



*TWENTY-FIFTH REPORT OF
THE*
PUBLIC ACCOUNTS
(ENTERPRISES) COMMITTEE

FIFTH SESSION OF THE 11TH PARLIAMENT

Examination of the Audited Financial Statements of the Trinidad and Tobago International Financial Centre Management Company Limited (TTIFCMCL) for the years 2010 to 2017.



Public Accounts (Enterprises) Committee

The Public Accounts (Enterprises) Committee (P.A.(E).C) established under Section 119(5) of the Constitution of the Republic of Trinidad and Tobago is mandated to consider and report to the House of Representatives accordingly on:

“(a) the audited accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by or on behalf of the state; and

(b) the Auditor General’s Report on any such accounts, balance sheets and other financial statements.”

Current membership

Mr. Wade Mark	Chairman
Dr. Tim Gopeesingh	Vice-Chairman
Mrs. Jennifer Baptiste-Primus	Member
Mr. Fitzgerald Hinds	Member
Mrs. Cherrie-Ann Crichlow-Cockburn	Member
Dr. Nyan Gadsby-Dolly	Member
Mr. Foster Cummings	Member
Ms. Amrita Deonarine	Member

Committee Staff

The current staff members serving the Committee are:

Ms Keiba Jacob	Secretary
Ms Hema Bhagaloo	Assistant Secretary
Mr Darien Buckmire	Graduate Research Assistant
Mr Justin Jarrette	Graduate Research Assistant
Ms Anesha James	Administrative Assistant
Ms. Natoya O’Neil	Clerk Typist I

Publication

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**MEMBERS OF THE PUBLIC ACCOUNTS (ENTERPRISES)
COMMITTEE**



Mr. Wade Mark
Chairman



Dr. Tim Gopeesingh
Vice-Chairman



Dr. Nyan Gadsby-Dolly
Member



Mrs. Jennifer Baptiste -Primus
Member



Mr. Fitzgerald Hinds
Member



Ms. Amrita Deonarine
Member



Ms. Cherrie-Ann Crichlow-Cockburn
Member



Mr. Foster Cummings
Member

EXECUTIVE SUMMARY

The Public Accounts (Enterprises) Committee (PA(E)C) is the Parliamentary Financial Oversight Committee tasked with the responsibility of examining the audited accounts of all enterprises that are owned or controlled by the state. The Committee examined **Audited Financial Statements of the Trinidad and Tobago International Financial Centre Management Company Limited (TTIFCMCL) for the financial years 2010 to 2017** and produced this report to highlight its findings and recommendations.

This report details the issues, endorsements and recommendations made by the Committee to improve the TTIFCMCL's performance with specific reference to the issues identified during the period 2010 to 2017.

During this inquiry, the following issues arose:

- 1. The Non-Establishment of the International Financial Centre;*
- 2. Government Subvention;*
- 3. Internal Auditing;*
- 4. Procurement;*
- 5. Relationship with InvesTT;*
- 6. Possible Overlap with Similar Agencies;*
- 7. Investor Sourcing and Facilitation;*
- 8. Investor Responsibilities;*
- 9. Conflict of Interest Policy;*
- 10. Memoranda of Understanding with other IFCs; and*
- 11. Training Programmes offered by the TTIFCMCL*

In light of the Committee's findings, the following observations/endorsements were made:

- The Committee welcomes the news of the savings realised by the TTIFCMCL by virtue of the outsourcing of its Internal Audit function;*
- The Committee examined and reported on InvesTT, and the TTFZ during the 4th Session of the 11th Parliament and notes the strong convergence of overall objectives between these two entities and the TTIFCMCL. In this regard, a special report on the issue of potential policy overlap and possible ways to remedy this problem is being prepared and will be published for the consideration of the Ministries and agencies involved; and*
- The Committee commends the TTIFCMCL for developing and implementing its Data Analytics training programme which directly caters to a human resource need identified in its feasibility and comparative studies.*

In light of the Committee's findings, the following recommendations were made:

- *The TTIFCMCL should provide Parliament with the following information by July 31, 2020:*
 - i. *A status report on its consultations with the CBTT, the TTSEC and the Judiciary towards the establishment of the relevant legal framework for financial institutions investing in Trinidad and Tobago;*
 - ii. *An update on initiatives to retain the services of a consultant during FY 2020 including the name of the consultant, the date the consultant began work, the cost of engaging the consultant and the timeline for completion of their work;*
- *The MoF should write to Parliament indicating the approximate level of funding for the establishment of an IFC that would be feasible in the current economic climate by July 31, 2020;*
- *The TTIFCMCL should report on the FY 2020 strategic initiatives that run the risk of being left undone in light of its dwindling unspent balances by July 31, 2020;*
- *The MoF should submit a report to Parliament on the following by July 31, 2020:*
 - i. *Its monitoring of the spending of unspent balances;*
 - ii. *Whether there is a standard threshold for the release of subventions to entities drawing down on unspent balances with a view to replenishing the Company's subventions before it goes into deficit; and*
 - iii. *The date the Ministry plans to resume the release of subventions to the TTIFCMCL;*
- *The TTIFCMCL should report to Parliament explaining how the volume and thoroughness of the internal audit work carried out by the external provider compares to what would be the case if the Company had a full time in-house internal audit function, by July 31, 2020;*
- *The TTIFCMCL should indicate when the Draft Procurement Policy was approved by its Board of Directors by July 31, 2020;*
- *The Office of the Procurement Regulator should write to Parliament indicating the following by July 31, 2020:*
 - i. *The completion status of its consideration of the TTIFCMCL's Draft Procurement Policy; and*
 - ii. *The factors taken into consideration for the granting of approval to procurement policies submitted to the OPR;*
- *The TTIFCMCL should report to Parliament on the status of initiatives taken to implement the official Procurement Policy by July 31, 2020, provided that it has been approved;*
- *The TTIFCMCL should provide Parliament with its assessment of whether the monies contributed to unfinished ventures led by InvesTT were offset to some extent by any possible synergies gained from the collaborative work by July 31, 2020;*
- *The TTIFCMCL should provide a copy of the National Business Process Outsourcing (BPO) Plan and describe how the Plan has helped to further the achievement of its mandate by July 31, 2020;*

- *The TTIFCMCL should confer with the MTI to learn best practice regarding the attraction and facilitation of activity by new investors and report to Parliament on the results of this consultation by July 31 2020;*
- *The TTIFCMCL should provide a status report on the six investor projects initiated thanks to its attendance at the OWS conference by July 31, 2020;*
- *The TTIFCMCL should provide a status report on the development, implementation and monitoring of targets to be met by investors by July 31, 2020;*
- *The MoF should report to Parliament on the benchmarks it observes in the monitoring of the TTIFCMCL's performance under the criteria 'Foreign Exchange Earnings and Usage' and 'Levels of Employment by Industry' in accordance with Section 4.2.2 of the SEPMM by July 31, 2020;*
- *The TTIFCMCL should report to Parliament confirming the inclusion of the promised conflict of interest clause in the Company's Code of Conduct by July 31, 2020;*
- *The TTIFCMCL should submit a report to Parliament containing the following by July 31, 2020:*
 - i. *The explanation for why the 2014 MOU with Toronto Finance International and the 2015 MOU with the Chartered Institute of Securities and Investment did achieve their stated objectives; and*
 - ii. *The factors taken into account in the selection of partners for the establishment of MOUs;*
 - iii. *The cost, if any, involved in the establishment of these MOUs; and*
- *The TTIFCMCL should provide Parliament with the following information by July 31, 2020:*
 - i. *The date the Data Analytics programme was launched;*
 - ii. *The number of participants in this training programme to date;*
 - iii. *The cost associated with running this programme; and*
 - iv. *The revenue generated by this programme.*

INTRODUCTION

Establishment

The PA(E)C of the Eleventh Republican Parliament was established by resolutions of the House of Representatives and the Senate at the sittings held on Friday November 13, 2015 and Tuesday November 17, 2015 respectively.

Mandate

The Constitution of the Republic of Trinidad and Tobago mandates that the Committee shall consider and report to the House on the audited accounts, balance sheets and other financial statements of all enterprises that are owned or controlled by, or on behalf of the State.

In addition to the Committee's powers entrenched in the Constitution, the Standing Orders of the House of Representatives and Senate also empower the Committee (but not limited) to:

- a) send for persons, papers and records;
- b) have meetings whether or not the House is sitting;
- c) meet in various locations;
- d) report from time to time; and
- e) communicate with any other Committee on matters of common interest.

Ministerial Response

The Standing Orders¹ provide for the Minister responsible for the Ministry or Body under review to submit within sixty (60) days a paper to the House responding to any recommendations or comments contained in the Report which are addressed to it.

