Trinidad and Tobago 2021 national budget

Recover and Reset - 2020 and beyond

5 October 2020
We are pleased to present our annual Budget Memorandum entitled Recover and Reset - 2020 and beyond in response to the 2020/2021 National Budget presented in Parliament by the Honourable Colm Imbert, Minister of Finance on 5 October 2020.

Fiscal prudence and economic stability have been consistently articulated themes of the PNM Administration. Whilst bold action to rebalance our economy is undoubtedly required, we wholeheartedly agree that fiscal discipline and sacrifice, by all, are required. Moreso, as we seek to navigate through, and out of the global pandemic, this sacrifice will be paramount. In this regard, the impact of the Coronavirus Disease 2019 (COVID-19) global pandemic on the current and preceding fiscal years cannot be overstated and arguably, the one certainty which is likely to remain constant in the medium term is the level of economic uncertainty.

We applaud the firm decisions taken by the Government to take some initial concrete steps to restructure the state sector, reset the economy and curtail expenditure both at the public and private sector levels. In particular, we applaud the removal of the imposition of fixed retail margins for all liquid petroleum products for petroleum retailers and dealers. Additionally, gas stations owned by the Trinidad and Tobago National Petroleum Marketing Co. (NP) will now be offered for sale to the private sector with first preference to be given to existing dealers and concessionaires.
While it is not the only, or indeed, the most important criterion that should guide the divestment of public assets, we do await further details on how this divestment will be configured to ensure that value to the people to Trinidad and Tobago is appropriately maximised whilst ensuring the widest practical coverage of retail stations remains within our twin island state. The Minister also announced plans to privatise the managerial, operational and financial responsibility for commercial activities of the Port Authority of Trinidad and Tobago and we are hopeful that this privatisation will be undertaken in the context of a coherent and implementable national port policy. Both measures have been long overdue, and we look forward to further initiatives in the coming years to reduce the regrettable extent to which the state still participates in our local economy.

In an attempt to curb the demand for United States (US) dollars, the Minister is proposing the removal of all tax concessions on the importation of private motor vehicles, the reduction in the vehicular age limit for the importation of foreign used cars and a reduction in the quota for the importation of both used and new vehicles. While we continue to favour allowing our local currency to reset to a more sustainable level as a means to arrive at an equilibrium between demand and supply for international currencies within Trinidad and Tobago (T&T), we do however acknowledge that we are navigating truly uncertain times where the normal rules do not necessarily apply.
COVID-19 and the completion of our national general elections provides an opportune time for pause, reflection and much needed detailed implementation planning. Over the past decade, it has been highlighted in this publication and numerous others, the need for T&T to:

- improve the ease of doing business;
- embrace digitalisation of the public sector;
- increase our global competitiveness;
- diversify the economy; and
- improve public sector governance and transparency.

It is our sincere hope that COVID-19 will continue to provide real and sustainable impetus to implement many of these measures. Chief among them may be digitalisation of the public sector and the narrowing of the digital divide across the nation.

We applaud the digital transformation impetus within the Ministry of Public Administration, now referred to as the Ministry of Public Administration and Digital Transformation, and the numerous proposed digital measures announced by the Minister of Finance during his budget presentation, including but not limited to the removal of all taxes on certain electronic devices and the uplift on corporation tax deductions (capped at TT$3million) for businesses which invest in tech starts-up and new tech business.
Further, given the systemic inequality which the pandemic has further revealed with respect to the ability of all of our students to gain access to effective tuition, we are hopeful that the initiative to provide 45,000 internet WiFi hotspots for students in need, the expansion of existing Wi-Fi hotspots and the establishment of internet cafes across all areas of the country will have the intended effect of balancing the scales within our education system and indeed our wider society.

The pandemic has shown us exactly how interconnected and interdependent we are. However, it also resulted in one positive for our small nation as digitalisation could provide regional and wider global opportunities. The digitalisation of the country could be the catalyst to move many businesses from a market of potential buyers of 1.4m to over 7bn. From our PwC experience, I can attest that had we not made the move a few years ago to digitalisation of almost every aspect of our operations, the adaptation to the so called “new normal” would not have been as seamless for our team and to the contrary, it would have required a sudden and deep learning curve for our business.
We look forward to the implementation of many of the measures announced during the budget presentation and are hopeful that collectively, we have the will to make the difficult decisions that will undoubtedly be required to come together for the greater good of the country.

Should you wish to discuss the impact to your organisation of any of the proposed measures, please reach out to our Tax and Legal Services Leaders.
The impact of shrinking global demand for commodities, including oil and gas, and the supply chain disruptions in the movement of people and assets (replacement parts, equipment, manufacturing inputs, retail products etc.) have all added to a local and global environment of uncertainty. These disruptions are compounded by global recessions, shutting down of businesses, stagnation of industries such as downstream energy and growing unemployment rates. As a country, we find ourselves in unprecedented circumstances. The choices we make now will impact recovery and the resetting of the once buoyant economy and these matters will affect generations to come.

As both corporate and individual citizens of Trinidad and Tobago assess and analyse the disruptive impact of the COVID-19 pandemic on the local and global economies, most if not all, will have to re-prioritise their short to mid-term plans. An important focus will be sustaining liquidity, with a view to meeting existing financial commitments, including tax compliance burdens. Now more than ever, effective and efficient tax planning is essential to managing cash outflows by taking full advantage of all tax credits and allowances permissible under law. Also required is efficiently managing advance tax payments (e.g. quarterly tax payments) with a view of ensuring that they are meticulously and precisely computed as required under the tax legislation, to avoid overpayments which may exacerbate cash flows and create a refund position.
It should be noted that while in general terms, the tax legislation requires taxpayers to pay quarterly corporate taxes based on their previous year's taxable profits, taxpayers should be aware that the legislation also provides that upon approval by the Inland Revenue Division, they can pay a reduced amount without penalty. From a cash management perspective, a Pay-As-You-Earn (PAYE), Value Added Tax (VAT) and Corporation Tax health check may in part alleviate some financial symptoms associated with the pandemic and slowdown of the economy.

