

The Fiscal Incentives Act, Chap. 85:01 — Approved Enterprise Status and Import Duty Concessions

The Fiscal Incentives Act is the anchor statute for T&T's targeted incentives regime. Although the classic corporation tax holiday has not been granted since 1 January 2007, the Act still delivers meaningful savings, most notably duty-free treatment of plant, equipment, and machinery, VAT relief, and income tax exemption on dividends derived from an approved product.

Key Points

- Corporation tax holiday under the Act has not been granted since 1 January 2007.
- Current benefits: customs duty exemption on plant/machinery, VAT relief, income tax exemption on dividends from the approved product.
- The applicant must be locally incorporated and resident in T&T.
- The project must contribute to the economy through employment, linkages, or investment.
- Applications flow through the TTBizLink e-portal (Ministry of Trade & Industry).
- Import Duty Concessions are a SEPARATE regime under the Third Schedule to the Customs Act, Chap. 78:01.
- The former Free Zones regime has been replaced by a Special Economic Zone (SEZ) framework.

1. Approved Enterprise status

The Fiscal Incentives Act allows the Minister to designate a project as an 'Approved Enterprise' and a product produced by that enterprise as an 'Approved Product'. Once designated, the enterprise becomes eligible for a package of concessions.

Because the corporation tax holiday element has been dormant since January 2007, the value of Approved Enterprise status today lies in the customs duty and VAT concessions and in the dividend tax exemption, not in a tax holiday.

2. Eligibility

To qualify, an applicant company must generally:

- Be incorporated in Trinidad & Tobago (i.e. a local subsidiary, a branch of a foreign parent will not qualify).
- Be tax-resident in T&T.
- Demonstrate that the project will contribute to the economy through some combination of employment creation, local value-added, backward or forward linkages, and net capital inflow.
- Provide technical feasibility reports and financial projections supporting the project.

3. Benefits available

Approved Enterprise status typically confers:

- Exemption from customs duties on the import of plant, equipment, and machinery required for the approved product.
- Relief from Value Added Tax on the same imports.
- Exemption from income tax on dividends derived from the approved product, when paid to the shareholders of the approved enterprise.
- Certain benefits on the raw materials used to produce the approved product.

Duty and VAT relief is not automatic on any given shipment, the enterprise must submit a list of items to be imported to the Trade Licence Unit at the Ministry of Trade & Industry for pre-clearance.

4. Applying via TTBizLink

Applications are processed electronically via <https://www.ttbizlink.gov.tt>. The steps:

1. Register a company account on TTBizLink.
2. Submit the e-application for Fiscal Incentives with supporting documents:
 - Certificate of Incorporation and constitutional documents.
 - Technical feasibility report.
 - Financial projections (typically 5 years).
 - Employment projections and evidence of local linkages.
 - Details of proposed capital equipment for pre-clearance.
3. Applications are reviewed by the Ministry; approvals are granted by Cabinet on the Minister's recommendation.
4. Once granted, the enterprise submits a list of items to the Trade Licence Unit before each import.

Typical processing time is 4–8 months for a well-prepared application.

5. Import Duty Concessions (Customs Act, Third Schedule)

Import Duty Concessions are a related but distinct regime, granted under the Third Schedule to the Customs Act, Chap. 78:01. They allow manufacturing and processing firms to import raw materials, machinery, equipment, and, in some cases, packaging materials free of customs duty.

Eligibility typically requires demonstration of a positive local labour weighting and positive local value-added contribution. The Ministry conducts a site visit to verify information before granting the licence.

Applications also flow through TTBizLink.

6. Special Economic Zones (SEZs)

The former Free Zones regime has been replaced by a Special Economic Zone (SEZ) framework administered by the Trinidad & Tobago Special Economic Zones Authority. SEZ operators and occupants can benefit from specific exemptions on capital goods, raw materials, and property tax within designated zones.

Tobago's Cove Eco-Industrial Estate is a key hub for SEZ-type operations. Investors targeting export-oriented light manufacturing, ICT services, or logistics should evaluate the SEZ pathway alongside, or instead of, the Fiscal Incentives Act pathway.

Sources

- Fiscal Incentives Act, Chap. 85:01
- Ministry of Trade & Industry, 2015 Compendium of Incentives
- TTBizLink, Investment Incentives
- PwC, Tax Credits & Incentives (T&T)

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