



AMCHAM T&T BUDGET SUBMISSION 2017/2018

May, 2017

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2017/2018

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EXECUTIVE SUMMARY

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2. RECOMMENDATION - Explore and implement revenue stabilizing measure.
3. RECOMMENDATION - Debt reduction via the proceeds of CL Financial assets sales, specifically targeting bonds issued for the purpose of those bailouts.
4. RECOMMENDATION - Debt that will be incurred due to Government-to-Government arrangements with delayed repayment terms or moratorium periods needs to be explicitly stated and monitored as part of Total Public Sector Debt. Overdrafts of the Exchequer Account should also be included in this calculation.
5. RECOMMENDATION - In the Government's consideration of the Heritage and Stabilization Fund, the floor of the Stabilization Fund should be approximately USD 4 billion.

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32. RECOMMENDATION - Promote the use of alternate, technology-based channels for the delivery of Government services, with a view to deriving improved cost and efficiency profiles going forward.
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61. RECOMMENDATION - Strengthen Fraud Squad, FIB.
62. RECOMMENDATION - Strengthen Cyber Crime Unit.
63. RECOMMENDATION - Address the challenges in the Forensic Science Centre.
64. RECOMMENDATION - Greater inter-agency collaboration.
65. RECOMMENDATION – Implement adequate support mechanisms for victims AND Officers.

66. RECOMMENDATION - Address challenges within DPP's Office and the Judiciary.
67. RECOMMENDATION - Implement recommendations for Prison Reform.
68. RECOMMENDATION - Address legislation pertinent to the fight against crime.

INTRODUCTION

AMCHAM T&T is once again please to provide our recommendations for the National Budget 2017/2018. We believe that a collaborative approach is essential in the development and transformation of Trinidad and Tobago. Moreover, we welcome the opportunity to lend the voice of our 300 members - both national (75% of members) and multinational companies (25%) who represent over 90% of the FDI into Trinidad and Tobago.

Throughout our 25-year-history, AMCHAM T&T has continued to be the voice of the private sector for the stimulation of free and fair trade and the nurturing of the business environment locally. Given our mission to facilitate trade between Trinidad and Tobago and the Americas we felt it necessary to comment on a range of issues that affect the the economy, trade and investment - whether directly or indirectly.

Our Submission this year covers six (6) broad areas:

1. Debt Management
2. Energy Sector Policy
3. Diversification
4. National Security
5. Ease of Doing Business and
6. Digital Transformation.

In every submission, AMCHAM T&T has advocated for the prudent management of the country's affairs. The growing debt burden has and continues to be a focus of AMCHAM T&T and therefore expenditure curtailment in light of revenue challenges is expected. Moreover, the six areas covered in this submission, make up the core challenges that confront our country at this time and as such, we call for collaboration among all stakeholder so that suitable remedies may be implemented.

PART 1 - DEBT MANAGEMENT

RECOMMENDATION 1 - The Government of Trinidad and Tobago should begin the formulation and adoption of fiscal rules (in the area of debt, budget balance, expenditure and revenue) immediately and seek to have these implemented by fiscal 2019 for the latest.

RECOMMENDATION 2 - Explore and implement revenue stabilizing measure.

AMCHAM T&T welcomes the Government's stated objective to contain debt to GDP to 65%. Establishing targets are indeed an important ingredient in building confidence in the economy, which should translate into renewed growth. That said, AMCHAM T&T is curious to understand how the target was arrived at, the ability of the Government to operate within the prescribed range and what consequences if any exist for non-compliance. From our interactions with various stakeholders and from what has been disclosed by the Honourable Minister of Finance in the public domain, we gather that consequences are limited to the possible actions of rating and other agencies, as opposed to any institutional mechanisms.

Contributors from various organizations, IMF, IDB and civil society groups have identified the need for the Government to adopt fiscal rules so as to implement mechanisms designed to enforce fiscal discipline and limit if not prevent the country's debt from exceeding established targets. We note that two of our CARICOM partners have adopted fiscal rules, Grenada and Jamaica, in both instances rules were adopted as a conditionality of an IMF program; in Jamaica's case at the time of adoption debt to GDP was well over 100% and in Grenada's a debt default had occurred. Fortunately, Trinidad and Tobago does not face either predicament at this juncture. That said, it is critical that we take steps to implement the required discipline to avoid or limit the possibility of our facing a situation where measures are prescriptive as opposed to voluntary.

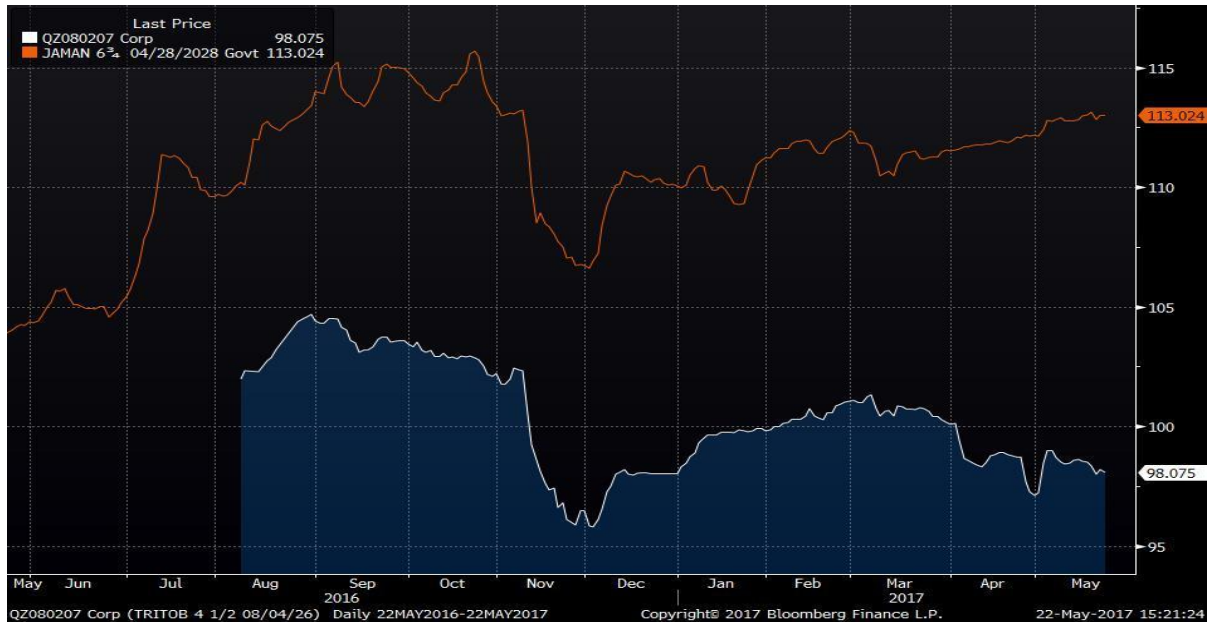
In both Jamaica's and Grenada's case, fiscal rules were adopted to generally encompass two areas:

1. Debt Rules
2. Budget Balance rules

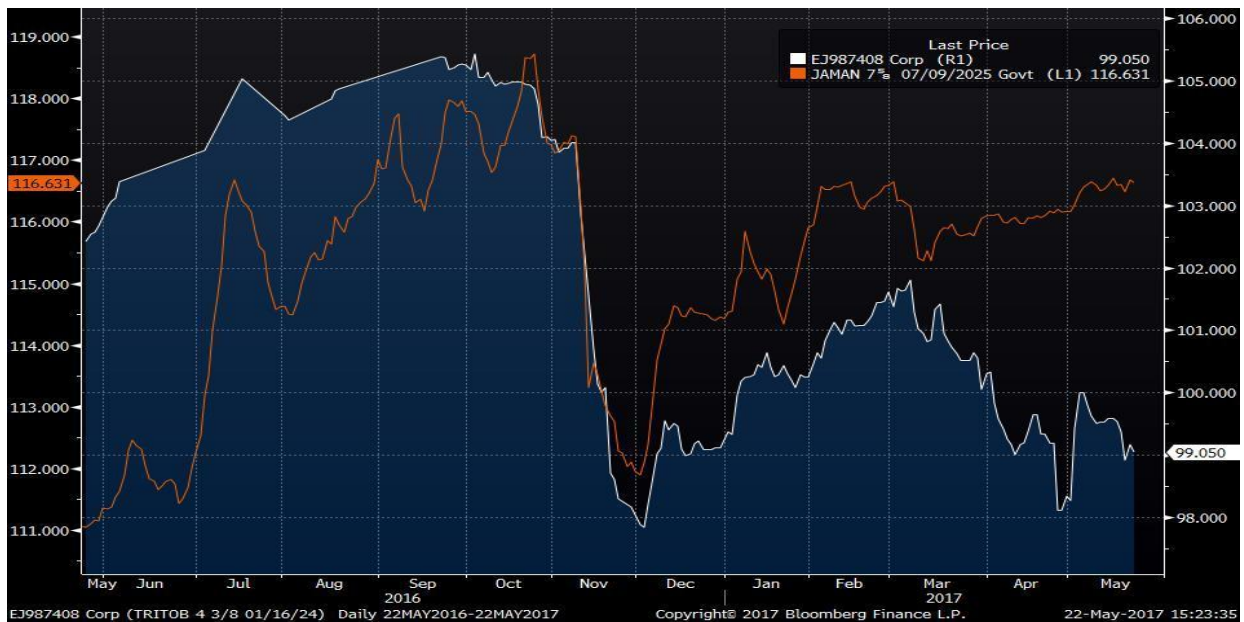
Debt rules were essentially designed to achieve and sustain specific debt to GDP targets with Budget Balance rules designed to ensure that expenditure patterns were established and contained to specific targets. Again, these rules were prescribed for both economies owing to the severe stress that each was experiencing at the point of implementation. That said, in Jamaica's case in particular, the adoption of fiscal rules together with other policies has seen a significant reduction in debt to GDP from 2014 through 2017, with debt to GDP estimated to have come down by as much as 30%. Clearly, two successful debt exchanges, which resulted in the recouping, downwards, of Jamaica's debt would have been fundamental to the reduction in debt to GDP; that said, the positive effects of the enhanced discipline is undeniable. To illustrate this

point, we highlight the current trading level of Jamaica’s debt relative to Trinidad and Tobago’s and the trend in that performance, especially since November 2016.

TRITOB 4.50% 2026 vs JAMAN 6.25% 2028



TRITOB 4.375% 2024 vs JAMAN 7.625% 2025



It is interesting to note, that though Trinidad and Tobago continues to enjoy at least one investment grade rating and that Jamaica has only recently emerged from the CCC rating category, that on a relative basis Jamaica’s debt has performed better than Trinidad and Tobago’s

over the last eighteen months and the trading level of its bonds relative to Trinidad and Tobago's are not reflective of the distance in quality of the respective credit ratings. Put another way, despite Jamaica's significant debt load relative to Trinidad and Tobago's, it would appear that investor appetite has widened for our neighbour's risk relative to ours.

Clearly the collapse in energy prices, our domestic energy sector challenges, and a host of other issues are the cause for the seemingly poor performance of our debt, all of which translate into a concerned outlook for our future. That said, our substantial fiscal buffers, mature and developed energy sector and relative stability are factors that have positively influenced views in the past; curiously though, at this juncture those positives seem to be insufficient to stem the concerns. AMCHAM T&T is of the view that the concerns are rooted in a seeming absence of fiscal discipline. It is AMCHAM T&T's view that the Government of Trinidad and Tobago should begin the formulation and adoption of fiscal rules immediately and seek to have these implemented by fiscal 2019 for the latest. We believe that the rules should encompass four categories, going beyond what Jamaica and Grenada have done, as this will be more appropriately reflect the uniqueness of our economy, which has a greater propensity to experience significant revenue swings, both sharp prolonged upturns and protracted and equally sharp downturns. The proposed four categories of fiscal rules are:

1. Debt
2. Budget Balance
3. Expenditure
4. Revenue

One could argue that the current construct of the Heritage and Stabilization Fund (HSF), acts as a Revenue Fiscal rule, in that as commodity prices exceed a certain threshold above budgeted prices, excess amounts are transferred to the fund. This is indeed positive, however a slightly deeper examination of this reveals that in many instances of transfers to the fund, the country was actually running a fiscal deficit. A point highlighted by Moody's in its 2015 review of our rating, essentially Moody's assertion was that the country was borrowing to save. AMCHAM T&T is of the view that by having fiscal rules that deal with multiple aspects of fiscal prudence the country would and could avoid situations such as the one noted above.

REVENUE STABILITY

AMCHAM T&T notes the Minister's position that Trinidad and Tobago will remain a predominantly energy driven economy for the medium term and that current and future diversification efforts will not significantly alter the composition of GDP to any significant degree in the immediate future. That being said and in an attempt to support practical solutions AMCHAM T&T renews its call for the Minister to explore and implement revenue stabilizing measures, similar to other oil producing states like Mexico.

Mexico has consistently implemented hedges on crude prices so as to mitigate potential steep drops, which as we know adversely affect budgeted revenue in any one fiscal. The strategies are not without an initial outlay or cost, but are essentially viewed as insurance, a notion that is appropriate given the extreme volatility that characterises energy markets at present. AMCHAM T&T accepts that strategies such as these do not always result in the pay out, as outlined in the article in the link (<http://www.cnbc.com/2016/09/09/mexicos-1-billion-oil-hedge-may-pay-economic-dividends.html>), but they do allow for greater predictability in earnings and therefore assist in the overall management of the economy.

RECOMMENDATION 3 – Debt reduction via the proceeds of CL Financial assets sales, specifically targeting bonds issued for the purpose of those bailouts. This can be done also through a mechanism recognizing future payments by current accumulations put aside for those payments.

RECOMMENDATION 4 - Debt that will be incurred due to Government-to-Government arrangements with delayed repayment terms or moratorium periods needs to be explicitly stated and monitored as part of Total Public Sector Debt. Overdrafts of the Exchequer Account should also be included in this calculation.

AMCHAM T&T notes with concern the ballooning of Government to Government financing arrangements and the apparent absence of these numbers from our external debt position. The absolute size of the obligations has to be considered in the context of the amount of debt that the country can comfortably service in years to come. The Exchequer Account is another area of concern as it appears that the overdrawn balance can increase with little oversight or control. In short, the total public sector debt clearly state and monitor Government to Government arrangements, the overdraft of the Exchequer Account and liens on statutory accounts at the Central Bank (like the Unemployment Relief Fund and the Green Fund).

RECOMMENDATION 5 - In the Government's consideration of the Heritage and Stabilization Fund, the floor of the Stabilization Fund should be approximately USD 4 billion.

AMCHAM T&T has long advocated for the separation of the Heritage and Stabilization Fund and the desire to do same has been signalled by the Government. While the floor of the Heritage Fund is touted to be approximately USD 4 billion, AMCHAM T&T is of the view that a similar floor should be established for the Stabilization Fund which would work in synchrony with the Infrastructure Development Fund

PART 2 – EASE OF DOING BUSINESS

Several challenges affect the business environment by either increasing cost or delaying their function. If resolved these enhancements could redound to the benefit of the country and the economy. Government bureaucracy has been continuously listed a one of the most problematic issues facing businesses. The challenges are in a range of issues from investment, venture capital and most notably taxation.

