

COMPENDIUM *of* INVESTMENT INCENTIVES

IN TRINIDAD AND TOBAGO
FOR THE NON-ENERGY SECTOR



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MINISTRY OF TRADE, INDUSTRY,
INVESTMENT AND COMMUNICATIONS

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MANUFACTURING SECTOR

I. Fiscal Incentives

Fiscal Incentives are benefits granted to large-scale manufacturers or processing enterprises under the provisions of the Fiscal Incentives Act, Chapter 85:01 (as amended). Projects qualifying for fiscal incentives normally fall within one of the five classifications outlined in the Act.¹

Benefits

Under the Provisions of the Fiscal Incentives Act, a company can benefit from exemptions on:

- (i) Customs duties on the construction of an approved project;
- (ii) Value Added Tax; and
- (iii) Income tax on dividends or other distribution, other than interest, out of profits or gains derived from the manufacture of the approved product during the tax holiday period.

Eligibility Criteria

Criteria to be met include:

- (i) The company must be resident in Trinidad and Tobago, with the central management and control of its affairs situated in Trinidad and Tobago.
- (ii) The company must be an enterprise, producing approved products or services as indicated by not being on the list of products on the First Schedule of the Fiscal Incentives Act, Chapter 85:01 (as amended).
- (iii) The company must be declared an approved enterprise under Sections 2 and 12 of the Fiscal Incentives Act, Chapter 85:01 (as amended).
- (v) The company must make a contribution towards the T&T economy in terms of employment, linkages and/or investment;



Application Procedure

Entities interested in applying for Fiscal Incentives can do so through the Fiscal Incentives e-application available on TTBizLink. To access the e-application, the entity must first register for a TTBizLink account.

The following documents should be scanned and uploaded in the demarcated areas of the online form:

- Certificate of Incorporation/Registration Certificate;
- Memorandum and Articles of Association;
- Registered Certificate of Particulars of Directors;
- A Technical Feasibility Report/Business Proposal;
- Financial Projections for the next five calendar years; and
- Town and Country Planning approval.

Upon receipt of an entity's application, an official from the Ministry of Trade, Industry, Investment and Communications will review the application and, if necessary, request omitted/additional information online, through the applicant's TTBizLink account.

If the entity is approved the grant of fiscal incentives which include import duty concessions, the entity will be required to submit a list of items he or she wishes to import with quantities and tariff numbers on an Import Licence application form, to the Trade Licence Unit of the Ministry. This list must contain only the items approved for the manufacture of the approved products or services. This application can also be done through the Permits and Licences e-application available on TTBizLink.

¹ Group 1 Enterprise: Where the local value added to the product is at least 50%, Group 2 Enterprise: Where value added is at least 25% but less than 50%, Group 3 Enterprise: Where the local value added is at least 10% but less than 25%, Enclave Enterprise where the products are produced exclusively for exports outside the common market, or Highly Capital Intensive Enterprise: When minimum capital investment is TT\$50m.



II. Import Duty Concessions

Benefits

Manufacturing enterprises can benefit from duty free treatment on their raw materials, machinery and equipment and in some cases packaging material based upon the provisions of the Third Schedule of the Customs Act, Chapter 78:01 (as amended).

Eligibility Criteria

The company must: -

- (i) be a manufacturing enterprise;
- (ii) make a contribution towards the T&T economy in terms of employment, linkages, and/or an additional investment; and
- (iii) have a positive local labor weighting and a positive local value added.

Application Procedure

Companies engaged in manufacturing and processing industries can apply for Import Duty Concessions through the Import Duty Concessions e-application available on TTBizLink. After registering for an account, the applicant must then submit the electronic application through the TTBizLink website. This must be accompanied by a scanned copy of the Registration Certificate/Certificate of Incorporation.

The Ministry will review the application, within which a site visit is conducted and recommendations prepared. Once approval is granted the entity will then be required to contact the Trade Licence Unit of the Ministry to acquire the licence.

III. Approved Small Company Status

Approved Small Company Status is a designation granted to a Limited Liability Company, allowing it to derive a tax relief for a period of five (5) years under the Corporation Tax Act, Chapter 75:02 (as amended), in the form of a tax credit. Applicants must apply to exporTT.

Benefits

An approved small company is entitled to a tax credit equal to 25% of its chargeable profits.

Eligibility Criteria

The company must: -

- (i) be a limited liability company;
- (ii) be locally owned and controlled;
- (iii) have machinery, equipment and working capital valued at \$TT1.5m or less;
- (iv) be incorporated on or after 08 Jan 1988 and is not the result of the splitting or the reconstruction of an existing company;
- (v) not hold shares directly or indirectly through its nominees in another company;
- (vi) maintain accounts which are audited by an Accountant who is a member of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT);
- (vii) employ at least five permanent employees;
- (viii) make optimum use of locally produced raw materials.

Application Procedure

A Limited Liability Company interested in obtaining Approved Small Company Status should obtain and complete the Approved Small Company Application Form at exporTT's office.

Copies of the following supporting documentation should be attached to the completed application form:

- Certificate of Continuance;
- Certificate of Incorporation;
- Sixth Schedule-Form of Annual Return for Company having share capital;
- Notice of Directors (Form 8);
- Audited Financial Statements for the year of income and an introductory report from auditors.

