

SENATE

Saturday, December 07, 2019

The Senate met at 1.30 p.m.

PRAYERS

[MR. VICE-PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. Vice-President: Hon. Senators, I wish to advise that the President of the Senate, Sen. the Hon. Christine Kangaloo is currently acting as President of the Republic of Trinidad and Tobago. I also at this time crave your indulgence to return to this item on the Order Paper later on in the Sitting.

**MISCELLANEOUS PROVISIONS (PROCEEDS OF CRIME AND
CENTRAL BANK) BILL, 2019**

Bill to amend the Proceeds of Crime Act, Chap. 11:27 and the Central Bank Act, Chap. 79:02, brought from the House of Representatives [*The Minister of Finance*]; read the first time.

Motion made: That the next stage of the Bill be taken later in the proceedings. [*Hon. C. Imbert*]

Question put and agreed to.

PAPER LAID

Exchequer and Audit (Electronic Funds Transfer) (Amdt.) Regulations, 2019. [*The Minister of Public Administration and Minister in the Ministry of Finance (Sen. The Hon. Allyson West)*]

JOINT SELECT COMMITTEE REPORTS**(Presentation)**

Sen. Wade Mark: Thank you, Mr. Vice-President. Mr. Vice-President, I have the honour to present the following reports as listed on the Order Paper in my name:

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Public Administration and Appropriations**Approval Process for Land use**

Twentieth Report of the Public Administration and Appropriations Committee, Fifth Session (2019/2020) Eleventh Parliament on an examination into the approval process for land use in Trinidad and Tobago.

Oversight of State Agencies**Ministry of Education**

Twenty-First Report of the Public Administration and Appropriations Committee, Fifth Session (2019/2020) Eleventh Parliament on an inquiry into the oversight of State Agencies under the purview of the Ministry of Education and funding to Private Secondary School Institutions.

Miscellaneous Provisions (Local Government Reform) Bill, 2019

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Mr. Vice-President, I have the honour to present the following report as listed on the Supplemental Order Paper in my name:

Interim Report of the Joint Select Committee on the Miscellaneous Provisions (Local Government Reform) Bill, 2019.

Land and Physical Infrastructure**Traffic Congestion on the Nation's Roads**

Sen. Deeroop Teemal: Mr. Vice-President, I have the honour to present the following report as listed on the Supplemental Order Paper in my name:

Eighth Report of the Joint Select Committee on Land and Physical Infrastructure on an inquiry into the Effectiveness of Measures in place to reduce Traffic Congestion on the Nation's Roads.

ORAL ANSWERS TO QUESTIONS

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence

Rambharat): Mr. Vice-President, there are four questions on notice, the Government intends to respond to three questions on notice, No. 13, No. 14 and question No. 48 to the Minister of Finance. We are respectfully asking for a deferral of question No. 15 to the Minister of National Security, a deferral of two weeks, Mr. Vice- President, thank you.

Mr. Vice-President: The deferral that the Member seeks is so granted.

The following question stood on the Order Paper in the name of Sen. Wade Mark:

**Missing Young Girls and Women
(Government's Initiative to Address)**

15. In light of the increase in the number of missing young girls and women over the past three years, can the hon. Minister of National Security advise as to whether any new initiatives will be taken by the Government to address this problem?

Question, by leave, deferred.

**Piparo Road Wooden Bridge
(Measures taken to Repair)**

13. **Sen. Wade Mark** asked the hon. Minister of Works and Transport:

In light of the dilapidated condition of the wooden bridge in Piparo Road, Tabaquite, can the Minister indicate when will measures be taken to have said bridge repaired or replaced?

The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan):

Thank you, Mr. Vice-President. Mr. Vice-President, Bridge B18 Piparo is a wooden bridge with an approximate span of 11.2 metres. This bridge has been included for design and reconstruction under the Ministry phase three of the Bridges Reconstruction Programme.

Phase three of the programme consists of 25 bridges divided into two components. The first comprises 13 bridges, and the second, consisting of the remaining 12 bridges. B18 Piparo has been included in the first component. On October 15, 2019, the National Infrastructure Development Company, NIDCO, was given approval to award the contract for the design and construction supervision of a new bridge structure at B18 Piparo Road. Upon completion of designs, a construction contract for the new bridge will be completely tendered out and awarded. It should be noted that the Highways Division has undertaken major rehabilitation work as recent as August 2019 to the deck and superstructure of this bridge as an urgent interim measure until further works can be conducted under the above-mentioned programme. I thank you.

Mr. Vice-President: Sen. Mark, supplemental.

Sen. Mark: Yes, can I ask the hon. Minister: When will work formally commence on this particular bridge given the phase three exercise that you mentioned?

Sen. The Hon. R. Sinanan: Mr. Vice-President, as I indicated, NIDCO has given the approval for the award of the design and construction supervision. The bridge is in the design stage. Once that is completed a tender would go out and an award will be made. In the meanwhile, as I said, the bridge has been rehabilitated and is at this time in use. Thank you.

Sen. Mark: Mr. Vice-President, may I also ask the hon. Minister if he can provide us with the estimated value of this particular bridge?

Sen. The Hon. R. Sinanan: Mr. Vice-President, until the design is completed it is virtually impossible to have an estimated cost. Once the design is completed, then the technical people will have then an approximate cost which will then go out for a public tender, and by then we will come up with the appropriate price. But until the design is completed you cannot come up with an approximate price.

Sen. Mark: Can I ask the Hon. Minister whether he has any knowledge or can he give us an understanding of when is there a particular time frame you would anticipate—that is the honourable Minister—for the design work or the design work to be completed?

Sen. The Hon. R. Sinanan: On August 15, 2019, NIDCO was given the approval for the design construction supervision contract. Normally, contracts like these take approximately six to eight months for the design. Thank you.

Mr. Vice-President: Next question, Sen. Mark.

Trestrail Estate in Cedros

(Details of)

14. Sen. Wade Mark asked the hon. Minister of Planning and Development:

Given the destruction of over 64 acres of forest by a private developer at Trestrail Estate in Cedros, can the Minister indicate:

- (i) Whether this matter has been investigated by the Environmental Management Authority (EMA); and
- (ii) If the answer to (i) is in the affirmative, what action has been taken consequent to the investigation?

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Mr. Vice-President, I confirm that the matter has been investigated by the EMA and the action taken consequent to this investigation is as follows. Just by way of history, Mr. Vice-President, the EMA issued a CEC number 4498/2015 to the permit holder for the development of 64.49 acres of land at Coromandel Road, Granville Beach, Cedros. This estate falls within the Granville Beach area.

In November 2018, based on enquiries by the EMA, the permit holder indicated that all works on the site had ceased, and the permit holder will inform

the EMA of recommencement of works. However, there were media reports of work continuing on the site and certain complaints made by persons who were close to the site. As a result, the EMA conducted investigations between April 02 and April 15, 2019, and the permit holder was informed of specific noncompliance areas. In particular, one of the allegations being made by the residents was that the development interfered with the aquifers, and based on a response from the Water Resources Agency to the EMA via letter dated October 15, 2019, it was noted and I quote:

The proposed development overlies an unconfirmed aquifer, the Erin Formation. Recharge occurs by the infiltration of water from the ground surface directly above the aquifer. The 64 acres of concern is estimated to be less than 1 per cent of the recharge area. Consequently, its potential impact on the aquifer is expected to be minimal.

This development continues to be monitored by the EMA, Mr. Vice-President. I thank you.

Sen. Mark: Mr. Vice-President, can I ask the hon. Minister whether he can share with us the extent of the damage to the forest or the forested areas that this particular permit holder destroyed or at least invaded? Can you tell us what portion of the forested areas were affected?

Sen. The Hon. C. Rambharat: Mr. Vice-President, based on the reports from the EMA and what I have before me, there was no report from the EMA on damage to the forest. The key issue surrounds, as I said before, the aquifer, and damage to the natural watercourses which were said to be present on the site. And during the EMA's site visits, April 02 to 15, 2019, no natural watercourses were identified on the site or on any maps of the region with the exception of a drainage channel at the eastern end which appeared to contain surface run-off. There were complaints

in the media about this and the breach of the aquifer, and it is for that reason the Water Resources Agency was contacted and as I said before, via letter dated October 15, 2019, the WRA confirmed that the potential impact on the aquifer is expected to be minimal.

The permit holder has responded to other issues raised by the EMA and those have been dealt with. The EMA has received no further complaints on the matter, but continues to monitor the development in accordance with the CEC. I thank you.

1.45 p.m.

Sen. Mark: Thank you very much, Mr. Vice-President. Can you share with us what were the other issues that were raised by the EMA with the permit holder as it relates to this development?

Sen. The Hon. C. Rambharat: Mr. Vice-President, there were three issues: one deals with the allegation of the potential for damage to the aquifer, which the WRA said was minimal; the other dealt with allegations that there were natural watercourses on the site which were found based on the site visit and the maps of the area—no natural watercourse was found on the site; and the third had to do with the drainage channels which were being installed on the site and the potential for flooding in the area, and the EMA was satisfied and received no further complaints regarding the potential for flooding, given the proposed drainage channels for the 64-acre site. I thank you.

Sen. Mark: Could you also share with us hon. Minister what is the nature of the development of this permit holder on that 64-acre site?

Sen. The Hon. C. Rambharat: Mr. Vice-President, it is a development of a 64.49-acre site at Coromandel Road, Granville Beach, Cedros. A CEC has been issued, but it is not clear to me, Mr. Vice-President, what the proposed

development is for—whether it is for residential or whatever purpose—but I can provide that information.

Mr. Vice-President: Sen. Mark, any more questions?

Sen. Mark: I would like the hon. Minister to provide it as soon as he can.

Sen. The Hon. C. Rambharat: Sure.

US Dollar Denominated Bonds

(Details of)

48. Sen. Taharqa Obika asked the hon. Minister of Finance:

Given the announcement that TSTT intends to issue US dollar denominated bonds, can the hon. Minister of Finance indicate:

- (i) whether this decision has been approved by Cabinet;
- (ii) the total US dollar value of the intended bonds;
- (iii) how such bonds would be guaranteed; and
- (iv) the impact of servicing these bonds on the country's foreign reserves?

The Minister of Finance (Hon. Colm Imbert): Thank you, Mr. Vice-President. TSTT presented its board approved 2016 strategic plan to Cabinet on the 28th of July, 2016, and subsequently to the Minister of Finance on the 19th of August, 2016. The company, in executing its funding plans, wrote to the Minister of Finance on the 19th of September, 2016, and received a letter of no objection dated 14th of October, 2016, from the Minister of Finance, for \$2.7 billion in capital expenditure associated with the execution of its strategic plan, which includes US \$300 million in secured notes and a TT component of TT \$680 million. I am advised by TSTT that it is on schedule for delivering its strategic plan initiatives, and it is in line with its financial obligations.

The answer to part (ii): the US dollar value of the single secured notes is US \$300 million. The answer to part (iii): the notes will be secured by a lien on the

assets of the issuer which is TSTT, therefore, there is no requirement for a Government guarantee on the bonds.

And, finally, the servicing of this debt does not place any incremental burden on TSTT's foreign exchange requirements, the reason being that TSTT's foreign exchange requirements included the collective US obligations of the bond payments.

ARRANGEMENT OF BUSINESS

Mr. Vice-President: Hon. Members, at this point in time, permit me to revert to item three on the Order Paper.

SENATOR'S APPOINTMENT

Mr. Vice-President: Hon. Senators, I have received the following correspondence from Her Excellency the Acting President, the hon. Christine Kangaloo:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency CHRISTINE
KANGALOO, Acting President of the
Republic of Trinidad and Tobago and
Commander-in-Chief of the Armed Forces.

/s/ Christine Kangaloo

Acting President.

TO: MR. AUGUSTUS THOMAS

WHEREAS the President of the Senate has temporarily vacated her office of Senator to act as President of the Republic of Trinidad and Tobago:

NOW, THEREFORE, I, CHRISTINE KANGALOO, Acting President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint

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you, AUGUSTUS THOMAS, to be temporarily a member of the Senate, with effect from 7th December, 2019 and continuing during the acting appointment of Senator the Honourable Christine Kangaloo as President of the Republic of Trinidad and Tobago.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 5th day of December, 2019.”

OATH OF ALLEGIANCE

Senator Augustus Thomas took and subscribed the Oath of Allegiance as required by law.

MISCELLANEOUS PROVISIONS (LOCAL GOVERNMENT

REFORM) BILL, 2019

(Extension of Time)

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Mr. Vice-President, having regard to the interim report of the Joint Select Committee on the Miscellaneous Provisions (Local Government Reform) Bill, 2019, I beg to move that the committee be granted an extension to March 31, 2020 to complete its work and submit a final report. I thank you.

Question put and agreed to.

MISCELLANEOUS PROVISIONS (PROCEEDS OF CRIME AND

CENTRAL BANK) BILL, 2019

The Minister of Finance (Hon. Colm Imbert): Thank you very much, Mr. Vice-President. I beg to move:

That a Bill to amend the Proceeds of Crime Act, Chap. 11:27 and the Central

Bank Act, Chap. 79:02, be now read a second time.

Mr. Deputy Speaker, the Bill before the House—

Sen. Baptiste-Primus: Vice-President.

Hon. C. Imbert: Sorry. Mr. Vice-President, my apologies. I was up late last night talking to the Deputy Speaker. The Bill before the House, Mr. Vice-President, has four clauses. The first clause is simple, it is the title. The second clause seeks to vary the Central Bank Act, specifically section 27 of the Central Bank Act, and in that section 27, as it now stands, the Central Bank is required to give three months' notice if it intends to cancel any banknote. So that in the present scenario where the \$100 bill is about to be cancelled, if we had not amended the law, we would have had to wait a minimum period of three months.

So if hon. Senators would take a look at the Bill before them, and look at the new section 27A which reads as follows, 27A:

“(1) In addition to the powers of the Bank under section 27, the Minister may direct the Bank to cancel any note issued by it by giving not less than fourteen days' notice published in the *Gazette* of the date of cancellation.”

So now the minimum period of notice is proposed to be reduced from the existing three months to 14 days. That is the first consequence of the new section 27A(1), proposed new section.

On that day, on the day on which the banknotes are cancelled, which is called the “appointed date”—and if I go to the next page, just before clause 3, one will see under subclause (8) of clause 27A, the new 27A(8):

“For the purposes of this section—

‘appointed date’ in relation to any note means the date of cancellation

specified in the notice published in accordance with subsection (1);”

And subsection (1) is the one that now allows for a shorter minimum period of notice. And I am stressing the word “minimum” because it could be more than that. It does not have to be strictly 14 days.

And on that day, on the appointed day, the specified notes shall cease to be currency and be legal tender in Trinidad and Tobago, and shall be cancelled and be of no value. And what that would mean is that on the date of cancellation, the current paper note—it is actually a combination of cloth and paper—would cease to be valid tender. It will no longer be usable. You would not be able to exchange it in return for goods and services. It will no longer be valid tender.

The 27A(3) gives the bank or directs the bank to redeem at face value any specified notes which are presented for redemption prior to the appointed date, which as I want to reemphasize, is the date of cancellation of the bank note. What this means is if you show up with 10 \$100 bills, the existing paper bills, the bank has to redeem them for the new polymer bill, and the new polymer bill has a number of security features. And I want to say at the outset, this exercise has been driven by the Ministry of National Security based on national security considerations, and the Minister of National Security will elaborate on those security matters.

27A (4), this is precautionary clause:

“The Bank shall redeem at face value any of the specified notes that are presented within the period of three months after the appointed date if it is satisfied that the failure to present the notes for redemption prior to the appointed date resulted from circumstances beyond the control of the true owner of the notes or that there was some other good or sufficient reason for

the failure.”

And this is not going to arbitrary or whimsical, because if you go to 27A (5), sorry, not 27A (5), 27A(6) on the next page—I will come back to 27A(5) in a short while, because it is a very important provision. 27A (6) on page 3:

“The Bank, with the approval of the Minister, may prescribe such conditions and procedures as it considers appropriate for the redemption of specified notes in accordance with subsections (3) and (4).”

And the important one now, as I speak, is 27A(4), which speaks to the bank redeeming at face value notes that are presented within the period of three months after the date of cancellation for good and special reason. And, as I said, this will not be whimsical. The bank will prescribe the conditions and procedures for that scenario. I can give you an example, somebody who is out of the country, somebody who is in hospital. Okay? But I would not want to go any more beyond that. Those are just two typical examples I would give. I do not want to stray into areas which still have to be prescribed by Order.

