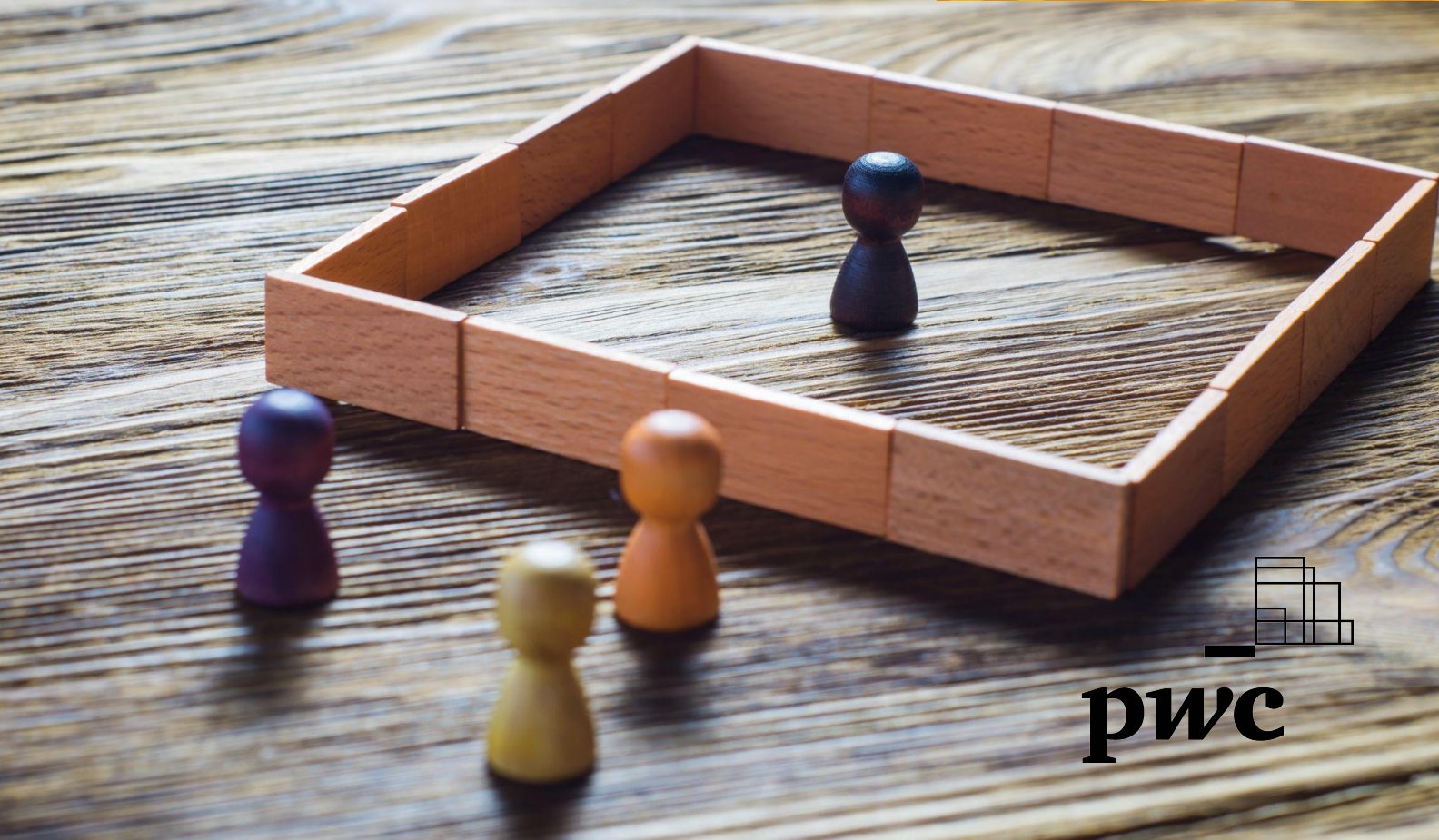


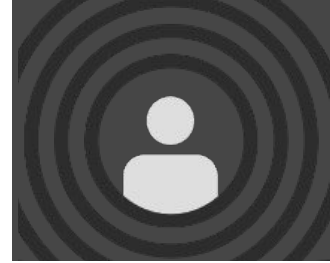
November 2022

# PwC Trinidad and Tobago Tax & Legal Services News Alert - November 2022



**pwc**

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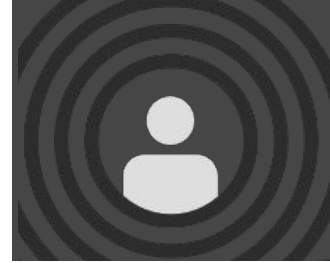




