

Trinidad and Tobago

RISK & COMPLIANCE REPORT

DATE: March 2017

Executive Summary - Trinidad & Tobago	
Sanctions:	None
FAFT list of AML Deficient Countries	No
Higher Risk Areas:	US Dept of State Money Laundering assessment Not on EU White list equivalent jurisdictions Compliance of OECD Global Forum's information exchange standard
Medium Risk Areas:	Compliance with FATF 40 + 9 Recommendations Corruption Index (Transparency International & W.G.I.) World Governance Indicators (Average Score) Failed States Index (Political Issues)(Average Score)
<p>Major Investment Areas:</p> <p>Agriculture - products:</p> <p>cocoa, rice, citrus, coffee, vegetables; poultry; sugar</p> <p>Industries:</p> <p>petroleum and petroleum products, liquefied natural gas (LNG), methanol, ammonia, urea, steel products, beverages, food processing, cement, cotton textiles</p> <p>Exports - commodities:</p> <p>petroleum and petroleum products, liquefied natural gas, methanol, ammonia, urea, steel products, beverages, cereal and cereal products, sugar, cocoa, coffee, citrus fruit, vegetables, flowers</p> <p>Exports - partners:</p> <p>US 40.3%, Argentina 6.9%, Chile 6.8%, Jamaica 4.9%, Spain 4.3% (2012)</p> <p>Imports - commodities:</p> <p>mineral fuels, lubricants, machinery, transportation equipment, manufactured goods, food, chemicals, live animals</p> <p>Imports - partners:</p> <p>US 30.8%, Colombia 13.9%, Brazil 7.6%, Gabon 5%, Canada 4.1% (2012)</p>	

Investment Restrictions:

Generally speaking, there are no restrictions or disincentives to investment. Foreign ownership of companies is permitted and welcomed under the Foreign Investment Act (1990).

Currently, the applicable "Foreign Investment Act of 1990" extends national treatment to CARICOM citizens but does not guarantee the same rights to other foreigners. In the absence of a government granted waiver, the law limits foreign equity participation in local companies to the extent that a foreign investor is permitted to own 100 percent of the share capital in a private company, but a license is required to own more than 30 percent of the share capital of a public company.

The Foreign Investment Act also limits foreign ownership of land to one acre for residential purposes and five acres for trade purposes without a license.

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Section 1 - Background

First colonized by the Spanish, the islands came under British control in the early 19th century. The islands' sugar industry was hurt by the emancipation of the slaves in 1834. Manpower was replaced with the importation of contract laborers from India between 1845 and 1917, which boosted sugar production as well as the cocoa industry. The discovery of oil on Trinidad in 1910 added another important export. Independence was attained in 1962. The country is one of the most prosperous in the Caribbean thanks largely to petroleum and natural gas production and processing. Tourism, mostly in Tobago, is targeted for expansion and is growing. The government is coping with a rise in violent crime.



Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

Trinidad and Tobago is no longer on the FATF List of Countries that have been identified as having strategic AML deficiencies

Latest FATF Statement - 19 October 2012

The FATF welcomes Trinidad and Tobago's significant progress in improving its AML/CFT regime and notes that Trinidad and Tobago has established the legal and regulatory framework to meet its commitments in its Action Plan regarding the strategic deficiencies that the FATF had identified in February 2010. Trinidad and Tobago is therefore no longer subject to FATF's monitoring process under its on-going global AML/CFT compliance process. Trinidad and Tobago will work with CFATF as it continues to address the full range of AML/CFT issues identified in its Mutual Evaluation Report, particularly implementation of the new legislative and regulatory reform in order to more effectively combat illicit finance in Trinidad and Tobago.

Compliance with FATF Recommendations

The last Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in Trinidad and Tobago was undertaken by the Financial Action Task Force (FATF) in 2016. According to that Evaluation, Trinidad and Tobago was deemed Compliant for 12 and Largely Compliant for 13 of the FATF 40 Recommendations.

Risks and General Situation

Trinidad and Tobago is currently undertaking its National Risk Assessment (NRA) in relation to money laundering (ML)/ terrorist financing (TF). At the time of the on-site, Trinidad and Tobago had commenced, but not completed its NRA. Draft sector reports had been compiled and preliminary results had been communicated to the relevant sectors, however the Authorities advised that the draft reports could not be shared with the Assessors at that time. The National Anti-Money Laundering and Counter Financing of Terrorism Committee (NAMLC) advised that Trinidad and Tobago was in the process of reviewing, consulting on and finalizing the collated Report before sending to the World Bank. The different Competent Authorities (CAs) including law enforcement authorities (LEAs) have indicated to the Assessors that they are aware of the risk ML and predicate offences pose to the jurisdiction. However no documentation was produced to substantiate the information provided by law enforcement in this regard. The Financial Intelligence Unit of Trinidad and Tobago (FIUTT) produced information to show that the predicate offences of Tax Evasion, Fraud and Drug

Trafficking are some of the highest generators of the proceeds of crime as a result of the suspicious transaction reports (STRs)/ suspicious activity reports (SARs) submitted to the FIUTT. The Assessors were informed that the location of the jurisdiction and its nexus to international trade also makes it vulnerable to cross-border ML risks. The information reflected the volume of currency declarations that were submitted by the Customs and Excise Division to the FIUTT along with the number of cash seizures that occurred throughout the port. The information provided to the Assessors shows that Money Value Transfer Service (MVTs) providers are second only to the banks in filing STRs/SARs to the FIUTT. The large volume of currency declarations being reported to the FIUTT by the Customs and Excise Department coupled with the increasing amount of reports the FIUTT has been receiving from the MVTs providers and the monetary value of cash seized by the Customs and Excise Division are indicators that significant amount of monies are being moved across the border.

The offence of Terrorism is not unknown to the jurisdiction. Law Enforcement and Intelligence Officials have indicated that nationals of Trinidad and Tobago are currently being held in Venezuela on suspected terrorist activity offences. The information provided to the Assessors also indicated that Trinidad and Tobago has extradited one of its nationals to New York, USA for terrorist related activities. Currently, LEAs and other intelligence agencies within the jurisdiction have intelligence information to suggest that its nationals are travelling to places such as Syria to fight with terrorist organisations such as ISIS/ISIL. The FIUTT has received information in the form of STRs/SARs which may indicate that some legal entities are engaged in conducting businesses with entities that may be involved in terrorism activities.

Key Findings from Report

Overall Level of Compliance and Effectiveness

Identifying, assessing and understanding risk: Trinidad and Tobago is currently conducting its NRA in collaboration with the World Bank. This assessment is being spearheaded by NAMLC. The Assessors note that Trinidad and Tobago's understanding of risk is limited and there has been varied assessments of such risk by CAs. The NRA, therefore, would be helpful in assisting Trinidad and Tobago with identifying, assessing and mitigating the risk posed by ML/TF.

The Limited Use of Financial Intelligence: Trinidad and Tobago has robust legislation that allows for LEAs to gather financial intelligence and information to investigate ML, TF and associated predicate offences. These enactments being the POCA and the ATA also provides for the LEAs to trace, restrain and confiscate the proceeds of crime. The FIUA allows for the FIUTT to receive, analyse and disseminate financial information to the relevant LEAs. The FIUTT has disseminated several Intelligence Reports (IRs) to LEAs as part of its mandate. Three of these reports have led to the arrest and prosecution of five individuals for ML offences. However, the Assessors observed that a large number of SARs received by the FIUTT are still awaiting analysis or have been filed for intelligence purposes. It should also be noted that a number of the IRs disseminated to the Financial Investigations Branch (FIB) are still under investigation. The Assessors were informed that there has been an improvement in the quality of IRs submitted by the FIUTT as of 2014.

Money Laundering Investigation and Prosecution: LEAs in Trinidad and Tobago considered the risk associated with ML as being medium to high. The jurisdiction has recorded three cases of ML that have resulted in charges being brought against five individuals. The cases are currently pending before the Court. The information provided indicates that these cases were as a result of parallel investigations conducted between the FIB and the Fraud Squad.

There are no arrests for stand-alone ML. The investigation of ML is not properly prioritized by LEAs. The lack of ML arrests coupled with the risks associated with the jurisdiction along with the lack of priority given to investigation suggests that the offence of ML is not properly investigated. Furthermore, none of the cases for which persons have been charged with ML have been adjudicated by the Court and this therefore creates a difficulty in determining whether these cases have been properly investigated. In the absence of convictions for ML, it is not possible to say conclusively that matters are being properly investigated. The absence of convictions for the offence of ML means that no sanctions have been applied by the Court. The offence of ML is not given priority within the Court system.