State Enterprises Performance Standards

The PAEC uses the State Enterprises Performance Monitoring Manual as a benchmark to examine the performance of State Enterprises. The manual outlines the framework for compliance with official policy and the monitoring mechanisms to be used in assessing such compliance. The Government of Trinidad and Tobago monitors the performance of State Enterprises to ensure that these enterprises successfully execute their mandates and maximize value for money for the national stakeholders and shareholders.²

Election of the Chairman and Vice-Chairman

In accordance with section 119(6) of the Constitution, the Chairman must be a member of the Opposition in the Senate. At the first meeting held on Wednesday December 2, 2015, Mr. Wade Mark was elected Chairman and Dr. Tim Gopeesingh was elected Vice-Chairman of the Committee.

¹ Standing Order 110 (6) in the [House of Representatives](#) and 100(6) of the [Senate](#).

² Ministry of Finance, State Enterprises Performance Monitoring Manual, <http://www.finance.gov.tt/wp-content/uploads/2013/11/State-Enterprise-Performance-Monitoring-Manual-2011.pdf>

Establishment of Quorum

The Committee is required by the Standing Orders to have a quorum so that decisions can be made. A quorum of four (4) Members, inclusive of the Chair or Vice-Chairman, with representatives from both Houses was agreed to by the Committee at its first meeting.

Change in Membership

- On December 1, 2017 a decision was made at a sitting of the House of Representatives to replace Ms. Shamfa Cudjoe as a Member with Dr. Nyan Gadsby-Dolly; and
- With effect from November 27, 2018, Ms. Amrita Deonarine replaced Mr. David Small as a Member of the Committee as a result of a decision made at a sitting of the Senate.

METHODOLOGY

Determination of the Committee's Work Programme

On January 13, 2016 during its second Meeting, the Committee agreed to prioritise thirty-three (33) State Enterprises to be examined in the Eleventh Parliament as follows:

1. Caribbean Airlines Limited (CAL)
2. Caribbean New Media Group (CNMG)
3. Caroni Green Limited
4. Community Environmental & Protection Enhancement Programme Company Limited (CEPEP)*
5. Community Improvement Services Limited*
6. Education Facilities Company Limited (EFCL)
7. Estate Management and Business Development Company Limited. (EMBDC)*
8. Evolving Tecknologies and Enterprise Development Company Limited (eTECK)*
9. Government Human Resource Services Company Limited (GHRN)*
10. National Commission for Self Help Limited*
11. National Entrepreneurship Development Company Limited (NEDCO)*
12. National Enterprises Limited (NEL)
13. National Flour Mills Limited*
14. National Gas Company of Trinidad and Tobago Limited (NGC)*
15. National Infrastructure Development Company Limited (NIDCO)*
16. National Insurance Property Development Company Limited (NIPDEC)
17. National Quarries Company Limited (NQCL)
18. National Schools Dietary Services (NSDSL)*
19. Palo Seco Agricultural Enterprises Limited (PSAEL)
20. Petroleum Company of Trinidad and Tobago (PETROTRIN)
21. Point Lisas Industrial Port Development Corporation Limited (PLIPDECO)*
22. Port of Spain Waterfront Development Limited
23. Rincon Development Limited
24. Rural Development Company of Trinidad and Tobago Limited
25. Sport Company of Trinidad and Tobago (SportT)*
26. Telecommunication Services of Trinidad and Tobago (TSTT)*
27. Trinidad and Tobago Fashion Company Limited
28. Trinidad and Tobago National Petroleum Limited (NP)*
29. Tourism Development Corporation (TDC)
30. Union Estate Electricity Generation Company Limited(UEEGCL)*
31. Urban Development Corporation of Trinidad and Tobago (UDECOTT)
32. Solid Waste Management Company Limited (SWMCOL)*
33. Vehicle Management Corporation of Trinidad and Tobago (VMCOTT)

* Examined in the Eleventh Parliament of the Republic of Trinidad and Tobago

At a meeting held on February 17, 2016 the Committee added the Trinidad and Tobago Mortgage Finance Company Limited (TTMF)* to its Work Programme.

Subsequently, at a meeting held on November 15, 2017 the Committee included the following entities:

- The National Maintenance, Training and Security Company Limited (MTS)*
- The National Training Agency (NTA)*
- Youth Training and Employment Partnership Programme (YTEPP)*

At a meeting held on December 5, 2018, the Committee identified the following entities for examination in the Fourth Session of the 11th Parliament:

- i. National Petroleum Marketing Company Limited (NP);
- ii. Caroni (1975) Limited;
- iii. Cocoa Development Company of Trinidad and Tobago Limited;
- iv. Palo Seco Agricultural Enterprises Limited (PSAEL);
- v. Trinidad & Tobago Free Zones Company Limited;
- vi. Trinidad & Tobago Creative Industries Company Limited;
- vii. Export Import Bank of Trinidad and Tobago (EXIMBANK);
- viii. InvestTT;
- ix. Trinidad & Tobago International Financial Centre Management Company Limited;
- x. Rural Development Company of Trinidad & Tobago Limited (RDC);
- xi. Taurus Services Limited; and
- xii. Portfolio Credit Management Limited

THE INQUIRY PROCESS

The Inquiry Process outlines steps taken by the Committee to conduct the inquiry into the operations of the TTIFCMCL. The following steps outline the process agreed to by the PA(E)C:

- I. Identified issues in the Audited Financial Statements and Annual Reports of the TTIFCMCL for the financial years 2010 to 2017;
- II. Prepared Inquiry Proposal for the TTIFCMCL outlining:
 - a. Background;
 - b. Objective of Inquiry; and
 - c. Proposed Questions.
- III. Forwarded questions for written response to the TTIFCMCL and the Ministry of Finance – Investments Division (MoF-ID), which has oversight of the TTIFCMCL, on April 29, 2019. Written responses were received from the MoF on May 14, 2019 and from the TTIFCMCL on May 31, 2019;
- IV. Considered the need for a Public Hearing based on the analysis of written submissions. In this instance, it was determined that no public hearing was necessary;
- V. Forwarded questions for additional information to the TTIFCMCL, the MoF – ID and the Ministry of Trade and Industry (MTI), after analysis of the written submissions, on June 25, 2019. All responses were subsequently received by September 26 2019;
- VI. Reporting the Committee’s findings and recommendations to Parliament upon conclusion of the inquiry; and
- VII. Carrying out follow-up to monitor progress in the implementation of recommendations.

PROFILE – TTIFCMCL

Background:

Trinidad and Tobago International Financial Centre Management Company Limited (TTIFCMCL) was incorporated as a wholly owned State Enterprise on November 06, 2008 under the Companies Ordinance Chapter 81:01 in accordance with Cabinet Minute No. 2647 of September 18, 2008. The main purpose of the Company is the domestic and international promotion of Trinidad and Tobago's IFC as an attractive location for business and investment activities³.

The key strategic objectives of the TTIFCMCL are:

- Business Process Outsourcing (BPO)/Shared Services;
- Financial Markets Development; and
- Corporate Services.

In January 2010 as per Cabinet Minute No. 147 the following goals were identified for the TTIFCMCL⁴:

Short-Term:

- Facilitation of a Business Process Outsourcing (BPO) industry through centres of excellence in Finance & Accounting and Decision Analytics

Medium/Long-Term Goals:

- Attract International Financial Institutions to provide financial services;
- Position Trinidad & Tobago as the financial hub of Latin America and establish the Trinidad and Tobago IFC as a one-of-a-kind IFC (on-shore) in the western hemisphere; and
- Support Government's economic transformation agenda by contributing to sustainable growth, diversification of the economy and the creation of jobs through development of the financial services sector.

Line Ministry: Ministry of Finance

Minister: The Honourable Colm Imbert, MP

Permanent Secretary: Mr. Vishnu Dhanpaul

Permanent Secretary (Ag.): Mrs. Michelle Durham-Kissoon

Chief Executive Officer: Mr. Omar Sultan-Khan

Chairman: Mr. Richard P. Young

³ Written Submission from the MoF-ID dated May 14, 2020.

⁴ Written Submission from the TTIFCMCL dated May 31, 2020.

ISSUES, OBSERVATIONS AND RECOMMENDATIONS

In the Committee's examination of the TTIFCMCL, the following issues were identified and the corresponding observations, endorsements and recommendations proposed:

1) The Non-Establishment of the International Financial Centre

The TTIFCMCL needed to develop a new IFC model. Trinidad and Tobago consistently ranked as the second highest destination for Foreign Direct Investment (FDI) in the wider Caribbean region over the past decade according to the Economic Commission for Latin America and the Caribbean (ECLAC)⁵. Since its establishment, the TTIFCMCL has had the goal of building on this positive FDI trend by setting up an International Financial Centre in Trinidad and Tobago. The Company indicated that original plans to develop an international financial centre in Trinidad and Tobago following the Dubai model fell through due to concerns raised in 2014 by the Central Bank of Trinidad and Tobago (CBTT) and also due to budgetary constraints as the US \$75 Million required could not be facilitated by the MoF⁶. Because of the flagged by the CBTT, the Company was considering an alternative model⁷. The issues included:

- the problematic situation of the IFC operating in its own parallel financial and legal framework,
- jurisdictional issues;
- licensing and registration issues;
- the risk of conflicts of interest; and
- payments rightfully due to the Consolidated Fund.

