

AMCHAM T&T

National Budget Submission

2024/2025



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Introduction

In 2024, Trinidad and Tobago stands at a pivotal moment in its economic journey. According to the IMF's most recent outlook, the nation is expected to face moderate economic growth of 2.4%, highlighting the need for strategic reforms and investments to sustain this momentum. With emerging opportunities on the horizon, it is imperative to address the nation's most pressing challenges to foster long-term prosperity. While we have seen signs of recovery, it is clear that strategic and thoughtful economic policymaking is essential to navigate the complexities of our current environment.

The global economic landscape remains dynamic, and Trinidad and Tobago must leverage its strengths while addressing critical issues such as crime, foreign exchange shortages, and food security. The importance of diversification, innovation, and resilience cannot be overstated as we seek to build a more robust and inclusive economy.

AMCHAM T&T recognizes the critical role of collaboration between the private sector and the Government of Trinidad and Tobago (GORTT). Our chamber, representing over 300 diverse organizations, is committed to contributing to the national dialogue with pragmatic and forward-thinking recommendations. We believe that by focusing on enhancing the business environment, encouraging investment, and fostering social development, we can significantly impact the nation's economic trajectory.

Our 2024 recommendations are designed to address immediate needs while laying the foundation for sustainable growth. We emphasize the importance of enhancing public sector efficiency, improving infrastructure, and adopting digital transformation strategies to remain competitive on the global stage. Furthermore, promoting green initiatives and sustainability will ensure that our economic progress does not come at the expense of our environment.

AMCHAM T&T is grateful for the opportunity to present these recommendations and looks forward to working closely with GORTT. By fostering a collaborative spirit and a shared vision for the future, we believe that Trinidad and Tobago can achieve a more prosperous, resilient, and equitable society.

Suggestions for stimulating growth in the short - medium term.

- 1) Develop a Progressive Economic Development Fund with an independent Board to mobilize private capital through the provision of future tax credits (over a period of 3-5 years) for expenditure toward initiatives to stimulate economic activity under this fund similar to the art and culture tax allowance or sport sponsorship tax allowance.
- 2) Widen the tax net by enforcing the existing tax laws for non-compliant businesses. Collaborate with the Financial Intelligence Unit and utilize technology such as GIS maps to

cross reference overlay of population and building data, Artificial Intelligence and Fraud Detection Tools and Professional Accreditation Bodies and Associations to identify businesses that are not BIR compliant, and to bring more people into the tax net by December 2024 but make it clear that no penalties for past periods will be applied.

- 3) Incentivise Venture Capital and Private Equity initially by amending regulations to allow institutional investors to invest a portion of their capital in such funds. This will promote innovation, support local entrepreneurs, diversify investment portfolios, and strengthen financial markets, all of which contribute to robust and sustainable economic growth.
- 4) Consider allocating less than 5% of the Heritage Fund for investing in Private Equity as an Investment Asset Class, alongside the Private Sector and the State, in revenue generating projects and diversification centric investments, on the basis of transparent evaluation and investment criteria.
- 5) Green light approvals for all existing projects awaiting State land sales/transfers, land leases, operating permits, construction permits, once State Board or Recovery Committee approved as fitting the criteria of generating foreign or local direct investment in the designated sectors of trade, logistics, manufacturing or IT.
- 6) It is important that Government settles its debt to private companies. Many companies have granted Government credit terms for goods and services which are past due. It is important that Government pays its obligations as many companies are struggling to obtain positive cash flow which reduces their tax contributions.
- 7) Articulate and share a comprehensive energy sector strategy that addresses the entire value chain for the monetization of the nation's hydrocarbon resources, and transition to renewable sources of energy and fuel (see recommendations under energy sector).
- 8) Develop a Nearshoring Strategy for Trinidad and Tobago.
We are aware that efforts are already underway to develop a nearshoring strategy. It is well known that Trinidad and Tobago cannot continue to depend so heavily on the revenue from the oil and gas industry and that diversification remains at the forefront of the Government's agenda. It is important that we plan and mobilize quickly to ensure that we capitalize on the unique economic circumstances created by the geopolitical instability in other countries that may be competitors for these investments.

Recommendations for immediate focus and action:

- i. Focus on Information Technology Enabled Services (ITES). Rather than reinvent the wheel, look to Jamaica as a benchmark from which to leverage learnings and best practices from their success and growing Business Process Outsourcing (BPO)/Offshoring industry, which is a prioritized sector under their National Export Strategy (NES), and build on recent successes of InvestTT in this regard.

- ii. Government must develop a deliberate strategy for Nearshoring to fulfil a national objective of job creation opportunities with ITES as phase 1 and Robotics Process Automation, Software Development, ICT Platforms and Services, Energy Engineering Services, Education Training and Manufacturing in phase II.
- iii. Implement a National Task Force with a specialized team, budget and mandate around a five-year National Strategy for the Development of Trinidad's Nearshoring Industry. There must be a solid vision with Government support for sector development.
- iv. Formal engagement of the multilaterals during the development of the strategy is required in order to secure technical and financial support for implementation.
- v. NES should be around Quality of labour pool versus Quantity i.e. develop and promote higher value-added Nearshoring segments such as:
 - a. Knowledge Process Outsourcing (KPO) with business consulting, business analytics, legal services
 - b. IT Outsourcing - IT consulting, software research & development (R&D) innovation
 - c. Industry verticals:
 - i. Services in Banking, Financial Services & Insurance (BFSI) research in investments, private equity, risk analytics;
 - ii. Energy - risk management, digital solutions; and/or
 - iii. Health/Pharma (R&D, Clinical Trials).
- vi. Combined and collaborative Government efforts and initiatives to create industry presence and to build strong support for human capital development. – This should encompass all ministries with responsibility for Trade, Commerce and Industry, Education and Human Resource Development, Economic Growth, Job Creation and Innovation supported by a strong legislative and regulatory framework.
- vii. Refocus/expand technological parks to reflect and include Government's commitment to sector development i.e. areas of skills development and training, support for incubator start-ups for R&D in software development, health/pharma, IT consulting, etc.

