other Taxes</b>	180,500	180,500	184,000	3,500
<b>Total Tax Revenue</b>	35,263,355	37,951,363	40,007,663	2,056,300
<b>Non Tax Revenue</b>	4,959,643	5,481,507	5,662,164	180,657
Property Income	4,088,252	4,464,839	4,736,095	271,256
Other	850,662	968,074	894,005	(74,069)
Repayment of Past Lending	20,729	48,594	32,064	(16,530)
<b>Capital Revenue</b>	21,095	286,597	16,919	(269,678)
<b>Borrowing</b>	5,969,338	1,389,554	6,616,810	5,227,256
<b>Total Revenue</b>	<b>46,213,431</b>	<b>45,109,021</b>	<b>52,303,556</b>	<b>7,194,535</b>

# Summary - expenditure statistics

Expenditure - \$'000	Estimates 2011	Revised Estimates 2011	Estimates 2012	Increase/ (Decrease)
Education	3,793,742	3,598,736	4,087,503	488,767
Recurrent	3,737,892	3,559,206	4,010,953	451,747
Development	55,850	39,530	76,550	37,020
Health	3,675,458	3,769,454	3,870,733	101,279
Recurrent	3,417,958	3,612,284	3,656,903	44,619
Development	257,500	157,170	213,830	56,660
Works and Transport/ Works and Infrastructure, Transport*	2,452,124	2,503,594	2,778,475	274,881
Recurrent	2,226,224	2,277,694	2,511,415	233,721
Development	225,900	225,900	267,060	41,160
National Security	3,236,309	3,227,097	3,459,960	232,863
Recurrent	2,806,255	2,585,297	2,967,602	382,305
Development	430,054	641,800	492,358	(149,442)
Finance	6,923,415	10,019,838	9,418,824	(601,014)
Recurrent	5,781,436	8,876,543	8,037,029	(839,514)
Development	78,091	32,983	47,787	14,804
Debt Servicing	1,063,888	1,110,312	1,334,008	223,696
Other	24,365,637	23,847,776	26,783,999	2,936,223
Public Debt	7,700,203	5,763,902	6,605,063	841,161
<b>Total Expenditure</b>	<b>52,146,888</b>	<b>52,730,397</b>	<b>57,004,557</b>	<b>4,274,160</b>

\*Ministry of Works and Transport divided into Ministry of Works and Infrastructure and Ministry of Transport for 2012 Budget purposes

# Income tax computation comparative

	Low Income Earner		Middle Income Earner		High Income Earner	
	2012	2011	2012	2011	2012	2011
Income from Employment	75,000	75,000	250,000	250,000	500,000	500,000
Less:						
Personal Allowance	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)
Deduction for First Time Acquisition of House - (Note 1)	(9,250)	(9,250)	(18,000)	(18,000)	(18,000)	(18,000)
Tertiary Education (Extra-Regional) - (Note 2)	(3,500)	(3,500)	(60,000)	(60,000)	(60,000)	(60,000)
Deduction for Approved Annuity/Pension Plan and NIS - (Note 3)	(1,500)	(1,500)	(30,000)	(30,000)	(30,000)	(30,000)
Contributions to Children's Life Fund (Note 4)	(750)	(750)	(2,500)	(2,500)	(5,000)	(5,000)
<b>CHARGEABLE INCOME</b>	-	-	79,500	79,500	327,000	327,000
Income Tax @ 25%	-	-	19,875	19,875	81,750	81,750
<b>EFFECTIVE TAX RATE</b>	0.0%	0.0%	8.0%	8.0%	16.4%	16.4%

Note 1 - Tax Allowance limited to \$18,000 per household (i.e. spouses must share allowance) on mortgage interest paid in the year of income for first time homeowners for five (5) years with effect from the date of acquisition. Effective 1 January 2011.