Now, 27A (5) is very, very important because this is not a perfect world. This exercise has been planned for a very long time. I will explain the difference between this exercise and other exercises in other countries and the precautions taken in a short while. But if for some unforeseen reason, when the date of cancellation arrives, whenever that date is, the view is that you need to extend the date as we did with the amnesty, for example—the amnesty was extended for another two weeks or a week. I cannot remember exactly how long we extended it for, but we did extend it. If for some good and sufficient reason, it is necessary to extend the date of cancellation, this will now give the Minister—in this particular section, this is the Minister of Finance—the power to extend the date of

cancellation or to extend the three month period of redemption after the date of cancellation. Okay?

The other important clause in the clauses is clause 3, where:

“Section 55(3C) of the Proceeds of Crime Act is amended by deleting the words ‘is ninety thousand dollars or such other amount as’.”

And clause 4 indicates that the regulation 11(1), which currently has the figure “ninety thousand dollars” in it and \$90,000 is what is called a large transaction. So that once a transaction of the amount of \$90,000 takes place, there are requirements that a bank or a listed business has to follow with respect to audit, know you customer, due diligence and so on. Once a transaction of the amount of \$90,000 takes place of any type—whether it is a cash transaction, whether it is wire transfer, whether it is cheque—once it is 90,000 it is deemed to be a large transaction and there are certain things that follow. If it is a cash transaction, the strictures are even more onerous in terms of due diligence and know your customers.

So at the current time, the amount that will trigger activity and scrutiny for large transactions is \$90,000, and what these amendments in (3) and (4) seek to do is to give—and this is now the Minister of National Security. This is no longer the Minister of Finance, because it is flowing from the Proceeds of Crime Act and that is where these amounts are. The 55(3C) is now being amended to allow the Minister to prescribe a figure that will no longer be \$90,000. I do not want to say what it is.

I am afraid I must apologize to hon. Senators. I am unable to tell you when the date of cancellation is and I am unable to tell you today what the new figure for a large transaction will be. That I can assure you will be made known very soon.

Okay? So that what clauses 3 and 4 do is give the Minister of National Security the power to prescribe another figure, rather than where it is now. If you look at the law very carefully, you will see it is fixed. There is no availability of the Minister at this time to change it. He cannot. So this is now giving the Minister the ability to change the figure. Okay?

Now there are some few other things I want to say, for example, I would want to read from an article that looked at “Currency Demonetisation” because this is what it is. That is the technical term, “demonetization”, when you cancel or remove banknotes from circulation. In 1998—and I am reading from the *Mauritius Times*, an article dated 26th of December 2016, and this article is about currency demonetization in Mauritius.

“Mauritius had to demonetise (i.e., remove banknotes from circulation) the whole of its banknotes in 1998.”

All, not just the one—the equivalent of a \$1 or \$10 or a \$20 as the case may be. They had to remove the entire suite of banknotes that were in circulation in Mauritius. At that time in 1998 the:

“objectives”—was not—“to flush out of the system huge amounts of...”
—dirty money that had been hoarded by drug traffickers, money launderers, criminals and so on. That was not the reason. The reason was that the Tamil script on the banknote was not properly printed on the banknote and the matter went to court, believe it or not. I notice Sen. Teemal is smiling, but it really happened. So that the Tamil script on the banknotes was not in the right place. The words they have here is that there was:

“...hierarchical displacement of the Tamil script...”

And the matter went to court and the court ruled that every single banknote had to

be replaced to correct whatever error there was with the printing of the Tamil script.

What the Bank of Mauritius did at the time—and this is quite different from the Indian experience, because what happened in India is they just simply did not have enough notes. So they were printing notes as they were going along, so that the banks ran out of notes of the new notes. I cannot remember what size it was, 2,000 rupees or whatever it was. But when there was the problem in India, they simply did not have enough of the new notes, so that is what caused the confusion there among other things. But what Mauritius did—and this is as far back as 1998—was to design and manufacture print all of the new banknotes first before going ahead with the replacement and we have done the same thing. So that we have learned from that lesson in Mauritius. So all of the new polymer notes have been manufactured, and I guess you realize with the traffic outside. I had to walk actually. I did not mind. So an exercise is in progress. I would not say anymore on that, but all of the new notes have been printed.

What happened in Mauritius is that, as I said, everything was done to ensure the banknotes were physically in place wherever they ought to be before the replacement and this is what they actually said.

“The changeover was smooth and effective. There were no adverse economic repercussions. The only problem...”

—and I suspect this will be quite possible in Trinidad and Tobago:

“...which reflects the classic reaction of certain members of our population...”

—this is Mauritius talking—

“...was the last-minute turnout at commercial banks by numerous persons

nearer the day fixed for the final redemption of the impugned...banknote issue, despite previous communiqués having already informed the public of the deadline.”

So last minute.

Now, Mauritius is very similar to Trinidad and Tobago. The population is almost identical. Their population is about 1.28 million, our population is just over 1.3 million. The size of Mauritius is a lil smaller than us, but they also have a diverse population similar to Trinidad and Tobago. So, perhaps, the culture is similar. So that in Mauritius, everybody waited until the last minute, and that happened in the amnesty as well, the recent tax amnesty. We had a line outside the door and the BIR stretching all the way around to Independence Square. But what they said here, everybody was finally served. So that was the Mauritius experience in 1998.

Since then, Mauritius has done demonetization at least twice again. In 2018 and 2019, and the last one I see here in Mauritius is that they have upgraded their 2,000 rupee note—they did that in 2018/2019—and they did that to combat forgery because that is one of the problems that we have. There are many problems with the \$100 bill but one of them is forgery. So what Mauritius did is that they replaced their entire set of 2,000 rupee banknotes with new bills with enhanced security features in order to prevent counterfeiting, and they have done another replacement of other notes in 2019.

I would also like to inform hon. Members, Mauritius is interesting in terms of looking at what we are doing. In 2018, in July of 2018, there was a Commission of Enquiry on Drug Trafficking in Mauritius, and it reported in 2018—and I am reading now from page 95 of the Report of the Commission of Inquiry on Drug

Trafficking in Mauritius dated July 2018, and this is what the commissioners, the enquirers had to say:

“...the notorious drug traffickers are known to have amassed a fortune and they are being looked after by their accomplices or members of the family who are instructed to pay counsel, purchase property, moveables or immoveables, the only way”—to deal with them”—is to hit at their pockets. The Commission”

—this is in this Commission of Inquiry on Drug Trafficking in Mauritius, just last year, and I am reading verbatim now—

“...recommends the Government to consider seriously to issue a new generation of bank notes in replacement of the current bank notes, especially those of high denomination. This will also compel financiers to exchange their...”

I would use the words “dirty money”.

So that what we are about is not new. It has been done in other countries before. And before I close, Mr. Vice-President—

Sen. Richards: Minister, could you give way for a second?

Hon. C. Imbert: Oh, sure.

Sen. Richards: Thank you. Just that you save me having to stand up again. Just three questions. Would you have a sense of the value of the \$100 denomination currency presently in circulation, and is this move part of what we need to do to become compliant with Global Forum and CFATF and these agencies?

Hon. C. Imbert: This is actually a big win for Trinidad and Tobago with FATF and Global Forum, because it strikes at the heart of the underground economy, at tax evaders, at drug traffickers, at money launderers who are the primary concerns

of the Financial Action Task Force, the EU and the Global Forum. So this is a big win if it works—and we expect it too, because we have planned it very well—this will a big win for us in terms of our credibility with FATF and the Global Forum. Let me just say now—oh and sorry, you want to know how much. There are 80 million \$100 bills in circulation, a value of \$8 billion. Not all of them are good. You know, some of them will be damaged and so on, but that is the figure I have, 8 million \$100 notes, sorry—80 million \$100 dollar notes in circulation, a value of \$8 billion.

So, I am just now going to read from an article in a magazine called *Money Matters* and the article is entitled: What are the effects of—well they used a term that I would not repeat—dirty money and the way they described “dirty money” is that they say it is a socioeconomic evil, and that the major effects are a dual economy, a parallel economy operating side by side with the official or reported economy. So this affects official statistics. It affects statistics on money supply, on GDP, on sales, on consumption taxes like value added tax and so on. When you have a significant underground economy, a dual economy that is not reported, that is not a player in the official statistics, it could skew our understanding of the real economy of Trinidad and Tobago. And, in most countries—in all countries—where there is a large underground economy, there is an underestimation of the true size and the true condition of the economy, because these statistics are not included in our GDP figures.

Dirty money is largely attributed to tax evasion. Its direct impact is the loss of Government revenue, because it is not reported so it is not declared as income, so no taxes are paid out. We all know the places where we go to and you say, “You want a bill?” and, of course, if you do not take a bill, it is not going to be

recorded.

Then the other problems with dirty money is lavish consumption spending, because you see people buying things—cars, motor cars, million-dollar motor cars—that they cannot possibly afford. I mean, we had an example recently of a fisherman buying a luxury motor car that he certainly could not possibly afford. Then, this goes without saying, general deterioration of the moral standards of society, because if dirty money becomes an accepted norm, you know, that you do not report it, it is generated by illicit activity, by drug trafficking, human trafficking, money laundering and other serious crimes, then social values of honesty, hard work, thrift and simplicity get eroded.

2.15 p.m.

So that I do not think that there is anybody that would want to argue that there is not an underground economy in Trinidad and Tobago; there is. The size of it, I am in no position to say, but there is an underground economy. We are a trans shipment point for narcotics that I think everybody is aware. So that if and when this measure is successful, it should result eventually—it is an interesting thing they say in some countries where you had demonetization and people had to deposit, savings went up in the bank, reported savings, because, of course, people would have saved in a box under the mattress, whatever it is. But when currency is demonetized you have to tender it. Some people may not want to walk around with large volumes of cash so they will deposit it where they would otherwise have kept it at home in a box or whatever.

So that the level of savings increases. Quite often the level of consumption increases, the level of economic activity increases. So that those are the positive aspects of demonetization, but I close by saying that this—*[Interruption]* Oh,

certainly.

Sen. Mark: Hon. Minister, you did indicate that the value of the \$100 notes amounts to 80million. Could you tell this honourable House whether the equivalent was ordered? Could you tell or explain to this House whether the equivalent amount was ordered to replace that amount that is in circulation? Could you share with us?

Hon. C. Imbert: Yes, Sen. Mark, your voice is so soft, I almost do not recognize you. [*Laughter*] And I cannot hear you. Clearly you are suffering from the flu or something like that. I understand it does hit you in the throat first.

It is not 80million in value, it is 80 million notes. It is \$8 billion in value, but 80 million pieces of polymer, okay? And I am advised, again, this is being given by the Central Bank. The Central Bank is the custodian of banknotes in Trinidad and Tobago and I am advised by the Governor of the Central Bank that they have procured an adequate supply of the new polymer \$100 note. With those few words, Mr. Vice-President, I simply want to say and repeat that this initiative is a national security initiative and the role of the Ministry of Finance would be simply to support the Ministry of National Security in its effort. I beg to move. [*Desk thumping*] *Question proposed.*

Sen. Saddam Hosein: [*Desk thumping*] Thank you very much, Mr. Vice-President. And thank you for giving me the opportunity on this wonderful Saturday to be here today to debate this very important Bill, the Miscellaneous Provisions (Proceeds of Crime and Central Bank) Bill, 2019.

And, Mr. Vice-President, I think I can get away by coining and calling this Bill, “The \$100 Bill” because this is the framework or the legislation that the Government intends to use in order to implement its policy with respect to the

demonetization of the \$100 note that currently is in circulation in Trinidad and Tobago. And according to the Minister of Finance, it is that the reason why the Government has engaged in this task is so that they can clean up the “dirty money” as he called it, and to in a way tackle the black market that currently exists in Trinidad and Tobago. And I heard that the Minister of National Security, Minister Stuart Young, yesterday in the other place would have indicated that this would have helped with respect to the drug trade, the narcotics and the firearms in terms of curbing financing of these illicit or illegal items, Mr. Vice-President.

But through—and it is a pattern by this Government that their legislative agenda is geared towards tackling white-collar crime. But just today in the *Guardian* we have seen in the front page that there have been over 500 murders in Trinidad and Tobago. And this Bill in itself is an attempt to try to help with respect to how items are found in criminals’ hands, because it is a cash trade, Mr. Vice-President, in order to buy these illegal firearms. And it is interesting in the editorial in today’s *Guardian* we see that it said that what is required is more than just legislative solutions it requires the political will for tough actions that might be unpopular but which will ultimately assist in setting the country back on a path of stability. And I say that, Mr. Vice-President, because yes, we are here in the Parliament debating this present Bill which is probably one of the tools which this Government is going to use to fight crime, because it is an attempt to try to curb money laundering in Trinidad and Tobago. But there are other things that have to be done. This cannot be the end all. It requires political will and it requires boots on the ground, and later on in my contribution I will go on to explain that demonetization in a sense does not always deal with money laundering and curbing money laundering in Trinidad and Tobago.

So, Mr. Vice-President, as I use that as my introduction in terms of this particular piece of legislation, I want to say from the outset that the Leader of the Opposition and the Members on this side of the House, we support the Government in this measure. We support the Government with respect to this, but we also have questions to ask and we seek clarification on behalf of ourselves and on behalf of the population.

Since the announcement came at the Post Cabinet Conference by the Minister of National Security on Thursday, much has been said, Mr. Vice-President, with regard to this issue. And there is still some level of confusion in the minds of the population with respect to the formulation and the implementation of this particular policy of the Government, because when we pass this particular Bill today, it means that Government has the okay, to go ahead and implement. And I think that is where the issue is and that is the heart of the issue, that persons wonder how is this going to work? What are the timelines, Mr. Vice-President? These are some of the questions that the population are asking on social media, you see it on the papers, the media today, and you see it on TV that there are a lot of questions, there is a lot of clarification that is required with respect to this policy of the Government.

And we continuously hear this big word of “demonetization” being thrown around. And the Minister of Finance was correct when he said that it is just the cancellation or the discontinuance of the circulation of a particular note. And in this instance, we are discontinuing the \$100 paper—as the Minister said “cloth note”, to introduce the new \$100 polymer note. And I am sure everyone would have had a look at it, because Central Bank had released what the new \$100 bill would have looked like.

But, Mr. Vice-President, this is something that came four years late, because this is not a new policy of the Government of Trinidad and Tobago. Because former Governor Jwala Rambarran of the Central Bank introduced a policy and even got approval that all of the notes in Trinidad and Tobago; the \$1, the \$5, \$10, \$20 and \$100 bill would have been replaced with the polymer notes. I do not know what may have happened, I do not know if the Minister of Finance has any information of what would have happened to that particular decision and policy at the time with respect to replacing all of the notes. So, Mr. Vice-President, I would just like to ask the Minister of Finance: What is the reason that we are replacing only one note, and we cannot replace all of the notes at the same time? Is there some sort of resource issue, or implementation issue with respect to this?

Now, I agree that the polymer notes, they are very useful in terms of the safety of these notes, the security of these notes, it makes them almost impossible to counterfeit and they are more durable than the paper note, Mr. Vice-President. It is my understanding that the paper note, they are much cheaper to print but they have a life of around two to three years. Whereas the polymer notes may cost a little more but their circulation is much longer, they can be circulated for up to about seven years, Mr. Vice-President. So it is actually a good move to move towards polymer instead of paper because of the security features and the lower level of counterfeiting when it comes to these particular notes.

Now, the Government's rationale for the demonetization as the Minister of National Security would have indicated, it is a national security issue for demonetization at this point in time, to combat money laundering, tax evasion, terrorist financing. But Minister of National Security, I know you will contribute in this debate, could we as a Senate—because we have to make an informed

decision at the end of the day, we require some sort of evidence in terms of the statistics with respect to money laundering and tax evasion, and terrorist financing. Also, counterfeit is one of the biggest issues that we can combat using the new notes. And can you just give us an indication with respect to the level of counterfeiting in Trinidad and Tobago and the forgery, Mr. Vice-President?

We heard the anecdotal evidence, we heard the presumptive, we heard the speculative reasons for this move, but we need to get down to the real data, the hard data and the evidence with respect to why the Government is doing this at this particular time. The Government indicated that this has been in planning for quite some time. So it meant that the Government would have had enough research in their custody, they would have had the evidence within their custody in order to come with this policy at this particular time. And I will get to the timing because that is very important that it comes at a very busy and high economic activity time in Trinidad and Tobago, which is the Christmas season where a lot of persons tend to spend a little more at this time of the year.

And, Mr. Vice-President, what I also looked at and the Minister of Finance he also looked at it too, is that, what have other jurisdictions done when they have implemented a demonetization policy? And I saw that when the Soviet Union tried to do it, it did not work; in North Korea it did not work, and they all did it with respect for security reasons. Myanmar, in Ghana, in Nigeria demonetization led to sometimes the fall of a government or unforeseen and unwarranted turmoil in society in some of those jurisdictions, and it is a reality. Now, in this case no one wants that for Trinidad and Tobago, at the end of the day, we want well-intentioned legislation on policy so that all of us can live here in a country where persons would want to come to live and we feel comfortable and safe.

