



Budget Insights 2027

Trinidad and Tobago National Budget Commentary



12 October 2026 | Tax and Legal Services

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Territory Leader's message

Territory Leader's message

We are pleased to present our annual **Budget insights** in response to the 2027 National Budget presented in the House of Representatives by the Minister of Finance, The Honourable Davendranath Tancoo, MP, on 12 October 2026.

The Budget comes at a time of continuing uncertainty in the global economy, shaped by geopolitical tension, shifting trade relationships, rapid technological change, and growing climate risk. Trinidad and Tobago has not been immune to these pressures, and the Government has set out a fiscal programme that seeks to materially narrow the deficit in fiscal 2027, principally through higher projected revenue.

We welcome the Government's stated intention to explore the development of a National Fiscal Responsibility and Resilience Framework and to give serious consideration to publishing an annual Fiscal Strategy Statement. Measures of this kind would bring greater transparency and predictability to fiscal policy and would reduce the influence of temporary swings in energy revenue on public spending. In our view, a clear and published medium-term fiscal path would do as much for business confidence as any single measure announced.

The Government has also reported progress in rebuilding the country's international standing. This includes Trinidad and Tobago's removal from the European Union's list of non-cooperative jurisdictions in February 2026, Moody's revision of the rating outlook from Negative to Stable together with its reaffirmation of the Ba2 rating, and Standard and Poor's reaffirmation of the investment-grade rating.



Sean Ramirez
Territory Leader
PwC Trinidad and Tobago

Territory Leader's message



The country also received an overall rating of 'Largely Compliant' in the Global Forum's second round peer review on exchange of information on request, and the Caribbean Financial Action Task Force Mutual Evaluation Report is due for adoption in November 2026. We regard these developments as important. International credibility is a precondition for attracting the long-term investment our economy requires, and it must be protected through consistent compliance in the years ahead.

The Budget contains a significant package of tax measures, many of which take effect on 1 January 2027, although some, such as the application of Value Added Tax (VAT) to digital services supplied by non-resident providers from 1 March 2027, follow different timelines. These are analysed in detail in the Territory Tax Leader's thoughts that follow, and we encourage businesses to consider them early and carefully.

On economic diversification, we note the Government's targets of an additional US\$2bn in non-energy exports by 2027 and US\$5bn by 2030, and its intention to raise tourism's contribution to Gross Domestic Product (GDP) from about 6% to 12% by 2030. The proposed amendments to the Foreign Investment Act, the permanent licensing framework for virtual assets, the Government Savings Bond Programme, and the Retail Government Securities Programme all point towards a deeper and more accessible capital market and a more open investment climate. The proposed Beneficial Ownership disclosure requirement for foreign investors forms part of this package and should be factored into transaction planning. In the energy sector, the establishment of the Energy Accelerator Hub to bring 33 separate approvals across eight ministries and agencies under one institution is a welcome step towards reducing the delays that have long deterred investment.

We also welcome the continued emphasis on digital transformation across Government, including the VerifyTT platform, the launch of the national Artificial Intelligence (AI) Academy, and the modernisation of the Electronic Transactions Act and the Data Protection Act. A modern legal framework for electronic transactions and data protection will be essential if businesses in Trinidad and Tobago are to compete beyond our borders.

Territory Leader's message

As in previous years, the effectiveness of this Budget will depend on execution of the stated strategies. The Honourable Minister himself has acknowledged that only about TT\$3bn of the roughly TT\$5bn budgeted for capital expenditure in fiscal 2026 had been spent, with bills still being received, and that procurement was a major impediment. We note that the procurement legislation has since been amended to raise approved limits, and we look forward to seeing the effect of that change on project delivery. Many of the reforms announced will require detailed legislation and guidance. We encourage meaningful consultation with the private sector before these are finalised, so that the resulting framework is clear, workable, and consistent with the Government's stated aim of improving the ease of doing business.

We look forward to the implementation of the measures announced, and to continued constructive engagement between the public and private sectors in the national interest. If you would like to discuss how any of the proposed measures may affect your organization, please contact our Tax and Legal Services Leaders.

Sean Ramirez
Territory Leader
PwC Trinidad and Tobago

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Tax Leader's thoughts

Tax Leader's thoughts

The Budget - beyond the numbers

With every Budget, businesses look at two numbers: what they will pay, and what the economy may deliver in return. In presenting the 2027 National Budget, The Honourable Minister of Finance, Davendranath Tancoo, MP placed the Government's budgetary plan within the theme "A People-Centred Approach: Investing in Communities, Transforming the Economy and Securing a Sustainable Future."

For the business community, the practical question is whether the new tax burden will be matched by a more competitive economy, stronger institutions, and a clearer path to growth. Revenue must fund public priorities and restore fiscal resilience, but durable revenue ultimately comes from businesses that invest, hire, export, and earn profits.

The economic picture is mixed rather than uniformly weak. Real GDP contracted by 1.8% in the first quarter of 2026 relative to the first quarter of 2025, with energy down 2.8% and manufacturing down 0.7%. Yet non-energy manufacturing grew by 11.6%, and the food, beverage, and tobacco sector by 20.5%. Headline inflation was 0.6% in July 2026, food inflation 1.7%, and net official reserves US\$5.4bn, or 6.2 months of import cover.

In boardrooms, these numbers will land differently. Low inflation brings some predictability to wages and input costs. Contracting activity makes revenue growth harder. The expansion outside energy, however, points to real openings for local production and import substitution. Those openings will matter only if firms can obtain foreign exchange, finance working capital, and rely on basic infrastructure.



Angelique Bart

Partner and Territory Tax and Legal Leader
PwC Trinidad and Tobago

Tax Leader's thoughts (continued)

Fiscal arithmetic and the design of revenue measures

The fiscal numbers tell a story of intended consolidation. For fiscal 2026, revised revenue is TT\$54.247bn, expenditure TT\$61.247bn, and the deficit TT\$7.0bn. For 2027, assuming oil at US\$77 per barrel and gas at US\$5 per million British Thermal Units (BTU), the Government projects revenue of TT\$59.729bn, expenditure of TT\$63.368bn, and a deficit of TT\$3.639bn, or 2.1% of GDP.

The direction is welcome, but the landing is not guaranteed. It depends on commodity prices, production, collections, and spending discipline, while, on the Minister's figures, a further TT\$70bn in debt falls due over the next five years. For businesses, fiscal slippage is not abstract. It can appear as tighter liquidity, higher financing costs, slower State payments, or pressure for another round of taxes. Better cash management and project execution would therefore be pro-business reforms in their own right.

For most businesses, the measure likely to be felt most directly is the limitation of carried-forward losses to 75% of chargeable profits from 1 January 2027. Expected to raise TT\$430m, it does not remove accumulated losses, but it postpones their use and brings forward cash tax. Put simply, a business returning to profitability after several difficult years may pay tax before it has fully recovered its earlier losses. Finance teams should remodel instalments, liquidity, and deferred-tax assets. Boards, lenders, and investors may need to revisit covenants and valuations. Transitional relief deserves serious consideration where losses arose under the former rules or from long-cycle investments made in reliance on them.

Energy businesses face a different tension. The unemployment levy on petroleum companies will rise from 5% to 8% on 1 January 2027, with projected revenue of TT\$155m. At the same time, the country is relying on new projects to reverse the 45% decline in natural gas supply from the 2014 peak cited by the Honourable Minister. The relevant issue is not whether the sector should contribute, but whether the cumulative fiscal regime remains competitive when international capital can move elsewhere. Tax stability, capital allowances, and the pace of approvals will matter as much as the headline levy. Trinidad and Tobago must collect an appropriate share of value without making the next investment less likely.