Confiscation: Confiscation is not treated with priority within Trinidad and Tobago. Trinidad and Tobago does not have any confiscation proceedings pertaining to ML, TF or any predicate offences. Recent changes to the POCA have created a loophole whereby confiscation may not be possible if the criminal ML conduct is not linked to a specified offence.

The Seized Assets Fund (SAF) which is for monies seized under the POCA and the ATA has not been properly established as persons have not been appointed to the Seized Assets Committee and Regulations governing the management and operation of the fund have not as yet been developed.

Terrorist Financing: The offence of terrorist financing has been adequately criminalised in the ATA and related regulations. The FIUTT has mandated in its Standard Operating Procedures (SOP) that STRs relating to TF are to be given priority and outlines the procedure upon receipt of these STRs. The Assessors were informed that these IRs were delivered to the relevant person within the Trinidad and Tobago Police Service (TTPS). There has been no feedback to the FIUTT in relation to these IRs. The Assessors note that a report of TF was submitted since 2013 and there is no evidence to suggest that any actions have been taken against the individuals or entities mentioned in the report. There is no indication that TF is prioritized and properly investigated by LEAs as there has been no designation of entities or persons as terrorists, no assets restrained nor any arrests or convictions for TF offences. The framework for targeted sanctions related to the financing of terrorism needs to be significantly tightened up. There are not adequate sanctions or prohibitions in respect of making funds or facilities available to designated persons and all the requirements for freezing funds are not covered in the ATA. There is no comprehensive policy on the proliferation of financing of weapons of mass destruction and there is no adequate legislation on this issue. There does not appear to be a thorough appreciation of the risk of TF amongst the relevant authorities. There are inadequate resources to effectively investigate and prosecute TF.

Non Profit Organisations (NPOs): NPOs are required to register with the Registrar General's Department however there is no proper AML/CTF policy in relation to the management, supervision and monitoring of these entities. A targeted risk assessment for these entities has not been done as yet, neither are there adequate laws to address this area which means that for most intents and purposes the sector is not being sufficiently regulated.

Preventive Measures – The regulatory framework in relation to preventive measures is largely in place as demonstrated by the level of technical compliance by Trinidad and Tobago. However, significant gaps exist in the manner in which FIs and listed businesses (LBs) in Trinidad and Tobago implement these requirements. Gaps exist in understanding risk, applying enhanced due diligence to PEPS, internal controls and performance of CDD measures based on risk.

Supervision – The supervisory regime undertaken by the Central Bank of Trinidad and Tobago (CBTT) is robust and well developed given that it has had significantly more years of experience than the other CAs. Supervision performed by the CBTT is sound. Additionally, the FIUTT as a supervisor has demonstrated its capabilities while the Trinidad and Tobago Securities and Exchange Commission (TTSEC) has only recently begun direct AML/CFT supervision. Except for the CBTT there are issues of resources and expertise. Across the board, Regulators have not demonstrated sufficient understanding of risk and applied that understanding to how they regulate on a risk sensitive basis. Sanctions imposed by supervisors have been limited and the range of sanctions available have not been utilised adequately by supervisors. Supervisors need to consider wider use of those powers as well as seeking additional powers such as the ability to impose monetary administrative penalties.

National AML/CFT Policies and Coordination – There is an overall AML/CFT framework in place. The framework is coordinated by the NAMLC. Domestic coordination occurring amongst the key stakeholders has resulted in a number of positive strides within the AML/CFT framework. However, all sectors have not been covered in terms of articulation and thorough dissemination of the AML/CFT policy and in assessing and understanding the country-wide risks. There is need for greater resources to be invested so that all the key agencies are sufficiently funded.

Legal Persons and Legal Arrangements - Trinidad and Tobago is a thriving centre for commercial activity. It has a very active Registrar General's Department (RGD) that oversees the registration of companies, NPOs and the registration of business names amongst other functions. A publicly searchable electronic database for general records of the RGD has been invaluable in increasing accessibility to basic information on companies. Some beneficial ownership information is kept and made available but the accuracy of this is questionable since there is no requirement in the Companies Act to demand and maintain such information. Trinidad and Tobago is not a major centre for legal arrangements. Recent improvements in the filing of annual returns has improved the accuracy of records within the RGD and the verification process but there is still significant room for improvement. No risk analysis pertaining to legal arrangements has been done.

International Cooperation – FIUTT has been working effectively to use mechanisms to share, exchange and respond to requests for information. The FIUTT is able to share information spontaneously. LEAs have not maximised the possibility of exchanging information with their foreign counterparts. Both the BIR and the Customs and Excise Division have limitations in providing or obtaining information from foreign counterparts. Requests for information are not always processed in a timely manner. All the provisions of the Vienna Convention, the Merida Convention, the Terrorist Financing Convention and the Palermo Convention need to be given effect to. A proper case management system does not exist for either mutual legal assistance or extradition cases. There are some limitations in the Mutual Legal Assistance Act that may affect the provision of information.

Key Findings from latest Mutual Evaluation Report (2007):

At the time of the team's visit, Trinidad & Tobago's AML/CFT legislative framework did not fully comply with international standards. The Central Bank of Trinidad and Tobago (CBTT) in September 2004 has issued (revised) AML/CFT guidelines to the financial institutions under its

supervisory authority that were incorporating the FATF 40 + 8 Recommendations. These Guidelines were also endorsing the basic AML/CFT measures introduced in the Proceeds of Crime Act No. 55 of 2000 (POCA 2000) and were including a list of examples of suspicious transactions to assist financial institutions in recognizing the same. Interviews indicated to the Mission that financial institutions were generally following these Guidelines; however, the financial legislative framework of Trinidad and Tobago was still lacking relevant statutes for the CBTT Guidelines to be enforceable and the CBTT to be effective in its supervision of implementation of these Guidelines. The FIU was also in need of basic FIU legislation in order to enhance its structure and powers according to international Egmont standards, while the Financing of Terrorism (CFT) component of Trinidad and Tobago's legislative framework was not legislated.

The CBTT is the supervisory authority for all institutions licensed under the Financial Institutions Act 1993 and the Insurance Act 1980 (amended in 2004). These include Commercial Banks, Trust Companies, Merchants Banks, Finance Houses, Insurance Companies, Pension Plans and Cambios. There is no provision for bearer shares in the Companies Act 1995 (which came into force on 15th April, 1997). The Mission was however concerned to notice that Money Transfers are not licensed in Trinidad and Tobago and that Credit Unions (131 entities with assets estimated at \$4 billion at the time of the on site visit) are being supervised by a Credit Union Supervisory Unit within the Ministry of Finance, which does not include testing of compliance with AML/CFT issues as one of its tasks. Up to the visit of the Mission the Ministry of Finance has issued no AML/CFT guidelines for these Credit Unions.

The Mission remained also concerned with the lack of supervisory authorities and supervision on the sector of Designated Non Financial Businesses and Professions (DNFBPs) in Trinidad and Tobago. According to POCA 2000, AML measures apply to most DNFBPs, however the indicated lack of supervisory measures in the DNFBP sector, is affecting the effective implementation of POCA 2000 measures in this sector.

The vulnerability for money laundering in Trinidad and Tobago's financial sector according to the authorities primarily exists as a result of its geo-strategic location between illicit drugs producing and drugs consuming countries of the world. Submitted SAR's according to figures from 2001 to 2004 received from the FIU were mainly in connection with suspected illegal drugs transactions and they provided intelligence for drug trafficking activities.

All SARs were received from financial institutions while the vast majorities (approximately 85%) were received from money transfer companies. No SARs were received from DNFBP's while statistics on prosecutions and convictions based on money laundering cases between 2001 and 2004 indicated no convictions. The mission as a result of this is concerned with the level of implementation and effectiveness of the AML/CFT systems in place in Trinidad and Tobago and the focus on money laundering and proceeds of crime issues at the time of the on site visit.

Trinidad and Tobago is categorised by the US State Department as a Country/Jurisdiction of Primary Concern in respect of Money Laundering and Financial Crimes.