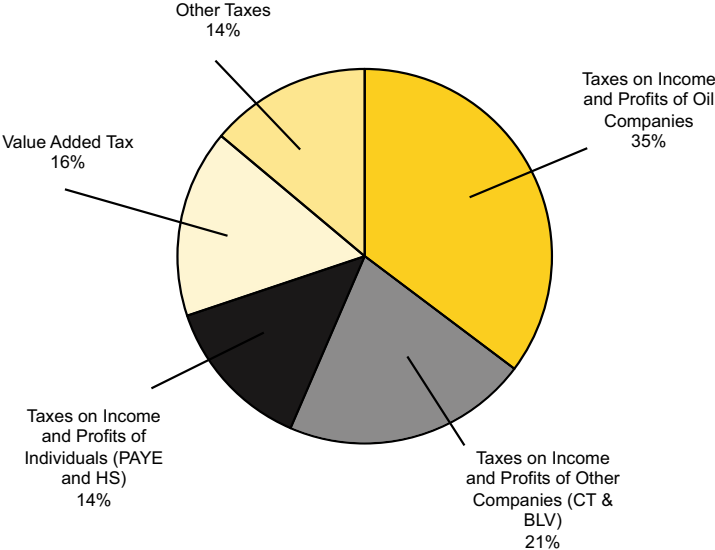
Note 2 - Maximum allowance per household is \$60,000 (i.e. spouses must share allowance).

Note 3 - Maximum allowance granted for contributions to Approved Annuities/Pension Plans and 70% of NIS Payments is \$30,000. Effective 1 January 2009.

Note 4 - Tax Deduction equal to the amount of donation, up to a maximum of 15% of the individual's total income in an income year. The Income Tax Act (ITA) defines total income as the aggregate amount of income of a person before making any deductions for expenses or allowances.