Tax Leader's thoughts (continued)

Cross-border payments will also become more expensive and more closely scrutinised. Withholding tax on distributions to non-residents will rise from 8% to 10% generally, and from 3% to 5% for non-resident parent companies, yielding an estimated TT\$25.1m. The proposed amendment to Section 50(1)(b) of the Income Tax Act, expected to raise TT\$300m, will focus on remotely supplied management, technical, and prescribed services by reference to where the payment obligation arises and the cost is incurred.

In practical terms, a regional group buying specialist support from abroad may face both a higher tax cost and more demanding documentation. Groups should revisit treaty eligibility, beneficial ownership, dividend timing, service agreements, gross-up clauses, and transfer pricing support. Precise source rules and effective double-tax relief will be essential if legitimate access to foreign expertise and capital is not to be discouraged.

Section 10 of the Income Tax Act will expressly disallow expenditure incurred in earning exempt income, with expected revenue of TT\$75m. The principle is orthodox, but groups with mixed activities will need defensible allocation methods for personnel, financing, premises, and other shared costs. Guidance should distinguish expenditure incurred exclusively, directly, and partly in earning exempt income and specify reasonable apportionment to limit disputes.

Value added tax reform, cash flow, and the digital economy

Retaining and reforming VAT, rather than replacing it with a sales tax, is economically coherent. But the distinction between zero-rating and exemption is not merely technical. When selected items move from zero-rated to exempt status on 1 January 2027, the customer may still see no VAT on the receipt, while the supplier may lose recovery of VAT paid on inputs. That hidden cost can reduce margins or eventually appear in prices. Importers, manufacturers, and retailers with mixed supplies will need early sight of the final schedules, attribution rules, stock treatment, and transitional provisions if they are to avoid cascading tax and sectoral distortions.

Tax Leader's thoughts (continued)

The tax system is also following consumption onto the screen. From 1 March 2027, VAT will apply to non-resident digital and remote services through simplified electronic registration, with projected revenue of TT\$18m. The policy promotes parity with domestic suppliers, but the details will determine whether it works smoothly. Coverage, customer location, business-to-business treatment, registration thresholds, marketplace liability, and interaction with withholding tax all require clear rules. Efficient collection should not result in two taxes on one payment or make Trinidad and Tobago unnecessarily difficult for global platforms to serve.

Other VAT measures tighten the compliance framework: a TT\$100 VAT clearance fee, a penalty of TT\$100 for every two months that a return remains outstanding, and removal from the register of public bodies that make no taxable supplies. Each is administratively understandable. The larger test, however, is reciprocity. If taxpayers are expected to file and pay promptly, they should also receive legitimate refunds promptly. Delayed refunds turn businesses into involuntary lenders to the State and absorb working capital that could otherwise fund investment.

Administration, transfer pricing, and investment certainty

Mandatory e-filing through the Board of Inland Revenue's GenTax system, the Integrated Tax Processing System upgrade, and stronger tax-customs information exchange could change the daily experience of paying tax. Done well, digital administration means fewer queues, quicker clearances, better risk selection, and more consistent enforcement. Done poorly, it transfers administrative friction from the counter to the screen. Mandatory adoption should therefore follow published specifications, testing taxpayer education, and service standards. A modern revenue authority is measured not by the volume of information it collects, but by whether compliant taxpayers can transact with it efficiently and predictably.

Transfer pricing reform has been on the national agenda for several years, featuring in prior Budgets without yet producing a comprehensive operative regime. This announcement should therefore be judged less by renewed intent than by whether it sets out a credible route to implementation. Government has completed a draft framework, sought review by the Organisation for Economic Co-operation and Development, and plans to finalise policy and primary legislation in fiscal 2027. That external review can add considerable value, but it should recognise that Trinidad and Tobago's transfer pricing capability is still at an early stage of institutional development.

Tax Leader's thoughts (continued)

The first regime should be principled but proportionate: clear scope and commencement rules, sensible materiality and documentation thresholds, recognised methods, phased obligations, taxpayer education, advance engagement, and properly trained audit and competent-authority teams. An overly complex framework imported from mature jurisdictions could impose significant costs before the administration has the capacity to apply it consistently. After years of waiting, success should be measured by a workable regime that can be administered fairly, not by technically ambitious legislation alone.

Customs measures similarly combine facilitation with deterrence. The penalty for false declarations under section 212 of the Customs Act will double from TT\$125,000 to TT\$250,000, while the foreign-currency declaration threshold will increase from US\$5,000 to US\$10,000. Alcohol taxation will move towards reduced excise rates and ad valorem customs duty for relevant imports. For traders, the legal changes will require updated classification, valuation, licensing, and internal-control procedures. For the State, stronger penalties should be matched by transparent valuation practices, efficient review rights, and consistent border administration.

Tax policy as an instrument of growth

The growth agenda is where the Budget must ultimately earn its credibility, and renewed oil and gas activity offers grounds for measured optimism. New gas projects, higher upstream investment, and a commercially viable refinery restart could restore production, improve Point Lisas Industrial Estate utilisation, and stimulate demand across the wider economy. Trinidad and Tobago approaches this opportunity with experienced engineers, technicians, operators, contractors, and professional advisers, as well as strong banks, insurers, pension funds, and capital-market institutions capable of supporting complex projects.

The objective should therefore be not only to produce and export hydrocarbons, but to retain more of their value locally through financing, procurement, employment, technical services, reinvestment, and domestic ownership. Energy revenues should circulate through local firms and households rather than leave through imported services, offshore financing, and external supply chains.

Tax Leader's thoughts (continued)

The wider pipeline, including an initial US\$250 million investment in the former ArcelorMittal plant and prospective investment of approximately US\$2.17 billion, could generate contracts across construction, transport, engineering, technology, and professional services. Broad-based gains will require transparent procurement, workforce development, prompt payment, competitive project economics, and deliberate participation by qualified local firms and financial institutions.

Revenue mobilisation should therefore be paired with rigorous evaluation of incentives. Reliefs should be transparent, time-bound, and linked to additional investment, employment, exports, or technology transfer. Poorly designed concessions erode the base without changing behaviour. Indiscriminate tightening can deter the investment needed to broaden it. The objective is a system that taxes economic rent fairly while supporting productive risk-taking.

For businesses, the timeline is tight. Most measures begin on 1 January 2027, followed by VAT on non-resident digital and remote services on 1 March 2027. Boards should ask now: How much earlier will cash tax be paid? Which contracts allocate withholding tax? Where will VAT become irrecoverable? Can systems capture the required data? Business budgets should also be tested against weaker demand, delayed VAT refunds, constrained foreign exchange, higher financing costs, and slower public-sector payments. At the same time, firms in export manufacturing, energy services, agro-processing, tourism, technology, and infrastructure should identify the customers, partnerships, and skills needed to participate in the announced investment pipeline.

Budget 2027 is therefore not simply a list of rate changes. It alters when recovering businesses begin to pay tax, how groups price cross-border payments, whether suppliers recover VAT, and how taxpayers interact with the State. It also asks businesses to invest at a time when domestic growth is uneven and fiscal demands remain considerable. The reforms will command confidence if the legislation is precise, the transition is sensible, and compliant businesses experience greater certainty rather than merely greater burden.

Trinidad and Tobago cannot tax its way to prosperity from a static base. Fiscal sustainability requires more businesses producing, exporting, employing, and earning foreign exchange. That means collecting the revenue properly due while allowing firms to reinvest, innovate, and grow. The strongest tax reform is not necessarily the one with the largest first-year yield. It is the one that improves compliance, attracts productive activity, and broadens the tax base over time

Tax Leader's thoughts (continued)



The Minister's theme rightly brings together people, transformation, and sustainability. The real test is whether the tax system can do the same: finance national priorities, inspire confidence in the economy, and remain welcoming to the investment on which lasting growth, and lasting revenue, depend.