OVERVIEW

Trinidad and Tobago's close proximity to drug producing countries, relatively stable economy, and developed financial systems make it a target for criminals looking to launder money. Proceeds from drug trafficking, illegal arms sales, fraud, tax evasion, and public corruption are the most common sources of laundered funds and are derived from both domestic and international criminal activity. Narcotics trafficking organizations and organized crime entities, operating locally and internationally, control the majority of illicit proceeds moving through the country.

There have not been any money laundering convictions to date, although the Police Service Financial Investigations Branch continues to bring cash seizure and forfeiture cases to the courts. Trinidad and Tobago institutions encompassed in the AML regime continue to be challenged due to capacity and resource constraints. Sustained capacity building, ensuring adequate legislation, regulating the gaming industry, and increasing cooperation among law enforcement entities, the FIU, and the judiciary would greatly improve AML investigations and the rate of convictions.

VULNERABILITIES AND EXPECTED TYPOLOGIES

Trinidad and Tobago's AML regime is unable to quantify the extent to which fraud and public corruption contribute to money laundering. Fraud and waste in government procurement have been identified as problems, but rarely result in convictions. The failure to prosecute financial crimes successfully has a corrosive impact on the integrity of public finances and may encourage others to engage in financial crimes.

Money laundering also occurs outside the traditional financial system. While public casinos and online gaming are illegal in Trinidad and Tobago, gamblers take advantage of "private members' clubs," which operate as casinos and are able to move large amounts of cash due to Trinidad and Tobago's lack of adequate AML supervision of this sector. Reports also suggest that certain local religious organizations are involved in money laundering. STRs reviewed by the FIU and Customs and Excise Division officials indicate that TBML occurs.

There are 17 FTZs in Trinidad and Tobago, where manufactured products are exported. Companies must present proof of legitimacy and are subject to background checks prior to being allowed to operate in the FTZs, and while operating are required to submit tax returns quarterly and audited financial statements yearly. There is no evidence the FTZs are involved in money laundering schemes.

Trinidad and Tobago does not have a significant offshore banking sector. The volume of money laundering in the offshore banking sector is unknown. Currency transactions below the STR threshold are common.

KEY AML LAWS AND REGULATIONS

Trinidad and Tobago has fairly comprehensive KYC and STR regulations.

Trinidad and Tobago is a member of the CFATF, a FATF-style regional body.

AML DEFICIENCIES

The Attorney General's office is committed to addressing legislative deficiencies and has prioritized AML investigations and prosecutions. Trinidad and Tobago needs to consistently comply with international standards regarding its legal and regulatory frameworks and to demonstrate commitment to enforce AML laws. Trinidad and Tobago should improve its capacity to investigate and prosecute money laundering cases successfully in order to increase its conviction rate.

ENFORCEMENT/IMPLEMENTATION ISSUES AND COMMENTS

Trinidad and Tobago currently has 13 financial prosecutions and no convictions to date. AML stakeholders continue to face many challenges, and Trinidad and Tobago has taken steps to address deficiencies. In 2016, Trinidad and Tobago appointed a Seized Assets Committee, to establish regulations and management of monies seized under the Proceeds of Crime Act.

Trinidad and Tobago continues to address additional AML legislative deficiencies. The country is in its third and final phase of its national risk assessment (NRA). The NRA will identify risks and vulnerabilities to the AML regime and guide Trinidad and Tobago in applying mitigating measures.

Current Weaknesses in Government Legislation (2013 INCRS Comparative Tables):

According to the US State Department, Trinidad and Tobago conforms with regard to all government legislation required to combat money laundering

EU White list of Equivalent Jurisdictions

Trinidad and Tobago is not currently on the EU White list of Equivalent Jurisdictions

World Governance indicators

[To view historic Governance Indicators Ctrl + Click here and then select country](#)

Failed States Index

[To view Failed States Index Ctrl + Click here](#)

Offshore Financial Centre

Trinidad and Tobago is not considered to be an Offshore Financial Centre

US State Dept Narcotics Report 2017:

Introduction

Trinidad and Tobago's close proximity to Venezuela, open coastline, and direct transportation routes to Europe, Canada, and the United States make it an ideal location for cocaine and marijuana transshipment. In 2016, illegal narcotics shipments mainly moved up from Trinidad's southern borders. Marijuana is locally produced and is the most widely used drug domestically, but other drugs, including cocaine, heroin, and MDMA (ecstasy) are also available.

The Government of Trinidad and Tobago continues to make progress in its ability to investigate complex counternarcotics cases targeting criminal networks, but is challenged by insufficient resources and capacity. Robust interdiction efforts continued in 2016, though overall drug seizures decreased from 2015. The strong commitment to drug demand reduction persists, but treatment capacity remains under-resourced to meet the need. Corruption and gaps in legislative and organizational implementation continue to challenge the country's efforts to curb the trafficking and use of illegal narcotics.

Conclusion

The entities and individuals working to combat narcotics trafficking in Trinidad and Tobago continue to face considerable institutional challenges. In order to deter traffickers, the Government of Trinidad and Tobago should implement reforms and programs to expedite prosecutions, and persist with a more evidence-based criminal justice system to enable convictions.

US State Dept Trafficking in Persons Report 2014 (introduction):

Trinidad & Tobago is classified a Tier 2 (watch list) country - a country whose government does not fully comply with the Trafficking Victims Protection Act's minimum standards, but is making significant efforts to bring themselves into compliance with those standards.

Trinidad and Tobago is a destination, transit, and possible source country for adults and children subjected to sex trafficking and adults subjected to forced labor. Women and girls from the Dominican Republic, Guyana, Venezuela, and Colombia are subjected to sex trafficking in Trinbagonian brothels and clubs. Economic migrants from the Caribbean region and from Asia, including India and China, are vulnerable to forced labor. Cases of forced labor have occurred in domestic service and in the retail sector. Law enforcement officials report Trinbagonian children were vulnerable to sex trafficking and forced labor, including the coerced selling of drugs. A 2013 study indicates individuals in establishments, such as brothels or nightclubs, throughout Trinidad recruit women and girls for the commercial sex trade and keep their passports; withholding a passport is a common indicator of human trafficking. This report also indicates that economic migrants who lack legal status may be exposed to various forms of exploitation and abuse, which are indicative of human

trafficking. As an island-nation outside the hurricane belt, Trinidad and Tobago experiences a steady flow of vessels transiting its territorial waters, some of which may be engaged in illicit and illegal activities, including forced labor in the global fishing industry.

The Government of Trinidad and Tobago does not fully comply with the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. During the reporting period, the government vigorously investigated trafficking offenses and, for the first time, formally charged suspected trafficking offenders under its 2011 anti-trafficking law. Officials in the anti-trafficking unit identified an increased number of trafficking victims and referred them for care. The government proactively investigated government officials for trafficking-related complicity; however, it has yet to convict any individuals under its anti-trafficking law. A lack of formalized stand-alone identification procedures for front-line responders hindered the government's ability to identify additional trafficking victims and increased the risk of their inadvertent arrest, deportation, or punishment.

US State Dept Terrorism Report 2015

Overview: Trinidad and Tobago took steps to address the challenge of foreign terrorist fighters by forming a National Counterterrorism Working Group, chaired by the Trinidad and Tobago Chief of Defense Staff. The working group drafted a strategy to take into account international and domestic commitments in countering terrorism and the specific nature of the terrorist threat to Trinidad and Tobago, identifying the priorities, principles, and key assumptions.

Elections on September 7 resulted in a new Prime Minister and a new government that appears to be focused on national security, particularly in the areas of crime and counterterrorism. The government continued to cooperate with the United States on security matters, including participation in the U.S. Department of State's Antiterrorism Assistance program that addresses counterterrorism training for police, and the Caribbean Basin Security Initiative program that focuses on training and the professionalization of the police and military forces in order to ensure citizen security.

Legislation, Law Enforcement, and Border Security: Trinidad and Tobago is reviewing its legislation to address foreign terrorist fighters and their possible return, an area not addressed in the 2005 Anti-Terrorism Act. The Counterterrorism Working Group, which includes both defense force and law enforcement officials, is still in its initial stages. Its proposed counterterrorism strategy was not approved by the country's Cabinet in 2015, and police or military units that have a counterterrorism mission had not been identified.

Trinidad and Tobago, with the assistance of certain police units and government sections, continued to identify and monitor persons that raise terrorism concerns and maintained a list of nationals who traveled to Syria or Iraq to fight with the Islamic State of Iraq and the Levant (ISIL). More than 70 nationals of Trinidad and Tobago are believed to be fighting with ISIL in Syria. There was limited interagency cooperation and coordination, and limited information-sharing due to allegations of corruption amongst different agencies. Prosecutors are consulted on an ad hoc basis with regard to criminal cases.