Against this backdrop, the Honourable Colm Imbert, Minister of Finance, presented on 5 October 2020, the Government of Trinidad and Tobago 2021 national budget under the theme “Resetting the Economy for Growth and Innovation”, the first national budget of this recently re-elected Government.

The 2021 national budget is based on an estimated oil price of US$45 per barrel and gas price of US$3.00 per MMBtu. Total expected revenue is estimated to be TT$41.364bn and total expenditure for fiscal 2021 has been budgeted at TT$49.573bn. Consequently, a fiscal deficit of TT$8.209bn or 5.6% of Gross Domestic Product (GDP) is expected. The foreign exchange reserves and the Heritage and Stabilisation Fund are circa US$7bn and US$6bn, respectively.
During his presentation, the Finance Minister suggested several proposed measures that he hopes will provide some stability and stimulation of the national economy and assist the most vulnerable in society via grants and other enhanced social benefits.

Given the country’s declining revenue earnings, part of the challenge that the Minister and the nation faces is finding additional sustainable revenue sources, particularly new significant streams of foreign exchange inflows, to offset continued expected softening energy prices, a high import food bill, high subsidies, just to name a few. In this regard, government’s commitment to provide stimulus funding ofTT$500m to the agricultural sector is laudable, its support for the manufacturing sector via the creation of a special economic zone and other initiatives will go a long way in boosting this sector and hopefully, enabling this stalwart sector to become a major foreign exchange earner in due course.

Additionally, the prioritisation and thrust towards digitalisation of the country to inter alia, improve the ease of doing business will only serve to increase this country’s attractiveness. As we try to move towards transitioning the economic base of the country away from our unsustainable dependence on non-renewable energy, we look forward to the introduction of additional large-scale initiatives in the area of renewable energy sources which will augment revenue generation activities and put this country in line to benefit from the strategic imperatives adopted by many international energy companies such as BPTT in the renewable energy space.
These revenue generating initiatives were not done in isolation. In fact, the Government, being no stranger to taking difficult economic decisions vis-à-vis Petrotrin, also announced some bold austerity measures. These measures include the removal of the VAT relief on certain imported luxury food items, the increase in VAT/duties and Motor Vehicle Tax for all vehicles in order to curb the high levels of importation of cars, the removal of the remaining gas subsidies and de-regulation of the fuel sector through the divestment of NP’s service stations.

Finally, as in previous years, the Minister reiterated the government’s continued commitment to addressing the issue of long outstanding Value Added Tax and other refunds, the revamping of the tax administration body and introducing property tax. While the issuing of Value Added Tax Bonds was a welcome measure and it provided enormous relief to taxpayers with large overdue refunds, it will be important for the BIR to continue making these payments to address the business community concerns over cash flow and overall liquidity. The overall improvement of tax administration will be a big boost for revenue collection efforts but whether Government will secure the necessary support from the opposition remains to be seen.

We look forward to a productive and robust parliamentary debate on the proposed fiscal measures during the presentation of the Finance Bill/Act 2021 and for additional details on the proposed measures and their respective effective implementation dates. In the interim, our Tax and Legal Services team stands ready to support you.
We have sought to provide some other high-level commentary below around key and specific areas presented in the budget document.

Digitisation

T&T has a long history of advancing the Information and Communications Technology (ICT) agenda across Government with no shortage of plans, frameworks, roadmaps, agencies and committees formed to develop and execute the agenda in the past few decades. The push towards digitalisation has been more aggressive with the onset of the Covid-19 pandemic which saw the unprecedented need for companies to shift their focus from gradually embracing digital tools to embracing digital solutions and tools as a survival strategy. Arguably, digitalisation presents the best option for companies to withstand the shocks posed during volatile times of a pandemic combined with the general economic sluggishness caused by a decline in the major oil and gas economies.

We applaud the proposed measures for the digitalisation of the country and in particular, we noted the thrust to support tech start-ups as well as the recent passage of some Fintech legislation endorsed by the Joint Regulatory Bodies. This is the first of many important steps in attaining digitisation goals. Further, the Tax Authority and other state agencies have introduced a number of digital platforms which have eased the way of transacting business with them. From e-filings to online payments and these are welcomed initiatives.

The right digital infrastructure will present additional opportunities for Trinidad and Tobago to brand itself as the digital hub of the Caribbean. This is an opportunity which many of our CARICOM neighbours have already taken significant steps towards exploring. In addition, increased opportunities for foreign direct investment may add another layer of appeal for our tourism marketing.
Energy Sector - Upstream, Downstream and Related sectors

A reduction in economic activity related to the COVID-19 pandemic has caused changes in energy demand and supply patterns for 2020. The International Energy Agency (IEA), predicts that the pandemic will reduce global demand for oil by about 9.3m barrels a day (b/d) in 2020 from a year ago. Brent Crude oil whose price is closer to Trinidad and Tobago’s (T&T) local crude oil, spot prices averaged US$40.92 for the first eight months of 2020 - a decline of 37% when compared to an average of US$64.91 for the same period in 2019. The Henry Hub natural gas spot price also declined by 29% with prices averaging US$1.86 per million British thermal units (MMBtu) for the first eight months of 2020 when compared to US$2.63 for the same period in 2019.

On the domestic market, natural gas and oil production significantly declined for the period January to July 2020 compared to the same period in 2019. The average production of natural gas fell by 6.5% while oil production declined by 4.4%. The petrochemical sector which continues to face gas curtailment also suffered with the closure of several plants in 2020.

This sector continues to be faced with numerous issues such as, decreased natural gas production in T&T, increase in the price of natural gas from the upstreamers and a reduction in global prices of ammonia and methanol. The sector also competes with the US which has an advantage since it benefits from cheaper shale gas prices and no gas supply issues.
The Minister announced that “foreign direct investments of just over US$2.2bn is being projected for the upstream sector during calendar 2020 and an additional amount of US$2bn during 2021”. There have been major investments in the upstream sector by key multinational players such as BHP, Shell and BPTT. BHP’s US$500m Ruby project is expected to be in full production and on stream in the second half of 2021. BHP and Shell have also made significant investments in the Deepwater Blocks in T&T with a 3.5 trillion cubic gas find on which the Minister indicated that by 2026, BHP could begin producing up to 1.5 billion cubic feet of natural gas per day. Shell’s Final Investment Decision (FDI) for the Colibri development project with first gas is expected in 2022. BPTT has also shown its commitment to T&T’s energy sector with investments in the Matapal and Cassia C projects.