Digital Transformation

We applaud the work being done by the Government to develop a National Digital Transformation Strategy and like to recommend the following inclusions and supporting actions to ensure its successful and effective implementation.

- **National Digital Economy Strategy**

RECOMMENDATION: Develop a strategy to identify digital opportunities and incentivize international private sector investments, particularly in IT and export-oriented sectors.

The National Strategy for DigitalIT needs to map key actors and potential partners, identify digital opportunities in priority sectors (technology services exports, software development, robotics, precision agriculture and renewable energy), and highlight new digital industries of interest (creative industry), key actors, and initiatives. The strategy could also consider incentives for international private sector actors to set up operations or regional bases in the country.

The Special Economic Zones (SEZ) Regime should be targeted to businesses in information technology and other export-oriented or import substitution sectors. Curaçao could be a model for this; the country has generous incentive packages such as R&D grants for IT centers, tax incentives on inward capital investment, investment allowances, and expatriate exemptions on income tax in their SEZ.

A well-defined national digital transformation strategy (DTS) can serve as a guide – providing a decision-making framework, helping to prioritize national objectives, and guiding resource allocation towards desired outcomes. It can also help navigate uncertainties, even during changing and challenging times, and strengthen stakeholder coordination and collaboration.

- **Integrative Model to Deliver Digital Public Services: Whole-of-Government Approach**

RECOMMENDATION: Implement a whole-of-government approach (WGA) to prioritize digital transformation and enhance cross-sectoral collaboration for digital public services.

A systematic and whole-of-government digital transformation approach has to be designed and developed that clarifies priorities and shapes cross-sectoral steering teams, prioritizes the development of exemplar digital public services and initiatives as models for replication and implements the digitalization of government administrative functions through strong digital architecture and skills capacity building – with an aim towards harnessing ‘government-wide data analytics’ for a ‘results oriented’ culture in the public sector.

As a WGA approach, all ministries – as well as the sector-specific regulators, responsible for different sectors/industries (e.g. ICT, finance, energy, transport regulators), authorities and agencies with digital core mandates, such as data protection, Cybersecurity, spectrum, as well as competition authorities, consumer protection authorities – should be considered as the main group of stakeholders, to ensure the breadth and depth of collaborative governance. In addition to governmental stakeholders, representatives of the private sector (both large industry groups

and SMEs, academia (universities, research institutions), and civil society (various associations or some individuals, visionaries, philanthropists) should be directly involved, i.e. be represented in governance bodies. Public consultations to ensure broader engagement and general acceptance of the DTS are also highly recommended.

- **National Cybersecurity Framework**

RECOMMENDATION: Reform the national cybersecurity strategy to address current threats, conduct public sector audits, and prioritize global partnerships for incident recovery planning.

A Cyber Security Governance and Infrastructure programme must be developed and introduced, which will establish the national framework for Cybersecurity governance in the country. The National Cybersecurity Strategy of 2012 therefore needs to be reformed in the context of the current and evolving Cybersecurity and cyber threat landscape and the requirement for a cross-functional and multi-disciplinary approach required to address the issue and which recognizes that safeguarding against Cybersecurity threats, especially at a national level, cannot be the responsibility of technocrats and must include decision-making level of government.

There is the recommendation also for a Cybersecurity audit to be conducted that will focus on the public sector's technical and skills capacity critical to guiding the development of a national Cybersecurity strategy in addition to enhancing awareness of cyber threats amongst the populace in general.

Therefore, Government efforts to develop the Cybersecurity Risk Framework by TT-CSIRT should not only prioritize partnerships worldwide for technical assistance and information exchange but must also include Incident Recovery planning and implementation initiatives (such a tabletop exercises for a multi-disciplinary Incident Response Team) as the speed and safety for continuity in Government services will be critical in the event of a breach.

- **e-Government Interoperability Framework (eGIF)**

RECOMMENDATION: Adopt the "Once-Only" principle to streamline administrative processes and enhance interoperability across government departments.

Once-only legislation efforts should be taken to enable single portal access to enhance the user-experience of e-government services, and ensure interoperability and common standards in the delivery of digital services – particularly to enhance open data exchange between different government departments. The main objective of the “Once-Only” principle aimed at reducing the administrative burden of users and businesses by re-organizing public sector internal processes assumes that collecting information is more expensive and burdensome than sharing already collected information.

- **Cloud Computing Policy for GovNeTT**

RECOMMENDATION: Ensure cloud regulations support data sharing and conduct a data audit to inform a comprehensive data governance strategy.

As the government mainstreams the use of cloud services in the public sector, it should ensure that cloud regulations do not translate into data protectionism. A strong inflection point in the country's open data journey could emerge with a data audit that informs a data governance strategy - one that considers the value and usefulness of different data sets. This should also extend to the role of this and other policy in driving cross-border data flows and data sharing. In cases where the transition of current non-cloud operational services represents the best value for money, MDAs should give due consideration in this regard, ensuring that they are compliant with data legislation and provide adequate management of risk compared to other available options. It would be prudent to also have Information sharing initiatives on adoption of cloud delivered services among MDAs such as a repository of case studies, best practices and practical lessons to enable MDAs to learn from the experiences of innovators and early adopters. This will also seek to strike the requisite balance between trying many services to see what is most suitable and combining expenditure with fewer suppliers to leverage better discounts.

- **Open Data Strategy**

RECOMMENDATION: Reform the open data strategy to improve transparency and leverage existing platforms like data.tt for better data governance.