GENERAL

Bureaucracy and red-tape have been a consistent feature of doing business in Trinidad and Tobago. With technological improvements and the need for greater productivity this ought not remain the status quo. Business face several challenges in their day-to-day interaction with the public sector, and the recommendations below highlight some solutions.

RECOMMENDATION 6 - Improve customer service at Government Offices.

One of the main concerns of members is that the customer service meted out to persons visiting a number of public agencies is less than satisfactory. There is a need to improve the capabilities, training and responsiveness of human resources within the public service. While in several areas these workers operate in stressful environments, if they are ill-equipped to deal with the public (whether because of their disposition or their inability to respond to queries) then the experience of the public would be unfavourable.

RECOMMENDATION 7 - Flexible working hours and regulated lunch breaks within the Public Service.

In the first instance, the recommendation is to either have key government departments open until later in the evening, or consider running a shift on Saturdays. In the second instance, it should not be lost on HR managers that if for example, all cashiers are key personnel in a particular department take their lunch at the same time, business at that department grinds to a halt. If it is necessary that those persons take their lunch at the same time, then the public should be appropriately notified in advance and opening and closing hours should reflect this.

RECOMMENDATION 8 - Foreign Exchange availability.

AMCHAM T&T, along with other chambers, has continued to raise the issue of access to foreign exchange locally for a number of years. As we are sure the GORTT appreciates, there is a need to strike the correct balance between the demands for and supply of US dollars. The challenges in forex availability have undoubtedly become an impediment to trade. While there is no one solution to this issues, decisive action must be taken to address these challenges that impact not only the business community, but the country as a whole. AMCHAM T&T remains willing to

work with the Government and the Central Bank of Trinidad and Tobago (CBTT) to create workable solutions to alleviate these challenges. From our experience, the periods of engaging with the CBTT and Ministry of Finance with regard to the FOREX availability, specifically USD, were relevant and required.

RECOMMENDATION 9 - Re-establish the Business and Labour Advisory Committee of the Ministry of Foreign Affairs.

The Ministry of Foreign and CARICOM Affairs should relaunch the Business and Labour Advisory Committee (BLAC) or a similar committee, with the aim of updating all stakeholders on the progress of the CSME and challenges therein. The committee would be a useful tool for communication with and obtaining feedback from stakeholders on regional issues.

RECOMMENDATION 10 – Develop a comprehensive migration policy with a view to meeting the needs of increased development without over-burdening social services.

RECOMMENDATION 11 - Revamp the venture capital regime.

AMCHAM T&T recommends the establishment of a committee of stakeholders (representing both the public and private sector) to review and make recommendations to revamp the venture capital regime.

The current venture capital legislation is an impediment to the growth and development of the sector since the legislative criteria under the act is onerous and prohibitive. Revamping the regime to improve its attractiveness and efficacy is critical.

RECOMMENDATION 12 - The development of a capital allowance regime for the recognition, write off and disposal of intangible assets and Intellectual Property in general.

Currently, some Capital Allowances are available in respect of Research and Development to manufacturers under the Income Tax (in Aid of Industry) Act and to Companies liable to tax under the Petroleum Taxes Act. However, other companies do not enjoy significant incentives in this vital area. In fact, non-manufacturing companies are not entitled to a tax deduction on patents, trademarks, brand development, costs, know-how, show-how, and software acquisition costs being capital in nature.

Given the significant role that intangible assets play in modern business, the fact that there are no tax provisions to deduct costs related to intangible assets is unfortunate. This constitutes a significant distorting factor in the relative long term competitiveness of T&T businesses since intellectual property is a key area which aids in innovation and business advancement. AMCHAM T&T recommends the amendment of the relevant laws relating to capital allowances to allow for the recognition, write off and disposal of intangible assets and Intellectual Property.

RECOMMENDATION 13 - Prioritize the Central Statistical Office (CSO) and its resource requirements.

To attain better quality data sets on the national economy and to improve the frequency of such data update/delivery the CSO – and more pointedly the transition to the National Statistical Institute (NSI) should be prioritized. In reviewing the competitiveness of the economy of Trinidad and Tobago, a fundamental aspect of management becomes glaringly obvious: the quality of the statistics on trade and the economy. Without relevant, real-time data it is difficult for not only Government planning but also business planning. Monitoring and evaluation of plans, programs, policies, incentives and initiatives become even more difficult in the absence of up-to-date data.

The National Statistical Institute is therefore a critical component of the effective planning for the future. We note with dismay that little has been said regarding the transition to the NSI, although deficiencies in data collection and reporting were highlighted as one of the primary factors affecting the country's credit rating. The NSI, in our opinion ought to bring better functioning to our national statistical system with modern and improved data collection and reporting. We hope to hear more about this transition from the CSO to the NSI in the Budget Statement 2017/2018, along with clear timelines as to the implementation of the NSI.

RECOMMENDATION 14 - Reduce shareholding thresholds for Loss Relief provisions.

Currently, group loss relief is available where both the claimant and surrendering companies are T&T resident companies and are 100% parent and subsidiary or subsidiaries of the same group of companies in order to access the group loss relief provisions. Given number of group companies operating in Trinidad and Tobago, AMCHAM T&T recommends that the shareholding threshold for accessing the relief is reduced from 100% shareholding to 75% shareholding. We are of the view that this is more reflective of business climate and it recognizes the partnering of various entities generally.

TAXATION

Tax revenue continues to dominate composition and contribution to GORTT Total Revenue. Therefore, it is critical that the administration and implementation of tax laws are effective and periodically reviewed to ensure maximum revenue collection and that the operation of these laws do not hinder investment. Specific recommendations in the area of taxation system efficiency and reform are outlined below.

RECOMMENDATION 15 - Improve the effectiveness and efficiency of Tax administration.

First and foremost, establishment of an adequately staffed Revenue Authority, empowered to effectively collect taxes and administer the taxation system would greatly improve effectiveness

and efficiency. A plan and timeline for the implementation of the Revenue Authority should be identified within the Budget Statement 2017/2018, if not sooner.

Other areas where efficiency and efficacy could be improved include the approval process for exemption on severance payments; Severance Benefit approval; and revisiting fees for tax clearance certificates and other documents.

RECOMMENDATION 16 - Timely settlement of VAT Refunds.

The timely settlement of VAT refunds continues to be an area of concern, particularly for companies awaiting a significant amount of money in refunds.

RECOMMENDATION 17 - The Automatic application of refunds.

AMCHAM T&T is concerned about the automatic application of refunds by the Board of Inland Revenue especially where there is improper information provided by the Board of Inland Revenue in applying these refunds or the records are not updated. We view this as a significant impediment to the cash flow of businesses and we submit that this should not be done arbitrarily. We therefore recommend that the Board of Inland Revenue:

- (a) Send notices indicating taxes that are outstanding on its system and providing the Taxpayer with an opportunity to respond;
- (b) Consider the response of the Taxpayer;
- (c) Upon the three consecutive notices being served and having received no response, it may then apply the refunds against taxes that are shown as outstanding.
- (d) Provide notice of its application of the refunds and provide details of the taxes outstanding.

RECOMMENDATION 18 - The implementation of an effective transfer pricing (TP) regime AFTER stakeholder consultation.

We are of the view that meaningful consultation with stakeholders, particularly the business community, is essential prior to the implementation of a transfer pricing regime. Post-consultation, AMCHAM T&T welcomes the introduction of an effective TP regime to add fairness, certainty and consistency to the tax environment.

RECOMMENDATION 19 - Implement a procedure for Advanced Tax Ruling System.