With the ten (10) year extension of its 92 Exploration & Production (E&P) Licences in the Columbus Basin in which the Government is expected to reap financial benefits of US$250m over the period 2021 to 2024 and its ten year extension of its southeast Galeota license as well as 91 E&P licences for the Teak, Samaan, Pou and East Mayaro licenses. In return, the Government received TT$1bn for settlement of legacy issues. While the Loran-Manatee gas field joint development with Venezuela and Shell has halted because of US sanctions, the Minister indicated that “planning and execution of production from the Manatee field…are actively underway”. It is anticipated that the increase in gas production from the combined effect of these projects would help in alleviating the current gas curtailment in the future and thus boosting the Liquefied Natural Gas (LNG) and petrochemicals sector.
Renewable energy was also briefly mentioned by the Minister when he advised that the Government is seeking to implement renewable energy electric power in accordance with its commitments under the Paris Accord. It is anticipated that 112 megawatts of solar power will be delivered to the electric grid and this project is expected to be the largest solar project in the Caribbean. This initiative will allow for better use of the country’s natural gas where it can be diverted to the revenue earning petrochemical sector. The Government is also pursuing development opportunities by introducing green petrochemicals through the substitution of hydrogen from the natural gas reform process and also utilising steam which is currently wasted from an existing power station. This steam will run a new turbine to produce electricity. This would be welcomed as T&T emits millions of tonnes of carbon dioxide (Mt/CO₂) every year and given the country’s relatively small population, this places us among the world leaders with respect to CO₂ emissions per capita.

Agriculture

While our lack of food security is not a new issue, the profound implications of it were highlighted during the pandemic. In addition to food security, our high food import bill has long been an area of concern, resulting in not only an extensive outflow of foreign exchange but also being a sizable factor in inflation.

The Finance Minister delivered strong messages around the lack of efficacy of the extensive incentives, relief from duties and other taxes and grants provided to the sector and in this regard, he noted that the development and growth of the agricultural sector is a key priority for this Government.
As a result, the Government is providing a TT$500m Stimulus Package to support the agricultural Sector. This is encouraging but a critical review of the sector is necessary to understand why it has not developed to the level needed to provide better food security for the country in spite of the ease of access of financing through the Agricultural Development Bank and over 100 incentives available. The entire agricultural value chain needs to be properly assessed including understanding:

1) the impediments of actually owning and operating a farm including logistical issues;
2) the impact that the lack of a fully centralised crop-planning board or body has on supply, demand and pricing of agricultural produce;
3) the impact of inadequate cold storage and other similar facilities to enable produce to be readily available throughout the year and possibly, to be exported;
4) the role and support that is needed by the National Agriculture Marketing and Development Corporation (Namdeo) as the intended primary wholesaler of agricultural produce to support the sector.

Overall, we applaud the Minister’s commitment to the sector and it is hoped that this new thrust will see this sector quickly becoming a major contributor to the GDP and a large contributor to our foreign exchange inflows, as we build and expand our capacity to export local agriculture on a wider scale. We would also like to see a government and private sector partnership in a sustained “buy local” campaign for both the local agriculture and manufacturing sectors, a crucial element to the profitability and sustainability of small and medium operations.
Manufacturing Sector

The manufacturing sector has been a faithful stalwart over the years but for numerous reasons, it has not grown to the level needed. We welcome the Minister’s commitment to support the sector in order to double its output by 2024, expand employment and exceed its current contribution of approximately 19 percent to GDP. In particular, we applaud the transformative initiatives such as charging Evolving TecKnologies and Enterprise Development Company Limited (eTecK) with the responsibility to become a facilitator of commercial development and targeting Firms in high-value manufacturing areas. In particular those exporting niche products, including our chocolate, our native Trinidad Moruga scorpion pepper and the Moruga hill rice, to name a few, are welcomed measures.

Additionally, the current free zone regimes will be revamped within a new Special Economic Zone Framework which will build on the prior Free zone experience. The Minister also proposed to consider a new aluminium industry as well as other high-value manufacturing such as electronic assembly steelpan, textile and garment manufacturing for the domestic fashion industry, cosmetic and petrochemical production and pharmaceutical and nutraceuticals, including medical marijuana.
Tourism

The tourism sector has been severely affected by the COVID-19 pandemic. The closure of our borders to regional and international travellers has had an immediate and sustained impact on the hotel industry in both Trinidad and Tobago, as well as many service industries like restaurants and bars. Inter-island tourism has also seen a significant decline in activity. Unfortunately, until such time when a vaccine for COVID-19 has been made widely available, the sector is likely to see limited recovery.

Additionally, the Prime Minister recently announced the cancellation of the national carnival celebrations for 2021, which will also have a sizable financial impact on the tourism industry.

It is hopeful that once Trinidad and Tobago meets the required criteria and can join the Caribbean Community (CARICOM) Travel Bubble initiative, this will allow citizens and visitors in participating countries to travel freely between each other, and it is likely the tourism industry will feel some slight relief.

Over the last few months the Government has been working with the Tobago House of Assembly on several broad-based measures to assist those impacted by the decline in tourist activity, including the Tourism Accommodation Relief Grant; Relief Business Grant; Business Relief Loan; Relief Grant to Tourism Industry Ancillary Services; a four year Soft Loan Facility with a two year moratorium through First Citizens and Republic Bank for micro, small and medium businesses; and, the Liquidity Support Loan Programme for the credit union movement.
During his presentation the Minister announced the expansion and extension of the Tourism Accommodation Upgrade Project incentive, which is a tourism incentive that provides a reimbursable grant to eligible tourism accommodation facilities. The extension will be effective from 1 October 2020 and will expire on 30 September 2023.