Given that promoting a more open government is a key strategy as outlined by the government in the National ICT Plan, the government should consider reforms to its Open Data Strategy and architecture, an audit of existing data sets and its data governance and transparency standards; as these will guide the redevelopment of a stronger, more purposeful open data platform which leverages the power of digital to improve transparency. Building on the success of data.tt – and working closely with UWI and other partners – could be an important first step. The development of a civil society alternative, data.tt, operated independently by the Department of Computing and Information Technology at the UWI, is significantly more active, hosting 30 government datasets, and demonstrates a strong demand from local society to be part of the data journey of the country.

- **Data Analytics Intervention**

RECOMMENDATION: Facilitate a government-wide data analytics initiative to improve decision-making and prioritize high-value projects.

Despite a host of comprehensive Monitoring and Evaluation (M&E) mechanisms and M&E units in almost all government agencies, there is a weak data driven decision-making culture in the public sector. This overarching challenge is well-acknowledged, and the government outlines ambitions to facilitate better data-driven decision making in all arms of the government consistent with Vision 2030. There does appear to be mechanisms in place to revise digital projects based on user feedback, and any collected data is generally utilized to improve digital projects. A 'government-wide data analytics intervention' is expected to identify high-value projects to be prioritized, to increase operational efficiency and maximize development impact. Altogether, the government should also prioritize the capacity building required for civil servants

to engage in advanced data analytics – thus, ensuring that the resources it has invested into M&E translates into improved policymaking and facilitates more effective decision-making.

- **Digital ID System**

RECOMMENDATION: Develop a holistic digital ID system that ensures cybersecurity, data privacy, and public education while addressing logistical challenges.

The Digital ID system project should be approached in a holistic manner to ensure adequate and thorough planning to ensure stakeholders' needs are met, and to identify all resourcing requirements and contingencies recognizing the obvious challenges that exist within Government i.e. the difficulty of reforming various siloed databases with duplicated information into a new national database. As the government begins to design the digital ID system, it is important to prioritize critical areas such as Cybersecurity and data privacy, as well as public education and digital literacy amongst underserved communities. It is also important to consider the connectivity constraints, costs and complexity around the logistics of implementation, especially with regards to centralization and interoperability between public sector bodies.

- **Innovation Ecosystem with the Development of 'Centers of Excellence'**

RECOMMENDATION: Create Centers of Excellence in key sectors to accelerate digitalization, R&D, and entrepreneurship support.

A 'clustering' strategy is seen as vital towards job retention and creation in Trinidad and Tobago Government should consider the development of 'Centers of Excellence' in specific priority sectors, accelerating digitalization and commercial R&D in agriculture and biotechnology, software development, managed services in Cybersecurity and ICT - potentially key drivers of the local economy. This must include business interest groups, international business partnerships, local universities and other research institutions; local digital workforce, NGOs and CSOs focusing on digital inclusion; accelerators and tech hubs, incubation space networks and coding communities.

Government needs to accelerate plans to increase the availability of business incubators and accelerator hubs through NEDCO, CARIRI, and Youth Business (YBTT), with emphasis on programmers supporting seed capital and investor networks, innovation support and mentorship, R&D, and industry certification for quality assurance. At the same time, the government has to invest in a comprehensive communication strategy to ensure that young entrepreneurs and STEM graduates are well-acquainted with the robust network of entrepreneurship support initiatives and actors across Trinidad and Tobago.

The development of an innovation testbed as an initiative will help startups and large companies leverage intellectual capacity to nurture new ideas, generate business models and concepts, and develop new technologies.

- **Advancement of a National Manpower Plan by the Ministry of Planning and Development**

RECOMMENDATION: Develop a National Manpower Plan to address skills gaps and prioritize critical skills needed for economic development.

A National Manpower Plan is being developed by the Ministry of Planning and Development as there is a sense of urgency by the business sector as research shows existence of skills gaps in areas within the local labor market. The Ministry of Planning and Development should guide setting priorities in terms of critical skills needed for targeted areas of development, within the education and employment systems. A skilled and ethical engineering workforce is essential for driving innovation, solving complex challenges, and ensuring the responsible development and deployment of technology. SIDs must invest in STEM education, vocational training, and lifelong learning opportunities to equip our citizens with the knowledge and skills needed to thrive in the 21st-century economy.

- **A National ICT Training Framework to Build Digital Capabilities and Develop Human Capacity**

RECOMMENDATION: Embed ICT education at all levels and develop a workforce plan to build digital capabilities in emerging technologies.

The development of a National ICT Training Framework will embed ICT education and talent development into the national curricula from primary to tertiary level. It will also emphasize workforce training to create a pool of skilled IT personnel for the public and private sectors. A 10-year Workforce Development/Roadmap Plan will identify talents that could support digital transformation in the broader economy, with focus on recruiting, training, and retaining talents with core technical skills in emerging technologies such as robotics, AI, and blockchain. This Plan should be jointly developed by the Government, education practitioners responsible for developing curricula at all levels and the business, startups and entrepreneurial community to ensure that the skills for a digital workforce are included.

To prepare, develop, ready and make available workforce in Government to support eServices in Government, efforts must be in building ICT human capital and improving access to ICT upskilling resources, best practices and skills repository for ICT professionals in the government. An overarching ICT Training Framework for Government must therefore be developed that includes a digital skills strategy and skills mapping exercise to identify talents and capacity-building opportunities, an assessment of skills and capabilities required by government to support digital systems, applications, platforms and work, a coordinated digital training strategy for civil servants with priorities on the identification of training and skills development aligned with the roadmap within government MDAs to ensure that digital work requirements and capabilities are aligned with skills availability and at the right time.

- **Digital Skills Training**

RECOMMENDATION: Expand the WeLearnTT program to enhance national digital literacy and support workforce readiness for the digital economy.

WeLearnTT Digital Skills Development Programme was developed as a comprehensive training programme aimed at building national digital literacy. Government needs to expand the service offerings of the platform and widen its reach through academic institutions such as UWI, UTT, COSTAATT etc. There is also the opportunity to advance digital capacity development and foundational skills for 'Work Readiness' to support the business community.

