

LEGAL NOTICE No. 122

REPUBLIC OF TRINIDAD AND TOBAGO

THE FISCAL INCENTIVES ACT, CHAP. 85:01

ORDER

MADE BY THE PRESIDENT UNDER SECTION 10 OF
THE FISCAL INCENTIVES ACT

THE FISCAL INCENTIVES (ARCADIAN NITROGEN
LIMITED) ORDER, 1996

Citation

1. This Order may be cited as the Fiscal Incentives (Arcadian Nitrogen Limited) Order, 1996.

Declaration of
approved
enterprise

2. Arcadian Nitrogen Limited, a company incorporated in Trinidad and Tobago (hereinafter referred to as "the Company") is declared an approved enterprise in respect of anhydrous ammonia (hereinafter referred to as "the approved product") to be manufactured at its plant to be constructed at the Point Lisas Industrial Estate with effect from 30th April, 1998 (hereinafter referred to as "the production day").

Classification
and benefits

3. The Company, classified as a highly capital intensive enterprise in respect of the approved product, is granted for a period of five years commencing from the production day—

- (a) total relief from corporation tax in relation to the approved product;
- (b) subject to section 16 of the Act, relief from Income Tax on dividends or other distributions, other than interest, out of profits or gains derived from the manufacture of the approved product during the tax holiday period; such relief is to be in respect of that portion of the tax liability of the recipient shareholders as exceeds the tax liability in the country in which the recipient is resident.

Obligations
imposed on
approved
enterprise

4. The Company shall—

- (a) undertake locally or cause to be undertaken locally the minimum manufacturing processes set out in the First Schedule;
- (b) maintain to the satisfaction of the Board of Inland Revenue accounts in respect of its business and the accounts so maintained shall allow for the transactions relating to the

First Schedule

manufacture of the approved product to be clearly identifiable from the transactions relating to any other business of the Company;

- (c) submit annually, notwithstanding the relief from tax under this Order, a return of the income so exempt from tax, at the same time and in the same manner as would have been required had income not been so exempted;
- (d) observe the practice and policy prevailing in Trinidad and Tobago as regards labour relations and conditions of employment;
- (e) comply with the requirements of the Environmental Management Authority on the environmental codes of conduct for the industry.

FIRST SCHEDULE

(Paragraph 4(a))

MINIMUM MANUFACTURING PROCESSES

The Minimum Manufacturing Processes to be observed by the Company are as follows:

- (a) *Desulphurisation*: Natural gas feedstock is passed through a desulphurizer to remove any traces of sulphur.
- (b) *Reforming*: Desulphurized feed gas is mixed with steam, heated and passed over a catalyst to form mainly hydrogen and carbon monoxide and carbon dioxide. The catalyst promotes a reforming reaction through which the natural gas is converted into these components. Air is added to the reformer to obtain a ratio of three parts hydrogen to one part nitrogen. The oxygen reacts with unreacted methane to form carbon monoxide, carbon dioxide and hydrogen.
- (c) *Shift*: Carbon monoxide formed in the reformer is further reacted with steam to produce hydrogen and carbon dioxide.
- (d) *Carbon Dioxide Removal*: Carbon dioxide is removed from the gas stream by absorption in a solution known as benfield. It is then stripped and some is used as feedstock in the production of both urea and methanol.
- (e) *Methanation*: Carbon oxides are converted back to methane by reversing the stream reforming reaction. The gases are then compressed and sent to the ammonia synthesis reactor.
- (f) *Synthesis*: The Synthesis gas is passed over a catalyst in order to produce ammonia.
- (g) *Refrigeration*: The gas leaving the synthesis reactor is condensed to liquid ammonia.

Made this 6th day of August, 1996.

A. LEUNG WOO-GABRIEL
Acting Secretary to Cabinet