The application form should be completed in accordance with the included instructions and returned, with all required supporting documentation, to exporTT. There is a processing fee of TT\$500.00 that must be paid at the time an application is submitted. The application fee is non-refundable.

The responsible agency, exporTT will review an application within ten working days of receipt. This review includes a site visit to ensure that the information provided on the application form is accurate. The Minister of Trade, Industry, Investment and Communications will issue a Certificate of Approval to the company through exporTT. This Certificate must be attached to the return for the year of income in which the Tax Credit is being claimed.

IV. Free Trade Zone

The Free Trade Zones Programme is designed to encourage local and foreign investment in export-driven projects that create jobs, develop skills and create external markets for products. The Programme has been seen as an instrument to attract non-energy-based projects to Trinidad & Tobago and is administered under the Free Zones Act, Chapter 81:07 (as amended).

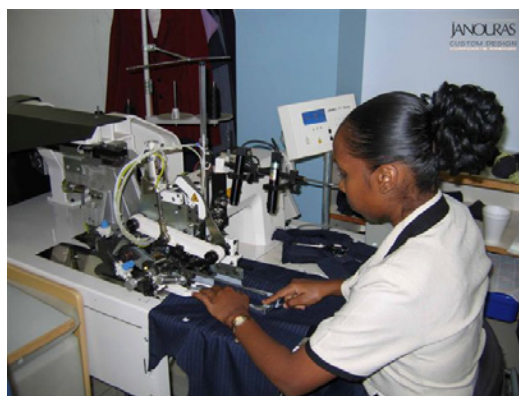
Free Zone areas are designated by order of the Minister of Trade, Industry, Investment and Communications on the recommendations of the Trinidad & Tobago Free Zones Company Limited (TTFZ). Sales into the customs territory are treated as extra regional imports.

Free Zone activities that qualify for approval include manufacturing for export, international trading in products, services for export and development and management of free zones.

Benefits

Under the provisions of the Free Zones Act, Chapter 81:07 (as amended), a company can benefit from exemptions from:

- (i) Corporation Tax
- (ii) Import duties on capital goods, parts and raw materials for use in the construction and equipping of premises and in connection with the approved activity;



- (iii) Value Added Tax;
- (iv) Withholding taxes;
- (v) Container examination fee; and
- (vi) Work permit fees, and land and building taxes.

Eligibility Criteria

- (i) Company must be incorporated or registered in Trinidad and Tobago;
- (ii) Investment of manufacturing operations cannot exceed US\$50Mn;
- (iii) Primary petroleum, natural gas and petrochemical projects are not eligible for free zone status;
- (iv) A business plan and all relevant documents appropriate to the circumstances of the particular project must be submitted.

Application Procedure

Limited liability companies incorporated or registered in Trinidad and Tobago can apply to undertake activities in a Free Zone by submitting a business plan to the Trinidad & Tobago Free Zones Company Limited. The business plan must include detailed information regarding jobs, skills, export markets, environmental and planning considerations, feasibility studies and evidence of compliance with provisions of the Free Zones Act, Chapter 81:07 (as amended), and other relevant regulations.

If the limited liability company's business plan satisfies the established criteria, TTFZ will provide the limited liability company with the appropriate Free Zone application form for designation of a Free Zone and/or approval of an activity. Once the limited liability company completes this application form, TTFZ will advise the limited liability company of the operating terms and conditions and the annual licence fee that is applicable to the project.

Enterprises can usually commence operations within one month of submitting the completed application form once approval is granted.

CREATIVE SECTOR

I. Production Expenditure Rebate Programme

The Production Expenditure Rebate Programme seeks to attract international film producers to Trinidad and Tobago by providing cash rebates for expenditures accrued while filming in Trinidad and Tobago. It is administered by the Trinidad and Tobago Film Company (TTFZ), a state agency under the Ministry of Trade, Industry, Investment and Communications.

Benefits:

The Production Expenditure Incentive Rebate Programme consists of a 35% rebate for expenditure from TT\$100,000.00 up to a maximum of TT\$19,200,000 for nationals and a tiered system of 12.5%-35% on an initial expenditure of TT\$630,000.00 up to a maximum of TT\$19,200,000 for regional and international productions. There is also an additional rebate of 15% for the use of local labour.

These rebates apply for the following areas of filmmaking:

- Rental of local equipment, supplies and services
- Payment to the Police, Fire and Ambulance Services



- Wardrobe, props and related items
- Location fees
- Employment of local cast and crew
- Accommodation and food
- Local travel and transportation costs (including drivers)

Eligibility Criteria

- (i) Only productions commencing principal photography on or after January 1st, 2007 can apply;
- (ii) An applicant must be the entity responsible for all activities involved in making the production in Trinidad and Tobago, and must have access to full financial information for the total production worldwide;
- (iii) An applicant must be incorporated in Trinidad and Tobago solely for the purpose of the production of the film or bundle of films and have at least one Trinidad and Tobago resident company director;
- (iv) The production must qualify as a Trinidad and Tobago production.²

Application Procedure:

² This criterion is met if all beneficial rights are owned by a Trinidad and Tobago citizen, if majority of the crew such as the producers and technicians are citizens or permanent residents of Trinidad and Tobago, if live action shooting and animation works are carried out in Trinidad and Tobago, and if the laboratory work is done in Trinidad and Tobago unless it is technically impossible to do so. It should be noted that some exceptions can be made.