The TTIFCMCL indicated that it planned to engage a consultant during FY 2020 to recommend the financial services that should be provided to international financial institutions in Trinidad and Tobago. The consultant would also recommend appropriate incentives for financial institutions and outline the business environment and the legislative and regulatory framework that would be needed to attract international financial institutions.

Further, the TTIFCMCL planned to engage with local regulators including the CBTT and the Trinidad and Tobago Securities and Exchange Commission (TTSEC) in addition to the Judiciary. The aim of this collaboration would be to set the parameters of any new legislation and regulations that would be necessary to support the activities of financial institutions attracted to Trinidad and Tobago.

Recommendations:

- i. The TTIFCMCL should provide Parliament with the following information by July 31, 2020: and*

⁵ The Dominican Republic is consistently the number 1 destination for FDI in the Caribbean.

⁶ TTIFCMCL, Written Response dated May 31, 2019 to Questions for Written Submission, page 35.

⁷ TTIFCMCL, Written Response dated August 16, 2019 to Questions for Additional Information, page 27.

- a. *A status report on its consultations with the CBTT, the TTSEC and the Judiciary towards to establishment of the relevant legal framework for financial institutions investing in Trinidad and Tobago;*
 - b. *An update on initiatives to retain the services of a consultant during FY 2020 including the name of the consultant, the date the consultant began work, the cost of engaging the consultant and the timeline for completion of their work.*
- ii. *The MoF should write to Parliament indicating the approximate level of funding for the establishment of an IFC that would be feasible in the current economic climate by July 31, 2020.*

2) Government Subvention

The accumulated unspent balances of \$38.5 million being used to cover the Company's expenses since 2018 will run out during FY 2020. According to the Ministry of Finance, the TTIFCMCL had not received any subventions since the quarter ended March 31, 2018. The Company was instructed to use its unspent bank balance to meet its projected expenses until further notice.

In each year since 2013, except in 2014, the TTIFCMCL recorded unspent balances ranging from \$3.4 million to \$9.2 million⁸. The Company confirmed that these unspent balances were accumulated as a result of low levels of investment in new projects. As much as a quarter of the Company's Key Strategic Initiatives were not implemented during the period 2015-2018 due to various changes in circumstances⁹.

The Company explained that subventions received from the Government of the Republic of Trinidad and Tobago accounted for the increases in Cash in Hand and at Bank. In FY 2017 the corresponding balance was TT \$39.4 million.

In August 2019, the TTIFCMCL estimated that at the beginning of FY 2020 it would have \$19.3 million cash in hand remaining. Given the Company's projected expenditures for FY 2020, this sum was estimated to be sufficient to cover only the first and second quarters as well as part of the third quarter of FY 2020 before the Company would go into deficit.

Recommendations:

- i. *The TTIFCMCL should report on the FY 2020 strategic initiatives that run the risk of being left undone in light of its dwindling unspent balances by July 31, 2020; and*
- ii. *The MoF should submit a report to Parliament on the following by July 31, 2020:*
 - a. *Its monitoring of the spending of unspent balances;*
 - b. *Whether there is a standard threshold for the release of subventions to entities drawing down on unspent balances with a view to replenishing the Company's subventions before it goes into deficit; and*
 - c. *The date the Ministry plans to resume the release of subventions to the TTIFCMCL.*

⁸ TTIFCMCL, Written Response dated August 16, 2019 to Questions for Additional Information, page 70.

⁹ Ibid, page 18.

3) Internal Auditing

The TTIFCMCL did not have an Internal Audit function. The reason for this is the Company's low volume of transactions. The Company retained the services of an external service provider to outsource this function. The basic cost for this included twelve thousand dollars (TT\$12,000.00) per quarter over a one-year period. Further, a TT\$12,000.00 initial assessment and familiarisation of operations fee was incurred. This brought the full total for the year to sixty thousand dollars (TT\$60,000.00).

The TTIFCMCL highlighted that, from a cost perspective, the outsourcing of the Internal Audit function was more effective than establishing a full time in-house function. The latter would cost approximately two hundred and fifty thousand (TT\$250,000.00) annually, which is over four times the cost of the external service provider.

Observation:

- i. The Committee welcomes the news of the savings realised by the TTIFCMCL by virtue of the outsourcing of its Internal Audit function should.*

Recommendation:

- i. The TTIFCMCL should report to Parliament explaining how the volume and thoroughness of the internal audit work carried out by the external provider compares to what would be the case if the Company had a full time in-house internal audit function, by July 31, 2020.*

4) Procurement

The TTIFCMCL's procurement policy was still in draft form. The TTIFCMCL submitted a 2018 Draft Procurement Policy to the Office of Procurement Regulation (OPR) for review and approval. This Draft Policy was aligned with the Public Procurement and Disposal of Public Property Act. In an August 2019 written submission, the TTIFCMCL indicated that the approval of the Draft Policy by the OPR and the Company's Board of Directors was still pending.

Recommendations:

- i. The TTIFCMCL should indicate when the Draft Procurement Policy was approved by its Board of Directors by July 31, 2020;*
- ii. The Office of the Procurement Regulator should write to Parliament indicating the following by July 31, 2020: and*
 - a. The completion status of its consideration of the TTIFCMCL's Draft Procurement Policy; and*
 - b. The factors taken into consideration for the granting of approval to procurement policies submitted to the OPR.*

- iii. The TTIFCMCL should report to Parliament on the status of initiatives taken to implement the official Procurement Policy by *July 31, 2020*, provided that it has been approved.

5) Relationship with InvesTT

It is unclear whether the TTIFCMCL has achieved return on investment for resources committed to joint ventures with InvesTT. The TTIFCMCL directly engages international financial institutions to promote Trinidad and Tobago as a prime location to establish their operational presence. As part of these efforts, the TTIFCMCL was part of the Cabinet-approved Country Branding Committee (CBC) established in October 2013 by InvesTT to develop a new country brand. Towards the fulfilment of the goal of the CBC, the TTIFCMCL contributed six hundred thousand dollars (\$600,000.00) plus VAT out of the total \$4.4 million brand development cost. In the end, the development of the country brand was not completed due to a lack of funds.

The Committee held a public meeting with officials from InvesTT on July 3, 2019. At this meeting, InvesTT explained that country branding initiatives were at a standstill pending further instruction from the Ministry of Trade and Industry. The MTI in turn explained that it was awaiting instructions from Cabinet regarding the resumption of country branding activities.

The Company has also worked with InvesTT¹⁰ to disseminate information on investment opportunities prepared jointly by the two investment promotion entities and on the preparation of a National Business Process Outsourcing (BPO) Plan.

Recommendations:

- i. The TTIFCMCL should provide Parliament with its assessment of whether the monies contributed to unfinished ventures led by InvesTT were offset to some extent by any possible synergies gained from the collaborative work by July 31, 2020; and*
- ii. The TTIFCMCL should provide a copy of the National Business Process Outsourcing (BPO) Plan and describe how the Plan has helped to further the achievement of its mandate by July 31, 2020.*

6) Possible Overlap with Similar Agencies

There is a high degree of similarity between the TTIFCMCL and similar public agencies. A number of other public agencies work to attract investment into Trinidad and Tobago. While the others are linked to specific programmes or regimes, the TTIFCMCL is more industry-specific.

The similarities between the goals of these related agencies are summarised below:

¹⁰ TTIFCMCL, Written Responses dated August 16, 2020 to Questions for Additional Information, page 59.

- Trinidad and Tobago Free Zones Company Limited (TTFZ).
 - Currently being replaced by the Special Economic Zone (SEZ) Authority.
- InvesTT – the National Investment Promotion Agency.

AGENCY	MISSION
TTIFCMCL ¹¹	To attract & facilitate foreign direct investment in the financial services sector that would enhance the growth and diversification of the economy by creating sustainable employment and generating foreign exchange.
InvesTT ¹²	To attract , facilitate and retain investments in Trinidad and Tobago.
TTFZ ¹³	Leveraging our competitive advantage to provide an investment friendly environment that facilitates business activities to achieve our aims of national economic diversification, job creation and attractive investor returns.

The Committee noted instances of these similar entities working together on common initiatives. They remain, however, completely distinct entities. Further, while InvesTT and the TTFZ/SEZ Authority operate under the umbrella of the Ministry of Trade and Industry, the TTIFCMCL operates under the oversight of the Ministry of Finance.

The TTIFCMCL indicated that work was underway in collaboration with the MTI to develop incentives within the framework of the SEZ Programme. In the Company’s view, it will enjoy a complementary relationship with the SEZ Authority as they share similar goals¹⁴.