Biographic and biometric screening capabilities are limited at certain ports of entry. Trinidad and Tobago collects advance passenger information and disseminates this information to other countries accordingly.

The defense force is responsible for the security of the coastline spanning the two islands and assists law enforcement in combating transnational crime. Both the defense and police forces are limited in human and material resources to meet strategic security challenges.

Countering the Financing of Terrorism: Trinidad and Tobago is a member of the Caribbean Financial Action Task Force (CFATF), a Financial Action Task Force (FATF)-style regional body. The United States is concerned about serious deficiencies in Trinidad and Tobago's anti-money laundering/combating the financing of terrorism (AML/CFT) framework highlighted in its fourth round mutual evaluation. As a result of the evaluation, the Attorney General is looking to correct Trinidad and Tobago's legislative deficiencies.

Trinidad and Tobago's AML/CFT regime is not able to quantify the extent to which fraud and public corruption contribute to money laundering. The country requires the collection of Know Your Customer-data for banks and wire transfers, and requires various entities to report suspicious transactions. However, non-profit organizations are not obligated to file suspicious transaction reports.

STRs reviewed by the Trinidad and Tobago Financial Intelligence Unit and Customs and Excise Division officials confirm that trade-based money laundering occurs, though no indications tied these activities directly to terrorism financing.

In December 2015, the Trinidad and Tobago Attorney General, under the country's 2005 Anti-Terrorism Act, froze the assets of Trinbagonian national Kareem Ibrahim. In 2011, Ibrahim was convicted in a United States federal court of conspiring to commit a terrorist attack at the John F. Kennedy Airport. This was the first time that Trinidad and Tobago invoked any portion of its 2005 Anti-Terrorism Act.

International and Regional Cooperation: In November 2015, the Prime Minister attended the Commonwealth Heads of Government Meeting where he and other leaders addressed terrorism and security issues and the growing concern over ISIL.

International Sanctions

None applicable

Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	35
World Governance Indicator – Control of Corruption	36

Corruption and Government Transparency - Report by US State Dept

Corruption has traditionally appeared to be moderate and has not seriously undermined government or business operations. TT has a number of laws, regulations, and penalties designed to combat corruption and fraud, though few public officials are ever prosecuted. The local press actively reports on allegations of waste, fraud, or abuse of public resources.

With economic activity and growth on the rise, TT's active press, trade associations, and business community have increasingly reported allegations of corruption involving government contracts. As elsewhere, competing businesspersons may seek to influence decisions in their favor through personal connections. In recent years, the government has established a number of commissions of inquiry into inappropriate conduct in public contracting.

Section 3 - Economy

Trinidad and Tobago attracts considerable foreign direct investment from international businesses, particularly in energy, and has one of the highest per capita incomes in Latin America. Economic growth between 2000 and 2007 averaged slightly over 8% per year, significantly above the regional average of about 3.7% for that same period; however, GDP has slowed down since then and contracted during 2009-2011 due to depressed natural gas prices and changing markets. Growth had been fueled by investments in liquefied natural gas, petrochemicals, and steel with additional upstream and downstream investment planned. Trinidad and Tobago is the leading Caribbean producer of oil and gas, and its economy is heavily dependent upon these resources. It also supplies manufactured goods, notably food products and beverages, as well as cement to the Caribbean region. Oil and gas account for about 40% of GDP and 80% of exports, but only 5% of employment. Oil production has declined over the last decade as the country focused the majority of its efforts on natural gas. The current administration has been working to arrest this decline by opening bid rounds and providing fiscal incentives for investments in on-shore and deep water acreage to boost oil reserves and production. The government keeps a close watch on the changing global gas markets and has shown flexibility in diversifying natural gas export destinations. Although Trinidad and Tobago enjoys cheap electricity from natural gas, the renewable energy sector has recently garnered increased interest. The country is also a regional financial center with a well-regulated and stable financial system. Other sectors the Government of Trinidad and Tobago targeted for increased investment and projected growth include tourism, agriculture, information and communications technology, and shipping. The economy benefits from a growing trade surplus with the US. The US is Trinidad and Tobago's leading trade partner. The previous MANNING administration benefited from fiscal surpluses fueled by the dynamic export sector; however, declines in oil and gas prices have reduced government revenues, challenging the current government's commitment to maintaining high levels of public investment. Crime and bureaucratic hurdles continue to be the biggest deterrents for attracting more foreign direct investment and business.

Agriculture - products:

cocoa, rice, citrus, coffee, vegetables; poultry; sugar

Industries:

petroleum and petroleum products, liquefied natural gas (LNG), methanol, ammonia, urea, steel products, beverages, food processing, cement, cotton textiles

Exports - commodities:

petroleum and petroleum products, liquefied natural gas, methanol, ammonia, urea, steel products, beverages, cereal and cereal products, sugar, cocoa, coffee, citrus fruit, vegetables, flowers

Exports - partners:

US 40.3%, Argentina 6.9%, Chile 6.8%, Jamaica 4.9%, Spain 4.3% (2012)

Imports - commodities:

mineral fuels, lubricants, machinery, transportation equipment, manufactured goods, food, chemicals, live animals

Imports - partners:

US 30.8%, Colombia 13.9%, Brazil 7.6%, Gabon 5%, Canada 4.1% (2012)

Banking

The financial services industry in Trinidad and Tobago is one of the most developed in the Caribbean. The country has a reliable banking system, with eight commercial banks (including one state-owned bank), with six operating merchant banks and one merchant bank and related financial institutions. There is an extensive linked network of ATMs and point of sale operations shared by four of the banks throughout the country. Telephone and internet banking services are provided by the banks and they also offer a variety of advance products and services. The Central Bank of Trinidad and Tobago (CBTT) determines monetary policy, sets rates and reserve requirements, and regulates the operations of the commercial and other financial institutions. There are no restrictions on borrowing by foreign investors. To facilitate the resolution of customer's complaints from the commercial banks, the Office of the Banking Services Ombudsman was established in 2003. Legislation and regulations regarding money laundering and terrorism financing are outlined in the CBTT's Guideline on Combating Money Laundering and Terrorist Financing. The Anti-Terrorism Act was passed in 2005. This legislation provides for the detection, prevention, prosecution, conviction and punishment of terrorist activities and the confiscation, forfeiture and seizure of terrorists' assets.

Stock Exchange

The Trinidad and Tobago Stock Exchange was opened in October 1981. It operates a takeover and merger code for companies listed on the local stock exchange. The government has established a securities and exchange commission for the purpose of supervising and regulating the securities market and market actors. Foreign investors must obtain a license from the Ministry of Finance before they can legally acquire more than thirty percent of a publicly held company. Cross-shareholding arrangements that would inhibit foreign investment through mergers and acquisitions are uncommon outside the financial services sector.

Executive Summary

Trinidad and Tobago (TT) is a high-income developed country with a GDP per capita of over US \$20,000 and an annual GDP of \$24 billion. Within the English-speaking Caribbean Community (CARICOM) group, it has the largest economy, and it is the third most populous country with a population of approximately 1.3 million. The Central Bank of Trinidad and Tobago and the International Monetary Fund predict 2.5 percent gross domestic product growth for TT in 2014. This follows growth of 1.5 percent in 2013, a year marked by several planned maintenance shutdowns in the energy sector.

Energy exploration and production drive the TT economy. In 2012, the energy sector accounted for approximately 40 percent of the country's GDP and 80 percent of its export earnings. TT is the world's largest exporter of ammonia and methanol, and one of the largest exporters of liquefied natural gas (LNG). Besides the energy sector, the biggest economic contributors are the manufacturing and services sectors. The official unemployment rate is between 5-6 percent; but this understates real unemployment due to extensive government make-work programs.

Government policies seek to encourage diversification away from dependence on the oil and gas sector and to stimulate those non-energy sectors with the greatest potential for growth. Targeted sectors include tourism, information and communications technology, creative industries, maritime industries, manufacturing, and agriculture.

Trinidad and Tobago has a favorable and open investment climate and most investment barriers have been eliminated. TT has a stable democratic political system and an educated English-speaking workforce. The commercial banking system is stable, well-capitalized and profitable, as is the insurance industry. Rule of law and respect for contracts are established in business practices.