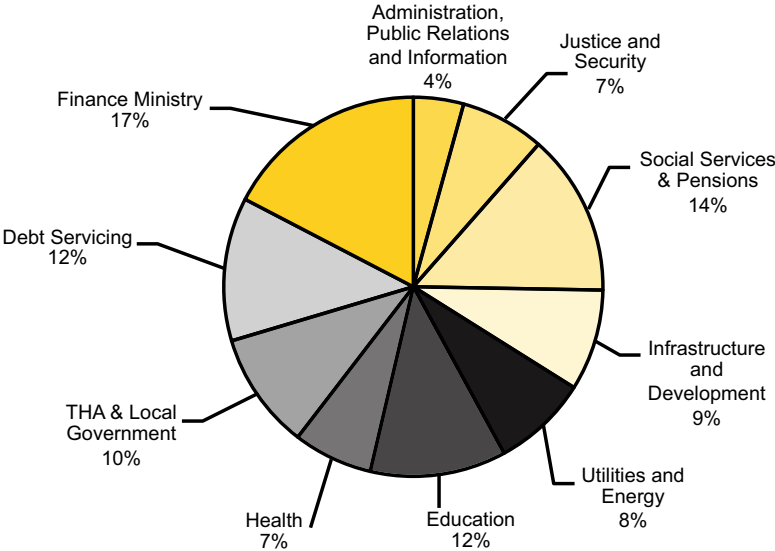
# Analysis of tax revenues

Fiscal Year 2012

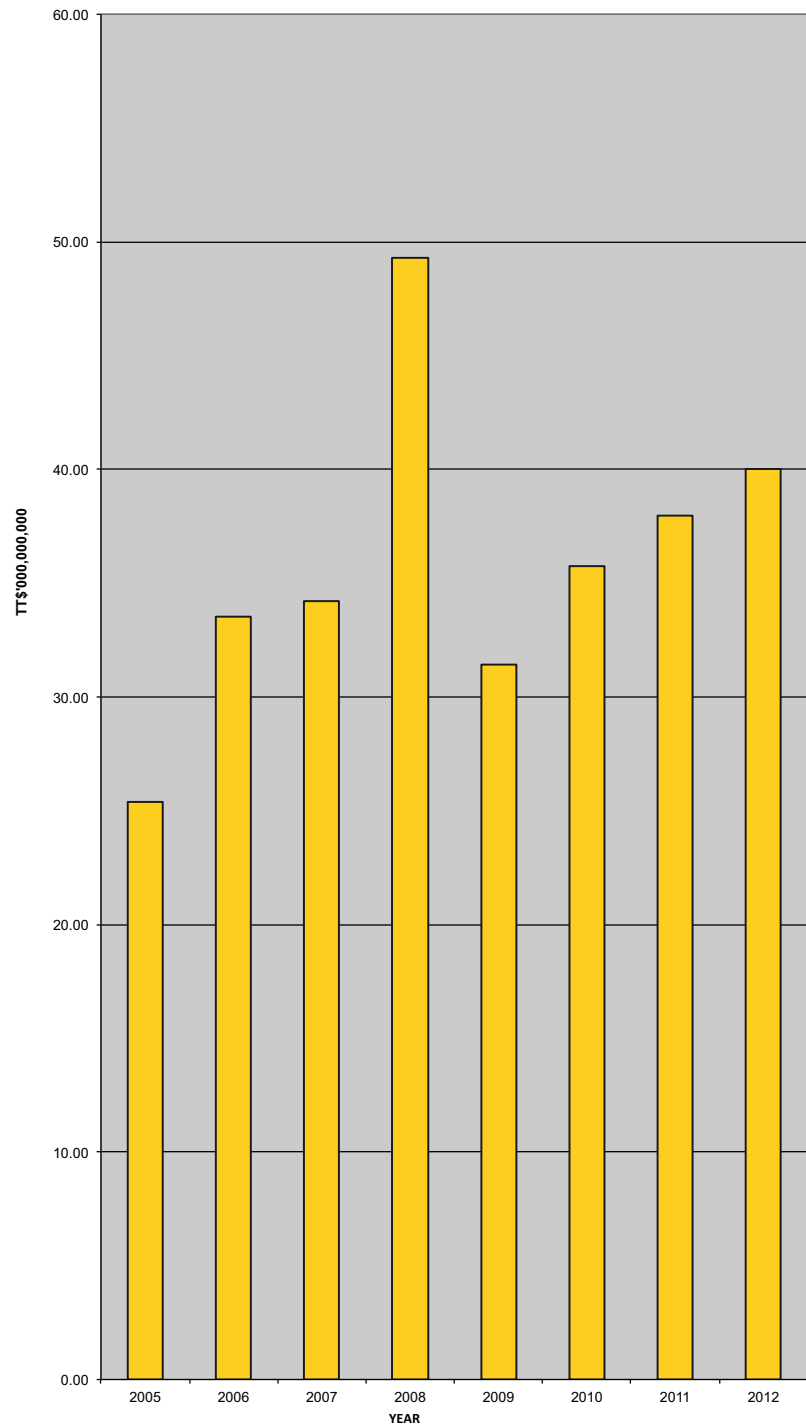


# Analysis of recurrent government expenditure

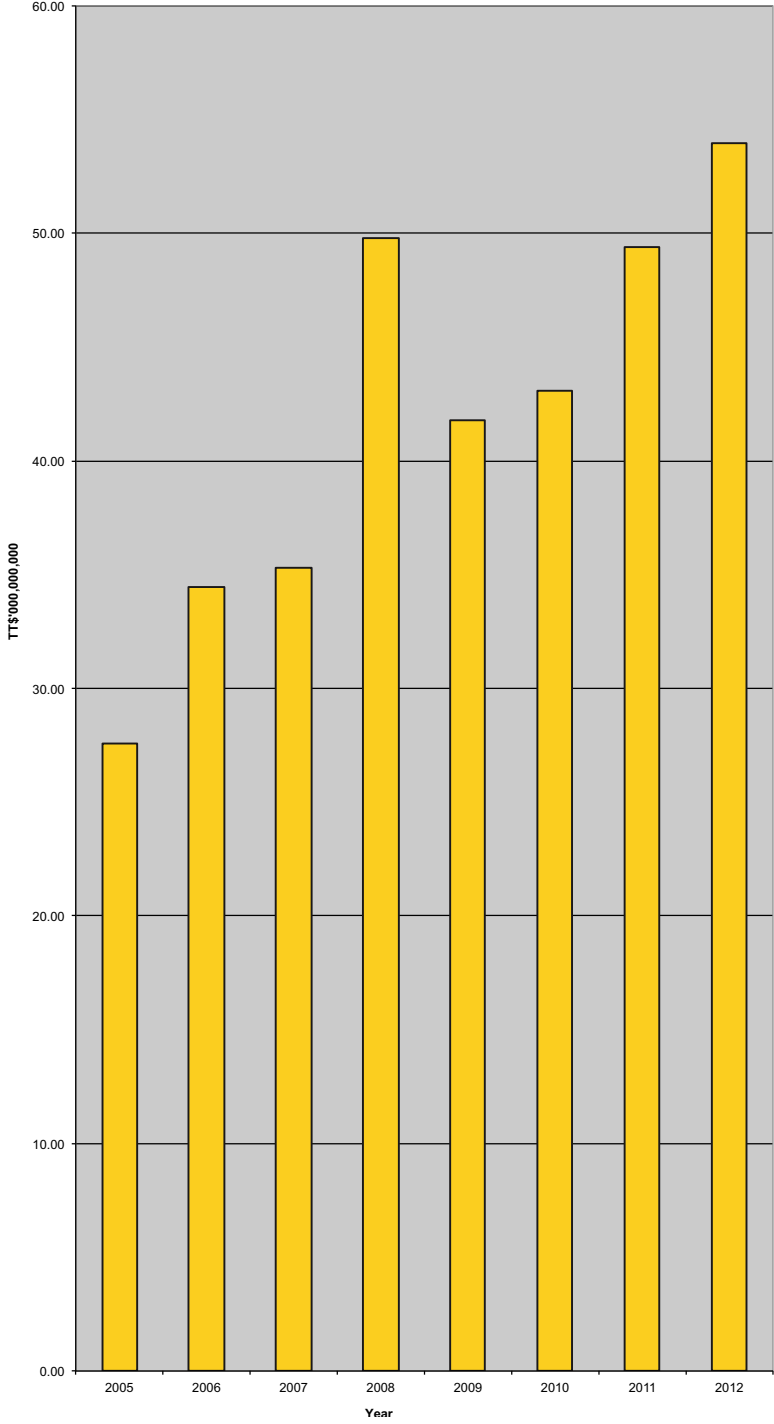
Fiscal Year 2012



# Analysis of tax revenues



# Analysis of recurrent government expenditure



# Status of fiscal measures 2011

Proposed measures 2011	Implications	Status
Tax amnesty	Amnesty in respect of penalties and interest for late filing of tax returns and late payment of Income Tax, Corporation Tax, Value Added Tax, Business Levy, Green Fund Levy and taxes under the Miscellaneous Taxes Act for years of income up to 2009.	Enacted in the Finance (No.2) Act, 2010.
Repeal of the Property Tax and re-introduction of Lands and Buildings Taxes	Proposal for the repeal of the Property Tax Act, 2009 and re-introduction of the prior property tax regime at the former rates and valuations.	Not enacted - The Lands and Buildings Taxes Bill, 2011 was introduced in Parliament but lapsed.
Repeal of investment ceiling for Free Zone companies	Removal of the investment ceiling of US\$50 million for projects in the Free Zone.	Enacted in the Finance (No. 2) Act, 2010.
Increase in Senior Citizens' pension	Increases in Senior Citizens' pensions payable to a maximum of \$3,000 and revision of the income qualification.	Enacted in the Senior Citizens' Grant (Amendment and Validation) Act, 2010.
Minimum Public Servants' Pension	Implementation of a minimum pension of \$3,000 for retired public servants.	Enacted in the Finance (No. 2) Act, 2010.
Incentives for Employee Share Ownership Plans (ESOPs)	Proposals included: 1. The reduction in the amount of the annual bonus distribution that must be allocated to an ESOP from 40% to 25%. 2. The limitation of the taxation of the proceeds from withdrawals from the ESOP to the amount of the initial investment only. 3. Extension of ESOP benefits to employees of Subsidiary companies.	The reduction to 25% of the allocation of the bonus distribution was enacted in the Finance (No. 2) Act, 2010.  The remaining two measures were not enacted.
Energy tax regime reform	Measures announced in the Budget were: 1. Reduction in the rate of Petroleum Profits Tax from 50% to 35% for Deepwater Blocks.	Enacted in the Finance (No. 2) Act, 2010.