In light of more complex tax issues coming to the forefront, certainty of treatment as it relates to tax liability is necessary. Unfortunately, this has not been the case and these policies have not been forthcoming from the Board of Inland Revenue within recent years. The Advance Tax

Ruling system allows companies to clarify and better comply with tax regulations, increasing revenue collection and contributing to the creation of a transparent tax regime and increased confidence in the tax system as we transition to the Revenue Authority. Therefore, taxpayers should be reasonably confident that they can rely on these rulings. To implement this proposal, the Government could introduce regulations which:

1. Set out the parameters for creating and publishing tax policies on the tax treatment of issues;
2. Specify that the Board of Inland Revenue will adhere to the published policies until such policies are revoked or amended;
3. Stipulate a timeframe within which a response to a request for an advanced ruling will be delivered.

Notwithstanding the above, such regulations should also set out criteria for individual taxpayers applying for and obtaining rulings on issues that may arise.

RECOMMENDATION 20 - Alternative Dispute Resolution of Tax Disputes.

Under the current tax dispute process, the Board of Inland Revenue is empowered to raise an assessment on a Taxpayer the later of six (6) years from the Income Year in question or three years from the date after a Return was filed. The Board of Inland Revenue has 24 months to determine any objection raised to an assessment (six months in the case of Value Added Tax and 12 months in respect of PAYE). If the objection is determined and the Board maintains its position, then the Taxpayer must file a legal Appeal to the Tax Appeal Board. The Tax Appeal Board facilitates the parties by granting adjournments to allow both parties to engage in settlement discussions with the Board of Inland Revenue at the legal stage and generally those matters are resolved amicably. If there is no settlement, then the matter continues through the legal process and it can further go to the Court of Appeal and then to the Judicial Committee of the Privy Council in the United Kingdom.

The timeline, from a practical standpoint, could span from 7 to 8 years after an assessment is raised (which is usually after 6 years from the income year in question). Alternative Dispute Resolution (ADR) is one approach that has gained increased attention to assist in achieving efficiency in meeting local and international tax dispute resolution demands with promising results. We would therefore recommend:

(a) Amending the Income Tax Act in respect of the objection process to allow for mediation and other Alternative Dispute resolution mechanisms.

(b) Amending the legislation to allow for Alternative Dispute Resolution (other than mediation) at the Tax Appeal Stage.

RECOMMENDATION 21 - Involve stakeholders in the re-introduction of the property tax (particularly on industrial property).

Having regard to advances being made on the re-introduction of the Property Tax, AMCHAM T&T is of the view that several matters need to be addressed in the imposition of this tax on industry and uncovered plant and machinery. To that end, we believe that stakeholder groups need to be consulted to allow for greater clarity and feedback on the application and calculation of this tax.

RECOMMENDATION 22 - Removing 2% Management charge restriction for non-T&T unrelated parties.

There continues to be unequal tax treatment in respect of management fees paid locally to related and unrelated parties and management fees paid to non-T&T based or resident persons regardless of whether they are related or not. For corporation tax purposes, all sums that qualify as “management charges” paid to non-T&T based or resident, related or unrelated parties, are subject to a restriction on the corporation tax deductibility of the expense by the payer of the sums. The restriction (on the deductibility of management charges) does not apply where it is paid to local parties. Thus, a significant number of entities that contract independent service providers based outside of Trinidad and Tobago continue to be negatively impacted by this provision. To that end, recommendations to resolve this issue includes:

1. Removing the restriction on deductibility for all parties or at least clarify in the legislation that the restriction does not apply to unrelated parties;
2. As intermediary steps:
 - a. Introduce a one to three (1-3) year exemption on the restriction for deductibility for the first three years of operations;
 - b. Increase the percentage restriction on tax deductibility from 2% to 10% (considering that in some countries there is no restriction (e.g. Barbados and Jamaica) while some have a 5% restriction (Grenada and St Kitts). Others have a 10% restriction on deductibility (St. Lucia).

RECOMMENDATION 23 - Expansion of the Double Taxation Treaty network and the establishment of a committee to address Double Taxation Treaty issues.

In our view, the Government should expand the number of Double Taxation treaties to increase Trinidad and Tobago’s attractiveness as an investment destination. To that end, a committee should be established within the Ministry of Finance to address potential challenges with treaty application or implementation.

RECOMMENDATION 24 - Improve enforcement mechanism to reduce “illegal” cigarettes on the market. Revise taxation scheme in the cigarette industry.

With a number of illegal cigarettes being smuggled into Trinidad and Tobago, the lack of enforcement has had a significant negative impact on legitimate players in the industry and by extension on government revenues from tobacco excise taxes. Taking note of global trends, profits generated from these black market products have been said to contribute to terrorist financing and other illicit activities. Therefore, primacy should be placed on ensuring adherence to packaging and labelling standards; improving the regulatory system and the reduction of non-conforming products on the market. Additionally, AMCHAM T&T recommends that the cigarette taxation scheme be revised in order to update the excise tax rates in a predictable and balanced way. This will bring additional revenue from all tobacco products, while avoiding a disruptive change in the market that could fuel an increase of the illegal trade and affect the greater interest of Trinidad and Tobago.

On the other hand, we propose a reduction of the import duty, taking it from 50.7% to 40% of CIP.

RECOMMENDATION 25 - Repeal Close Company Provisions.

Close Company provisions were primarily aimed at preventing abuse by family owned and operated companies taking advantage of loopholes in the tax legislation to avoid taxes. One key aspect of ensuring that abuse did not arise is in respect of deeming certain payments to related parties to be distributions and requiring the Company to distribute any after tax profits not required for the future operations of the Company. Those provisions were much more pertinent when distributions were subject to tax in T&T. But having regard to the fact that local dividends are now exempt from tax and there is already a general anti avoidance provision in Section 67 of the Income Tax Act, these close company provisions are of questionable benefit. In fact, they operate to produce an unfair disadvantage for companies caught by the provisions. AMCHAM T&T therefore recommends that close company provisions be repealed, especially in light of the fact that the tax authority acts on the premise that it has the authority to question and raise assessments where it is of the view that related party and other payments are excessive or understated.

RECOMMENDATION 26 - Introduction of legislative provision granting discretionary power under the National Insurance Act to waive penalties and interest.

National Insurance contributions have been increasing over the last few years and will increase within the short term. They have become a significant tax obligation. However, there are instances in which a Taxpayer may have made an error such as self-employed persons being unaware that they are required to account for the contribution or there being an under-deduction of contributions. These errors attract significant tax penalties and interest, and as such, AMCHAM T&T recommends that the National Insurance Act is amended to introduce a

legislative provision which enables the National Insurance Board to exercise its discretion and waive penalties and interests.

CUSTOMS

RECOMMENDATION 27 - Review the imposition of the Online Purchase Tax.

AMCHAM T&T also asks that the Government reconsider the online purchase tax (OPT). The Online purchase tax places the burden on the courier companies to determine if the purchase is personal or for business. We do not believe that this is within the ambit of the courier companies, who are each using different variables to determine such. Another means of collecting revenue has been highlight below.

RECOMMENDATION 28 - Replace OPT with implementation of the \$10.00 Airway Bill fee.

Additionally, it should be noted, that the current legislation governing imports clearing (Customers Brokers and Customs Clerks Regulation) states that each Airway Bill will incur a fee of TTD\$10.00. This means that customers will pay for any item imported: the cost of the item, duties, VAT and the airway bill fee. AMCHAM T&T believes that that this cost in addition to the 7% levy would place a severe burden on the courier industry, who would not be able to pass this cost on to the customer but may seek to absorb the cost resulting in layoffs. Currently the TTD\$10.00 fee is not applied as the courier companies still submit their information manually. However, when the Single Electronic Window becomes operational for trade the airway bill fee would be applied.