But you must also learn from the experiences in other jurisdictions. The Minister of Finance alluded to India and with respect to India in 2016, it showed, Mr. Vice-President, that when this experiment was done, there were job losses and closure of businesses, slower real GDP growth, the effects of demonetization were lingering for three years after. Data from the Reserve Bank of India shows that 99 per cent of the high value old rupee notes were returned to the Indian banking system during demonetization. Meaning, Mr. Vice-President, that at the end of the day that the criminals found more innovative and new ways in order to wash money.

And this is something that we have to really think about, because this demonetization policy is really for money laundering, but will it really stop money laundering in Trinidad and Tobago? That is a question that we need to ask, or will it fuel or funnel another trade? Because if you look at Ghana, when Ghana did it and Ghana changed their local currency, you found that the foreign currency had a larger black market now, because it shows that the criminals migrate to using a different currency that can be traded in the particular jurisdiction. And this issue of demonetization I submit humbly, will not curb money laundering. I would admit and I will give the Government its congratulations, that it will assist with counterfeiting, but with respect to money laundering, it will not help because after the new currency comes on board, what prevents the criminals from still hoarding cash, Mr. Vice-President?

That is a reality that we have to face right here in Trinidad and Tobago. We all accept that there is illegal, illicit activities, we all accept that there is a black market. As the Minister of Finance said, he does not have the information with respect to the size of that market. So we do not know the power of that market in

terms of when these new notes come, there may be avenues in which they can still acquire and hoard these particular notes.

Now, I want to get directly to the clauses of the Bill. When you look at clause 2 of the Bill, which is really the crux of the Bill, Mr. Vice-President, it creates a concurrent power in the Central Bank Act, because this amends section 27 of the Central Bank Act. Now, section 27 of the Central Bank Act, Mr. Vice-President, it is drafted a bit differently from what 27A has proposed in the Bill. Now, section 27, which I will call what is the existing law, it shows that the Minister had some sort of limited power when dealing with demonetization. Secondly, that the minimum notice period, given for the cancellation of notes would be three months. Now, if you will allow me to read, 27(1) of the Act says:

“The Bank, with the approval of the Minister, may on giving three months’ notice published in the *Gazette* call in any of its notes and coins on payment of the face value thereof and any such notes or coins with respect to which a notice has been given under this section shall, on the expiration of the notice, cease to be legal tender, but shall be redeemed at face value by the Bank upon such conditions as may be prescribed.”

So it means that Central Bank according to section 27 of the Central Bank Act was the real driver of demonetization. But they still require the approval of the Minister. Now, let us compare what is in the current Bill, Mr. Vice-President, because it is creating a concurrent power. 27A(1) reads that:

“In addition to the powers of the Bank under section 27,”—which I just quoted—“the Minister may direct the Bank to cancel any note issued by it by giving not less than fourteen days’ notice published in the *Gazette* of the date of cancellation.”

So, now it means that the Minister becomes the driver of the process of demonetization. So there are two options that are really being created here after this amendment. One, Central Bank carries the process; second one, Minister carries the process but with a shorter notice period.

Now, there are commentators that will criticize this particular legislation by saying well, listen, if the Minister now directs Central Bank to do something, it means that you are chipping away, or you are eroding at the independence of Central Bank. And, Mr. Vice-President, we will all appreciate in this House that Central Bank is really the institution that is responsible for fiscal policy and fiscal management and monetary—

Sen. Mark: Policy.

Sen. S. Hosein:—policy, Mr. Vice-President. So that is one of the criticisms that we could make when it comes to this new power being given to the Minister in this particular instance. Now, when we look at the time frame—because this is a very important issue—I must admit, Minister of Finance, through you, Mr. Vice-President, that I was disappointed that we did not get the date, the appointed date which will be the date of cancellation and also what will now constitute a large sum transaction. But I will focus on the appointed date, because as the Minister rightly pointed out that once the notice is given, that there is going to be a cancellation, the date of cancellation will be stated on the notice. Notice is published in the *Gazette*, it is notice to the entire world.

Now, we are here on a Saturday debating this particular piece of legislation. We came here, it is that the Government has to act with some level of urgency. So, I expected, Mr. Vice-President, that at least we should have been shown a little more respect in this particular Senate so that we would have known what the

appointed date is or even the date on which the notice is to be made. Because it seems as though that we are here on a Saturday, it means that the Government wants to publish this notice on Monday, because we sit on Tuesday. So if the Government could not wait until then, it means that they have to act with some sort of alacrity on Monday for us to be here on this Saturday.

Sen. Haynes: “So I doh know why dey pretending.”

Sen. S. Hosein: So we must know, we must be given some sort of explanation why it is that this is going to be done in such a rush and hurried manner. I think we deserve that level of respect in this particular Senate, of why we are here debating this in such a rushed, hurried manner. Because we got no—I could say we probably did not even get 24-hour notice of this particular piece of legislation, it came very late yesterday afternoon.

And, Mr. Vice-President, we need to know, also, what exactly is the time frame that the citizens are going to be getting for the exchange of these notes? Although the Government said this has been in planning for a long period of time, respectfully, Mr. Vice-President, we have heard several quarters that the timing of the implementation, in fact, not the legislation, the implementation, may be a bit troublesome. Because, when you look at the large amounts of exchange that have to be done within a 14-day period if the minimum period is had, if the Government is going to give the 14-day period, you would imagine what will happen to the commercial banks in Trinidad and Tobago. Because, if the Minister indicated that there are 80 million \$100 notes in Trinidad and Tobago, you would very well imagine what will be happening at the commercial banks in Trinidad. And I do plead with the Government that you give a reasonable time frame with respect to the cancellation because this is a very busy, very busy, busy time in Trinidad and

Tobago.

Now, we also want to know, Mr. Vice-President, because I was happy to see that the Minister reserved a power that he could extend the date of cancellation by order so we do not have to come back to the Parliament; it can be done very easily and very conveniently. But there are some issues that have been raised in the public domain and I think I having the opportunity today, I should also raise these issues, and I know that my colleague and friend Sen. The Hon. Kazim Hosein, he would also be aware of some of these issues. And yesterday, Mr. Vice-President, a group, Concerned Muslims of Trinidad and Tobago, Imtiaz Mohammed, they had a press conference and they raised some of the concerns that they may have had with respect to that particular issue.

And, Mr. Vice-President, the background and the teachings of Islam is one that we do not—Muslims do not indulge in interest bearing accounts, it is called “*Riba*” and you do not deposit your moneys to intermix or intermingle with interest. It is illegal in the religion, it is haram in the religion, Mr. Vice-President. And now this raises several questions because some Muslims may tend to keep their money home instead of banking it in interest bearing accounts. So when this particular law is passed and the implementation starts, some of these persons who have been saving may not have proper records, notwithstanding that they would have had legitimate means of earnings.

Another instance is that of the Hajj. Persons who, especially the older persons, they would have saved for probably seven, 10, 12 years to make the holy pilgrimage. It costs about 50 to \$70,000 on an average to make the holy pilgrimage and you would imagine, Mr. Vice-President, that at that age nobody is going to take a record keeping of how they are going to be saving for their pilgrimage. That

they are not going to say, “Okay, this week I saved a \$1,000 and last week I got this from my nephew, or my son, or my daughter”. It is going to be difficult for these persons who have legitimate incomes and savings to now go to the bank and have their moneys exchanged because the bank policy is very rigid.

So that is one of the issues that came out after the announcement with respect to this and I hope that the Minister becomes very sensitive to this issue, because a power is reserved to you Minister, under the Bill, which is at 27A(6):

“The Bank, with the approval of the Minister, may prescribe such conditions and procedures as it considers appropriate for the redemption of specified notes in accordance with subsections (3) and (4).”

So the Minister has that power reserved for him so he could have or make special procedures or prescribe special procedures and conditions to deal with situations like that.

Mr. Vice-President, there have been elderly persons who do not go to the bank also, who save their moneys at home. They also would be affected, they have legitimate savings but may not be able to show a paper trail. You have farmers, you have parlors, you have taxi drivers in this country, food establishments, Mr. Vice-President, who may not have proper bookkeeping in order to now go to the bank and say, “Look, I have this amount of cash, give me the new notes”. They may not be able to do so through source of funds, which can create an impediment.

I also want to ask a question now, that if the bank refuses to exchange the notes with particular individuals and the date of cancellation comes and this persons continues to hold the old notes, through you, Mr. Vice-President, to the Minister of Finance, that they will now be deprived of their moneys because they would not be able to tender those notes legally, because they can only tender what

the new notes are.

I do not know if I am clear to the Minister. If individual X, goes to the bank, bank refuses to exchange the money for some reason or the other. The date of cancellation passes, the person continues to hold the old note; at that point in time that old note is null and void. Therefore, it amounts to some sort of deprivation of property because at the end of the day, money is property. And those persons may not as I said earlier, have legitimate sources of income and earnings and savings, but may not be able to properly account for it. Those are instances, Mr. Vice-President, through you to the Minister, that you have to be sensitive to. We have to be sensitive to those things and as I said again, I am glad that you reserve that power onto yourself Minister, in order to make those prescribed conditions and procedures. Maybe it can be used to help and bring relief to those situations.

Hon. Imbert: Sen. Hosein, I just want to let you know I am familiar with the concept of “*Riba*” and other extenuating circumstances that might cause a delay. But, of course, this is something that the Central Bank has to prescribe the conditions, but with the approval of the Minister. So I am listening to you very carefully. Okay? I give you that assurance, I am listening to you very carefully.

Sen. S. Hosein: Thank you very much, Minister.

Hon. Imbert: And you could tell your colleagues what *Riba* is.

Sen. S. Hosein: I will tell them. They know, they know. Mr. Vice-President, another one of the issues that have been raised is that of ATMs. ATMs, they are specially designed machines. Especially again at this time you would have a lot of persons using the ATMs for withdrawals of cash. Now, with respect to this specific polymer note, Mr. Vice-President, I wonder whether or not the banks have been consulted properly to put the necessary upgrades in terms of the software and

hardware with the ATMs. Because I am made to understand that when Aruba conducted their demonetization it took up until six months for the ATM machines to be adjusted with their new polymer notes. So at this point in time, Mr. Vice-President—

Mr. Vice-President: Senator, you have five more minutes.

Sen. S. Hosein: Already? Okay, thank you, Mr. Vice-President. I would like to know whether or not enough consultation was done with the banking industry with respect to the ATMs. Also the cash counting machines also have to be dealt with because of the thickness and the dimensions of the note.

Mr. Vice-President: Senator, “my bad”, you have more than five minutes.
[*Laughter*]

Sen. S. Hosein: Thank you, Mr. Vice-President. Thank you very much, Mr. Vice-President. I was taken by surprise when you told me five more minutes. But I do not know if I will be able to use up my 15 minutes, Mr. Vice-President. But nonetheless I have some more issues to raise.

2.45 p.m.

One person contacted me yesterday afternoon who works in a commercial bank and they indicated that yesterday—and Minister, I know you would have anticipated this, is that the panic has already started, that persons are going into the banks to make their deposits who have cash at their homes. I am made to understand that one commercial bank yesterday was servicing customers up until 7.00 p.m. because there was a rush in that particular bank, and also, the issue that I raised earlier that some persons were not being attended to or given the service that they went for because they were not able to account through source of funds for their earnings, Mr. Vice-President. So the issue, it is happening already, you have

a lot of panic in the population with respect to this particular issue and I think, Minister, to help this is that you need proper communication with the population.

I think we are all in this particular issue together with respect to fighting money laundering, especially at a critical time like this for Christmas. I think let the population get the information, and that is why we are here. We are here to give critical support to the Government and that critical support comes from asking questions so that we can have more information available to the population with respect to this particular issue. Again, I ask that you inform us of the timing, why are we hurrying this particular piece of legislation? What is the particular rush? Yesterday, the Bill was first reading, second reading, third reading and passage in the other place, today, it is going to be the same thing. We are here on a Saturday. Can you give us an indication of why this particular rush with respect to this legislation? Also, Minister, you could also inform the Senate of what consultations were done prior to the implementation of this policy.

I know yesterday you yourself and Minister Young would have met with BATT, the Bankers Association of Trinidad and Tobago, we do not know what the nature of the meeting was but we know that there was some sort of meeting yesterday and the president of BATT would have given an indication that they are ready. We must listen to the business community. The San Fernando Chamber, DOMA, San Juan Business Association and the Supermarket Association, they all welcome the initiative but at the same time they question the timing of this particular policy. Nobody is against the Government with respect to this, Mr. Vice-President, but the timing is what is very worrisome to the population, and you have four major groups coming out to indicate that they have some issue with respect to the timing. So maybe the Government would give us some clarity or

some clarification with respect to this particular issue.

Now, with the amendment of the Proceeds of Crime Act, I want to say that, again, I express my disappointment that we do not know what will now constitute a large sum transaction. It has now been removed from \$90,000 to the sole discretion of the Minister who would publish by order. We do not know whether or not it is an increase from the \$90,000 that will constitute a large sum transaction or it will be a decrease. I think when we pass laws in the Parliament, there must be some level of certainty, and especially when it comes to the business sector, there must be some sort of certainty with respect to these issues. And, again, I express my disappointment that the Minister of Finance, especially at this critical stage, is unable to provide us with what would constitute a large sum transaction; the Minister of National Security. So those are the issues that I wish to raise, Mr. Vice-President.

Now, we have done our part in this particular Parliament, we are giving the support. In the other place, we gave the support to the Government with respect to this, now it is up to them. They are now on the field. We gave them the support, now the Government is there, let us see if they can do this thing properly. They boast about getting it done, let us see if you all will get this done. I know on last Monday you did not get it done, but let us hope that you get the currency and the demonetization policy done, Mr. Vice-President. And just to end off, I know I was not very political today but you know I cannot help myself, Mr. Vice-President, that I was scrolling through Facebook and I happened to come across a post, and the post reads this; it is from a concerned citizen. They asked if we were feeling like Venezuela yet, long gas lines, no forex, blackouts, no water, job losses, business closing, high crime rate, five months for a passport, late payments of

salary, no medicine in hospitals, no beds in hospitals, Mr. Vice-President, are we feeling like Venezuela yet. But then I read the *Express* this morning and one citizen said, “Do not change the money, what we need to do is change the Government.” I thank you very much, Mr. Vice-President. [*Desk thumping*]

Mr. Vice-President: Sen. Teemal. [*Desk thumping*]

Sen. Deeroop Teemal: Thank you, Mr. Vice-President, for the opportunity to contribute on this debate on an Act to amend the Proceeds of Crime Act, Chap. 11:27 and the Central Bank Act, Chap. 79:02. Mr. Vice-President, there is no doubt that the decision taken by the Government for this intended demonetization of the \$100 bill is for the welfare of the nation, but as I stand here, I am sure a fair amount of what I have to say in the next couple of minutes would have been probably pre-empted if—although the Bill was piloted by the Minister of Finance, we have not heard yet from the Ministry of National Security, and it is unfortunate, Senate procedure, you know, takes the debate in a certain area because the Minister of National Security, being the major initiator of this piece of legislation, I am sure would have provided answers to a lot of what I have to say, but I will still plug ahead.

The main question surrounding this piece of legislation is whether the outlined measures would achieve the objectives intended by the Government, because from what I am gathering, the main objectives seem to be an eradication of the counterfeit currency, particularly with the \$100 bill, maybe to some extent, tax evasion, and of course, the undermining of the industry of money laundering or “dirty money”, as we refer to it. And in addition to those objectives, Mr. Vice-President, is if we can clearly understand from the Government in their subsequent presentations here to the Senate today, is whether there are any

projected impacts on the economy, and in particular, in the budget that was just presented for the year 2020, whether positive or negative impacts on that particular budget due to this particular piece of legislation. The legislation, Mr. Vice-President, appears to me to be based on a major assumption, that the owners of dirty money, of laundered money, have their money in cash.

That seems to be the major assumption to me, and do they really keep all their money in cash, buried in buckets under the earth, under mattresses or any other innovative measures of hiding cash? I am of the view that really the large guys in this money laundering, in the hoarding of dirty money, “the big ones” as we say, actively seek to convert their money into tangible and intangible assets as fast as they can, such as properties, jewellery, gold, stock markets and other similar type assets. But I would trust that the other legislation that this Senate has passed over the years, particularly with regard to FATF, fulfilling FATF requirements, like the unexplained wealth Act, and all of these things, would provide the net for these type of diversion of cash into illegal cash into the acquiring of legal assets. But I would want to think that the money launderers, you know, as quickly as possible would seek to convert their cash into these valid assets. And as a result, the cash being held by the money launderers would really be a volume of cash that would facilitate operational expenses, maybe over a short period of time so that they are able to transact their illegal businesses. As such this net, this attempt may just be able to pull in just that short-term operational cash that is in the system illegally.