Observation:

- i. *The Committee examined and reported on InvesTT and the TTFZ during the 4th Session of the 11th Parliament and notes the strong convergence of overall objectives between these two entities and the TTIFCMCL. In this regard, a special report on the issue of potential policy overlap and possible ways to remedy this problem is being prepared and will be published for the consideration of the Ministries and agencies involved.*

7) Investor Sourcing and Facilitation

The TTIFCMCL needs to do more to help potential investors find anchor clients. The TTIFCMCL explained that it was working on the development of a business incubator space and a suite of incentives to create an environment that is more conducive to investment in BPO. This would entail targeted initiatives to make it easier to establish the relevant business ventures. This appears to

¹¹ TTIFCMCL, *About TTIFCMCL*, accessed August 8, 2019: <https://www.ttifc.co.tt/index.php/meet-team/overview>

¹² InvesTT, *About InvesTT*, accessed August 20, 2019: <http://www.investt.co.tt/how-we-help/>

¹³ TTFZ, *Vision, Mission, Values*, accessed August 4, 2019: <http://ttfzco.com/index.php/about-us/>

¹⁴ TTIFCMCL, Responses dated August 16, 2020 to Questions for Additional Information, pages 27 & 33.

be similar to the Single Electronic Window¹⁵ system – also known as TTBizLink – operated by the Ministry of Trade and Industry for quick and easy establishment of local business ventures by foreign investors.

In spite of these measures, the TTIFCMCL reported that a number of new/prospective clients opted out of pursuing investment opportunities in Business Process Outsourcing and Shared Services (BPO/SS) because they could not find an ‘anchor client’¹⁶. In the absence of these potential investors, only two deals were concluded from 2014 to 2018. The TTIFCMCL explained that it was working with potential investors to find anchor clients by facilitating business meetings with local and regional companies that operate in the investor’s area of interest.

The TTIFCMCL’s Strategic Initiatives for the second quarter of FY 2019 included the following¹⁷:

- Participate in two (2) international outsourcing conferences to further develop the leadership pipeline:

Conference	Cost
International Association of Outsourcing Professionals (IAOP) Outsource to the World conference (OWS) 17th to 20th February 2019.	TT\$148,534.27.00
Site Selectors Guild Annual Conference 25th to 27th March 2019.	TT\$145,739.25.00

The TTIFCMCL revealed that the OWS conference lead to six (6) Investor prospects, while the Site Selectors Guild Conference was an important networking opportunity.

Recommendations:

- i. The TTIFCMCL should confer with the MTI to learn best practice regarding the attraction and facilitation of activity by new investors and report to Parliament on the results of this consultation by July 31, 2020; and*
- ii. The TTIFCMCL should provide a status report on the six investor projects initiated thanks to its attendance at the OWS conference by July 31, 2020.*

8) Investor Responsibilities

Unlike other investment facilitation agencies, TTIFCMCL investors were not held to any specific binding responsibilities in return for the advantages from which they benefited. When asked about job creation targets¹⁸, the TTIFCMCL confirmed that no such specific benchmarks were set for investors to observe. The Committee pointed out that this was quite different from what applies

¹⁵ Government of Trinidad and Tobago, TTBizLink, accessed on March 15, 2020:

<https://www.ttbizlink.gov.tt/tntcmn/faces/pnu/PnuIndex.jsf>

¹⁶ TTIFCMCL, Responses dated May 31, 2020 to Questions for Written Submission, page 44.

¹⁷ TTIFCMCL, Responses dated August 16, 2020 to Questions for Additional Information, page 54.

¹⁸ TTIFCMCL, Responses dated April 16, 2019, to Questions for Additional Information, page 28.

under the Free Zones Programme – which was replaced by the Special Economic Zones (SEZ) Policy in August 2019. Both the FZP and its successor the SEZ Policy attract investors through a combination of financial and non-financial incentives. These programmes also entail penalties for certain types of infringement of their conditions by investors, given the incentives afforded to them. The Ministry of Finance explained¹⁹ that while no measurable targets are set for the investors attracted by the TTIFCMCL, the Ministry does monitor the general performance indicators of foreign exchange earnings and job creation by the TTIFCMCL in accordance with Section 4.2.2 of the State Enterprises Performance Monitoring Manual (SEPMM).

The TTIFCMCL explained that mutually agreed provisions regarding investors' responsibilities and possible targets for job creation and foreign exchange generation will be incorporated into the investor contracts and license agreements going forward.

Recommendations:

- i. The TTIFCMCL should provide a status report on the development, implementation and monitoring of targets to be met by investors by July 31, 2020; and***
- ii. The MoF should report to Parliament on the benchmarks it observes in the monitoring of the TTIFCMCL's performance under the criteria 'Foreign Exchange Earnings and Usage' and 'Levels of Employment by Industry' in accordance with Section 4.2.2 of the SEPMM by July 31, 2020.***

9) Conflict of Interest Policy

The TTIFCMCL had no official conflict of interest policy. Although the TTIFCMCL's Code of Conduct made reference to conflicts of interest, the Company had no specific policy on this issue. To account for this absence of a policy, the TTIFCMCL cited its strict adherence to the definition of conflict of interest as provided by the Integrity in Public Life Act No. 83 of 2000. Because the Company used this definition as a guide for its operations, it was not deemed necessary to develop a standalone conflict of interest policy.

For reference, Section 29(1) of the Act states the following:

'For the purposes of this Act, a conflict of interest is deemed to arise if a person in public life or any person exercising a public function were to make or participate in the making of a decision in the execution of his office and at the same time knows or ought reasonably to have known, that in the making of the decision, there is an opportunity either directly or indirectly to further his private interests or that of a member of his family or of any other person.'

¹⁹ Ministry of Finance – Investments Division, Responses dated September 26, 2019 to Questions for Written Submission, page 1.

The Committee notes that, when the TTIFCMCL unveiled its original plans for the development of an International Financial Centre, objection was raised by the Central Bank of Trinidad and Tobago (CBTT)²⁰. One of the issues raised by the CBTT was that the process of appointing judges for the IFC's dispute resolution mechanism was open to the risk of conflict of interest given that the judges were to be appointed by the TTIFCMCL itself. The Company amended the conditions for the appointment of judges accordingly.

The Company gave an assurance in an August 2019 written submission²¹ that it would review its Code of Conduct policy and incorporate a conflict of interest clause into it by the end of FY 2019.

Recommendation:

- i. The TTIFCMCL should report to Parliament confirming the inclusion of the promised conflict of interest clause in the Company's Code of Conduct by July 31, 2020.***

10) Memoranda of Understanding with other IFCs

The MOUs signed by the TTIFCMCL do not achieve their intended goals. The TTIFCMCL's Critical Initiatives for the period of October 2018 to September 2019 included establishing Memoranda of Understanding (MOU) with other International Financial Centres²². The Company explained that in June 2014, an MOU was signed with the New York Institute of Finance (NYIF) and the University of Trinidad and Tobago (UTT). These MOUs sought mainly to establish the framework for the provision of training and curriculum development with specific reference to capital market development. This MOU resulted in a one-week training course on international capital markets being held in October 2014.

In January 2015, another MOU was signed between the TTIFCMCL with Toronto Finance International. The goal of this second MOU was to facilitate collaboration on topics of mutual interest but no such collaboration took place. The same goes for an MOU signed in April 2015 with the Chartered Institute of Securities and Investment (CISI) and the UTT. The MOU's purpose was to deliver appropriate continuing professional development programmes for the financial services industry, but no such programmes were ever held.

Recommendation:

- i. The TTIFCMCL should submit a report to Parliament containing the following by July 31, 2020:***
 - a. The explanation for why the 2014 MOU with Toronto Finance International and the 2015 MOU with the Chartered Institute of Securities and Investment did not achieve their stated objectives; and***
 - b. The factors taken into account in the selection of partners for the establishment of MOUs;***

²⁰ TTIFCMCL, Written Responses dated August 16, 2020, to Questions for Additional Information, page 29

²¹ Ibid, page 75.

²² Ibid, page 48.

- c. *The cost, if any, involved in the establishment of these MOUs.*

11) Training Programmes offered by the TTIFCMCL

The TTIFCMCL has started to offer training based on its feasibility studies. The TTIFCMCL's Critical Initiatives for the period of October 2018 to September 2019 included establishing conducting feasibility and comparative studies on potential areas of business. These studies were conducted and one of the findings was that financial services firms were in need of skilled workers in the areas of Software Development, IT Operations Support and Data Analytics in addition to the previously known need for human resource in the areas of finance and accounting.

The Committee notes that the TTIFCMCL advertises its TT \$300.00 Data Analytics course offering online. The ad seen below was observed while consulting several different websites.