# Finance Act 2022



# Finance Act 2022



The Trinidad and Tobago Income Tax Act and the Value Added Tax Act have been amended via the recently proclaimed Finance Act 2022.

## **Income Tax Act – personal allowance**

Individuals who are resident in Trinidad and Tobago and, individuals who are not resident in Trinidad and Tobago and in receipt of pension income accruing or derived from Trinidad and Tobago, are eligible to a personal allowance of TTD 90,000 (previously TTD 84,000).

The effective date of this amendment is 1 January, 2023.

## **Value Added Tax Act – Commercial supply registration threshold**

The Value Added Tax Act has been amended to increase the commercial supply registration threshold from TTD 500,000 to TTD 600,000

The effective date of this amendment is 1 January, 2023.

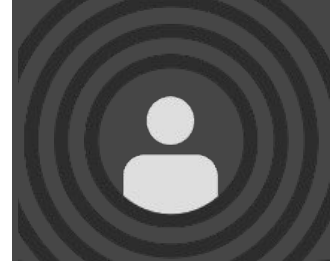




# Tax Amnesty



# Tax Amnesty



## Tax Amnesty

The Finance Act 2022 also amended the Income Tax Act, Value Added Tax Act, Stamp Duty Act and the Property Tax Act to provide for a waiver of certain liabilities (interest and penalties), where outstanding returns are filed and outstanding taxes are remitted to the Inland Revenue Division during the prescribed period of 14 November, 2022 to 17 February, 2023.

Where a tax or return remains outstanding after the end of the prescribed period, the interest and penalty which would have been payable on the outstanding tax or return shall be revived and become payable as if the waiver in subsection had not been granted.

<b>Income Tax Act</b>	<b>Value Added Tax Act</b>	<b>Stamp Duty Act</b>	<b>Property Tax Act</b>
(a) interest on an outstanding tax due and payable for the years up to and including the year ending 31st December, 2021, where the tax is paid prior to or during the prescribed period	(a) interest on an outstanding tax due and payable for the years up to and including the year ending 31st December, 2021, where the tax is paid prior to or during the prescribed period	(a) interest on an outstanding tax due and payable for the years up to and including the year ending 31st December, 2021, where the tax is paid prior to or during the prescribed period	(a) interest on an outstanding tax due and payable for the years up to and including the year ending 31st December, 2021, where the tax is paid prior to or during the prescribed period;
(b) outstanding interest charged on an outstanding tax due and payable for the years up to and including the year ending 31st December, 2021, where the tax is paid prior to or during the prescribed period	(b) outstanding interest charged on an outstanding tax due and payable for the years up to and including the year ending 31st December, 2021, where the tax is paid prior to or during the prescribed period	(b) outstanding interest charged on an outstanding tax due and payable for the years up to and including the year ending 31st December, 2021, where the tax is paid prior to or during the prescribed period	(b) outstanding interest charged on an outstanding tax due and payable for the years up to and including the year ending 31st December, 2021, where the tax is paid prior to or during the prescribed period
(c) penalty due and payable on or in respect of a tax or outstanding tax or interest for the years up to and including the year ending 31st December, 2021, where the tax is paid prior to or during the prescribed period	(c) penalty due and payable on or in respect of a tax or outstanding tax or interest for the years up to and including the year ending 31st December, 2021, where the tax is paid prior to or during the prescribed period	(c) penalty due and payable on or in respect of a tax or outstanding tax or interest for the years up to and including the year ending 31st December, 2021, where the tax is paid prior to or during the prescribed period	(c) a penalty due and payable on or in respect of a tax or outstanding tax or interest for the years up to and including the year ending 31st December, 2021, where the tax is paid prior to or during the prescribed period



