



Focus on Trinidad & Tobago Budget 2027

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CAVEAT

Focus on Trinidad & Tobago Budget 2027 is based on the budget statement delivered by the Minister of Finance, the Honourable Davendranath Tancoo, in Parliament on 12 October 2026.

This review was prepared by EY Trinidad 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.

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Executive summary

13 October 2026

Promises made, promises kept. Transformation pending.



Wade George
Executive Chairman



Colin Ramsey
Partner



Marc Roper
Partner

The fairest way to assess a government is against the mandate on which it sought office. For this administration, that benchmark is the 2025 Manifesto, later adopted by Cabinet as its official policy framework. It promised a stronger, more diversified economy, responsible fiscal management, renewed investment, more jobs, greater energy security, improved public services and tangible relief for citizens.

Against that standard, the record after 18 months shows meaningful progress, with the reform agenda still very much in progress. Several commitments have been delivered, and important institutional reforms have begun. The 2027 Budget extends that programme with several impactful fiscal measures. Yet the economic transformation promised in the Manifesto has not yet arrived.

Commitments delivered

Due credit ought to be given where promises have been kept.

The Revenue Authority model was abandoned, with the Inland Revenue and Customs divisions retained and plans were established to strengthen these entities. NIS reform is perhaps more consequential: difficult, politically sensitive, but necessary. The Government deserves credit for confronting it.

Public-sector wage settlements have advanced, including increases for public servants, teachers and daily-rated workers, with approximately \$2.5 billion provided in the 2027 fiscal framework for new rates and arrears.

Income tax on private pensions was removed, and the 2027 Budget raises the personal allowance for qualifying pensioners from \$90,000 to \$102,000. Senior citizens, public-assistance recipients and people receiving disability assistance will receive an additional \$250 per month from January 2027, at an estimated annual cost of \$555 million.

Easing Costs, Strengthening Food Security

A range of measures announced in the first Budget have also been implemented: the \$1 per litre reduction in super gasoline, VAT relief on selected basic foods and agricultural inputs, removal of customs duty on specified animal feed and suspension of residential property tax collection. The Brechin Castle Agro-Processing Facility has opened, and support for greenhouse, hydroponic and other agriculture has expanded.

Institutional Strengthening

Institutional strengthening is also evident. T&T's removal from the European Union's list of non-cooperative tax jurisdictions deserves recognition. It reflects important progress over several years in tax transparency and international compliance and removes a longstanding reputational concern for the country.

That progress is being accompanied by efforts to strengthen tax administration. The Inland Revenue Division has filled 136 vacancies, with further recruitment of auditors and technology personnel planned, while Customs has added 120 officers and continued its ASYCUDA upgrade.

These are not merely announcements. This is observable delivery against commitments made.

National Security

Crime, too, has received serious attention, with both homicides and serious reported crime trending down. The improvement is encouraging, but the real test will be whether that progress can be sustained beyond the State of Emergency.

Towards Fiscal Stability

The public finances have improved since the administration took office, although the path has not been smooth.

The revised 2026 deficit is \$7 billion, on revenue of \$54.247 billion and expenditure of \$61.247 billion. For 2027, the Government projects revenue of \$59.729 billion, expenditure of \$63.368 billion and a deficit of \$3.639 billion, or 2.1% of GDP. Keeping the deficit below 3% would be laudable. Yet the fiscal outlook remains vulnerable to volatile energy prices, which are increasingly shaped by geopolitical developments and other forces beyond our control. With the Budget premised on an oil price of US\$77 per barrel and natural gas at US\$5 per MMBtu, that exposure warrants some caution.

A stronger Heritage and Stabilisation Fund, improved sovereign-rating signals and adequate official reserves suggest that creditor and institutional confidence have improved, which is particularly important in a rising global interest-rate environment.

This is not, however, a complete recovery. Real GDP contracted by 1.8% in the first quarter of 2026 year-on-year. Energy contracted by 2.8% and manufacturing by 0.7%, although non-energy manufacturing grew, food, beverage and tobacco grew more strongly. There is evidence of increased unemployment. Inflation, however, remained low, at 0.6% in July.

Fiscal credibility has improved faster than domestic productive activity. That matters, but it is not the end goal the Manifesto set.

Energy Progress

Cypre and Mento have added production, while the Budget identifies a substantial pipeline for 2027 and beyond, including Ginger, Mahogany, Jupiter, Angelin, Coconut, Aphrodite and Manatee Plus, alongside ExxonMobil's deepwater exploration programme.

An Energy Accelerator Hub has been established to consolidate approvals and reduce delays.

These are credible opportunities, but they must be judged carefully. New gas must first offset declining mature fields before national production rises materially. Several projects remain prospective. The timing of first gas, ramp-up, downstream allocation and cross-border agreements will determine their fiscal and foreign-exchange impact.

The same caution applies to the refinery. The Government has wisely stated that any phased restart must be credible, commercially viable and fully financed. That discipline must hold. Reopening the refinery would have economic and social value, but only if the structure protects rather than burdens the public finances.

Tax Changes with Bigger Implications

The 2027 Budget protects the tax base without raising the headline corporation tax rate. Several measures, however, could have substantial commercial implications, depending on their final statutory wording.

One of the more significant is restricting carried-forward losses to 75% of chargeable profits in any year, which is expected to raise \$430 million. Recovering businesses will pay tax before historic losses are fully recouped. This accelerates revenue but may pressure capital-intensive businesses, start-ups and companies emerging from difficult periods.

Withholding tax is proposed to be extended to management, technical and other prescribed services supplied remotely by non-residents. At an estimated \$300 million, this will reach offshore management charges, shared services and potentially technology, advisory and outsourced services, depending on the final legislation and any negotiated double tax treaties.

Expenses incurred in earning exempt income will become non-deductible. This appears conceptually reasonable where expenditure relates directly and exclusively to exempt income. Yet it may have wider implications for companies earning CARICOM-source income, depending on whether the legislation treats such income as only taxable at source as per our treaty obligations rather than exempt income.

Equally important is the move from zero-rating to exemption for selected VAT items. Consumers may see no VAT charged, but suppliers generally lose the ability to recover VAT. That becomes a business cost and may eventually find its way into prices.

VAT will also apply to digital services from non-resident providers, supported by simplified registration. The policy promotes neutrality between domestic and foreign suppliers. Its success will depend on whether global platforms register, collect and remit.

These measures may strengthen revenue, but their impact on investment, regional competitiveness and business cash flow warrants scrutiny, particularly as the Government seeks to attract greater foreign direct investment.

The Unfinished Agenda

The Manifesto's most difficult commitments remain a work in progress.

Diversification is advancing but is not yet deep enough to reduce dependence on energy. Agriculture remains some distance from being a major contributor to GDP. Tourism gains will depend on air access, destination development and visitor spending. The revival of steel at Point Lisas is promising, but production is targeted for the end of 2027.

Housing remains incomplete. The Budget speaks of greater activity through public-private partnerships and State-funded projects, but not yet delivered at the scale the Manifesto contemplated.

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Foreign exchange remains one of the most binding constraints on business. EXIMBANK has disbursed US\$555.7 million since May 2025, 43% to small and medium-sized enterprises. That is meaningful, but not a solution to the broader structural imbalance between demand and supply. VAT reform was mentioned, but no concrete plan was articulated to clear the VAT refund backlog and ensure timely refunds going forward.

Execution is a further concern. Transfer-pricing reform remains on the agenda, but implementation has again been deferred. Approximately \$5 billion was budgeted for the 2026 Public Sector Investment Programme, but only about \$3 billion was spent, with some bills still outstanding. Procurement reform must now be translated into completed projects and measurable economic activity.

The proposed National Fiscal Responsibility and Resilience Framework and annual Fiscal Strategy Statement are welcome, but the Budget only commits to exploring them. The next step should be a transparent medium-term framework covering revenue, expenditure, debt, fiscal risks and the treatment of temporary energy windfalls.

The Test Now is Transformation

The Government can fairly say it has delivered several early commitments. It has provided relief to citizens, concluded important wage arrangements, strengthened revenue administration, restored elements of international credibility, advanced energy investment and taken difficult action to sustain the National Insurance system.

The 2027 Budget is also more than a catalogue of benefits. The loss restriction, expanded withholding tax, VAT reform and tighter treatment of exempt income are consequential choices. They signal a willingness to raise revenue and confront weaknesses in the tax base. Yet the Manifesto promised more than fiscal repair and social relief. It promised transformation.

That will not only be measured by initiatives announced, projects in a pipeline or jobs projected. It will be measured by whether investment is completed; whether gas reaches the shore; whether businesses can obtain foreign exchange; whether people feel safer in their homes and communities; whether improved health, education, housing, roads and public services are delivered; whether agriculture and tourism earn substantially more; and whether growth reaches households.

The first 18 months have shown that the Government can act. The challenge now is to execute at scale. Promises have been made, some important ones kept. The real test will be converting the promise of reform into sustained growth and tangible results.

Energy sector update



The Government emphasises that the energy sector remains the backbone of the economy, generating over 70% of foreign exchange earnings and supporting non-energy sector growth.

The 2027 Budget is premised on an oil price of US\$77.00 per barrel and a natural gas price of US\$5.00 per MMBtu, compared with US\$73.25 per barrel and US\$4.25 per MMBtu, respectively, in 2026.

To address declining natural gas production, the Government made restoring natural gas supply a priority. It established the Energy Accelerator Hub to streamline approvals for major energy projects, reducing delays and accelerating investment. New gas production has already commenced from bpTT’s Cypre project and EOG’s Mento development.

With domestic natural gas production currently estimated at approximately 2.4 billion cubic feet per day, the Government outlined a robust pipeline of upstream gas developments for 2027. Several major gas projects are scheduled to come on stream between 2026 and 2027, including Ginger, Mahogany A Extended Field, Juniper Phase II, Coconut, Aphrodite and Manatee Plus, together with expansions such as Mento Phase II and ongoing production from Angelin. The Government also highlights progress on Manakin-Coquina and Loran Phase II, which could unlock significant future gas reserves, as well as bpTT’s planned acquisition of Woodside’s stake in the Calypso Gas Field.

