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**Fifth Session Fifth Parliament Republic of Trinidad
and Tobago**



REPUBLIC OF TRINIDAD AND TOBAGO

Act No. 39 of 2000

[L.S.]

**AN ACT to amend certain legislation of a fiscal nature
and to provide for related matters**

[Assented to 5th September, 2000]

ENACTED by the Parliament of Trinidad and Tobago as Enactment
follows:—

PART I

PRELIMINARY

Citation

1. This Act may be cited as the Finance (Miscellaneous Provisions) Act, 2000.

PART II

PROVIDENT FUND

Chap. 23:57
amended

2. The Provident Fund Act is amended—
(a) in section 3—

(i) by inserting in paragraph *(a)*, after the words “any calendar year” the words “up to the calendar year ending 31st December, 1999”; and

(ii) by inserting after paragraph *(a)*, the following paragraphs:

(aa) the period from January 1, 2000 to September 30, 2000 in which the depositor has worked less than one hundred and fifty days (a non-effective year) shall be excluded;

(ab) any financial year from the financial year commencing October 1, 2000 in which the depositor has worked less than two hundred days (a non-effective year) shall be excluded;”;

(b) in section 31—

(i) by inserting in subsection (2), after the words “in each year” the words “up to the year 1999”; and

(ii) by inserting after subsection (2), the following subsections:

“ (2A) Interest for the period January 1, 2000 to September 30, 2000 shall be added to the capital and for all purposes deemed to have been added on September 30, 2000.

(2B) On the last day of each financial year, commencing October 1, 2000 the interest due up to and including that day shall be added to the capital.”.

PART III

HOUSING

3. Part II of the Housing Act is amended, by Chap. 33:01 amended inserting after section 13, the following section:

“Transfer of monies in Mortgage Insurance Fund Act No. 3 of 1962

14. The principal and the interest standing to the credit of the former Mortgage Insurance Fund established by section 17 of the Housing Act, which was repealed by Act No. 18 of 1980 shall, within thirty days after the commencement of this section, be transferred to the Consolidated Fund.”.

4. This Part shall come into operation on the date of Commencement commencement of this Act.

PART IV

INCOME TAX

5. The Income Tax Act is amended—

(a) in section 5A(2)(d) by deleting the words Chap. 75:01 amended “who had not been in that business for

three years from the date the business was registered” and substituting the words “for a period of three years following the commencement of the business”;

(b) in section 8(1), by deleting paragraphs (p) and (pa) and substituting the following paragraph:

“(p) interest payable to a resident individual who has attained the age of sixty years—

(i) on savings or other accounts with banks or other financial institutions;

(ii) on savings or other accounts with any person carrying on a trade or business who, in the ordinary course of trade or business, receives and retains money in such circumstances that interest becomes payable; or

(iii) on bonds or other similar investments,

whether or not the accounts or bonds are held by the individual or jointly with a spouse, but where the investment is also by the spouse who has not attained the age sixty, the exemption shall apply only to the portion of investment made from the resources of the spouse who has attained the age sixty.”;

(c) in section 8(3), by inserting in alphabetical sequence the following definition:

“ spouse ” includes a cohabitant as defined in the Cohabital Relationships Act;”;

Act No. 30 of
1998

(d) in section 10:

(i) by deleting in subsection (3) the words “ subsections (5), (5A), (5B) and (9) ” and substituting the words “ subsections (4), (4A), (5), (5A) and (5B) ”;

(ii) by deleting subsection (4) and substituting the following subsection:

“ (4) Where a person and his spouse occupy as a residence land and improvements owned by both spouses jointly, a deduction under subsection (3)(a) in respect of the residence may be claimed by each spouse in such proportion as they may determine and shall be allowed accordingly save that the deduction is limited to eighteen thousand dollars in respect of that residence.”;

(iii) by deleting in subsection (4A) the words “ or for tertiary education ”;

(iv) by inserting after subsection (8) the following subsections:

“ (9) Where in a year of income commencing January 1, 1999, a person incurs expenditure on behalf of himself or his child in respect of tertiary education at an institution approved by the

Ministry of Education, a deduction of an amount not exceeding eighteen thousand dollars may be claimed by that person in ascertaining his chargeable income for a year of income during which the person or the child receives tertiary education save that where a claim is also made under subsection (4) or (4A), the aggregate deduction under this subsection and subsection (4) or (4A) shall be limited to eighteen thousand dollars.