Endorsement:

- i. *The Committee commends the TTIFCMCL for developing and implementing this Data Analytics training programme which directly caters to a human resource need identified in its feasibility and comparative studies.*

Recommendation:

- i. *The TTIFCMCL should provide Parliament with the following information by July 31, 2020:*
- a. *The date this Data Analytics programme was launched;*
 - b. *The number of participants in this training programme to date;*
 - c. *The cost associated with running this programme; and*
 - d. *The revenue generated by this programme.*

CONCLUSION

Even though Trinidad and Tobago is a regional leader in FDI inflows, overall FDI declined over the past decade in the Latin America and Caribbean region. Most of that decline was observed in natural resources such as oil which represents the vast majority of the FDI inflows to Trinidad and Tobago²³. The positive side of this negative FDI outlook is that the downward trend is less severe outside of the oil industry. There is, therefore, the potential to grow non-energy FDI with the right combination of policies.

Elsewhere within the country's trade and investment promotion apparatus, the SEZ Policy is an example of an initiative to revitalise the country's attractiveness to investors. The Committee encourages the TTIFCMCL to redouble its efforts to contribute to this incentivisation of investors by establishing a viable, well regulated and legislatively sound International Financial Centre with clear parameters for potential financial institution investors. This is crucial to the Company fulfilling its original *raison d'être*.

The TTIFCMCL has been able to recognise existing needs in the financial services sector based on its own empirical research and to implement measures to meet them. Some of these measures – specifically joint initiatives with outside stakeholders – have not always translated into concrete action. The Company should re-evaluate the feasibility of such measures, which may possibly have had a considerable cost.

The training initiatives run by the Company are noteworthy. The industry awareness and responsiveness to which they attest shows a strong commitment to the Company's stated vision of making Trinidad and Tobago a premier location for financial services and should be maintained.

Given that steps have been taken to address issues previously delaying the TTIFCMCL's strategic initiatives, the Committee encourages the Ministry of Finance to ensure that there are no gaps in the necessary funding to the Company, which would be counterproductive.

Notwithstanding its specific focus on financial services, it is clear that the work of the TTIFCMCL is very similar to that of InvesTT and fairly similar to some aspects of the Special Economic Zones Policy. Synergies among these entities should be created as much as possible.

²³ ECLAC, Keynotes for Development No 3: Foreign Direct Investment, accessed on March 8, 2020: <https://www.cepal.org/en/publications/43423-eclac-keynotes-development-3>

The Public Accounts (Enterprises) Committee respectfully submits this Report for the consideration of the Parliament.

Sgd.
Mr. Wade Mark
Chairman

Sgd.
Dr. Tim Gopeesingh
Vice-Chairman

Sgd.
Mr. Fitzgerald Hinds
Member

Sgd.
Mrs. Cherrie-Ann Crichlow-Cockburn
Member

Mrs. Jennifer Baptiste-Primus
Member

Sgd.
Dr. Nyan Gadsby-Dolly
Member

Sgd.
Mr. Foster Cummings
Member

Sgd.
Ms. Amrita Deonarine
Member

APPENDIX 1 – Questions for Additional Information

Questions for Additional Information - TTIFCMCL

General Questions

Primary Responsibility of the TTIFCMCL

TTIFCMCL Vision

The Vision of the TTIFCMCL is “to make Trinidad and Tobago one of the premier locations in the Caribbean and Latin America for Financial Services”.

Questions:

1. What are the major locations in the Caribbean / Latin America with which Trinidad and Tobago competes for financial services FDI?
2. What measures have been implemented by the TTIFCMCL to increase Trinidad and Tobago’s attractiveness relative to its competitors?

Goals of the TTIFCMCL

Short Term Goals

The TTIFCMCL’s short term goal is “facilitation of a Business Process Outsourcing (BPO) industry through centres of excellence in Finance & Accounting and Decision Analytics”.

Questions:

1. What was the original time frame for this goal?
2. Was this goal achieved within the expected time frame?
 - a. If no, what were the challenges delaying the process and how were those challenges overcome?
3. What were the measures implemented in order to create centres of excellence in Finance & Accounting and Decision Analytics?
4. What does Decision Analytics entail?

Medium / Long Term Goals

One of the goals of the TTIFCMCL’s Vision is to “position Trinidad and Tobago as the financial hub of Latin America and establish the Trinidad and Tobago IFC as a one-of –a-kind IFC (onshore) in the western hemisphere.

Question:

1. What are the advantages of emphasizing onshore outsourcing as opposed to nearshore or offshore?

Efficient, Effective and Economical Policy

1. What are the Key Performance Indicators (KPI) used by the Company on an enterprise-wide, department and employee basis?

Board of Directors

Board Committees

The TTIFCMCL has 4 Committees of the Board that provide oversight of specific operations of the Company and report to the Board of Directors:

1. the Audit, Risk and Compliance Committee;
2. the Corporate Governance, Strategy and Human Resource Committee;
3. the Finance and Investment Committee; and
4. the Tenders Committee.

The Audit, Risk and Compliance Committee carries out the following:

- The periodic financial reports and other financial information provided by the Company to the Board of Directors, any governmental body or the public;
- The Company's systems of internal controls regarding finance, accounting, financial reporting and financial compliance that Management and the Board have established;
- The Company's auditing, accounting and financial reporting processes generally; and
- The risk management, compliance and control activities of the TTIFCMCL. Consistent with its function, the Committee should encourage continuous improvement of and should foster adherence to the Company's policies, procedures and practices at all levels.

Question:

1. What is the role of the Audit, Risk and Compliance Committee in the preparation of the Company's annual financial statements for submission to the external auditor?

The Finance and Investment Committee facilitated the creation of the TTIFCMCL's investment policy for the management of the Company's funds as approved by the Board of Directors.

Question:

1. What does the investment policy entail and when was it instituted? Provide a copy of the policy.

Executive Management Team

Questions:

1. What was the level of turnover of the Company's executive posts?
2. How did the Company ensure continuity if turnover is high?

The post of Vice President – Financial Markets Development is currently vacant. It was reported that the responsibilities of the post are likely to change. Because of this, the Job Description was not provided.

Question:

3. Provide the following:
 - a. the original Job Description for the post of Vice President – Financial Markets Development;
 - b. a tentative / draft updated Job Description;
 - c. a brief description of the anticipated changes, if no draft is currently available. m
 - d. the reasons for which changes are being made.

Remuneration of Executive Management

The CEO is recruited on contract for a duration of 3 years, while the Vice President BPO/SSD and the Vice President Corporate Services are recruited on contracts lasting 2 years and 1 year respectively.

Whereas the CEO and the VP BPO/SSD are entitled to 20% gratuity, the VP Corporate Services receives 10% gratuity.

Question:

1. What is the reason for these variations of contract duration and gratuity?

Organizational Structure

The following 11 posts were vacant on the TTIFCMCL Organizational Chart dated February 2019:

1. Vice President Financial Markets Development;
2. Senior Analyst Technology;
3. Service Providers;
4. Regulators' Relationships;
5. Education Institution Relationships;
6. Government (Operations) Relationships;
7. Senior Procurement Officer;
8. Legal Officer;
9. Human Resources Officer;
10. Concierge Services; and
11. FIs

Questions:

1. What was the reason for these 11 posts not being filled?
2. What is the status of the Company's efforts to fill these positions?
3. How has the absence of post holders affected the Company's ability to fulfil its mandate?
4. What does the work of the vacant post "FIs" entail?

Compliance and Management of Revenue & Expenditure

Compliance

The Investments Division of the Ministry of Finance explained that the TTIFCMCL submitted its Board of Directors Performance Reports for the years ended September 30, 2015 to 2018²⁴.

Questions:

1. Were these Reports submitted to the Ministry of Finance for the years before 2015?
 - a. If not, what was the reason?
2. "Board of Directors Performance Reports" does not appear on the list of Annual Reports on page 29 of the TTIFCMCL's Written Submission.
 - a. Is it the same as the "Annual Directors' Performance Appraisal" listed in the submission?

Expenditure

It was indicated that, in the last few years, the TTIFCMCL had achieved considerable reductions in its expenditure, coming in approximating 60% to 70% below budget.

This occurred "where changed circumstances did not allow for implementation of Strategic Initiatives".

²⁴ Ministry of Finance – Investments Division, Written Responses to the PA(E)C, p 2.

Questions:

1. What were the “changed circumstances” preventing the implementation of Strategic initiatives?
 - a. When did these circumstances occur?
 - b. Was this a recurring problem in each year?
 - c. What percentage of the Company’s Strategic objectives have been affected by this problem?
 - d. What systems were implemented to either remedy or adapt to these changed circumstances so as to implement the Strategic initiatives as planned?
2. Do the savings made in these cases correspond wholly or in part to the “Retained Earnings” represented in the Company’s Statements of Financial Position? The figures are reproduced below for ease of reference.

YEAR	RETAINED EARNINGS / (LOSS) \$
2017	391,927
2016	229,523
2015	54,530
2014	(3,307)
2013	(21,594)
2012	5,132
2011	(288,516)
2010	37,597

- a. Were these savings set aside for future use to carry out the same Strategic initiatives?