# Tax Amnesty

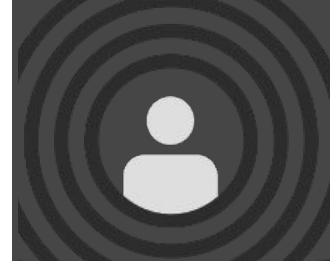
Income Tax Act	Value Added Tax Act	Stamp Duty Act	Property Tax Act
(d) a penalty on an outstanding return for the years up to and including the year ending 31st December, 2021, where the return is filed prior to or during the prescribed period; and	(d) a penalty on an outstanding return for the years up to and including the year ending 31st December, 2021, where the return is filed prior to or during the prescribed period); and	(d) a penalty on any outstanding return for the years up to and including the year ending 31st December, 2021, where the return is filed prior to or during the prescribed period; and	(d) a penalty on an outstanding return for the years up to and including the year ending 31st December, 2021, where the return is filed prior to or during the prescribed period; and
(e) a penalty with respect to a return for the years up to and including the year ending 31st December, 2021 and filed prior to 14th November, 2022, where such penalties have not been paid.	(e) a penalty with respect to a return for the years up to and including the year ending 31st December, 2021 and filed prior to 14th November, 2022, where such penalties have not been paid.	(e) a penalty with respect to a return for the years up to and including the year ending 31st December, 2021 and filed prior to 14th November, 2022, where such penalties have not been paid.	(e) penalty with respect to a return for the years up to and including the year ending 31st December, 2021 filed prior to 14th November, 2022, where such penalty has not been paid.

## Next steps

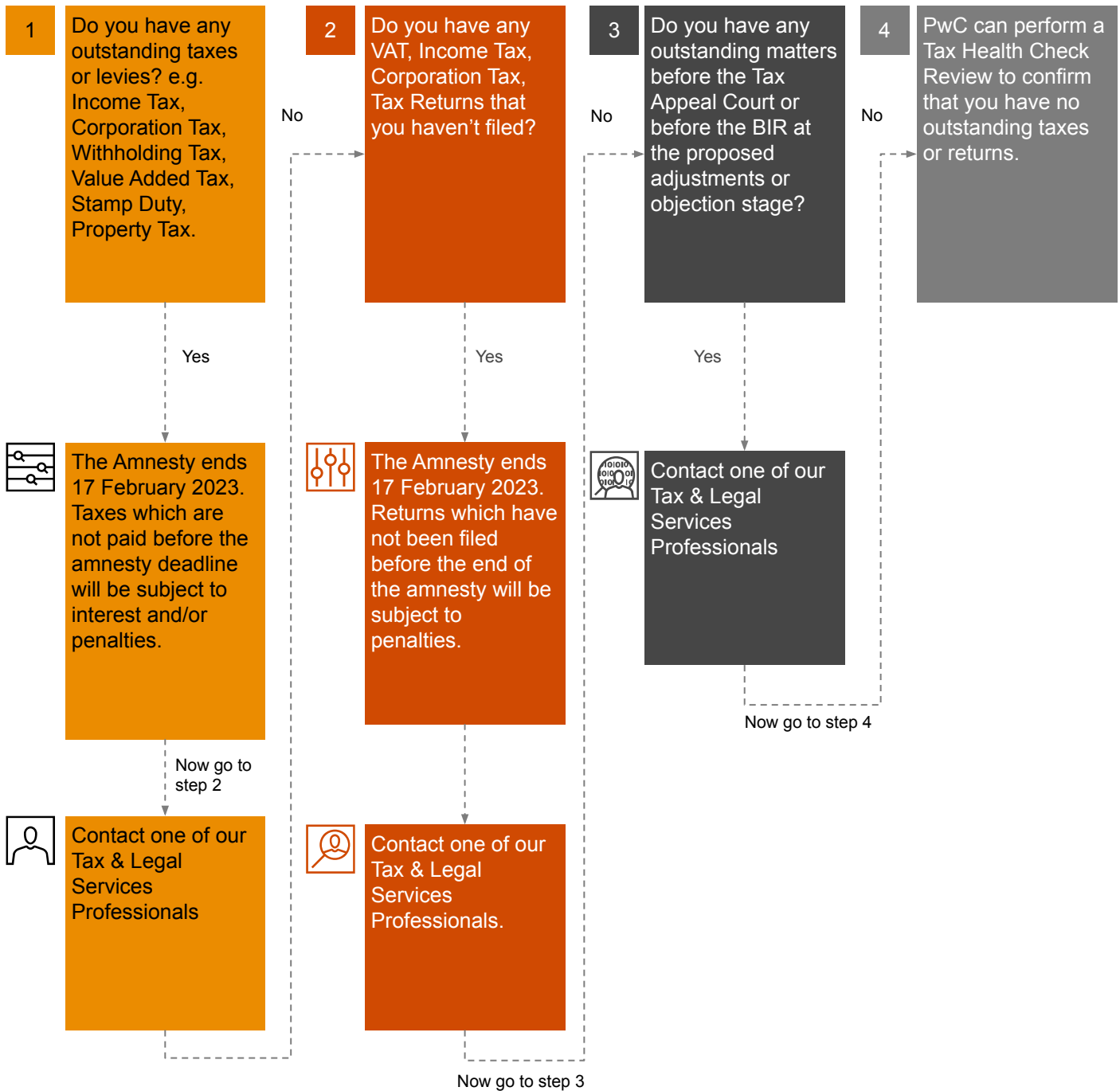
Our Tax team would be happy to work with you to ensure full compliance with the tax laws of Trinidad and Tobago and to take advantage of the amnesty, including:

- Ensuring that all tax returns are filed and any outstanding liabilities are settled.
- Where tax issues are under objection and/or appeal, we can assist by reviewing the specific issues to ascertain the likelihood of success. Based on our review, a determination can be made as to whether you should take advantage of the amnesty in respect of any matters under dispute. Payments can be made without prejudice to your ongoing challenges and would be recoverable if and when an objection or appeal is determined in your favour.
- Reviewing PAYE/Health Surcharge records to ensure taxes are computed on all benefits paid to or derived by employees.
- Reviewing of VAT Accounts and supporting documents to ensure VAT was accurately recorded and accounted for.
- Reviewing transactions to ensure Withholding Tax has been properly accounted for on payments made to T&T non-resident service providers.

# Proposed Tax Amnesty



## Can you benefit from the Tax Amnesty?







# National Insurance Amnesty



# National Insurance Amnesty

The National Insurance Amendment Act No. 15 of 2022 was assented on July 5 2022 and has amended the National Insurance Act Chapter 32:01 (“the Act”).

## The National Insurance Act has been amended to:

1. waive all penalties and interest arising on the late payment of outstanding National Insurance contributions as at June 30 2022, where the contribution is remitted between July 1 2022 and December 31 2022.

Where the contribution remains outstanding after the end of the prescribed period, the interest and penalty which would have been payable will be reinstated and become payable as if the waiver was not granted.

