

Doing Business in Trinidad and Tobago

Introduction

This guide has been prepared by Baker Tilly Montano Ramcharitar, an independent member of Baker Tilly International. It is one of a series of country profiles compiled for use by Baker Tilly International member firms' clients and professional staff.

This document is designed to assist those who are considering investing or doing business in Trinidad and Tobago.

Doing Business in Trinidad and Tobago has been designed for the information of readers. Whilst every effort has been made to ensure accuracy, information contained in this guide is for general information only and should not be acted upon without professional advice.

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1 Fact Sheet

Geography

Trinidad and Tobago is a twin-island republic. Trinidad is located just 6.8 miles off the north-east coast of Venezuela. Tobago is located 20 miles from the north east corner of Trinidad. Trinidad is roughly 55 miles long and an average 45 miles wide. Tobago is roughly 20 miles long and 8 miles wide.

| | |
|-----------------------------|---------------|
| Timezone: | GMT -4 |
| Capital | Port of Spain |
| Country code-Telephone code | 1-868 |

Climate

The climate is typical of tropical rain forest. There is a dry season from January to May and a wet season from June to December. The temperature varies very little during the year but night-time temperatures fall to 21-23 degrees Celsius. Daytime temperatures average 31 to 33 degrees. The average rainfall is roughly 200cm per year.

People

| | |
|------------|---|
| Population | Approximately 1.3 million |
| Language | English |
| Religion | Christian, Hindu, Muslim, Shouter Baptist |

Government

Country name Republic of Trinidad & Tobago
Government type is the Westminster model. An elected House of Representatives with 41 members, a nominated Senate with 31 members. The Head of Government is the Prime Minister and the Head of State is the President of the Republic who is elected by all members of parliament.

Economy

| | |
|-------------------------|--------------------------|
| GDP @ 2015 | TT\$ 165,286.1 M |
| Currency | Trinidad & Tobago dollar |
| Exchange rates @ 4/2016 | US\$ 1: TTD 6.5381/6.615 |
| | GBP 1: 9.0378/9.6136 |
| | EUR 1: 7.4329/7.705 |

Net Official Reserves US\$ 9.8 billion (11.1 months' import cover Q4 2015)

| | |
|-------------------------|-------------------------------------|
| Currency rating | Moody Baa2 Standard & Poor A/A-1 |
| Diversification | Petroleum 32% of GDP |
| Total public debt % GDP | 42.5% |
| Labour force | 642,100 |
| Unemployment | 3.4% (Q3 2015) |

2 Registration & requirements

2.1 Companies

Limited liability companies must be registered. An incorporator can be one person.

External companies must also be registered and once registered may carry on business and exercise corporate powers within Trinidad & Tobago.

There is no minimum share capital requirement.

Companies are taxed at 25% of chargeable income. External companies will also be charged on their chargeable income within Trinidad & Tobago at 25%. However, if in the event of a branch the “mind and management” are deemed to be outside of Trinidad & Tobago, the branch will be subject to non-resident withholding tax on the undistributed profits after charging income tax.

Companies are also subject to the Green Fund Levy at 0.1% of Total Receipts, and Business Levy of 0.2% of Total Sales.

Companies must file returns annually with the Registrar of Companies. Financial Statements of private companies are not required to be filed with the Registrar.

2.2 Partnerships

Partnerships must also be registered with the Registrar of Companies. Partnerships are not subject to income tax but are subject to Value Added Tax – 12.5%, Green Fund Levy - 0.3% of Gross Receipts, and Business Levy - 0.6% of Total Sales.

The Partners are subject to tax on their share of partnership profits whether drawn or not. The rate of tax for individuals is 25%

A partnership is not deemed as a separate legal entity from its members.

2.3 Audit & Accounting Requirements

All businesses must maintain proper books and records which must be retained for six years for tax purposes.

Companies are required to have annual audited accounts but private companies may by unanimous resolution decide not to have audited accounts.

Financial Statements prepared in Trinidad & Tobago must be prepared in accordance with International Financial and Reporting Standards.

2.4 Anti-money laundering & terrorist financing

Non-nationals wishing to do business in Trinidad & Tobago will be subject to the requirements of the anti-money laundering and terrorist financing legislation.

Financial institutions and certain listed businesses including accountants and lawyers are mandated by the legislation under the scrutiny of the Financial Intelligence Unit to require documentation regarding the identity of clients who are non-nationals.

3 Finance & Investment

3.1 Exchange Control

There are no exchange controls in Trinidad & Tobago. There are no restrictions on the maintenance of foreign currency bank accounts or accounts in foreign jurisdictions.

3.2 Foreign Ownership

The Foreign Investment Act 1990 provides for the acquisition by foreign investors of an interest in land or shares in a private or public company, and for formation of companies by foreign investors.

A foreign investor may own up to 100% of the shares of a private company but prior to the investment the Minister of Finance must be notified in writing.

A foreign investor may own up to 30% of the shares of a public company without a licence but more than that requires a licence from the Minister of Finance.

A foreign investor may own up to one acre on land for residential purposes and five acres for trade or business without having to obtain a licence. No one is permitted to hold land in Trinidad & Tobago or shares in a local company in trust for a foreign investor who requires a licence but has not obtained one.

4 Business environment

4.1 Trade Unions

There is a fairly vibrant trade union movement in Trinidad & Tobago. There is a heavy concentration of unionisation in the Government and petro-chemical sectors. Larger banking and heavy industries tend to be unionised. Most privately owned business and recent ex-pat operations tend not to have union representation.

Wage claims tend to follow Government settlements with the Public Service.

4.2 Banking

There are four major banks that have excellent international links and communications. Two are foreign owned--Scotiabank T&T Limited majority owned by the Bank of Nova Scotia, Canada, and the Royal Bank of Canada in Trinidad & Tobago.

4.3 Infrastructure

Trinidad has two major ports, Port of Spain and Point Lisas, which both operate containers. Electricity is generated by gas-fired plants supplied by producers under contracts with the State. Reliability is high.

There are two international airports, one in Tobago and one in Trinidad. Most international flights operate to Trinidad. Ferries and flights connect the islands.

4.4 Work Permits

Non-nationals may enter and work for up to 30 days without a work permit. Those wishing to work for longer periods are required to have a work permit which is issued by the Ministry of National Security and must be applied for while the subject person is still out of the country.