Job Creation

The TTIFCMCL provided the following information in response to the question as to the number of jobs created from 2012 to 2017 thanks to its activities:

YEAR	NUMBER OF JOBS CREATED
2012	0
2013	0
2014	250
2015	0
2016	133
2017	117

Questions:

1. What was the reason for the complete absence of job creation in 2012, 2013 and 2015?
2. Did the TTIFCMCL set any job creation targets for the companies conducting business due to its initiatives?
 - a. If yes, what were the targets and how satisfied was the TTIFCMCL with the actual number of jobs created?
 - b. If no, does the TTIFCMCL plan to set precise, measurable targets in future?
3. The employment created is meant to be of high value. To what extent is this the case?
4. What steps has the TTIFCMCL taken to attain and surpass the peak job creation level achieved in 2014?

Foreign Exchange Generation

The TTIFCMCL provided the following information about foreign exchange revenue generated through the financial services activities attracted by its initiatives:

YEAR	FDI, USD IN MILLIONS
2012	Scotiabank OSSCL made an Initial investment of 15.34 Million in the set-up of operations in Trinidad and Tobago.
2013	No data available.
2014	Foreign Exchange earnings based on the operations of OSSCL.
2015	Foreign Exchange earnings based on the operations of OSSCL.
2016	Foreign Exchange earnings based on the operations of OSSCL. Additional capex investment of 1.50 Million in an expansion that created an additional 250 jobs over a three-year period.
2017	19 Million in Foreign Exchange earnings based on the operations of OSSCL.

1. What was the reason for the lack of data for 2013?
2. What are the precise amounts for 2014 and 2015?
3. Did the TTIFCMCL set any targets for foreign exchange generation?
 - a. If yes, what was the target and to what extent did the figures above reach the desired target?
 - b. If no, does the TTIFCMCL view the setting of targets as feasible?

Business Environment

1. To what extent does Trinidad and Tobago's compliance with international tax-related mechanisms such as the Base Erosion and Profit Shifting (BEPS) Programme of the Organisation for Economic Cooperation and Development (OECD) have an effect on the TTIFCMCL's attraction of investment?

Development of the International Financial Centre

The TTIFC indicated that original plans to develop an international financial centre in Trinidad and Tobago following the Dubai model fell through due to concerns raised by the Central Bank of Trinidad and Tobago (CBTT) and also due to budgetary constraints. That being the case,

“consideration is being given to an alternative model that will be suitable to attract foreign financial institutions to Trinidad and Tobago”.

Questions:

1. Briefly summarize the concerns raised by the CBTI.
2. What proposals were made by the TTIFCMCL to address the CBTI’s concerns?
3. What is the alternative model in question?
4. What is the timeline for the development of this new model?

The TTIFCMCL’s second medium / long term goals is to “position Trinidad & Tobago as the financial hub of Latin America and establish the Trinidad and Tobago IFC as a one-of-a-kind IFC (on-shore) in the western hemisphere”.

However, the Company explained that the international financial centre has not yet been established despite the TTIFCMCL’s existence for almost 11 years. Therefore, no policies have been implemented to make Trinidad and Tobago the international financial centre of the region. Further, in response to questions under the heading “Business Environment” the TTIFCMCL indicated that it has “de-prioritised the passage of the framework and continues its efforts to attract financial sector investment”²⁵.

Questions:

1. The development of the international financial centre has been de-prioritized.
 - a. Did the TTIFCMCL have an official change of mandate?
 - b. If yes, when was this change made?
 - c. If yes, what was the legal authority used to make this change?
2. If the answer to question (1) is “no”, will the development of an international financial centre become a priority again once the SEZ Policy is approved and implemented?
3. How has the TTIFCMCL maintained the pursuit of its vision and medium / long term goals in the absence of an established international financial centre?
4. To what extent are the Company’s vision “to make Trinidad and Tobago one of the premier locations in the Caribbean and Latin America for Financial Services” and its medium / long term goal still relevant or attainable now that the development of an international financial centre is no longer a priority?
5. The TTIFCMCL has been operating since 2008 but has not fully realized its original vision, mission or medium / long term goals since the international financial centre was not established.
 - a. What does this mean for the continued relevance of the TTIFCMCL?

Developing Trinidad and Tobago as an Outsourcing Destination

The TTIFCMCL plans to develop Trinidad and Tobago as a destination for outsourcing through client engagement, customer care, workforce development and planning, and capacity building initiatives.

Question:

²⁵ TTIFCMCL Written Submission, p 51.

1. What is the relationship between developing Trinidad and Tobago as an outsourcing destination and the development of an international financial centre?
 - a. Do delays in the implementation of one necessarily affect the implementation of the other?
 - b. If yes, how has the lack of progress towards the development of an international financial centre affected Trinidad and Tobago's development as an outsourcing destination?

The International Financial Centre and the Special Economic Zone

The TTIFCMCL explained that “it is likely that companies attracted to Trinidad and Tobago will operate in a Special Economic Zone (SEZ) in accordance with legislation and guidelines currently being developed by the Ministry of Trade and Industry” (MTI).

According to the Draft Special Economic Zones Policy, “the Government, in an effort to drive the national diversification thrust and successfully penetrate new and existing export markets, has targeted the following sectors”²⁶. The SEZ Policy goes identifies “financial services” as one of these sectors – in particular specialized “financial services zones to promote offshore financial and non-financial activities”.

Questions:

1. How would participation in the SEZ programme remedy the concerns raised by the CBITT about the TTIFCMCL's original plans to develop an international financial centre?
2. What kinds of incentives (financial or non-financial) would the TTIFCMCL offer to the companies to enter Trinidad and Tobago under the SEZ Policy?
3. Given that the SEZ Policy is under the purview of the MTI, what oversight role, if any, would the TTIFCMCL have over the activities of the companies it attracts into Trinidad and Tobago?

Integration into the Domestic Economy

In explaining the minor effect of Trinidad and Tobago's international credit rating on the Company's operations, the TTIFCMCL stated that “a company that by the nature of the transactions it conducts doesn't have much exposure to the local economy is not likely to be impacted by our international credit rating”.

The SEZ Regime is being developed to replace the Trinidad and Tobago Free Zones Programme (FZP), under which some investors attracted by the TTIFCMCL have set up their operations. According to the Draft SEZ Policy document – citing research by the World Bank Group – the new policy is meant to correct, inter alia, the problem of “little integration of firms with the domestic economy” as was the case under the FZP.

Question:

1. In light of the foregoing, how well would the companies attracted by the TTIFCMCL fit into the SEZ Regime in practice?

²⁶ Ministry of Trade and Industry, *Special Economic Zones Policy*, p 14, accessed on April 20, 2019: <https://tradeind.gov.tt/sez-policy-trinidad-tobago/>

Training Programmes

Questions:

1. The TTIFCMCL signed a Memorandum of Understanding (MOU) with the University of the West Indies (UWI) in 2017 for the provision of essential professional training. However, the Company indicated that “this was not a training programme”.
 - a. What does this collaboration with the UWI entail?
2. Provide a breakdown of the costs incurred in connection with the 3 training programmes identified.
3. The Company signed an MOU in 2015 with Scotiabank’s Operational Shared Services Company Limited (OSSCL) to facilitate the promotion of on-the-job training (OJT) opportunities for local professionals in the Finance and Accounting (F&A) sector through the creation of an OSSCL Internship Programme following the OJT model.
 - a. What was the role of the TTIFCMCL in the operationalization of this Internship Programme?
 - b. Was the MOU time-bound?
 - c. If yes, what was its expiration date?
4. At the outset, the OSSCL’s Internship Programme sourced its interns through GORTT’s On-The-Job Training Programme (OJT).
 - a. Did the OSSCL register as a training provider with OJT?
 - b. If the MOU was time-bound, did the OSSCL eventually begin recruiting trainees on its own?
 - c. If yes, when did the OSSCL begin its own recruitment of trainees?
 - d. If yes, how were the internships publicized and what did the intern selection process entail?
5. Is the OSSCL’s Internship Programme still active?
6. How can this Programme’s contribution to enhancing Trinidad and Tobago’s financial services and accounting talent pool be measured?
7. In 2015, the OSSCL received an incentive grant of \$625,380 to hire 250 interns.
 - a. How was value for money ensured?
8. The TTIFCMCL indicated that it had “leveraged the OJT programme to provide the human resources needed to facilitate the expansion of operations by Scotiabank’s OSSCL”²⁷, and that it had “provided incentives to OSSCL to offset recruiting and salary costs during the training period of the expansion project”²⁸.
Under the terms of the OJT Programme, “private sector training providers are reimbursed 60% of the stipend paid to trainees by the organisation”²⁹.
 - a. In light of this already existing built-in incentive offered to private entities by the OJT Programme, what was the rationale for providing \$625,380 in funding to OSSCL when they hired their trainees through OJT and, therefore, only paid 40% of those trainees’ stipends?

Business Process Outsourcing and Shared Services (BPO/SS)

Questions:

²⁷ TTIFCMCL Written Submission, p 49.

²⁸ Ibid p 50.