(10) Where in a year of income commencing January 1, 1999, a person incurs expenditure on behalf of himself, his spouse or his child in respect of tertiary education at an institution approved by the Ministry of Education, a deduction of an amount not exceeding eighteen thousand dollars may be claimed by each spouse in ascertaining their chargeable income for a year of income during which the person, spouse or child received tertiary education, save that where a claim for a deduction is also made under subsection (4) or (4A), the aggregate deduction under this subsection and subsection (4) or (4A) shall be limited to eighteen thousand dollars for each spouse.

(11) For the avoidance of doubt—

(a) a person may not claim a deduction under subsection (9) where a claim is made under subsection (10); and

(b) the aggregate deduction that may be claimed by both spouses under subsection (10) shall not also exceed the total expenditure actually incurred under subsections (4) or (4A) and (10).”;

(e) in section 10B, by renumbering that section as subsection (1), and inserting after the renumbered subsection (1), the following subsections:

“ (2) For the purpose of ascertaining the chargeable income of a person for any year of income commencing from the year of income 2000 from a trade, business, profession or vocation, there shall be allowed, the actual expenses incurred in granting scholarships to nationals who are not employees or associates of that person, for tertiary education at educational institutions and in areas of study accredited and approved respectively by the Ministry with responsibility for education.

(3) For the purpose of subsection (2), an “associate” includes the spouse, parent, child, brother, sister or partner of a person.”;

(f) in section 33(2), by inserting after paragraph (b), the following paragraph:

“(c) to any such contribution as is mentioned under subsection (1)(b),

where any sum is payable by an insurer under section 195 of the Insurance Act in the currency in which the premiums had been paid.”.

Commencement

6. In this Part sections 5(a), (b), (c) and (f) shall come into operation on the date of commencement of this Act, and sections 5(d) and (e) shall be deemed to have come into operation on January 1, 2000.

PART V

CORPORATION TAX

Chap. 75:02
amended

7. The Corporation Tax Act is amended by inserting after section 10E, the following section:

“Bonds, notes,
debentures,
other debt
securities

10F. (1) Where in a year of income commencing from the year 1998, a company acquires from the holder of a bond, note, debenture or other similar debt security the right to receive the income derived from any of those debt securities, there shall be allowed as a deduction from the income from any source, in ascertaining the chargeable profits of the company for that year of income, all outgoings and expenses wholly and exclusively incurred by that company in respect of the acquisition of the income in relation to those debt securities, whether or not such income is exempt from tax under this Act or any other written law.

(2) For the purposes of this section, the outgoing and expenses incurred by a company in acquiring the right to receive the income derived from a debt security referred to in subsection (1) shall include interest expenses, investment fees or the consideration paid for the purchase of interest coupons relating to such debt security.”.

8. This Part shall be deemed to have come into ^{Commencement} operation on January 1, 1998.

PART VI

ESTATE DUTY

9. (1) The Estate and Succession Duties Act is ^{Chap. 76:02} repealed. _{amended}

(2) The estate duties payable in respect of the estates of persons who died before January 1, 1981 and are outstanding on the date of the commencement of this Act shall be waived.

(3) The provisions of subsection (2) shall not apply to the estates in respect of which estate duty has already been paid.

10. This Part shall come into operation on the date of ^{Commencement} commencement of this Act.

PART VII

INSURANCE

11. The Insurance Act is amended— ^{Chap. 84:01} _{amended}
(a) in section 47, by deleting subsection (1) and substituting the following subsections:

^{“Assets ratio} (1) Every company shall invest in assets in Trinidad and Tobago an amount equal to at least eighty per cent of the Trinidad and Tobago dollar liability in each statutory fund.

(1A) Where the liability is payable in a foreign currency, the company shall invest in foreign assets an amount not exceeding eighty per cent of such foreign currency liability in each statutory fund.”;

(b) in section 195, by deleting subsection (1) and substituting the following subsections:

“ (1) Where a policy is issued after October 5, 1966 but before January 1, 1999 and the premiums in respect of that policy are payable or paid in Trinidad and Tobago—

(a) such premiums shall be payable or paid; and

(b) any sums payable or paid upon the maturity of such policy shall be payable or paid,

in Trinidad and Tobago currency.

(1A) Where a policy is issued on or after January 1, 1999 and the premiums in respect of that policy are payable or paid in Trinidad and Tobago—

(a) such premiums shall be payable or paid in any currency; and

(b) any sums payable or paid upon the maturity of such policy shall be payable or paid in the currency in which the premiums had been paid.”.

