
4th Session Third Parliament Trinidad and Tobago
23 Elizabeth II



TRINIDAD AND TOBAGO
Act No. 30 of 1974

[L.S.]

AN ACT to amend the Law relating to income tax and
corporation tax

[Assented to 15th January, 1975]

BE IT ENACTED by the Queen's Most Excellent Majesty, by Enactment
and with the advice and consent of the Senate and House
of Representatives of Trinidad and Tobago, and by the
authority of the same, as follows:—

1. This Act may be cited as the Finance Act, 1974. Short title

Section 2 of
the Income Tax
Ordinance
amended
Ch. 33. No. 1

2. Section 2 of the Income Tax Ordinance (hereinafter referred to as "the Ordinance") is amended by inserting in its appropriate alphabetical order the following definition:—

““management charges” means charges made for the provision of management services and includes charges made for the provision of personal services and technical and managerial skills”.

Section 8 of
the Ordinance
amended

3. Section 8 of the Ordinance is amended:—

(a) by adding immediately after paragraph (g) of subsection (1) thereof the following new paragraph—

“(h) dividends or bonus distributions, or both, paid by a registered co-operative society or dividends paid by the Agricultural Development Bank to a member or a shareholder, as the case may be, who is either resident or ordinarily resident in Trinidad and Tobago.”;

(b) by adding immediately after subsection (2) thereof the following new subsection:—

“(3) In subsection (1):—

“Agricultural Development Bank” means the Agricultural Development Bank of Trinidad and Tobago established under the Agricultural Development Bank Act, 1968;

Act No. 3
of 1968

“registered co-operative society” means a society which has been registered under the Co-operative Societies Act, 1971.”

Act No. 22
of 1971

Section 10
of the
Ordinance
repealed
and
replaced

4. (1) Section 10 of the Ordinance is repealed and replaced as follows:—

“Compu-
tation of
income
generally

10. (1) In computing the income of any person for a year of income from any source specified in section 5 for the purpose of ascertaining the chargeable income of a person for that year, there shall be allowed to that person all outgoings and expenses wholly and exclusively incurred during

the year of income by that person in the production of the income from that source, so however, that—

- (a) in the case of gains or profits from employment or office under section 5(1)(e), the expenses allowable shall be those which are wholly, exclusively and necessarily incurred;
- (b) in the case of outgoings and expenses in respect of management charges paid to or for the benefit of a person not resident in Trinidad and Tobago and to every non-resident company (such person or company not being engaged in a trade or business in Trinidad and Tobago giving rise to such management charges) the expenses allowable shall, subject to sub-section (2), be the amount of the management charges or 1 per cent of the outgoings and expenses (exclusive of such management charges) allowed under this section and section 11(1), other than paragraph (a) or (b) thereof, whichever is the lesser.

(2) Where the Board is satisfied that any outgoings and expenses in respect of management charges incurred in any year of income by a person is of an extra-ordinary and non-recurrent nature, (not being capital expenditure), the Board may, in its discretion, allow so much thereof in excess of 1 per cent as appears to the Board to be reasonable in the circumstances, so, however, that nothing in this subsection shall apply unless the Board is satisfied that the management charges were incurred in respect of services that cannot reasonably be expected to be acquired or performed or both in Trinidad and Tobago.”

(2) The amendments made by this section shall have effect for the purpose of—

- (a) Part I of the Petroleum Taxes Act, 1974 and accordingly section 17(d) of that Act is repealed from the 1st January, 1975;
- (b) paragraph 3(2) of Schedule VI of the Finance Act, 1966.”.

Section 11 of
the Ordinance
amended

5. Section 11 of the Ordinance is amended:—

- (a) by adding immediately after paragraph (i) of subsection (1) thereof, the following new paragraphs:—

“(j) amounts contributed by an employer to an approved employees’ profit sharing plan established under section 16H;

(k) where that person is engaged in the manufacture of goods or in a business directly associated with tourism, a deduction to be known as an employment allowance, of such amount and subject to such conditions as are specified in the Sixth Schedule.”