AMCHAM T&T is therefore suggesting that the TTD\$10 fee take the place of the OPT, as it would be a simpler/cleaner system to adjudicate and collect. This recommendation in conjunction with a de minimus value of USD\$200 as discussed below will ensure a much more efficient system and would lead to increased collection of much needed revenue. Further, the Ministry of Trade and Investment and the Ministry of Planning and Development collaborating on updates to the SEW have included a risk analysis component, which works well with this recommendation, and would keep both the customer and courier company honest and dissuade them from undervaluing invoices and cheating the system.

RECOMMENDATION 29 - De minimis value set at \$200 USD.

The express delivery industry has grown significantly in the last decade as many companies are attempting to take advantage of opportunities in international markets. These services simplify and accelerate the process of transporting goods allowing companies to reduce inventories – as just in time inventory can be practiced. The industry provides door-to-door transport and deliveries of next-day or time-definite shipments across the globe. The Express Industry provides

its customers with a comprehensive service: organising collection, customs clearance as well as the payment of duties and taxes as required.

The Industry makes a significant contribution to the economy of T&T, by way of employment – both directly and indirectly, as well as with respect to taxes. The use of Express Couriers is not only for Business to Customer relationships, but has also become the preferred Business to Business interface – for both documents and goods. Additionally, the express carriers invest in new delivery routes and services. This allows Trinidad and Tobago’s firms the ability to access and penetrate new and existing markets, which in turn allows companies to remain competitive through export and investment growth. Given the growth of this sector, its critical role in companies’ competitiveness and therefore country competitiveness, AMCHAM T&T strongly believes and puts forward the case for the implementation of a de minimis value level to be set, especially in light of the TT\$10 charge per airway bill that is currently legislated.

De minimis is the value below which no Customs duties and VAT are collected, it provides streamlined border clearance and is able to generate economic benefits by refocusing public revenue collection on more efficient revenue sources, reducing the costs borne by importers, and accelerating the delivery of imports. Whilst, there is little data available for a study in Trinidad and Tobago, a report conducted on the de minimis threshold of Asia Pacific Express Carriers in 2011, estimated the net economic benefit of implementing a de minimis value. In many cases the cost both to Governments and businesses for processing low value shipments is greater than the revenue collected by customs administrations. For governments that means that the additional revenue is more than offset by the increase in costs. Creating a de minimis level would have a significant positive impact on the global economic recovery, the report stated, and would help invigorate economic growth – particularly for small and medium sized businesses. The report conducted on the de minimis threshold of Asia Pacific Express Carriers looks at four alternatives — representing de minimis thresholds of USD 50, USD 100, USD 150, and USD 200. The report indicates that the USD 200 threshold generated the largest net economic benefit — around

US\$5.9 billion a year for the APEC-6, equivalent to about US\$30.3 billion for all 21 APEC members. The APEC countries experience resource savings in government administration as the largest benefit.

Under all scenarios, cuts in government administration accounted for 76% of the benefits, while savings in business compliance were virtually all of the rest. The latter is particularly important for small and medium-sized enterprises (SMEs) as they generally face disproportionate burdens in completing customs formalities.

AMCHAM T&T in consultation with its industry members recommends that the preferred value for de minimis be USD \$200. The de minimis value level should also be subject to regular review to take into account inflation and exchange rate changes. In the Global Enabling Trade Report 2009 published by the World Economic Forum (WEF), Simpson points out that: ‘There is

a significant cost to government and business, in terms of administrative burdens and delays, resulting from subjecting shipments of minimal value to full customs formalities. All WTO Members should adopt the practice of having de minimis exemptions from full formalities for small shipments.’

There are several things to note as well:

- de minimis levels do not compromise security since the submission of manifests and the key data elements for security screening would still be provided by carriers.
- de minimis levels do not mean licensable/controlled goods are exempt from non-tariff requirements.
- de minimis levels create customs efficiencies that allow a greater focus on higher risk shipments.
- de minimis levels provide equal benefit to small, medium, and large exporters and importers.
- de minimis levels provide for the timely import of parts and components for production needs in order to generate timely exports.
- de minimis levels bring shipping level exemptions in line with exemptions for personal travel in many markets.
- de minimis levels would allow a greater focus on commercial compliance issues such as Intellectual Property Rights.
- de minimis levels would promote cross border e-commerce, increase trade and stimulate economic growth and employment.

A number of countries within the Caribbean have already implemented a de minimis value, including French Guiana, Martinique, Guadeloupe, Guyana, Bonaire, Bahamas and Jamaica. The existing TT\$10 per Airway Bill would have a serious negative impact on the industry as the cost would be passed on to the customers. These low value items would now incur the charge of \$10TT in addition to the shipping, duties and VAT charges. We strongly believe that the industry cannot pass this cost to the price sensitive customer, and may have to absorb the cost. In that case, the increased cost structure would not only force some firms out of the industry, while others will have to resort to layoffs to remain buoyant. It is our recommendation that a de minimis value of US\$200 be applied. This would allow for the low-value goods to not attract duties, or taxes – and these items would remain competitively priced to the customer. It would also allow Customs and Excise to focus on high value items and to effectively collect duties and taxes along with the additional TT\$10 per airway bill, for items values above the agreed de minimis value.

PART 3 – DIGITAL TRANSFORMATION

RECOMMENDATION 30 – Reclassify ICTS and internet enablers such as smartphone devices under the Computer Laptop and Tablet Duty Exemption category as part of public sector digitization project.

The public sector of Trinidad and Tobago is in dire need of a digital transformation. Since 2014, McKinsey & Company researched that Government digitization could free up to USD\$1 trillion annually worldwide through improved cost and operational performance. Other leading industry experts agree that there is a direct correlation between ICTs and macroeconomic growth. In the 2009 World Economic Growth Forum Report, it was noted that emerging markets could create \$300 to \$420 billion in GDP and 10 to 14 million new jobs. In fact, one of their studies estimates for emerging and developing nations, when internet penetration increases by 10% it corresponds with an incremental GDP growth of 1-2%. Another study indicated that the GDP growth rate for developing nations can increase by 0.59% per year for every 10 mobile telephones added per 100 inhabitants.

As government understands the need for digitization and starts rolling out WIFI for all, consideration should be made to include smartphones in the Duty Exemption bracket similar to laptops and tablets, as the enabler to digitization. Countries like China, Singapore and Philippines have been progressive in their thinking and currently have 0% duties on all smartphones. Even our Caribbean counterpart, Jamaica, has lead the change since 2014 where the 20% duty was exempted on smartphone, phablets and electronic devices that are used as phones and computers to enhance productivity.

Telecoms giants have since been subsidizing the cost of smartphones but this is not sustainable when a 20% Duty is added to the complement product to deliver internet service for all. It is given that a small dip will be noted in taxation revenue in the short term, but as ICT is a multiplier for economic growth, the country will enjoy efficient supply chains, faster financial and business transactions, improvements in trade, catalyzing innovation, job creation and increased GDP for the economy as the digital revolution continues.

RECOMMENDATION 31 - Increase the number of Caribbean Internet Exchange Points.

As Trinidad and Tobago continues to position itself as the financial centre of the region, increasing the number of Caribbean Internet Exchange Points would be necessary. The costs associated with processing “big data” and traffic exchange within the region are not only dependent on the expansion of national broadband capability but also the number and location of Internet Exchange Points (IXPs). International organizations would also be attracted to the increased capacity that IXPs present in storing local cached content and securing data. IXPs also become a natural hub for hosting other core infrastructure such as Domain Name System (DNs) root servers. Furthermore, IXPs are critical enablers of the knowledge and innovation economy.