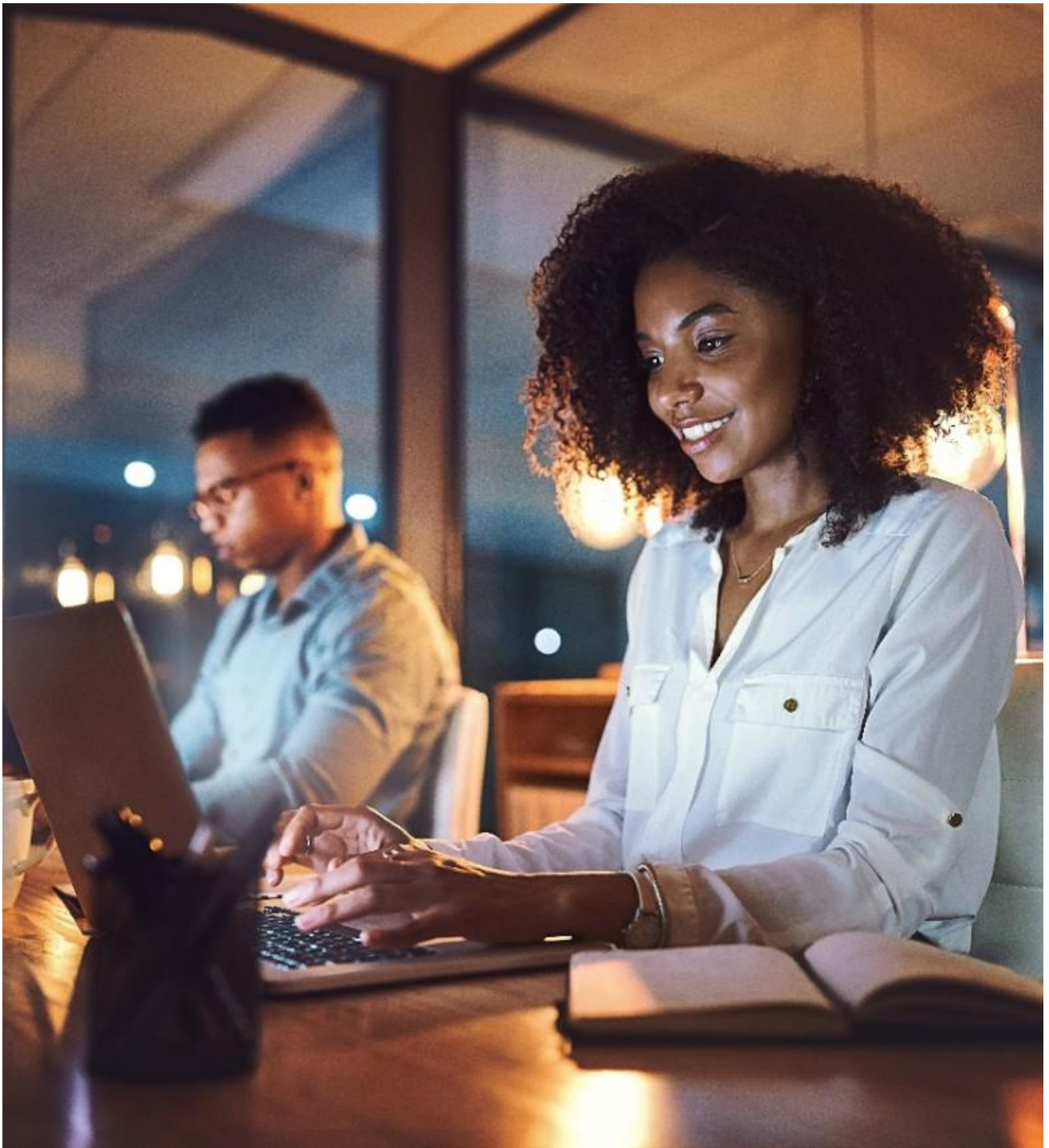
2. increase the penalty for the provision of false information to the National Insurance Board to a fine of fifty thousand dollars and imprisonment for three years.
3. increase the statutory limitation for the commencement of proceedings for offences committed under the National Insurance Act to **the later of:**
  - three (3) years from the date of the commission of the offence; and
  - within twelve months from the date on which personal knowledge of the commission of the offence first came to the Executive Director.
4. grant the Minister of Finance the power to waive interest or penalties arising under it by way of an Order.

## Next steps

### Please therefore:

- Review your internal books and records to confirm whether any contributions remain outstanding.
- Seek clarification on specific matters if there is any ambiguity in your specific case.
- Address any issues identified in a timely manner

Should you have any questions or require any assistance, please do not hesitate to contact any member of our Tax and Legal Services team.



# 4th quarter 2022 tax instalments



# 4th quarter 2022 tax instalments are due on or before 31 December 2022

Trinidad and Tobago 4th quarter tax payments are due on or before 31 December 2022.

## If your chargeable profits for 2022 is less than 2021

Where your estimated chargeable/taxable income for 2022 is **less than that of 2021**, you are required to seek approval from the Inland Revenue Division to reduce your quarterly instalments i.e. obtain approval to pay less quarterly taxes than required by law.

## If your chargeable income for 2022 exceeds 2021

Where your estimated tax liability for 2022 **exceeds that of 2021**, your 2022 quarterly tax instalments are to be based on your 2022 tax liability.