Section 12B
added

6. The Ordinance is amended by adding immediately after section 12A the following new section:—

“Exemption
of Income
from
approved
agricultural
holdings

12B. (1) Notwithstanding anything to the contrary contained in section 5, but subject to this section, the gains or profits from commercial farming shall be exempt from tax during the period commencing the 1st day of January, 1972 and ending the 31st day of December, 1976 (hereinafter referred to as “the period of exemption”), if the farming is carried out on an approved agricultural holding.

(2) Where, in any year of income during the period of exemption, a loss is incurred, that loss, or where the loss occurs in more than one year of income the aggregate of those losses shall be carried forward until the end of the period of exemption and there shall be deducted from that loss or the aggregate of those losses any profits

made during the period of exemption and the remainder of that loss or such losses, if any (hereinafter referred to as the "net loss") shall be dealt with in accordance with sub-section (3).

(3) Any net loss incurred by any person during the period of exemption shall be set-off against his income of succeeding years of income in the manner provided by section 13 save that paragraph (2) of the proviso thereto shall not apply.

(4) Where, during the period of exemption, an approved agricultural holding is:—

- (a) sold or otherwise disposed of; or
- (b) increased so that it ceases to qualify as an approved agricultural holding,

the net loss, calculated in accordance with subsection (2), incurred by a person before the occurrence of either of these two events shall be set-off against his income of succeeding years of income in the manner provided by section 13.

(5) For the purposes of this section the Minister may, by Notice published in the *Gazette* approve any parcel of land as an approved agricultural holding, but no such approval shall be given in respect of a parcel of land which:—

- (a) exceeds fifty acres in area;
- (b) is used mainly for the purposes of animal husbandry;
- (c) is used as a pleasure ground, private garden or an allotment garden;
- (d) is used or preserved mainly for sporting or other recreational purposes, unless the Minister is satisfied that the use of such land for agricultural purposes does not conflict with its main usage.

(6) In this section:—

“approved agricultural holding” means a parcel of land, held by way of freehold, leasehold or other form of occupancy including mere user, which is used or is capable of being used for the purpose of farming that is approved by the Minister under subsection (5);

“Minister” means the member of the Cabinet to whom responsibility for the subject of Agriculture is assigned.”

Section 13
of the
Ordinance
amended

7. Section 13 of the Ordinance is amended by substituting for the words “the foregoing section” appearing in line 3 of paragraph (3) of the proviso thereto the words “section 12A”.

Section 16H
added

8. The Ordinance is amended by adding immediately after section 16G the following new section:—

“Company
may
establish
employees
profit
sharing
plan

16H. (1) Subject to this section, a company may establish an employees’ profit sharing plan to which contributions may be made annually by that company.

(2) An employees’ profit sharing plan shall not be approved by the Board unless it is satisfied that the plan provides:—

- (a) for the annual distribution of profits by way of bonus (hereinafter referred to as “the annual bonus distribution”) to all permanent employees;
- (b) that not less than forty per cent of the annual bonus distribution shall be utilized to purchase shares in the company;
- (c) that the annual bonus distribution to employees does not discriminate against any employee or class of employees; but nothing in this paragraph shall, however, be construed as precluding the allocation

of bonus distributions of different amounts to any employee by reason of:—

- (i) different salary or wage levels; or
 - (ii) length of service; and
- (d) for its constitution by a trust under which the property of the plan is irrevocably vested in:—
- (i) not less than three persons where the trustees are individuals; or
 - (ii) a trust corporation.

(3) A company shall transfer not less than forty per cent of the annual bonus distribution to the trustee of an approved employees' profit sharing plan to be applied towards the purchase of shares in the company and the remainder, if any, may be applied by the company towards cash payments to the employees.

(4) Where the whole or any part of the annual bonus distribution of a company is applied towards the purchase of shares in the company, the whole or such part of the profits that has been so applied shall be deemed not to be the income of the employee or the trustee.

(5) The trustee shall—

- (a) allocate all the shares purchased by him to the employees in proportion to their entitlement thereto;
- (b) pay over to each employee any distribution in respect of shares held in trust for that employee, who shall be entitled to the dividend income allowance provided by section 24 in respect of such distribution;

(c) furnish each employee not later than the 31st day of December in each year, with a statement showing—

- (i) the number of shares allocated to him during that year; and
- (ii) the total number of shares held on his behalf at the date on which the statement is furnished.