Mr. Vice-President, another aspect is that the big players in this game, the big players in the money laundering game would be conducting a certain amount of their business in US dollars and as such this intended action by the Government

would miss that aspect of the money laundering. I am not sure; I think we are not sure really in terms of the extent of this cash in US dollars but from what we hear, what we understand is that, particularly, in the drug trade, a lot of transactions are really conducted in foreign currency in US dollars and as such, again, this measure we may be missing the opportunity or we may be missing the necessity rather to capture the big fish, the big players in illicit activities. So, it is that this measure would only effect the small fry and at that for just a while for just to overcome a temporary lose in operational moneys and after a fairly short period of time, they are back into the business with valid, legitimate polymer \$100 bills.

Mr. Vice-President, is this policy also going to create a new laundering scheme of subcontracting or subletting of laundered money so that persons could make deposits on behalf of those persons with large amounts of cash? What I am saying is that, for instance, someone using their family, family members, extended, members of an extended family, members of gangs, employees of businesses, and series of small businessmen who engage in a lot of subcontracting and subletting, and all of these things, where large sums of cash are broken up, given to these smaller entities, given to, you know, these different individuals to make smaller deposits and when the money is legitimized through the issue of legal tender then that money is passed back to the launderer, but of course, at a commission. And this is what I understand from reading some of the material on post-demonetization in India. This is what happened a lot where the guys with large sums of money were able to escape the net intended by the demonetizations of certain currencies. I would like to hear if this possibility has been considered by the Government and what measures could be put in place or they intend to put in place to deal with this possibility?

Mr. Vice-President, we are entering a phase with this legislation of what—and I do not think I am being dramatic, what I could term “economic shock”. There is \$8 billion in circulation due to the \$100 note, and from what I understand, I have been informed by my senatorial colleague, that this approximates to 90 per cent of currency in circulation. So something affecting 90 per cent of the currency in circulation, it is going to have an impact on everyday life. It is going to have an impact on life over the coming months and probably the experiences of some countries, you know, even years. I would like the Government to advise whether or not mitigation effects were looked at to counteract the negative, some of the negative impacts of this demonetization, because our Minister of Finance in his presentation did draw the example of Mauritius and I think at one point in time he did mention that this legislation, there was a long planning time, you know, to order. I guess it would be to order the currency notes, get them printed, get them here and everything; it is a process. So the planning phase would have been quite substantive. Bearing in mind that demonetization has been tried in several jurisdictions over the years, not only in Mauritius but we have heard India, Nigeria, and all of these countries, is whether a due diligence was conducted on the negative impacts of the demonetization on those countries.

A clear identification of the negative impacts has been there and also whether efforts were made to clearly identify mitigation effects that we should put in place as a nation, you know, to minimize the impact on the country, because, let us face it, the majority of persons with cash savings, cash at homes, and whatever it may be, would be those who are innocent in this whole process. Sure, there are the money launderers, but, Mr. Vice-President, there is no doubt that a significant number of innocent persons would be caught up in this transition. Sen. Saddam

Hosein mentioned about the religious tradition of one of, you know, of the Muslims but also I will like to point out, it is within the cultural DNA of our First Peoples. Part of our cultural DNA to really put aside some cash at home, particularly within extended families and even the nuclear families, primarily not because of any ill intentions but really primarily because a lot of times you tell yourself in a case of emergency; say there is a natural disaster, the ATM machines are not functioning or the banks have problems, and all of these things. It is always a comforting, you know, thing to know that you can have access to some cash. And, of course, that amount is going to vary based on the lifestyle and the expenses of certain families, but I am sure that cash that is put aside for emergency and for that sense of well-being could amount to a fairly decent amount of money, particularly when you are thinking if conditions last for maybe two weeks or a month and you want to put aside some moneys in that case. So the whole thinking about it, culturally, I think, is that we do have a significant number of innocent persons who will have a fair amount of cash in their homes.

It brings me back to the point of the mitigation of these adverse impacts and I would like to hear from the Government, you know, what campaigns, what plans do they intend to put in place for public awareness and public education regarding this piece of legislation? Because in the long gestation in the planning to implement this, my feeling is that sufficient attention should have been given or I am sure would have been given to charting out a public awareness education campaign in which clear, definitive guidance and instructions are provided to the public in all forms of media not just Facebook, but, you know, in order to lessen the anxiety that a lot of our citizens would be suffering from with this piece of legislation. The other thing is in terms of the future interaction and consultation

with the banks and the banking association in terms of, particularly, how are the banks going to engage with the public in this regard? Is it going to be business as usual, same banking hours? Because there are a lot of times I go to the bank and a simple transaction, and maybe just a simple withdrawal or something, sometimes I stand in that line for one hour and from what I understand, it is a common experience of a lot of people that a basic banking transaction could take you from half an hour to an hour. And here we are in a situation that is going to increase that traffic within the banks and whether or not we are going to engage with the banks regarding extended banking hours, regarding increase in staff to deal with this increase in volume of banking transactions that would come up because of this legislation.

Mr. Vice-President, inevitably I think there are going to be long queues and those long queues are going to extend outside of the bank. In fact, they even do for just normal transactions on a month-end Friday. And the queues extending out of the bank, the exposure of persons within the line, everybody watching at each other to see what size bag they have, you know. If somebody with a big bag like this or a small bag, “Wey boy, dat man ha plenty money”, and not from that point of view but our seasoned criminals and those guys in the business of crime, you know, being able to observe of citizens in queues, and all of these things with, maybe visible signs of a fair amount of cash, not that they would attack them in the queue but take note of those persons and when the money is exchanged, take note of them and where they are headed back with those moneys. So I think consultation with the police and for all, in all banking locations, I think the impact in terms of additional patrols. Is the police, Trinidad and Tobago Police Service, do they intend to come out with all the resources and SRP, and everything to ensure that

citizens who have to line up, and all of those things, the security aspect is looked at? Sen. Saddam Hosein did raise the point that, you know, the criteria that the banks are going to use to accept or reject moneys. I mean, what is the criteria?

The Minister did mention about reviewing the limit of \$90,000 but is that really the limit going to be reduced downwards? So somebody showing up with \$10,000 or \$20,000 or \$30,000 or \$40,000, you know, is subject to all of the requirements coming out of FATF legislation and everything and what happens if they are turned away by the bank? Are we going to give the banks the authority to sit as a final arbitrator in deciding what cash they take and what they do not take? And in a queue, waiting for hours, who you are going to really make that assessment within the bank? The teller takes it to a floor supervisor, the floor supervisor has to take it to a manager while you are in a queue. I mean, what are the systems within the bank that is going to be put in place to really deal effectively with this thing?

I think that consultation with the bankers through the banking association, I hope that that is some of the intended consultations that Government intends to take up with the bankers. So, Mr. Vice-President, as I said at the beginning, measures and sometimes very tough measures have to be taken to really bring order and to really ensure that our nation prospers by the legal conduct of persons and the legal conduct of business. And really and truly I am in support of the legislation but it is just my biggest concern is really how we intend to educate, make the public aware over the coming weeks and how we intend to mitigate all—how we intend to clearly identify and mitigate all negative impacts on those innocent members of the public. I thank you. [*Desk thumping*]

Mr. Vice-President: Sen. Obika. Who is next? Sen. Chote. [*Desk thumping*]

Sen. Sophia Chote SC: Mr. Vice-President, quite frankly I was still doing some of my research but I suppose in moments of crisis somebody has to get to their feet. [*Desk thumping*] I do not know if the Standing Orders provide for that. I consider this to be an exceptional sitting because it is not often— I think since I have been in the Senate we have been brought out on one occasion to deal with legislation and that had to do with the fixing of the date of elections, I believe, for the Tobago House of Assembly. We really did not have a choice. I do think that more time ought to have been given to us with respect to consideration of this proposed legislation. Certainly I kept checking by computer repeatedly to see when we were going to get a draft of this legislation. I even went up on the *Gazette* site to see if I could find it there. There was nothing. There was nothing on Parliament's website for the public to see, and so on. And I really deplore, quite frankly, that approach to introducing legislation which will have a very high impact on every aspect of our lives.

Now, I will approach this first as a lawyer and I will look at clause 2 which creates a section 27A, which says that:

“In addition to the powers of the Bank...the Minister may direct the Bank to cancel any note issued by it by giving not less than fourteen days' notice published in the *Gazette* of the date of cancellation.”

There are four observations which I wish to make about 27A: One, having reread the Central Bank Act, I realized that entrenched in that piece of legislation is the policy that the Central Bank must have a strong degree of independence from political control. So while it is that in many instances ministerial approval is sought there is nothing—well, it could be that I missed it because of the short period of time given for research, but I saw nothing which provided for ministerial

directive as this 27A does.

3.15 p.m.

Now, if we are changing from “with the approval of the Minister” to the “Minister may direct”, which in law has an entirely different meaning, then I think we ought to have been told what was the reason for the change in formula.

Secondly, many people have focused on the fact, or at least the public has been focusing on the fact that we are talking about the \$100 note, and to some extent I have a lot of sympathy for this because I realize that demonetization, and especially with respect to \$100 notes, you would be hitting a lot of criminal enterprises pretty hard. I am all for that. But by saying here “any note”, basically what you are saying is we are preparing for wholesale demonetization. This is what we are legislating for. So if we are doing that then let us appreciate that, that it is not only the \$100 bill we are talking about.

I do take the point—Sen. Hosein has spoken quite a bit about it, and I agree. I think 14 days is a bit of short notice, and if there was a particular reason for the 14-day period, if there was a particular reason given, then I could understand it, because when I look at other jurisdictions I see that more time was given. In fact, there was massive public education programmes in different territories and so on to tell people what demonetization was about, what impact it would have on them.

In India, for example, they attempted to demonetize on three occasions, and I would refer to some of the other territories where demonetization has been considered and put in place. So I do have some difficulty with what is contained in 27A, because I think the purport of this amendment when the hon. Minister made his presentation is quite different from what I see here in black and white. Now, I always say when I speak on matters such as these I do not have a head for financial

matters, so it could be that I am not seeing something or reading something incorrectly. But on a straight reading of the plain meaning of the language, I see that we have some difficulties with respect to that.

Now with respect to the proposed amendment to section 55(3)(c) of the Proceeds of Crime Act, with the deletion of the amount of “ninety thousand dollars or as the Minister may by order prescribe”, I think the Minister already has the power to prescribe. So we ought to get an idea of what is the benchmark, if \$90,000 is going to be replaced by another figure. Otherwise it does not lead to financial certainty. It does not lead the public to get an idea of what is acceptable and what is not acceptable. And when it comes to making financial arrangements, I think clarity is something that we should aim for. Financial arrangements above anything else, clarity is what we should aim for. So that is my little critique of the legislation as it is drafted. But I do wish to refer to some academic literature that I picked up in the short time that we were given, in particular an article which I saw in the *Journal of Emerging Technologies and Innovative Research*. It is 2018, volume 5, issue 9, and its title is: “Examining the Post Waves of Demonetization on the Indian Economy: a Conceptual Review”. India as I said is on its third demonetization. So I suppose I would not like to only focus on India, because there are many differences between their economy and ours. So this article helpfully provided me with examples of other regions which demonetized and the effect.

Ghana in 1982, seems as though when they demonetized there was greater support for the black market, because people continued to use currency I suppose as they used to use, I do know, livestock in the past as payment and as a medium for exchange. So it had nothing, it had very little impact on the black market.

Nigeria did it in 1984, inflation rose. Soviet Union, 1991, negative results. Even Australia which is a developed country which did it in 1996 can only say that its impact on its economy was moderate. North Korea 2010, people had no money, no food, lost homes. Zimbabwe 2015, same sort of thing. India, which is perhaps the more recent one and the most publicized one, because there was a huge campaign which came before this demonetization. There was a massive campaign in a massive country, so naturally what was taking place there was easily accessible to those of us in the rest of the world, and what they had was a loss of GDP. One commentator said that it was good for banks, but not for anybody else.

Now the *Guardian* newspaper, I am talking about the English *Guardian* of 30th of August, 2018, suggested that when India demonetized 1.5million people lost their jobs and there was a 1 per cent drop in GDP. So I think an education programme or some sort of information to our people, at a time when companies are shutting down, over the last year people have been without work, people have lost their jobs, they are facing a Christmas for many people of hardship. I think if we are going to take a step like this, then we ought to have the courtesy and respect for our people to prepare them to say, okay, while at first you may think that it does not look that good, it does not feel that good in your pockets, this is the greater good that we are aiming at. And with all due respect I do not think that we have done that, and that is a disservice to the citizens of Trinidad andTobago.
[Desk thumping]

I came to the example of Venezuela last, because it is so close to home. Venezuela demonetized its 100 Bolivia note in 2016 and it resulted in a severe shortage of currency in the country, and well we all know what happened thereafter. We are living with the impact of that.

So demonetization in principle is not something that I oppose or I object to, because there are many plusses to go with it. I think crime fighting is one of the many pluses. I think when you demonetize you hit the pockets of people like terrorists, money launderers, the big fish as it were. I could understand why the temptation may have been to put it for 14 days, because it would sort of narrow the window for these people to convert their cash into other assets and thereby not lose by demonetization. So I get that, but in the balancing act I think that perhaps what we ought to consider is the greater impact it will have on the other citizens in our society, and especially at this time of the year.

So while it is that theoretically speaking I am willing with some convincing, to support this kind of legislation, I really do think we ought to clear up some of the issues which have been raised, not only by me but by other Senators in this House, and also to explain to us what is the urgency. Can we please beg for some time for the law-abiding citizens and push this back a bit to later in the month when they would have had more time to absorb the implications of this on their lives? If we cannot do that, then we ought to be told why. What is the urgency of this? So, Mr. Vice-President, thank you for the opportunity to contribute. [*Desk thumping*]

Sen. Taharqa Obika: Thank you, Mr. Vice-President. I rise to ask a few questions, which I hope would be responded to either by the Minister in his wrapping up or any other contributor from the Government side.

It would be very important for the Government to assure, not just the public, but the business community that by virtue of the powers being bestowed upon the Minister or any other Government Minister by virtue of the changes in this legislation, would not amount to any erosion of the autonomy of the Central Bank.

There have been public noises in the media. As one would be aware, this is a very topical issue, and it would be very important for the Government not only to state that they are not eroding the autonomy of the Central Bank, but also give grounds for that claim so that persons can believe the argument of the Government in this case, given that monetary policy, whilst the Government must have a hand in it, the Central Bank Governor must be entrusted to basically run with monetary policy as he sees fit.

Now, given the revelation of the Minister of Finance that TT \$8 billion roughly, well just short of TT \$8 billion when you take away the mutilations in terms of the notes held in circulation for TT \$100 bills, it would be interesting for the Minister, in contemplating an extension, so this is a technical issue now, to have a threshold minimum limit because of notes that should have been recalled. For example, let us say for instance we accept the argument that the 8 billion value, 80 million notes, is an estimation, and when the final count is in, they get 75 million notes in. So there is still more than 5 per cent of the outstanding estimated notes still in circulation. The Government may want to either determine if they have in fact collected all, and in fact the estimation was an over estimation, or (b), try to go to different sectors of the population who may still have notes that are around. But basically do—not a house-to-house, but utilize the services of the Ombudsman and offices of the Ministry of Finance and the warden officers and so on, to basically use public education to get to persons, categories of persons who may still have sums of money, who may have either missed the deadline, or who may not be aware still of it, because we cannot assume that every citizen would be aware at the material point in time of the issue, even though we would expect all persons to be zoned in on this particular issue, as it is topical and it affects

everyone. So that minimum threshold, I would advise, even if it is an internal minimum threshold, they do not need to tell the population necessarily, but it would be good policy for them to have that information at hand.

The second thing, would there be—so this is a question for the Government, I guess the Minister of National Security as he is present, to respond to—a heightened police presence or national security presence, call out the army for instance, as has been done today in Port of Spain, to give persons the trust that when they go to the banks with their sums of money, because for some person their \$1 million might be \$25,000. For some persons their \$1 million might be \$5,000. So if persons are sure when they pass by the bank, by the credit union, by the micro finance house, wherever they are allowed to change the funds, they see a visible presence of the police, a visible presence of the army in case the police would be involved in fighting crime. —the Christmas season is very known for increased criminal activity. So with a visible presence of the army at least it may give persons the confidence to go back to the financial institution of their choice and deposit funds to retrieve it. So that is one question for the Minister of National Security to respond to. We would be looking on to ensure that that is done, because that would be a key issue as persons are trying to get their funds changed.

Another issue would be the format. So in the public education, Mr. Vice-President, as someone who worked in the banking sector, even though the \$90,000 threshold limit is mentioned for a source of funds, citizens would really want to take into account that even if you come with \$5,000 and the teller is not convinced, or the supervisor is not convinced of the means by which you have come into this \$5,000, they are within their right to ask what exactly was the source of funds.