Energy tax regime reform (Continued)	2. Revision of the Supplementary Petroleum Tax regime.	
Children's Life Fund	Tax deductible donations by individuals and companies to the Children's Life Fund.	Enacted in the Finance (No. 2) Act, 2010.
First time home owner allowance	An \$18,000 deduction for five years for the first time acquisition of a house.	Enacted in the Finance (No. 2) Act, 2010.
Increase in wear & tear allowances	Transfer of assets from Class A of the Seventh Schedule to the Income Tax Act (10% wear & tear allowance) to Class B (25% wear & tear allowance).	Enacted in the Finance (No. 2) Act, 2010.
Environmental incentives	Various incentives were proposed concerning the use of compressed natural gas (CNG), solar water heating, wind energy and for energy audits.	Enacted in the Finance (No. 2) Act, 2010.
Art & Culture, Sporting, Audio & Visual Production Allowances	Increase in the quantum of these allowances from \$1 million to \$2 million.	Enacted in the Finance (No. 2) Act, 2010.
Green Fund Levy	Amendment of the legislation to allow organisations and community groups that are engaged in the remediation, reforestation and conservation of the environment to qualify for assistance from the Green Fund.	Enacted in the Finance (No. 2) Act, 2010.
Penalties under the Litter Act	100% increase in various penalties under the Litter Act.	Enacted in the Finance (No. 2) Act, 2010.
Pension Fund Investment in the downstream energy sector	Implementation of policies encouraging pension funds to invest in downstream energy companies.	Not implemented.
Increase in the minimum wage	Increasing the minimum wage from \$9.00 per hour to \$12.50 per hour.	Enacted by Legal Notice No. 291 of 2010.
Expansion of research & development facility at the Business Development Company (BDC)	Proposal to increase the sales turnover limit for accessing the facility from \$5 million to \$25 million and increasing grants for single projects to \$500,000 and for alliance projects to \$1 million.	Implemented by the BDC.
Customs Entry	Increasing the value of goods for which a formal customs entry is required from \$1,000 to \$20,000.	Enacted by Legal Notice No. 27 of 2011.

# Ernst & Young tax leaders

**Wade M. George, BA, LL.M**  
Partner - Tax Services

Wade leads our Caribbean tax practice. He specializes in the area of corporate international tax advisory services and his experience includes a 3 1/2 year assignment with the Ernst & Young International Tax Services Group in New York. Wade has considerable experience in developing and implementing tax minimization planning structures in Jamaica, Trinidad & Tobago and Barbados, including mergers and acquisitions, green-field projects and capital markets transactions. He has been involved in tax engagements for a variety of multinational clients of the firm. Wade is an Attorney-at-Law with a BA in Law and Sociology and a Masters of Law degree. He has spoken extensively on international tax matters in London, New York and Toronto.

**Gregory Hannays, FCCA, CA**  
Partner - Tax Services

Gregory is a Partner in the tax practice of Ernst & Young Caribbean with responsibility for the Energy Sector. He has considerable experience in developing and implementing tax minimization structures throughout the Caribbean for multinational clients, particularly those in the energy, chemical and utilities industries.

Gregory has a considerable working knowledge of the various fiscal regimes in the Caribbean, both onshore and offshore, specializing in the area of corporate international tax advisory services.

Gregory works closely with oil and gas upstream producers, advising on the tax implications for license holders and parties to production sharing contracts, as well as providing tax advice to a number of petrochemical manufacturers. He has made presentations to governments on opportunities for the development of fiscal regimes governing petroleum operations and spoken extensively on petroleum tax related issues throughout the Caribbean and North America.

Gregory is a Chartered Accountant with the Association of Chartered Certified Accountants of the United Kingdom and recently completed a two year assignment with the Ernst & Young International Tax Services Group in New York.

**Anna Mouttet, BA (Hons) Accounting & Finance**  
**Senior Manager - Tax Services**

Anna joined Ernst & Young in 1999 in the Barbados office, having previously worked in the Trinidad tax practice of another international accounting firm.

Anna has over 20 years tax experience in providing tax advisory services to domestic and international clients. She spent four years on the Caribbean Tax Desk in London, providing tax advisory services for UK and European based multinationals operating in the Caribbean region before relocating to Trinidad office in 2004. Anna specializes in the tax efficient structuring of inbound investments into the Caribbean for international companies and high net worth individuals. Anna is responsible for overseeing the human capital group.

**Nassim Mohammed, BA, LLB, MBA**  
**Senior Manager - Tax Services**

Nassim is an Attorney-at-Law who spent over 15 years in the Legal Section at the Board of Inland Revenue in Trinidad & Tobago. He has extensive tax experience having represented the Board of Inland Revenue at the Tax Appeal Board, High Court and Court of Appeal. He was also the primary legal advisor to the Board of Inland Revenue on legislative issues. He spent 3 years as the Legal Advisor to the VAT Administration Centre.