(6) Where shares have been allocated to an employee pursuant to this section the trustee shall—

(a) at the request of the employee, transfer such shares to the employee, or his nominee—

- (i) where the employee is still in the employment of the employer, at any time after the expiration of five years from the date of the allocation of the shares; or
- (ii) where for any reason other than retirement or death the employee ceases to be in the employment of the employer, at any time after cessation of such employment;

(b) on the retirement date of the employee, or on the cessation of employment, where an employee retires prematurely as a result of mental or physical infirmity, transfer such shares to the employee or his nominee; or

(c) on the death of the employee before his retirement date, transfer such shares to the personal representative of the employee.

In this subsection "retirement date" means, in relation to an employee, the date fixed under an approved employees' profit sharing plan as the date of retirement from employment of that employee.

(7) Where shares are transferred pursuant to paragraph (a) of subsection (6) the market value of the shares at the date of transfer shall be deemed to be income accrued to the beneficial owner of the shares on that date and the full amount of such income shall be separately charged to tax at the following rates:—

	<i>Rate of tax on every dollar</i>
For every dollar of the first \$5,000	5%
For every dollar of the next \$5,000	15%
For every dollar of the next \$5,000	20%
For every dollar of the remainder	25%

(8) Notwithstanding the provisions of paragraph (a) of subsection (6) and of subsection (7), a transfer of shares shall not be made under paragraph (a) of subsection (6) until the tax chargeable under subsection (7) has been paid to the Board.

(9) Where shares are transferred pursuant to paragraph (b) or (c) of subsection (6), no income shall, by reason of such transfer, be deemed to have accrued to the beneficial owner of the shares.

(10) Where an approved employees' profit sharing plan is vested in—

(a) individuals, at least one trustee shall be a representative of the employees selected by them; or

(b) a trust corporation, a management committee shall be established comprising not less than three individuals at least one of whom shall be a representative of the employees selected by them.

(11) No employer shall be capable of being a trustee of any plan established under this section, but nothing herein shall be construed as preventing an employer from appointing a representative under subsection (10) either as a trustee or a member of the management committee, as the case may be.

(12) In this section—

“approved employees’ profit sharing plan” means an employees’ profit sharing plan approved by the Board for the purposes of the Ordinance as complying with the requirements of this section;

“employees’ profit sharing plan” means an arrangement whereby the whole or part of a company’s annual bonus distribution is transferred to a trustee to be applied towards the purchase of shares in the company to be held by the trustee to the use and benefit of the employees of the company and otherwise dealt with in accordance with this section.”.

Section 23 of
Ordinance
amended

9. Section 23 of the Ordinance is amended—

(a) by inserting at the beginning of subsection (1) (d)(ii) thereof the words “subject to subsection (1A),”;

(b) by inserting immediately after subsection (1) thereof the following new subsections:—

Ch. 31.
No. 1

“(1A) Subsection (1)(d)(ii) does not apply to securities issued by a company, not being a private company within the meaning of section 28(1) of the Companies Ordinance, by means of a prospectus where the issue of such securities had been approved by the Minister after being satisfied—

- (A) as to the period within which and the price at which such securities may be converted into shares of the company;
- (B) as to the rate of interest payable on such securities;
- (C) as to the total value of such securities in relation to the issued share capital of the company;
- (D) as to the absence of any control by the company over the transferability of such securities;
- (E) that in the issue of such securities preference was given to citizens of Trinidad and Tobago and to bodies of persons established in Trinidad and Tobago; and
- (F) of such other matters as he deems fit.

(1B) Notwithstanding subsection (1A) any interest paid during the period commencing on the 1st day of January, 1971 and ending on the 31st day of December, 1973, on securities referred to in that subsection, shall be deemed to be a distribution for the purposes of the dividend income allowance provided by section 24.”.

10. Section 34C of the Ordinance is amended—

- (a) by renumbering section 34C as section 34C(1);
and

Section 34c of
Ordinance
amended

(b) by adding the following subsection thereto:—

“(2) In this section and in section 34D(2) a reference to a charitable body, non-proprietary sporting club or association or a public institution shall be construed as a reference to such a body, club, association or institution which is exempt from corporation tax under section 46 of the Corporation Tax Acts.”.