You are required to remit to the Inland Revenue Division quarterly instalments equal to your liability for 2021 together with 80% of the increase over 2021 by 31 December 2022.

## Business Levy 0.6% on gross sales/receipts

Where your Corporation Tax quarterly instalment liability exceeds your Business Levy liability for the quarter, you are required to remit **only** the Corporation Tax quarterly instalment.

Where your Corporation Tax quarterly instalment liability is less than your Business Levy liability, you are required to remit the Corporation Tax instalment and the excess Business Levy liability for the quarter.

## Green Fund Levy 0.3% on gross sales/receipts

Green Fund Levy is payable in addition to your Corporation Tax and/or Business Levy liability.

Interest at the rate of 20% per annum is imposed for the short payment (where prior approval is not obtained) of taxes and on the late payment of levies and taxes.

Should you have any questions or require any assistance, please do not hesitate to contact any member of our Tax and Legal Services team.



# Year end tax planning



# Year end tax planning

As we approach the 2022 calendar year end and the financial year for some companies, it is an opportune time for Trinidad and Tobago companies to consider their year end tax position and provisions for 2023. The management of the company's cash flow position is an important aspect of its business vis a vis its tax position in relation to any tax refund that it may be entitled to or any significant final tax payments.

## Year end tax questions

As we head to the end of calendar year 2022, here are some tax related questions companies should be considering.

### 4th quarter tax payment

Should you apply to the Inland Revenue Division for a reduction in your 4th quarter tax payment? Have you paid all of your previous quarterly tax payments?

### Tax allowances

Have you taken full advantage of all available tax allowances including:

- Promotional expenses allowance
- Production company allowance
- Scholarship allowance
- Art and culture, sportsmen, sporting activities, audio, visual or video production, fashion Industry allowance
- Training and re-training
- Wear & tear allowance/capital allowance

### Repair & maintenance

Have you done a detailed analysis of your repair and maintenance expenditure to determine if any items are capital in nature?

### Donations

Have you made any donations to nonprofits/charities? Were these done under a deed of covenant?

### Payment to non-residents of Trinidad and Tobago

Have you made any payments to non-residents of Trinidad and Tobago? Was withholding tax applicable on those payments?

### Fixed asset register

Have you done a detailed review of your fixed asset register to confirm disposals and additions of assets? Are your assets classified correctly and are the correct tax depreciation rates being applied?

# Year end tax planning



## Third party/external professional fees

Have you completed an analysis of any expenses related to third party professional fees e.g. lawyers, architects, foreign consultations to determine if they are related to capital transactions or subject to withholding tax?

## Bad debts

Do you have any provisions for bad debt in your accounts? Do you have documentation demonstrating your attempts to collect these debts as well as support for the methodology used to quantify your provisions?

**Should you have any questions or require any assistance, please do not hesitate to contact any member of our Tax and Legal Services team.**



# Registrar General Companies Registry Amnesty





# Registrar General Companies Registry Amnesty

The Companies Act (“the Act”) of Trinidad and Tobago stipulates the timeline for the submission of certain documents (e.g. Annual return) which apply to companies incorporated/registered under the Act. Failure to file within the required timeframe results in the imposition of penalties as prescribed by the Act.

## Filing penalties

The late filing of most documents under the Act attracts a penalty of three hundred (TTD 300) for every month, or part thereof.

The Government of Trinidad and Tobago has introduced a Corporate Registry Filing Amnesty. Under the Amnesty, there is a waiver of the penalties associated with the failure to file your statutory documents on time.

## Period covered

The Corporate Registry Filing Amnesty has been **extended from 2nd December 2022 to 14th April 2023**.

Where any outstanding document is not filed by **14th April 2023**, the penalty of TTD300 per month or part thereof will continue to apply from the due date until the documents are filed with the Companies Registrar.

## Requirements under the Companies Act

The Companies Act requires all companies (locally incorporated and registered branch offices of an external company under the Act), to file where applicable by way of a notice any fundamental changes in the company’s corporate instruments and/or directorships, inter alia:

**Annual Return:** required to be filed annually no later than 30 days after the anniversary date of the Company’s Incorporation, Registration, Continuance or Amalgamation.