Nassim was a member of the Permanent Double Taxation Team, which advises Government on the negotiation of international tax treaties. Nassim was also a member of several Cabinet appointed committees involved in issues such as the establishment of a Revenue Authority in Trinidad & Tobago and a review of Employee Share Ownership Plans.

At Ernst & Young, Nassim specializes in the financial services sector, providing advice on the tax implications of a wide range of complex transactions.

**Colin Ramsey, ACCA, CA**  
**Manager - Tax Services**

Colin has over 10 years of tax experience serving highly reputable domestic and foreign clients of the Firm. As Tax Compliance Manager in Trinidad, Colin is responsible for overseeing the Corporate Tax and Value Added Tax (VAT) Compliance portfolios which comprise a wide range of clients in different industries.

Colin's responsibilities include, among other things, managing the timely preparation and filing of Corporation Tax and VAT Returns with the BIR, participating in audits conducted by the BIR, objecting to assessments raised and advising clients.

Colin is a Member of the Association of Chartered Certified Accountants (ACCA) and the Institute of Chartered Accountants of Trinidad & Tobago (ICATT).

**Shivanan Deopersad, FCCA, CA**  
**Tax Manager - Tax Services**

Shivanan has over 11 years of experience in serving highly reputable domestic and foreign companies. As Tax Manager in Trinidad, Shivanan is responsible for overseeing the Tax Compliance functions for clients in the Petroleum Sector.

Shivanan's responsibilities include, among other things, managing the timely preparation and filing of Petroleum Profits Tax Returns and Supplemental Petroleum Tax Returns with the BIR and advising clients.

Shivanan is a Fellow of the Association of Chartered Certified Accountants (ACCA) and the Institute of Chartered Accountants of Trinidad & Tobago (ICATT).

**Maria Robinson, BBA, CA**  
**Partner - Tax Services**

Maria is a partner in our Tax Advisory Services Practice. She has spent 18 years working in the professional services field, with over 13 years of Tax experience. She holds significant experience providing advice on tax planning for regional and international corporate clients particularly in the financial and hospitality industries for clients based in Barbados and the OECS.

Over the course of her career Maria has developed a keen appreciation for the tax implications pertaining to mergers and acquisitions and reorganizations, at the local, regional and international levels. She is a Member of the Institute of Chartered Accountants of Barbados (ICAB), a Member of the Tax Committee of the ICAB and a Member of the Institute of Chartered Accountants of Nova Scotia, Canada.

**Dominique Pepin, LLB, Dip. Tax**  
**Partner - Tax Services**

Dominique Pepin is a Tax partner in Ernst & Young's Barbados office. Dominique relocated from Canada to Barbados and joined Ernst & Young's Caribbean Tax practice in 2001. Before relocating to Barbados, she worked in a professional services firm as a Senior Tax Advisor in Montreal, Canada. She holds a Bachelors of Law and a Diploma in Canadian Tax from the Universite de Sherbrooke in Canada. She is a Member of the Quebec Bar Association and the Canadian Tax Foundation. She has been on the Editorial committee of the Barbados International Finance & Business magazine since its inception and has written articles in various publications including the Canadian Manufacturers & Exporters' magazine - 20/20. She is also a speaker at international tax conferences held in Barbados, the United States and France.

Dominique has extensive tax experience serving local, regional and multinational corporations in various industries including petroleum, mining, manufacturing, telecommunications and financial services. Her focus is on international and regional corporate re-structuring, cross-border transactions and advising on tax audits and appeals in the Caribbean.

**Allison Peart, BSc, CA.**

**Partner - Tax Services**

Allison currently leads the tax practice at the Ernst & Young Office in Jamaica. She has over 18 years of public accounting experience with professional services firms, serving a wide range of clients and has worked for Ernst & Young in Toronto and New York in the International Tax Services Practice.

Allison is a Chartered Accountant with many years of experience preparing and reviewing tax provisions and tax returns for various clients. She has provided tax advice and implemented complex tax strategies for several European, American, Canadian and Caribbean firms and has experience in dealing with derivative products and structures for international financing and capital markets. Allison has worked with a number of clients in Jamaica across a wide range of industries including retail, distribution and manufacturing, financial services and hospitality.