There are two stages in the application process:

(i) Provisional Certificate

All applicants must apply for a provisional certificate from TTFC by supplying details of budgeted expenditure and the production in general. The purpose of the provisional process is to provide an applicant with certainty as to whether a film production satisfies the eligibility criteria and what portion of its expenditure is likely to qualify for the rebate. It will also enable the Trinidad and Tobago Film Company to schedule its resources. To assist this process, applicants should also provide a timeframe for the production with their application for assessment. In order to discourage provisional applications for projects that are not well advanced, letters of intent from investors are required.

(ii) Final Application

All applicants must submit a final rebate application to the TTFC once a film production is completed and within three (3) months of completion of the film production. Certain attachments are required with the final application and include the following:

- Audited Expenditure Statement
- Documentation detailing source of production financing
- Sample Footage, including the Trinidad and Tobago Film Company Credit
- Attested Declaration
- An original Tax Clearance Certificate

Application forms and guidelines may be downloaded from the Trinidad and Tobago Film Company web site; www.filmtnt.com. Three complete copies of the application in its relevant form, including all required documentation, should be sent to TTFC.

A panel established by the Trinidad and Tobago Film Company, which will include representatives of the Trinidad and Tobago Film Company, the Board of Inland Revenue, the Ministry of Finance and the Economy and the VAT administration office will assess applications for the rebate. The issuing of a certificate is at the discretion of the panel and the decision of the panel is final.

II. Tax Deduction for Sponsorship of Audio, Visual and Video Productions

Under the Corporation Tax Act, Chapter 75:02 (as amended), companies who sponsor audio, visual or video production for the purposes of local education or reflecting local culture for use in radio, television or cinematic graph works are eligible for a 150% tax deduction of actual expenditure incurred up to a maximum of \$1 million.

After carrying out the relevant expenditure, companies must submit their corporation tax return by the 30th April of each year, in respect of income for the preceding year. It must be noted that companies filing for tax returns for the first time can access the forms at the Inland Revenue Division of the Ministry of Finance and the Economy.

III. Exemption from Customs Duty

Enterprises engaged in the film industry are allowed duty free concessions on machinery, equipment and materials for the production of motion pictures. Terminal equipment or other equipment to be installed or used for a public telecommunications network, service or radio service are also eligible for import duty concessions based upon the provisions of the Third Schedule of the Customs Act, Chapter 78:01 (as amended). The service must be certified by the Telecommunications Authority of Trinidad and Tobago.

TOURISM SECTOR

The Tourism Development Act (TDA), 2000 (as amended) provides for benefits to be granted to the owners/operators of various types of tourism projects, once these projects have the potential of contributing substantially to the growth of the tourism sector.

Benefits

The benefits that are offered are as follows:

I. Tax Benefits

- Tax exemption on profits not exceeding seven (7) years;
- Tax exemption on profits from the initial sale of villas, condominiums and sites thereof within an Integrated Resort Development;
- An accelerated depreciation of depreciable equipment owned by the owner or operator and used in an approved product;
- A capital allowance in respect of approved capital expenditure incurred by the owner or operator in the creation of a new tourism project or expansion of an existing tourism project;
- A carry-over of losses from a tax exemption period arising out of the operation or renting of an approved tourism project;
- Tax exemption on the dividend received by a non-resident shareholder if the recipient is not liable to tax on the dividend in his country of residence;
- Owner or operator of a vehicle imported for use in an approved tourism project shall be exempt from the payment of motor vehicles tax.

II. Customs and Excise Duty Exemptions

Where a person has been granted interim approval or additional interim approval for a tourism project, the Minister or Tourism may, upon application, grant that person;



- A permit for the importation of materials or entry into Trinidad and Tobago free of customs duty, and
- for the purchase in Trinidad and Tobago with the privilege of a drawback of customs duties or excise duties, of such building materials which are not already duty free and of such articles of tourism equipment,
- a licence to import vehicles with the payment of customs duty at a reduced rate of 10%.

Eligibility Criteria

To access benefits under the Tourism Development Act, 2000 (as amended), the tourism project:

- (i) must be registered with the Corporation³ or the Tobago House of Assembly;
- (ii) is subject to annual inspection by the Corporation in respect of matters concerning Trinidad, and the Assembly in matters concerning Tobago;
- (iii) must provide relevant statistics/economic data at intervals as required by the Corporation or the Assembly;
- (iv) must as far as possible, engage the human resources of Trinidad and Tobago;
- (v) must show linkages to the agricultural, construction and furniture Industries and other manufactured goods and services of Trinidad and Tobago.
- (vi) must have a minimum capital expenditure, which varies with the type of tourism project as outlined in Schedule 9 of the TDA.

³ The corporation refers to the State Agency with responsibility for Tourism

Application Procedure

Applications for benefits under the TDA 2000 are processed by the Tourism Development Company Limited (TDC) in Trinidad and the Tobago House of Assembly (THA) in Tobago. The relevant forms are available at the TDC and THA. Potential investors seeking benefits are required to apply on the prescribed application form and to submit it along with the relevant supporting documentation to either agency for processing.