While TT has reasonably well-developed infrastructure and efficient government services, the pace of reform in many areas has been slow. Legislation on a government procurement policy has been in process for ten years. Trinidad and Tobago has an independent judicial system that is competent, procedurally and substantively fair, and reliable. It is, however, backlogged and over-encumbered, which can make the resolution of legal conflicts time-consuming. The decision-making process for tenders and the subsequent awarding of contracts can at times turn opaque without warning, despite best efforts by the proposing company to fulfill all compliance requests. While the overall investment climate remains strong, a few foreign investors report encountering problems when their company's interests run contrary to those of competing State-owned enterprises.

Crime, particularly violent crime, continues to be a deterrent to the establishment of new businesses and international investment. Successive governments have unveiled strategies to curb the high crime rates and reduce violent crime, but the implementation and sustainability of these efforts are lacking.

Despite these shortcomings, the government's planning and development policy focuses on the promotion of an environment for growth and competitiveness on a foundation of macroeconomic stability. As stated in the Ministry of Trade, Industry, and Investment's new

advertising campaign, they are “Moving from Red Tape to the Red Carpet” to attract investors to Trinidad and Tobago.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude Toward FDI

The Government of Trinidad & Tobago (GOTT) actively encourages foreign direct investment and traditionally welcomes U.S. investors. Generally speaking, there are no restrictions or disincentives to investment. Foreign ownership of companies is permitted and welcomed under the Foreign Investment Act. The myriad U.S. companies operating in Trinidad and Tobago (TT) span many economic sectors including banking, aviation, energy, and manufacturing. TT also has a number of U.S.-based retail food franchises.

Other Investment Policy Reviews

In March 2012 the World Trade Organization conducted an Investment Policy Review for Trinidad and Tobago. Full text of the report can be found here:
http://www.wto.org/english/tratop_e/tpr_e/s260_e.zip

Laws/Regulations of FDI

TT's judicial system typically upholds the sanctity of contracts and generally provides a level playing field for foreign investors involved in court matters. However, due to the backlog of cases, there can be major process delays. As a result, it is imperative that foreign investors sign enforceable contracts and use local attorneys. The Bilateral Investment Treaty (BIT) between the United States and TT requires that the treatment of foreign investments is no less favorable than that accorded to domestic investments ("national treatment").

Industrial Strategy

TT has established programs to attract investment to key sectors. The GOTT seeks to diversify the economy and investment beyond the energy sector. They have targeted the following sectors: **Information and Communication, Agribusiness, Environmental Technologies, Energy, Travel** (tourism), **Entertainment, Marine Technology**, and light Manufacturing. To learn more, please visit InvesTT, the nation's investment promotion agency: www.investt.co.tt

Limits on Foreign Control

The Foreign Investment Act of 1990 limits foreign equity participation in local companies to the extent that a foreign investor is permitted to own 100 percent of the share capital in a private company, but a license is required to own more than 30 percent of the share capital of a public company. The Foreign Investment Act also limits foreign ownership of land to one acre for residential purposes and five acres for trade purposes without a license. In the past, the government generally has freely granted waivers on corporate equity and land ownership restrictions. License applications are subject to review and approval/denial by the Ministry of Finance (in Trinidad) or Tobago House of Assembly (in Tobago).

Privatization Program

TT is increasing the number of Public-Private Partnerships as a model for privatizing key sectors, aiming to ensure control while opening economic growth opportunities. The government has encouraged foreign investment in several state enterprises. In nearly every

case, foreign investors have purchased large minority holdings in privatized firms through various arrangements.

Screening of FDI

In general, the GOTT will only involve itself in foreign investments when the investor is seeking government incentives or concessions, the investor wishes to lease land in one of the government-owned industrial parks, or a planned activity requires a license, such as mining or drilling. Nationals and non-nationals are generally treated equally with respect to obtaining licenses. Bureaucratic delays in approval of investment packages for investors are common. These generally are the result of negotiations for a memorandum of understanding or framework agreement and incentives or, in the case of petrochemical investors, negotiations for favorable natural gas prices. Environmental approval for large industrial projects is governed by the Environmental Management Authority through the issuance of a Certificate of Environmental Clearance.

TABLE 1: The following chart summarizes several well-regarded indices and rankings.

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	83 of 177	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom index	2013	73 of 178	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2013	66 of 189	http://doingbusiness.org/rankings
Global Innovation Index	2013	81 of 142	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2012	\$14,710	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Foreign Exchange

There are no exchange controls on foreign currency and securities. The repatriation of capital, dividends, interest and other distributions and gains on investment may be freely transacted without limits. The average period for remitting all kinds of investment returns is twenty-four hours.

From time to time there are reports on delays in access to foreign exchange through the banking system. These vary from bank to bank and branch to branch. For very large amounts of foreign currency, there are queue systems in place at the individual banks depending on available currency on a particular day.

TT does not engage in currency manipulation. The Trinidad and Tobago dollar (TTD) has a lightly-managed exchange rate regime.

TT's financial system is well-organized and regulated. The Central Bank of Trinidad and Tobago determines monetary policy. The Bank regulates operations of the commercial banks and other financial institutions. The Automated Banking Machine (ABM) banking system offers access to advance cash withdrawals for VISA, MasterCard, and VISA Plus. Internet banking is available at all commercial banks. The regulated financial institutions consist of eight commercial banks, 17 non-bank financial institutions, and three financial holding companies. TT is a member of the International Monetary Fund, the World Bank, the Inter-American Development Bank, and subscribes to the General Agreement on Tariffs and Trade.

Trinidad and Tobago is a member of the Caribbean Financial Action Task Force (CFATF). TT is a country of concern for money laundering and financial crimes.

There is no requirement for withholding on interest paid to resident individuals with respect to loans secured by bonds or other similar investment instruments. When the individual is a non-resident, the withholding tax is 20 percent, except in cases where treaty relief is available. (The double taxation treaty between the United States and Trinidad and Tobago does not provide for such relief.)

Remittance Policies

Where the remittance is in the form of dividends paid to a U.S. individual, the tax rate is 15 percent of the gross dividend. In the case of a U.S. company owning more than 10 percent of the voting control of a TT company, the rate is 10 percent of the gross dividend. For dividends paid to a U.S. company with less than 10 percent ownership, the tax rate is 15 percent. In the case of a U.S. resident company having a branch or permanent establishment in TT, branch profit tax would be applicable on a deemed remittance made by the branch. The rate of branch profit tax is 10 percent, levied on the after-tax profits of the branch, minus any reinvestment of such profits (other than in the replacement of fixed assets).

3. Expropriation and Compensation

No expropriation actions have been taken since the 1980s. All prior expropriations were compensated to the satisfaction of the parties involved. There is no indication of policy shifts that might lead to expropriation in the future.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Trinidad and Tobago has an independent judicial system that is competent, procedurally and substantively fair, and reliable. It is, however, backlogged and over-encumbered which can make the resolution of legal conflicts time-consuming. Civil cases (for matters involving sums in excess of US \$2,500) are heard through the High Court of Justice (trial court level), which can grant equitable relief, such as acclamation injunctions and public law remedies. Decisions may be appealed to the TT Court of Appeal. The United Kingdom Privy Council Judicial Committee remains the final court of appeal for TT. Criminal acts are first heard by the Magistrates' Court and may also be appealed as high as the Privy Council. At present, there is no reciprocal enforcement of judgments obtained in the United States. These judgments do, however, form the basis of a debt on which the court can rule summarily. The only grounds on which a foreign judgment can be impeached are when: (a) it was obtained by fraud, (b) its recognition or enforcement would be contrary to public policy, or (c) it was obtained in proceedings contrary to natural justice.

Bankruptcy

According to the Bankruptcy Act of 1916 and the Bankruptcy and Insolvency Act of 2007, creditors may at any time file a bankruptcy petition in court against an individual or for the closure of a business on the grounds of the debtor's inability to pay its debts. Favorable court judgments can take the form of charges to the debtor's real estate, personal goods, or wages, or can prevent the debtor from fleeing the jurisdiction, or dissipating his/her assets. If it is proved to the satisfaction of the court that the debtor cannot pay its debts, the Companies Act provides for the appointment of a receiver/manager who takes over from the company's board of directors with the objective of managing the business to a state of solvency. TT is ranked 114 out of 189 countries for the ease of resolving insolvency in the World Bank's Ease of Doing Business index.

International Arbitration

The Bilateral Investment Treaty between the United States and Trinidad and Tobago allows for alternative dispute resolution measures, including binding arbitration.