**Trinidad and Tobago Revenue Authority**

We welcome the Government’s continued commitment to widening the tax net institutionally rather than by raising tax rates. Instrumental to achieving this endeavour is the closing off of the tax gap estimated in 2017 at about TT$11bn to TT$16bn. We noted the Minister’s continuing commitment to the passing of the Trinidad and Tobago Revenue Authority Bill, which the Government estimates will allow a reduction of the tax gap by TT$5bn a year. It is yet to be seen whether the Opposition will heed the Government’s call to support the legislation since a 3/5 majority is needed to implement the Trinidad and Tobago Revenue Authority (TTRA). As an autonomous authority, it is proposed that the TTRA would be more efficient and effective in achieving the Government’s goals of improved taxpayer compliance and minimising the tax gap. This is in keeping with the objectives outlined in the Gordon Dean report which, at the time, identified the impediment to efficient tax collections including the following issues, which the TTRA is poised to tackle: (1) a deficient staff assessment and accountability framework (2) the use of outdated and inadequate use of technology and (3) inadequate information exchange and co-ordination between the administration and other agencies for various taxes levied.
To effect a smooth transition into the new Revenue Authority, the Minister indicated that preparatory work is currently underway at the Board of Inland Revenue (BIR) in the areas of verifying the integrity of the taxpayer database, risk management, voluntary compliance, timely filing of tax declaration, timely payment of taxes, accurate reporting in declarations, effective tax dispute resolution and effective revenue management.

The desired efficiency the Government is seeking will undoubtedly have to be balanced with taxpayer rights. A fundamental principle of an efficient and effective tax administrative framework is that it should be equitable, predictable in the application of the law, accountable and transparent. Where the equal application of the tax legislation is applied to all who fall under its scope, this should result in additional revenue collection by the Government, negating the need to raise taxes. The establishment of the Revenue Authority would also be an appropriate time to further digitise all aspects of customs and tax compliance. The Government may find that significantly increasing the ease of tax compliance, will also result in the widening of the tax net.

**Property Tax**

Based on Organisation for Economic Co-operation and Development statistics(*), recurrent taxes on immovable property accounted on average for 0.64% of revenue from 1990 to 2009 (i.e. an average of TT$67.07m) versus 0.01% of the revenue for the period 2016 to 2018 (i.e. an average of TT$3m per year for the period). While the percentage of revenue represented by recurrent taxes on immovable property was never significant, property tax has been on the agenda of this Administration and its reintroduction was recently mentioned by Government in the context of the dire need for Government to increase its revenues.
Section 52A of the Property Tax Amendment Act 2018 (Act 6 of 2018) which was assented to on 8 June 2018 provides that the moratorium for the payment of the property tax will be extended from 31 December 2015 to 30 September 2017 or such later date as the Minister may by Order prescribe. No Order has since been passed to extend the moratorium.

However, unlike corporation tax for instance, property tax is not based on self-assessment but depends on the issuance of an assessment based on the inclusion of the property in the Valuation Rolls. Section 7A of the Valuation of Land Act provides that the valuations shall be deemed to be in effect when the Commissioner is of the view that 50% of all land in T&T has been valued and has so notified the Minister in writing. The completion of this process should inform the timing of the introduction of the tax. The Government’s objective is to commence the collection of property tax in fiscal 2021, with residential properties. The Minister indicated that, to expedite the valuation process and validate information on the Valuation Roll, mandatory information requests would soon have to be completed by property owners under Section 29 of the Valuation Land Act.

The collection of the tax would later be extended to commercial, industrial and agricultural properties, in that order.

In terms of timing an assessment notice must be served by 31 March of a given year so that taxes can be paid on or before 30 September of the year in question. If a taxpayer disputes the assessment they may lodge an objection with the BIR within 21 days from the date of receipt of the assessment. Penalties for not settling the tax amounts to 10% of the tax and interest is charged at the rate of 15% per annum.

The legislation imposes property tax at varying rates on the annual taxable value of five classification of properties.
## Classification of property

<table>
<thead>
<tr>
<th>Classification of property</th>
<th>Rate of tax (%)</th>
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<tbody>
<tr>
<td>Residential</td>
<td>3</td>
</tr>
<tr>
<td>Commercial</td>
<td>5</td>
</tr>
<tr>
<td>Industrial (Plant &amp; Machinery within)</td>
<td>6</td>
</tr>
<tr>
<td>Industrial (Plant &amp; Machinery not within)</td>
<td>3</td>
</tr>
<tr>
<td>Agricultural</td>
<td>1</td>
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The annual rental value (ARV) has been defined as the rent a similar property can obtain on the open market. This may be reduced by 10% to arrive at the Annual Taxable Value (ATV). Where the rental value is uncertain the ARV may be determined by using the capital values to the following factors:

*Vacant Land*
- Residential: 3.5% of its capital value
- Commercial: 5% of its capital value
- Industrial: 5% of its capital value
- Agricultural Land: 2% of the capital value
- Plant and Machinery not housed in a building: 3% of its capital value


**Other Comments:**

As in previous years, the Minister also highlighted the Government’s continued commitment to address the issue of backlog of refunds. It was a welcomed reprieve for many small businesses who received VAT refunds by cash payments up to TT$500,000 per VAT cycle, larger businesses who benefitted from the TT$3bn in issued tradeable Value Added Tax Bonds to access long outstanding and significant refunds and individuals who benefitted from expedited refund payments and it was even better to hear of the Minister’s commitment that the Government will continue to utilise the bond route to settle the outstanding refunds owed.
We also noted the Minister’s continued commitment to the passing of the Gambling (Gaming and Betting) Bill. It’s the Government’s hope that with the proclamation of this bill, they will see an increased rate of compliance with respect to the remittance of taxes for members’ clubs and amusement gaming operators and a further widening of the tax net.

Another area the Government could consider is the continuation of their proposed plans for the cannabis industry. In particular, the establishment of the framework for the sale of cannabis exclusively for medical purposes. This may represent a new income stream via the taxes collected on the profits of these licensed businesses.

The Minister announced plans to continue and start several large infrastructure projects, e.g. new highways, expansion of existing highways and interchange/flyovers as well as enhance transparency in public procurement. While the capital injections will stimulate the economy and provide opportunities for employment, equal consideration and capital injection should be prioritised into investments in a scalable Trinidad and Tobago digital infrastructure. An ultra-fast broadband network alone would benefit hundreds of thousands, including students, entrepreneurs, large and small businesses, public service employees etc., with the added bonus that it may accomplish the same end goal intended by some of the planned flyover/interchanges, i.e. less vehicular traffic.
Budget fundamentals - 2021

Budget Overview

Oil price of **US$45** per bl  
Gas price **US$3.00** per MMBtu.