Furthermore, negotiations with Shell and other operators are advancing to further develop cross-border and deep-water gas resources, with the objective of strengthening long-term energy production and exports.

In the oil sector, the Government notes that production declined from approximately 78,700 barrels per day in 2015 to about 52,400 barrels per day in 2025. It emphasises renewed investor confidence, citing a potential multi-billion investment commitment from ExxonMobil, completion of ExxonMobil’s 3D seismic programme and interest from

other international operators. Upstream capital expenditure is projected to exceed US\$2 billion annually through 2029, supporting new exploration, infrastructure development and optimisation of mature fields. Government is also encouraging smaller operators and supporting production growth through Heritage Petroleum’s drilling and workover programmes.

The Government further commits to restarting the Guaracara (Petrotrin) Refinery through a phased, commercially viable approach. It views the refinery’s revival as critical not only for fuel security but also for restoring economic activity, employment and business opportunities in communities historically dependent on the energy sector. Overall, the Government maintains that its energy initiatives will revitalise the industry, increase production, attract investment and strengthen national revenues.

Notwithstanding the foregoing, the Government has proposed increasing the Unemployment Levy rate from 5% to 8% for petroleum companies. As Unemployment Levy is calculated on taxable profits before loss relief, such petroleum companies would face a higher Unemployment Levy burden if the proposed rate increase is implemented. This measure, together with other longstanding industry concerns surrounding VAT refund recoverability and overall fiscal reform of the sector, may continue to influence investment returns and capital allocation decisions within the upstream sector.

Overall, the Budget signals a continued emphasis on expanding gas supply, advancing cross-border and deep-water developments, attracting private capital and revitalising selected downstream assets. The sector’s continued contribution to economic growth and fiscal stability will, however, ultimately depend on the successful execution of these initiatives and their translation into sustained production and Government revenue.

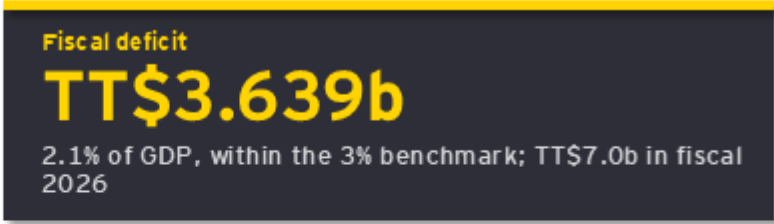
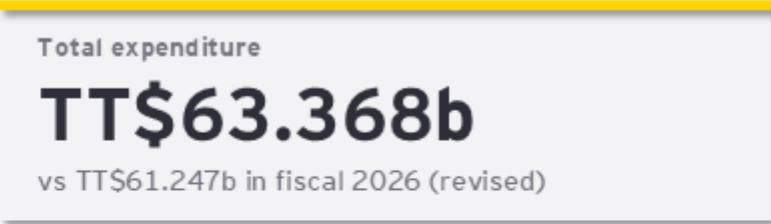
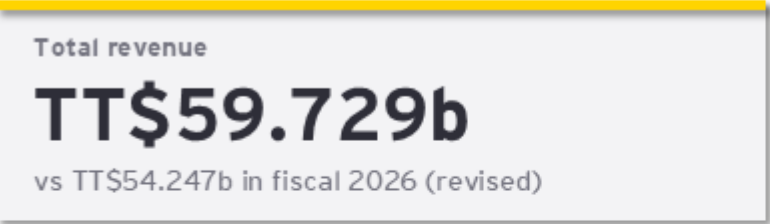
Budget arithmetic



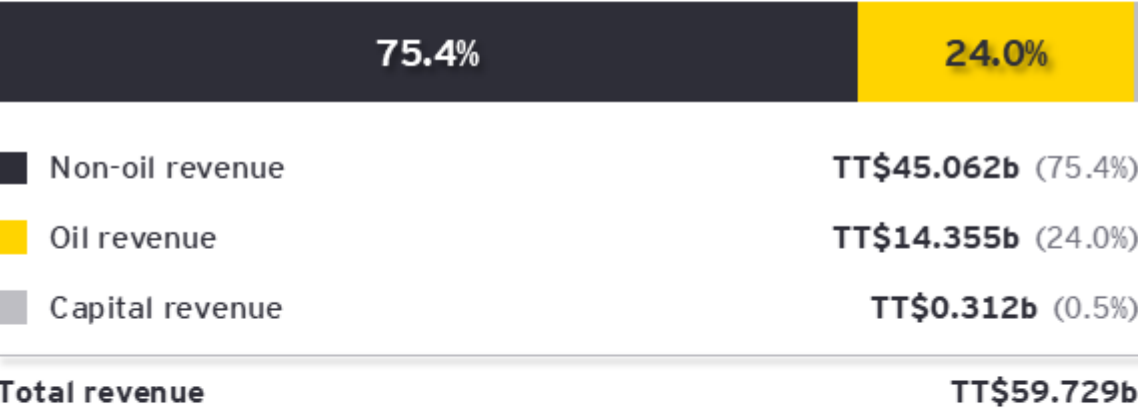
BUDGET ARITHMETIC

Fiscal 2026/2027 estimates of revenue and expenditure

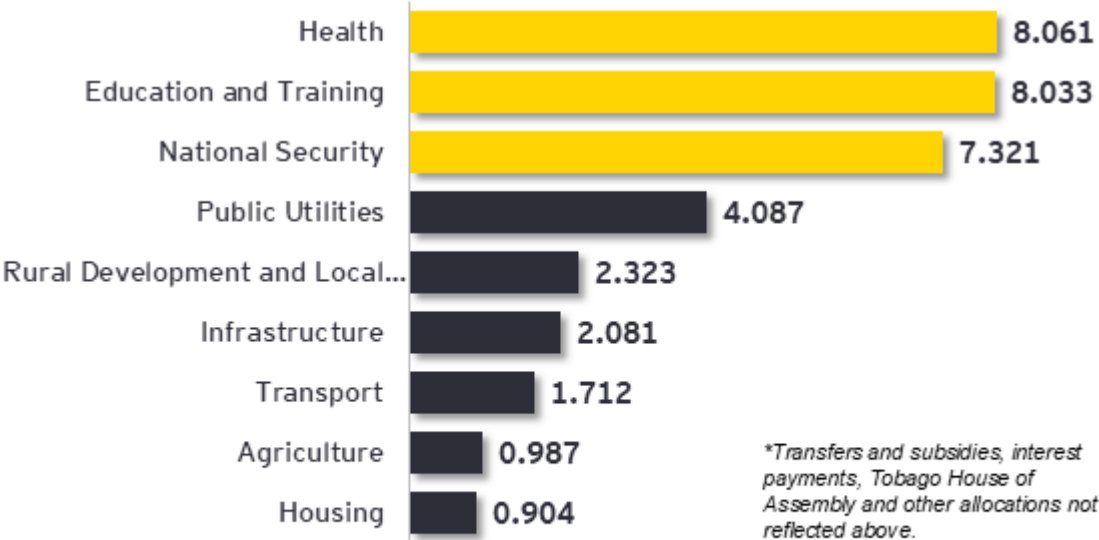
Based on oil at US\$77.00/bbl (2026: US\$73.25) and natural gas at US\$5.00/MMBtu (2026: US\$4.25).



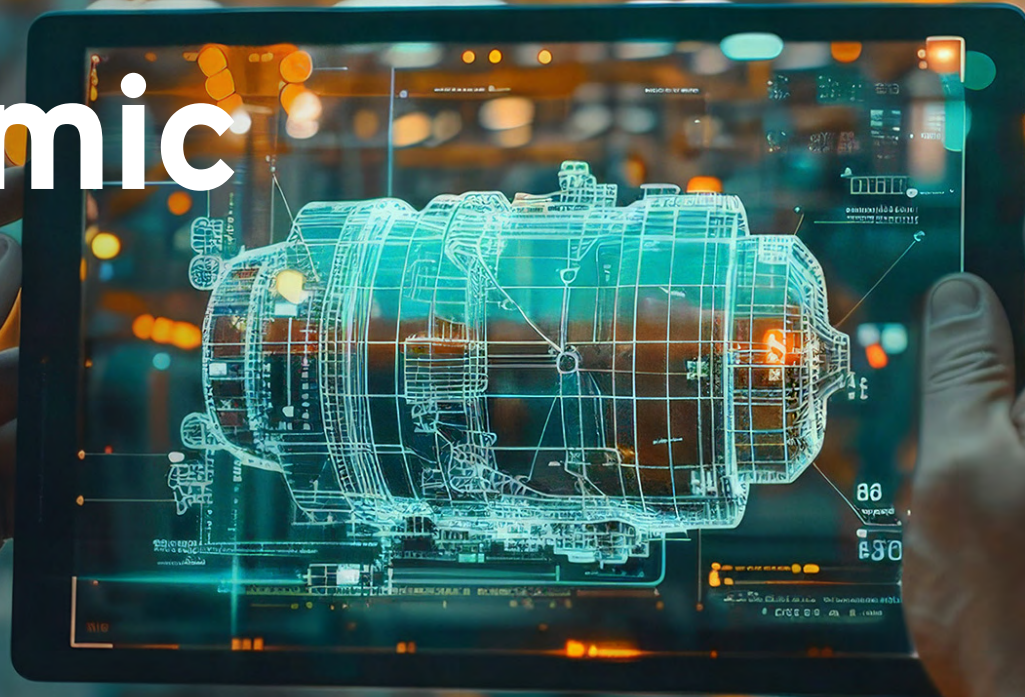
Revenue composition, fiscal 2027



Central allocations highlights fiscal 2027 (TT\$ b)*



Macroeconomic indicators



MACROECONOMIC INDICATORS

Economic backdrop for Budget 2027

Latest available indicators point to subdued growth, low inflation and a tighter fiscal and external position.