Angelique Bart

Partner and Territory Tax and Legal Services Leader
PwC Trinidad and Tobago

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Fiscal snapshot, executive summary and key economic indicators

Fiscal snapshot—the numbers that matter

The FY2027 budget targets a deficit of TT\$3.6bn, or 2.1% of GDP, within the international 3% benchmark. With about TT\$70bn of debt falling due over the next five years, keeping the deficit on a downward path remains essential.

The fiscal deficit is the gap between what the Government earns and what it spends in a given year.

TT\$59.7bn

Total revenue

+10.1% vs FY2026 revised estimate

TT\$63.4bn

Total expenditure

+3.5% vs FY2026 revised estimate

TT\$3.6bn

Fiscal deficit

TT\$70bn

Debt falling due

over the next five years

Oil US\$77.00/bbl

Gas US\$5.00/MMBtu (million British thermal units)

Key fiscal metrics

FY2026 revised estimate: Revenue TT\$54.2bn | Expenditure TT\$61.2bn | Deficit TT\$7.0bn

FY2027 deficit of 2.1% of GDP is within the international 3% benchmark

Executive summary

TT\$59.7bn Total revenue	TT\$63.4bn Total expenditure	TT\$3.6bn Fiscal deficit	2.1% Deficit to GDP
US\$77.00/bbl Oil	US\$5.00/MMBtu Natural gas price	6.2 months Import cover (Net Official Reserves US\$5.4bn)	US\$6.58bn Heritage and Stabilisation Fund

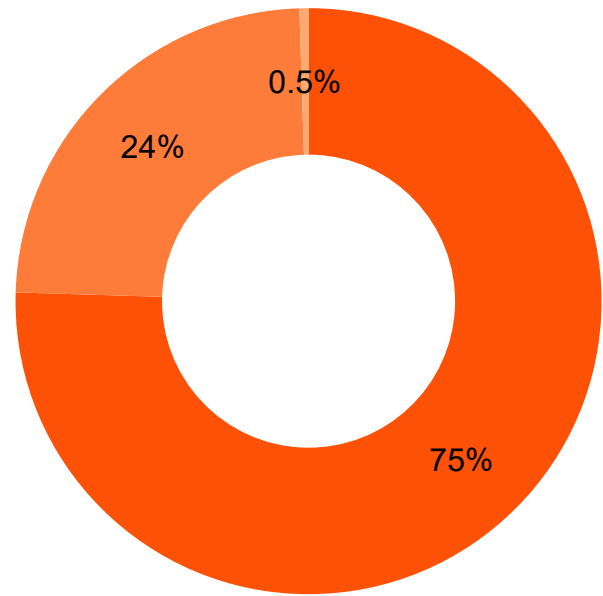
Revenue architecture—oil revenue vs. non-oil revenue

This shows where the Government's money comes from. Non-oil revenue of TT\$45.1bn is budgeted to provide about three-quarters of all government income in FY2027.

FY2027 Total revenue: TT\$59.7bn
Non-oil revenue— TT\$45.1bn
Oil revenue — TT\$14.4bn
Capital revenue — TT\$0.3bn

Gas production outlook

- Today: natural gas supply stands at about 2.4 bcf/d, against a 2014 peak of 4.4 bcf/d.
- 2027 first gas: Ginger (335 mmscfd peak, Q1 2027), Juniper Phase II (272), Coconut (300), Mahogany A Extended (200), Aphrodite (100 to 130) and Manatee Plus (600, late 2027).
- Already flowing: Mento reached 281.58 mmscfd in June 2026; Angelin Extended produces 127 mmscfd.
- Longer term: Manakin-Coquina final investment decision due November 2026; Loran Phase II licence and bpTT's agreed acquisition of Woodside's 70% stake in Calypso (closing expected end-2026)



■ Non-oil (75.4%) ■ Oil (24.0%) ■ Capital (0.5%)

Tax policy outlook—what to expect beyond FY2027

TP

Transfer pricing legislation

A draft national policy framework has been completed and the Organisation for Economic Co-operation and Development engaged to review it. Priority in the 2027 fiscal year is to finalize the policy and the primary legislation. Separately, from 1 January 2027, payments to non-residents for management, technical and other prescribed services supplied remotely will fall within withholding tax. In our view, groups with related-party charges should review their documentation now.

VAT

VAT modernisation

A diagnostic review found a reformed and modernized VAT more appropriate than a Sales Tax, and the Government has accepted its key recommendations. Measures taking effect in 2027 include moving selected zero-rated items to exempt status (still no VAT at the point of sale), deregistering Government entities that make no taxable supplies, a penalty for non-filing of returns and, from 1 March 2027, VAT on digital services supplied by non-residents.

ITC

Increased tax compliance

International - Trinidad and Tobago was removed from the European Union's list of non-cooperative jurisdictions in February 2026. The Global Forum rated the country "Largely Compliant" on exchange of information on request, and peer reviews on Country-by-Country Reporting and harmful tax practices required no legislative change. The Caribbean Financial Action Task Force mutual evaluation report is due for adoption in November 2026.

Domestic - BIR increasing staff and technology capacity. The systems will be modernized and over 100 additional auditors will be hired.

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Budget economics

Budget economics overview

Fiscal 2027 allocations(TT\$bn)



Education and training
TT\$8.033bn



Health
TT\$8.061bn



National security
TT\$7.321bn



Public utilities
TT\$4.087bn



Infrastructure
TT\$2.081bn



Rural development
and local government
TT\$2.323bn



Transport
TT\$1.712bn



Agriculture
TT\$0.987bn



Housing
TT\$0.904bn

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Proposed fiscal measures

Advancing the Transfer Pricing Regime



Proposed measure

Transfer Pricing Regime



Commentary

The Government has reaffirmed its commitment to introducing a comprehensive transfer pricing regime in Trinidad and Tobago, with priority during the fiscal year being placed on finalizing the Transfer Pricing Policy and accompanying primary legislation. The Honourable Minister indicated that the draft national policy framework has been prepared following stakeholder consultation and international review and has now been referred to the Organization for Economic Co-operation and Development (OECD) for further review and strengthening.

The initiative represents an important development in Trinidad and Tobago's international tax framework. At present, there is no specific transfer pricing legislation, although the Board of Inland Revenue may use existing provisions, including Section 67 of the Income Tax Act, to challenge transactions considered artificial or fictitious and assess whether related-party transactions are conducted on an arm's-length basis.

The development of the regime has been underway for some time. Once implemented, a dedicated transfer pricing framework is expected to provide more specific rules governing the pricing of transactions between related parties and strengthen the tax authority's ability to scrutinize multinational and related-party arrangements.

In preparation for the proposed legislation, companies should consider their intercompany transactions and whether these are conducted on an arm's-length basis, having regard to

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Advancing the Transfer Pricing Regime (continued)



Commentary

purchases or sales of goods, royalties, financing arrangements, and other intercompany transactions. These are among the types of controlled transactions identified in earlier analysis of Trinidad and Tobago's proposed regime.

The precise compliance and documentation obligations will ultimately depend on the final policy and legislation. Businesses should therefore avoid assuming that particular OECD documentation requirements will automatically apply until the Trinidad and Tobago framework is finalized.



Recommended actions

Although the legislation is not yet in force, multinational groups with Trinidad and Tobago operations should start preparing now:

- Identify related-party transactions - Identify all intra-group flows, including goods, services, management fees, royalties, financing, and guarantees, and their pricing basis.
- Assess current pricing - Benchmark material transactions against arm's-length outcomes and identify exposures.
- Review documentation - Check whether existing group transfer pricing documentation would support the Trinidad and Tobago entity's position if challenged.