Total revenue has been budgeted at **$41.36bn**

Total expenditure for fiscal 2021 has been budgeted at **$49.57bn**

Fiscal deficit for 2021 is **$8.209bn** or 5.6% of gross domestic product
Budget fundamentals - 2021

Projections and allocations

- Education and training $7.973bn
- National security $5.227bn
- Health $6.050bn
- Public utilities $2.091bn
- Works and transport $2.956bn
- Rural development and local government $1.642bn
- Housing $1.000bn
- Agriculture $1.198bn

Oil revenue $9.265bn
Non-oil revenue $31.193bn
Capital revenue $0.905bn
Total revenue $41.36bn

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Historical economic data
Total revenue, expenditure and oil prices (2016 -2020)

Source: January to June Spotlight on the Budget 2021 Presentation by Mr Vishnu Dhanapaul, Permanent Secretary of the Ministry of Finance on Monday 28th September, 2020
Historical economic data (cont.)
Actual petroleum tax revenues (2016-2020)

Actual Collection - Petroleum Taxes (SPT, PPT) & Royalties (2016-2020)

Source: Presentation by the Honourable Colm Imbert, Minister of Finance: Budget 2021 core data
Historical economic data (cont.)

Taxes on income and profits (2015-2019)

Source: Presentation by the Honourable Colin Imbert, Minister of Finance: Budget 2021 core data
Overview of Fiscal measures

Energy and Energy Related Tax regime

Measure

Increase in the threshold for the imposition of the Supplemental Petroleum Tax (SPT) for small onshore oil producers to US$75 per barrel. Similar incentives to be done for small offshore producers.

Commentary

SPT was originally introduced as a windfall tax so that it is only applicable when oil prices reached or exceeded US$50 a barrel. Under its current structure, SPT is levied on revenue and not profit thus, as soon as prices average above US$50 per barrel in a quarter SPT becomes payable. The small independent petroleum companies who operate under farmouts/lease operatorships with very narrow profit margins have been vociferous about their level of dissatisfaction with the current structure of the SPT regime highlighting that the SPT is a disincentive and they have better cash flows when prices average under US$50 per barrel rather than when they are in the US$50-60 per barrel range.
Energy and Energy Related Tax regime measure

Overview of measure

The Government proposed measure of increasing the SPT threshold effective 1 January 2021 to US$75 per barrel for the period 2021-2022 for small onshore oil producers is aimed directly at alleviating this issue. The Minister indicated that at the end of the two year period the increased threshold will be reviewed for continuity and a similar measure is also being considered for offshore oil producers.

The Government anticipates that the losses in revenue from SPT will be minimal and will be offset by increased drilling activity and greater oil production leading to employment generation and the associated increased taxes paid by contractors and their workers. An increase in the SPT threshold to US$75 per barrel can potentially ease the financial burden of the small onshore oil producers by improving cash flow when prices hover around the US$50-60 per barrel range. However, the U.S. Energy Information Administration (EIA) Short-term Energy Outlook forecasts monthly Brent spot prices will average US$44 per barrel during the fourth quarter of 2020 and rise to an average of US$49 per barrel in 2021. Even by the most optimistic forecast by industry experts, there is no expectation that prices will reach US$75 per barrel in the near future.
Energy and Energy Related Tax regime

Overview of measure

Measure
Reform of the Liquidified Petroleum Products Sector

Commentary
T&T is by no means the only country which has sought to remove fuel subsidies during the current difficult period as early this year Nigeria also removed its fuel subsidy. The Minister indicated that for the fiscal period 2006 to 2020, the subsidy payments made by the Government have been in the vicinity of TT$25bn.

Due to global oil prices being depressed as a result of a fall in demand resulting from COVID-19 containment measures, this presents a timely opportunity for removing fuel subsidies. The removal of subsidies while oil prices are low ought to minimise the knock-on impacts on the population. While at current international oil prices, subsidies do not arise in the sale of premium gasoline or super gasoline, they continue to prevail in the sale of diesel, kerosene and liquidfied petroleum gas (LPG).

The Government intends to introduce a liberalised fuel price regime in January 2021 in which the fixed price of liquid petroleum products will be removed except for LPG. Under the liberalised price regime petroleum retailers and dealers will now be allowed to fix their own margins and it is intended it will put the retailers...
Overview of measure

Commentary

on a self-sustaining and profit-oriented basis. Wholesale margins will remain fixed for the time being with a tax being introduced to compensate for the current fuel surplus.

Kerosene and the prices at the pump for premium gasoline, super gasoline and diesel would be determined by the trading arrangements between the importer and wholesaler with price adjustments based on the United States Gulf Coast product prices obtained from the Platts Oilgram Price Report. The Minister also noted that all gas stations owned by NP will be offered for sale to the private sector with preference given to existing petroleum dealers.
Corporation Tax

Overview of measure

**Corporation Tax**

**Measure - building and housing development**

- Easier access for the private sector to tax incentives for private building and housing development.
- Reduction of approval time for housing and construction incentives to no more than three months.
- Increase tax deduction from 15% to 20% of capital expenditure incurred in the construction of commercial, industrial or multi-family residential buildings completed on or before 31 December 2024.

**Commentary**

Currently, the approved property development allowance does not cover multi-family residential buildings. Therefore, we look forward to seeing whether the legislative framework will indeed be extended to cover these buildings.

In addition to the proposed measures above, the Honourable Minister announced several initiatives that will be facilitated through the Housing Development Corporation that are geared towards providing affordable housing for low and middle income population.
Overview of measure

These measures in the main target the public sector housing programme and while the Minister did allude to easier access to tax incentives and shorter approval time for housing construction initiatives, we await the specific measures that are to be enacted as well as the systems that will be put in place to support these measures. Ultimately, the efficacy of these measures can only be assessed where a comprehensive system is tailored and monitored closely by the appropriate persons or institutions. Nevertheless, it is refreshing to see the housing industry continuing to receive the attention of the Government and a concerted effort to enhance and expand the existing incentives.