Trinidad has a strong digital literacy foundation and appetite for digital products, reflected in high mobile penetration and social media use. There is therefore the opportunity to encourage the development of local digital content and opportunity to accelerate a coordinated approach to build digital expertise in youth, as well as facilitating lifelong digital upskilling and build promising steps towards digital inclusion. There is also growing digital awareness across society, driven by interest in social media and the development of local online content. There were plans by the government to transform the local digital culture from one of 'download' to 'upload' – and focus on developing locally relevant content that promotes the country's unique culture.

- **Digital Business Platforms to Facilitate Ease of Doing Business**

RECOMMENDATION: Enhance TTBizlink to provide comprehensive business and tax services, facilitating ease of operations for SMEs.

Building on top of TTBizlink (e-government platform delivering business and trade services), the government could consider the incorporation of further information on support schemes, business information, and tax payments for SMEs to leverage digital to optimize operations.

As the government digitalizes business and customs processes through TTBizLink, there is an opportunity to identify private sector pain-points (i.e. establishing and operating a business as a virtual 'one-stop shop', submission of business registration, tax, and custom documents, as well as broader acceptance of electronic documents, payment of taxes and premiums from different government agencies) and which could help to reduce the costs of doing business - particularly as the government already plans to decentralize regulatory approval processes for administrative procedures to enhance the ease of doing business in Trinidad and Tobago.

This approach could also consider the role of innovation – for example, exploring regulatory sandboxes - to help governments be more responsive to the needs of the private sector, as they navigate the emerging digital economy.

- **Regulations Lacking in Specificity to Support a Digital Economy**

RECOMMENDATION: Reform regulations to support the digital economy, focusing on data protection, e-payments, and enabling SME participation in e-commerce.

Trinidad and Tobago has a comprehensive set of regulations relating to data standards and protection, albeit lacking specificity to the digital economy. The government is reforming the

Data Protection Act (2011) to anticipate the needs of digital government, and the digital economy. There needs to be a systematic exploration in regulations that could future proof digital economy developments - including reforms in data protection, e-signature, and e-payments legislation. Opportunity for sector specific regulators to better align with digital economy priorities, and work with private sector stakeholders to create an enabling environment for SMEs to adopt e-commerce.

Reform telecoms regulations to encourage cross-sector collaboration: the government should consider 'dig once' policy and infrastructure sharing in the ICT sector. The National ICT Plan (2018-2022) mentions plans to develop 'ICT clusters' such as utility corridors, which integrate fiber deployment with other utility distribution grids. These efforts could accelerate the rollout of the above foundational – and broader – connectivity and reduce disruption to citizens and businesses.

Government could consider the regulatory requirements and enablers of key digital economy and emerging technology initiatives such as Big Data, AI, and blockchain – and explore ethical standards to consider what these innovations could mean for the country. In this regard, regulations can be important catalysts of innovation, especially in emerging technologies. This is a promising area for Trinidad and Tobago to explore, especially as it seeks to mainstream digital payments for financial inclusion, as well as promote fintech innovations in the banking sector.

- **Digital Regulation Platform (ICT Regulatory Sandbox)**

RECOMMENDATION: Utilize regulatory sandboxes to test new digital products and services, fostering innovation while ensuring consumer protection.

Policymakers and regulators are increasingly incorporating new and agile regulatory tools which facilitate a dynamic, evidence-based regulatory environment to test new products, services, and technologies for which existing regulatory framework across varied sectors need to be tested. Regulatory sandboxes provide greater transparency and replicability and are most relevant to markets with good supervisory capacity from the regulating authority and a high level of active, potential non-licensed players that form part of a digital technologies' ecosystem. This, however, does not exclude the licensed industry players seeking to expand their product and service offering as we see traditional telecommunications evolving with digital technologies. In creating a balance between digital inclusion and consumer protection, regulators can showcase their willingness to engage with participants and consumers by leveraging regulatory sandboxes. Additionally, regulatory sandboxes offer a faster route to market and a clearer understanding of the challenges that both regulators and sandbox participants must overcome.

Ease of Doing Business

Ease of Doing Business continues to be an area of discontentment for many of the business people in Trinidad and Tobago. More must be done to improve the business environment in Trinidad and Tobago, not only to allow our local companies to be able to expand, but also it allows investors to see the country as attractive for their investments.

Customs

Worldwide, the express parcel industry is the fastest growing transport sector. Studies have shown that this industry is necessary to support growing industries and significantly impacts the competitiveness of companies, as companies operate very lean models and imports are needed 'just-in-time', while exports need to be sent to the relevant markets on a timely basis as well. AMCHAM T&T believes this industry is an important component to our competitiveness, and shipments should be able to be processed within 24 or at a maximum of 48 hours from the beginning of the last-mile process to the end. This should be a benchmark of service for Customs and the MoF should hold the Division accountable for achieving this.

We recommend that the Trinidad and Tobago Revenue Authority be charged with Customs reform and focus on the following as key performance indicators:

- Improve the security of the border through collaborative intelligence and risk management- for example, Modernization of Non-intrusive Inspections; Improve risk assessment/Reduce need for physical inspection by customs.
- Optimize revenue collection through modernize technology and best practice standards.
- Improve trade facilitation through streamlining of customs procedures in accordance with international standards including the Harmonized System Implementation 2022.
- Improve the professionalism and well-being of staff.
- Increase automation and digitalization for effective and efficient customs supervision.

RECOMMENDATION: As the business community seeks to work in partnership with the Government to enhance border security, we recommend the removal of VAT and duties on security-related hardware purchased by transit sheds and logistics companies that enhance border security measures. These would include but not limited to scanners.

RECOMMENDATION: Fully automate the Customs' process and functionally integrate with TTBizLink and revamp Customs hours and redesign locations to increase the efficiency at the Piarco International Airport firstly, and then the Sea Ports.