Now, if they fail to do so, they still have the opportunity to note that

internally, that someone brought some funds and in their view it is suspicious. It may not constitute an unusual activity report that would go to FIU, but it may be fed into the “Know Your Customer” at the compliance department of the financial institution. I will give a simple example.

If you are going to send funds via Western Union, they are required to ask what was the source of your funding. They are also required to ask you what you are using the funds for. So persons may hear of the 90,000/90,000 figure, and they may also understand that it is not a static figure as well. If over a period of time someone decides okay, to smurf it, they would send persons to distribute \$80,000/\$80,000 so it falls below the threshold, the bank is also empowered to say, “Okay, the cumulative figure that you have sent within this last five days, is above the \$90,000 figure.” They can ask you. Whether you are compelled to respond is a different thing, and that is a question of law, but even if you do not respond, the staff at the bank is required to file an internal report on you.

So it is important at this time, I believe also for the Government, to empower the Central Bank to engage in public education. In case the Central Bank does not have the funding for it, because this would have to be national public education, to assist them if they do not have the funding or the staffing or the mechanism to do so to engage in such public education. The source of funds—so that is the issue where that is concerned.

The other issue I want to raise has to do with reasons for non-compliance. Sen. Teemal spoke of our culture in this country to store funds. The Minister of Finance indicated that persons may be ill, they may be. I want to ask you to extend that to persons who, family members may say that they may be suffering from senility for example, because if someone is starting to forget, as we say in Trinidad

and Tobago then, one, it can stand to reason that they may also forget that they have funds saved in different places in their house, which would have been required to send to the bank to change.

There is also the culture of the sou sou. Someone may have in their possession funds, and sou sou hands may take some time before it comes in. Sometimes if someone is holding the box, as we say, for the sou sou, it might take two weeks before they get all the funds in and then they disburse them to persons, their hands to persons. At that material time when they start to collect those funds and they disburse, they may be hard-pressed to find themselves at a financial institution with other people's money. And it may present them some difficulty, because they may fear that they will be robbed, and that brings me back to my initial request, that across the length and breadth of Trinidad and Tobago that we call out the army, as we say and we have them stationed at places that can provide persons with increased comfort so that they know when they are walking with their sums of money they can be comforted.

I want to end—because just some questions I wanted to raise—on the point of when persons go to the bank and persons ask them, even if it is not \$90,000 and they only have \$5,000, bank training, credit union training, mandates frontline staff to ask persons. So it would be important for the Government to explain the law broadly so in the event that banks are asking questions that they should not ask persons, the Government makes it very clear what is required in the event that banks, credit unions and other financial institutions that are involved in exchanging funds on behalf of the Central Bank, they make it very clear to the population what questions they must answer, and what questions if they do not answer, even if they are not required to answer in law, can result in the bank's compliance department

framing a suspicious characterization of them in terms of the nature of their transactions.

A simple example is this. When persons are engaging in money laundering, they may choose to use smurfs—from the show we have seen growing up as children—you have one person with \$1 million and they find 20 persons or 100 persons with \$100,000 on average each. They will send them to the banks to deposit. So therefore they wash their funds. If someone in the bank is suspicious because of the community the persons are coming from, the closeness of the persons and the proximity of the transaction, they may decide, especially even after interviewing one of the persons, because someone may be forthright and tell them, “Well dis big man give me dis money, and he give plenty people money to come to de bank”, they may decide to start profiling persons. The question would be: What questions citizens must answer? What questions even if they are not required to answer in law would result in the bank framing a suspicious characterization of them, based on the nature of their transaction, based on who it is purported to be connected to, and then result in them having difficulties law in terms of being flagged.

So I think the Government would be well placed to take not only the support of the Opposition in this regard, but also to take into consideration all the questions that are being asked, and also frame the public education in such a way that it can reduce the hardship among citizens. Of course, bring out national defence to frequent persons when they go to do their transactions. I thank you.

The Minister of National Security and Minister in the Office of the Prime Minister (Hon. Stuart Young): Thank you very much, Mr. Vice-President. I would like to start this afternoon’s contribution by thanking all of the Members of

the Senate for realizing and understanding the importance of this Saturday sitting and for willingly attending, and for all of the contributions that I have heard thus far. All of the contributions respectfully have raised very sensible, predictable, and important questions and considerations and I am happy to assure the public that in listening to the speakers before that every single one of the questions raised, or the issues raised, or the matters raised, have already been thought of and addressed by the Government, and importantly by the Central Bank.

So that is a good note to start this afternoon's proceedings by again repeating that this policy decision of the Government of Trinidad and Tobago is driven by national security concerns. Before I get into the national security concerns as far as I can go, to quickly then make the most important point. There are few very important points and this is one of them. Government has taken a decision. We are here as legislators to pass the necessary legislation to allow that decision to be implemented, and to be implemented by the independent arm of the Central Bank, and to give the assurance that the administration and implementation of this decision lies with the Central Bank.

Because it is not unusual for a government to take a decision to change a note. It has happened in many instances in our lifetimes here, most of us, even those who are younger than me. We would have seen the change of banknotes. That is implemented solely by the Central Bank, and it will continue to be so. I will get to the legislation to have some discourse on some of the concerns Senior Counsel Chote raised.

So the first marker is Government took a policy decision based on national security concerns and now that that decision has been taken it moves to the legislation. Once the legislation is passed, the implementation and administration

of the decision is up to the Central Bank. The interface with the public and the changing of the notes will be done by the banks, the commercial banks, the Central Bank in some instances, by the credit unions. So that is a good point to make. No one has raised it in this House, but it has been raised elsewhere. The credit unions will stand no differently. In fact, every single person with an existing \$100 note, the paper currency can go to the commercial banks, and if not the commercial banks, to the Central Bank and change their note.

So there is no need for panic. It is a simple exercise. You have your existing currency, all you are being asked to do now is take that existing currency, what we will call the old \$100 notes, and go and exchange it for the new \$100 polymer notes.

So let me say again, just for the *Hansard* and the Senate, the reason that the Government took this decision is because at national security, the monitoring of criminal elements and crime taking place in our society, it was felt that this decision would fight money laundering, as Sen. Teemal discussed, including, Mr. Vice-President, the financing of drugs, narcotics and the illegal firearm trade.

I was happy to hear Sen. Chote immediately come out and say—and I am sure it is due to her experience and her understanding of what goes on with the criminal elements and in the running of crime, organized crime—cash is king. So yes with the importation of narcotics you have to pay the people you are importing from in US currency. But cash is king in the domestic economy. In fact, the reference to one of the murders yesterday unfortunately, the incident that took place in Chancellor, anyone who saw the photographs could not have failed to have noticed the strewn \$100 bills in that unfortunate incident. That is but the latest example.

Every time there is a drug bust or a bust of people who are engaged in criminal activity, the \$100 note is the note of choice. Cash is king in the underground economy. The simple decision of changing the \$100 banknote is going to hit at the heart of criminality and those who conduct their business in the criminal world. In fact, last night in the other place I asked one of my colleagues who was asking similar questions, I said, “Do you know of a single drug dealer who is dealing in an enterprise here, or even in human trafficking?” We all know it, the human trafficking and the prostitution that is going on, the illegal firearm trade, they pay for it in cash. They do not take a LINX, they do not take a credit card, and they are not taking cheques, because the fact is once you engage the banking system there is a massive fingerprint that could be followed. So immediately the overall scheme of national security is force the money into the system, and that is what a change and a demonetization does. It forces the cash into the system. We are dealing with the stored cash, the stored millions.

Of course money laundering comes in many forms. In fact, I can say here now that I have begun to get the reports that persons are rushing out to jewellery stores already and purchasing massive amounts of jewellery with cash.

3.45 p.m.

I can also at this stage, Mr. Vice-President, through you, give the assurance to the whole of Trinidad and Tobago to say, with the grace of God, thank God and with excellent planning and the implementation by our security forces, the money that has been brought in for the replacement of the existing notes is safe.

To answer Sen Mark’s question to the Minister of Finance, as the Minister of Finance told him, there is sufficient, because one of the difficulties in other jurisdictions, in particular in India that they faced, was there were not sufficient

new notes to replace existing.

I can say here without fear of contradiction that will not happen in Trinidad and Tobago. We have studied this thing for months, it has been kept very secret, very confidential, driven by national security and we have learnt from the errors of other jurisdictions, we have learnt from the errors of India. In India it was on the 8th of November, 2016, Prime Minister Modi stood up and declared on the 08 November, 2016, the same day, demonetization, take in your 500 bills and your 1,000 rupees, and you have to exchange it—and they started to fall into many problems. I will say again at the outset—a very different jurisdiction.

India in 2017 after that last census had one billion, 339 million—one billion, 339 million people; we have 1.3 million people. That is why we looked at the Mauritius model, because Mauritius is similar to Trinidad and Tobago. Counterfeiting, I cannot give you the exact statistics of counterfeiting, because that in itself has implications, but I am certain that everyone saw the latest public—what was made public recently where a counterfeiting ring was busted, because of the work that we are doing. And what they did is that they took \$1 bills, the paper \$1 bills and they bleached them, so it is the same paper, money paper, and then they reprinted it as \$100 bills. By going to polymer immediately eradicates that.

So by just us taking a decision to upgrade a \$100 note to polymer, that is your first security feature, and there are a number of other security features that the Central Bank, immediately after the Government's announcement, began to educate the public.

I think it was Sen. Obika who made the point that there needs to be a public relations exercise and educate the public as to what is going on, what the time frames are, how it will be dealt with. All of those things are considered and will be

done by the Central Bank, and it does not require the Government's assistance with funding, and I can give you all the assurance all of that material arrived as well. The Central Bank will administer and implement this decision and they are very prepared. We have consulted with the world experts in this area, including the legal experts, and that is why we have come with the section 27A.

When you look at section—if I can go very briefly to the existing Central Bank Act, Mr. Vice-President, and I will start with section 21 under Part II, Currency and Legal Tender. Section 21 of the Central Bank Act says:

“(1) The currency of Trinidad and Tobago are the notes and coins issued by the Bank under this Act.”

That is the Central Bank, so not the Government. Of course, it must be done in consultation with the Government and these types of things.

“(2) The Bank...”—

That is subsection (2)—

“...has the sole right to issue notes and coins...”—

We are not interfering with that.

“...in Trinidad and Tobago and such notes and coins are legal tender...”

Go very quickly to section 27(1). Section 27(1) says:

“The Bank, with the approval of the Minister,...”

Now, Senior Counsel Chote made a point about the difference in language about “with the approval of the Minister”, compared to the “Minister may direct”, but section 27(1) says:

“(1) The Bank, with the approval of the Minister, may on giving three months' notice published in the *Gazette* call in any of its notes and coins on the payment of the face value...”

That is the demonetization clause as existing.

When we looked at it from a legal point of view, proportionality, for it to be in compliance with the law to protect everybody's rights, that is why we are introducing a 27A, and I will get into that. And all of the differentiating features of the proposed 27A compared to 27(1), and why we went the route of 27A.

Back to the national security reasons and why we are doing this. We are striking at the heart of the financing of drugs, narcotics, illegal firearms, tax evasion, the black money economy, corruption, counterfeiting and other related problems. Can I get into the specifics? Can I tell you exactly who it is without breaching what we are trying to achieve at national security? No. But there will not be a single Trinidadian and Tobagonian, law-abiding citizen, that is not aware that cash is fuelling crime, and the storing of cash, because they know, the criminals elements, from the white collar criminals to the drug leaders and the gun dealers, and those engaged in petty crime, they store cash, because the moment they take it and put it into the system, there is a trail.

And one of the reasons you go for demonetization and of the note that is most used by the criminal element, which in our instance is the \$100 note because it carries the most value and you have to carry less 100s to make up your amount than 20s, 5s, 10s and 1s, is immediately when you demonetize you push the change of money into the system.

Sen. Obika is right. He called them "smurfs". That is a concept we are aware of, the legislation already covers for these types of things; that is the FIU Act. And the obligation of the banks, the commercial banks, with KYC and AML procedures, know your customer, anti-money laundering procedures that already exist, the POCA Act and these types of things, demonetization is a policy decision

and a drive that, amongst other things, pushes the money into the system.

We spoke about, Sen. Hosein raised the issue of our Muslim brothers and sisters in society and what some of them are asking about. There is no compulsion for anyone to open a bank account. You do not have to go and open a bank account to get your new notes. You walk into bank, you present your old notes, you get your new notes, so at the outset there is absolutely no mandatory obligation on anybody. If you do not have a bank account, to open a bank account. If the banks do not want to take, we are making provisions in discussions with the Central Bank—we are not making, but in discussions with the Central Bank as to how it should be administered. The Central Bank stands available to deal with it; because you are right. Persons in certain culture and religions will save their money especially some of the older people, and they do not want to go to the bank, but what they will now do, and the Central Bank at the appropriate time will list it out for us, this is what you do, this is where you go, this is how you—it is a simple exchange of note for note, so you do not lose any value, and we are certainly not forcing anybody to go into the system, so let no hearts be worried about that.

Let us look very briefly at the specific legislation before I answer some of the other questions. I will also say at the outset that we cannot say at this stage the appointed date, the timing, that is for the Central Bank to do. The Central Bank cannot announce it, because the legislation has not been passed. So the Central Bank could not come out and say, “X days”. It is not 14 days, it will not be 14 days, we recognize the timing issue, but as I have said in other places, the timing will never satisfy everybody. Now is Christmas, after Christmas is Carnival, after Carnival is Easter, after Easter is summer, you are back into Christmas. So what it comes down to is the reasonableness of the time period, and what we are doing is,

we are seeking to change, moving it from three months to a minimum of 14 days, and it will be more than the 14 days. Why now? Why you cannot put it off—because it has been announced.

If you are going to tackle corruption and fight crime, I cannot come on Thursday and say, “Listen, next year March ah demonetizing”. I will be a fool. You would have given the criminal element all of that time in the world. Every single thing has been thought out very carefully, including the operation that went down during the wee hours of this morning that, unfortunately had to inconvenience people, and I apologize for that, but when you are moving that type of cargo, you have to ensure the safety and security, not only of the cargo, but of those charged with responsibility of delivering it safely.

Let us look quickly at section 27A as proposed. The new section 27A that we are proposing starts off at (1).

“In addition to the powers of the Bank under section 27,...”

I have read section 27 already:

“the Minister may direct the Bank to cancel any note issued by it giving not less than fourteen days’ noticed published in the *Gazette*...”

And concerning the legal advice, they said there must be certainty. Give the bank the expressed power to demonetize. Do not get into an argument using—so, for example, you could look at 27(1) as it currently exists, say well, why we do not change the three-month period to a minimum of 14? So the first thing is, no. Let us give an express provision to deal with the demonetization issues like this where it is going to be in a short period of time, because to be effective in the fight of crime and in anti-corruption when you are demonetizing, it cannot be long. India tried to force it overnight, they had to extend, but even with 1.339 billion people,

the maximum period for them was five months. They ran into a number of difficulties, their economy is very different to us, very cash oriented, cash driven, but do not underestimate how much 1.339 billion is, compared to 1.3 million, that is why used the example of Mauritius. I have explained the counterfeiting part. You go to section 27A (2):

“(2) On or from the appointed date the specified notes shall cease to be the currency of or be legal tender in Trinidad and Tobago and subject to subsection (4), shall for the purposes be cancelled...”

You achieve two things here in law. You have expressly stated that the notes will no longer be of legal tender, so there is no need for clarity, there is no room for people not to understand, but importantly what you have you said now is, “subject to subsection (4)”.

“(3) The Bank...”

We are telling the people and most importantly telling the Central Bank to protect the property rights of people that:

“The Bank shall redeem at face value any specified notes which are presented for redemption prior...”

That makes it mandatory for the Central Bank on presentation of a \$100 note, paper currency existing, for a new note they have to give you the value of 100, so you are not losing anything in between there.

“(4) The Bank shall redeem at face value any of the specified notes that are presented within the period of three months after the appointed date...”

Remembering that the appointed date is the demonetized date. That is the date where the old currency no longer has legal value, but now you are providing here in subsection (4) for the eventualities that you may not be able to predict, for the

people who may be sick, the people who may not be able to be there. We are realistic, we know that there are people who travel to Trinidad on an annual basis, come for Carnival, come for summer, come for Christmas whatever and they are not here, so we are not pushing them out of the system.

This section (4) immediately gives a three-month period and it says, after if you are:

“...satisfied that the failure to present the notes for redemption prior to the appointed date resulted from circumstances beyond the control of the true owner of the notes...”

Of course, you all will understand especially those who practice the law, why we say the “true owner” to deal with the “smurfs” situation, of the notes:

“...or that there was some other good or sufficient reason...”