From a practical perspective, the issue with regard to accessing these tax benefits has been the approval process. However, it is hoped that the steps towards digital transformation will assist with the simplification of this process thereby making the incentive more attractive and effective.
Overview of measure

The following housing incentives are currently available:

1. Exemption from income tax on gains or profits derived from the initial sale of a residential house site, being part of a land development project, provided the owner of the land produces a certificate from the Minister with responsibility for housing in support of the claim for exemption.

2. Exemption from income tax until 31 December 2025 with respect to premiums and rents derived from the letting of a newly-constructed commercial building or multi-storey car park, the construction of which commenced on or after 1 October 2012.

3. Exemption from income tax until 31 December 2025 with respect to gains or profits from the initial sale of a newly-constructed commercial building or multi-storey car park, the construction of which commenced on or after 1 October 2012.

4. First time homeowner allowance up to 25,000.

5. Waiver of stamp duty of up to TT$1.5m (now proposed to be increased to TT $2m) for first time homeowners.
Despite the contraction in the economy and the incentives granted to date, affordable housing remains elusive to many middle and low-income families. With further economic challenges and job losses and reduction of earnings by a large number of the population, there is a renewed call for Government to examine this market more comprehensively. In addition to the incentives, there needs to implement more controls in respect of the regulation of the market to ensure that the intended benefits cascade to all sections of the population.
Overview of measure

Measure - Capital allowances

The Minister proposed to increase the wear and tear allowance rate on plant and equipment from 25% to 30%. This measure will take effect on 1 January 2021.

Commentary

This would be a welcome increase in the allowance since this rate of 25% has been in effect since the changes to allow for the pooling system for plant and machinery acquired on/after in 1 January 1995. This would allow for a tax deduction of an additional 5% on the cost of plant and machinery acquired and used in the business of the company. This measure would also benefit the manufacturing sector.

This may act as an incentive for investment in fixed assets since it could allow companies to expedite their capital allowances claim.

Some other considerations that the Minister may wish to consider introducing is in respect of an uplift of 150% on investment in capital assets where the expenditure is incurred in outfitting a business to combat the ill-effects of the COVID-19.
Overview of measure

Such capital expenditure will include costs associated with the installation of flexi-glass; washing facilities and provision of personal safety equipment for employees. These unexpected but necessary costs represent an additional financial burden to companies.

However, the suggested uplift on the expenditure will allow companies to reduce the tax liability with the resultant effect of increasing the availability of cash flow for investment it may have planned pre-COVID-19.

The Minister could have also considered increasing the allowance on computers and digital equipment to 40% from 33 1/3% - having regard to his focus on digitalisation and ICT.

We await the legislation to see the particulars of the provisions and if it will provide for the creation of a new class of pooled assets or whether Class B rates will now be 30% instead of 25%.
Overview of measure

Measure – Creative industries

A proposal to increase to TT$12m the current tax allowance of TT$6m for corporate sponsorship of nationals in the local fashion industry, audio, visual or video productions for the purpose of local education or entertainment and local production companies in respect of their own productions as well as for companies which sponsor sporting activities or events or sportsmen or art and culture. This measure will take effect from 1 January 2021.

Commentary

Whilst understanding the aim of increasing the deduction for this expenditure is to support the artistes; sportsmen and fashion industry professionals who may be struggling more due to the pandemic – this allowance was increased from TT$3m to TT$6m in the 2020 budget. At that time, we were of the view that careful evaluation was needed to assess the efficacy of this allowance in encouraging private sector companies to sponsor the targeted creative industries given that many of these companies practice overall conservatism towards expenditure. As a result, an increased allowance at this time may not bear fruit, but in the absence of any historical data to garner insights into the effectiveness of the previous measure, it is difficult to speak to this.
Overview of measure

Measure - Small and medium-sized enterprises

To encourage small and medium-sized enterprises (SMEs) to access capital markets to raise financing, the Minister is proposing to extend the reduction in the corporation tax rate by amending the Corporation Tax Act to allow for the following:

- an increase in the incentive period from five years to ten years;
- a full tax holiday for the first five (5) years following listing on the Trinidad and Tobago Stock Exchange instead of the current reduced corporation tax rate of 10%; and
- a 50% tax holiday for the next five (5) years following listing on the TTSE.

These measures will take effect on 1 January 2021.

Commentary

This measure targets SMEs which traditionally opt not to raise capital through equity financing and large investors/funds via venture capital have not actively sought to make investments in companies such as these. When this measure was first introduced, there was little optimism of its success.
Overview of measure

In light of the drive for digital and ICT type businesses, perhaps small digital start-up companies may be inclined to seek to fund their growth strategy by listing on the exchange while also benefiting from the tax holiday and then a reduced rate of corporation tax. The benefit being that by the time the tax break expires, these businesses should have grown into larger entities thereby contributing more to government revenues than they would have, had they not received the financing they needed at an earlier stage in their lifecycle.

This initiative should be reviewed periodically to ensure it encourages SMEs to explore equity financing especially since it is likely to be less onerous than debt obligations to third party financiers who tend to take priority over assets.
Overview of measure

Measure - Digital and technology

1. Removal of all taxes on mobile and digital equipment, mobile phones, software, computer accessories and peripherals.
2. 150% tax allowance capped at TT$3m for businesses which invest in tech start-up and new tech business.
3. 150% tax allowance capped at TT$3m for businesses which engage in technology solutions and digitalisation.
4. A tax allowance will be provided to businesses which create employment in the technology industry, particularly for young people. The allowance is set at 150% with a cap of TT$3m.