Allison is a member of the Institute of Chartered Accountants of Ontario, as well as the Institute of Chartered Accountants of Jamaica and its Future of the Profession Committee. She served on the Tax Review Committee in Jamaica that was chaired by Joe Matalon and is a member of the Board of Directors for the American Chamber of Commerce.

**Bryan Irausquin**

**Partner - Tax Services**

Bryan is Tax Partner at Ernst & Young Dutch Caribbean. He specializes in Business Tax Advisory and International Tax Services.

Bryan started his career with Arthur Andersen's International Tax practice in Rotterdam, the Netherlands. After the merger with Deloitte in 2002, he transferred with his team to Ernst & Young in Rotterdam. In 2004 he returned to the Curaçao. He has extensive experience in tax compliance and tax structuring work. He has been actively involved in advising both Curaçao, St. Maarten, Bonaire, Saba, St. Eustatius, Aruba and foreign multinational corporations in planning and structuring their business operations. In the context of his expertise, Bryan has been involved in amongst others projects, consultations and implementation on: international and national acquisition structuring, international and national finance structuring, international and national group restructuring/reorganization, international and national tax planning, coordinating international tax work on several Ernst & Young Global clients.

# Ernst & Young Caribbean leaders

## **Executive Chairman**

Colin Soo Ping Chow  
Tel: (868) 628-1556  
colin.soo-ping-chow@tt.ey.com

## **Country Managing Partners**

### **Barbados**

William Hutchinson  
Tel: (246) 430-3876  
william.hutchinson@bb.ey.com

### **Trinidad & Tobago**

Nicholas Gomez  
Tel: (868) 628-5419  
nicholas.gomez@tt.ey.com

### **Jamaica**

Allison Peart  
Tel: (876) 925-2501  
allison.peart@jm.ey.com

### **Netherlands Antilles**

Erick Stadius van Eps  
Tel: (599) 9 461 1011  
erick.stadius-van-eps@an.ey.com

## **Service Line Leaders**

### **Assurance Services**

Nicholas Gomez  
Tel: (868) 628-5419  
nicholas.gomez@tt.ey.com

### **Advisory Services**

Arnold Niranjana  
Tel: (868) 822-6240  
arnold.niranjana@tt.ey.com

### **Tax Services**

Wade George  
Tel: (868) 628-5185  
wade.george@tt.ey.com

### **Transaction Advisory Services**

William Hutchinson  
Tel: (246) 430-3876  
william.hutchinson@bb.ey.com

## **Industry Leaders**

### **Financial Services**

Pria Narinesingh  
Tel: (868) 628-9522  
pria.narinesingh@tt.ey.com

### **Hospitality & Real Estate Services**

Andrew McConney  
Tel: (246) 430-3829  
andrew.mcconney@bb.ey.com

### **Conglomerates**

William Hutchinson  
Tel: (246) 430-3876  
william.hutchinson@bb.ey.com

### **Energy**

Gregory Hannays  
Tel: (868) 622-1364  
gregory.hannays@tt.ey.com

# Contact information

***Trinidad & Tobago***

5/7 Sweet Briar Road  
St. Clair, Trinidad  
Tel: (868) 628-1105  
Fax: (868) 622-0918

***Aruba***

Vondellaan 31  
Oranjestad, Aruba  
Tel: (297) 582-4050  
Fax: (297) 582-6548

21 - 25 Independence Avenue  
San Fernando, Trinidad  
Tel: (868) 652-4375/6  
Fax: (868) 652-4377

***Curaçao***

"Zeelandia Office Park"  
Kaya W.F.G. (Jombi) Mensing 16  
Willemstad, Curaçao  
Netherlands Antilles  
Tel: (599) 9 461-1011  
Fax: (599) 9 461-5020

***Barbados***

Worthing  
Christ Church, Barbados  
Tel: (246) 430-3900  
Fax: (246) 426-9551

***Jamaica***

8 Olivier Road  
Kingston 8, Jamaica  
Tel: (876) 925-2501  
Fax: (876) 755-0413

Ernst & Young

Assurance | Tax | Transactions | Advisory

#### About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 141,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [www.ey.com](http://www.ey.com)

Ernst & Young Caribbean refers to the Caribbean organization of member firms of Ernst & Young Caribbean Limited, each of which is a separate legal entity. Ernst & Young Caribbean Limited does not provide services to clients.

© 2011 EYGM Limited.  
All Rights Reserved.