Officers from the Tourism Development Company Limited are also available to meet with potential investors to discuss their tourism projects and the combination of benefits that may be considered for their respective projects.



AGRICULTURE SECTOR

The Ministry of Food Production, Land and Marine Affairs is the authority responsible for the administration of incentives in the Agricultural sector. Benefits include a rebate on a percentage of total cost up to the maximum dollar value indicated in the following tables:

VEHICLES	% Cost	Max
New wheel tractor	20%	\$50,000
Used/refurbished wheel tractor	20%	\$25,000
New 4wd pickup/light goods vehicle or panel van	20%	\$40,000
Used 4wd pickup/light goods vehicle or panel van	20%	\$30,000
New 2wd pickup/light goods vehicle or panel van	20%	\$25,000
Used 2wd pickup/light goods vehicle or panel van	20%	\$20,000
New Truck (max 5 tonnes)	20%	\$60,000
Used Truck (max 5 tonnes)	20%	\$40,000
Combined Harvester	20%	\$200,000
All-Terrain Vehicle	20%	\$10,000
Insulation of pickup/light goods vehicle	20%	\$6,000
Insulation and refrigeration of light goods vehicle	20%	\$20,000
Insulation and refrigeration of trucks	20%	\$30,000

WATER FOR AGRICULTURE	% Cost	Max
Cost to build pond	75%	\$24,000
Cost of establishing ponds, wells and dams	25%	\$30,000
Water pump 1.5 h.p and over	50%	\$20,000
Cost of irrigation equipment/watering systems	50%	\$40,000



LAND PREPARATION	% Cost	Max
Ploughing/ Rotovating/Banking per ha.	25%	\$500
Cost of clearing new lands per ha.	25%	\$2,000

SOIL CONSERVATION (establishment)	% Cost	Max
Contour drains per 30m	100%	\$150
Storm drains per 30m	100%	\$175
Contour banking and Contour ridging per ha.	100%	\$1,000
Contour barriers per 30m	100%	\$75
Terrace outlets per 30m	100%	\$120
Check dams	50%	\$200

MACHINERY AND EQUIPMENT	% Cost	Max
Trailers	50%	\$4,000
All machinery and equipment	50%	\$50,000

AGRO PROCESSING	% Cost	Max
Agro Processing facilities refurbishment	50%	\$20,000
Agro Processing facilities establishment	50%	\$50,000
Packaging material cost per year	50%	\$15,000
HACCP upgrade	40%	\$40,000

CROPS	% Cost	Max
Citrus establishment per ha.	100%	\$6,000
Citrus rehabilitation per ha.	100%	\$4,000
Cocoa/coffee establishment per ha.	100%	\$6,000
Cocoa/ coffee rehabilitation per ha.	100%	\$4,000
Cocoa fermentaries establishment	10%	\$10,000
Coconut establishment per ha.	100%	\$6,000
Coconut rehabilitation per ha.	100%	\$4,000

PROTECTED AGRICULTURE SYSTEMS	% Cost	Max
Fully enclosed shade houses per sq. m.	50%	\$250
Partially-enclosed shade houses per sq. m.	50%	\$100

SECURITY	% Cost	Max
(Praedial Larceny)		
Security System	50%	\$30,000
Fencing Farmland and pastures	50%	\$25,000

WASTE MANAGEMENT	% Cost	Max/ha.
Cost of establishment of bio-digesters	100%	\$10,000

INTEGRATED PEST MANAGEMENT	% Cost	Max
Environmentally friendly chemicals	50%	\$3,000
Approved materials including bio-agents	50%	\$3,000

POST HARVEST AND MARKETING	% Cost	Max
Post harvest facilities establishment	40%	\$10,000
Packaging Material	50%	\$4,000
Post harvest equipment	50%	\$30,000
New Chill facility	30%	\$30,000
Upgrade HACCP facilities	40%	\$40,000

MARINE FISHERIES	% Cost	Maximum
Gasoline	-	12c/litre
Diesel	-	10c/litre
Engine oil	-	75c/litre
Replacement of Pirogues	20%	\$5,000
Used multipurpose vessel	10%	\$50,000
New multipurpose vessel	20%	\$100,000
Upgrade commercial vessel (HACCP)	25%	\$10,000
Approved packaging material (per year)	50%	\$15,000
Approved post harvest equipment	50%	\$30,000

SOIL AMELIORATION	% Cost	Max
Agriculture Limestone per ha.	50%	\$1,500

LIVESTOCK	% Cost	Max
CATTLE/BUFFALO		
- Pastures/Fodder bans establishment	50%	\$6,000
- Housing, infrastructure and waste disposal	50%	\$30,000
- Milking system and or bulk tank cooler	50%	\$50,000

GOAT AND SHEEP		
- Pastures/Fodder bans establishment	50%	\$6,000
- Housing, infrastructure and waste disposal	50%	\$30,000
- Import semen and embryos per year	50%	\$20,000
- Imported breeding stock per animal	100%	\$2,500