It is very important that we use the ASYCUDA system to its full potential. With international trade increasing, it is alarming that despite the country making significant investments in an ASYCUDA system, that some modules are still to be deployed, and a manual system is still being used.

AMCHAM T&T believes that as the country embraces digital transformation, this would also be done at our borders.

RECOMMENDATION: Customs immediately implement and use the risk assessment module of ASYCUDA.

ASYCUDA greenlights particular shipments based on the data collected over the years by the system. It is counterproductive, that despite shipments getting a green light by ASYCUDA, they are still subjected to 100% inspections. Currently, courier companies are reporting delays of over five days for shipments (and longer if there is a minor disruption of any kind) - this backlog not only negatively impacts businesses by the delays, but businesses have to pay storage costs, and we have been advised that the physical capacity to hold these items at the bond areas is lacking, so shipments are sometimes left outside and subjected to the elements.

RECOMMENDATION: Re-implement 2011 procedure of clearing commercial shipments valued at TTD\$ 20,000 or below without an entry.

This will result in significant improvements in the speed of processing the clearance of items without any loss of revenue to the state. The last two years have seen an increase in the prices of commodities, shipping rates and at the border charges. Whilst we understand that T&T cannot impact the product prices and shipping rates, we do believe that the additional taxes imposed are burdensome and create an unnecessary burden on not only the business community, but also the wider public.

RECOMMENDATION: Replace Online Purchase Tax (OPT) with implementation of a flat \$40 fee

RECOMMENDATION: Implement a de minimis value of USD\$400 to improve system efficiency and revenue collection, with a risk analysis component to prevent undervaluation, similar to practices in other Caribbean countries.

A de Minimis value of USD\$400, below which duties are not charged, 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. A number of countries within the Caribbean have already implemented a de minimis value, including French Guiana, Martinique, Guadeloupe, Guyana, Bonaire, Bahamas and Jamaica.

RECOMMENDATION: Establish a professional standards bureau within the Customs & Excise Division.

Global Entry & Pre Clearance

RECOMMENDATION: Formally write to the US Government to request the initiation of the process for Piarco International Airport to become a pre-clearance port. Global Entry is a program initiated by US Customs and Border Protection which allows expedited clearance for pre-approved, low-risk travellers upon arrival in the United States.

In the instance of preclearance, the United States, through US Customs and Border Protection officials, facilitates Immigration and Customs inspections at a number of airports prior to passengers boarding the aircraft or vessel in their port of origin. A facility such as this would allow travellers to clear Customs and Immigration in Piarco, for example, prior to boarding their flights, and not have to be searched a second time upon entry to the US. It is in this vein that we strongly suggest Trinidad and Tobago enter into such negotiations.

Cross-cutting Ease of Doing Business Issues

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

Given that the birth rate in Trinidad and Tobago has been less than two (2) births per woman since 1995, we believe that net inward migration is the most viable means of population growth. With an aging population and falling labour force participation rate, inward migration and population growth is needed for long term growth and stability. Population growth would also increase the availability of labour and go a long way in addressing the underfunding issues in the National Insurance System.

The total impact of inward migration, particularly from Venezuela, is not yet known and should be considered in this regard.

To achieve the goals described above, a comprehensive national migration policy and strategy that address economic migration, refugees and asylum seekers, and integration of migrants into local life is required. Given the range of considerations necessary, development of such a policy would require Inter-ministerial collaboration and must be underpinned by research; both of best practice and of the current situation of the country.

RECOMMENDATION: Support R&D in private companies through the allowance of a write-off of 75 % of the working capital used to support innovation against chargeable income tax, up to a limit of 2% of a company's annual revenue in the prior year.

RECOMMENDATION: 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. Therefore, taxpayers should be reasonably confident that they can rely on these rulings. To implement this proposal, the Government could introduce regulations which:

- Set out the parameters for creating and publishing tax policies on the tax treatment of issues.
- Specify that the Board of Inland Revenue will adhere to the published policies until such policies are revoked or amended.
- 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: Alternative Dispute Resolution of Tax Disputes.

Amend the Income Tax Act in respect of the objection process to allow for mediation and other Alternative Dispute resolution mechanisms and to allow for Alternative Dispute Resolution (other than mediation) at the Tax Appeal Stage.

RECOMMENDATION: Address the VAT Refund System

While we acknowledge the efforts being made to pay off some of the outstanding VAT refunds, the current system does not allow for the timely settlement of VAT refunds. We recommend that VAT refunds be handled using a separate system from income and corporation taxes to ensure that funds are available from the VAT collected to issue VAT refunds.

RECOMMENDATION: The Automatic application of refunds.

AMCHAM T&T is concerned about the automatic application by the Board of Inland Revenue of refunds to taxes owed, 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:

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

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

AMCHAM T&T is of the view that meaningful consultation with stakeholders, particularly the business community, is essential prior to the implementation of a transfer pricing regime. Only after consultation would AMCHAM T&T welcome the introduction of an effective TP regime to add fairness, certainty and consistency to the tax environment. We acknowledge the work that has been started in July 2024 in this regard and applaud the approach being taken thus far. We recommend the inclusion of Safe Harbour provisions – at least for a period of time – to allow groups of companies operating locally to acclimatise while the revenue collection agency works with multi-nationals to implement.

RECOMMENDATION: Proactive reporting on Government’s Ease of Doing Business reforms;
There is the need for clear targets, structure/timelines, and accountability.

RECOMMENDATION: Implement digital solution to make the On-the-Job Training (OJT) Program more effective

There is a large number of persons registered with the OJT program and there are employers that are interested in utilizing the programme but the matching process is done manually and is therefore very slow. The program could benefit from implementing a technological solution for matching potential candidates with employers to speed up the process. A technological solution can also allow for tracking the beneficiaries of the program to determine the efficacy of the program, thereby enhancing ease of doing business.