RECOMMENDATION 32 - Promote the use of alternate, technology-based channels for the delivery of Government services, with a view to deriving improved cost and efficiency profiles going forward.

Digitization initiatives such as BIR process can be extended to other government services saving both the individual and the Government time and money. These measures undoubtedly improve operational efficiency and when payments can be accepted electronically, the convenience of the service will be immeasurable.

RECOMMENDATION 33 – Review legislative agenda and address areas critical to digital transformation (for e.g. the Electronic Transaction Act, Data Protection Act and the like).

PART 4 – ENERGY SECTOR POLICY

In August 2016 the government of Trinidad and Tobago embarked on a worthwhile endeavour of creating a National Energy Policy. Several of our recommendations from that exercise have been articulated and are reiterated here. As the energy sector remains the mainstay of our economy, it is imperative that we address the shortcomings in energy sector management and continue to promote investment in this sector but also transition to renewable energy and energy efficient practices.

RECOMMENDATION 34 - Peg budget oil price at US\$40 per barrel, with a hedge of US\$35 and maintain budgeted gas price at US\$2.00 per mmbtu.

RECOMMENDATION 35 - Revise the Special Petroleum Tax given current price environment, SPT being applicable at prices of US\$50 a barrel and higher is not appropriate as this was originally intended to be a windfall tax.

RECOMMENDATION 36 - Complete and implement the National Energy Policy (NEP).

The NEP represents a near to medium term policy and should take into consideration the operational context. The framework developed should ensure that Trinidad and Tobago remains a relevant, attractive and competitive market for the energy sector. The NEP should also ensure that existing national and regional policies maintain their relevance and that international treaties and obligations are duly considered. The NEP should aim to: improve the global competitiveness of an environmentally friendly energy sector; increase the resilience of the energy sector and related sectors in view of changing environmental dynamics; continue to attract local and foreign investment (upstream; midstream; and downstream); grow the local energy services sector; promote the development and utilization of renewable energy sources; and promote energy efficiency.

RECOMMENDATION 37 - The Government should incentivize investment in the energy sector as a driver of economic growth.

In this regard the government should attempt to stabilize production shortfalls in the short term, and incentivize upstream companies to continue to find and develop energy resources to optimize supply. As opportunities arise, contractual arrangements for both LNG and Petrochemicals should be improved to ensure that the country has more exposure to the final market prices derived from the sale of energy commodities. Given the significance of the energy sector as a contributor to revenue, the Government should consider opportunities to stabilize annual revenue by implementing and managing a hedging program for oil and gas, similar to what Mexico and others have done. This should be operationalised by 2019. Finally, measures that improves the competitiveness of doing business in Trinidad and Tobago, being particularly focused on productivity improvements and operational costs should be implemented.

RECOMMENDATION 38 - The Local Supply Chain should be further developed with the assistance of Local Content legislation.

To this end, a clear definition and system of measurement of local content should be developed, to focus on the value of spend retained in country. Moreover, this legislation / policy should ensure that foreign companies engage local partners to facilitate training and the transfer of technology and skills. Clear cost and quality standards for local providers of goods and services will also ensure competitiveness with foreign providers. Far too often the qualification standards for foreign contracts appear to be moving targets. Providing incentives to upstream operator companies as a means of incentivizing in-country fabrication (like building platforms in Trinidad and Tobago) is also recommended. This push for local content should be accompanied by the creation of a database of providers with the aim of promoting awareness of existing local competencies. This database would be useful in two ways: for assistance in Forex regulation and disbursement and ensuring compliance with statutory payments via due diligence in the registration process and collaboration with the BIR, OSHA and other agencies to ensure compliance. It is our recommendation that multiple organizations (including BSOs) have oversight of this database. Trinidad and Tobago should be positioned as the regional hub of exploration and upstream production activity/services to support energy industries regionally.

RECOMMENDATION 39 - The government should review the margins afforded to petroleum dealers, peddlers and retailers and implement a mechanism to automatically calculate these margins.

In the context of a heavily price regulated industry where pricing structures have been stagnant for over a decade, these margins are unsustainable for business.

RECOMMENDATION 40 - An Energy Efficiency and Renewable Energy Policy/ Initiative should be developed and implemented.

The Government should establish a Renewables Secretariat within the Ministry of Energy and the MOU with the US/\$100 MN Regional Renewables research centre – embed in the Energy Policy under the title Renewables.

The Government should also consider the introduction of feed-in tariffs and Renewable Energy Portfolio Standards. This renewable energy position should have a very clear link to the phased removal of energy subsidies. The assessment of capabilities in producing renewable energy should also be scheduled, with a view to taking strategic action. Incentives are necessary for improving the uptake of renewables. Incentives for the adoption of solar, wind and other viable renewable energy technologies in the residential and commercial sectors as well as incentives for Independent Power Producers (IPPs) for implementation on an industrial scale should be introduced. Fiscal measures should be

designed to promote the usage of energy efficient equipment, and deter the use of inefficient equipment.

Energy efficiency is a crucial step in the process of moving towards renewable energy. For example, it would be counterproductive or ineffective to install a solar panel on an energy inefficient house or a solar farm to service an energy inefficient community. Additionally, in order to preserve our non-renewable resources, managing demand would be important. This can be done by providing incentives that will result in the upgrade to efficient technologies at our petrochemical facilities, commercial buildings, industrial sites and homes. By closely and meticulously managing our resources and implementing renewable technologies we will be able to improve our (gas) reserves position.

Therefore, sectoral energy efficiency targets should be implemented. Further, utilization of energy efficient technologies should be incentivized through tax benefits for entities utilizing green technologies to reduce electricity consumption, thermal efficiency, reduce emissions/especially CO₂ and NO_x not only for individuals but also corporate entities (more efficient buildings, vehicles, plants). The implementation of a Green Building Code (with accompanying incentives) would also increase the environmental sustainability and energy efficiency of our communities, businesses and country. The government should also consider expanding/incentivizing training and capacity building within the industry.

OTHER RECOMMENDATIONS

The government through its National Budget 2017/2018 should:

RECOMMENDATION 41 - Address the future of NGC, NP and Petrotrin and how the state could maximise the benefit of these entities.

RECOMMENDATION 42 - Create contingency plans for energy resilience and recovery in the event of crisis.

RECOMMENDATION 43 - Consider how it would meet contracted demand in the event of a shortfall and address how the government would allocate gas between the domestic and export market in future contracts.

RECOMMENDATION 44 - Structure gas sales and LNG SPAs to include periodic price re-openers to address shifts in market fundamentals.

PART 5 - DIVERSIFICATION

T&T remains an energy sector driven economy and AMCHAM T&T believes that this is the opportune time to diversify. AMCHAM T&T thinks it is necessary that targets, timelines and responsible agencies be established to ensure that diversification is done by sectors and in such a way that we can flag and do corrective interventions when necessary.

ICT

RECOMMENDATION 45 – Focus on the ICT Sector.

This sector is one that would not only transform Trinidad and Tobago’s business processes and would lead to efficiency, but it is also a sector that if supported can ensure that small and medium enterprises that engage in Software design and applications can earn foreign currency for the country.

TOURISM

RECOMMENDATION 46 – Pay more attention to the growth and sustainable development of the Tourism sector.

AMCHAM T&T also asks that the Government focus on the tourism sector. This is a growth industry that has been largely ignored by the Government. There needs to be greater focus on this sector to enable it to meet the demands of the industry when the recession is over. Tourism is a key sector for economic development – it is a fast growing and labour-intensive industry that involves many economic activities. We also believe that special focus must be placed on Tobago, and we join the call to establishing in short-time an efficient interisland fast ferry.

CREATIVE INDUSTRIES

In order to stimulate activity in this sector, Government can implement measures to incentivise individual and firm support for artistic endeavours.