ICSID Convention and New York Convention

TT is a member of the International Center for the Settlement of Investment Disputes (ICSID), which facilitates conciliation and arbitration of investment disputes between contracting states and nationals of contracting states. TT has also ratified the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, which facilitates the registration and enforcement of foreign arbitral awards between contracting states. TT courts can refer parties to mediation. A Mediation Board was created in 2004 with responsibility for certifying mediators and accrediting training programs.

Investment Disputes

Investment disputes are not common in Trinidad and Tobago. Post is aware of one investment dispute involving a U.S. company in the last ten years.

Duration of Dispute Resolution

In the past, local courts took months if not years to arrive at a resolution of investment and commercial disputes. In 2010, through a joint initiative with the Judiciary, the Dispute Resolution Centre became an innovator of Court-Annexed Mediation, which was spearheaded by the country's Chief Justice. The Dispute Resolution Centre administers disputes with claims ranging from several thousand to many millions of dollars. The Centre has mediated the following types of disputes: contract, corporate, commercial, banking, construction, manufacturing, personal injury, sports, libel/defamation, land and estate, intellectual property, industrial relations, employment, and debt recovery.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

All of Trinidad and Tobago's laws and regulations abide by the WTO's Trade-Related Investment Measures (TRIMS).

Investment Incentives

The Government of Trinidad and Tobago encourages foreign direct investment in almost all sectors, with specific focus on the non-energy targeted sectors. Foreign and local investors are generally treated equally with respect to incentives. TT offers incentives in the manufacturing sector, to include exemption from customs duties, as well as value added tax and income tax on dividends, and tax credits. In the Creative Industries, TT offers cash rebates to encourage local service and supply sourcing.

Research and Development

Grant funding is available to non-energy manufacturing and service businesses for research and development initiatives. Tax credits are also offered for investments in registered venture capital companies.

Performance Requirements

There are no performance requirements for investors written into law, but the GOTT strongly encourages, through negotiable incentives, projects that generate employment and foreign exchange; provide training and/or technology transfer; boost exports or reduce imports; have local content; and generally contribute to the welfare of the country. Foreign investment is, however, screened for potential environmental impact. The government encourages joint ventures between foreign and local corporations. Corporate partners in a joint venture are governed by a joint-venture partnership agreement.

Foreigners entering TT to engage in legitimate trade or occupation may do so without a work permit for a single period not to exceed thirty days within a twelve consecutive month period. To engage in legitimate work for any period in excess of thirty days, a work permit must be obtained from the Ministry of National Security through the proposed employer. This system has created logistical challenges for companies involved in large industrial and energy projects that frequently need technicians for periods longer than thirty days. There are no formal restrictions on the numbers and/or duration of employment of foreign managers brought in to supervise foreign investment projects, an issue that is specifically addressed in the Bilateral Investment Treaty between the United States and TT. Several foreign firms have alleged, however, that there are inconsistencies in the issuance of long-term work permits. These generally fall into two categories: (1) a permit is not granted to an

official of a company that is competing with a local firm, or (2) the authorities threaten not to renew a permit because a foreign firm has not done enough to train and promote a TT national into the position. Some executives of smaller companies have found that their work permits are only approved if they form joint ventures with local firms or set up formal training programs.

6. Right to Private Ownership and Establishment

Private foreign and domestic entities have the right to establish and own business enterprises and engage in remunerative activity. Under the Companies Ordinance and the Foreign Investment Act, a foreign investor may purchase shares in a local corporation, incorporate or set up a branch office in TT, or form a joint venture or partnership with a local entity. Businesses may be freely purchased or disposed of. Private enterprises and public enterprises are treated equally with respect to access to markets, credit, and other business operations. The Companies Act, based on the Canadian Corporations Act, came into force in 1997, and was updated in the Companies (Amendment) Act, 1999.

7. Protection of Property Rights

Real Property

Property rights are protected under the constitution and common-law practice. Secured interests in property are recognized and enforced; however, TT has a dual system of land titles, the old Common Law title system, and the registered land title system governed by the Real Property Act of 1946. Approximately 75%-80% of land in TT remains under the more complicated Common Law System, which is not a reliable system for recording such secured interests. Trinidad and Tobago ranks 178 out of 189 countries in the World Bank's rankings for ease of registering property.

Intellectual Property Rights

The Government of Trinidad and Tobago provides adequate and effective protection of intellectual property rights, as well as fair and equitable market access to U.S. persons that rely on intellectual property rights. At times, however, the protection of intellectual property rights in Trinidad and Tobago can seem ineffective, particularly should disputes over infringements go to court, as the backlogged and encumbered judicial system does not support the timely resolution of legal conflicts.

The Government of Trinidad and Tobago is engaged and supportive of intellectual property rights issues internationally. The Republic of Trinidad and Tobago became a member of the World Trade Organization in 1995. It is also a member of the World Intellectual Property Organization (WIPO) and a signatory to several international agreements on intellectual property rights. Trinidad and Tobago drafted its IPR laws in consideration of the standards of the Trade Related aspects of Intellectual Property Rights (TRIPS), and Trinidad and Tobago is TRIPS Plus compliant. TT has specific legislation that protects trademarks, patents, industrial designs, trade secrets and unfair competition, geographical indications, layout designs of integrated circuits, plant varieties, and copyrights.

The Office of the United States Trade Representative placed Trinidad and Tobago on the country Watch List in its 2013 Special 301 Report on intellectual property rights. The inclusion in the Special 301 report is largely due to on-going litigation between the Copyright Music Organization of Trinidad and Tobago (COTT) who filed a lawsuit against the main cable

provider for not properly paying royalties for music rights on both television and audio channels. In 2011, the Trinidad and Tobago High Court issued a judgment in favor of COTT. This process is still ongoing between the court and COTT.

Resources for Rights Holders

The contact at U.S. Embassy Port of Spain for IP issues is:

- Jake Stevens
- Economic Officer
- 868-822-5986
- StevensJD1@state.gov

The TT legal authority for IP issues is:

- Intellectual Property Office
- Ministry of Legal Affairs
- <http://www.ipo.gov.tt/>
- 868-625-1907; 868-627-0706
- info@ipo.gov.tt

Public list of local lawyers:

http://photos.state.gov/libraries/port-of-spain/223848/consular/List_of_Attorneys_Oct_2012_001.pdf

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

8. Transparency of the Regulatory System

The Companies Ordinance and the Foreign Investment Act, in general, govern foreign investments. Under the Act, an investment proposal can only be denied if it is illegal, contrary to public morals, or environmentally unsound. Government inaction on a proposal, however, may have the same effect as outright denial. Foreign investors have complained about a lack of transparency and delays in the investment approval process. Complaints focus on a perceived lack of delineation of authority for final investment approvals among the various ministries and agencies that may be involved in a project. Some prospective investors have abandoned their efforts in TT as a result of long delays.

Certificate of Environmental Clearance rules adopted in 2001 have helped to clear up uncertainty over environmental impact assessments by placing the environmental approval authority for most projects under the jurisdiction of the Environmental Management Authority (EMA). The EMA has legal recourse against persons or companies it believes are in violation of any environmental requirements.

Legal, regulatory and accounting systems are consistent with international norms. Proposed laws and regulations are published in draft form for public comment, and the government

solicits private sector and business community comments on proposed legislation. The government and private sector do not seek to restrict foreign participation in industry standards-setting organizations.

9. Efficient Capital Markets and Portfolio Investment

In general, the government welcomes foreign portfolio investment and has an established regulatory framework to encourage and facilitate portfolio investment. Trinidad and Tobago has well-developed capital markets. A full range of credit instruments is available to the private sector, including a small but well-developed stock market. There are no restrictions on borrowing by foreign investors. Local credit is expensive by U.S. standards due to high commercial bank reserve requirements. Loans in foreign currency are much cheaper, and businesses can negotiate for low rates.

Money and Banking System

The estimated total assets of the TT's four largest banks are approximately US\$24 billion, and the banking system is sound. There are no restrictions on a foreigner's ability to establish a bank account.

The legal, regulatory, and accounting systems governing credit markets are, on the whole, effective and transparent, although there has been some public discussion of the need to tighten regulations in the insurance industry. In 2012, the GOTT passed an amended Securities Act that seeks to provide protection to investors from unfair, improper, or fraudulent practices, to foster fair and efficient capital markets, to engender confidence in the capital markets in TT, to reduce systemic risk, and to co-operate with other jurisdictions in the development of fair and efficient capital markets.