We cannot predict all of the reasons, so this catches it. We start off with three months, when you go further to the next subsection (5):

“(5) The Minister...”

—meaning the Minister of Finance.

“...may by Order extend the date or period...”—in either (1) or (4).

So we have proportionality, we have covered expressed provision, we have also covered if something occurs you are not caught which is what 27(1) now does, so this is where the additional protection comes in.

And I want to say at the outset there is absolutely no intention whatsoever, you know Trinidadians. You tell them do something in 10 days, nobody moves for first nine days, and on the 10th day everybody there, we have gone through it time and time again. One of the most recent ones that comes to mind is when we said we are going with the licensing of vehicles. You extend them from three more

months, you say, “Take another three months”—unfortunately Minister Sinanan is not here to tell me when he was shouting at me, “I need more police here and there”.

Trinidadians, citizens, when you get the date, do what needs to be done. We have met with the banks, the Minister of Finance and myself have met with the banks, the Governor has met with the banks, and we have sensitized them to a lot of what you all raised.

Sen. Ameen: Thank you, Mr. Vice-President, I want to thank the Minister for giving way. One very critical issue I would like you to address before you wrap up is the issue of perhaps additional security for the public in moving the bills.

Hon. S. Young: The Minister of National Security would not come here and not address the issue of security. So thank you. Right? So we have provided additional safeguards here for everyone. Then we talk about (6) what that is, and that the bank will issue procedures because, again, to make it clear to people, this is what is going to be applicable during this time period. (7), (8) are the definitions. Let me jump quickly to the amendments to POCA, not much time needs to be spent on this. By passing this legislation as well, we are fulfilling obligations that we have to FATF and Global Forum, those two whips that are constantly over our head as a jurisdiction, so we are satisfying them on stuff as well. I heard the murmuring of the financing of terrorism, you all understand that as well. That in a nutshell is what we are dealing legislatively.

Let me just touch now on some of the issues that have been raised here and outside. As I said, timing, it would never be convenient. In order to achieve success in dealing with corruption, money laundering, we have to move decisively and we have to move quickly and that is what we are doing. Inconvenience,

absolutely there will be inconvenience. Our job in helping the banks and the Central Bank is to try and minimize the inconvenience. There will always be some measure of inconvenience when the State implements measures and operations to tackle crime, there will always be inconvenience.

What you saw this morning with the traffic was unfortunate, but it had to be done, because God forbid something happened with the movement of the cargo.

Businessmen, some businessmen and when you look at some other jurisdictions, but even businessmen in Trinidad have said that they think this will actually stimulate the economy at this time, and it is already happening, because people who have their cash, now have to take decisions. It brings me to a good point that, I think, Sen. Teemal touched on and maybe someone else, money laundering in property, in jewellery and these types of things, the FIU legislation captures it. All right?

I find it a most ridiculous proposition that any law-abiding citizen would go to buy a \$4million property or a \$1million property in cash. I cannot fathom that, but maybe I am from Mars, but there is no law-abiding citizen, I would like to put on record [*Crosstalk*] there is no law-abiding citizen that I put on record that would object to the principles that demonetization has to capture. And I have not heard a single person in here today object to the principles behind it nor in the other place last night. Law-abiding people have nothing to be worried about. The people who have illicit cash who have it stored and now are looking for other ways to money launder are caught by the existing legislation. The authorities are aware of it, meaning the FIU and the banks, the same internal tick boxes, the same internal due diligence that Sen. Obika spoke about.

Benefits: When you look at some of the benefits in other jurisdictions

including India that had one of the most tumultuous changeovers of money that can be. One, an effective way to curb black money economy, corruption and counterfeiting. Two, all law-abiding citizens who are not involved in malpractice will welcome this as a good move, and they have already started. It forces unaccounted cash into an accountable system. It could also assist in citizens opening bank accounts and depositing their money which opens the safety. It is not compulsory, but you now have a decision to take. If you have been dealing in cash and you have cash stored, you have to change the cash, take a decision, and it may be that the bank will say, okay, well you walk in here with X amount, the same sort of thresholds that one of the Senators referred to, and you will walk out with X amount in cash, the rest we will give you a cheque for, for your own safety.

Banks, of course, see this as an encouraging step towards cashless society. They have come out, the Bankers Association have come out and said, they see this as a good move. For every law-abiding citizen I would like to say, it is worth repeating, for every law-abiding citizen, Mr. Vice-President, this is a simple exchange of bring in your old notes and get your new notes.

To the questions that have been raised and to Sen. Ameen, obviously our security services are going to play a role in this. I can say that in the middle of sitting yesterday during the night I called a meeting with the heads of security of all of the commercial banks, as well as our security services. It started off yesterday morning at 7.30 with all our security services. We are going to provide the maximum level of security cover that can be provided. We are even looking at the intelligence as to whether it goes, but people still have to utilize common sense.

One of the things I told the banks, you have an obligation to your customers to provide security. So understand you must increase your own personal security

levels during the period leading towards demonetization. The security services will provide cover. The defence force played a very important and essential role today, and will continue to do so. I will say no more on that because for obvious reasons we will not say what we are going to do, but I give the assurance, we will be working. And we recognize the difficult period in terms of timing, and it is Christmas how busy people will be. Just be sensible, we will work with the commercial banks, with credit unions, whoever we need to including the utilization of technology.

It is worth repeating, this is to be implemented and administered by the Central Bank, we are not interfering with that. That is not our area of expertise. That is for the Central Bank. We took the policy decision, and the implementation of that policy decision now is up to the Central Bank. The Central Bank stated on Thursday and it is worth repeating, co-circulation which means the two bills when they announce, when the Central Bank announces when the new bill be put into circulation very soon, the two bills will co-circulate and be legal tender for a period of time until the appointed date that the Central Bank will give us notice of when the appointed date is, and at that time money will stop—the old bills will stop being legal tender subject to the exceptions that the legislation provides for.

Let me see if I can touch very briefly on some of the issues that I have raised here that I may not have dealt with. Every time we come here one of the submissions made is, the Government, and the Government going with legislation and they think—the Government does not believe for a moment you solve crime only with legislation. The Government has been working, we are here, as I have said repeatedly, it has become tedious now, our job as legislators is to pass legislation. So you look, you listen, what is the type of legislation that can assist in

the fight of crime; we say this is one. Is this being done in isolation? Absolutely not, there are other things being implemented. And I would also like to say, that the Government has provided and is providing resources to the security services, and most importantly to the Trinidad and Tobago Police Service, our intelligence services and the defence force. In our limited resources that we have, which is the taxpayers' money, we have been providing the resources to them.

I would like to put on record here, the Attorney General asked me to put it on record, there was some suggestion that no one has been charged for money laundering. Not true, there have been a number of charges especially over the last two years on money laundering. Money laundering does not happen alone, money laundering is part of organized crime. The human trafficking cases that we are going on with right now, and it is sub judice, I do not want to say too much, there are money laundering elements of that, so the charges in addition to human trafficking would be money laundering. Illegal firearms, illegal drugs, these types of things, depending on the money that you find on them.

We have dealt with the issue raised by Sen. Hosein which is for our Muslim brothers and sisters, simple I will repeat it, again. Just take your cash in, your old bills in, exchange it for your new bills. No one is being forced to open a bank account, no one is being forced to engage the banks, deposit your money and then get into that whole element that may be objectionable on the grounds of religious suasion.

This is, Sen. Teemal I think had referred to it. The unexplained wealth legislation that was recently passed by this House, this is just another element to that. We have gone for explain your wealth orders. We have succeeded recently in getting your explain your wealth orders of criminal persons. So the person who,

on the face of it, is a fruit vendor or fisherman but walking into a Range Rover and buying a Range Rover cash and then having more gold than we can dream of and living in a mansion that we cannot even dream of building, but the boat “aint” coming in with fish, this is another element of tackling that, the demonetization. With the explain your wealth orders, the POCA Act, all of the other pieces of legislation begin to fall in place, but it is up for law enforcement and the Director of Public Prosecutions to now administer and implement. As I said before, we are saying a minimum of 14 days, we are not saying it will be 14 days.

People of Trinidad and Tobago, when the Central Bank makes the announcement as to what is the appointed day and the date that the demonetization will take place by, make sure during that period to go and change your money. Do not count on there being any extension; that is the whole purpose of demonetization. There will be thresholds, there will be heightened security, and the Central Bank already has its planned PR campaign where they will be educating the public. And I agree with some of the comments made before. Yesterday in a meeting with the Minister of Finance and myself and the heads of the banks, we told them they have to understand the customers, they have to understand the people walking in. They are the front line, they have to have the empathy, they have to be the ones to ensure that people are comfortable in the implementation and administering of this policy.

Just to make sure that we have covered the legal aspects, we have provided the expressed authority to permit this inference, to expressly say how you are changing the money. We have also provided expressly now for the Central Bank to set a date beyond which it will no longer redeem the demonetized money. These are some of the issues they had in other jurisdictions.

Sen. S. Hosein: Thank you very much, Minister. Just on a legal point, if you can clarify. Now that we have two systems of demonetization, you will have the section 27 and now 27A. Is it that the Government, if we have to demonetize in the future, how will Government decide which format they will use?

Hon. S. Young: Section 27A is the clear one for demonetization. Understand section—it is arguable that what section 27(1) in its existing form could be is when you say, as happens now with the \$50 bills, you have two different types of \$50 bills in circulation, and those types of things. This one is for clear demonetization in these circumstances, this is the period, this is what happens, et cetera, so I do not think it is parallel systems or confusing systems.

Mr. Vice-President: Minister, you have five more minutes.

Hon. S. Young: Thank you, thank you very much, Mr. Vice-President. So just to press on, we have also provided for the mechanics of exchange and the time limit set to take into account the needs of the holders of old notes including those who are unable through disability, illness or otherwise to exchange their notes in a manner beyond the time prescribed. For those who are not present in the jurisdiction, for those who may live in remote areas and have particular difficulty accessing banks, those who do not have a bank account. Those are some of the issues that we had to think about and that is why we came with the section 27A, to expressly provide for that, to protect the rights of persons in different circumstances. Mr. Vice-President, I would like to take the opportunity in concluding to thank—

Sen. Thompson-Ahye: Mr. Vice-President, forgive my bugbear with—I just want to suggest a grammatical—is that all right? You know my predilections. I am looking 55(3)(c), the amendment you made, you took out “is” and “as”. Having

taken out “is” and “as”, I would like to suggest that the last means, “a transaction, the value of which the Minister may, made by Order prescribe”—“made by Order, prescribe”.

4.15 p.m.

Hon. S. Young: Thank you very much—

Sen. Thompson-Ahye: Because the “is” and “as” go out in the amendment, so I am putting commas in, and you know, so we could—in that space there.

Hon. S. Young: Thank you very much. I have listened, we will consider it. We will consult with the drafts people.

As I was saying, I would like to conclude by assuring the public of Trinidad and Tobago, this policy was not one taken lightly. The sole purpose of this policy is to fight corruption. It is being driven by National Security with the assistance, obviously, of the Ministry of Finance. Central Bank is the implementing agency, and I am happy to hear that from the Leader of the Opposition go down, it is supported, and I would have been surprised if it was not, because every law-abiding citizen would immediately understand and appreciate what is the objective, how we are trying to achieve it. We would provide as much security as we can. People please be responsible. Please utilize your common sense, and we will work with people towards the ensuring of this transaction, and as we move from the old note to the new note. I thank you very much, Mr. Vice-President.
[Desk thumping]

Mr. Vice-President: Sen. Mark.

Sen. Wade Mark: Thank you very much, Mr. Vice-President. Mr. Vice-President, I rise to address a few areas of the legislation, and to seek clarification from the Minister of Finance on areas that the public has expressed some concern

over. But before doing so, Mr. Vice-President, I just want to indicate that this Bill, which is amending the Central Bank Act and the Proceeds of Crime Act, deals, as the Minister of National Security has said, essentially with the Government's drive to fight corruption, money laundering, narcotics, illegal firearms, and more other areas in their anti-crime policy, on, and our thrust.

Mr. Vice-President, when I look at the *Express* of Friday the 6th of December, most—and I am talking about page 4—of the commentary on this page dealt with the important role played by the Minister of National Security in piloting and advancing, and ultimately receiving the support of the Cabinet for the measure that we are dealing with here today. We have been advised by the hon. Minister that this matter has been well planned and properly thought out. Yet when we go to the next page, which is page 5 of this newspaper, you have a number of business organizations appealing to the Government for more time in order to facilitate this change, this massive change. Mr. Vice-President, I do not know if you recall, but I am trying to, since Independence, I cannot recall, but I stand to be corrected by the Minister of Finance, whether we have ever cancelled—

Mr. Vice-President: Hon. Senators, the time is now 4.20, and we will take the tea break until 5.00 p.m. This House now stands suspended until 5.00 p.m.

4.20 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Mr. Vice-President: Sen. Mark, you have 36 minutes. [*Desk thumping*]

Sen. W. Mark: Thank you very much, Mr. Vice-President. Mr. Vice-President, I go to the Bill directly now and I refer to clause 2 of this Bill, again, I am seeking clarification from the hon. Minister of Finance on this matter. In the contribution of the hon. Minister of National Security, reference was made to the Governor or the

Central Bank as it relates to the appointed date of this cancellation of the \$100 notes. But, Mr. Vice-President, if you look at clause 2, and we examine the new 27A, which has been inserted after section 27 of the Act, we are seeing where the Minister of Finance is directing the bank to cancel any note issued by it, giving not less than 14 days' notice. And to consolidate the power of the Minister of Finance in this matter, you go to 27A(5), or section 5, and you will see, Mr. Vice-President, where the Minister by Order has the power to extend the date or the period in subsections (1) and (4) in any case.

So the question that has to be asked, Mr. Vice-President, is this: Whilst we are in support of the measure, was it necessary for the Central Bank Act to be amended in the way it has been amended to give the Minister of Finance more power in relation to that of the Governor and the board of directors, or the board of the Central Bank, the members of the board of the Central Bank? There is a kind of eerie kind of feeling I get, whenever Christmas occurs or is coming, Central Bank seems to have a very, very unfortunate experience. You remember, Mr. Vice-President, the Governor was dismissed around this time, and now we are seeing we are sitting with a couple days, very close to Christmas, and you have an amendment to the Central Bank Act simply to cancel notes. But in cancelling the notes, we are seeing an insertion of a new section in this Central Bank Act, that has given the Minister of Finance more power over that of the Governor, and the question that has to be asked, and I am asking the Minister of Finance: Was this amendment necessary in order for us to cancel these \$100 notes? Could not the Governor of the Central Bank advise the Minister? Why did the Minister have to insert 27A and arrogate unto himself, new powers that he never had? So, I am asking these questions, Mr. Vice-President, because we are seeing a situation

where the Central Bank is being gradually and almost imperceptibly being—its power that is—being eroded.

So, Mr. Vice-President, if you go to 27A(5), you have a Minister, and I want to ask again of the Minister, the Minister by Order, he is not only going to extend the date, but he is going to consider when it is appropriate to do so. And, Mr. Vice-President, you would see under the section that deals with \$90,000, where the Minister again has the sole discretion. So, if you go to clause 4, you will see under the Financial Obligation Regulations where the Minister in question has the power to determine what the prescribed amount of moneys will be or should be. In the current legislation, Parliament has that oversight role. Parliament now has, in this law, a clear and certain and specific number or figure. In this amendment that we have here before us, Mr. Vice-President, that is now being given to the Minister of Finance, and, Mr. Vice-President, should a politician, I am asking, should a politician be the one entrusted with that power to determine, by Order, the prescribed amount, or should that not be the power given to some independent body? Because when you have politicians involved in matters like these, any number can play [*Desk thumping*] and it does not matter if it is a PNM or a UNC. I believe that we must have safeguards as it relates to the rights and freedoms that people enjoy in this country.

And, Mr. Vice-President, why, I ask the Minister of Finance, I would like to ask the Minister of Finance: Why is the appointed date being kept a secret? And why is the Minister of Finance who has arrogated unto himself this power to determine the amount prescribed from national security? Why are we giving the Minister of National Security that power? Why? Why? Mr. Vice-President, that was not in the Financial Obligations Regulations before. So what you have taking

place now is you have an insertion of the Minister of Finance in the Central Bank, deeper tentacles of the Minister of Finance into the operations of the Central Bank, and then, on the other hand, you have the Minister of National Security under the Financial Obligations Regulations dealing with this matter. Why are we, Minister of Finance? Why are we, Mr. Vice-President, giving this Minister of Finance the power? He has the power to direct the bank to cancel any note. He never had that power before.

[*Device goes off*] [*Device emits words, "Here is what I found on the Web."*]

Hon. Senator: "Oooh. Whey. A aa." [*Laughter*] Take a walk. Take a walk.