Commentary

Pre-COVID-19, advancing the Digital Agenda in Trinidad and Tobago was more akin to a marathon with a few notable sprints such as ttconnect, the Single Electronic Window and TTBIZ platforms all aimed at promoting trade and business in a more efficient and effective manner. There was however a clear gap in the digital transformation world which became more readily notable with the Covid-19 pandemic.
Overview of measure

For instance, under the current tax framework, no significant measures are geared towards encouraging and promoting digital transformation and use of digital solutions. While the Government has recognised the importance of digitalisation and its role in diversification of the economy, as stated in its National ICT Plan ICT Blueprint 2018 – 2022, it is now taking bold tangible steps to support this agenda. Thus, the measures announced by the Minister are a clear acknowledgement of the need to further implement measures that will support the promotion of digitalisation. In addition to the proposed measures, the creation of a dedicated Ministerial portfolio among many other planned initiatives by the government means that Trinidad and Tobago citizens must start planning for, and adopting the new ways of engaging with government services. The teething problems are likely as we note with the systemic impact remote schooling has had; requiring not just availability of online services but availability of devices and reliable broadband across the islands as well as significant change in the roles and responsibilities among the parents, teachers and students.

Further, while these measures are welcomed and will go a long way to promote digital transformation in the economy, they must be supported by a comprehensive and fully enacted legislative infrastructure as well as a holistic taxation approach that would balance both the promotion of the digital transformation and, at the same time, contribute to the government coffers and ultimately economic development.
Overview of measure

Based on OECD-sourced statistics(*), for the period 2016 to 2018, VAT constituted about 34.11% of the Government’s revenue. By contrast, for the same period, the tax on profits derived from energy companies and other companies represented on average respectively 4.11% and 22.29% of government’s revenue. Changes to the VAT regime therefore have a high probability to significantly impact revenue collection at a time where the public purse is already under considerable strain.

Measure

Removal of VAT and importation taxes on certain digital equipment

Commentary

With effect from 1 February 2016, Schedule 2 of the VAT Act which contains the list of zero-rated items was amended to exclude items such as computers as well as certain food items. Effective 4 September, 2020 the Value Added Tax (amendment to Schedule 2) Order 2020 removed VAT from laptop computers, notebook computers and tablet computers classified under tariff heading no. 8471.30.00 for the period 4 September, 2020 to 31 December 2020. This measure was welcomed in many quarters given the increase in use of such devices, (including for remote working and education), which the COVID-19 pandemic crisis precipitated.
Valued Added Tax and other Indirect Taxation measure

Overview of measure

One of the issues that governments sometimes have to contend with when sales tax rate reductions are granted, is that the savings are not passed on by the merchants and thus the lack of price adjustment may largely counter the measures taken by the State to provide relief and make digital devices more affordable and accessible. It is unclear at this time whether, (i) local merchants have adjusted their prices downward or (ii) with the removal of both the VAT and online tax, persons have sourced computers online and thus would have benefitted from the removal of these taxes. The Minister has not indicated whether these exemptions would be extended past December 2020. He however announced that effective December 2020, and in keeping with the digitisation drive, all taxes will be removed on mobile, digital equipment and cell phones. It is hoped that, similarly, the final consumers will be in a position to benefit from these removals.

The economic crisis in which COVID-19 has plunged the country has called for swift action by the government. As outlined by the OECD in its recent report “Tax and fiscal policy in response to the coronavirus crisis; Strengthening confidence and resilience”, two of the critical dimensions of economic planning remain (i) the preservation of businesses’ cash flow and maintenance of economic capacity and (ii) the cushioning of the immediate impact on households.
Overview of measure

The VAT regime offers tools which can assist in both areas. The removal of VAT on certain items (provided the VAT savings are passed on to the customers) are expected to provide an element of relief to the purchasers of the goods in question, businesses and households alike, by creating an immediate cash saving. It should be noted though that many International VAT pundits are generally of the opinion that equity considerations to provide relief to the public at large are better addressed outside of the VAT regime through pro-vulnerable one programmes and expenditures, mainly because a VAT rate reduction applies to all, and not only those who need it the most. (# see World Bank Report)

This principle however cannot always be respected and it has to be balanced in this instance by the fact that immediate relief is critical in this time of crisis and that this measure not only alleviates the administrative and logistical burden of reaching all vulnerable ones in our society in a timely basis, but also takes into account the fact that the Government already provides a significant amount of subsidies to the population (for water and electricity rates, gas subsidies, numerous social programmes, salary relief grant, etc.).
Valued Added Tax and other Indirect Taxation measure

Overview of measure

Measure

Removal of value added tax on the importation of building materials to be used exclusively in connection with approved housing, commercial and industrial development projects, except for certain items such as road paving and aggregate material. This measure applies to projects started on or before 31 December 2022.

Commentary

This measure will be similar in administration to the tax concessions granted to developers for approved tourism projects and will take effect from 1 January 2021. The unintended issue that seems to arise here is that such projects cannot be completed from locally sourced materials. This seems to be counter-intuitive to buying local both from manufacturers and retailers who have appropriate stock on hand.

Further, in light of the challenges with accessing foreign exchange currency, this measure may well exacerbate the acute foreign exchange problem. If the measure was applied to building materials which cannot be sourced then the unintended consequences may be mitigated.
Overview of measure

Measure
Imposition of VAT on “luxury food items” such as grapes, apples, strawberry, lobster etc.

Commentary
Experts concur on the position that part of the efficiency of a VAT system rests on the premise that there is a wide VAT base. While over the years the local regime has gone through a series of adjustments to the zero-rating schedule in particular, the Government is intimating its intention to restore it to its core concept. It does not appear that the zero-rated schedule will undergo a major overhaul at this time, but food items branded as “luxury” items will become standard-rated from 1 January 2021. For those items that are “true” luxury items such as escargot, champagne and lobster, the change in rate may not have a significant impact on consumption given the clientele that consumes these items. However, for items like apples which are likely part of most households’ food basket, the impact is likely to be felt on most customers. This having being said, this may be countered by the social relief measures granted by the Government.
Overview of measure

Measure
Implementation of efficient VAT refund system and further use of VAT bonds

Commentary
The Government must be commended for having heard the cry of the Business Community which, for a number of years, had been complaining about the untimely settlement of VAT refunds which caused VAT to in fact become part of the cost of doing business. The matter was largely remediated via the settlement of cash refunds (extended to 5,010 small and medium enterprises). Further, the VAT refund bond scheme recently initiated by the Government was well subscribed and allowed for the issuance of instruments covering VAT refunds to 460 companies.