RECOMMENDATION 47 - Extend the Art & Culture tax allowance to individuals and to purchases/donations as opposed only to investments.

RECOMMENDATION 48 - The business model of state media should be revised to provide a commercially viable platform for the distribution and sale of local content (including as a vehicle for distribution beyond T&T).

AGRICULTURE

RECOMMENDATION 49 - Support enhanced local agricultural production and productivity based on the utilization of impact-oriented research, innovation and technology development and transfer.

AMCHAM T&T recognizes the agriculture sector as critical in the fight against poverty, inflation and food insecurity. This sector can be a significant plug to the foreign exchange leakage –as the food and beverage sector depends on a reliable agriculture supply. If as a country we can switch our manufacturers from importing agricultural supply to using local production, then we would be able to see real growth and sustainability. We therefore implore Government to place more focus on this sector. This sector is hampered by a number of supply side constraints and we believe it is important that the Government work on some of these – chief amongst which is the supply of labour. Labour can be sourced from CEPEP and/or URP as needed to provide the necessary boost for the sector. Additionally, AMCHAM T&T believes that the incentives for this sector should be reviewed. Further, we question the incentives for the sector which seems to be focused exclusively on the small farmer. There is need for large scale farms, which can have an impact on our food imports. Additionally, we believe that incentives which encourage mechanisation and the use of technology when farming are needed. Finally, we believe that access to state lands are important – this would deal with the land tenure issue that plagues this sector.

SUPPORT FOR SMEs

AMCHAM T&T would also like to commend the Government on the excellent support provided by exporTT to small and medium enterprises. We believe that the support is important as we need a timid private sector to aggressively expand their export of goods and services, and in our respectful view this can only be done by pursuing non-traditional markets, who are on a growth trajectory.

RECOMMENDATION 50 - The approval and implementation of the National Innovation Policy, including mechanisms for funding.

PART 6 - NATIONAL SECURITY

The effect of crime is evident in our society. In addition to socio-cultural changes, crime impacts the economy and the international reputation of Trinidad and Tobago. Crime will and has detracted from other initiatives to promote investment and has added (both directly and indirectly) to the cost of doing business. In all its forms, crime continues to plague our society and is cited as one of the most significant problems that organizations experience when doing business in this country. AMCHAM T&T's recommendations in the area of National Security consider not only improving detection and prosecution rates, but also improving the administration of national security organizations, legislative advancements and addressing the root cause of crime. In our opinion, addressing crime necessitates more than officers on the street and a holistic approach is required.

To that end, AMCHAM T&T would like to commend the Government on the updates to the Motor Vehicle and Road Traffic Act and the launch of the online vehicle registry at the Licensing Department and the reintroduction of the Cyber Crime Bill in Parliament, though some amendments to the latter may be required. While there is still a long way to go in these areas, we believe that the following recommendations will help in the fight against crime.

GENERAL RECOMMENDATIONS

RECOMMENDATION 51 - Address the Appointment of a Commissioner of Police.

The process and timeliness of appointments to the position of Commission of Police should be addressed urgently. The uncertainty surrounding the highest position in the Trinidad and Tobago Police Service (TTPS) does not auger well for the management and leadership of the Police Service or for public perception of the TTPS. Legislation in this area should be fast-tracked and should ensure that the appointment of a Commissioner of Police is less cumbersome, more efficient and more transparent.

RECOMMENDATION 52 - Improve the Human Resource Management System within the TTPS.

Improving the Human Resource Management (HRM) System would better assist senior officers in the deployment of resources. These efforts could be assisted by automating the HRM system and the operations of the TTPS and would aid in the efficient use, management and deployment of human resources especially as newer divisions require adequate resources if they are to function effectively. The automated HRM System would also aid in integrating leave management and not only give senior officers a better idea of the pool of resources available for duty and recommend particular officers for professional training programs, but also improve the efficiency of HR services provided to officers and civilian staff (the automated platform would be able to address any queries or make determinations of time-off quicker as records would be at

your fingertips). Subject to the necessary clearance level, the system should also improve the monitoring and evaluation of officers and keep track of performance appraisals. An improved HR system would also inform the recruitment process within the TTPS.

RECOMMENDATION 53 - Implement an effective Performance Appraisal System.

The imposition of an effective Performance Appraisal System to identify and incentivize those officer that are giving 100% would greatly assist job satisfaction and the output of officers. This system, which should be clear and robust, could also be linked to their promotion criteria.

RECOMMENDATION 54 - Improve the use of technology.

As with the recommendation to introduce an automated HRM system, the use of technology within the police service should be integrated in all areas of administration. The collection and storage of data for analytical purposes is key to the detection and prevention of crime. It would also aid in monitoring and evaluating initiatives of the TTPS. (Body cams, speed guns etc.).

RECOMMENDATION 55 - Continuous education and training for staff.

Education and training should be continuous, not only at recruitment or when studying for the promotion exam. Training opportunities should be numerous (some voluntary, others mandatory). The Private Sector as well would be eager to collaborate on such. One example is AMCHAM T&T's upcoming HSSE Conference which features a security component facilitated by the Indiana University of Pennsylvania.

RECOMMENDATION 56 - Review Recruitment process and policies.

Manpower - in order to boost recruitment there may be a need to review recruitment policies and criteria. The TTPS must be made attractive to young potential officers and civilians to perform various functions. While highlighting the possible career paths is important, it would be prudent to address issues of remuneration; support services; working conditions etc; legal team; forensic team and the need to revamp the TTPS and overall National Security to attract the best and brightest and encourage people to join the effort.

RECOMMENDATION 57 - Review arrangements for prisoners who need medical attention at the nation's hospitals.

Treating with prisoners who need medical attention often poses a logistical challenge to the officers that guard them and increases the security risk for the patients, staff and public on the wards. We need not look far for reports of prisoners escaping from these wards or persons coming on the wards to harm prisoners in acts of reprisal. Therefore, it may be prudent for the Hospital and Protective Services to review arrangements made for prisoners needing medical attention at the nation's hospitals (for example, maybe a properly secured

ward - separate from the general patient area (which is open to the public during visiting hours) may be necessary).

RECOMMENDATION 58 - Provide an Update on Initiatives to Electronically Monitor Offenders and Establish a DNA Bank.

AMCHAM T&T commends the Government on their move to create a DNA bank for forensic purposes and the implementation of electronic monitoring of offenders. Undoubtedly these moves would support the fight against crime by aiding in crime detection on one hand and reduce the backlog of prisoners on remand awaiting trial; reduce the cycle of incarceration and recidivism and would assist in enforcing / monitoring restraining orders. The Budget Statement 2017/2018 (if not sooner) would be an appropriate time to update the country on progress in this area and the timeline for implementing these initiatives.

RECOMMENDATION 59 - Youth Development.

AMCHAM T&T advocates the need for a much more aggressive approach to be taken with respect to youth, social development, support and protection programmes. It is critical that we be tough on crime and tougher on its causes. Initiatives at the primary and secondary school level to promote personal development, reduce school violence and stem the recruitment of young people into gangs and illegal activity should be explored. To this end, the Police Youth Club initiative is commended however more work need to be done to sustain these organization and various types of engagements /platforms should be created to engage the youth.

STRENGTHENING DIVISIONS WITHIN (AND THAT WORK WITH) THE TTPS

RECOMMENDATION 60 - Strengthen Professional Standards Bureau.

Dealing with the minority of corrupt officers who tarnish the image of the TTPS is necessary. Discipline needs to be re-enforced at all levels of the TTPS for a more professional organization and a strengthened Professional Standards Bureau is one way of addressing this.

RECOMMENDATION 61 - Strengthen Fraud Squad, FIB.