Second Schedule
amended

11. (1) The Second Schedule to the Ordinance is amended by deleting the proviso to Part I thereof and replacing it as follows:—

“Provided that, in respect of the year of income 1974, and subsequent years of income, where the chargeable income of a person:—

- (i) does not exceed \$1,000 no tax shall be charged;
- (ii) exceeds \$1,000 but does not exceed \$2,000, the tax payable shall be reduced by fifty per cent;
- (iii) exceeds \$2,000 but does not exceed \$3,000, the tax payable shall be reduced by twenty per cent;
- (iv) exceeds \$3,000 but does not exceed \$4,000, the tax payable shall be reduced by five per cent;
- (v) exceeds \$61,450 the tax payable shall not exceed fifty per cent of the total amount of the chargeable income.”.

(2) For the year of income 1973, the following provision shall be deemed to have had effect in place of the proviso to Part I of the Second Schedule to the Ordinance:—

“Where chargeable income of a person—

- (i) does not exceed \$250, no tax shall be charged;
- (ii) exceeds \$250, but does not exceed \$1,000 the tax payable shall be reduced by fifty per cent;
- (iii) exceeds \$1,000, but does not exceed \$2,000, the tax payable shall be reduced by ten per cent;

- (iv) exceeds \$2,000 but does not exceed \$4,000, the tax payable shall be reduced by five per cent;
- (v) exceeds \$61,450, the tax payable shall not exceed fifty per cent of the total amount of the chargeable income.”.

12. The Finance Act, 1966, is amended:—

- (a) by adding immediately after section 55 thereof the following new section—

Finance Act,
1966 amended.
Act No. 29 of
1966

“Deduction
for capital
expenditure
by approved
property
development
company

55A. (1) Subject to this section, for the purpose of ascertaining the chargeable profits of an approved property development company, there shall be deducted an amount equal to fifteen per cent of any capital expenditure incurred by that company on or after the 1st day of January, 1973, in the construction of any building that is to be used for commercial or industrial purposes by the company or a purchaser or lessee thereof.

(2) Where the period of construction of a building to which subsection (1) applies extends over more than one year of income, the deduction shall be allowed only in the year of income in which the building is completed.

(3) Where part only of a building is to be used for commercial or industrial purposes and the capital expenditure incurred in the construction of that part of the building which is not to be used for commercial or industrial purposes:—

- (a) does not exceed one-tenth of the total capital expenditure incurred in the con-

struction of the entire building, the deduction provided by subsection (1) shall apply to the total capital expenditure incurred in the construction of the building;

- (b) exceeds one-tenth but does not exceed one-half of the total capital expenditure incurred in the construction of the entire building, the deduction provided by subsection (1) shall apply only to the capital expenditure incurred in the construction of that part of the building which is to be used for commercial or industrial purposes; or
- (c) exceeds one-half of the total capital expenditure incurred in the construction of the entire building no deduction shall be made under subsection (1).

(4) For the purposes of this section the Board may approve any company as an approved property development company, if it is satisfied that the company—

- (a) has a paid-up share capital of not less than one million dollars;
- (b) is locally owned and controlled; and

(c) intends to undertake property development projects in both urban and rural areas within such time as the Board may specify.

(5) The Board may in approving a company for the purposes of this section, impose such conditions as it may consider necessary or expedient.

(6) Where the Board refuses to approve a company as an approved property development company, it shall within thirty days of such refusal, inform the company by notice in writing of its refusal to grant such approval.

(7) Where the Board is of the opinion that an approved property development company—

(a) has ceased to comply with the requirements of paragraph (a) or (b) of subsection (4);

(b) has failed to carry out its undertaking under paragraph (c) of subsection (4) within the time specified by the Board; or

(c) has failed to comply with any conditions imposed by the Board,

the Board may, by notice in writing, withdraw its approval from the date specified in the notice and the provisions of subsection (1) shall cease to apply from that date.

(8) The deduction provided for by subsection (1) shall not preclude the grant of any initial allowance or annual allowance or both to which the company may be entitled under the provisions of the Income Tax (In Aid of Industry) Ordinance.

Ch. 33
No. 2.