Commencement

12. The provisions of section 11 (a) shall be deemed to have come into operation on January 1, 1999.

PART VIII

INCOME TAX IN AID OF INDUSTRY

Chap. 85:04
amended

13. The Income Tax (In Aid of Industry) Act is amended in Part II—

(a) by inserting before section 16, the following section:

“Interpreta-
tion

15A. In this Part:

“estimated economic life” means the estimated useful life of the property for the purpose for which it is intended, regardless of the term of lease;

“executory costs” includes insurance, maintenance and taxes paid in connection with the leased property;

“fair value” means the price for which the leased property could be sold between related parties in an arm’s length transaction;

“purchase option” means a lessee’s option to purchase the leased property at a sufficiently low price that makes the exercise of the option relatively certain”;

(b) by inserting after section 16, the following section:

“Initial
allowance to
lessee

16A. (1) Subject to sub-sections (2) and (3), where on or after January 1, 2000, a person carrying on a trade incurs expenditure under a lease in respect of machinery and plant used for the purposes of that trade, there shall be made to that person for the year of assessment in

the basis period in which the expenditure is incurred an initial allowance.

(2) The expenditure under subsection (1) shall only be allowed where it is shown to the satisfaction of the Board that the lessor under the lease transfers substantially all the risks and rewards of ownership of the machinery or plant to the lessee.

(3) For the purposes of this section, a lessor shall be treated as having transferred substantially all the risks and rewards of ownership of machinery and plant to a lessee in any one of the following circumstances:

- (a) the ownership of the machinery or plant is to be transferred to the lessee by the end of the term of the lease;
- (b) the lease contains a purchase option;
- (c) the lease term at inception, is substantially (that is seventy-five per cent or more) equal to the estimated economic life of the leased machinery or plant including earlier years of use, provided however, that the

lease does not begin within the last twenty-five per cent of the economic life of the leased machinery or plant;

(d) the present value of the minimum lease payments at the beginning of the lease term, excluding executory costs and profits thereon to be paid by the lessor, is ninety per cent or more of the fair value of the machinery or plant at the beginning of the term of the lease, provided however, that the lease does not begin within the last twenty-five per cent of the original estimated economic life of the machinery or plant.”.

14. This Part shall be deemed to have come into Commencement operation on January 1, 2000.

PART IX

SECURITIES INDUSTRY

15. The Securities Industry Act is amended—

Act No. 32 of 1995

(a) in section 36,

(i) by deleting subsection (2) and substituting the following subsection:

“ (2) An application for registration pursuant to subsection (1) shall be made to the Commission in the prescribed form and shall be accompanied by such fees as may be prescribed.”; and

(ii) by inserting after subsection (2) the following subsection:

“ (3) The registration of a person as a self regulatory organization shall be valid for a period of one year from the date of registration, and subject to this Act, the Commission may renew the registration of a person annually on the payment of the prescribed fee.”;

(b) in section 45(1), by inserting after the word “obtains” the words “on the payment of the prescribed fee”;

(c) in section 53, by inserting after subsection (2) the following subsection:

“ (2A) The registration of a person under subsection (1) shall be valid for a period of one year from the date of registration, and subject to this Act, may be renewed annually on the payment of the prescribed fee.”;

(d) in section 64, by inserting after subsection (3), the following subsection:

“ (3A) A registration statement under subsection (1) or (2) or any amendment under subsection (3) shall be accompanied by such fees as may be prescribed.”;

(e) in section 69, by inserting after the words “filed with” the words “the prescribed fee”.

16. (1) For the purposes of section 36(3) of the Securities Industry Act a person who, immediately before the date of commencement of this Act, was registered as a self regulatory organisation—

(a) for over a period of one year may, within three months from the commencement of this Act; or

(b) for a period of less than one year may, within three months of the completion of one year of registration,

apply to the Commission for renewal of the registration in accordance with the requirements of section 36(3).

(2) For the purposes of section 53(2A) of the Securities Industry Act, a person who, immediately before the date of commencement of this Act, was registered—

(a) for over a period of one year may, within three months from the commencement of this Act; or

(b) for a period of less than one year may, within three months of the completion of one year of registration,

apply to the Commission for renewal of its registration in accordance with the requirements of section 53(2A).

(3) Where a person does not apply within the three months period specified under subsection (1) or (2) for renewal of registration, such person shall cease to be registered under the relevant provisions of the Securities Industry Act at the expiry of the said period, but subject to the said Act, shall be entitled to apply for a fresh registration.

Commencement

17. This Part shall come into operation on the date of commencement of this Act.

Passed in the House of Representatives this 4th day of May, 2000.

J. SAMPSON-JACENT

Clerk of the House

Passed in the Senate this 13th day of June, 2000.

D. DOLLY

Acting Clerk of the Senate

Senate amendments agreed to by the House of Representatives this 21st day of July, 2000.

J. SAMPSON-JACENT

Clerk of the House