National Security

AMCHAM T&T remains deeply concerned about the crime situation and its increasingly negative impact on the business activities of our member companies, as well as the lives of citizens in Trinidad & Tobago. Addressing this issue must be a top priority for the Government. Therefore, we recommend the following initiatives to tackle crime.

RECOMMENDATION: Set targets and KPIs

The Police Service Commission should set publicly available targets for the Commissioner of Police and rigorously measured and publicly reported on, on a quarterly basis. Additionally, put in place leadership management, performance management and other types of training for the Trinidad & Tobago Police Service (TTPS).

RECOMMENDATION: Implement advanced DNA testing and forensic capabilities

Achieve state of the art DNA testing on a routine basis, update equipment at the Forensic Science Centre and develop higher qualified staff. Introduce modern investigative techniques and retrain current officers accordingly;

- Ensure the dedicated DNA lab that meets international standards and is equipped with the latest tech and equipment for DNA analysis and testing with appropriately trained staff with the right skills to handle the complex procedures to ensure legal challenges will be met and observed.
- Develop a comprehensive and centralised database with DNA profiles from all convicted offenders, suspects missing persons as well as victims of crime.

Collaborate with established countries, such as the U.S., to leverage their expertise and infrastructure, ensuring legal and ethical compliance with international standards.

RECOMMENDATION: Establish a comprehensive maintenance plan for all equipment used in crime detection and enforcement, including motor vehicles, CCTV systems, speed guns, breathalysers, and digital fingerprint systems.

RECOMMENDATION: Resourcing for the Homicide Bureau of Investigation of TTPS

The Homicide Bureau of Investigations, and by extension the TTPS, needs digital transformation. TTPS currently operates on a paper-based system where the officers are required, in most cases, to write reports by hand. Cases files are not available digitally which hinders the flow and oversight of investigations. We recommend beginning the digital transformation journey of the TTPS by:

- Procuring of state-of-the-art software for the managing the flow and oversight of investigations.
- Furnished the Bureau with hardware, specifically laptops, for the officers' use.
- Provision of cloud storage for files and CCTV footage.

As with any digitalization efforts, these need to be supported by training in the use of the hardware and software and cybersecurity protocols to protect case file data.

RECOMMENDATION: Invest more into Community Policing

We have observed that the youth of the nation are being recruited by gangs and getting involved in crime at younger ages. Additionally, we see the need for the TTPS to build trust and confidence within the community. To combat this, we recommend increased investment into community policing and community centric activities, particularly the Trinidad and Tobago Police Youth Clubs. Create a program where local police officers regularly meet and interact with members of their communities, building trust and cooperation. These investments support proactive policing within the nation.

Strengthen Judiciary

RECOMMENDATION: Strengthen the Judiciary to Enhance Crime Management and Improve Business Environment

A high and seemingly out of control crime rate is a major deterrent to Foreign Direct Investment and business in general. Our drawback in Trinidad and Tobago is not, in most cases, the lack of legislation, but an inefficient enforcement system and Judiciary. We believe that strengthening the Judiciary and the rehabilitation of convicts will go a long way in improving the crime situation in Trinidad and Tobago. Our recommendations for doing so are as follows:

- Set targets and publish data around the turnaround time for cases to be heard - reduce the gap between arrest and sentencing. Using a digitized platform, establish clear timelines for the hearing and conclusion of cases by category.
- Implement performance appraisal system for Court Officers (Bench and Clerks) for the efficient management of cases. This should be done by an independent oversight body, comprised of accomplished, competent and experienced business management professionals.
- Digitization of Case files with option to transfer cases from one Justice to another in the event of death, retirement etc. To ensure the efficacy of this proposed digitized system, the end users should be comprehensively trained, both at implementation and on an on-going basis. There would also be a need for the implementation of cybersecurity and data protection measures. These should include encryption, password protocols, biometric access, firewall protection and two-person verification for sensitive and/or high-profile cases.
- Release of inmates detained in remand for a period that meets or exceeds the maximum sentence for offences for which they were charged.
- Mandatory upskilling included in sentences: We recommend that all convicts attain either CSEC certification of at least 5 passes, including Maths and English, grades I to III or Attain a vocational skill qualification that allows for immediate employment. May include but not limited to: Farm work and operating Agricultural equipment, masonry, welding, electrical, plumbing etc. The philosophy around the prison system has to be reformed and this must be institutionalised, not left up to the views of individual Prison Commissioners.

RECOMMENDATION: Establish Robust Measures to Combat White Collar Crime through Policy, Training, and Enhanced FIU Capabilities

In managing white collar crime, it would be beneficial if a national policy is created and implemented for both public and private sector organizations to adopt for whistle blowing. Additionally, greater training for joint collaboration with the Financial Investigations Unit (FIU) and the Judicial system to adopt international best practices or best practices in the interest of the national community.

- Digitized encrypted whistle blower platform, with mandatory sections that require uploading of documentary evidence, photos, audio and video recordings.
- Expansion of the capabilities of the FIU to robustly manage these reports.
- Revocation of professional licences, as is the case with disbarment of attorneys involved in such activities.

It is also imperative that the Human Resources be put in place to enable implementation of these measures.

RECOMMENDATION: Ensure adequate resourcing of the Financial Intelligence Unit.

RECOMMENDATION: Strengthen the Fraud Squad through the provision of training and resources to improve the detection rate. In addition, we recommend strengthen the supporting legislation to enable immediate recourse for the victims, particularly for victims of fraud below the \$15,000 threshold.

RECOMMENDATION: Address inadequate resources in the Fraud & White-Collar Division of the TTPS; including maintenance and upkeep of the facilities, vehicles, printers, computers with effective databases.

RECOMMENDATION: Address resourcing deficiencies of the Office of the Director of Public Prosecutions.

More than half of the positions in the DPP's department remain unfilled. This has a negative impact on the criminal justice system and access to justice. Government must place priority on ensuring that these vacancies are filled.