(9) In this section—

“building” includes any structure of a permanent nature which forms part of or is attached to a building;

“commercial or industrial purposes”, in relation to the use of a building, does not include use for the purposes of a school, college, university, club, hotel, hospital, private hospital or public entertainment or amusement;

“locally owned and controlled”, in relation to a company, means a company in which nationals beneficially own shares carrying between them, directly or indirectly—

(a) the right to exercise more than one-half of the voting power in that company;

(b) the right to receive more than one-half of any dividends that might be paid by that company; and

(c) the right to receive more than one-half of any capital distribution in the event of the winding-up or of a reduction in the share capital of that company.”;

“nationals” means citizens of Trinidad and Tobago and persons who under any law relating to immigration are regarded as belonging thereto or having the status of a resident, and includes companies controlled by such persons or by companies so controlled as specified in the definition of “locally owned and controlled” and partnerships the majority share in

which and the management of which are owned and performed by such persons;

(b) by deleting from the Table appearing in section 58 thereto the words "sections 10, 11, 12 and 13 (Deductions and Allowances)" and substituting therefor the following—

"Sections 10, 11 and 12 (Deductions and Allowances).

Section 12B (Exemption for approved agricultural holdings).

Section 13 (Allowance for trade losses)".

Sixth Schedule added

13. The Ordinance is amended by adding immediately after the Fifth Schedule the following new Schedule:—

"SIXTH SCHEDULE

(Section 11)

EMPLOYMENT ALLOWANCE

Grant of employment allowance 1. Where a person is engaged in the manufacture of goods or in any business which is directly associated with tourism, an employment allowance shall be granted to that person in accordance with paragraph 2.

Amount of employment allowance 2. (1) Subject to paragraphs 3, 4 and 5 an employment allowance shall be granted in respect of each additional worker for a period of three years in the manner specified hereunder:—

(a) in the first year in respect of which the allowance is claimed (hereinafter referred to as "the first qualifying year"), the sum of five hundred dollars or thirty per cent of the wages actually paid to such worker, whichever is the lesser of the two amounts;

(b) in the second year in which the allowance is claimed (hereinafter referred to as "the second qualifying year"), the sum of three hundred dollars or twenty per cent of the wages actually paid to such worker, whichever is the lesser of the two amounts;

(c) in the third year in respect of which the allowance is claimed, (hereinafter referred to as "the third qualifying year"), the sum of one hundred and fifty dollars or ten per cent of the wages actually paid to such worker, whichever is the lesser of the two amounts.

(2) In this paragraph "wages" means salary or wages paid to an employee and includes a bonus but does not include payments made for overtime work.

Proportion of allowance to be granted where casual workers are employed

3. Where as a result of the employment of casual workers there is a fractional resultant in the number of additional workers as determined in accordance with paragraph 8, there shall be granted a part of the allowances specified in paragraph 2 which is equal to the proportion which the fractional resultant bears to the allowance granted in respect of an additional worker.

Value of fixed assets not to exceed the amount specified

4. (1) The allowances specified in paragraph 2 shall not be granted in respect of a qualifying year where the value of the fixed assets of the business directly connected with the manufacture of goods or with tourism exceeds the amount specified in subparagraph (2) at the end of the year of income immediately preceding that qualifying year.

(2) For the purposes of subparagraph (1), the value of the fixed assets at the end of the year of income immediately preceding:—

- (a) the years of income 1972 and 1973, shall not exceed five hundred thousand dollars; and
- (b) the year of income 1974 and subsequent years of income, shall not exceed one million dollars.

(3) In this paragraph "the value of the fixed assets" means the cost price of those assets less the amount of any depreciation which has been allowed under the Ordinance or the Corporation Tax Acts.

Number of workers to determine whether a person qualifies for an allowance

5. (1) For the purpose of determining whether a person qualifies for the grant of an employment allowance, regard shall be paid to the number of workers employed in the business in the year immediately preceding the first qualifying year (hereinafter referred to as "the base year").

(2) Where a person qualifies for the grant of an employment allowance in respect of the first qualifying year, and in the second or third qualifying year the total number of workers is less than the aggregate of:—

- (a) the number of workers employed in the base year; and
- (b) the number of additional workers employed in the first qualifying year,

the allowance in respect of the second or third qualifying year, as the case may be, shall be granted only to the extent that the total number of workers employed in the second or third qualifying year, as the case may be, exceeds the number of workers employed in the base year.