Both chambers of TT's Parliament passed the Financial Institutions Act in 2008, which replaced the Financial Institutions Act of 1993. The new Act modernizes regulation of banks, insurance companies, and other financial institutions, and provides penalties up to US\$800,000 and five years in jail for operating without a license from the Central Bank. Directors and officers of a company violating the Act can be held liable.

With the Fair Trading Act of 2006, TT adopted antitrust legislation that regulates mergers, anti-competitive agreements, and monopolies, and provides for the establishment of a Fair Trade Commission. Under the Act, merging enterprises are required to apply to the Commission for permission to merge if their assets exceed TT\$50 million (approximately US\$8 million). The Act requires the Commission to make a determination within one month. As of early 2014, however, the government has not launched the Commission and has not implemented the regulations.

The TT stock exchange operates a takeover and merger code for companies listed on the local stock exchange. The government has established a Securities and Exchange Commission for the purpose of supervising and regulating the securities market and market actors. Foreign investors must obtain a license from the Ministry of Finance before they can legally acquire more than 30 percent of a publicly held company.

Cross-shareholding arrangements that would inhibit foreign investment through mergers and acquisitions are uncommon outside the financial services sector. The banking system is generally considered sound. There are no laws authorizing firms to adopt articles of incorporation that limit or prohibit foreign investment, participation, or control.

10. Competition from State-Owned Enterprises

State-Owned Enterprises (SOEs) are active in most sectors and industries in Trinidad and Tobago. Per the Constitution, “an enterprise shall be taken to be controlled by the State if: the Government exercises or is entitled to exercise control directly or indirectly over the affairs of the enterprise; the Government is entitled to appoint a majority of directors of the board of directors of the enterprise; or the Government holds at least 50 per cent of the ordinary share capital of the enterprise.” A complete list of State enterprises can be found here: <http://www.finance.gov.tt/content/state-enterprise-company-portfolio.pdf>

The Investments Division of the Ministry of Finance is responsible for conducting management and performance audits of State Enterprises, which includes 42 wholly-owned companies, five majority-owned companies, five minority-owned (i.e. less than fifty percent holdings), and 32 companies held indirectly as subsidiaries of wholly-owned companies.

The Investments Division also has the responsibility to appoint directors to the Board of Directors for State Enterprises. The division submits the annual audited accounts of State Enterprises to the Public Accounts Committee, and the audited annual reports are available to the public. State-owned companies are required to disclose the financial interests and decision-making processes of their executives. SOEs are often informally or explicitly obligated to consult with government officials before making major business decisions.

SOEs frequently undertake commercial activities as well as their public function mandates. Some prominent SOEs include the Urban Development Company of Trinidad and Tobago (UDECOTT) and the National Infrastructure Development Company (NIDCO), both of which are responsible for large-scale construction projects. In the energy sector, Trinidad and Tobago has three fully state-owned companies, the Petroleum Company of Trinidad and Tobago, the National Gas Company, and the National Petroleum Marketing Company; it also holds an interest in several joint ventures. Nevertheless, foreign companies continue to dominate natural gas exploration and production.

Sovereign Wealth Funds

TT established the Heritage and Stabilization Fund in 2007 as the country's sole sovereign wealth fund. Its stated purpose is to save and invest surplus petroleum revenues (in excess of 10% of estimated revenues) to sustain public expenditure capacity during periods of revenue downturn.

The Fund's day-to-day operations are managed by the Central Bank and governed by a five-member Board, including one representative from the Central Bank and one from the Ministry of Finance. The 2007 legislation mandates that the Fund be maintained in U.S. dollars and prohibits domestic investment or petroleum-related investments.

11. Corporate Social Responsibility

There is broad awareness of corporate social responsibility principles among large and mid-size businesses in TT, with a growing level of awareness among consumers as companies develop CSR efforts in various local communities. TT is not an adherent to the OECD Guidelines for Multinational Enterprises. Foreign and mid- to large-sized local enterprises tend to follow generally accepted CSR principles. CSR is increasingly emphasized by influential local business organizations, including the American Chamber of Commerce, Trinidad and Tobago Chamber of Industry and Commerce, and the Energy Chamber. The UNDP is

working on a joint project with the Ministry of Trade and Industry to create a nationwide CSR policy for Trinidad and Tobago.

12. Political Violence

There have been no serious incidents of political violence since an unsuccessful coup attempt in 1990. While non-violent demonstrations occur on occasion, widespread civil disorder is not typical.

13. Corruption

Corruption has traditionally appeared to be moderate and has not seriously undermined government or business operations. TT has a number of laws, regulations, and penalties designed to combat corruption and fraud, though few public officials are ever prosecuted. The local press actively reports on allegations of waste, fraud, or abuse of public resources.

With economic activity and growth on the rise, TT's active press, trade associations, and business community have increasingly reported allegations of corruption involving government contracts. As elsewhere, competing businesspersons may seek to influence decisions in their favor through personal connections. In recent years, the government has established a number of commissions of inquiry into inappropriate conduct in public contracting.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Trinidad and Tobago has signed and ratified the UN Anticorruption Convention, and also the Inter-American Convention Against Corruption. TT is not party to the OECD Convention on Combating Bribery. In 2000, the government established an Integrity Commission to make new provisions for the prevention of corruption of persons in public life by providing for public disclosure of assets and to promote the integrity of public officials and institutions. The Integrity Commission annually lists in the newspapers public officials who fail to publicly list their assets, as is required by the Integrity in Public Life Act. Prosecution of those officials who refuse to comply, however, has been very limited. The Integrity Commission has seen a great deal of turnover in its leadership positions recently, and questions are regularly raised by the media and public about its effectiveness as an organization.

TT has well-established procurement processes and a number of U.S. companies have secured government service contracts in recent years. Government ministries and special purpose public companies have, on occasion, manipulated or bypassed established procurement procedures to favor specific vendors, raising questions about the government's commitment to transparency. The government is not a party to the WTO Government Procurement Agreement. U.S. firms have identified corruption as an obstacle to FDI, specifically in government procurement.

Resources to report corruption:

- The Integrity Commission
- P.O. Box 1253, Port of Spain
- 3rd & 4th floors, UTC Financial Centre
- 82 Independence Square, Port of Spain

- registrar@integritycommission.org.tt
- 868-623-8305
- Trinidad and Tobago Transparency Institute (local chapter of Transparency International)
- Unit 4-12, Building 7
- Fernandes Industrial Centre, Laventille
- admin@transparency.org.tt
- 868-626-5756

14. Bilateral Investment Agreements

A Bilateral Investment Treaty between the United States and Trinidad and Tobago came into force in 1996. There is no bilateral taxation treaty.

TT also has bilateral investment agreements with Canada, China, France, the United Kingdom, Germany, Korea, Spain, Mexico, and India.

15. OPIC and Other Investment Insurance Programs

The Overseas Private Investment Corporation (OPIC), the Export-Import Bank of the United States, and the Multilateral Investment Guarantee Agency extend services to projects in TT. Trinidad and Tobago is one of three target markets for the AIC Financial Group's AIC Caribbean Fund. TT is also among 22 countries in the Caribbean and Central America eligible for a US\$200 million OPIC loan facility administered through Citigroup. Since 2008, both OPIC and the EXIM have considered or provided financing for projects in TT, including a chemical plant and the acquisition of military helicopters.

16. Labor

Statistics, as of March 2014, put the unemployment rate at 3.7 percent for the most recent quarter, although some believe the actual rate is higher; the rate is artificially low due to State make-work programs that absorb excess labor. The labor market offers a high proportion of skilled and experienced workers, and the educational level of the population is among the highest in the developing world, though there is a gap between official literacy statistics and functional literacy.

The labor movement is strong in Trinidad and Tobago. Labor relations are governed by the Industrial Relations Act (IRA), which provides for dispute resolution through an industrial court in instances where the issue cannot be resolved at the collective bargaining table or through conciliation efforts by the Ministry of Labor.

The law provides for the right of most workers, including those in state-owned enterprises, to form and join independent unions of their choosing without prior authorization. Employees listed in essential services, such as hospital, fire, and communication services do not have the right to strike, and walkouts can bring punishment of up to 18 months in prison. These employees negotiate with the government's chief personnel officer to resolve labor disputes.

The law stipulates that only strikes over unresolved interest disputes may take place and that authorities may prohibit strikes at the request of one party if not called by a majority union.