Sen. Haynes: I want to know what you find. [*Crosstalk*]

Mr. Vice-President: No, no, you need to exit the Chamber and turn off your phone and then come back. [*Crosstalk*] Continue, Senator.

Sen. W. Mark: Yes, Mr. Vice-President, as I said, these are clarifications that I am seeking from the hon. Minister. Mr. Vice-President, there are some questions I would like to raise. There is this matter of—there are people, as some of my colleagues have indicated, who save at home and they have amassed large sums. I saw in the *Express* of yesterday's date, where the hon. Minister of National Security is alluding and stating, that when these criminals come out of their holes, they would have to explain where they got all this money from.

So, Mr. Vice-President, innocent people can be caught up in this whole web that the Government is establishing, and we have not seen anything so far to provide them with any protection. Mr. Vice-President, if you are not aware, let me advise you that there are many businesses that keep large cash balances for payroll operations and other contingencies. The question that I ask, I wish to pose: How are these persons to be treated? Is this to be treated as black money when they go

to the banks? Because it seems like there is going to be a system established here where big brother would be looking over you. I am getting the impression from the Minister of National Security that the banks are going to be working in collusion with the Government. I am getting that impression. So when you go to deposit your money— because the Minister has said in an article in yesterday's *Express*, Mr. Vice-President, the Minister has said that when those criminals come to deposit or exchange, they have will to explain where this money came from. Who are they going to explain to, Mr. Vice-President? Who? Who? Is it the Minister or is it the bank? To the bank, so you have to explain, and then the bank now, because of the FIU, will proceed. Mr. Vice-President, I am saying that these are very important issues that we are seeking clarification on.

Now, Mr. Vice-President, I sought and I did not get very far. I sought to get from the hon. Minister of Finance, how much money, how many \$100 bills have we ordered?

Hon. Imbert: I did not tell you that boy?

Sen. W. Mark: And all I can get from the hon. Minister of Finance, is that there is an adequate supply. *[Interruption]* An adequate supply. Now, Mr. Vice-President, I do not know why this lady, who wants to go to church, she is committing sins every time—

Mr. Vice-President: No, no, Sen. Mark. Sen. Mark.

Sen. W. Mark: All right, okay.

Mr. Vice-President: That is a lil bit too far.

Sen. W. Mark: Sorry, sorry. I withdraw.

Mr. Vice-President: You withdraw?

Sen. W. Mark: I withdraw.

Mr. Vice-President: Continue.

Sen. W. Mark: But may I ask for your protection, Sir?

Mr. Vice-President: Protection from whom?

Sen. W. Mark: From the honourable, from this—[*Laughter*]

Sen. Ameen: Front bench. Front bench.

Sen. W. Mark: Yes, from the hon. Minister.

Mr. Vice-President: Yes, yes. Continue your contribution.

Sen. W. Mark: But I am seeking your protection, eh.

Mr. Vice-President: Yes, you have my protection.

Sen. W. Mark: Good. So, Mr. Vice-President, I was asking the hon. Minister, if he could have provided us in the Parliament with an appreciation of, one, he has told us \$8 billion. We understand that, but what he has not told us as yet, and I am asking him for another time, how much has been ordered in order to deal with that \$8billion? That is it.

Mr. Vice-President, the reason why I raised this, there is something called “the money supply.” There is something called “the money supply”, and if this Government, and I am not saying they are, I am simply asking questions, because this is why this issue is so important. Can the Government order more moneys that—can the Government order more than is required? In other words, I am asking the question, that the Government says \$8 billion exists in the system in \$100 notes, but let us assume that the Government orders 10 billion—[*Laughter*]—that is why I am asking the hon. Minister of Finance to help us. Let us know what you have ordered, Mr. Vice-President?

Hon. Imbert: You feel the Government is going to print—

Sen. W. Mark: No, I am not saying you are going to print excess supply. I am

just asking for clarification. So, Mr. Vice-President, these are issues that I think that the population would like to know. Because I know that this Government is running on fumes. The country is running on fumes at this time, and we do not know. We do not know what the Government is up to. We do not know. So, I am just asking questions so that the Government could try to clarify for us.

So, there are several issues that we have raised, my colleague has raised, and we would hope, Mr. Vice-President, that in moving forward that the Government claimed that they have studied this properly, that they have all the data, they have done the research, and therefore, everything is okay in going forward. We as parliamentarians have been left almost without any information from the Government. We have had to scramble to do research as best as we could. The Government has been planning this exercise for months. We have been told that they have had all the experts at their disposal. They have had all the information at their disposal. But, Mr. Vice-President, the Government has not been able to share with us in this Parliament the information, so we have no data, we have no data, we do not have the privilege of the research that was conducted.

Sen. Teemal asked the question about the impact studies that have been done, because there are upsides and downsides, there are costs and there are benefits, there are pros and cons. The Government would have done all that work, and it is almost like an obligation on the part of the Government to provide the Parliament with the kind of research and data that they would have been able to gather so that we can make a more informed and intelligent contribution to this debate. But we have had to be on our own whilst the Government and so on—the Government has been able to get all the expert advice over the last eight to 10 months, and they rush us here in less than 24 hours to debate a Bill that they claim,

and I have to assume that they know what they are speaking about.

The hon. Minister talked about counterfeiting, counterfeit notes, which we say if that is so, we support. But you know I read an article or a story in the newspapers yesterday from the former director of the FIU, and she was asked whether this new \$100 note, polymer note, whether it has anything to do with counterfeit notes, and the answer was, no. So, I do not know. I do not know, I do not know, Mr. Vice-President. *[Interruption]* No, it is not me. I am talking about the newspapers, sought an opinion as to whether this particular matter that we are dealing with, that we are being told, the centrepiece of it is counterfeit, is narcotics, is illegal arms, and all sorts of things. *[Interruption]* Yes, those things may be true, but I am saying persons who worked in that area of the FIU they had a different perspective. And, Mr. Vice-President, if I may remind you, the Minister of National Security said one thing, the Central Bank said another thing about this whole exercise, so again there is public misinformation, there is miscommunication. People do not know what is the real purpose behind what we are dealing with. But we all recognize that if there is a problem in this society with moneys being washed, and bleached, and \$1 notes being transformed into \$100 bill, and it is infiltrating the system, we know that is a matter that all of us ought to be concerned about. So, obviously and so on, we can identify with that, and the hence the reason and so on we have said that on this side of the House, and on this Bench, we will identify with the measure that is before this honourable House today, but we are asking questions. We are seeking some clarification on what is before us as well.

So, Mr. Vice-President, I think that the Government has to do its work. We have to do ours. We have given the Government the necessary support, and we

look forward to smooth transition. But we know from our experience, and we know from what has happened in many countries that we have mentioned already, that there have been challenges, there have been difficulties, there has been some chaos in the rolling out of this particular demonetization policy, and we are hoping that Trinidad and Tobago does not replicate the chaos that took place in Ghana, in the Soviet Union, in North Korea, in Argentina, in Venezuela. We are hoping that what the Government has told us is the gospel. They have done their homework, they have planned this thing properly, and therefore, everything is in place, and we expect a smooth transition. We do not expect no chaos between now and Christmas. We expect, for instance, Mr. Vice-President, a smooth transition.

I think Sen. Obika raised the matter about pensioners, and I just want to echo this point to the hon. Minister of Finance, because there are thousands and thousands of pensioners who would have been receiving their moneys on a monthly basis, many of them and so on save it at home. It may be \$10,000, it may be \$15,000, it may be \$20,000. Whatever it is, they would save. They would save their moneys.

5.25 p.m.

But the question here is that you, we are seeking to give these same pensioners when we have this appointed date and the Minister of National Security made it very clear, a short while ago. When that time comes and we give the country this window of opportunity, 14 days, please go and get your money changed. Do not wait, do not wait, you know how Trinidadians are, and he went on a whole long exercise, telling us, Mr. Vice-President, “Get your house in order”. I just want to ask the Minister of Finance to consider the elderly, the pensioners, and do what is possible to ensure that they do not experience any unnecessary sacrifice, burden or suffering. So I want to ask the hon. Minister to

consider that because I know that is an area that will affect the elderly in a very serious way.

So, with these few words, Mr. Vice-President, I want to thank you for allowing me to speak on this issue and we look forward to the Government clarifying some of these points and we also look forward to a smooth transition from this particular situation, of the old \$100 notes to the new polymer notes. We want it to work, we want the whole process to be successful, and we want, for instance, Mr. Vice-President, that at the end of the day nobody would be disadvantaged, particularly legitimate citizens. I am not talking about criminals; I am not talking about bandits; I am not talking about drug lords. I am talking about legitimate citizens and I want to ensure that these people get justice and fair play at the end of the day. I thank you, Mr. Vice-President. [*Desk thumping*]

Sen. Anthony Vieira: [*Desk thumping*] Thank you. Let me start first of all, through you, Mr. Vice-President, to give a warm welcome to the hon. Minister of Finance. It is always a pleasure when he joins us. [*Crosstalk*] I also want to make two declarations. In his contribution the Minister of National Security addressed many of my initial questions and concerns. I want to acknowledge his good intentions and I also recognize that he comes from a background of very prominent bankers in his family, so he knows his onions. But the Minister will also appreciate that when we press for answers and we interrogate, it is not personal or political, but to clarify things, to put things on record and to make good law. You know, I follow the Clinton philosophy: trust, but verify. And it is through the cut and thrust of these questions that will assure ordinary citizens that we are not sleeping on the job, that we are not just rubber stamps. It is what will give comfort to the population that the laws that are being made here, are being made in a

responsible and good fashion.

My second declaration concerns a warning from my wife. Every time a money Bill comes up, she warns me, she cautions me about speaking on these Bills, because as she rightly points out, I have no head for money, figures and financial details, and I cannot disagree. Never mind that this is the same person who has put me in an awkward position recently of which I shall speak shortly, as it has bearing on the legislation under consideration. [*Laughter and crosstalk*]

So, consistent with the advice of she-who-must-be-obeyed, [*Laughter*] I will not be asserting any positions in my contribution, rather I will content myself with asking questions and making observations. All right, so the point of issue. We were coming back from a trip in Europe at the end of summer this year, and so we had cause to transit through Heathrow Airport in London. So as is customary, one gets up very early in the wee hours of the morning in order to catch the early morning flight to take you on your return journey home. And by the time you get in to Heathrow you are knackered. And when I am in that position I need coffee, like Sen. Deyalsingh.

So my loving and thoughtful wife gives me, and I have permission of the Vice-President to show it, [*Shows money*] this five pound note to get an espresso. The lines are long, people are hustling and when I reached up at the counter and I placed my order the clerk refuses to accept my money. [*Crosstalk*] Yes, very polite, very respectful, but she points out that this is no longer valid currency. Now there I am, I am feeling shamed and embarrassed and I “cyah get meh coffee”, because I have to go back now and get a credit card and go back to the line, right. I felt cheated, because even though it was a note that my wife had kept from our trip to London in 2007, I paid hard earned money for this. I did not get

this for free. I was not trying to swindle anybody. We had gotten that money legitimately. But they moved the goal post when I was not looking. I felt deprived of my property that it had been taken away from me unfairly and unreasonably.

And so, like other Senators and members of civil society, I wonder how this legislation will impact those Trinis and others abroad who keep modest amounts of cash for when they visit, who are passing through Trinidad and Tobago, we will wait to see how they will be dealt with under section 27A and the underbanked.

Now I want to make this point. We have an underbanked sector in this country. There are a lot of people who cannot get access to open bank accounts and even those who have bank accounts are finding that the banks are not interested in dealing with you face to face. They do not encourage you to come into the banks, they want you to do Internet banking, they want you to use their terminals, they want you to—they are pushing all kinds of things, but they are moving away from physical banking. I have a brother who works for Capital One. They have no physical buildings in which they operate, because they say that the overheads are way too high and they employed too much staff. And I think that is a direction in which the banks are moving.

So it is against that background I want to say, we have to consider those who have old notes at home and who may miss the short window of opportunity given to exchange them. We have to consider those who are underbanked. Like the poor, and what about all those Venezuelans and expats who for one reason or another cannot open a bank account. We have already heard about those in the Muslim community who do not have bank accounts because it goes against the principles of the Quran and their injunction, the religious prohibition against the imposition or the use interest. So while I recognize that from a technical point of

view this legislation does not require a three-fifths majority, when you consider the actual impact, is it not unreasonable to question whether or not the effect of this might be to deprive certain persons of their right to property, a right protected under the Constitution? I just pose a question.

Now, I understand the need for demonetization. The importance of tackling the scourges of money laundering, fraud, tax evasion. And I recognize that demonetization has occurred here in Trinidad and Tobago in the past, seamlessly, no problem. In fact, it was not too long ago we took the one cent coin out of circulation. And apart from Colin Lucas whose song “Dollar Wine” now has been affected because one of the compass points for the wining has been taken away. By and large the country has not suffered.

My research reveals that there are numerous advantages to demonetization, including getting fake currency out of circulation, better tax collection, paving the way to digital currency, stopping fraudsters, reducing illegal activities and even controlling inflation. These are all laudable goals and I support them. But I suspect that there is a lot as well going on behind the scenes that are driving this process. We already have on record from the hon. Minister of Finance but he is playing a supportive role on this legislation, and the Minister of National Security has confirmed that this is all driven by national security interest. The very fact that we are called out to debate this on a Saturday at very short notice suggests that there may be a little bit more in the—is it more in the mortar than in the pestle?

Hon. Senator: More in the mortar than the pestle, yeah.

Sen. A. Vieira: Yeah. In any event it is quite clear that this Bill has more to do with crime fighting than monetary and fiscal policy and the usual conservative measured approach that would normally be taken by Central Bank. So we have to

take this legislation on trust. The Minister cannot give us specifics, the Minister cannot say the appointed date or the timing and yet although the Ministry of National Security is driving this process, not Central Bank, when time comes to get the questions we are told well Central Bank is going to be responsible for doing the implementation and all of the follow through. So I feel as though something is eluding me, and as we know the secrecy provisions in the Central Bank Act prevents persons from speaking about or revealing matters relating to the affairs of the bank. So we may never get the full story, the full perspective from Central Bank and what if any advice might have been given to the Government.

And this may be important because in 2016 when India's Prime Minister Modi demonetized all 500 and 1,000 notes which accounted for 86 per cent of the currency in circulation, he failed to heed the Reserve Bank of India's skepticism about the government's claims about demonetization curbing dirty black money and counterfeit currency. He ignored warnings from the bank that there could be a hit on economic growth and the negative impact it might have on people's transaction behaviour. And in the event demonetization did disrupt, it did disrupt life and economic activity in India. And more significantly the policy actually failed to attain any of its stated goals. So there is this Indian case study that we can look at as a precedent even if we may never learn fully from the Minister of National Security or the Central Bank what is really driving, what is the real impetus behind this legislation.

I would still urge government as far as possible assure citizens, they have a right to know, they have an interest in knowing why these measures are being implemented. And that ultimately the inconvenience that we are going to suffer will pale in significance to the benefits we hope to reap. So I echo concerns about

how this may impact as heard by the other Senators and other sectors of the society. And in fact someone sent me a WhatsApp this morning asking me to enquire about the situation of old grannies who would have their savings in their mattresses to pay for home medical care and what, if any provisions were being put in place for them to replace their old money.

A lot of elderly patients are asking this question. And as many of us, if the impact date is imminent can we accept—time will tell I suppose, on whether this is negatively going to impact the Christmas season. A time when merchants are trying to make up as many sales as possible in order just to break even. My hope is that the Central Bank will implement this after Carnival at a time when things are less frantic or hectic in the commercial sector. Now I know Government means well. It has set its sights on tackling serious crime, white collar crime. This is necessary and important legislation. I accept that. But equally necessary and equally important is the need for balance and harmony within our financial sector.

Now permit me to share three cautionary tales impacting on this Bill, but I suppose you could take them as cautionary tale in the broader sense as well. Great plans all well intended that went awry. The first one relates to the ship called the Vasa. Now, visitors to Sweden are taken to this Maritime Museum where to visit this famous ship, the mightiest warship of its time. It had 64 bronze cannons, two gun decks, a 450 man crew, 550 pounds of shot, and when it sailed out on its maiden voyage on the 10th of August, 1628, it did not get far. First little breeze to hit the sails the ship toppled over and it sank. Why? It could not carry the weight of all of us packed in it. The King was determined to assert his powers, his country's powers. He kept interfering with the shipbuilder's plans, he kept fiddling with measurements and demanding modifications and he did not listen to

his advisors. And so the result was an unmitigated disaster.