PIGS		
- Housing, infrastructure and waste disposal	50%	\$30,000
- Imported stock per animal	100%	\$2500

POULTRY		
- Housing and infrastructure	30%	\$75,000

RABBITS		
- Rabbitries establishment and construction	50%	\$15,000
- Slaughtering facilities establishment and operation	50%	\$24,000

AQUACULTURE	% Cost	Max
New Ponds	25%	\$25,000
Alternative culture system construction	25%	\$25,000
Ponds rehabilitation	100%	\$7,000
Water pumps, hoses and accessories	50%	\$20,000
Aeration equipment	50%	\$10,000
PVC pipes, valves, fittings and accessories	25%	\$10,000
Harvesting gear and equipment etc.	25%	\$10,000
New wells, dams, pond etc. construction	25%	\$25,000
Wells and dams etc. refurbishment	15%	\$15,000

NEW FARMERS	% Cost	Max
(Youth in Agriculture)		
Start up costs	50%	\$30,000

GUARANTEED PRICES	Unit	Max
Cocoa	Kg	\$19
Coffee	Kg	\$12
Rice: Grade I	Kg	\$2.99
Rice: Grade II	Kg	\$2.86
Rice: Grade III	Kg	\$2.09
Rice Seed	Kg	\$2.99
Milk	kg	\$1.50

Eligibility Criteria

- (i) Applicants must be registered with the Ministry of Food Production, Land and Marine Affairs;
- (ii) Fishing vessel must be registered with the Ministry of Food Production, Land and Marine Affairs;
- (iii) Proof of authorization to use land (copies of deed, notarized letter of authorization etc.)
- (iv) Proof of original receipt of goods and services

Application Procedure

- (i) Visit country office where registered/ Fisheries head office
- (ii) Present Farmers ID/Fisherman's certificate and national ID bearing applicants photo
- (iii) Verification of agricultural/fisheries activity by an extension officer



MARITIME SECTOR

I. Import Duty Concessions

Benefits

Locally registered firms engaged in ship building and ship repair are allowed duty free treatment on their machinery, equipment and materials for use in the boat and ship building and repairs industry based upon the provisions of the Third Schedule of the Customs Act, Chapter 78:01 (as amended).

Eligibility Criteria and Application Procedure

Same as Import Duty Concessions under the Manufacturing Sector.



II. Value Added Tax Exemption

Locally registered firms engaged in the repair of ships, yachts and pleasure crafts benefit from exemption on Value Added Tax based upon the provisions of the Second Schedule of the Value Added Tax Act, Chapter 75:06 (as amended).

ACROSS SECTORS

I. Research and Development Facility (RDF)

The RDF was set up to provide grant funding to non-energy manufacturing and service businesses for research and development initiatives. The aim of the project is to stimulate and support investment in new and advanced technology and innovation as a competitiveness enhancement tool.

Benefits

The maximum grant for a single company project is \$500,000 and for a business alliance of two or more companies, the maximum grant is \$1 million. Grants are also available for patent registration up to a maximum of \$300,000.

The responsible agency, exporTT also offer business support activities such as grant implementation monitoring, advice and access to the Export Market Research Centre. Patent grant recipients can further receive training on commercializing their inventions.

All applicants must contribute towards the cost of the identified projects and the limits to RDF and client contributions are set out as follows in Table I below.

Types of projects that will be eligible for funding include:

- Improvements to processes and systems
- Product development
- Adaptation of appropriate systems and technology
- Innovation in technology management systems and industrial engineering i.e. product processes, logistics and supply chain
- Experimental development and industrial research



Type of eligible costs: -

- Pilot projects costs whose results will be used to complete product service development as part of R&D
- Prototype development costs including material and labour costs
- Patenting costs including application fees, translation costs, office actions, patent legal fees and filing fees
- Costs for internal personnel directly involved in R&D activities (based on work days/hours)
- External consultancy fees as relates to the conduct of R&D activities e.g. certification and testing costs to complete project, design costs, product trials

Eligibility Criteria

The business: -

- Can be a sole proprietor, partnership or company
- Must be an established business in Trinidad and Tobago in operation for at least one (1) year as evidenced by audited financial statements and/or bank statements
- Must be locally owned
- Must show evidence of being able to cover the required Client Contribution percentage of project costs based on the business size category

TABLE I: LIMITS TO RDF AND CLIENT CONTRIBUTIONS

Size	Employees	Sales	Maximum RDF Contribution	Client Contribution
Small	6-25	\$250,000-\$5,000,000	70%	30%
Medium	26-50	\$5,000,000-\$10,000,000	60%	40%
Large	>50	> \$10,000,000	50%	50%

Application Procedure

The application process begins at exporTT's website www.exportt.co.tt

Step (1)

Register/login, complete the Project Proposal Outline on the website, and submit for consideration

Step (2)

Once the project meets qualifying criteria, the company will be contacted by exporTT and advised to further submit the official RDF Application Form

Step (3)

Submit a hard copy of the Application Form along with all other relevant documentation to exporTT.

You are also required to pay a \$500 processing fee on submission of the Application package.

II. Co-Financing

The Co-Financing service offers companies reimbursements on financial costs associated with entry into selected export markets. A company shall receive such financial support on the condition that the business pays part of the investment, purchase, cost or expense.