The Minister has not given much insight at this time into the specific measures that will make the VAT refund system more efficient. Our recommendation would be to consider granting offsets of refunds against liabilities after having conducted targeted, well structured and expeditious refund controls. It appears that the VAT bond scheme will be used again in the future where appropriate. Its success this time around is likely to depend on the country’s economic trajectory and therefore the government’s ability to maintain its credit rating.
Valued Added Tax and other Indirect Taxation measure

Overview of measure

Measure


Commentary

As a result of the significant drain on foreign exchange caused by the importation of foreign-used and new motor vehicles, all private motor cars will now attract customs duty, motor vehicle tax and Value Added Tax, with the lowest rates of duty and tax being imposed on hybrid cars, electric cars, CNG cars, and small engine cars below 1,500cc, to encourage their use. Tax concessions will remain in place for commercial and industrial vehicles and public transport vehicles.

While this measure is likely to hurt the Motor Vehicle industry which is already struggling, it is an emergency measure which had to be taken in the context of the scarcity in foreign exchange.

Overview of measure

Measure
Increase of Personal Allowance threshold from $72,000 to $84,000.

Commentary
Against the background of a global pandemic and general economic hardship experienced by the population at large caused by this pandemic as well as other global and local factors, this measure will redound to the benefit of many low- and medium-income earners. By placing more disposable income in the hands of these persons will likely bring about relief from some of the economic burdens faced by low income earners. Ultimately, this initiative is likely to stimulate economic activity as did the last increase in personal allowance from TT$60,000 to TT$72,000.

The Government is therefore commended for this bold step. However, there is arguably a greater need for incentives that will ultimately be geared toward protection against job loss and maintaining the employment status quo in the current climate.
Further, with the shift in working dynamics globally, a plethora of questions arise in respect of personal taxation given that the way of working will forever be changed in some respects. These questions include:

(a) Can deductions be claimed in respect of home office expenses?
(b) Where a person is subject to tax (where the person works versus where he/she lives) in cases where individuals reside in one country and is employed by a company in another jurisdiction and that employment is exercised in the country where the individual resides?
(c) What proportion of certain benefits can be classified as personal benefits versus business expenses?

With more individuals exercising employment at home via online applications, arguably the physical presence/nexus as a basis for determining an individual tax status of the individual is no longer viable or certainly ought not to be the main yardstick to making the determination of ascribing taxing rights in cross-border employment scenarios. The law must evolve to address these types of issues quickly, decisively and comprehensively. What’s more, the whole question of Benefits-in-Kinds (BIKs) and other benefits provided by employers to their employees in the context of now equipping their home office or designated workspaces will now have to be re-examined vis-a-vis the taxation of these benefits.
Overview of measure

In addition, the Government should consider whether incentives should be made available to support employers so that they can retain their pre-Covid 19 staffing and wage levels and ultimately, reduce the risk of significant furloughed and / or terminated employees. As the Government would be aware, a reduction in the overall employee earning levels directly results in an erosion of the taxable base for the economy. These incentives should be balanced against the risk of moral hazard; whereby employers intentionally retain economic inefficiencies, comforted by the open purse of the taxpayer.

Among the potential incentives that may be considered:

1. Removal of tax on all BIKs connected with the setting up of a home office
2. Home office allowance for all expenses incurred by employers to assist employees to set up their home offices
3. Two to three years tax holiday for all companies whose gross income is less than TT$1m and who maintain for the said period a staff pool of more than 50 employees.
Overview of measure

Measure

Increase in stamp duty threshold from TT$1.5m to TT$2m for first-time home owners.

Commentary

This measure will result in a saving of TT$28,000 for first-time homeowners. This is a significant reduction in stamp duty and will provide much needed relief to low and middle income homeowners while not depleting Government’s revenue.
Internet Mobile WiFi for Students
45,000 WiFi mobile hotspot device for students in need.

Existing Wi-Fi Hotspots and Internet Cafes
Expansion of existing Wi-Fi hotspots and establishing internet cafes in all areas of the country and will specifically target students in all remote areas.

Tourism Accommodation Upgrade Project
The expansion and extension the Tourism Accommodation Upgrade Project (TAUP) - a reimbursable grant to eligible tourism accommodation facilities. The extension will start on 1 October 2020 and expire on 30 September 2023.

Illegal Quarrying
All penalties, fines and custodial sentences for illegal quarrying on private lands will be increased by 200%.

All penalties, fines and custodial sentences for illegal quarrying of asphalt or other materials on state lands will be increased by 200%.
### Overview of measure

#### Illegal Quarrying cont
Any company that trades in illegally sourced quarry material will be disqualified from participating in Government construction projects.

#### Praedial Larceny
All praedial larceny fines and custodial sentences will be increased 200%.

#### Cigarette Usage
The excise duty on locally manufactured tobacco products will be increased by 20%.

The customs duty on imported tobacco from the Common Market Origin will be increased by 20% and the customs duty payable on tobacco products imported into Trinidad and Tobago from extra-regional sources will receive equal treatment to that of the common market.

#### Statutory Penalties
All penalties for selling alcohol and tobacco to minors as well as all other penalties under the Liquor Licenses Act, and the Tobacco Control Act will be increased by 200%.
Workforce Recovery Programme
The Youth Training and Employment Partnership Programme (YTEPP) Limited in partnership with the Commonwealth of Learning (COL) will provide through the COL-Coursera Workforce Recovery Programme, free and unlimited access to over 4,000 courses and 400 specialisations on Coursera unemployed citizens and all people who are at the verge of losing their employment, as a means to develop skills which are required for re-entering the labour market.

Public Sector: Vacant Posts
The Government will be freezing the filling of all vacant posts in the public sector for a period of one year.
About PwC
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.

**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.

**Amalgamations and other corporation 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.
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.

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PwC is one of the world’s largest provider of professional services including tax and business consulting services. With offices in 157 countries and more than 276,000 people, we are among the leading professional services networks in the world. We help organisations and individuals create the value they’re looking for, by delivering quality in assurance, tax, and advisory services.

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

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

- **Countries**: 157
- **Global offices**: 1008
- **Our people**: 276,000+
- **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.