Workers deemed to be additional workers on commencement of new business

6. Notwithstanding paragraph 5(1), where, after the 1st day of January, 1972, a person engages for the first time in a business directly connected with the manufacture of goods or with tourism, the total number of workers employed at the date of the commencement of such business shall, subject to paragraph 8, be deemed to be additional workers for the purposes of paragraph 2.

Employees of existing businesses not to be treated as additional workers on merger, amalgamation or takeover of such business

7. Notwithstanding paragraph 5(1) where, after the 1st day of January, 1972, there is a merger or amalgamation of two or more businesses or the takeover of one business by another, a person who was an employee of any of those businesses before such merger, amalgamation or takeover shall not be treated as an additional worker for the purposes of paragraph 2.

Method of determining workers or additional workers where casual workers are employed

8. (1) Where casual workers are employed in a business directly associated with the manufacture of goods or with tourism, in order to determine the number of workers or additional workers employed in any year of income, the aggregate number of man-days worked by the casual workers in that year of income shall be divided by two hundred and fifty and the resultant in whole numbers shall be added to the number of full-time workers or additional workers, as the case may be.

(2) For the purpose of determining the number of workers or additional workers employed in any year of income, a permanent full-time worker who is employed for a period of less than twelve months in that year of income, shall be deemed to be a casual worker and the provisions of subparagraph (1) shall apply.

Further
grant of
employ-
ment
allowance

9. (1) Where, during the second qualifying year, the number of workers employed in the business exceeds the number employed in the first qualifying year, for the purpose of granting a further employment allowance under paragraph 1, the first qualifying year shall be the base year.

(2) Where during the third qualifying year, the number of workers employed in the business exceeds the number employed in the second qualifying year and the number employed in the second qualifying year was equal to or in excess of the number of workers employed in the first qualifying year, the second qualifying year shall be taken to be the base year for the purpose of granting a further employment allowance under paragraph 1.

(3) Where during the third qualifying year, the number of workers employed in the business exceeds the number employed in the first qualifying year, but the number employed in the second qualifying year was less than the number employed in the first qualifying year, for the purpose of granting a further employment allowance under paragraph 1, the first qualifying year shall be taken to be the base year.

(4) Where after the expiration of the period during which an employment allowance was granted, including the periods relating to further grants, the number of workers employed in the business in any subsequent year of income exceeds the number of workers employed in the business in—

- (a) the year immediately preceding that year of income; and
- (b) the first qualifying year in respect of the last grant of the employment allowance,

the provisions of paragraphs 2, 3, 4 and 5 shall again apply.

Claims for
allowance
to be made
in pre-
scribed
form

10. Every person claiming an employment allowance in any year of income shall make an application to the Board in such form as may be approved by the Board.

Person
deemed to
be engaged
in manu-
facture or
tourism

11. A person shall be deemed to be engaged—

- (a) in the manufacture of goods, if he satisfies the Board that not less than seventy per cent of his gains or profits are derived from such business; or
- (b) in a business directly connected with tourism, if he satisfies the Board that the business constitutes his main source of income.

Interpre-
tation

12. In this Schedule—

“additional worker” means, subject to paragraphs 6, 7 and 8 the number of workers employed in a qualifying year in excess of the number of workers employed in the base year;

“casual worker” means a person, who in relation to a year of income—

(a) was not engaged in a permanent full-time employment with his employer; and

(b) was employed for a period of more than twenty man-days and less than two hundred and fifty man-days in that year of income;

“family worker” means a person who is, in relation to an employer, the parent, uncle, aunt, brother, sister or child (including an illegitimate child) of that employer;

“man-day” means in relation to a worker, the number of working hours which constitutes a normal working day of the business in which he is employed;

“manufacture of goods” means the manufacture of goods in Trinidad and Tobago for the purpose of sale;

“tourism” includes the provision of accommodation facilities, conducted tours and facilities for travel for visitors, but does not include the sale of goods to tourists, unless such sale is by the manufacturer of those goods;

“worker” means a person who has entered into or works under a contract of employment with an employer including a contract of apprenticeship or indenture and, subject to paragraph 8, includes a casual worker, but does not include a family worker.