REAL GDP GROWTH* -1.8% Q1 2026	UNEMPLOYMENT 5.4% Mar 2026	HEADLINE INFLATION* 0.6% Jul 2026	DEBT / GDP 86.5% Jun 2026	NET OFFICIAL RESERVES* US\$5.4b 6.2 months cover Aug 2026	HSF NAV* US\$6.58b 31 Aug 2026
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Fiscal position remains under pressure

Adjusted General Government debt / GDP (%)



BUDGET SIGNAL

Debt / GDP rose to

86.5%

Up from 84.5% in June 2025. The fiscal balance remained negative in Q2 2026.

Key considerations

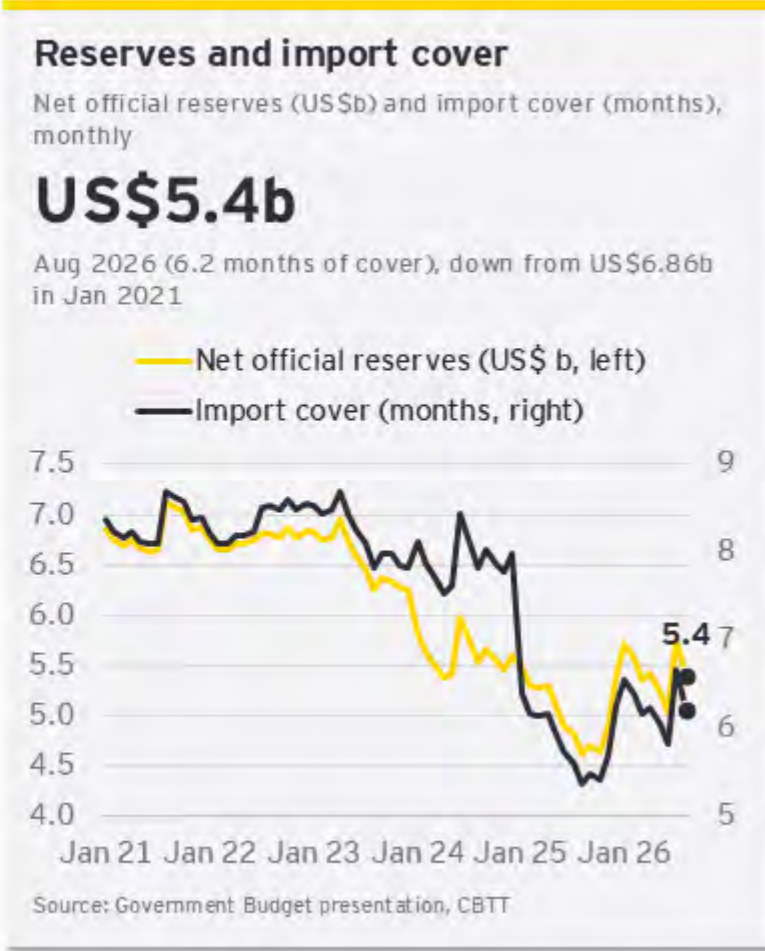
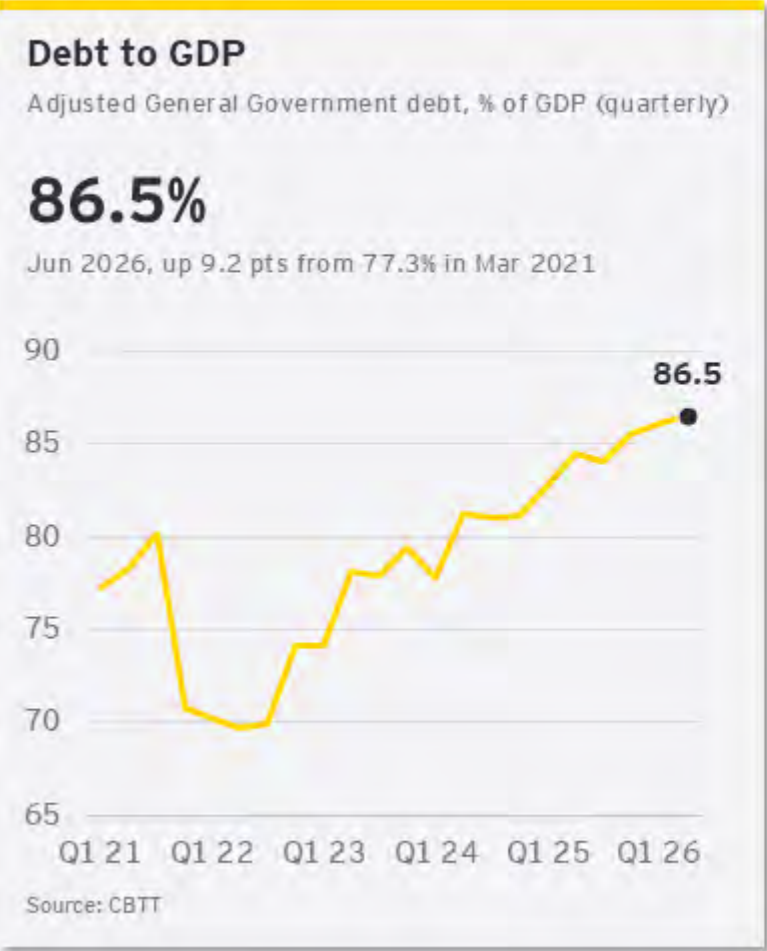
External buffer Reserves improved year-on-year by August 2026, but import cover remains close to six months.	Energy mix Q1 2026 crude oil output increased year-on-year, while natural gas production declined.	Price environment WTI strengthened through August 2026 while Henry Hub natural gas prices fell sharply.	Policy setting The repo rate remains unchanged at 3.50%.
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Source: CBTT, Government Budget presentation *

MACROECONOMIC INDICATORS

Fiscal and external buffers over time

Debt has climbed steadily since 2022, while the HSF has grown and reserves have fallen from their 2021-2023 levels.



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	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26
REAL SECTOR												
Real GDP Growth (%) ^{1,2}	-1.5	-1.3	0.9	-2.0	2.2	3.6	-2.0	3.9	1.1	-0.9	n.a.	n.a.
Energy	-10.1	-7.4	-0.8	-5.6	2.1	6.5	-5.0	8.5	3.1	-3.7	n.a.	n.a.
Non-Energy	2.3	1.2	1.6	-0.5	2.2	2.5	-0.8	2.2	0.4	0.2	n.a.	n.a.
Headline Inflation (% average)	4.2	1.0	0.6	0.7	0.4	0.4	0.8	1.5	1.3	0.4	0.7	0.3
Headline Inflation (% period end)	3.9	0.7	0.8	0.7	0.4	0.5	1.0	1.5	1.0	0.4	0.7	0.3
Unemployment Rate (%)	3.2	4.1	5.4	4.8	4.1	5.5	4.9	3.8	4.8	4.3	5.4	n.a.
Crude Oil Production ('000s b/d)	4,856.5	4,617.9	4,539.6	4,492.7	51.8	52.5	51.7	53.7	54.8	54.8	54.2	n.a.
Natural Gas Production (mmcf/d)	2,537.0	2,533.7	2,640.0	2,318.3	2,516.3	2,674.3	2,493.3	2,608.3	2,613.7	2,448.9	2,426.5	n.a.
LNG Production (millions of cubic metres)	4,257.3	4,255.2	4,441.1	3,622.7	3,898.6	4,800.2	4,248.0	4,630.4	4,856.8	4,729.0	4,607.1	4,559.8
EXTERNAL SECTOR²												
Exports (US\$b) ³	2.5	2.3	2.5	2.4	2.5	2.6	2.7	2.5	2.6	2.4	2.6	n.a.
Imports (US\$b) ³	1.8	1.7	2.0	1.8	1.8	2.0	1.6	1.7	1.7	1.7	1.7	n.a.
Current Account Balance	0.5	0.5	0.6	0.3	0.4	-0.3	0.6	0.2	0.4	0.1	0.5	n.a.
Gross Official Reserves (GOR) (US\$b)	6,377.6	6,257.9	5,521.8	5,983.2	5,664.5	5,604.3	5,272.1	4,904.5	4,696.1	5,369.0	5,357.8	5,043.0
GOR in months of Imports of Goods and Services	8.0	7.8	7.7	8.4	8.0	8.0	6.1	5.7	5.5	6.3	6.2	5.8
PUBLIC FINANCE												
Government Revenues (TT\$b)	14.2	13.1	11.0	11.0	12.8	13.6	10.5	12.5	12.5	12.4	11.8	13.5
Energy	6.8	3.9	2.8	3.5	3.2	4.3	4.1	3.7	3.8	3.0	3.7	3.5
Non-Energy	7.3	8.7	7.8	7.3	10.7	9.3	6.4	8.7	7.3	9.3	8.1	10.0
Government Expenditures (TT\$b)	17.4	12.0	13.2	14.1	17.6	13.0	14.5	13.7	15.9	12.9	14.3	14.5
Overall Fiscal Balance (-/+) (TT\$b)	-3.3	1.1	-2.2	-3.1	-4.7	0.6	-4.0	-1.3	-3.4	-0.5	-2.4	-1.0
Adjusted General Government Debt (TT\$b)	136.4	137.6	135.1	141.1	140.7	141.9	144.7	147.9	146.9	147.6	148.4	149.0
Adjusted General Government Debt/GDP (%)	78.2	80.2	78.5	82.0	81.0	81.1	82.7	84.5	84.0	85.6	86.1	86.5

Sources: Central Statistical Office, Ministry of Finance, T&T Stock Exchange, Bloomberg and CBTT

Fiscal measures



LIMIT ON LOSS RELIEF

The Honourable Minister has proposed restricting the utilisation of carried-forward tax losses to 75% of chargeable profits in any income year, with effect from 1 January 2027.