**Notice of Change of Directors:** required to be filed within 30 days of a change (appointment or ceasing to act) of any of its directors of a company.

**Notice of Change of Secretary or Assistant Secretary:** required to be filed within 30 days of a change (appointment or ceasing to act) of any of its secretary and/or assistant secretary.

**Notice of Change of Registered Address:** required to be filed within 15 days of a change of its registered address.

**Notice of Issuance of Shares:** required to be filed within 14 days of the issuance of shares or pledge of guarantees.

**Beneficial Ownership Filings:** required to be filed annually and within a specified time frame of particular events occurring, such as the issuance or transfer of shares.

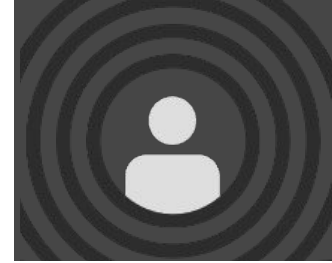
All notices/filings are to be remitted to the Registrar of Companies on the prescribed forms stipulated under the Act.

Should you have any questions or require any assistance, please do not hesitate to contact any member of our Tax and Legal Services team.



Let's talk





Our vision is to build a sustainable and competitive advantage by offering unique, efficient and professional tax solutions to our clients. We believe that in order to maximise client satisfaction, a broad understanding of the tax laws and our client's needs is required.

PwC offers a wide range of tax, corporate secretarial and commercial transaction support services and we utilise subject-matter experts to cater to a variety of clients and their unique needs. This will allow our clients the opportunity to focus on their core competencies in growing their businesses.

Our services extend beyond our borders, as we continue to provide advice to companies operating in Trinidad and Tobago on all of the services outlined as follows.

## **Tax consulting services**

These assignments are all encompassing and include tax advice related to all transactions or issues undertaken as part of the business operations of a client. It extends to cross-border and other tax implications such as tax treaty issues arising on a transaction. Additionally, our experienced team of tax professionals advises on special areas including:

- Corporate finance and funding arrangements
- Acquisitions and merger tax implications
- Debt restructuring and debt workouts
- Transfer pricing arrangements and other relevant International tax initiatives impacting cross-border transactions
- Commodity and financial derivative issues
- Thin capitalisation rules
- State and Central Government proposals for the introduction of incentives to attract foreign direct investment as well as Regional/Government proposals for reorganisation of taxing authorities.

## **Compliance services**

### **Corporate Tax returns**

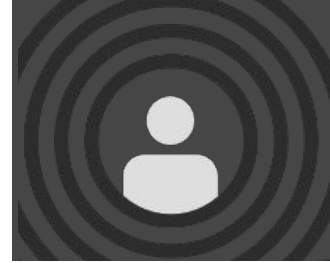
Preparation and/or review of tax returns, advising on areas of exposure and recommending solutions for addressing same. Additionally, we can support with review and regularisation of tax records with the Board of Inland Revenue to ensure that the Tax Authority's records are in order.

### **Value Added Tax returns**

Preparation of monthly/bi-monthly Value Added Tax (VAT) returns and associated refund claims if required. Maintenance of a VAT refund monitoring programme for our clients geared towards expediting the receipt or refunds by identifying and clearing up any queries by the Inland Revenue Division on a timely basis.

### **Quarterly instalments**

We support our clients by computing quarterly tax instalments due and payable and where applicable, we make the appropriate applications to the tax authorities for adjustment of these instalments.



## **Personal Income Tax returns and related advisory services**

Preparation of personal income tax returns for expatriate personnel and advising on all executive and employee compensation and other personal tax matters.

## **Tax audit and dispute resolution audits/objections/appeals**

We provide assistance, advice and support throughout the audit, objections and appeal stages by liaising with the tax authorities on behalf of our clients.

## **Tax accounting and payroll accounting support**

We can assist with the preparation of the relevant tax and payroll accounting documentation.

## **Corporate Secretarial Services Incorporation**

Incorporation of both external and local companies. We provide advice to clients on general corporate matters and concerns.