Benefits

Companies can enjoy reimbursement through exporTT. This is dependent on their export readiness and activity, as classified in Table II below.

The activities listed at Table III (on the following page) are eligible for a reimbursement of 50% with the exception being trade missions, rental at trade shows and booth designs at trade shows. Those are eligible for a reimbursement of 100%.

TABLE II: EXPORT READINESS ACTIVITY

Levels	Classification of exporters	Co-financing limit per company per calendar year (TT\$)
1	Exporting to diverse extra-regional markets with different languages, cultures and higher quality standards e.g. FCOR, Europe, Asia, Africa	200,000
2	Exporting to regional markets with similar language, cultures, standards and practices	75,000
3	Pre-export stage with management to engage in active exporting and are working to fill unsolicited export orders	25,000
4	Firms catering solely for domestic market but are willing to fill unsolicited export orders	—

Eligibility Criteria

- Proof of Registration/Incorporation
- Company must be locally owned (greater than 50% must be locally owned)
- Exporting products must be manufactured locally
- The service being provided is solely intended to facilitate export in the selected export markets such as Latin America, CARICOM, Canada, Europe, the United States of America and the French Caribbean Outermost Regions.

Application Procedure

- Step 1- Fill out application form which can be found on the exporTT website
- Step 2- exporTT provides legal agreement
- Step 3- The company meets with exporTT to review and finalize legal agreement
- Step 4- Applicant completes the service
- Step 5- Applicant submits proof of payment and copy of certification to exporTT (within 30 days of completion)
- Step 6- Reimbursement of expenses is processed by exporTT (within 15 days)
- Step 7- Applicant receives reimbursement cheque

TABLE III: THE VARIOUS ACTIVITIES ELEGIBLE FOR THE CO-FINANCING SERVICE

The various activities are eligible for the Co-Financing service:-

Activity	Goods	Services
Product registration	✓	
Tender fees for international tenders		✓
Trademark registration	✓	
Registration and renewal of licences to practice in specific countries		✓
Product testing	✓	
Translation and interpretation services	✓	✓
Legal representation for product, brand and trademark registration	✓	
Booth rental at trade shows	✓	✓
Examination costs relevant to licencing to practice in specific countries		✓
Business to business matchmaking services	✓	✓
Technical costs related to international standards certification		✓
Shipping of samples	✓	
Short-term professional work permit fees(3 months maximum)		✓
In-store marketing displays and promotions (retail outlets)	✓	
Booth design at trade shows	✓	✓
Ground transport for exportTT led group trade missions and tradeshow	✓	✓
Brand registration	✓	
Shipping of promotional materials		✓
Label modification	✓	
Registration at International Capacity Building Forum/ Workshop	✓	✓

III. Trade Financing for Exporters

A variety of trade financing options can be accessed through the nation's export credit agency, EXIMBANK. Exporters can utilize any of the products, namely pre and post shipment financing, demand loans and export credit insurance. These financial products assist exporters in meeting the needs of the importer. Any applicant seeking any specific financing option must meet the eligibility criteria and application procedure listed below.

Eligibility Criteria

The company must be: -

- locally owned
- a limited liability company
- existing more than three (3) years

Application Procedure

Companies interested in applying for the listed services can contact the offices of EXIMBANK. A meeting will be arranged, after which the application form and the following supporting documentation should be attached and submitted: -

- 1) Audited Financial Statements/ Accountant's Report for the last three (3) years.
- 2) Monthly/Quarterly/Semi-Annually management financial report.
- 3) Cash Flow Projections for the next twelve (12) months with footnotes.
- 4) Copy of Company's Last Annual Return
- 5) Company By-Laws
- 6) Certificate of Incorporation / Continuance
- 7) Notice of Address
- 8) Registration of Business Name

- 9) Notice of Directors & Secretary / Change of Directors
- 10) Copies of Identification for all Directors / Signatories"

After the submission of the relevant documents to EXIMBANK, the company's financial statements and application would be evaluated. A credit application would then be made on behalf of the importer, in cases that require such.

a) Pre-Shipment Financing

Benefits

Pre-shipment financing was introduced to assist exporters in meeting confirmed export orders to reputable overseas buyers. This is a short-term loan / direct financing extended to companies to assist in the payment for inventory, raw materials and semi-finished or finished products. The tenor is customized to the exporter's needs and usually ranges between thirty (30) days and two hundred and seventy (270) days. After the agreed tenor has passed the exporter must repay EXIMBANK 100% of invoice plus interest at a rate of 5% to 9%.

b) Post-Shipment Financing

Benefits

Exporting manufacturers, distributors and service providers can receive financing in the form of a loan to cover 85%-95% of the invoice value of export sales. The loan must be repaid at rates varying between 5% to 9% from the assigned proceeds of payments from EXIMBANK approved buyers. This credit period usually ranges between thirty (30) days and one hundred and twenty (120) days Bill of Lading or Drawdown.