Currently, outside of certain sector-specific rules (e.g. upstream production business), Section 16 of the Income Tax Act, which applies to the Corporation Tax Act by virtue of Section 19 thereof, imposes no restriction on the utilisation of carried-forward tax losses. Under the new proposal, while accumulated losses should continue to be available indefinitely, taxpayers would no longer be able to fully shelter annual profits from tax and would instead be required to pay tax on at least 25% of their chargeable profits for each income year.

The proposal is broadly consistent with loss utilisation restrictions adopted in several Caribbean jurisdictions, albeit at a less restrictive threshold than the 50% limitations currently in force in Barbados, Guyana and Jamaica.

UNEMPLOYMENT LEVY

The Minister proposed an increase to the Unemployment Levy on the taxable profits of petroleum companies from 5% to 8%, effective 1 January 2027.

The Unemployment Levy is imposed irrespective of a petroleum company's tax position and remains payable even where tax losses arise. As such, the levy serves as a mechanism to preserve government revenue from petroleum operations during periods in which taxable profits may be reduced or eliminated, including as a result of significant capital expenditure on ongoing development projects

WITHHOLDING TAX

In T&T, Withholding Tax is levied on distributions and certain specified payments made to non-residents of T&T.

Definition of "Payment"

As presently worded, the legislation excludes payments arising outside of T&T from Withholding Tax. Based on well-established judicial case law precedents, where the income giving rise to the payment is generated from activities or transactions effected outside of T&T, the payment is deemed to arise outside of T&T and therefore not subject to Withholding Tax. So, for instance, where the relevant services are performed outside of T&T, there would be no liability to Withholding Tax in T&T. While the Minister has described this as a "legislative loophole," this is actually a defining feature of the Withholding Tax regime in T&T.

The Minister has indicated that he proposes to amend the Income Tax Act, with effect from 1 January 2027, to clarify the circumstances in which payments for management, technical and other prescribed services to non-residents will be treated for Withholding Tax purposes. The amendment will consider where the obligation to make the payment arises and where the relevant cost is incurred. We await the issuance of the relevant legislation for further details and clarification of this proposed amendment. We note, however, that any revisions to the Withholding Tax regime under the Income Tax Act will be subject to any relief granted by an applicable double taxation treaty.

Withholding Tax Rates on Distributions

The Minister has proposed to increase the Withholding Tax rates on distributions made to non-resident individuals and companies from 8% to 10%. In the case of distributions made to non-resident parent companies, the applicable rate of Withholding Tax will increase from 3% to 5%. It should be noted that these rates are subject to any preferential rate as prescribed by an applicable double taxation treaty. This measure will take effect from 1 January 2027.

DEDUCTION FOR EXPENSES INCURRED IN EARNING EXEMPT INCOME

The Minister proposed an amendment to Section 10 of the Income Tax Act to expressly disallow deductions for expenses incurred in earning exempt income. This measure is expected to generate \$75 million in revenue and will take effect from 1 January 2027.

At present, expenses incurred in earning exempt income may, in certain circumstances, be deducted in ascertaining chargeable income. A taxpayer may, therefore, reduce the tax payable on its other income, even though the income to which those expenses relate is itself exempt from tax. The Minister described this as an inconsistency. He indicated that the amendment is intended to strengthen the integrity of the tax system, give greater clarity and consistency in the tax treatment of exempt income and ensure that tax concessions operate as intended.

We await the enactment of the relevant legislation for further details on this measure. In this regard, a critical aspect of the proposed measure would be the determination of what constitutes exempt income. So, for instance, would exempt income include CARICOM sourced income that is taxable at source but not subject to further taxation in T&T. Also of importance is the methodology that would be utilised to determine the non-deductible element of expenses.

It is also unclear whether the amendment will apply to expenses associated with transactions entered into on or after 1 January 2027 only, or to all expenses claimed for the 2027 income year and later years. Taxpayers with financial years that do not end on 31 December will need this point clarified.

VAT ON DIGITAL AND REMOTE SERVICES

VAT is applicable on the commercial supply of goods and prescribed services in T&T, as well as the importation of goods in T&T.

The rate of VAT is currently 12.5% except in the case of a supply which is zero rated (i.e. VAT applicable at 0%) or exempt.

Under the VAT Act, digital services provided by a non-resident of T&T fall outside of the VAT net as the supply is deemed to take place outside of T&T.

Accordingly, the Government proposes to apply VAT to digital services supplied by non-resident providers to persons in T&T.

To facilitate compliance and collection, a simplified registration will be introduced for non-resident suppliers, including suppliers of taxable services connected with real property situated in T&T, allowing them to register, collect and remit VAT electronically.

The specific categories of services to be covered have not yet been defined however, based on similar legislation introduced/proposed to be introduced in the Caribbean region, we expect that it will include items such as digital content, subscriptions, cloud services, web hosting, online advertising and associated charges.

An alternative approach adopted in some jurisdictions is a reverse-charge mechanism, under which the local recipient self-assesses and remits VAT on imported services. While the proposed regime places the compliance obligation on non-resident suppliers, consideration could also be given to a reverse-charge mechanism, particularly for business-to-business transactions.

ALCOHOLIC BEVERAGES

The most recent increase in excise duty on alcoholic beverages in T&T occurred on 13 October 2025, when the Government issued the Excise Duty (Alcoholic Beverages) (Amendment) Order, 2025 (Legal Notice No. 376 of 2025). The Order increased the excise rates applicable to beer, malt beverages and rum and came into force on the same date.

A second amendment was issued shortly thereafter on 21 October 2025 under the Excise Duty (Alcoholic Beverages) (Amendment) (No. 2) Order, 2025 (Legal Notice No. 384 of 2025), which increased or established rates for additional alcoholic beverages such as stout, sparkling wine, whisky, brandy, gin, vodka and liqueurs.

The Honourable Minister proposes to reduce Excise rates on Alcoholic Beverages by 25% effective 1 January 2027. The impact of this measure is anticipated to be as follows:

Product	October 2025 Rate	Proposed 2027 Rate (25% Reduction)
Beer	TT\$10.28 per litre	TT\$7.71 per litre
Stout	TT\$10.28 per litre	TT\$7.71 per litre
Malt Beverages	TT\$0.52 per litre	TT\$0.39 per litre
Sparkling Wine	TT\$70.40 per litre	TT\$52.80 per litre
Rum (≤46% vol.)	TT\$158.50 per litre Alc./Vol.	TT\$118.88 per litre Alc./Vol.
Whisky	TT\$336.20 per litre Alc./Vol.	TT\$252.15 per litre Alc./Vol.
Brandy	TT\$336.20 per litre Alc./Vol.	TT\$252.15 per litre Alc./Vol.
Gin	TT\$336.20 per litre Alc./Vol.	TT\$252.15 per litre Alc./Vol.
Vodka	TT\$336.20 per litre Alc./Vol.	TT\$252.15 per litre Alc./Vol.
Liqueurs & Cordials	TT\$336.20 per litre Alc./Vol.	TT\$252.15 per litre Alc./Vol.
Other Spirits	TT\$336.20 per litre Alc./Vol.	TT\$252.15 per litre Alc./Vol.

The Honourable Minister is also proposing to amend Customs Duties on imported alcoholic beverages to move from a specific-duty system to an ad valorem system effective 1 January 2027. No specific rates were mentioned in the budget statement. The revised customs duty structure will apply to imported alcoholic beverages that do not qualify for preferential customs treatment under applicable trade agreements.

INCREASE IN PERSONAL ALLOWANCE FOR PENSIONERS

The Minister proposes an increase in the Personal Allowance for pensioners from \$90,000 to \$102,000 per annum, effective 1 January 2027.

Among the measures enacted for the year 2026, was an exemption from tax on income derived from pension fund plans and deferred annuity plans approved under the provisions of Section 28 of the Income Tax Act. However, the 2026 exemptions did not apply to public sector pensions, as well as, income derived from Section 134 (6) deferred annuity plans. The proposed increase in the personal allowance will provide some relief to such pensioners whose pension income exceeds the existing \$90,000 per annum threshold.

ESTABLISHING A FRAMEWORK FOR CLASSIC, ANTIQUE AND VINTAGE MOTOR VEHICLES

The Government wishes to establish regulations for the importation, registration and use of Classic, Antique and Vintage motor vehicles, including import control.

An increase in the rate of Motor Vehicle Tax was proposed on the following classes of vehicles with effect from 1 January 2027:

Class of Vehicle	Increase in Motor Vehicle Tax
Classic	100%
Antique	50%
Vintage	25%

INTRODUCTION OF ELECTRICITY SURCHARGE FOR RESIDENTIAL CUSTOMERS

The Minister has proposed the introduction of an electricity surcharge, effective 1 January 2027, applicable to residential electricity consumption above 3,000 kilowatt-hours (kWh) per billing period. This surcharge will be levied at \$0.05 per kWh on consumption above this threshold and is expected to generate approximately \$17.8 million in additional revenue.

T&T has historically applied tiered residential electricity tariffs, with rates increasing according to consumption:

Effective Date	Consumption Band	Rate/Surcharge
1 September 2009	Up to 400 kWh	\$0.26 per kWh
1 September 2009	401-1,000 kWh	\$0.32 per kWh
1 September 2009	Above 1,000 kWh	\$0.37 per kWh
1 January 2027 (proposed)	Above 3,000 kWh per billing period	Additional \$0.05 per kWh surcharge

The proposed surcharge is distinguishable from earlier tariff adjustments, as it introduces an additional charge targeted specifically at higher levels of residential consumption, rather than an adjustment to the underlying tariff structure.

While the proposed threshold should limit the impact on households with moderate electricity usage, the measure signals a continued shift towards more targeted energy subsidies and consumption efficiency.