The law also provides for mandatory recognition of a trade union when it represents 51 percent or more of the workers in a specified bargaining unit. The law allows unions to participate in collective bargaining and mandates reinstatement of workers illegally dismissed for union activities. The government enforces labor laws effectively, including with effective remedies and penalties. Worker organizations are independent of government and political parties.

The law sets the minimum age for employment in public and private industries at 16. Children ages 14 to 16 may work in activities in which only family members are employed or that the Ministry of Education has approved as vocational or technical training. The law prohibits children under age 18 from working between the hours of 10 p.m. and 5 a.m., except in a family enterprise or within other limited exceptions.

The national minimum wage was TT\$12.50 (\$2.00) per hour. The law establishes a 40-hour workweek, a daily period for lunch or rest, and premium pay for overtime. The law does not prohibit excessive or compulsory overtime. The law provides for paid leave, with the amount of leave varying according to length of service.

The law sets occupational health and safety standards, which the Occupational Safety and Health Agency (OSHA) enforced. The government's occupational health and safety regulations apply to all workers, regardless of citizenship. Local labor laws generally protected foreign laborers brought into the country, a stipulation usually contained in their labor contract.

17. Foreign Trade Zones/Free Ports

The Free Zones Act of 1988 (last amended in 1997) established the Trinidad & Tobago Free Zones Company (TTFZ) to promote export development and encourage both foreign and local investment projects in a relatively bureaucracy-free, duty-free and tax-free environment.

There are currently 15 approved enterprises located in eight Free Zones. The majority are located within a multiple-user site in D'Abadie, Trinidad, but any suitable area in TT can be designated as a Free Zone by the Minister of Trade and Industry.

Free Zone enterprises may be established in any part of the country. They are exempt from: customs duties on capital goods, parts and raw materials for use in the construction and equipping of premises and in connection with the approved activity; import and export licensing requirements; land and building taxes; work permit fees; foreign currency and property ownership restrictions; capital gains and taxes; withholding taxes on distribution of profits and corporation taxes or levies on sales or profits; VAT on goods supplied to a Free Zone; and, duty on vehicles for use only within the Free Zone.

A corporation tax exemption for entities that qualify for free zone status is also in force.

Application to carry out an approved activity in an existing free zone area is made on specified forms to the TTFZ. Approval is granted by order of the TTFZ.

If the project requires designation of a new free zone area, a separate application form for designation is made to the TTFZ, which recommends designation to the Minister of Trade and Industry. Designation is effected by order of the Minister. Applications for work permit waivers are recommended by the TTFZ through the work permit secretariat of the Ministry of National Security. 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. Activities that may be carried on in a Free Zone but do not qualify as approved activities include exploration and production activities involving petroleum, natural gas or petrochemicals.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy

	Host Country Statistical source: Ministry of Finance http://www.finance.gov.tt/content/Review-of-the-Economy-2013.pdf		USG or international statistical source		USG or international Source of data (Source of Data: BEA; IMF; Eurostat; UNCTAD, Other)
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (Millions U.S. Dollars)	2012	\$24.07 billion	2012	\$23.32 billion	http://www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source: Central Bank of TT http://www.central-bank.org.tt/sites/default/files/Balance%20of%20Payment%20Report%202011.pdf		USG or international statistical source: IMF		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (Millions U.S. Dollars)	2011	\$523	2012	\$1,160	(BEA) click selections to reach. Bureau of Economic Analysis Balance of Payments and Direct Investment Position Data

<i>Dollars, stock positions</i>)					U.S. Direct Investment Position Abroad on a Historical-Cost Basis By Country only (all countries) (Millions of Dollars)
Host country's FDI in the United States (<i>Millions U.S. Dollars, stock positions</i>)	Insert (Year)	Amount	2012	\$253 million	(BEA) click selections to reach Balance of Payments and Direct Investment Position Data Foreign Direct Investment Position in the United States on a Historical-Cost Basis By Country only (all countries) (Millions of Dollars)
Total inbound stock of FDI as % host GDP (<i>calculate</i>)	Insert (Year)	Amount	2012	8.4%	

* Provide sources of host country statistical data used.

TABLE 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (<i>US Dollars, Millions</i>)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	13,920	100%	Total Outward	295	100%
United States	8,706	63%	United States	253	86%
United Kingdom	3,271	23%	Chile	33	11%

Canada	897	6%	China, P.R.: Mainland	3	1%
Italy	810	6%	India	2	.68%
Netherlands	529	4%	Italy; Croatia (tie)	1	.34%
"0" reflects amounts rounded to +/- USD 500,000.					

Source: <http://cds.imf.org>

TABLE 4: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
All Countries	1,958	100%	All Countries	45	100%	All Countries	1,859	100%
United States	1,160	59%	Barbados	21	47%	United States	1,156	62%
Luxembourg	156	8%	Aruba	10	22%	Luxembourg	156	8%
Japan	154	8%	Curacao & St Maarten	9	20%	Japan	154	8%
Germany	124	6%	United States	4	9%	Germany	124	7%
Denmark	76	4%	South Africa	1	2%	Denmark	76	4%

Source: <http://cpis.imf.org/>

Section 5 - Government

Chiefs of State and Cabinet Members:

For the current list of Chief of State and Cabinet Members, please access the following - [Central Intelligence Agency online directory of Chiefs of State and Cabinet Members of Foreign Governments](#)

Legal system:

English common law; judicial review of legislative acts in the Supreme Court

International organization participation:

ACP, AOSIS, C, Caricom, CDB, CELAC, EITI (candidate country), FAO, G-24, G-77, IADB, IAEA, IBRD, ICAO, ICC (NGOs), ICRM, IDA, IFAD, IFC, IFRC, IHO, ILO, IMF, IMO, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, ITUC (NGOs), LAES, MIGA, NAM, OAS, OPANAL, OPCW, Paris Club (associate), UN, UNCTAD, UNESCO, UNIDO, UPU, WCO, WFTU (NGOs), WHO, WIPO, WMO, WTO

Section 6 - Tax

Exchange control

[Ctrl + Click for further information \(pdf file\)](#)

Treaty and non-treaty withholding tax rates

Double Taxation treaties have been entered between Trinidad and Tobago and the following countries:

- Associated States (Caricom)
- Canada
- China
- Denmark
- France
- Germany
- India
- Italy
- Luxembourg
- Norway
- Spain
- Sweden
- Switzerland
- U.K.
- U.S.A.
- Venezuela

Methodology and Sources

Section 1 - General Background Report and Map

(Source: [CIA World Factbook](#))

Section 2 - Anti – Money Laundering / Terrorist Financing

	Lower Risk	Medium Risk	Higher Risk
FATF List of Countries identified with strategic AML deficiencies	Not Listed	AML Deficient but Committed	High Risk
Compliance with FATF 40 + 9 recommendations	>69% Compliant or Fully Compliant	35 – 69% Compliant or Fully Compliant	<35% Compliant or Fully Compliant
US Dept of State Money Laundering assessment (INCSR)	Monitored	Concern	Primary Concern
INCSR - Weakness in Government Legislation	<2	2-4	5-20
US Sec of State supporter of / Safe Haven for International Terrorism	No	Safe Haven for Terrorism	State Supporter of Terrorism
EU White list equivalent jurisdictions	Yes		No
International Sanctions UN Sanctions / US Sanctions / EU Sanctions	None	Arab League / Other	UN , EU or US
Corruption Index (Transparency International) Control of corruption (WGI) Global Advice Network	>69%	35 – 69%	<35%
World government Indicators (Average)	>69%	35 – 69%	<35%
Failed States Index (Average)	>69%	35 – 69%	<35%
Offshore Finance Centre	No		Yes

Section 3 - Economy

General Information on the current economic climate in the country and information on imports, exports, main industries and trading partners.

(Source: [CIA World Factbook](#))

Section 4 - Foreign Investment

Information on the openness of foreign investment into the country and the foreign investment markets.

(Source: [US State Department](#))

Section 5 - Government

Names of Government Ministers and general information on political matters.

(Source: [CIA World Factbook](#) / <https://www.cia.gov/library/publications/world-leaders-1/index.html>)

Section 6 - Tax

Information on Tax Information Exchange Agreements entered into, Double Tax Agreements and Exchange Controls.

(Sources: [OECD Global Forum on Transparency and Exchange of Information for Tax Purposes](#) [PKF International](#))

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