

LEGAL NOTICE No. 75

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 (CARIBBEAN INDUSTRIAL GASES
UNLIMITED) ORDER, 2002

1. This Order may be cited as the Fiscal Incentives (Caribbean Industrial Gases Unlimited) Order, 2002. Citation
2. In this Order “the Act” means the Fiscal Incentives Act. Interpretation
Chap. 85:01
3. Oxygen, nitrogen and instrument air are declared approved products. Declaration of
approved
products
4. Caribbean Industrial Gases Unlimited, a company incorporated in Trinidad and Tobago (hereinafter referred to as “the Company”) is declared an approved enterprise in respect of oxygen, nitrogen and instrument air (hereinafter referred to as “the approved products”) to be manufactured at its plant to be constructed at the Point Lisas Industrial Estate, Point Lisas, with effect from 1st September, 2003 (hereinafter referred to as “the production day”). Declaration of
approved
enterprise
5. The Company, classified as a highly capital intensive enterprise under section 9 of the Act, is granted, in respect of the approved products for a period of ten years commencing from the production day— Classification
and benefits
 - (a) total relief from customs duty;
 - (b) full exemption from the payment of corporation tax for the first two years;
 - (c) a reduction in the rate of corporation tax to fifteen per cent for the next five years; and
 - (d) a reduction in the rate of corporation tax to twenty per cent for the three years thereafter.
6. The Company shall— Obligations
imposed on
approved
enterprise
 - (a) undertake locally or cause to be undertaken locally, the minimum manufacturing process set out in the First Schedule to this Order; First
Schedule

Second
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 granted 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) comply with the condition set out in the Second Schedule to this Order;
- (e) observe the practice and policy prevailing in Trinidad and Tobago as regards labour relations and conditions of employment; and
- (f) comply with the requirements of the Environmental Management Authority on the environmental codes of conduct for the industry.

FIRST SCHEDULE

MINIMUM MANUFACTURING PROCESS

[Paragraph 6(a)]

The minimum process for the manufacture of oxygen, nitrogen and instrument air is as follows:

(1) *Air Compression and Clean-Up*

Atmospheric air is taken into the inlet air filter where dust and particulate matter is removed. It then enters the Main Air Compressor (MAC) where the air is compressed. The compressed air is then cooled by cooling water. The chilled, compressed air is then fed to the Temperature Swing Absorbers (TSA). The TSA uses an absorbent to remove carbon dioxide and some hydrocarbons from the air stream and a desiccant layer to remove moisture, resulting in a clean and dry air stream. Some of this clean, dry air is separated for instrument air purposes, and the remainder is sent to the Air Separation Unit (ASU) which is a portion of the plant that primarily consists of heat exchanger columns.

(2) *Air Cooling*

When the air enters the ASU, it is divided into two streams. One stream is cooled in the main heat exchanger and is fed to the bottom of the high-pressure column. The second is compressed in the air booster compressor and cooled in the Air Booster Compressor Aftercooler. The air from the air booster compressor aftercooler is cooled in the main exchanger against pumped liquid oxygen from the column system. At this point in the process, some—but not all—of the air is in a liquid state.

(3) *High-Pressure Column*

Gaseous air rises through the high-pressure column and boils the liquid air on the trays. The more volatile nitrogen is boiled out of the liquid while the exchange of oxygen condenses out of the air passing up through the trays. Some of the nitrogen vapours are withdrawn from the top of the column, warmed in the main heat exchanger and recovered

as product. The rest of the nitrogen vapour from the top of the column is condensed in the reboiler-condenser due to the exchange of heat with evaporating oxygen in the sump of the low-pressure column.

(4) Low-Pressure Column

The final purification of oxygen takes place in the low-pressure column. The distillation process in the low-pressure column is essentially the same as described for the high-pressure column. Waste nitrogen is withdrawn from the top of the low-pressure column, warmed in the sub-cooler, and fed to the main exchanger. It is split within the main exchanger before exiting the low-pressure column in two streams. One of the waste nitrogen streams from the main exchanger is used for TSA absorber reactivation. The remaining waste from the main exchanger is used as the dry nitrogen in the chilled water tower.

Product liquid oxygen is pumped from the bottom of the low-pressure column to the main exchanger where it vaporizes and warms against the high-pressure air before exiting the low-pressure column. Gaseous oxygen exits the main exchanger at pressures suitable for delivery to the customer without additional compression.

(5) Liquid Products Storage and Vaporization System

The Liquid Nitrogen (LIN) storage and vaporization system is designed to provide back-up product nitrogen for the various product demands. In the event of an ASU shut-down, LIN is withdrawn from the LIN storage tank and vaporized in the ambient air LIN vaporizer to supply gaseous nitrogen to the pipeline.

(6) Delivery of Product

The Instrument Air, manufactured as described in paragraph 1, the Nitrogen, manufactured as described in paragraph 3, and the Oxygen manufactured as described in paragraph 4, are delivered by separate pipelines at the pressures, temperatures and volumes specified in the contract.

SECOND SCHEDULE

CONDITION ATTACHED TO THE GRANT OF BENEFITS

[Paragraph 6(d)]

The Company shall provide relevant statistics and economic data at such intervals as may be required by the Tourism Industrial Development Company of Trinidad and Tobago Limited (TIDCO).

Made this 23rd day of July, 2002.

A. LEUNG WOO-GABRIEL
Secretary to Cabinet