²⁹ TTConnect, *OJT – The On-the-Job Training Programme*, accessed on June 12, 2019: <https://www.ttconnect.gov.tt/gortt/portal/ttconnect/>

1. In the table on page 44 of the Written Submission responding to the question as to the number of foreign companies attracted by the TTIFCMCL for BPO/SS activities, it was explained that some deals did not work out for different reasons.
 - a. In the case of new / prospective clients opting out as they could not find an “anchor client”, what measures could the TTIFCMCL implement to remedy this problem?
 - b. Provide yearly figures for the number of companies with whom deals were actually concluded.

IFC Incentives

Questions:

1. What is the name of the company attracted to Trinidad and Tobago by the TTIFCMCL that currently functions under the FZP?
2. The TTIFCMCL provides a limited time, low lease incubator space for incoming investors.
 - a. How many investors have used this facility?
 - b. What is the time limit for their operation within the incubator space?
 - c. What is the lease amount charged?
 - d. To what use is this income put by the TTIFCMCL?
 - e. What is the advantage to the investor of operating in the incubator space?

Relationship with Other Investment Promotion Agencies PI

Questions:

1. The TTIFCMCL collaborated with e-Teck on developing a 'National Country Brand' which was submitted to the then Cabinet for final approval in 2014 but the project was eventually suspended due to lack of funding.
 - a. What did the 'National Country Brand' entail?
 - b. How much additional funding did the project require?
 - c. What was the reason for the unavailability of these funds?
 - d. What is the status of the Brand proposal?
2. The TTIFCMCL paid a portion of the cost associated with the National Brand Development Committee.
 - a. What was the amount of money contributed?

Strategic Plan

Questions:

1. B Stott and Associates and ASK International Management Services Ltd did work on the TTIFCMCL's Strategic Plan.
 - a. What was the process used to retain the services of these companies?
2. In 2018, ASK International Management Services Ltd revised the Strategic Plan as part of its overall fee of TT\$125,000, which included other services.
 - a. What was the precise cost within the \$125,000 for the revision of the Strategic Plan?

A weakness identified by the TTIFCMCL in measuring its success in the delivery of objectives was measuring the ongoing revenues / benefits derived by the country, because the TTIFCMCL does not have access to this information directly, and depends on the willingness of the investor to provide the information requested.

Questions:

1. Do the investors have any obligations or duties towards the TTIFCMCL as is the case between free zones enterprises and the Trinidad and Tobago Free Zones Company Ltd (TTFZ) under the terms (incentives, penalties) of the previously mentioned FZP?
 - a. If no, could this be put in place by the TTIFCMCL?

The Critical Initiatives for the period October 2018 to September 2019 include the following:

- Conduct feasibility and comparative studies on potential areas of business;
- Conduct primary and secondary research studies on areas frequently inquired by potential clients; and
- Seek MOU opportunities with other International Financial Centres.

Questions:

1. What has been revealed by the feasibility and comparative studies conducted?
 - a. How does this information help the TTIFCMCL to carry out its mandate?
2. What are the areas that potential clients frequently inquire about?
 - a. How does the information provided to potential clients by the TTIFCMCL help them in their decision-making?
3. Have any MOUs been concluded thus far?
 - a. If yes, with which other IFCs have they been established?

BPO / Shared Services

The Strategic Initiatives for the first quarter of FY 2019 include the following:

- Conduct an evaluation of the F&A/BPO incentives offered to end clients/BPO providers in the Caribbean market.
- Promote the benefits of setting up shared services operations to RHAs and other Government entities.
- Develop an integrated marketing plan to promote local industry utilizing an integrated approach.
- Continue to engage independent industry experts to ensure Trinidad and Tobago improves its ranking on internationally recognized outsourcing indices.

Questions:

1. What were the findings of the evaluation of the F&A/BPO incentives offered to end clients/BPO providers in the Caribbean market?
2. Pursuant to Section 20 (1A) of the Regional Health Authorities Act Chap. 29:05, each RHA functions as a body corporate independently of the other RHAs. The procedures used to exercise their responsibility for policy implementation vary greatly among the RHAs.
 - a. How does the TTIFCMCL plan to overcome this challenge to convince RHAs to establish shared services?
 - b. Have RHAs indicated a willingness to set up shared services operations?
3. The Act also provides for each RHA to enter into agreements with any other RHA to consider offers for the undertaking of services where it is “economically expedient” to do so.

- a. What would be the economic advantage to the RHAs of setting up shared services?
4. What is the status of progress in the development of an integrated marketing plan to promote local industry utilizing an integrated approach?
5. What are the internationally recognized outsourcing indices to which reference is made?
 - a. What are Trinidad and Tobago's most recent rankings?

The Strategic Initiatives for the second quarter of FY 2019 include the following:

- Participate in two (2) international outsourcing conferences to further develop the lead pipeline.

Questions:

1. When did these 2 international outsourcing conferences take place?
2. What was the cost of attending each conference?
3. What benefits did the TTIFCMCL derive from this participation?
4. Was value for money ensured?

The Strategic Initiatives for the third quarter of FY 2019 include the following:

- Assess the effectiveness of the marketing plan.

Questions:

1. What measures were implemented to assess the effectiveness of the marketing plan?
2. What were the findings of the assessment?

Financial Markets Development

Questions:

1. With respect to the consultant engaged to assist with implementation of the Strategic Initiatives Roadmap:
 - a. Identify the consultant.
 - b. What was the cost of engaging the consultant?
 - c. What is the timeline for the conclusion of the consultants work and the implementation of the Strategic Initiatives Roadmap?
2. One of the strategic initiatives for Q1 2019 is to “work with appropriate Government and Regulatory Bodies to resolve issues with Free Zones and EU Blacklisting of Trinidad and Tobago”.
 - a. Given that the Free Zones Programme is “in the process of being eliminated”³⁰ and is being replaced by the SEZ Policy, what issues are there to be resolved?
 - b. How have these issues hindered the success of the TTIFCMCL?
3. What is the timeline for the development of a local or regional Fin Tech Association”?
4. What is the status of the Caribbean Fin Tech Census that was scheduled for the second quarter of FY 2019?
5. What is the status of work towards the implementation of Fin Tech Strategic Initiatives?

Corporate Services

Questions:

³⁰ Brief on Trinidad and Tobago's compliance with OECD BEPS in Ministry of Finance Written Submission,

1. Are government subventions always received in a timely manner once requests are duly submitted?
2. Does the TTIFCMCL have an overall Media Plan?
 - a. If yes, what does this plan entail?
 - b. If no, what is the timeline for the development and implementation of this Plan?
3. What does the Company's social media strategy entail and how is it being enhanced?
4. What are the foreign media in which the TTIFCMCL places publications?
 - a. Have these publications brought increased visibility to the services provided by the TTIFCMCL?
5. What is the status of the Company's Brand Collateral Manifestations?
6. What events has the Company organized?
 - a. How have these events helped the Company to fulfil its mandate?
7. What were the conclusions of the review and assessment of the advertising agency contract?
8. What does the FY 2019 Training Plan entail and what is the status of progress in its implementation?

Internal Auditing

The TTIFCMCL does not have an internal audit function. The reason for this is the Company's low volume of transactions, because of which it relied on the external auditor to review its internal controls. To remedy this, the Company is in the process of outsourcing this function, with two quotes received in May 2019 currently being considered³¹. The outsourcing process is due to be completed by the end of the 4th Quarter 2019.

Questions:

1. Identify the external service provider that will be engaged to fulfil the TTIFCMCL's internal audit function.
 - a. If the provider has not been identified yet, what is the selection process being used?
2. What will be the cost of outsourcing the internal audit function?
 - a. How does this cost compare to setting up an in-house internal audit function?

Procurement Policy

In 2018 a new Policy was drafted in alignment with the new Procurement Act. The Policy is awaiting the approval of the Office of Procurement Regulator and the Board of Directors.

Question:

1. What is the time frame for the approval of the Draft Procurement Policy?

Project Management

Questions:

1. What was the reason for not establishing a project management unit?

³¹ Letter dated May 7, 2019 from TTIFCMCL to PS Ministry of Finance Re: Internal Audit Services for TTIFCMCL – Update, included in written response submitted by Ministry of Finance to questions from the Committee.

2. What was the reason for the 43% difference between the contract cost (\$50,028) and the actual cost (\$71,842.03) for the Commercial Paper Brief?
3. For the “Labour Pool Research” project, the actual cost was TT \$60,375, whereas the contract cost was US \$50,000 (approximately TT \$320,000). What is the reason for this difference?
4. For 3 following Market Development and Investment Promotion contract extension projects the actual costs included reimbursable expenses.
 - a. When were the reimbursements made?
5. What is the timeline for conducting an RFP for the “Provision of Financial Services to International Financial Institutions” project?
6. When did the TTIFCMCL submit its plan for the development of the FinTech ecosystem to the Ministry of Finance?