As the Government continues to balance energy affordability with the fiscal cost of electricity subsidies, consideration could also be given to measures that facilitate household investment in energy-efficient technologies. This could complement the surcharge by providing consumers with practical options to manage electricity costs

and to reduce their reliance on subsidised electricity while supporting T&T’s broader energy-transition objectives.

VAPING PRODUCTS

A Customs Duty Rate of 20% on vaping devices and products has been proposed, effective 1 January 2027. Additionally, vaping products will also be brought within a regulatory framework.

Moreover, the Government’s Miscellaneous Provisions (Alcohol, Cannabis, Dangerous Drugs, Gambling and Tobacco) Bill, 2026, was amended to expressly cover vaping. The amendment provides that:

- Persons under the age of 21 are prohibited from using, purchasing or possessing vaping products.
- Sellers of vaping products must require photo identification to verify that purchasers are at least 21 years old.

Prior to these proposed changes, vaping products in T&T were generally treated in line with tobacco-related restrictions, with a minimum age of 18 years.

CONVERSION OF SELECTED ZERO-RATED ITEMS TO VAT-EXEMPT STATUS

The Government has proposed converting selected zero-rated items to VAT-exempt status while retaining zero-rating for certain essential goods. While the measure is expected to reduce VAT refund claims and improve VAT administration, it may have an inflationary impact due to the irrecoverability of input VAT on costs associated with affected goods. Businesses making both taxable and exempt supplies may also face more complex VAT return calculations arising from input VAT apportionment and proration requirements. The overall impact will depend on the items ultimately designated for VAT exemption.

PENALTY FOR VAT RETURNS NON COMPLIANCE

The Minister proposes to introduce a penalty of \$100 for every two months that a VAT return remains outstanding. This measure is intended to encourage timely filing and strengthen VAT administration.

Under the current VAT regime, penalties and interest already apply where VAT is not remitted within the prescribed timeframe. In this regard, a taxpayer may be liable to a penalty of 8% of the VAT outstanding, together with interest at the rate of 2% per month or part thereof and such additional penal tax as may be imposed by the Board of Inland Revenue. The VAT Act also provides for fines upon summary conviction for certain instances of non-compliance. However, unlike the position for Income Tax and Corporation Tax returns, there is presently no administrative penalty specifically applicable to the non-filing of VAT returns.

The proposed measure therefore seeks to align the VAT compliance framework with other tax types by introducing a direct consequence for the failure to file returns.

INTRODUCTION OF A VAT CLEARANCE FEE

The Minister announced the introduction of a \$100 fee for the issuance of VAT Clearance Certificates.

Currently, while a fee of \$100 is payable for a Tax Clearance Certificate, no similar fee is charged for the issuance of a VAT Clearance Certificate.

The proposed measure seeks to align the fee applicable to a VAT Clearance Certificate with that of a standard Tax Clearance Certificate and may assist in recovering the administrative costs associated with processing and issuing such certificates.

RATIONALISATION OF VAT REGISTRATION OF GOVERNMENT ENTITIES

The Government has undertaken a review of VAT registrations within the public sector and identified instances where statutory bodies and other government entities remain registered for VAT despite not carrying on taxable activities or making taxable supplies.

As a result, it is proposed that the VAT registration status of these entities be regularised to ensure alignment with the requirements of the VAT Act, while entities engaged in taxable activities will remain within the VAT system. This measure is expected to take effect during the first quarter of 2027.

The deregistration of entities that do not carry on a taxable activity or make taxable supplies should improve the efficiency of the VAT system and reduce unnecessary refund claims within the public sector. However, the fiscal impact of the measure remains unclear, particularly in the absence of details regarding the number of entities affected and the value of refunds currently being claimed. Furthermore, VAT incurred by deregistered entities may become an irrecoverable cost, potentially increasing operating expenditure for certain public bodies.

MANDATORY ELECTRONIC FILING THROUGH GENTAX

The Honourable Minister proposed the introduction of mandatory electronic filing through the Inland Revenue Division's GENTAX system for all taxpayers. This is intended to simplify the filing process by allowing taxpayers to submit their tax returns electronically rather than manually.

While no go-live date was specified by the Minister for this proposal, the measure will significantly impact many non-resident individuals and Companies that currently utilize the non-logged in method in filing their Income Tax, Corporation Tax, Value Added Tax and PAYE Returns.

Furthermore, although the expected improved efficiency of the fully electronic system is welcomed, a clear understanding of the requirements to register would be needed to allow all taxpayers the opportunity to be compliant while also allowing the process to not create an additional delay and barrier in the registration and compliance process.

INCREASE PENALTIES FOR FALSE DECLARATIONS UNDER THE CUSTOMS ACT

Increase of the penalty under Section 212 of the Customs Act from \$125,000 to \$250,000 with effect from 1 January 2027.

A person is liable to a penalty under Section 212 of the Customs Act if that person:

- Makes, signs, or submits any false declaration, certificate or other document relating to Customs matters.
- Makes or signs a declaration or any other application presented to the Comptroller of Customs and Excise that is untrue in any respect.
- Refuses to answer questions lawfully asked by a Customs Officer or provides false answers.
- Uses customs documents which are counterfeit, falsified or knowingly forged.
- Alter official Customs documents after they have been issued.
- Forges or imitates the seal, signature, initials or other identifying marks of a Customs Officer or another person on documents used for Customs purposes.

INCREASE IN THE FOREIGN CURRENCY DECLARATION THRESHOLD

Effective 1 January 2027, an increase the foreign currency declaration threshold from US\$5,000 to US\$10,000. It was noted that this proposed amendment brings the foreign currency declaration threshold of T&T in line with a number of other jurisdictions.

MODERNISING THE REGULATION OF CUSTOMS BROKERS AND CUSTOMS CLERKS

The Customs Brokers and Customs Clerks Act regulates the profession of customs brokers and customs clerks in T&T by establishing qualification standards, licensing requirements and oversight mechanisms.

The Honourable Minister proposed an amendment of the Customs Brokers and Customs Clerks Act aimed at the following:

1. Providing an enforceable code of ethics.
2. Strengthening the licensing regime.
3. Restructuring the Customs Brokers and Customs Clerks Board.
4. Updating offences and penalties.
5. Revising the applicable fees.

It is also the intention to establish a mechanism for reviewing decisions made under Customs Brokers and Customs Clerks Act through the formation of a formal appeals tribunal.

The proposed amendments will take effect from 1 January 2027.

QUARTERLY PAYMENT OF TAXES UNDER REGISTRATION OF CLUBS ACT

The Minister proposed an amendment of the Registration of Clubs Act for payment of taxes by registered members' clubs on a quarterly basis rather than on an annual basis with effect from 1 January 2027.

NATIONAL INSURANCE

Increase in Penalty for non-payment of National Insurance Contributions:

Effective 1 January 2027, the Government is proposing to increase the maximum fine on summary conviction from \$4,000 to \$8,000 for employers who fail or neglect to pay the required National Insurance contributions.

The National Insurance Board will be empowered to waive statutory penalties in whole or in part, subject to appropriate oversight, transparency and accountability.

Improving the National Insurance Claims and Appeals Process:

In fiscal 2027, the Government proposes to undertake a comprehensive review of the National Insurance claims and appeals to address the backlog of unresolved matters. The review will be conducted with technical assistance from an international development partner and will examine the causes of delays and make recommendations for resolution.

National Insurance Benefit Eligibility Following the COVID-19 Shutdowns:

During the COVID-19 pandemic, restrictions on economic activity resulted in the temporary closure of several sectors, leaving many workers unable to earn an income or make National Insurance contributions for an extended period.

The Government proposes to amend the National Insurance legislation to make appropriate provisions for workers who were unfairly denied benefits as a result of COVID-19 shutdowns.

FOREIGN INVESTMENT REGULATORY FRAMEWORK

Simplifying investment. Strengthening transparency.

Background and proposal

- **Current rules:** The Foreign Investment Act governs the acquisition of land and shares in T&T by foreign investors, where approval requirements can lengthen transaction timelines.
- **Proposal:** To improve the ease of doing business, the Minister proposed simplifying these rules, including for transactions up to US\$100,000 in total, and exempting CARICOM nationals from the consideration rule.
- **Transparency:** Foreign investors will also be legally required to disclose beneficial ownership information, supported by streamlined administrative processes to reduce delays.

Impact and matters for clarification

- **Lower barriers:** The reforms should reduce the time and cost of smaller investments and ease access for regional investors, in keeping with CARICOM integration.
- **Reputation:** Beneficial ownership disclosure aligns T&T with international transparency standards, supporting its reputation as a well-regulated destination for investment.
- **Awaiting clarity:** We await the legislation for clarity on how the US\$100,000 threshold will apply, the scope of the CARICOM exemption and the disclosure format. Guidance on the treatment of existing investors would also be welcome.

Implementation

- **Proposed effective date:** 1 January 2027. Relevant delegation arrangements will be implemented separately.

ADMINISTRATION OF THE FOREIGN EXCHANGE REGIME

Clarifying cash movements. Enhancing visibility.

Background and proposal

- Current rules: The Exchange Control Act regulates dealings in foreign currency in T&T, including the movement of foreign currency notes into and out of the country.
- Proposal: Against the backdrop of continued demand for foreign exchange, the Minister proposed targeted amendments to clarify the existing arrangements for importing and exporting foreign currency notes.
- Disclosure: Authorised dealers would also be required to provide full disclosure to the Central Bank on the movement of all cash.

Impact and matters for clarification

- Clearer oversight: The measure is expected to give the Central Bank a clearer view of physical currency flows, supporting its management of foreign exchange and the country's anti-money laundering efforts.
- Certainty: For travellers and businesses, clearer rules should reduce uncertainty when moving currency across the border.
- Awaiting details: We await the amending legislation for details on the scope and frequency of disclosures and any reporting thresholds. Authorised dealers may need to adapt their systems, and early guidance would assist a smooth transition.

Implementation

- Proposed effective date: 1 January 2027. Detailed legislative and reporting requirements remain to be specified.

