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Third Session Fourth Parliament Republic of Trinidad  
and Tobago

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REPUBLIC OF TRINIDAD AND TOBAGO

**Act No. 22 of 1993**

[L.S.]

AN ACT to amend the Income Tax Act, the Corporation  
Tax Act, the Stamp Duty Act, the Council of Legal  
Education Act and the Old Age Pensions Act.

*[ Assented to 22nd October, 1993 ]*

ENACTED by the Parliament of Trinidad and Tobago as Enactment  
follows:—

1. This Act may be cited as the Finance (No. 2) Act, Short title  
1993.

Interpretation  
Chap. 75:01

2. In this Act, "the Act" means the Income Tax Act.

Chap. 32:02  
amended

3. The Old Age Pensions Act is amended in section 3(1) by deleting the words "sixty-one dollars" and substituting the words "seventy dollars and fifteen cents".

Chap. 39:50  
amended

4. The Council of Legal Education Act is amended by including after section 8, the following section:

"Exemption  
from Value  
Added Tax

9. Where—

(a) goods are imported by the Council for and on behalf of the School;

(b) the commercial supply to the School of goods and services,

are in the opinion of the Board of Inland Revenue required for the purposes of the school, the goods and services shall be exempt from Value Added Tax."

Section 28 of the  
Act amended

5. Section 28 of the Act is amended—

(a) in subsection (1)—

(i) by renumbering paragraph (a) as paragraph (ab) and by inserting before paragraph (ab) as renumbered the following paragraphs:

"(a) 'actuarial reserve' means—

(i) in the case of an approved pension fund plan, the cash equivalent of the benefits that would be payable to an employee if he left the service of the employer on the date at which the reserve is determined,

including the amount of any tax payable in respect of the said benefits;

- (ii) in the case of an approved deferred annuity plan, the surrender value which would be payable on the date at which the reserve is determined if the contract were capable of being surrendered, including the amount of any tax payable in respect of the said surrender value;

(aa) 'actuary' means a Fellow by examination of the Institute of Actuaries in England, of the Faculty of Actuaries in Scotland or the Society of Actuaries in the United States of America or an actuary possessing such other qualifications as may from time to time be approved by the officer designated to be the Supervisor of Insurance under the Insurance Act by the Minister to whom responsibility for finance is assigned;";

- (ii) by inserting after paragraph (g) the following paragraph:

“(ga) ‘first-time acquisition’ means—

(i) the purchase of a completed house or any share therein; or

(ii) the construction of a house completed after the commencement of the Finance (No. 2) Act, 1993,

by an individual who has not previously owned a house in Trinidad and Tobago;”;

- (iii) by inserting after paragraph (p) the following paragraphs:

“(q) ‘withdrawal of contributions’ means the withdrawal of all or part of the actuarial reserve payable under an approved pension fund plan to an employee under forty-one years who has been a member of the Plan sponsored by his present employer for not less than five years of paid employment, being an amount which—

(i) is applied to the satisfaction of the Board towards the

- first-time acquisition by the employee of a house, other than a house already wholly or partially owned by the employee's spouse, for use by the employee as his residence in Trinidad and Tobago;
- (ii) is not more than ten per cent of the maximum purchase price of a house for which the deed of conveyance is exempt from stamp duty;
- (iii) will not, in the opinion of a qualified actuary, jeopardize the benefits payable to existing and future members of the plan;
- (r) 'withdrawal of premiums' means the withdrawal of all or part of the actuarial reserve payable under an approved deferred annuity plan after not less than five years to an annuitant under forty-one years

from the effective date of the plan, being an amount which—

(i) is applied to the satisfaction of the Board towards the first-time acquisition by the annuitant of a house, other than a house already wholly or partially owned by the annuitant's spouse, for use by the annuitant as his residence in Trinidad and Tobago;

(ii) is not more than ten per cent of the maximum purchase price of a house for which the deed of conveyance is exempt from stamp duty; and

(b) in subsection (5)—

(i) by deleting subparagraph (i) of paragraph (a) and substituting the following subparagraph:

“(i) provide for the payment of any benefit before retirement or maturity except by way of a—

(A) refund of contributions;

(B) refund of premiums;

(C) withdrawal of contributions; or

(D) withdrawal of premiums;”;

(ii) by adding after paragraph (d) the following paragraph:

“(e) where the pension fund plan or deferred annuity plan provides for a withdrawal of contributions or a withdrawal of premiums, the pension fund plan or deferred annuity plan includes a provision—

(i) stipulating that in the event of a person making a withdrawal of contributions as well as a withdrawal of premiums, the combined amount withdrawn shall not exceed ten percent of the maximum purchase price of a house for which the deed of conveyance is exempt from stamp duty;

(ii) stipulating that where a person makes a withdrawal of contributions or a withdrawal of premiums or both, the amount withdrawn shall be applied

towards the acquisition of a house within six months of the date of withdrawal or such later date as the Board may allow;

- (iii) enabling a person to make only one withdrawal of contributions and one withdrawal of premiums, except that where a house has not been acquired and the sum withdrawn is returned to the pension fund plan or deferred annuity plan within six months of the date of withdrawal or such later date as the Board may allow, the person may make one further withdrawal;
- (iv) prohibiting more than two persons from applying their withdrawal of contributions or withdrawal of premiums towards the joint acquisition of a single house; and
- (v) stipulating that a person who makes a withdrawal of con-

tributions may repay the amount withdrawn by way of additional voluntary contributions.”;

- (c) by deleting subsection (9) and substituting the following subsections:

“ (9) All amounts received by a person in a year of income as a benefit under an approved pension fund plan or an approved deferred annuity plan except by way of a—

- (a) withdrawal of contributions;
- (b) withdrawal of premiums; or
- (c) lump sum equivalent to the capitalized value of twenty-five per cent of the annual pension or annuity less any withdrawal of contributions with interest or withdrawal of premiums with interest to the extent that such withdrawal has not been replaced by additional contributions or premiums prior to the retirement or maturity date,

shall be deemed to be the income of the person.

(9A) Subject to subsection (9B), where a person who has made a withdrawal of contributions or a withdrawal of premiums for the first-time acquisition of a house for use as his residence sells the house within five years of the date of withdrawal of the contributions or premiums, the amount withdrawn shall be included in computing the chargeable income of the person in the year in which the house is sold.

(9B) Notwithstanding subsection (9A), where the person who sells his house within five years of the date of withdrawal of contributions or premiums—

(a) acquires another house within four months of the sale of the first house; or

(b) obtains the approval of the Board to sell the house on grounds of financial hardship, the amount of the withdrawal shall not be included in computing the income of that person.

(9C) Where a person makes a withdrawal of contributions or a withdrawal of premiums or both and fails to apply the total amount withdrawn towards the acquisition of a house within six months of the date of withdrawal or such later date as the Board may allow, the amount withdrawn shall be included in computing the chargeable income of the person in the year in which the amount is withdrawn.”.

Section 29A inserted  
in the Act

**6.** After section 29 of the Act the following section is inserted:

“Certificate  
before  
release of  
benefits

**29A.** (1) Every trustee, trust corporation or other person authorized to carry on the business of pension funds or deferred annuities, before releasing any benefits from—

(a) an approved pension fund plan in respect of a withdrawal of contributions; or

- (b) an approved deferred annuity plan in respect of a withdrawal of premiums,

shall obtain a certificate from the Board that—

- (i) there are not outstanding any taxes, interest or penalties that have been assessed under this Act and are payable by the individual to whom the benefits are to be released;
- (ii) the Board is satisfied that the sum to be withdrawn is to be applied toward the first-time acquisition by the employee or annuitant of a house, other than a house already wholly or partially owned by the spouse of the employee or annuitant, for use by the employee or annuitant as his residence in Trinidad and Tobago; and
- (iii) the Board is satisfied that no more than two persons are applying their withdrawal of contributions or withdrawal of premiums towards the acquisition of the house.