The introduction of a formal transfer pricing regime would represent a significant development in Trinidad and Tobago's corporate tax framework, bringing greater alignment with international tax standards and strengthening the oversight of related-party transactions. Businesses should therefore begin assessing their existing arrangements and documentation, identify potential areas of exposure, and prepare for the anticipated compliance requirements.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Limitation on carried-forward losses

Proposed effective date: 1 January 2027



Proposed measure

Under this proposed measure, accumulated losses may offset only 75% of chargeable profits in an income year. The practical consequence is a minimum current-year taxable base for businesses that would otherwise have sufficient brought-forward losses to eliminate taxable profits.



Commentary

The cap mirrors the restriction already applied to petroleum companies and now extends to every business. It is primarily a timing and cash-tax measure, as losses remain available for later use. It therefore restricts how quickly those accumulated losses can be used once a business returns to profitability. Businesses with significant accumulated tax losses may face a corporation tax liability earlier than anticipated, notwithstanding that they may still have substantial unutilized losses available for carry-forward.



What you should do

- Remodel 2027 and 2028 cash tax and quarterly instalments.
- Review deferred tax asset recoverability on loss balances.
- Consider whether the timing of income and deductions can be managed before year end

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Increase to withholding tax rates on distributions

Proposed effective date: 1 January 2027



Proposed measure

This measure proposes an increase in the withholding tax rate from 8% to 10% on distributions made to non-resident individuals and companies, and from 3% to 5% where a distribution is made to a non-resident parent company. This reinstates the rates used before 2022.



Commentary

The measure will increase the tax cost associated with the repatriation of profits from Trinidad and Tobago and may therefore be particularly relevant to multinational groups with Trinidad and Tobago subsidiaries that regularly distribute profits to overseas shareholders. It should also be noted that branch profit remittances are treated as distributions and, therefore, branches of foreign companies would also be impacted. Importantly, the actual withholding tax applicable to a particular distribution will need to be considered in the context of any relevant Double Taxation Treaty.



What you should do

- Consider the timing of planned distributions, particularly where distributions may be contemplated around the 1 January 2027 effective date.
- Confirm Double Taxation Treaty eligibility and whether lower rates apply.
- Update payment systems for the new rates and factor the higher withholding tax cost into future dividend and cash-repatriation planning.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Amending the definition of payments for withholding tax

Proposed effective date: 1 January 2027



Proposed measure

The measure is aimed principally at addressing circumstances where services are provided from outside of Trinidad and Tobago to a Trinidad and Tobago-based business. Under the existing legislative framework, the withholding tax treatment depends on whether the relevant payment or income arises in Trinidad and Tobago. The proposed enactment would overturn the longstanding decision in the case of *William H Scott v. the Board of Inland Revenue* and more recent decisions of the Court which held that once services are physically performed outside Trinidad and Tobago, no withholding tax obligation arises.



Commentary

At present, withholding tax is not payable on a payment arising outside Trinidad and Tobago. The Honourable Minister described the current position as a legislative loophole under which services supplied remotely fall outside the withholding net. The proposal signals a shift in focus towards where the obligation to make the payment arises and where the associated cost is incurred, rather than relying predominantly on where the non-resident physically performs the services. Importantly, where the non-resident service provider is resident in a treaty jurisdiction, the provisions of the relevant Double Taxation Treaty should be examined in determining Trinidad and Tobago's taxing rights and the ultimate withholding tax treatment.



What you should do

- Identify cross-border service charges, recharge arrangements, and head-office/affiliate service fees, including services performed remotely.
- Assess the impact of an applicable Double Taxation Treaty, such as determining Trinidad and Tobago's taxing rights.
- Review existing agreements to determine the commercial impact of any additional withholding tax, particularly where contracts contain gross-up provisions.
- Multinational groups should review management fees, technical service fees and other cost allocations or shared-service arrangements charged to Trinidad and Tobago entities.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Disallowing expenses incurred in earning exempt income

Proposed effective date: 1 January 2027



Proposed measure

The proposed amendment seeks to ensure that where income benefits from a specific exemption from tax, expenses associated with generating that exempt income cannot also be used to reduce the taxpayer's taxable income from other sources.



Commentary

Section 10 currently provides for the deduction of outgoings and expenses that are wholly and exclusively incurred in producing income from the relevant source and will now be amended to disallow deductions for expenses incurred in earning exempt income. The measure will reverse case law supporting the deductibility of all expenses against all sources of income. It will restrict the use of associated expenses against income that remains subject to tax. While the policy objective is clear, the practical application will be particularly important for businesses such as holding companies, companies operating in other jurisdictions whose income is exempt in Trinidad and Tobago, and financial institutions that earn both taxable and exempt income and incur costs that support both activities. The implementing legislation will be critical in determining how expenses that relate to both taxable and exempt income should be treated or apportioned.



What you should do

- Review accounting and tax processes to ensure that expenditure relating to exempt income can be appropriately identified.
- Prepare a defensible apportionment methodology for shared costs and expenses.
- Review expenditure associated with exempt income streams to determine the potential effect of the proposed disallowance.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Increase in personal allowance for pensioners

Proposed effective date: 1 January 2027



Proposed measure

The proposed increase in the personal allowance for pensioners from \$90,000 to \$102,000 per annum represents an additional measure aimed at reducing the income tax burden on retirees. The increased allowance should result in a reduction in tax payable by pensioners whose income remains subject to tax.



Commentary

The increase in the personal allowance should provide additional tax relief to pensioners whose pension income remains taxable and complements the exemption introduced in fiscal 2026 for income from approved pension fund plans and approved deferred annuity plans, which applies to qualifying income from 1 January 2026.



What you should do

- Pensioners should review their income sources and tax position to determine how the personal allowance applies and whether they can benefit from the increased relief.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Increase in Unemployment Levy

Proposed effective date: 1 January 2027



Proposed measure

The proposed measure is intended to increase the Unemployment Levy from 5% to 8%. The Government estimates that the measure will generate an additional TT\$155m in revenue.



Commentary

The Unemployment Levy is currently only applicable to and payable by petroleum companies. The proposed increase represents a three percentage point rise in the Unemployment Levy rate, increasing the levy by 60% relative to the existing 5% rate. It should be noted that the levy is not deductible, and losses are added back in computing its base, so the effective burden may be greater than it first appears. The measure will increase the overall tax burden on petroleum companies and should be considered together with the wider fiscal obligations applicable to petroleum operations.



What you should do

- Update effective tax rate forecasts and project economics.
- Review cash-flow projections to reflect the additional tax cost and the resulting impact on estimated tax instalments.
- Model the financial impact of the increase from 5% to 8% on forecast taxable profits from 2027 onwards.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Standard-rating supplies of digital and remote services

Proposed effective date: 1 March 2027



Proposed measure

This measure proposes to apply VAT at the standard rate to digital and remote services supplied by non-resident providers to persons in Trinidad and Tobago. It is expected to generate approximately TT\$18m in revenue. A simplified VAT registration mechanism is also proposed for non-resident suppliers, including suppliers of taxable services connected with real property situated in Trinidad and Tobago, to facilitate the collection and remittance of VAT.