PERMANENT REGULATORY FRAMEWORK FOR VIRTUAL ASSETS

Supporting innovation. Reinforcing safeguards.

Background and proposal

- Current regime: The Virtual Assets and Virtual Asset Service Providers Act, 2025 introduced a regulatory framework for virtual assets and the businesses that deal in them.
- Deadline: Transitional arrangements are due to expire on 31 December 2026.
- Proposal: To bridge the move to a permanent regime, the Minister proposed extending the existing regulatory sandbox and providing for the full licensing of virtual assets and service providers.

Impact and matters for clarification

- Stronger safeguards: The framework will strengthen governance, cybersecurity, consumer protection, safeguarding of client assets, financial integrity and regulatory oversight.
- Confidence and certainty: Full licensing should give consumers greater confidence, give businesses regulatory certainty and support alignment with international standards.
- Awaiting details: We await details on the length of the sandbox extension, licensing criteria and fees, and how existing operators will transition. The tax treatment of virtual asset transactions was not addressed and guidance would be welcome.

Implementation

- Proposed effective date: 1 January 2027. Sandbox extension and full licensing are proposed; detailed requirements are awaited.

LAUNCH OF GOVERNMENT SAVINGS BOND PROGRAMME

The Minister announced the launch of a Government Savings Bond Programme. It will give citizens a new and accessible way to invest directly in securities issued by the Government of T&T. The programme is designed primarily for individual citizens and small savers, who will be able to invest amounts such as \$1,000, \$5,000, \$10,000 or more. The Minister indicated that the bonds would carry a fixed rate of interest, will be offered in both T&T and US dollars and will be available with various tenors.

The Minister noted that the bonds will give citizens an additional investment opportunity, with competitive returns that help them build long-term financial security. The programme is also intended to deepen the local capital market, broaden investment options and, importantly, provide a domestic avenue for US dollar savings.

We note that interest earned on the bonds, whether T&T denominated in T&T or US dollars, should be exempt from income tax where it is paid or credited to a resident individual, as the bonds will be issued in Trinidad and Tobago. However, this exemption does not extend to companies or non-resident investors, who would remain subject to tax on such interest.

We await further details on the programme, including its launch date, interest rates and tenors. The US dollar option is a welcome development, given the current foreign exchange constraints. It may encourage citizens to hold US dollar savings within the domestic financial system. However, clarity will be needed on how the US dollar bonds will be serviced and redeemed.

It is not yet clear how this programme relates to the Retail Government Securities Programme also announced in the Budget Statement.

TRANSFER PRICING

Transfer pricing rules seek to prevent pricing manipulation between related parties in

order to achieve a tax advantage. These rules achieve their purpose by treating related parties as if they were independent entities so as to ensure that the prices charged between them accord with the arm's length principle.

We note that transfer pricing legislation was promised as far back as the Budget Statement of October 2011, however, the relevant legislation has, as yet, not been enacted. The Minister has, however, indicated that following extensive consultations with key stakeholders and an international review, Government has now completed a draft national policy framework. The OECD has now been engaged to review and strengthen the draft policy.

The Minister has further promised that, in this fiscal year, priority will be given to finalising the transfer pricing policy and the accompanying primary legislation and to prepare for effective execution.

EMPOWERING THE AVERAGE CITIZEN THROUGH EXPANDED INVESTMENT OPPORTUNITIES

The Minister announced the introduction of a Retail Government Securities Programme to make Government bonds accessible to ordinary citizens. Investment in Government securities has historically been concentrated among institutional investors and financial institutions. Under the programme, securities will be offered in smaller denominations, from as little as \$5,000. This will allow individuals such as teachers, nurses, young professionals, small business owners, pensioners and first-time investors to participate directly in this asset class and build personal wealth.

The programme will be supported by the dematerialisation of Government securities, replacing paper certificates. The securities will be recorded electronically through the Trinidad & Tobago Central Depository and listed on the Trinidad & Tobago Stock Exchange, with trading facilitated through licensed brokers.

We welcome this initiative. Listing on the Trinidad & Tobago Stock Exchange should improve liquidity and price transparency for retail investors and dematerialisation should reduce administrative costs and the risks associated with paper certificates.

We note that interest on the bonds should be exempt from income tax under Section 8(1)(p)(iii) of the Income Tax Act where it is paid or credited to a resident individual, as the bonds will be issued in T&T. However, the exemption does not extend to companies or non-resident investors.

We await further details on the programme, including the timing of the first issue, the interest rates and tenors to be offered and any brokerage or custody fees payable by retail investors. Clarity is also needed on how this programme will operate alongside the Government Savings Bond Programme. The two initiatives target a similar group of investors but appear to differ in minimum investment amounts and trading arrangements.

CAPITAL MARKET DEEPENING

The Minister announced that, to develop the local capital market, the Government will engage an international partner to conduct a diagnostic review of T&T’s Government Local Currency Bond Market. Once the review is complete, the Government will produce a sequenced reform roadmap and incorporate it into the Ministry of Finance’s cash and debt management framework. This is intended to support better planning, cash-flow forecasting and the development of a deeper and more effective yield curve.

We welcome this initiative. A well-developed Government yield curve provides a reliable benchmark for pricing corporate debt and other financial instruments, which should support the wider growth of the local capital market. Taken together with the Retail Government Securities Programme and the Government Savings Bond Programme, this measure signals a broader commitment to capital market development. We await further details on the timeline for the review and for implementing the resulting reforms.

ENHANCED SUPPORT FOR VULNERABLE CITIZENS

To strengthen financial assistance for vulnerable groups, the following grants will be increased by \$250 per month, effective 1 January 2027:

- Senior Citizens’ Grant
- Public Assistance Grant
- Disability Assistance Grant

These enhancements are expected to cost an additional \$555 million annually and are aimed at improving the quality of life of beneficiaries and their families.

ESTABLISHMENT OF THE NATIONAL CARE AND SUPPORT PROGRAMME

The Minister announced the transformation of the Geriatric Adolescent Partnership Programme (GAPP) into a broader National Care and Support Programme.

This initiative is expected to provide home care and support services for:

- Older Persons
- Persons with Disabilities
- Individuals requiring temporary or short-term assistance

The programme will incorporate defined eligibility criteria, caregiver competency standards, supervision, and appropriate safeguards to promote effective service delivery and protect beneficiaries.

MEASURES AIMED AT SUPPORTING THE AGRICULTURAL SECTOR

In the context of the Government’s aim to enhance the competitiveness of the farmers and agro processors of T&T, the Honourable Minister announced the following initiatives:

- Development of a Farm Business Formalisation Programme, aimed at supporting the formalisation and growth of agricultural businesses. It is the intention for the programme to provide support in areas such as land tenure, business registration, record-keeping, financial management and access to finance.
- Expansion of the Agricultural Internship Program to 100 interns, up from 30 interns. The programme will also support interns who may wish to establish agricultural enterprises.

The proposed policies are welcomed and it is hoped that they will reach the intended beneficiaries in order to promote financially sustainable agricultural practices and foster greater youth participation in the sector.

EXPANDING TECHNICAL AND VOCATIONAL EDUCATION IN SECONDARY SCHOOLS

The Government has allocated \$16.3 million in the 2027 fiscal year to begin the Integrated Expansion of Technical and Vocational Education (TVET) programme in secondary schools.

The initiative will fund workshop upgrades and equipment for 22 priority secondary schools, provide practical learning materials across 56 participating schools and support curriculum development, teacher and assessor training and career guidance services.

The following is a non-exhaustive list of proposed areas which are in scope for the program:

Agriculture	Construction Trades	Electrical and Electronic Technology
Automotive Systems	Computer-aided Design	Steelpan Manufacturing

ESTABLISHMENT OF THE ‘READY’ INTERNSHIP PROGRAMME

An allocation of \$2 million in fiscal year 2027 to launch the Real Experience and Development for Youth (READY) Internship Programme, which will provide approximately 1,300 secondary school students with structured workplace experience during the July-August 2027 vacation period.

The programme will combine four-week internships in the public and private sectors for students 16 years and over, with training in financial literacy, entrepreneurship, workplace ethics, resume writing and interview preparation. Participants will receive a \$1,500 stipend.

Status of fiscal measures 2026

STATUS OF FISCAL MEASURES 2026

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Proposed Measures	Implications	Status
Commercial Asset Levy	Introduction of a levy, at the rate of 0.25%, charged on the assets held by commercial banks and insurance companies operating in T&T.	Enacted in the Finance Act, 2025
Landlord Business Surcharge	Imposition of a surcharge of: 2.5% of the gross quarterly rental income of \$20,000 or less. 3.5% of the gross quarterly rental income in excess of \$20,000.	Enacted in the Finance Act, 2025
NIS Earnings Classes and Contribution Rates	Revision of NIS earnings classes and contribution rates.	Enacted in the Finance Act, 2025
Removal of Tax on Private Pensions	Exemption from tax from income derived from approved pension fund plans and approved deferred annuity plans.	Enacted in the Finance Act, 2025
Increase in Duties on Alcohol and Tobacco	100% increase on alcohol and tobacco duties.	Enacted in Legal Notices Nos. 373, 376, 383, 384, 385 and 386 of 2025
Reduction in the Price of Super Gasoline	Reduction in the price of super gasoline by \$1.00 per litre.	Enacted in Legal Notice No. 374 of 2025
Removal of VAT on Food Items	Removal of VAT on certain basic food items.	Enacted in Legal Notice No. 380 of 2025
Electricity Surcharge for Commercial and Industrial Customers	Introduction of an electricity surcharge applicable to commercial and industrial customers at the rate of five cents per kilowatt hour.	Enacted in the Finance Act, 2025
Tax on Single Use Plastics	Introduction of a 5% tax on the CIF (Cost, Insurance, Freight) value of single use plastics.	Enacted in the Finance Act, 2025
Luxury Electric Vehicles	Removal of tax concessions on the importation of electric vehicles where the CIF value exceeds \$400,000.	Enacted in Legal Notices Nos. 477, 479 and 488 of 2025
Motor Vehicle Tax Concessions for Returning Nationals	Removal of tax concessions on motor vehicles imported by returning nationals.	Enacted in the Finance Act, 2025
Registered Animal Shelters	A tax deduction for individuals and companies for contributions to registered animal shelters.	Enacted in the Finance Act, 2025