## **Amalgamations and other corporate restructurings**

Preparation and filing of the necessary documents with the government authorities to effect a required amalgamation or other corporate restructurings. We can also advise on methods of share dispositions and provide the relevant support services for each method including the valuation of shares; drafting of share instruments for review and execution by the company and having same assessed and stamped for duty by the Board of Inland Revenue.

## **Work permits/renewals and other Immigration related support services**

Prepare and submit work permit applications and renewals for expatriate personnel, including facilitating the advertising, interviewing and evaluation process required by the Ministry of National Security. We can also provide support for endorsements, visas and visa waivers and other relevant immigration services.

## **Liquidation and dissolution**

We can assist with, and advise on, voluntary and involuntary winding-ups.

## **Tax registration**

We facilitate the tax, VAT and social security (National Insurance) registrations.

## **De-registration**

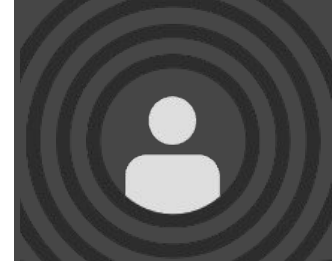
We can facilitate the de-registration of both external and local companies from the Companies Registrar and the Tax Authority.

## **Maintenance of company portfolio**

We prepare and file on behalf of the company Annual Returns, filings in relation to corporate changes in corporate instruments as well as other statutory filings and liaise with the Registrar of Companies to address queries relating to corporate documents filed by the company.

Advise and prepare other statutory requirements in accordance with the Company's Act including supporting our clients with the beneficial ownership requirements.

# Caribbean presence



PwC in the Caribbean comprises eight firms with more than 1,200 people in The Bahamas, Bermuda, British Virgin Islands, Cayman Islands, East Caribbean (including Barbados and Saint Lucia), Guyana, Jamaica and Trinidad & Tobago. We provide quality assurance, tax, legal and advisory services to a full range of private and public organisations, including international businesses, local enterprises and Government.

## Locations in the Caribbean

Our clients have access to top PwC talent, which means tapping into our vast pool of Caribbean and global industry resources that have the experience and credentials to deliver the quality services for which PwC is known.

The Bahamas	Bermuda	British Virgin Islands
Cayman Islands	East Caribbean (including Barbados & St Lucia)	Guyana
Jamaica	Trinidad & Tobago	

## We have a long history of operating in the Caribbean



Caribbean territories

8



Caribbean locations

11

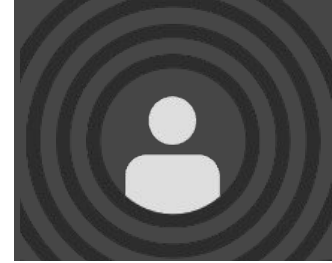


Our people in the Caribbean

1,200+



# Building trust and solving important problems



At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 155 countries with over 327,000 people who are committed to delivering quality in assurance, advisory and tax services.

## Our advisory, tax, and assurance services address today's most pressing business imperatives

Simulate innovation	Align costs with business strategy	Transform human capital
Accelerate digital and technology impact	Grow and create competitive advantage	Navigate risk and regulatory complexity
Optimise deals	Create unique customer experiences	Strengthen trust and transparency
Unlock data possibilities	Secure assets	Strengthen Corporate Governance

## We have the global reach, experience, and skill you need



Countries  
**155**



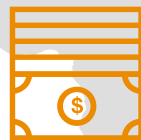
Global offices  
**1008**



Our people  
**327,000+**



Locations  
**742**



Our revenue  
**\$42.4bn**



Our clients  
**85%**  
of the Fortune  
Global 500 are  
our clients

Our clients range from the world's largest and most complex organisations to some of the most innovative entrepreneurs.

# Let's talk

## Connecting PwC tax services to your business

### Tax services

Our vision is to build a sustainable and competitive advantage by offering unique, efficient and professional tax solutions to our clients. We believe that in order to maximise client satisfaction a broad understanding of the tax laws and our client's needs is required.

We offer a range of tax services and employ extensive tax and corporate secretarial expertise to cater to a variety of clients and their unique needs. This allows our clients the opportunity to focus on their core competencies in growing their sustainable businesses.

### Our tax team

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