

LEGAL NOTICE NO. 221

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 (InnCOGEN LIMITED) ORDER, 1998

1. This Order may be cited as the Fiscal Incentives (InnCOGEN Citation
Limited) Order, 1998.

2. In this Order—

Interpreta-
tion

“approved products” means electricity;

“electricity” includes capacity and active electrical energy;

“capacity” means the activity capability (expressed in megawatts or kilowatts, as the context may require) of a turbine generator and associated equipment forming part of the Facility or, as the case may be, the Facility to supply active electrical energy;

“active electrical energy” means the electrical energy produced, flowing or supplied by an electrical circuit during a time interval, being the integral with respect to time of the instantaneous power, measured in units of watt-hours or standard multiples thereof;

“Facility” means the gas fired generation facility comprising three new generating units (or such greater number of new generating units as the Trinidad and Tobago Electricity Commission may approve) to be located at the site of InnCOGEN Limited at Brechin Castle, Couva, Trinidad and all facilities appurtenant thereto including auxiliary and interconnecting equipment.

3. InnCOGEN Limited, a company incorporated in Trinidad and Tobago (hereinafter referred to as “the Company”) is declared an approved enterprise in respect of the approved products to be manufactured at its Facility to be constructed at Brechin Castle, Couva, with effect from 9th September, 1999 (hereinafter referred to as “the production day”).

Declaration of
approved
enterprise

Classification
and benefits

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

- (a) total relief from corporation tax in relation to the approved products pursuant to section 5(3) of the Act;
- (b) total relief from customs duty in relation to the approved products;
- (c) subject to section 16 of the Act, total relief from income tax on dividends or other distributions, other than interest, out of profits or gains derived from the manufacture of the approved products during the tax holiday period; and where a shareholder or his nominee is not resident in a Member State, such relief is to be in respect of that portion of the tax liability of the recipient shareholder as exceeds the tax liability in the country in which the recipient is resident.

Obligations
imposed on
approved
enterprise
Schedule

5. The Company shall—

- (a) undertake locally or cause to be undertaken locally the minimum manufacturing processes set out in the 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 manufacture of the approved products 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.

SCHEDULE

MINIMUM MANUFACTURING PROCESSES

[Paragraph 5(a)]

The minimum manufacturing processes to be observed by the Company are as follows:

- (a) the conversion of natural gas to active electrical energy through the use of combustion turbine generators;

- (b) the precision of the capacity to convert natural gas to active electrical energy to the dispatch requirements of the Trinidad and Tobago Electricity Commission.

Made this 29th day of July, 1998.

A. LEUNG WOO-GABRIEL
Acting Secretary to Cabinet