Government Subvention

The Ministry of Finance explained³² that the TTIFCMCL has not received any subventions since the quarter ended March 31, 2018 and that the Company has been instructed to make use of its unspent bank balance to meet its projected expenses until further notice.

The Company explained that “subventions received from the Government of the Republic of Trinidad and Tobago accounted for the increases in Cash in hand and at Bank”³³. In FY 2017 the balance for cash in hand and at bank was TT \$39.4 million.

Questions:

1. For how long would the Company expect the sum of \$39.4 million to last to cover its expenses?
2. Is this accumulation of unspent balances due to low levels of investment in new projects?
 - a. If no, what was the reason for so much of the subventions received not being put to use?
3. How much has the de-prioritization of the establishment of the International Financial Centre contributed to the accumulation of unspent balances?

Administrative Expenses

Question:

1. What was the reason for the provision of armed security for the Company’s CEO in 2010 and 2011?

Internal Fraud Policy

Questions:

1. What is the reason for the absence of an Internal Fraud Policy?
2. What is the timeline for the development of a Policy?

³² Ministry of Finance Written Submission, p 1.

³³ TTIFCMCL Written Submission, p 125.

Conflict of Interest Policy

Questions:

1. Although its Code of Conduct made reference to conflicts of interest, TTIFCMCL has no specific policy on this issue
 - a. What was the reason for the absence of a policy?
 - b. What is the timeline for the development of a conflict of interest policy?

Questions for Additional Information – Ministry of Finance

General Questions

Remuneration of Executive Management

The Trinidad and Tobago International Financial Centre Management Company Limited (TTIFCMCL) indicated that it is classified as an ‘A’ Company³⁴ by the Ministry of Finance for the purpose of remuneration.

1. What are the criteria used to classify companies?

Job Creation and Foreign Exchange Generation

1. Does the Ministry set specific, measurable targets for job creation and foreign exchange generation in accordance with government policy?
 - a. If yes, what were they, and were they usually met?

Strategic Plan

Question:

1. The Ministry indicated that a review of the TTIFCMCL’s revised Strategic Plan 2019-2021 was being conducted by the Investments Division³⁵.
 - a. What is the timeline for the completion of this review and approval of the Plan?

Business Environment

The TTIFCMCL indicated that it submitted a framework to establish the Trinidad and Tobago International Financial Centre (T&T IFC) to the Ministry of Finance and the Central Bank of Trinidad and Tobago (CBTT). The CBTT raised “strong concerns” about the framework. In addition, the TTIFCMCL was not granted the requested budget for the development of the IFC. Therefore, the Company explained that its development of an IFC in Trinidad and Tobago has been de-prioritized³⁶.

Questions:

1. Was the Ministry aware of this change of policy?
2. Was this change approved by the Ministry?

Project Management

Questions:

1. What is the timeline for the consideration and possible approval of the Plan submitted by the TTIFCMCL outlining proposed initiatives for the development of the FinTech ecosystem in Trinidad and Tobago?
2. The Trinidad and Tobago International Financial Centre Management Company Limited (TTIFCMCL) indicated that it one of its priority projects for the period under review was the development of a Risk Capital Model. According to the TTIFCMCL, discussions were

³⁴ TTIFCMCL Written Submission, p 5.

³⁵ Ministry of Finance Written Submission, p 3.

³⁶ TTIFCMCL Written Submission, p 51.

held with the Ministry of Finance but the Ministry did not show interest³⁷ in pursuing the development of the Model.

- a. What was the reason for the lack of interest in this initiative on the part of the Ministry of Finance?

Marketing and Communications / Advertising

The TTIFCMCL explained³⁸ that from 2010 to 2011 the Ministry of Finance engaged a consultant to conduct promotional and developmental activities for the Company. However, the Company was unable to find the details of the corresponding expenditure.

Question:

1. Provide the following information:
 - The name of the consultant;
 - The period during which the consultant was engaged; and
 - The cost of engaging the consultant.

³⁷ TTIFCMCL Written Submission, p 117.

³⁸ Ibid p 185.

Questions for Additional Information – Ministry of Trade and Industry

Priority Projects

The Trinidad and Tobago International Financial Centre Management Company Limited (TTIFCMCL) indicated that it one of its priority projects for the period under review was the development of a Risk Capital Model. According to the TTIFCMCL, discussions were held with the MTI but the Ministry did not show interest in pursuing the development of the Model.

Question:

1. What was the reason for the lack of interest in this initiative on the part of the MTI?

**APPENDIX 2 – Entities
under the Purview of the
PA(E)C**

List of entities falling under the purview of the PAEC:

1. Agricultural Development Bank (ADB)
2. Caribbean Airlines Limited (CAL)
3. Caribbean Leasing Company Limited (owned by ExporTT)
4. Caribbean New Media Group Limited (CNMG)
5. Caroni Green Limited
6. Clico Trust Corporation Limited
7. Cocoa Development Company of Trinidad and Tobago Limited
8. Community Environmental & Protection Enhancement Programme Company Limited (CEPEP)
9. Community Improvement Services Limited
10. East Port of Spain Development Company Limited
11. Education Facilities Company Limited (EFCL)
12. Estate Management & Business Development Company Limited (EMBDC)
13. Export Centers Company Limited
14. Export Import Bank of Trinidad & Tobago (EXIMBANK)
15. ExporTT (formerly BDC: Business Development Company Limited)
16. Evolving TecKnologies & Enterprise Development Company Limited (eTeck) (formerly Property & Industrial Development Company of Trinidad & Tobago)
17. First Citizens Bank (FCB)
18. First Citizens Holdings Limited
19. Government Human Resource Services Company Limited (GHRS)
20. Government Information Services Limited (GISL)
21. Human Capital Development Facilitation Company Limited
22. InvesTT
23. Lake Asphalt of Trinidad & Tobago (1978) Limited
24. La Brea Industrial Development Corporation
25. Metal Industries Company Limited (MIC)
26. National Agricultural Marketing Development Corporations Limited (NAMDEVCO)
27. National Commission for Self Help Limited
28. National Energy Corporation of Trinidad and Tobago Limited
29. National Entrepreneurship Development Company Limited. (NEDCO)
30. National Enterprises Limited (NEL)

31. National Flour Mills Limited (NFM)
32. National Gas Company of Trinidad & Tobago Limited (NGC)
33. National Helicopter Services Limited
34. National Information & Communication Technology Company Limited (NICTCL)
35. iGovTT (ttconnect)
36. National Infrastructure Development Company Limited (NIDCO)
37. National Insurance Property Development Company Limited (NIPDEC)
38. National Maintenance, Training & Security Company Limited (MTS)
39. National Project Development Services Limited
40. National Quarries Company Limited (NQCL)
41. National Schools Dietary Services Limited
42. National Training Agency (1997) Limited
43. Natpat Investments Company Limited
44. Oropune Development Limited (owned by UDECOTT)
45. Palo Seco Agricultural Enterprises Limited (PSAEL)
46. Petroleum Company of Trinidad & Tobago Limited (PETROTRIN)
47. Phoenix Park Gas Processors Limited
48. Point Lisas Industrial Port Development Corporation Limited (PLIPDECO)
49. Point Lisas Terminals Limited (owned by PLIPDECO)
50. Portfolio Credit Management Limited
51. Port of Spain Waterfront Development Limited
52. Rincon Development Limited
53. Rural Development Company of Trinidad & Tobago Limited
54. Seafood Industry Development Company Limited
55. Sports Company of Trinidad & Tobago Limited (SporTT)
56. Taurus Services Limited
57. Telecommunications Services of Trinidad & Tobago Limited (TSTT)
58. Tourism Development Company Limited (TDC)
59. Trinidad Nitrogen Company Limited (TRINGEN)
60. Trinidad Northern Areas Limited
61. Trinidad & Tobago Entertainment Company Limited (TTent)
62. Trinidad & Tobago External Telecommunications Limited
63. Trinidad and Tobago Fashion Company Limited

64. Trinidad & Tobago Film Company Limited
65. Trinidad & Tobago Fish Processors Limited
66. Trinidad & Tobago Food Processors Limited
67. Trinidad & Tobago Free Zones Company Limited
68. Trinidad & Tobago International Financial Centre Management Company Limited
69. Trinidad & Tobago Marine Petroleum Company Limited
70. Trinidad & Tobago Mortgage Finance Company Limited (TTMF)
71. Trinidad and Tobago Music Company Limited
72. Trinidad & Tobago National Petroleum Marketing Company Limited (NP)
73. Trinidad & Tobago Solid Waste Management Company Limited (SWMCOL)
74. Trinidad & Tobago Tourism Business Development Limited
75. Trintoc Services (owned by PETROTRIN)
76. Union Estate Electricity Generation Company Limited
77. Urban Development Corporation of Trinidad & Tobago Limited (UDECOTT)
78. Vehicle Management Corporation of Trinidad & Tobago Limited (VMCOTT)
79. Youth Training & Employment Partnership Programme Limited (YTEPP)