The Post Shipment facility bridges the gap between settlements of production costs and exports sales receipts, allowing the business to accelerate and shorten operating cycles.

c) Demand Loans

Benefits

Demand loans are accessible by manufacturers seeking to perform equipment upgrades to improve the quality of their export products or renovate their premises. The demand loan must be repaid within one (1) year to five (5) years at rates varying between 5% to 9%. The payment terms offered to clients include moratorium on principal, interest and principal monthly or interest monthly principal on maturity.



d) Export Credit Insurance

Benefits

Export Credit Insurance provides risk protection on goods and services exported on credit. This insures exporters against payment defaults by foreign buyers. This service is afforded up to ninety (90) days and the premiums vary based on the buyer's credit worthiness, payment terms and the economic environment.

IV. Allowances

In computing the chargeable profits of a company for purposes of corporation tax, there are certain deductions that are allowed under the Corporation Tax Act, Chapter 75:02 (as amended), Income Tax Act, Chapter 75:01 (as amended), and Income Tax (In Aid of Industry) Act, Chapter 85:04 (as amended). These deductions include allowances for promotional expenses, wear and tear, and capital expenditure, and can be considered as part of the investment incentive regime of Trinidad and Tobago.

a) Promotional Expenses Allowance

Benefits

Promotional Expenses allowance is equivalent to 150% of the amount actually expended for the purpose of creating or promoting the expansion of foreign markets for the export of certain goods and services. The allowance is given for the following expenses:

- (i) advertising in foreign markets;
- (ii) providing promotional literature for overseas distribution;
- (iii) the participation in trade fairs, trade missions and similar promotional activities;
- (iv) overseas travel for the purposes of conducting promotional activities;



- (v) providing free samples and technical information on products;
- (vi) inviting buyers to Trinidad and Tobago;
- (vii) the recruitment of specialist sales personnel, operating in foreign markets, for a maximum of two (2) years;
- (viii) conducting foreign market surveys

NOTE: When a company receives this deduction under Section 10(b) of the Corporation Tax Act, Chapter 75:02 (as amended), it does not qualify for a similar Promotional Expenses allowance under Section 10 (a) of the Income Tax Act, Chapter 75:01 (as amended).

Eligibility Criteria

Applicant must: -

- (i) be registered, incorporated and resident in Trinidad and Tobago;
- (ii) have incurred promotional expenses in the expansion of existing foreign markets for the:-
 - export of architectural engineering, design, quantity surveying or contracting services in connection with the building industry where such services are performed by a person resident in Trinidad and Tobago for a recipient who is outside Trinidad and Tobago; or
 - export of goods and agricultural produce manufactured or produced in Trinidad and Tobago and shipped in commercial quantities.
- (iii) have exported goods as a result of the promotional expenses incurred.
- (iv) This deduction does not apply to:
 - (a) expenses incurred in petroleum operations;

- (b) expenses incurred in the export or the expanding of the export of goods to the following countries: Antigua, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts-Nevis, St. Lucia, St. Vincent and Suriname.

b) Capital Expenses Allowance

Depreciation charged in the annual financial statements is not deductible for taxation purposes. It is replaced in the computation of taxable income by initial and annual wear and tear allowances. The rates of annual wear and tear allowances are set out in the seventh schedule of the Income Tax Act, Chapter 75:01 (as amended). Broadly, they are intended to recover the cost over its useful life.

Wear and tear allowances must be calculated on the reducing balance basis on actual cost. Indexation for inflation is not permitted.

(i) Machinery and Equipment

This category includes not only manufacturing machinery and equipment but also such items as office equipment, furniture, fixtures and fittings, vehicles and ships.

Manufacturing companies, under the Income Tax (In Aid of Industry) Act, Chapter 85:04 (as amended), are entitled to an initial allowance of 90 percent of cost for machinery and equipment in the year of acquisition. All companies carrying on a trade, business, or profession are entitled to annual wear and tear allowances on their machinery and equipment, calculated according to the declining-balance method. In the first year, the initial and annual allowances are calculated on cost. Thereafter, annual allowances are calculated on the balance of cost after deducting the allowances previously granted. With effect from January 1, 1995, additions to fixed assets will be pooled in various categories.

The rates of annual wear and tear allowances are set out in the legislation from January 1, 1995 on the reducing balance basis:

Class	Rate
A	10 %
B	25%
C	33.3%
D	40%

The seventh schedule to the Income tax Act, Chapter 75:01 (as amended), details the assets that fall into each class.

Very broadly the classes are:

A - Furniture

B - Plant and Machinery

C - Heavy Equipment and Computers

D - Aircraft

(ii) Industrial Buildings

With effect from January 1, 1995 newly constructed buildings used in the production of income (i.e. industrial and commercial and rental properties) will receive a 10% wear and tear allowance using the declining balance method. Industrial buildings include factories, warehouses, and housing for workers as well as other buildings provided for their welfare, such as sports pavilions.

NOTE: It must be noted that where a company is entitled to benefit under –

a) the Fiscal Incentives Act, Chapter 85:01 (as amended)

b) the Trinidad and Tobago Free Zones Act, 19 of 1988 (as amended)

in respect of the building or structure or the capital improvements made to the building or structure, no wear and tear allowance will be granted.