Energy Sector

RECOMMENDATION: Implement a Comprehensive National Energy Policy

A national comprehensive energy policy is essential for Trinidad and Tobago to maximize productivity and profitability in the short term while transitioning to renewable and energy-efficient practices in the medium to long term.

Short-Term Maximization Recommendations:

- Implement measures to expedite the development of onshore and offshore oil resources, including further incentivization of private capital and partnerships to support the development of resources held by Heritage Petroleum.
- Enhance exploration and development activities in maturing shallow water gas fields.
- Introduce measures and incentives to boost exploration in deep-water areas.
- Measures to support and promote energy services as a significant export product.

Recommendations to position T&T to be well placed in the energy transition:

- Incentivize Emission Reductions - Encourage existing operators in the upstream and downstream sectors to invest in reducing emissions, aiming for less carbon-intensive energy exports.
- Support R&D and Investment in Carbon Capture and Storage - Foster research, development, and investment in carbon capture and storage technologies.
- Develop Hydrogen Industry - Implement measures to further develop and invest in hydrogen as a clean energy source.
- National Plan for Electric Vehicles (EVs) - Create a national plan for the introduction of EVs and the gradual phasing out of internal combustion engine (ICE) vehicles.
- Expand EV Charging Networks - Support the development of extensive EV charging networks across the islands.
- Promote Energy Efficiency Investments - Encourage investments in energy efficiency, such as reducing or removing taxes on LED bulbs.
- Establish Carbon Pricing/Trading Scheme - Participate in or establish a regionally recognized carbon pricing/trading scheme to incentivize investments in low-carbon opportunities.
- Create an Energy Transition Authority - Establish and staff an energy transition authority or an arm of the Ministry of Energy to coordinate various government agencies to support renewable energy investments.

While Trinidad and Tobago is making progress in these areas, the full implementation of all recommendations will require ongoing efforts and collaboration between the government, private sector, and international partners.

Environment, Social, Governance (ESG)

One inescapable reality is that decarbonizing the economy is a monumental task, with far-reaching economic trade-offs that will challenge industries, companies, and individuals. ESG is a growing movement that would force companies, industries and Government to seek more sustainable ways to create economic value by taking into account not only profit, but also people and planet. AMCHAM T&T believes that the following should be implemented for the promotion of ESG Best Practice.

Tax Incentives

- **Green Investment Tax Credit:**

RECOMMENDATION: Provide tax credits for businesses investing in renewable energy and sustainable infrastructure.

Establish a tax credit program that incentivizes businesses to invest in environmentally friendly projects and technologies. Companies that make qualifying investments in renewable energy, energy efficiency, clean transportation, carbon storage and/or sequestering, or sustainable infrastructure would be eligible for a tax credit based on a percentage of their investment amount. This would encourage private sector participation in the transition to a low-carbon economy while reducing greenhouse gas emissions and promoting sustainable development in alignment with national renewable energy policy, Feed-in Tariff policy and low carbon hydrogen industry strategy. Additionally, there should be **Green Infrastructure Investments:** where government allocates a significant portion of the national budget towards green infrastructure projects such as renewable energy, sustainable transportation, waste management, and water conservation. This promotes environmental sustainability and creates green jobs.

- **Social Impact Tax Deduction:**

RECOMMENDATION: Offer tax deductions for businesses addressing social issues.

Introduce a tax deduction mechanism for businesses that demonstrate a measurable positive impact on society. Companies that implement programs or initiatives targeting social issues such as poverty alleviation, education, healthcare accessibility, or workforce diversity and inclusion would be eligible to deduct a portion of their expenses related to these activities from their taxable income. This incentive would encourage businesses to proactively contribute to social development and address pressing societal challenges.

- **Green Building Tax Incentives:**

RECOMMENDATION: Incentivize eco-friendly construction and renovation with tax benefits.

Provide tax incentives for developers and property owners who design, construct, or renovate buildings that meet specific environmental standards. This incentive could take the form of accelerated depreciation for energy-efficient equipment, property tax rebates, or reduced tax rates for certified green buildings. By promoting sustainable construction practices, energy conservation, and the use of renewable materials, this incentive would contribute to reducing the carbon footprint of the built environment.

- **Research and Development (R&D) Tax Credit for Sustainability:**

RECOMMENDATION: Tax credits for companies developing sustainable technologies.

Introduce a tax credit for companies engaged in research and development activities focused on sustainable technologies, renewable energy, climate change mitigation, or resource efficiency. Businesses that invest in R&D projects related to ESG objectives would be eligible for a tax credit based on a percentage of their qualifying R&D expenses. This incentive would spur innovation, accelerate the transition to a low-carbon economy and encourage the development of technologies and solutions that address pressing environmental and social challenges.

- **Natural Resource Conservation:**

RECOMMENDATION: Fund conservation of forests, biodiversity, and water bodies.

Allocate funds for the conservation and protection of natural resources, including forests, biodiversity hotspots, and water bodies. This can involve investing in land restoration, protected area management, and sustainable agriculture practices

Implementation and Monitoring of tax incentives

To implement these tax incentives effectively, the following steps are recommended:

- Develop clear eligibility criteria and guidelines for each tax incentive program, ensuring they align with national ESG goals and international best practices.
- Establish a dedicated unit within the tax authority or relevant government agency to oversee the implementation, administration, and monitoring of the tax incentives. This unit should have the necessary expertise to evaluate applications, verify compliance, and ensure the proper utilization of tax incentives.
- Conduct regular assessments and audits to verify the ESG compliance and impact of the recipients of tax incentives. This would ensure the incentives are being utilized as intended and contribute to the desired outcomes.
- Promote awareness and provide guidance to businesses, organizations, and individuals regarding the availability and benefits of these tax incentives through public campaigns, workshops, and online resources.
- Continuously evaluate and update the tax incentives based on the evolving ESG landscape, technological advancements, and emerging sustainability priorities.