Commentary

The proposal to standard-rate supplies of digital and remote services represents a further modernisation of Trinidad and Tobago's VAT system in response to the increasing consumption of services supplied electronically by non-resident providers. The measure applies VAT to foreign non-resident providers of services such as streaming, software, and digital platforms. The proposed measure represents an expansion of the VAT regime to specifically capture digital and remote services supplied from outside Trinidad and Tobago and thus broaden the VAT base. Similar measures have already been implemented in Caribbean jurisdictions, including Barbados, where foreign digital service providers are required to account for VAT on supplies to local consumers. The proposed measure would also extend the simplified VAT registration framework to non-resident suppliers providing taxable services connected with real property situated in Trinidad and Tobago. This may result in non-resident service providers that do not have an established presence in Trinidad and Tobago being required to register and account for VAT where their services fall within the scope of the new provisions. The implementing legislation will be important in determining what constitutes a service "connected with real property" for these purposes, as well as the applicable registration threshold, place-of-supply rules, and compliance requirements. It remains to be seen whether the legislation will also capture non-residents who physically perform services in Trinidad and Tobago, or who otherwise supply goods, and consequently satisfy the registration threshold. If so, it will be necessary to understand how compliance will operate in practice.



What you should do

- Assess VAT registration obligations: Non-resident suppliers should determine whether they may be required to register for VAT under the proposed regime and prepare for the related compliance obligations.
- Review contracts and pricing: Review existing contractual and pricing arrangements for digital and remote services to determine how VAT will be treated once the measure takes effect.
- Assess the cost impact: Identify digital and remote services acquired from non-resident suppliers that may become subject to VAT and assess whether the VAT will be recoverable or result in an additional cost to the business.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Conversion of zero-rated items to exempt status

Proposed effective date: 1 January 2027



Proposed measure

This measure proposes to convert selected goods from zero-rated to VAT-exempt status, while retaining zero-rating for certain basic and essential items. The measure is principally intended to improve the administration of VAT and reduce the pressures associated with VAT refunds.



Commentary

Selected items will move from zero-rated to exempt status and, importantly, the change should mean that the affected goods continue to bear no VAT at the point of sale to the consumer. The principal impact of the measure is therefore likely to arise at the business level rather than through the direct imposition of VAT on the selling price. For businesses supplying goods that are converted to exempt status, the change could affect the treatment and recovery of VAT incurred on expenses associated with making those supplies. While the measure is intended to reduce pressure on VAT refunds and improve administration, any restriction in the ability of businesses to recover VAT could result in VAT becoming an embedded cost within the supply chain. Businesses will therefore need to assess whether any additional irrecoverable VAT costs can be absorbed or may ultimately influence pricing and margins.



What you should do

- Identify affected supplies: Suppliers of affected items should review the final list of goods being converted from zero-rated to exempt status to determine which products are affected.
- Assess VAT recovery: Evaluate the potential impact on the recovery of input VAT associated with supplying the affected goods.
- Review costs and pricing: Consider whether any irrecoverable VAT may increase the cost of supplying the affected goods and assess the potential impact on margins and pricing.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Introduction of a VAT clearance fee

Proposed effective date: 1 January 2027



Proposed Measure

The proposed measure introduces a TT\$100 fee for the issuance of a VAT Clearance Certificate.



Commentary

A fee of TT\$100 will apply to VAT Clearance Certificates, aligning them with the fee currently applicable to standard Tax Clearance Certificates. While the proposed fee is modest, it represents an additional administrative cost for businesses and individuals that are required to obtain VAT clearance certificates. The impact is therefore expected to be greater for taxpayers who are required to obtain such certificates regularly as part of their business or compliance activities.



What you should do

- Budget for the new fee where VAT Clearance Certificates are required and ensure that VAT compliance matters are kept up to date ahead of any clearance request.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Rationalizing VAT registration of Government entities

Proposed effective date: First quarter of 2027



Proposed measure

The measure proposes to review the VAT registration status of statutory agencies and other public bodies, with entities that do not satisfy the requirements for VAT registration being de-registered. Entities that make taxable supplies will continue to be assessed in accordance with the VAT legislation.



Commentary

The measure seeks to ensure that VAT registration is appropriately aligned with the activities undertaken by Government entities, rather than being maintained solely as a result of historical administrative practices. Therefore, statutory bodies and public entities that do not make taxable supplies will be deregistered, while those making taxable supplies remain registered. The Honourable Minister attributed the current position to an earlier administrative policy. Deregistering public bodies that make no taxable supplies should reduce refund claims within the public sector and help reduce the build-up of VAT refunds generally. For affected entities, however, deregistration may change the VAT treatment of costs incurred and should therefore be considered when preparing future budgets and expenditure plans.



What you should do

- Assess VAT registration status: Statutory agencies and public bodies should review their activities to determine whether they make taxable supplies and continue to satisfy the requirements for VAT registration.
- Assess the financial impact: Entities potentially subject to deregistration should evaluate the implications for their VAT position and the cost of their operations.
- Prepare for transition: Affected entities should review their accounting and VAT processes once the implementation requirements are issued.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Penalty for non-filing of VAT returns

Proposed effective date: 1 January 2027



Proposed measure

This measure proposes to introduce a penalty of TT\$100 for every two months that a VAT return remains outstanding. The measure is intended to address the current gap identified by the Government in relation to penalties for non-filing and is expected to generate approximately TT\$5m in additional revenue.



Commentary

VAT-registered persons are currently required to submit VAT returns for each VAT period, with returns generally due by the 25th day of the month following the end of the relevant VAT period. The proposed penalty should therefore provide an additional incentive for taxpayers to ensure that VAT returns are filed on a timely basis, including in circumstances where there may be little or no VAT payable. The measure should also assist the tax authority in maintaining more complete and current VAT filing information. This penalty sits alongside the existing penalty and interest on late payment of VAT. Until now, there has been no direct penalty for failing to file a VAT return, unlike income tax and corporation tax.



What you should do

- Clear any outstanding returns, including nil returns, before January 2027.
- Review VAT filing processes to ensure that all VAT returns are submitted within the prescribed deadlines.
- Strengthen internal compliance controls to support timely VAT return filing.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Reforming the taxation of alcoholic beverages

Proposed effective date: 1 January 2027



Proposed measure

The Government proposes the following measures with respect to alcoholic beverages:

- A reduction of 25% on excise tax applicable to locally produced and imported alcoholic beverages (except those products that benefit from preferential customs treatment under Trinidad and Tobago's existing trade agreements).
- A change in the method of calculating customs duties. Duties will be based on the value of the product (*ad valorem rate*) instead of the volume of alcohol.



Commentary

In the 2026 Budget, the Government increased the duties on alcoholic beverages by 100%. This measure proposes to reduce the applicable excise duty rates on alcoholic beverages by 25% and extend the revised excise rates to imported alcoholic beverages.

The Honourable Minister also proposes to reform the customs duty regime for imported alcoholic beverages by moving from specific duties based on volume to an *ad valorem* basis, under which duty will be determined by reference to the value of the imported product. This means that, for affected imports, higher-value alcoholic beverages will generally bear a higher absolute amount of customs duty than lower-value products, subject to the final rates and legislative framework. Overall, the measures represent a recalibration of the taxation of alcoholic beverages, aimed at providing relief to domestic manufacturers while creating a more consistent excise regime and a value-based customs duty framework for affected imports. Businesses operating in the sector should assess the combined impact of the revised excise and customs duty arrangements on their product portfolios, pricing and import costs.



What you should do

- Local manufacturers and importers should model the effect of the 25% reduction in excise rates on their products.
- Importers should assess the impact of moving from volume-based customs duties to an *ad valorem* system, particularly for higher-value products.
- Determine whether imported alcoholic beverages qualify for preferential customs treatment under applicable trade agreements.
- Consider whether changes in excise and customs duties require adjustments to pricing and commercial arrangements from 1 January 2027.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Strengthening tobacco controls and regulating vaping products

Proposed effective date: 1 January 2027



Proposed measure

The Government proposes to introduce a 20% customs duty on vaping devices and products, as part of broader measures aimed at strengthening the regulation of vaping and tobacco products.