STATUS OF FISCAL MEASURES 2026

Proposed Measures	Implications	Status
Subsidy on Liquefied Petroleum Gas (LPG)	Revisions to the subsidy on LPG cylinders.	Enacted in Legal Notices Nos. 491 and 492 of 2025
Construction Incentives	Removal of clays, crushed limestone, boulders, sand, gravel, plastering sand, porcellanite, argillite and oil sand from the Negative List.	Enacted in Legal Notice No. 485 of 2025
Foreign Used Vehicles	Increase in the permissible age for importing private motor vehicles from three years to eight years.	Enacted in Legal Notice No. 477 of 2025
Penalties, Fees and Charges	Increases in miscellaneous penalties, fees and charges.	Enacted in the Finance Act, 2025, the Finance Act 2026 and various Legal Notices
Transfer Pricing	Introduction of transfer pricing legislation in Parliament.	Not Implemented
Real Estate Investment Trust (REIT)	Establishment of a State-sponsored REIT.	Not Implemented
VAT Reform	Review of the existing VAT regime and replacement with a simplified sales tax.	The Minister took external advice and decided to reform the existing VAT system
NIF Bond	Issuing of a \$1 billion NIF Bond backed by 21% shareholding in the First Citizens Group Financial Holdings Limited.	Not Implemented

Proposed tax rates for income year 2027

PROPOSED TAX RATES FOR INCOME YEAR 2027

INCOME TAX

Individual rate (based on chargeable income)	
Every dollar up to \$1,000,000 of chargeable income	25%
Every dollar that exceeds \$1,000,000 of chargeable income	30%

Allowances and Deductible Expenses

Personal allowance	\$90,000
Pensioner personal allowance	\$102,000
Contribution to approved pension/retirement fund/deferred annuity/70% NIS contribution	\$60,000
Tertiary education expenses (Note 1)	\$72,000
First-time home owner allowance (Note 2)	\$30,000
Maintenance or alimony (under Court Order)	amount paid (unlimited)
Donations under Deed of Covenant (Note 3)	up to 15% of total income
Purchase and installation of CNG kit	tax credit of 25% of acquiring and installing (up to \$10,000)
Purchase of solar water heating equipment	tax credit of 100% of cost (up to \$10,000)
Donations to a bona fide animal shelter	lower of 20% of total income or \$20,000
Purchase of bonds (National Tax Free Savings Bonds Regulations) (Note 4)	tax credit of 25% of face value

Benefits in Kind

Motor vehicles/equipment	50% of wear and tear/ 50% of lease rental
Company owned housing	fair rental value
Staff loans	difference in CBTT repo rate and rate charged
Other benefits	cost to employer

Exemptions

- Dividends received from resident companies
- Distributions received from the first and second unit schemes of the Unit Trust Corporation
- Pensions payable under the National Insurance Act
- Income and dividends distributed by the CLICO Investment Fund (Note 5)
- Other prescribed exemptions are available

Other

Health surcharge	\$4.80/\$8.25 per week
National Insurance	updated rates proposed by government

Landlord Business Surcharge*

Gross quarterly rental income < or = \$20,000	2.5%
Gross quarterly rental income > or = \$20,000	3.5%

*Creditable against tax liability

PROPOSED TAX RATES FOR INCOME YEAR 2027

CORPORATION TAX

Basic corporate rate (based on chargeable profits) (Note 6)	30%
Financial institutions (companies licensed to carry on banking business or the business of banking under the Financial Institutions Act) (Note 6).....	35%
Petrochemical companies rate (Note 7)	35%
An approved small company (exempt from tax for six years commencing 1 January 2023) subject to qualify criteria	0%

SME listed company

First five years from the listing on the Trinidad & Tobago Stock Exchange	0%
Years 6-10	50% of the standard rate of Corporation Tax

BUSINESS LEVY

Rate (based on gross sales/receipts excluding exempt income)	0.60%
- A company is liable to higher of Corporation Tax or Business Levy - Not payable for the first 36 months from the date of registration	

GREEN FUND LEVY

Rate (based on gross sales/receipts including exempt income).....	0.30%
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TAX ALLOWANCES

Audio, visual and video productions sponsorships (Note 8)	150%
Promotion of the fashion industry (Note 8)	150%

Art and culture allowance (Note 8)	100%
Sports and sportsmen sponsorships/promotion (Note 8).....	100%
Promotional expense uplift (Note 17)	150%
Training allowance	150%
Scholarship sponsorships	100%
Constructing or setting up a childcare or homework facility for minor dependents of employees	100%
Investment in tech start-up and new tech business (Note 18)	150%
Technology solutions and digitalization (Note 18).....	150%
Creation of employment in technology industry (Note 18)	150%
Apprenticeship allowance (Note 19)	150%
Donations under Deed of Covenant (Note 3).....	15% of total income
Donations to a bona fide animal shelter	lower of 15% of chargeable profits or \$100,000
Sponsorships to schools (Note 20)	150%

PROPOSED TAX RATES FOR INCOME YEAR 2027

CAPITAL ALLOWANCES

Manufacturing Trades

Initial allowance – plant and machinery (Note 9)..... 90%

Wear and Tear Allowance – All Trades

Industrial buildings..... 10%

Building and improvements..... 10%

Childcare or homework facilities constructed or set up for minor dependents of employees (Note 10)..... 10%

Office equipment 30%

Fixtures and fittings 30%

Plant and machinery 30%

Motor vehicles 30%

Boats 30%

Computers and heavy equipment (including rigs)..... 33.3%

Aircrafts (second-hand) 40

TAX LOSSES

Limit on utilisation of carried forward tax losses 75% of current year chargeable profits

Balance to be carried forward indefinitely.

WITHHOLDING TAX RATES

Dividends and other distributions (Note 12) 5% / 10%

Interest 15%

Royalties 15%

Annuities..... 15%

Management charges 15%

Rents and other payments 15%

DOUBLE TAXATION TREATIES

Brazil	Germany	Sweden
Canada	India	Switzerland
CARICOM	Italy	United Kingdom
China	Luxembourg	United States of America
France	Spain	Venezuela

PROPOSED TAX RATES FOR INCOME YEAR 2027

PETROLEUM TAX

Tax	Rate of Tax
Petroleum Profits Tax	50% of taxable profits (petroleum operations in deepwater blocks 30%)
Unemployment Levy	8% of taxable profits
Supplemental Petroleum Tax (SPT).....	rates based on weighted crude oil prices (refer to SPT Table), less certain incentives
Petroleum Production Levy.....	lower of 4% of income from crude oil for producers of more than 3,500 barrels of oil per day or share of subsidy
Petroleum Impost	% share to defray expenses of Ministry of Energy and Energy Industries (MOEEI)
Green Fund Levy	0.30% of gross sales or receipts
Royalties	12.5% of the net petroleum won and saved from the licensed or contract area (Note 13); 8% on natural gas from marginal mrine gas fields

PETROLEUM ALLOWANCES

Tangible Costs

Tangible allowances are available from the year of expenditure at the rate of 20% of the expenditure calculated on a straight-line basis for five consecutive years commencing in the year of the expenditure effective 1 January 2020.

Unrelieved allowances as at 31 December 2019 will continue to be claimed in the manner in which they were calculated prior to 1 January 2020.

Intangible Drilling and Development Costs

The annual allowance granted with regard to intangible cost is 20% of the expenditure calculated on a straight-line basis for five consecutive years commencing in the year of the expenditure 1 January 2020.

Unrelieved allowances as at 31 December 2019 will continue to be claimed in the manner in which they were calculated prior to 1 January 2020.

Other Petroleum Allowances

- Allowances in respect of expenditure on exploration wells in a deepwater block shall be calculated by reference to 140% of the expenditure incurred.
- A deepwater block is where more than 50% of the acreage is deeper than 400m and must be certified by the MOEEI.
- Companies engaged in the upstream energy sector will only be allowed to claim loss relief of up to 75% of taxable profits effective 1 January 2020. No loss carrybacks are allowed. Carried-forward losses can be utilised only for PPT purposes.
- Expenditure in investing in carbon capture and storage and enhanced oil recovery shall be entitled to 30% of actual expenditure capped at TT\$500,000.

PROPOSED TAX RATES FOR INCOME YEAR 2027

SUPPLEMENTAL PETROLEUM TAX

Weighted average crude prices (US\$/bbl)	Marine	New Field Development*	Land and Deepwater Block	New Well in Existing Field*
0.00 - 50.00	0%	0%	0%	0%
50.01 - 70.00		15%		15%
50.01 - 90.00	33%		18%	
70.01 - 90.00		20%		
90.01 - 200.00	SPT Rate = Base SPT + 0.2%* (P - \$90.00)			20%
200.01 and over	55%	42%	40%	42%

*Shall be approved and certified for development by the MOEEI.

The rates of SPT applicable to small onshore and small shallow marine producers are as follows:

Weighted average crude prices (US\$/bbl)	Rates
0.00 - 75.00	0%
75.01 - 90.00	18%
90.01 - 200.00	SPT Rate = Base SPT + 0.2%* (P - \$90.00)
200.01 and over	40%

SPT Deductions, Incentives and Credits

In calculating the SPT liability, certain deductions, discounts and credits are allowed.

Royalties and overriding royalties (Note 13)..... 100% of amounts paid from crude oil disposals assessed to SPT

Sustainability incentive..... 25% discount on the SPT rate (Note 14)

Investment tax credit30% of the qualifying capital expenditure as a deduction against the SPT assessed (Note 15)

Note that SPT paid is allowed as a deduction in computing taxable profits.