The TTPS has a key role to play in areas such as money laundering, and combating the financing of terrorism and crime. For example, the length of time between the submission of Suspicious Activity Reports (SARs) and investigation is considerable. This means that suspicious persons or businesses that have been flagged and reported by the financial institution can continue to conduct their transactions long after a red flag has been raised. There is need for increased collaboration between the FIB and the FIU to ensure that that these SARs are adequately investigated and are concluded. AMCHAM T&T has advocated for the two departments to be merged (if not giving the new body prosecutorial powers, at least having the two departments

operate in close quarters). In this regard, deficiencies in resources and training at the FIU, Director of Public Prosecutions (DPP), the Magistracy, Customs Division, and the TTPS must also be addressed.

RECOMMENDATION 62 - Strengthen Cyber Crime Unit.

Staffing, training and budget in this unit must become more robust as the frequency of cybercrime rises and the types of cybercrime become more elaborate. Use of the internet and technology is also a cross-cutting theme in the planning or execution of crime (particularly white collar crime). Therefore, bolstering this Unit would undoubtedly aid other departments in their investigations.

RECOMMENDATION 63 - Address the challenges in the Forensic Science Centre.

AMCHAM T&T notes that a major impediment to the detection of crime is the current functioning of the forensic centre. From infrastructure, equipment, and human resources to health and safety concerns, it is unacceptable for a country with a crime problem like ours to devote such little time and resources to the Forensic Centre. Before any suggestion of opening additional Centres is made, the existing one ought to be upgraded. Key to solving crime is an appropriately outfitted crime lab with the equipment necessary to carry out the tests relevant to the types of cases that we see locally (and maybe even regionally).

Having a functioning Centre is only one part of the equation – we also need the people. A concerted effort ought to be made between ministries with responsibility for national security, education and ICT to staff the Centre. Through GATE, national scholarships and linkages with international partners the government should seek to promote forensic pathology as career path. Moreover, training in digital forensics, DNA forensics, toxicology, forensic psychology and other types of criminalistics (biological evidence, fingerprints, trace evidence, ballistics, firearm and tool mark examination etc.) is critical.

A well-equipped, -maintained and -staffed Forensic Science Centre, with appropriate preparatory work, would significantly aid in crime solving.

RECOMMENDATION 64 - Greater inter-agency collaboration.

The need for inter-agency collaboration– with other national security agencies such as Immigration; Coast Guard, Defence Force and the FIU would be key to addressing the challenges within the TTPS. This collaboration, facilitated by an effective ICT structure should yield more favourable results. Increased collaboration between the aforementioned agencies and other Government departments and schools (e.g. Licensing Division; Port Authorities; Customs and Excise; etc.) would also augur well for better law enforcement. Departments with investigative functions across the public sector ought to be adequately staffed and trained.

RECOMMENDATION 65 – Implement adequate support mechanisms for victims AND Officers.

Not only is medical / injury support and welfare necessary, but there is also a need for psychological support for officers. To put it quite simply, if officers are not in the best frame of mind while doing their job, they are less likely to perform at their best. Officers should be allowed (and in some cases mandated) to visit mental health experts who are recruited from within the service and appropriately trained or civilians hired by the TTPS to perform this function.

Moreover, there is a need to bolster the services provided by the Victim Support Unit. The effect of crime and its impact on victims, their relatives and their colleagues is far reaching. It is imperative that Victim Support be a continuous process that is efficiently tracked and evaluated.

RECOMMENDATION 66 - Address challenges within DPP's Office and the Judiciary.

Part of our crime problem is a conviction problem. Addressing the challenges within the Judiciary and the DPP's Office in particular is no small feat, but it is necessary that we begin the work at once. It is our suggestion that measures taken to improve the efficiency and the effectiveness of these organization be monitored and evaluated periodically and in a transparent manner. For example, metrics such as the time taken for a case to be heard and determined; number of backlogged cases reduced; and other performance metrics should be recorded and analysed. The need to expedite the hearing of cases and clearing the backlog is still critical. The Government should again consider the implementation of alternative court systems such as Magistrate's courts in the jails; gun and violent crime court and night courts for specific matters.

RECOMMENDATION 67 - Implement recommendations for Prison Reform.

While much has been said, little has been done to reform the prison service in Trinidad and Tobago. Over the years, several studies and recommendations have been made to reform prisons. The issues within the prisons system are getting more severe. Form overcrowding to recidivism and little to no skills training programmes, to infrastructural and technological deficiencies, the nation's prisons are not suited for the large number of prisoners currently housed therein, nor are they suited for the core function of rehabilitation. Moreover, the challenge with providing acceptable and safe facilities for young offenders should also be on the front-burner, given the changing face/age of crime. Action in this area is critical in the fight against crime.

LEGISLATION

RECOMMENDATION 68 - Address legislation pertinent to the fight against crime.

AMCHAM T&T is also of the view that several pieces of legislation are pertinent to the effective and efficient operations of the TTPS. These pieces of legislation will affect the functioning of the

organization or create new offences on one hand, and on the other hand, some pieces of legislation, if appropriately considered, amended or introduced, may assist the TTPS in the execution of their duties. These include:

- The Motor Vehicle and Road Traffic Amendment Bill;
- Police Complaints Authority (Amendment) Bill;
- Parole Bill;
- Civil Asset Forfeiture;
- Data Protection Act; among others.

The following two, most notably, should be dealt with urgently:

- Whistle Blower Legislation:

AMCHAM T&T is of the view that this legislation remains important in finding and prosecuting white collar crimes in particular and can have a considerable effect on bringing charges and securing the conviction of lawbreakers. The Government should seek to make progress on this Bill.

- Cybercrime Bill

The ever-changing cyber landscape necessitates up-to-date legislation to adequately address the range of issues that may occur. While technology has advanced, legislation locally has not kept apace. This area needs urgent attention.

CONCLUSION

For Trinidad and Tobago, challenging economic times have persisted into 2017. The decline in oil and gas revenues has affected both the Government and its budget considerations and the business community. These challenges highlight the need to maintain the budget on oil price of US\$40 per barrel with a hedge of US\$35 and a natural gas price of US\$2.00 per mmbtu. The impetus to move toward renewable energy and energy efficient practices are also noted within our recommendations. As highlighted in this submission, the need for expenditure reduction and debt management is brought sharply into focus in this downturn. Moreover, as businesses struggle to remain open and competitive in such an environment, addressing business concerns become critical. Bureaucracy in Government operations continues to be a hurdle and addressing the ease of doing business and tax system improvements recommendations put forward here could work to improve the efficiency, cost and convenience of government services.

Improving the efficiency of the public sector and leading Trinidad and Tobago into the fourth industrial revolution mandates a digital transformation. It is for this reason that AMCHAM T&T has devoted an entire section to this topic in this year's submission. Also addressed in its own section in this year's submission is diversification. Now more than ever diversification has become a hot-button issue. Implementing key initiatives in sectors with the potential for growth is critical. The submission discusses a number of sectors which, if nurtured, can be significant players in the trust for diversification including sectors such as tourism and agriculture.

While the aforementioned areas are necessary for creating an environment where businesses could not only survive, but thrive, national security cannot be overlooked. The negative impact of crime on our society is far-reaching and the social, psychological and economic consequences are borne every day by communities, businesses and the country as a whole. Therefore, AMCHAM T&T took the opportunity to forward recommendations to address some of the key challenges faced in this area.

AMCHAM T&T is pleased to have provided these recommendations for Budget cycle 2017/2018. We remain willing to work with the Government and other stakeholders to ensure the growth and development of the local economy. We again thank the Ministry for the opportunity to share our views and would be grateful to further articulate these positions if requested.