Commentary

The introduction of a 20% customs duty represents a new fiscal measure applicable to imported vaping devices and products and forms part of the Government's broader approach to regulating vaping products. The customs duty will increase the import tax cost associated with vaping devices and products imported into Trinidad and Tobago. Importers and businesses operating in this sector should therefore consider the potential impact of the new duty on their landed costs, pricing arrangements, and overall margins from 1 January 2027.

The measure is being introduced alongside proposed regulatory restrictions on vaping, including a prohibition on vaping in public places and the sale of vaping products to persons under 21. The implementing legislation should be reviewed to determine the specific products and tariff classifications subject to the 20% duty, as well as the applicable customs valuation and compliance requirements.



What you should do

- Importers and retailers should assess the financial impact of the 20% customs duty on the landed cost of imported vaping products and review pricing strategies and margins.
- Review product classifications once the implementing legislation is available to determine which vaping devices and products will fall within the scope of the new 20% rate.
- Update compliance procedures for age verification.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Framework for classic, antique and vintage motor vehicles

Proposed effective date: 1 January 2027



Proposed measure

The Government proposes to establish regulations for importing, registering, and using classic, antique, and vintage motor vehicles, including import controls and differentiated rates of Motor Vehicle Tax. Under the proposed regulations, the rate of Motor Vehicle Tax will increase by 100% for classic vehicles, 50% for antique vehicles, and 25% for vintage vehicles.



Commentary

It is expected that Trinidad and Tobago will develop a niche industry with respect to the collection, restoration, and preservation of historic motor vehicles, creating opportunities for skilled trades and specialised services while supporting automotive shows, cultural events, and tourism. We await the classification and definition of classic, antique, and vintage vehicles in the regulations.



What you should do

- Prospective importers, collectors, and dealers should assess the additional tax cost and review the detailed regulations once issued.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Increased penalties for false customs declarations

Proposed effective date: 1 January 2027



Proposed measure

The penalty for false declarations under Section 212 of the Customs Act will increase by 100% from TT\$125,000 to TT\$250,000.



Commentary

The substantial increase in the penalty reinforces the importance of maintaining robust customs compliance procedures and ensuring that declarations submitted to the Customs and Excise Division are complete and accurate. The measure also increases the potential financial exposure associated with customs non-compliance and should encourage importers, exporters and other parties involved in the customs clearance process to strengthen their review and governance procedures.



What you should do

- Businesses involved in importing or exporting goods should review their customs compliance processes, including the accuracy of information used in declarations and the controls surrounding submissions made on their behalf.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Quarterly payment of taxes by registered clubs

Proposed effective date: 1 January 2027



Proposed measure

The Registration of Clubs Act (Chap. 21:01) will be amended to permit quarterly rather than annual payment of taxes.



Commentary

The proposed change is intended to provide greater flexibility to registered members' clubs by spreading their tax payments throughout the year. While the measure does not appear to reduce the overall tax liability, moving from a single annual payment to quarterly instalments should assist affected clubs in managing cash flow and budgeting for their tax obligations.



What you should do

- Registered members' clubs should review their existing tax payment and cash-flow processes and prepare for the transition to quarterly payments once the detailed legislative and administrative requirements are issued.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Mandatory electronic filing through GenTax

Proposed effective date: 1 January 2027



Proposed measure

The Government proposes to introduce mandatory electronic filing through the Inland Revenue Division's GenTax system for all taxpayers, as part of the continued modernisation and digital transformation of Trinidad and Tobago's tax administration.



Commentary

The measure is intended to move taxpayers away from manual filing processes and provide a more streamlined approach to meeting their tax filing obligations. Electronic tax services are already available through the Inland Revenue Division, with the existing e-Tax platform allowing taxpayers to file returns, access their tax accounts, and correspond with the Inland Revenue Division electronically.

The measure sits alongside the TT\$113.4m upgrade of the Integrated Tax Processing System, scheduled to begin in early 2027 and to be completed within 18 months, and the onboarding of over 100 additional auditors. Taxpayers should expect more data-driven audit selection once returns are filed electronically.



What you should do

- Register and ensure online access and user permissions are in place for all entities.
- Grant access to a registered agent or professional services firm (where applicable).
- Establish appropriate review and approval procedures for returns before electronic submission.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Increased penalty for non-payment of National Insurance Scheme (NIS) contributions

Proposed effective date: 1 January 2027



Proposed measure

The maximum fine on summary conviction for employers who fail or neglect to pay contributions rises from TT\$4,000 to TT\$8,000. In addition, the National Insurance Board will be empowered to waive statutory penalties in whole or in part, subject to appropriate oversight, transparency, and accountability.



Commentary

Employers are required to pay National Insurance contributions in respect of their employees. The increased fine is intended to strengthen employer compliance and, importantly, help protect employees by ensuring that contributions due on their behalf are properly remitted and reflected in their contribution records. The measure will also empower the National Insurance Board to waive statutory penalties, either wholly or partially, subject to appropriate oversight, transparency and accountability. Overall, the measure seeks to strike a balance between stronger enforcement for non-compliance and flexibility to provide relief from statutory penalties in appropriate circumstances.



What you should do

- Employers should ensure that all National Insurance contributions are correctly calculated and paid within the required deadlines.
- Review contribution records and address any outstanding National Insurance contributions.
- Consider whether existing payroll and compliance processes adequately support the accurate and timely remittance of contributions.
- Review the implementing legislation and guidance to understand the circumstances and conditions under which the National Insurance Board may waive statutory penalties.

This measure is as announced in the Minister's Budget Statement. Enactment is subject to passage of the Finance Bill through Parliament. Readers should monitor legislative progress and obtain professional advice before acting.

Other fiscal measures

In addition to the primary tax measures above, the Budget typically includes social spending initiatives, administrative reforms, and sector-specific incentives.

#	Measure		Effective date
1	Increase in Foreign Currency Declaration Threshold	The threshold for the declaration of foreign currency will increase from US\$5,000 to US\$10,000 (consistent with the limit used in many jurisdictions).	1 January 2027
2	Modernizing regulation of customs brokers and clerks	The Customs Brokers and Customs Clerks Act (Chap. 78:03) will be amended to introduce a code of ethics, a stronger licensing regime, a restructured board, updated offences and fees, and an appeals tribunal.	1 January 2027
3	Electricity surcharge on high residential consumption	A surcharge of 5 cents per kilowatt-hour will apply to residential consumption above 3,000 kilowatt-hours per billing period.	1 January 2027
4	Review of National Insurance claims and appeals	There are more than 1,000 longstanding appeals outstanding. In this regard, a review will be undertaken with an international development partner to examine the cause of delays and make recommendations for resolution.	Fiscal year 2027 (not specified)
5	National Insurance eligibility after COVID-19 shutdowns	Legislation will be introduced to cater to employees who were denied benefits due to the restriction on economic activity during the COVID-19 pandemic.	Not stated
6	Improving the foreign investment framework	The Foreign Investment Act will be amended to exclude transactions up to US\$100,000 and transactions involving CARICOM nationals.	1 January 2027
7	Administration of the foreign exchange regime	The Exchange Control Act will be amended to clarify the existing arrangements governing the importation and exportation of foreign currency notes, including requiring authorized dealers to provide full disclosure to the Central Bank concerning the movement of cash.	1 January 2027
8	Permanent framework for virtual assets	The existing transitional arrangements under the Virtual Assets and Virtual Asset Service Providers Act, 2025 will be extended to provide full licensing of virtual assets and service providers. This will include strengthening governance, cybersecurity, consumer protection, safeguarding of client assets, financial integrity and regulatory oversight.	1 January 2027

Other fiscal measures

In addition to the primary tax measures above, the Budget typically includes social spending initiatives, administrative reforms, and sector-specific incentives.