VALUE ADDED TAX

Standard rated goods and services 12.5%

Registration threshold..... commercial supplies in excess of \$600,000 for a 12-month period

Zero-rated goods and services 0%

- Prescription medicines and drugs
- Exports
- Various unprocessed food items for human consumption
- Crude oil, natural gas and iron ore
- Services supplied for consideration other than TT\$ to a recipient who is not within T&T
- Solar water heaters and photo-voltaic cells
- Certain specified vessels and rigs
- Laptop computers, notebook computers and tablet computers
- Mobile and digital equipment
- Mobile phones and software
- Computer accessories
- Peripherals

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Exempt services..... N/A

- Financial services
- Rental of residential property
- Medical services
- Training and education (approved institutions)
- Real estate brokerage
- Accommodation in hotels, inns, guest houses (for stay that exceeds 30 days)
- Public postal services
- Betting, gambling and lotteries
- Bus and taxi services other than bus services provided by the PTSC

OTHER TAXES

Commercial Asset Levy	0.25%
Financial Services Tax	15%
Hotel Accommodation Tax	10%
Insurance Premium Tax (Note 11)	6%
Online Purchase Tax (Note 16)	7%
Landlord Business Surcharge	2.5% / 3.5%
Environmental Tyre Tax	\$20/tyre

STAMP DUTY

Conveyance/transfer of stock/funded debt/shares listed on a self-regulatory organisation:

Shares sold or transferred in accordance with the rules of a self-regulatory organisation..... Nil

Shares not sold or transferred in accordance with the rules of a self-regulatory organisation..... 5% of the market value of the transaction

Conveyance/transfer of stock/funded debt/shares not listed on a self-regulatory organisation:

\$0.00 – \$25.00	\$0.10
\$25.01 – \$50.00	\$0.25
\$50.01 – \$125.00	\$0.75
\$125.01 – \$250.00	\$1.00
\$250.01 – \$500.00	\$2.50
For every additional \$500.00	\$2.50

Conveyance or transfer on sale of commercial property:

\$0.00 – \$50.00	\$1.00
\$50.01 – \$100.00	\$2.00
\$100.01 – \$250.00	\$5.00
For every additional \$250.00 or part thereof up to \$1,500.00	\$5.00
\$1,500.01 – \$300,000.00	2%
\$300,000.01 – \$400,000.00	5%
\$400,000.01 – Over	7%

PROPOSED TAX RATES FOR INCOME YEAR 2027

Conveyance or transfer on sale of residential property (with dwelling house):

\$850,000.00 – \$1,250,000.00	3%
\$1,250,000.01 – \$1,750,000.00	5%
\$1,750,000.01 – Over.....	7.5%

Conveyance or transfer on sale of residential property (with dwelling house) to first-time home owner:

\$0.00 – \$2,000,000.00	0%
\$2,000,000.01 – \$2,250,000.00	5%
\$2,250,000.01 – Over.....	7.5%

Conveyance or transfer on sale of residential property (no dwelling house):

\$450,000.00 – \$650,000.00	2%
\$650,000.01 – \$850,000.00	5%
\$850,000.01 – Over.....	7%

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NATIONAL INSURANCE TABLE OF CONTRIBUTION PAYMENTS (EFFECTIVE 5 JANUARY 2026)

Earnings Class	Weekly Earnings (\$)	Monthly Earnings (\$)	Assumed Average Weekly Earnings (\$)	Employee's Contribution (\$)	Employer's Contribution (\$)	Total Weekly (\$)	Class Z Weekly (\$)
I	200.00 - 339.99	867.00 - 1,472.99	270.00	14.60	29.20	43.40	2.20
II	340.00 - 449.99	1,473.00 - 1,949.99	395.00	21.30	42.60	63.90	3.20
III	450.00 - 609.99	1,950.00 - 2,642.99	530.00	28.60	57.20	85.80	4.30
IV	610.00 - 759.99	2,643.00 - 3,292.99	685.00	37.00	74.00	111.00	5.56
V	760.00 - 929.99	3,293.00 - 4,029.99	845.00	45.60	91.20	136.80	6.84
VI	930.00 - 1,119.99	4,030.00 - 4,852.99	1,025.00	55.40	110.80	166.20	8.32
VII	1,120.00 - 1,299.99	4,853.00 - 5,632.99	1,210.00	65.30	130.60	195.90	9.80
VIII	1,300.00 - 1,489.99	5,633.00 - 6,456.99	1,395.00	75.30	150.60	225.90	11.30
IX	1,490.00 - 1,709.99	6,457.00 - 7,409.99	1,600.00	86.40	172.80	259.20	12.96
X	1,710.00 - 1,909.99	7,410.00 - 8,276.99	1,810.00	97.70	195.40	293.10	14.66
XI	1,910.00 - 2,139.99	8,277.00 - 9,272.99	2,025.00	109.40	218.80	328.20	16.42
XII	2,140.00 - 2,379.99	9,273.00 - 10,312.99	2,260.00	122.00	244.00	366.00	18.30
XIII	2,380.00 - 2,629.99	10,313.00 - 11,396.99	2,505.00	135.30	270.60	405.90	20.30
XIV	2,630.00 - 2,919.99	11,397.00 - 12,652.99	2,775.00	149.90	299.80	449.70	22.49
XV	2,920.00 - 3,137.99	12,653.00 - 13,599.99	3,029.00	163.60	327.20	490.80	24.55
XVI	3,138.00 and over	13,600.00 and over	3,138.00	169.50	339.00	508.50	25.43

*Rates proposed to increase by 3% for 2027

PROPOSED TAX RATES FOR INCOME YEAR 2027

- Note 1: Allowance does not apply to local and regional public tertiary institutions.
- Note 2: Applies to residences constructed or purchased on or after 1 January 2011. Allowance may be claimed for each of the first five years commencing from the date of acquisition.
- Note 3: Total income is the aggregate income after any deductions are made for expenses, allowances or loss relief.
- Note 4: Credit applies to bonds with a maturity period of five, seven or ten years with a face value not exceeding \$5,000. Any unclaimed tax credit may be claimed in the succeeding years of income.
- Note 5: Applies to income or dividends distributed to resident individuals and companies that are unit holders of the CLICO Investment Fund.
- Note 6: The rate of Corporation Tax payable for income year 2017 was 25% for every dollar up to \$1 million of chargeable profits and 30% for every dollar in excess of \$1 million of chargeable profits. Prior to income year 2017, the rate of Corporation Tax was 25% of chargeable profits.
- Note 7: Applies to companies involved in the liquefaction of natural gas, manufacture of petrochemicals, physical separation of liquids from a natural gas stream, natural gas processing from a natural gas stream, transmission and distribution of natural gas, wholesale marketing and distribution of petroleum products as defined and any other activity so prescribed. Does not include companies operating a liquid petroleum gas filling plant or conducting a refilling operation, or companies involved in the sale and distribution of leaded and unleaded gasoline, diesel and kerosene lubricants and other car care products or operating service stations.
- Note 8: The aggregate allowance for these items is capped at \$12 million.
- Note 9: 20% in the case of petrochemical and other companies enjoying benefits under the Fiscal Incentives Act.
- Note 10: Applies to the amount of the excess over \$500,000 expended to construct or set up the child-care facility.

- Note 11: When paid to non-resident insurer, insured to withhold and remit tax.
- Note 12: 5% in the case of distributions paid to a parent company and 10% in all other cases.
- Note 13: The value of crude oil for the purposes of payment of royalties shall be the net volume of crude oil won and saved at the fair market value from the licensed area or contract area.
- Note 14: Applies to mature marine oil fields or small marine oil fields as certified by the MOEEI.
- Note 15: Applies to approved development activity in mature marine oil fields and mature land oil fields or the acquisition of machinery and plant for use in approved enhanced oil recovery projects. The MOEEI must certify all development activities carried out in mature marine and land oil fields and enhanced oil recovery projects.
- Note 16: Online Purchase Tax shall be charged at the rate of 7% of the value of a good which is:
 - Purchased by means of an electronic transaction.
 - Imported into T&T by air transportation.
 - Consigned to a consumer.
 - Entered from a transit.The OPT shall be payable by the importer.
- Note 17: A company may only qualify for a promotional expense uplift where the goods or agricultural produce has, as a result of such expenditure, been exported to a foreign market other than a country specified in the Sixth Schedule or for the first time to a country specified in the Sixth Schedule.
- Note 18: The maximum allowance is capped at \$3 million. It is uncertain whether the aggregate claim for these proposed measures would be capped at \$3 million.
- Note 19: Allowance equal to 150% of the expenditure actually incurred in hiring individuals ages 16-25 (capped at 20% of wages).
- Note 20: Corporate sponsorship made to public or private schools registered with the Ministry of Education, a deduction is allowed of 150% of actual expenditure incurred up to a maximum of \$500,000.



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Tax services



BUSINESS TAX SERVICES

- Business tax compliance and advisory
- Tax planning
- Tax controversy/disputes
- Tax accounting

ACCOUNTING COMPLIANCE REPORTING

- Bookkeeping
- Financial Statement Close Process support
- Statutory reporting (including compilation)
- Payroll
- Financial advisory support

INDIRECT TAX SERVICES

- VAT compliance and advisory
- Property tax
- Insurance premium tax
- Hotel accommodation tax
- Stamp duty
- Financial services tax
- Credits and incentives

PEOPLE ADVISORY SERVICES

- Expatriate tax compliance and advisory
- Global employment tax services
- Global business immigration services
- Work permits
- Personal tax services

INTERNATIONAL TAX SERVICES

- Cross-border corporate income tax advisory
- Double tax treaty analysis
- Tax-effective supply chain management
- Withholding tax

TRANSACTION TAX SERVICES

- Evaluation of significant tax exposures
- International tax
- Tax structuring
- Identification of post-transactional tax reduction options

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