(iii) Intangibles

Expenditure on acquiring patent rights, trademarks, and goodwill must be capitalized. Only manufacturing companies subject to the provisions of the Income tax (In Aid of Industry) Act, Chapter 85:04 (as amended), may depreciate such expenditure for tax purposes. Research and development expenditure is deductible in the year in which it is incurred, whatever the type of business; although very substantial expenditures may be written off over a longer period.

(iv) Balancing Allowance or Charge

If an asset that has qualified for tax wear and tear allowances is sold at a price less than its tax written-down value, a balancing allowance is deductible equal to the deficiency. Tax written-down value is the initial cost of the asset less tax wear and tear allowances, but not investment allowances, previously deducted. Conversely, if

disposal proceeds exceed the tax written-down value, the excess (called a balancing charge), up to the amount of the tax depreciation allowances previously deducted, is taxed as part of the profit for the year. Where machinery and equipment is replaced, a balancing charge arising on the sale of the original assets may be deducted from the tax-depreciable cost if the replacement assets instead of being taxed in the year in which it arises. No balancing charge may be deemed to arise on the disposal of an industrial building if it has been used for more than 50 years.

Application Procedure

Companies can apply for the abovementioned allowances via the Corporation Tax Return form when filing their tax returns with the Inland Revenue Division (IRD). This form must be submitted to the IRD by the 30th April of each year, in respect of income for the preceding year. Companies filing Tax Returns for the first time are advised to collect Corporation Tax Return Forms.

New Companies are required to apply for a file number on the prescribed form, obtainable at the Division. This number is to be used on all correspondence with the Board and must be quoted on remittances for P.A.Y.E., Health Surcharge and Quarterlies of Corporation Tax, Business Levy, and Balance of Tax payments.

In submitting the Corporation Tax Return, it is necessary to fill out all the relevant schedules as shown on the form. The signing of the Remittance Declaration enables the processing of the return.

APPENDIX:

LIST OF AGENCIES THAT PROCESS INCENTIVES

Ministry of Trade, Industry, Investment and Communications

Level 11-17, Nicholas Towers
62-65 Independence Square
Port of Spain
Tel: (868) 623-2931-4
Fax: (868) 627-8488
Email: mti-info@gov.tt
Web: www.tradeind.gov.tt

Ministry of Food Production

St. Clair Circle, St. Clair
Tel: (868) 622-1221/1225/5483/5487
Fax: (868) 622-8202
Email: minagri@wow.net
Web: www.agriculture.gov.tt

Ministry of Finance and the Economy

Level 8, Eric Williams Finance Building
Independence Square, Port of Spain
Tel: (868) 627-9700/9703/9695/5882
Email: mofcmu@tstt.net.tt
Web: www.finance.gov.tt

Ministry of Tourism

51-55 Frederick Street
Port of Spain
Tel: (868) 624-1403/4792
Fax: (868) 625-0437
Email: mintourism@ravett.net
Web: www.tourism.gov.tt

exporTT

151B Charlotte Street
Port of Spain
Tel: (868) 623-5507
Fax: (868) 625-8126
Email: info@exporTT.co.tt
Web: www.exporTT.co.tt

EXIMBANK

30 Queen's Park West
Port of Spain
Tel: (868) 628-2762/1382
Fax: (868) 628-9370
Email: eximbank@eximbanktt.com
Web: www.eximbanktt.com

investTT Limited

The Atrium, Don Miguel Road Extension
El Socorro
Tel: (868) 675-1989
Fax: (868) 675-9125
Email: info@investt.co.tt
Web: www.investt.co.tt

Tourism Development Company Ltd

Level 1 - Maritime Centre
29 Tenth Avenue, Barataria
Tel: (868) 675-7034/7
Email: info@tdc.co.tt
Web: www.tdc.co.tt

Trinidad and Tobago Film Company Ltd

Suite 015, Bretton Hall
16 Victoria Avenue, Port of Spain
Tel: (868) 625-FILM (3456)
Fax: (868) 624-2683
Email: info@trinidadandtobagofilm.com
Web: www.trinidadandtobagofilm.com

Trinidad and Tobago Free Zones Company

Albion Court, 2nd Floor West
61 Dundonald Street, Port of Spain
Tel: (868) 625-4749
Fax: (868) 625-4755
Email: ttftzco@tstt.net.tt
Web: www.ttftzco.com

Inland Revenue Division

Trinidad House
St. Vincent Street
Port of Spain
Tel: (868) 623 1211-14
Web: www.ird.gov.tt

Telecommunications Authority of Trinidad and Tobago

5 Eighth Avenue Extension
off Twelfth Street, Barataria,
Tel: (868) 675-8288
Fax: (868) 674-1055
Email: info@tatt.org.tt
Web: https://tatt.org.tt

COMPENDIUM INVESTMENT INCENTIVES

IN TRINIDAD AND TOBAGO
FOR THE NON-ENERGY SECTOR



MINISTRY OF TRADE, INDUSTRY,
INVESTMENT AND COMMUNICATIONS

**Ministry of Trade, Industry,
Investment and Communications**

Levels 9 & 11-17 Nicholas Tower
63-65 Independence Square, Port of Spain
Republic of Trinidad and Tobago
PBX: (868) 623-2931-4/8847/9187
Fax: (868) 627-8488
Email : mti-info@gov.tt
www.tradeind.gov.tt

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