#	Measure		Effective date
9	Government Savings Bond Programme	A Government Savings Bond Programme will be launched allowing investments in denominations of \$1,000, \$5,000, and \$10,000 at fixed rates of interest, in both TT\$ and US\$.	Not stated
10	Retail Government Securities Programme	A Retail Government Securities Programme will be introduced allowing individuals to invest in Government securities for as little as TT\$5,000.	Not stated
11	Capital market deepening	The Government will engage an international partner to conduct a diagnostic on Trinidad and Tobago's Government Local Currency Bond Market. The diagnostic will inform a roadmap which will be incorporated into the Ministry of Finance's cash and debt management framework.	Not stated
12	Farm Business Formalization Programme	The Government will develop a Farm Business Formalization Programme to assist registered farmers who wish to formalize and strengthen their agricultural businesses.	Immediate effect
13	Agricultural Internship Programme	The Government proposes to expand the Agricultural Internship Programme from 30 interns to 100 interns.	Not stated
14	Expand technical and vocational education	The Government proposes to allocate TT\$16.3 million to commence the integrated expansion of Technical and Vocational Education (TVET) in secondary schools.	Fiscal 2027
15	Real Experience and Development for Youth (READY) Internship Programme	The Government proposes to allocate TT\$2 million to launch the READY Internship Programme, providing approximately 1,300 secondary school students, aged 16 years and over with, structured work experience during the July to August 2027 vacation period.	Fiscal 2027
16	Increase to social grants	The Senior Citizens' Grant, Public Assistance Grant and Disability Assistance Grant will be increased by \$250 per month.	1 January 2027
17	National Care and Support Programme	The Geriatric Adolescent Partnership Programme will be transformed into a broader National Care and Support Programme comprising home care and support for older persons, persons with disabilities, and persons requiring temporary or short-term assistance.	Fiscal 2027

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Implementation tracker — FY2026 measures

Implementation tracker—FY2026 measures

#	Measure	As proposed	Status
1	Commercial asset levy	0.25% on gross assets >\$5bn	● Enacted
2	Landlord business surcharge	2.5%/3.5% on gross rental income	● Enacted
3	Electricity surcharge	5c/kWh commercial use	● Enacted
4	Excise duties	Alcohol and tobacco	● Enacted
5	Single-use plastics tax	5% on CIF value at importation	● Enacted
6	Real Estate Investment Trust (REIT)	Tax-transparent vehicle	○ Pending
7	National Investment Fund Bond	National Investment Fund instrument	○ Pending
8	Animal shelter deductions	Companies lower of 15% chargeable profits or \$100,000; individuals lower of 20% income or \$20,000	● Enacted
9	National Insurance System (NIS) reform and rate increase	13.2% to 16.2% Phase 1	● Enacted
10	Super gasoline reduction	Price reduction at pump	● Enacted
11	VAT on food items	Removal of VAT on certain food items	● Enacted
12	Removal of tax on private pensions	Private pensions exempted from income tax	● Enacted

● Enacted/Achieved ● In Progress ○ Pending



Tax facts

Tax facts — personal income tax

Tax facts

Item	Rate/Amount	Status
Taxable income up to TT\$1,000,000	25%	No change
Taxable income exceeding TT\$1,000,000	30%	No change
• Personal allowance	TT\$90,000	Proposed: TT\$102,000 for pensioners from 1 January 2027
Tertiary education allowance	TT\$72,000	No change
Pension/deferred annuity deduction	TT\$60,000	No change
First-time homeowner allowance	TT\$30,000 for 5 years	No change
Deed of Covenant contributions	15% of total income	No change
Health surcharge	TT\$4.80/TT\$8.25 per week	No change
National Insurance deduction	70% of contributions	No change
Venture capital tax credit	30% of investment	No change
Compressed Natural Gas (CNG) kit/cylinder credit	25% of cost, max TT\$10,000	No change
Fund contribution deduction (individuals)	Lower of 20% of income or TT\$20,000	No change
Animal shelter donation deduction (individuals)	Lower of 20% of total income or TT\$20,000	No change
Pension/annuity maturity (ages 50-70)	Exempt	No change
Alimony paid	No limit	No change
Guest house approved capital expenditure deduction	No limit	No change

Qualifying rules, criteria, and conditions apply.

For advice specific to your circumstances, please contact any member of our Tax and Legal Services team. See 'Our Team' for contact details.

Tax facts — personal income tax (continued)

Tax facts

Item	Rate/Amount	Status
Solar water heating credit	100% of cost, max TT\$10,000	No change
National tax-free savings bonds credit	25% of face value (bonds <=TT\$5,000)	No change
Severance pay exemption	TT\$500,000	No change
Local distributions (dividends, mutual fund)	Exempt	No change
Interest income (resident individuals)	Exempt	No change
Stamp duty — conveyance (first-time homeowner)	Nil to TT\$2,000,000; 5% on next TT\$250,000; 7.5% thereafter	No change
Mortgage deed exemption	Exempt where <=TT\$2,000,000	No change
Landlord business surcharge credit	Credit against annual income tax	No change
Landlord surcharge (quarterly rent <=TT\$20,000)	2.5% of gross rental income	No change
Landlord surcharge (quarterly rent >TT\$20,000)	3.5% of gross rental income	No change
Landlord registration fee	TT\$2,500 (one-time)	No change

The rates and thresholds shown are based on legislation in force as at the date of publication. Qualifying rules, criteria, and conditions apply.
For advice specific to your circumstances, please contact any member of our Tax and Legal Services team. See 'Our Team' for contact details.

Tax facts — corporation tax

Tax facts

Item	Rate/Amount	Status
General rate	30%	No change
Petrochemicals/Liquefied Natural Gas (LNG)/gas processing/transmission	35%	No change
Wholesale petroleum marketing/distribution	35%	No change
Banking	35%	No change
Small and Medium Enterprise (SME) listed (first 5 years from Trinidad and Tobago Stock Exchange (TTSE) listing)	0%	No change
SME listed (next 5 years)	50% of applicable rate	No change
Approved small company (6-year exemption)	0%	No change
Business levy	0.6% of gross sales/receipts	No change
Green Fund levy	0.3% of gross sales/receipts	No change
Art and culture/sportsmen	100%, cap TT\$12m	No change
Audio/visual/video	150%, cap TT\$12m	No change
Scholarship allowance	Expense incurred	No change
Promotional allowance	150% uplift	No change

Qualifying rules, criteria, and conditions apply.

For advice specific to your circumstances, please contact any member of our Tax and Legal Services team. See 'Our Team' for contact details.

Tax facts — corporation tax (continued)

Tax facts

Item	Rate/Amount	Status
Training/retraining	150%	No change
Investment in tech start-up	150%, max TT\$3m	No change
Technology/digitalization	150%, max TT\$3m	No change
Corporate sponsorship (schools)	150%, max TT\$500,000	No change
Production company allowance	150%, max TT\$8m	No change
R&D capital allowance	40% of actual, max TT\$3m	No change
Covenanted donations	15% of total income	No change
Initial allowance (manufacturing)	90% general; 20% petrochemical	No change
Landlord business surcharge (gross quarterly rental income up to TT\$20,000)	2.5% of gross quarterly rental income	No change
Landlord business surcharge (gross quarterly rental income above TT\$20,000)	3.5% of gross quarterly rental income	No change
Landlord business surcharge credit (companies)	Credit against Corp Tax	No change
Commercial asset levy (financial inst./insurers)	0.25% on total assets	No change
Fund contribution deduction (companies)	Lower of 15% of profits or TT\$100,000	No change
Animal shelter donation deduction (companies)	Lower of 15% of profits or TT\$100,000	No change
• Limit on carried-forward losses	Capped at 75% of chargeable profits	Proposed effective date: 1 January 2027

Qualifying rules, criteria, and conditions apply.