Application of ESG Principles to the Existing National Budget Context

These incentives may be best considered in the context of the Special Economic Zones regime to bolster the transparency and accountability objectives of the regime in response to the negative effects of blacklisting imposed on the country.

Existing tax credits should be amended to reflect the importance of ESG best practice:

- The Manufacturing Tax Credit should be available to manufacturing companies who invest in machinery and product lines that reflect an improvement on the environmental and social impact of what it is replacing. This disclosure will provide valuable impact data to the government on progress being made towards sustainable development goals.
- Increase the Renewable Energy Rebate for agriculture to a sum that reflects a commercially viable incentive. The current \$25,000 for wind and solar energy is insufficient to serve as an effective incentive.
- Continue the process of liberalisation of the fuel sector.

Substantive increases in penalties for illegal activity resulting in environmental and social degradation such as timbering, quarrying, and pollution (consider a percentage of company revenue here rather than a fixed fee).

RECOMMENDATION: Develop Framework Proposal for Incorporating Environmental, Social, And Governance (ESG) Factors into National Budget Determination

The government should consider allocating budget to begin developing a framework that systematically evaluates and integrates ESG factors into the formulation of national budget recommendations as part of a wider commitment to ESG engagement in the public sector. This framework will serve as a guideline for government agencies and decision-makers to prioritize investments and allocate resources towards sustainable development, social inclusivity, and effective governance.

ESG Integration and Analysis

Develop a comprehensive methodology to evaluate the ESG performance of budget proposals, projects, and programs. This methodology should encompass quantitative and qualitative indicators, such as carbon emissions, social impact assessments, and governance practices.

Collaborate with relevant stakeholders, including academia, civil society organizations, and private sector experts, to establish a standardized set of ESG metrics and rating systems that can be applied across different sectors and budgetary domains.

Create an ESG evaluation unit within the Ministry of Planning and/or Office of the Prime Minister responsible for assessing budget recommendations. This unit should consist of multidisciplinary experts with a deep understanding of ESG principles and their application in financial decision-making.

Capacity Building and Training

Develop training programs and workshops to enhance the capacity of government officials in integrating ESG considerations into the budgeting process. These training initiatives should aim to increase awareness, knowledge, and skills required to effectively assess, prioritize, and implement ESG-related projects.

Establish partnerships with reputable institutions and organizations to facilitate knowledge exchange, access to best practices, and technical assistance in ESG integration. These partnerships will enable the government to tap into global expertise and leverage international experiences in ESG budgeting through the multinational corporations and their global resources accessible in Trinidad & Tobago.

Reporting and Transparency

Implement a robust reporting framework that ensures regular disclosure of ESG-related budgetary decisions and outcomes. This will enhance transparency, accountability, and public trust in the government's commitment to sustainable development and social responsibility.

Develop a public dashboard or website that provides accessible and user-friendly information on ESG-related budget recommendations, including project details, ESG ratings, and performance indicators. This platform will enable citizens, investors, and other stakeholders to track progress, provide feedback, and actively participate in the budgeting process.

Incentives and Recognition

Establish incentives and rewards for government agencies that excel in integrating ESG factors into their budget recommendations. This can include recognition programs, performance-based bonuses, or additional resources allocated to exemplary agencies, encouraging others to follow suit.

Encourage public-private partnerships and innovative financing mechanisms that promote ESG objectives. Explore options such as green bonds, impact investing, and social impact bonds to attract private capital towards ESG-aligned projects.

Expected Outcomes and Benefits

Enhanced Sustainability: By integrating ESG considerations into budget recommendations, we will prioritize investments that contribute to sustainable development, such as renewable energy infrastructure, climate adaptation, and eco-friendly initiatives.

Improved Social Inclusivity: The proposed framework will ensure that budgetary decisions address social inequalities, promote access to quality education, healthcare, and basic services, and support marginalized communities, hereby fostering social inclusivity.

Strengthened Governance: Incorporating governance principles into budget recommendations will enhance accountability, transparency, and effective public financial management, leading to more efficient use of resources and reduced corruption risks.

Investor Confidence and Economic Growth: By aligning budgetary decisions with ESG objectives, we will attract socially responsible investors and foster economic growth through sustainable and responsible investments.

IMPLEMENTATION PLAN:

To successfully implement the proposed integration of ESG factors into national budget recommendations, we recommend the following 5 simple steps:

1. Establish a task force comprising relevant government officials, experts, and stakeholders responsible for designing and overseeing the implementation of the ESG framework.
2. Allocate sufficient resources, including funding, human capital, and technological infrastructure, to support the establishment of an ESG evaluation unit and the implementation of capacity-building initiatives.
3. Pilot the ESG framework within select government agencies and assess its effectiveness and feasibility. Based on the lessons learned, refine the framework and scale it up across all relevant budgetary domains.
4. Continuously monitor and evaluate the impact of the ESG integration on budgetary decisions and outcomes, making adjustments and improvements as necessary.
5. Regularly communicate the progress and results of the ESG integration to the public, stakeholders, and international partners through reports, dashboards, and other communication channels.

Incorporating ESG factors into national budget recommendations represents a crucial step towards ensuring sustainable, inclusive, and responsible economic development. By embracing this proposal, our government will demonstrate its commitment to addressing environmental challenges, promoting social equity, and strengthening governance practices. We urge you to consider this proposal seriously and initiate the necessary steps to integrate ESG considerations into our national budgeting process.

Conclusion

In closing, AMCHAM T&T reaffirms its commitment to working alongside the Government of Trinidad and Tobago to drive economic and social progress. We believe that through strategic collaboration, innovation, and a focus on sustainability, we can enhance the business environment and improve the quality of life for all citizens. We are optimistic about the future and eager to contribute to the nation's journey toward a more prosperous and resilient Trinidad and Tobago.