Enactment
amended

14. The enactment specified in the first column of the Schedule shall have effect subject to the amendments specified in the second column of the Schedule.

Commence-
ment

15. (1) Subject to subsection (2) and unless otherwise specifically provided in the Act, this Act shall be deemed to have come into operation on the 1st day of January, 1974.

(2) The sections listed in the first column to the Table shall be deemed to have come into operation on the dates specified in the second column thereto.

TABLE

FIRST COLUMN	SECOND COLUMN
<i>Section</i>	<i>Operative Date</i>
3.	1st January, 1972
4.	1st January, 1975
5. in relation to section 11(1)(j) of the Ordinance	1st January, 1971
in relation to section 11(1)(k) of the Ordinance	1st January, 1972
8.	1st January, 1971
9.	1st January, 1971
12. in relation to section 55A of the Finance Act, 1966	1st January, 1973
13.	1st January, 1972
14.	1st January, 1973

SCHEDULE

FIRST COLUMN	SECOND COLUMN
<i>Enactment</i>	<i>Extent of Amendment</i>
The Stamp Duty Ordinance, Ch. 33. No. 4	By inserting immediately after section 54B thereof the following new section:— “Remission of additional stamp duty on approved transfer of property to subsidiary company 54C. (1) Where pursuant to section 54B, additional duty has been paid by a company (hereinafter in this section referred to as “the parent company”) the Governor-General may on application by the parent company and subject to this section, remit such duty in respect of an approved transfer of property to an approved property development company which is a subsidiary of that parent company.

SCHEDULE—Continued

FIRST COLUMN

Enactment

SECOND COLUMN

Extent of Amendment

(2) The provisions of subsection (1) shall apply only in respect of an approved transfer of property to a subsidiary company by a parent company which is locally owned and controlled.

(3) For the purposes of this section a transfer shall not be approved unless the subsidiary company undertakes to carry out, within five years of the date of the transfer, construction work of such nature and minimum value as may be specified by the Board.

(4) Where duty has been remitted pursuant to subsection (1) and the Board is subsequently of the opinion that the subsidiary company has failed to comply with the terms of the undertaking given under subsection (3), the Board may by notice in writing addressed to the parent company, demand repayment of the additional duty remitted under subsection (1).

(5) Where the Board makes a demand under subsection (4), the additional duty shall become due and payable within seven days of the date of service of the notice.

SCHEDULE—Continued

FIRST COLUMN

Enactment

SECOND COLUMN

Extent of Amendment

(6) In this section:—

“approved property development company” means a company which has been approved under section 55A of the Corporation Tax Acts;

“locally owned and controlled” in relation to a parent company, means a company in which nationals beneficially own shares carrying between them, directly or indirectly—

(a) the right to exercise more than one-half of the voting power in that company;

(b) the right to receive more than one-half of any dividends that might be paid by that company; and

(c) the right to receive more than one-half of any capital distribution in the event of

SCHEDULE—Continued

FIRST COLUMN

Enactment

SECOND COLUMN

Extent of Amendment

the winding-up, or of a reduction in the share capital of that company;

“nationals means citizens of Trinidad and Tobago and persons who under any law relating to immigration are regarded as belonging thereto or having the status of a resident, and includes companies controlled by such persons or by companies so controlled as specified in the definition of “locally owned and controlled” and partnerships the majority share in which and the management of which are owned and performed by such persons;

“subsidiary company” means a company in which the parent company beneficially owns shares carrying between them, directly or indirectly—

SCHEDULE—*Continued*FIRST COLUMN
*Enactment*SECOND COLUMN
Extent of Amendment

- (a) the right to exercise not less than three-quarters of the voting power in the subsidiary company;
- (b) the right to receive not less than three-quarters of any dividends that might be paid by the subsidiary company; and
- (c) the right to receive not less than three-quarters of any capital distribution in the event of the winding-up, or of a reduction in the share capital of the subsidiary company.”.

Passed in the House of Representatives this 6th day of December, 1974.

G. R. LATOUR
Clerk of the House

Passed in the Senate this 3rd day of December, 1974.

J. E. CARTER
Clerk of the Senate