For advice specific to your circumstances, please contact any member of our Tax and Legal Services team. See 'Our Team' for contact details.

Tax facts — VAT and indirect taxes

Tax facts

Item	Rate/Amount	Status
Standard rate	12.5%	No change
• Zero-rated supplies	Per Schedule 2	Proposed: selected items to move to exempt status from 1 January 2027
• VAT on digital and remote services	12.5%	Proposed effective date: 1 March 2027
Registration threshold	TT\$600,000 in 12 months	No change
Return filing deadline	25 days after end of tax period	No change
Single-use Plastics Tax (on Cost, Insurance, Freight (CIF) at importation)	5%	No change
• Electricity Surcharge (commercial/industrial)	TT\$0.05/kWh	Proposed: extended to residential use above 3,000 kWh per billing period from 1 January 2027

Qualifying rules, criteria, and conditions apply.

For advice specific to your circumstances, please contact any member of our Tax and Legal Services team. See 'Our Team' for contact details.

Tax facts — withholding tax and international tax

Item	Rate	Status
• Distributions to non-residents	8%	Proposed: increase to 10% from 1 January 2027
• Distributions to parent company	3%	Proposed: increase to 5% from 1 January 2027
• Payments to non-resident persons/companies	15%	Proposed: extended to remotely supplied services (section 50(1)(b)) from 1 January 2027
Rents and other payments (non-resident)	15%	No change
Annuities (non-resident)	15%	No change
Payment deadline	Within 30 days of payment	No change

International tax		
Item	Detail	Status
Double taxation treaties	15 partners	No change

Treaty partners: Brazil, Canada, Caribbean Community (CARICOM), China, France, Germany, India, Italy, Luxembourg, Spain, Sweden, Switzerland, United Kingdom, United States, Venezuela

Qualifying rules, criteria, and conditions apply.
For advice specific to your circumstances, please contact any member of our Tax and Legal Services team. See 'Our Team' for contact details.

Tax facts — petroleum and energy

Tax facts

Item	Rate	Status
Petroleum Profits Tax (PPT) — standard operations	50%	No change
PPT — deepwater operations	30%	No change
• Unemployment Levy (petroleum)	5%	Proposed: increase to 8% from 1 January 2027
Royalty headline rate (crude oil and gas)	12.5% of fair market value	No change
Natural gas royalty (variable, per contract)	0%-15%	No change
Supplemental Petroleum Tax (SPT) — Marine: <=US\$50/bbl	0%	No change
SPT — Marine: US\$50.01-US\$90	33%	No change
SPT — Marine: US\$90.01-US\$200	Sliding formula	No change
SPT — Marine: >US\$200	55%	No change
Marginal marine gas fields	8% on net gas won and saved	No change

Qualifying rules, criteria, and conditions apply.

For advice specific to your circumstances, please contact any member of our Tax and Legal Services team. See 'Our Team' for contact details.

Tax facts — petroleum and energy (continued)

Tax facts

Item	Rate	Status
SPT — Land/Deepwater: <=US\$50/bbl	0%	No change
SPT — Land/Deepwater: US\$50.01-US\$90	18%	No change
SPT — Land/Deepwater: US\$90.01-US\$200	Sliding formula	No change
SPT — Land/Deepwater: >US\$200	40%	No change
Investment tax credit (mature fields/Enhanced Oil Recovery (EOR))	30% of qualifying expenditure	No change
Sustainability incentive (mature/small marine)	25% SPT discount	No change
Petroleum Production Levy	Lower of 4% of crude oil income or share of subsidy	No change
Deepwater exploration allowance	140% of expenditure	No change
Carbon capture/oil recovery credit	30% of expenditure, max TT\$500,000	No change
Marginal marine gas — capital allowance (on 130% of expenditure)	20% straight-line over 5 years	No change

Qualifying rules, criteria, and conditions apply.

For advice specific to your circumstances, please contact any member of our Tax and Legal Services team. See 'Our Team' for contact details.

Tax facts — alternative energy and other taxes

Tax facts

Item	Rate/Detail	Status
Compressed Natural Gas (CNG) equipment (wear and tear)	130% of cost	No change
Solar/wind equipment (wear and tear)	150% of cost	No change
Electric commercial vehicles (<=179kW, <=3 yrs)	Duty + Motor Vehicle Tax (MVT) exempt; VAT 0%	No change
Hybrid commercial vehicles (<1599cc, <=3 yrs)	Duty + MVT exempt; VAT 0%	No change
CNG commercial vehicles (<=1599cc, <=3 yrs)	Duty + MVT exempt; VAT 0%	No change
Electric motorcycles (<=300cc)	Duties and taxes exempt	No change
Electric Vehicle (EV) parts and batteries	VAT 0%	No change
EV charging stations/chargers	VAT 0%	No change
Private vehicles >1599cc but <1999cc	M/V Tax +25%	No change
Financial Services Tax	15%	No change
Luxury EVs (Cost, Insurance, Freight (CIF) >TT\$400,000)	10% Duty + 12.5% VAT + tiered MVT	No change
• Classic, antique and vintage vehicles	Motor Vehicle Tax up 100%, 50% and 25% respectively	Proposed effective date: 1 January 2027

Qualifying rules, criteria, and conditions apply.

For advice specific to your circumstances, please contact any member of our Tax and Legal Services team. See 'Our Team' for contact details.

Tax facts — other taxes and wear and tear allowance

Tax facts

Item	Rate/Detail	Status
Hotel accommodation tax	10%	No change
Insurance premium tax	6%	No change
Online purchase tax	7%	No change
Industrial buildings (wear and tear/capital allowance)	10%	No change
Office equipment (wear and tear/capital allowance)	30%	No change
Plant and machinery (wear and tear/capital allowance)	30%	No change
Computers and heavy equipment (wear and tear/capital allowance)	33.3%	No change
Aircraft second-hand (wear and tear/capital allowance)	40%	No change

Qualifying rules, criteria, and conditions apply.

For advice specific to your circumstances, please contact any member of our Tax and Legal Services team. See 'Our Team' for contact details.



How we can help

Tax and Legal Services — how we can help

Whether you are being audited by the Inland Revenue Division, bringing a worker from overseas, restructuring your business, planning for retirement, or simply want to make sure you are paying the right amount of tax — our team can help.



Tax advisory

- Corporate tax planning and structuring
- International tax and transfer pricing
- Cross-border tax structuring and treaty planning
- Mergers, acquisitions, and business reorganisations
- Tax policy and government advisory
- Tax due diligence and transaction support



Tax compliance

- Corporate tax return preparation and filing
- Value Added Tax advisory and compliance
- Personal income tax and expatriate tax returns
- Payroll tax advisory and compliance
- Withholding tax advisory and compliance
- Statutory filing and company secretarial services



Specialist sectors

- Energy and petroleum tax (upstream and downstream)
- Financial services and insurance tax
- Special Economic Zones advisory
- Manufacturing, trade, and export incentives
- Technology, digital economy, and e-commerce tax
- Environmental sustainability and carbon tax advisory



Disputes, audits, and risk

- Tax dispute resolution and objections
- Inland Revenue Division audit defence
- Tax risk management and corporate governance
- Voluntary disclosures and penalty relief
- Tax incentive applications and approvals
- Tax litigation support and expert witness



People, immigration and legal

- Immigration applications, work permits, and visa services
- Global mobility and international assignment management
- Employer National Insurance advisory and compliance
- Business registration and start-up advisory
- Employment law, contracts, and workforce restructuring
- Corporate, commercial, and regulatory legal services

Our team



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Thank you

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