

The Exchange Control Act, Chap. 79:50 — Currency, Authorised Dealers, and Profit Repatriation

The Exchange Control Act, administered by the Central Bank of Trinidad & Tobago, regulates dealings in foreign currency and gold. The critical practical points for foreign investors are that (i) foreign currency must be transacted through authorised dealers, and (ii) T&T does NOT impose restrictions on the repatriation of capital, profits, dividends, interest, or gains on investment.

Key Points

- Administered by the Central Bank of T&T.
- Authorised Dealers are the licensed banks and financial institutions permitted to deal in foreign exchange.
- There are no restrictions on repatriation of capital, profits, dividends, interest, or gains under the FDI framework.
- Foreign currency transactions inside T&T must be routed through authorised dealers unless the Central Bank has granted a specific permission.
- The Central Bank publishes and updates a list of Authorised Dealers and Bureaux de Change.
- Payment of consideration for land or shares under the Foreign Investment Act must flow through an authorised dealer.

1. Who is an Authorised Dealer?

An Authorised Dealer is a bank or other financial institution authorised by the Central Bank, by instrument under section 5(1) of the Act, to buy, sell, borrow, and lend foreign currency and gold. The list of authorised dealers is published in the Gazette and on the Central Bank's website and includes the major commercial banks such as Republic Bank, Scotiabank, RBC Royal Bank, First Citizens Bank, and CIBC FirstCaribbean.

In addition to Authorised Dealers, the Central Bank licenses Authorised Bureaux de Change for smaller cash conversions.

2. The core rule, transact through Authorised Dealers

Section 4 of the Act provides that, except with the permission of the Central Bank, no person other than an Authorised Dealer may buy, borrow, sell, or lend foreign currency or gold with another person in Trinidad & Tobago.

In practical terms, this means that if a foreign investor needs to convert USD into TTD (or vice versa) inside T&T, whether to fund a share subscription, buy land, or pay local suppliers, the transaction must be routed through an Authorised Dealer.

3. Repatriation of profits and capital

This is one of the most reassuring points of T&T investment policy: there are no restrictions on the repatriation of capital, profits, dividends, interest, distributions, or gains on investment.

The Foreign Investment Act does not impose repatriation controls, and neither does the Exchange Control Act as currently administered. The practical steps to repatriate are:

- Instruct your local Authorised Dealer to remit the funds in the desired foreign currency.
- Provide supporting documentation, audited accounts (for dividends), loan agreement (for interest), sale agreement (for gains on disposal), etc.
- Discharge any withholding tax at source (dividends to non-treaty jurisdictions are typically 8% for individuals and companies).
- The Authorised Dealer arranges the FX conversion at the prevailing rate and remits.

4. Interaction with the Foreign Investment Act

The Foreign Investment Act (Chap. 70:07) requires that the consideration for the acquisition of land or shares by a foreign investor be paid in an internationally-traded currency through an authorised dealer. This is the single most important intersection between the two regimes: even where no FX approval is required, the payment must be channelled through an Authorised Dealer, and evidence of the payment must be retained for the Ministry of Finance record.

5. FX availability in practice

Although the Exchange Control Act does not restrict repatriation, prospective investors should be aware that day-to-day retail access to USD in T&T can be tight. Authorised Dealers periodically ration USD allocations to non-priority requests. For sizeable transactions (M&A closings, capital repatriations, project payments) investors should engage their Authorised Dealer well in advance to secure the FX allocation. The Commission is happy to make introductions to relationship bankers where helpful.

Sources

- Exchange Control Act, Chap. 79:50 (Central Bank of T&T)
- Central Bank of T&T, List of Foreign Exchange Authorised Dealers (September 2024)

- Fitzwilliam Stone, T&T Exchange Control Act commentary

This guide is an informational summary prepared by the Tobago Foreign Direct Investment Commission for the benefit of prospective investors. It does not constitute legal, tax, or financial advice. Legislation and administrative practice change from time to time, always consult a qualified attorney-at-law admitted in Trinidad & Tobago before acting on any of this material. Where a discrepancy exists between this guide and the underlying statute, the statute prevails.