(2) A person who releases any benefits to an individual in respect of a withdrawal of contributions or a withdrawal of premiums without obtaining a certificate required under subsection (1) is guilty of an offence.

(3) Any person who knowingly or recklessly provides false information to the Board for the purpose of obtaining the issue of a certificate under subsection (1) is guilty of an offence.”.

Section 48H  
inserted in  
the Act

7. After section 48G of the Act the following section is inserted:

“Additional  
tax credit

48H. An individual to whom section 48B applies whose chargeable income for a year of income does not exceed sixteen thousand dollars is entitled in that year of income to a tax credit of an amount equal to fifteen per cent of every dollar of chargeable income exceeding twelve thousand dollars.”.

Chap. 75:02  
amended

8. The Corporation Tax Act is amended in section 3A:

(a) by inserting after subsection (2) the following subsection:

“ (2A) The President may, by Order subject to a negative resolution of Parliament, amend subsection (2)(d) by exempting other public utilities from the business levy.”;

(b) by deleting subsections (3) and (4) and substituting the following subsections:

“ (3) Where the corporation tax liability of a company for a year of income exceeds its business levy liability for that year, the company is entitled to a tax credit against its corporation tax liability of any payment made in respect of its business levy liability.

(4) Where the corporation tax liability of a company for a year of income is equal to or less than its business levy liability for that year, the company is entitled to a tax credit against its business levy liability of any payment made in respect of its corporation tax liability.”;

(c) by adding after subsection (6) the following subsection:

“ (7) The business levy shall be under the care and management of the Board of Inland Revenue and the provisions of the Income Tax Act in the Table below shall apply in relation to the business levy as they apply in relation to income tax chargeable under the Income Tax Act but subject to any necessary modification and adaptations:

TABLE

INCOME TAX PROVISIONS APPLIED TO THE BUSINESS LEVY

Section 2 (Interpretation)

Sections 3 and 4 (Administration)

Sections 59 to 65 (Trustees, agents, etc.)

Section 66 (Deceased persons)

Sections 76, 77 (Returns)

Sections 79 to 82 (Payment of tax by instalments)

Sections 83 and 84 (Assessments)

Section 85 (Assessment lists, etc.)

Section 86 (Notices of Assessment)

Section 87 (Appeals)

Sections 88 and 89 (Errors in assessments and additional assessments)

Sections 90(1) and (3) (Repayment of tax)

Section 92 (Refunds)

Section 93 (Relief from double taxation)

Section 94 (Certain income deemed to be income for the purposes of the Income Tax Act)

Section 103 (Interest for non-payment of tax)

Sections 104 to 108 (Collection)

Sections 109 to 112 (Recovery)

Sections 113 and 114 (Notices)

Section 115 (Imprisonment of defaulters)

Sections 116, 117, 118 to 124 (General Provisions)

Section 125 (Regulations)

Sections 130, 131, 132 (Miscellaneous powers of Board)

The Sixth Schedule.”.

First Schedule  
amended  
Chap. 76:01

**9.** The Stamp Duty Act is amended in the First Schedule under the heading “Mortgage, Bond, Debenture, Covenant, Bill of Sale, or Warrant of Attorney to confess and enter up judgment”, by inserting after the exemption relating to the transfer or assignment by a bank licensed under the Banking Act or a financial institution licensed under the Financial Institutions (Non-Banking) Act, the following exemption:

“Bonds issued by the Home Mortgage Bank established under the Home Mortgage Bank Act.”

Commencement

**10.** (1) Subject to this section, this Act comes into operation on the date of its enactment.

(2) Section 3 is deemed to have come into effect on 1st June, 1993.

(3) Sections 7 and 8 are deemed to have come into effect on 1st January, 1993.

Passed in the House of Representatives this 20th day of September, 1993.

N. COX

*Acting Clerk of the House*

Passed in the Senate this 28th day of September, 1993.

R. CUMBERBATCH

*Acting Clerk of the Senate*

Senate Amendments agreed to by the House of Representatives this 8th day of October, 1993.

N. COX

*Acting Clerk of the House*