A second tale. This concerns the Tsar Bell at the Great Bell Tower at the Kremlin. In 1733 the Empress Anna ordered the casting of the world's largest bell. But before its ornamentation was completed a fire broke out and the bell came crashing down. The bell never rang. It did not ring once. And it remained where it fell for over a century. This bell weighed over 445,000 pounds. It was over 20 feet tall; it was 22 feet wide and it had a thickness of 24 inches. A beautiful masterpiece in bronze decorated with images of angels, plants, saints and life size images of the Tsar and the Empress. But all for naught, because the necessary foundations had not been laid. The necessary supporting structures were not in place. I would not like to see demonetization backfire or come crashing down, because, for example, our banks did not have sufficient time to recalibrate their ATMs or their cash dispensing machines. And again the third tale we talked about it earlier. The problems faced by India Prime Minister Modi in November 2016 after his well-intentioned, but ultimately misplaced demonetization efforts failed to deliver as promised.

Now, I have some other concerns before I wrap up. Section 27A. Now, I am wondering, we have heard how this changes the current dynamic, because now the bank will have to act on the directions of the Minister, where as previously the bank made the call, now the Minister can make a call. How does this gel with section 3 of the Central Bank Act, which says that:

“(3) The Bank shall have as its purpose”—blah, blah, blah—

“(a) ...the exclusive right to issue and redeem currency notes and coin in Trinidad and Tobago...”

I think there is a little bit of a inconsistency there and I would not belabour

the point about the practical difficulties where you have both the Minister calling for the redemption of notes on the one hand—I do not want to say trespassing, but not having a parallel ride with the bank to make calls.

Section 55(3)(c) of the proceeds of crime. Now what this says, we are deleting the words “90,000 or such other amount as”. So the section will now read that basically the Minister now will have the right to prescribe the amounts. But it is already in the legislation. The legislation says that the Minister has the power to prescribe other amounts. So why remove the benchmark of the \$90,000. Now we have no benchmark, we have no sort of base line to measure.

At clause 4, I think there is a typo here. It says the financial intelligence unit of Trinidad and Tobago Act is amended. But I do not think that that is correct. I think what we are looking at here is the proceeds of crime, Financial Obligation Regulations, regulation 11(1)(b). Well I looked at the—at least the online version on the updated laws of the Financial Intelligence Unit Act and I did not see that as gelling at all. So that is something we could check. Again, I come back why delete the benchmark of \$90,000. It would have been simpler to just add, or such other amount as the Minister may by order prescribe.

Again, we are hearing about counterfeiting. Have we ever had any convictions or prosecutions for counterfeiting? It seems like we have given up on that. So what we do is that we are now going to just change the currency. I think if we are going to be serious about tackling this type of crime, we need to beef up our enforcement procedures.

Anyway to conclude, time will tell whether this is a good or bad initiative. I am not an economist, I am not versed in monetary and fiscal policy, I am not versed in these kinds of operations, and so I have to accept in good faith that the

Government has as it said thought this thing through fully, not just in terms of its intended objectives but also in terms of treating with unintended consequences. We can only ask questions and make observations and I appreciate the opportunity to have been able to do so. I thank you. [*Desk thumping*]

Sen. Varma Deyalsingh: Thank you, Mr. Vice-President, for allowing me to partake in this Bill:

“An Act to amend the Proceeds of Crime Act, Chap. 11:27 and the Central Bank Act, Chap. 79:02”

Mr. Vice-President, as I come here on a Saturday, you know, I noticed, I heard some hesitancy from I think it was Sen. Saddam Hosein was mentioning the fact that it was a Saturday and then—

Sen. S. Hosein: I said I was happy to be here.

Sen. V. Deyalsingh: Happy to be here. Okay. I thought I got that hesitancy. And then I actually heard Sen. Chote mention that it is unusual that we meet on Saturdays, it is only certain situations that we meet on Saturdays. But I must say, while other Members may be happy to be here, I was a bit sad, I was feeling a bit blue, a bit, you know, to come to discuss these blue notes, I was feeling blue in the sense that—because Chaucer was the one whose head in 1385, I think, in a complaint to Mars he mentioned the word blue and connoted it with, put it together with sadness. I am a bit sad because today was really my shopping day for my children. I was supposed to go there, they had given me a list of things they wanted and the prices. So we had certain video games, certain things and it was really earmarked to do this. And thank God, you know, I would have been able to go and do my shopping with my credit card or my cheque. [*Crosstalk*] Yes, I could have done that.

But you see, Mr. Vice-President, there is a shopping list that certain people will have that they really cannot use credit card or cheque and I was privy to a shopping list and I just wanted to go through this list with you. It is cash only. A handgun, \$9,000; a Glock 17, an AK rifle, \$30,000; a grenade, \$15,000 to \$20,000; one kilo of cocaine, \$26,000. This is a shopping list that people pay cash for in Trinidad and Tobago. These are figures that are out there and I am sure the Minister of National Security knows that. So this shopping list that exists is what I think we have to go after. This shopping list I think, this piece of legislation is trying to starve individuals from being able to pay cash to get these items which cause havoc in our society.

So I would have to commend the Government for bringing legislation which could curb the circulation of cash down there in community, which could actually be used to get these weapons that are in Trinidad and it is cash only. So somehow we have to look at this part of the underground economy, the fact that you know, we have to know what we are up against, we want a safer place and if this legislation will help us get rid of that I would support this.

You see, we have what you call the shadow economy as persons mentioned before, the shadow economy, the harmful effect of it. And I too, Mr. Vice-President, when I was a young doctor, I now came out, I went for a home visit to a home in El Socorro. And it was an elderly lady and I charged 200 for the home visit—I do not know what is the going rate now. And as I went there to see this lady, the house was not in any sort a house that a lot of wealth that you have seen. Small house, not any great sort of furniture, expensive things, and what I was shocked as the grandson came and opened her cupboard and gave him my \$200, but in that cupboard there were stacks of \$100 bills.

So what I am saying that was a shock to me to know what was going on and I realized that, he is deceased now, the guy, so obviously when you look at that stack and you look at what was going on there, things occur out there that we have to be aware of and we have to learn how to curb these things. And I just wanted to quote something because looking at the shadow economies, looking at the hidden economy, looking at the economy that exists out there with that cash flow that a lot of illicit games, I want to just quote the IMF Working Paper 2017. And it is an article: “Shadow Economies Around the World: What Did We Learn...” And the authors are Leandro Medina and Friedrich Schneider. And from this paper we learned that there are what you call shadow underground economies. And the whole gist of it is really, they say that it is really avoidance for paying taxes and social security combinations, for avoiding government bureaucracy, burden, regulatory framework, hiding money and what they said the largest shadow economy existed in Zimbabwe, 60.6 per cent; and Bolivia, 62.3 per cent of GDP. The smallest shadow economy was Austria, 8.9 per cent; and Switzerland, 7.2 per cent.

Trinidad average GDP accounted for by our shadow economy according to this in between 1991 and 2015 was 34.37 per cent. So therefore this continues that the disadvantage of the underground economy, losses to legitimate industries who cannot compete with lower cost of illegal operations and not counted in government stats as a result. They say the country may underestimate their GDP. So there is a list of things where they called the shadow, the black economy. I think the Minister of Finance even—somehow I got the hesitancy he did not want to say it was black money, or white money, but I think the dirty money. [*Crosstalk*] Yes. So some people used different connotation. But whatever it is the money is

dirty money and my problem is this.

I also heard the Minister of National Security mention that if we could somehow with this action that is going on now, if this will allow that money to come back into the mainstream economy it will stimulate the economy. But that is dirty money, that is money got from human trafficking, a 15 year old on drugs, I do not care for that money to come back into our economy, I rather that money go like dead money. Those individuals who used it, who have that hidden, who have that buried, that money should just go, disappear, loss of profit to them. I do not care for that to really come back into our economy.

And you see persons have had money buried. I remember there was a video, Mr. Vice-President, a video where it showed—I think the name of the video really was, it was a video on the “Life of Dole Chadee” and it is on YouTube. And if you look at that video they actually showed you the whole history and after he was in prison and he was executed, they actually dug up crocus bags filled with money in his property in Piparo. And you see, so those are things we know exist and these are things we have to try to stop.

So let us say an individual like that Nankissoo Boodram was his name, had this money there, he would have had now to somehow hurriedly try to get that money back into the mainstream. And this is where I think we could use this haste, because I looked at the haste and people mentioned what is the haste, the 14 days. But you see the haste I looked at, is if we really took time to announce this we may not have had the effect. Right now we have people out there might be nervous, might be in a situation, how are we going to get that money. And I am thinking, how they are going to get that money into the mainstream. And I am thinking, the haste, people may have objected to it, I found it was bit fast, I find it

was a bit unfair to certain people, but I understand what the Government may be trying to do. You see, it comes like you are fighting this industry; you are fighting a war against criminal; you are fighting a war against people who are bringing in these things and it come like—it reminds me of a show that I saw, *The Empire Strikes Back*. So we have to strike back as quickly as possible, as fast as possible and when the needs be, fight back in such a way that we can actually use the essence of time where you will destabilize the other side.

So, all well and good be it that way, I think the Government has already pushed its hands there in that position and they cannot withdraw it. They have to go towards that 14 days else they would lose the benefit that they would have acquired.

5.55 p.m.

So, Mr. Vice-President, drugs, guns, human trafficking, all this has actually eaten away at the social fabric of our society and this Bill, I think, seeks to try to see if we can get certain people out of the woodwork. But getting them out of the woodwork is just one thing, because, as Sen. Teemal said, the situation may become the norm next few months, next few years where they just exchange the paper, the cotton, for the polymer. So the same individuals, unless we catch them now, trying to get that money into circulation, unless we have that effort that we could monitor them and actually red flag them, I think the situation will be an exchange and we would be back into the similar situation where polymer will exist. And if I am hiding money in a crocus bag, fungus, mould, could get it. Polymer, Mr. Vice-President, could last longer. So let us say, next three years people decide to bury crocus bags of the new note, they can bury it for a longer period, [*Laughter*] and it will be safe; no sort of chance of deteriorating. So we are

giving them a banknote that they could—

Sen. Vieira: Real underground money.

Sen. V. Deyalsingh: Yes, real underground money that could be deteriorating. And, you see, Mr. Vice-President, we were just from the United Nations parliamentary committee where we met for the last two days, where we looked at the United Nations specific developmental goals and in that, I think the hon. Speaker of the House actually tried to get a declaration and a commitment from members and different parliamentarians to see if we can adopt strategies to help the 17 goals, and one of it really was pollution and waste and whatnot. And then I wanted to know, is the polymer bill a more environmental friendly bill than the paper bill? Because we made a declaration, and as parliamentarians we actually made a commitment that we would go towards that. So I am wondering if there was any sort of consultation, looking at this Bill to see, would it be more friendly to the environment, as we were trying to do?

By then I looked at an article by Cristina Matamoros on 16th of the 5th, 2018: “Plastic vs paper: which banknotes are greener?” And I must say, this article, they actually compared it and in this article they found that:

“Polymer banknotes, which are made from plastic, were first introduced in Australia in 1988 and are now used in more than 30 countries.”

And they said:

“But if the new polymer banknotes are made from plastic, aren't they not more harmful to the environment than paper ones?”

So that was a topic of debate that came in. Are we putting in plastic which would be more harmful to the environment? But, Mr. Vice-President, looking at this aspect of the banknotes, I mean, it has already been introduced to us with the \$50

banknote that we had in the last governor of the Central Bank launching that banknote. And I am thinking, when I compare this note to that note, I must say, I was a little disappointed. Because, you see, the \$50 note—I “doh” know if many people know about it—we won a prize for that, you know. We actually had a prize where they looked at the—in 2014, they looked at notes all over the world and the newest note that was launched, they found that the Jwala note was actually a beautiful piece of art. [*Desk thumping*] And it is just my opinion, when I compare the two notes I find the new one is a little plain. It is lacking in that artistic comparison. It is just my artistic point of view. And even when that note— [*Crosstalk*] A pretty note. But even when that \$50 bill came, there was a lot of conspiracy theories, you know. Yes. People looked at the face of the lady there and said it was a devil and a she-devil and it caused a lot of theories there. I must say, Mr. Vice-President, something as a banknote would have caused all that problems then.

But I just wanted to draw one reference, Mr. Vice-President. We know the Muslim community, certain people there actually said it is haram. You know, they do not like to put money into banks. So there is some religious—

Sen. Vieira: Tradition.

Sen. V. Deyalsingh: Yes. You know, already a little dispute. They do not like that. But there is the Muslim Credit Union which exists, so there are avenues. But, do you know, Mr. Vice-President—and I want, just to let the other side know just to prepare them, that in this same article I quoted, “Plastics vs paper” by Cristina Matamoros, they actually had a dispute where vegans:

“After discovering animal fat in the new polymer banknotes...religious groups complained to the Bank of England that they...”—did not want to

use that money.

So they say it was not vegan-friendly.

So what I am saying, you may have disputes from different organizations, from different people and you may have to be prepared on the other side if somebody asks: “Does this banknote contain animal fat?” And you may have to—I do not know if any vegan group here will make some objection. This happened in the UK. So I am just preparing you just in case, because it seems that anything happens. People will make objections. So it is there. It happened in the UK.

So going on, Mr. Vice-President, I would like to say that there are advantages to the polymer note and it is here, and I am saying the use of it, the replacement of it, I see the need. Now, I would like to just mention something. The Minister of National Security said “cash is king”. He said there is a haste in actually bringing this Bill and I am saying—Members had mentioned that certain people will be left out, certain people will be left in the cold, certain people like pensioners, persons who will keep their money under their mattress. I have patients who are hoarders. I had a patient recently, when their father died and they were cleaning the house, they found a whole stack of money in that house. We have to be prepared for that.

And I am saying that somehow, even though it is a cut-off period, I am thinking the Central Bank should still have a mechanism in place on a case-by-case basis if persons come to them after, not with a whole set of money—because the whole idea of this is to prevent people from coming in with a large sum of money—but if on a case-by-case basis the Central Bank could have a department. Because I know if you have a Central Bank cheque and it is expired, you can still go into the Central Bank and they will look at it and reissue one. In a similar way, I

am thinking we should have that mechanism still open whereby if someone finds his money from his father's house, or some persons may be cleaning up and find money elsewhere—

Mr. Vice-President, I was cleaning my house about a month ago and in a shoe, I found \$1,200.

Hon. Senators: Ohhhhhh!

Sen. V. Deyalsingh: I “doh” know. I mean, I was lucky. It was money I did not know—but I had stacked that away to pay a contractor. So I am saying—
[*Crosstalk*] No, no, it was in a cupboard. So I am saying, this piece of legislation is forcing me now to clean my house from top to bottom to make sure I have no excess money hanging around. So what I am saying is, if perchance someone finds a small amount of money, I am still thinking, allow them to go to the Central Bank, explain themselves and at least not—and, you see, the Central Bank will be the body that will see it is not a pattern. It is not like somebody going to the bank and— a whole “set ah” money. So still have that level there available for persons to come in.

Mr. Vice-President, there is also the fact that we have to understand that certain banks may have certain customers and if they are trying to put in that money quickly, they may accommodate them also. So we have to know that if we really want to catch certain individuals, we may have to look at the banking industry also and see how, you know, they look at their customers and see who is bringing in money more than \$90,000.

And I remember when Ms. Allyson West was appointed in this Senate, people out there in the business community said: “This lady will look at all our laws and no businessmen could hide money and sneak money, because she knows

from the private aspect how we people will want to hide money.” So, as I say, you are there. People praise you. And I think the fact that you are there from the private industry, coming in, I think, you know, when we have thinkers like that, at least it is a way to look at following the money, a way of looking at how persons may want to hide their money; businessmen may want to launder their money. So at least the fact is, this present legislation also follows along that track. We hit hard—*The Empire Strikes Back*. We get at those individuals and we cause that disarray.

But one aspect I might want to say, Mr. Vice-President, is the fact that when we are looking at the aspect of being able to look at the \$90,000, you know, they are giving that power to the Minister now to say that, you know, the \$90,000, he can change it on a whim and fancy. So this is something I looked at. Why would the Government want to look at that \$90,000? And why would they want to have that changed? And I suspect, probably, another attack could be, if tomorrow the Government decides, “Listen, well next week we are lowering it from \$90,000 to \$50,000”, they may be able to widen their net to catch persons coming in now and you know, so at least we got people with their pants down. Now we are going to catch them a little easier.

So this may be a means where the Government may not raise the limit from \$90,000 onward, but could lower it on a temporary basis where you could see, if people are rushing to get their money in, you can probably get them in, you know, if you lower it to \$50,000, get those people coming in; watch them and then afterwards if you want, you can raise it back. So this may be—I am speculating, Mr. Vice-President, that this may be another aspect where, you know, the Government may decide, “Let us see if we can look at that \$90,000 and play around with it to see if we can widen that net”.

So, Mr. Vice-President, as I looked at the demonetization in different countries, I want to quote the *Asian Journal of Economics, Business and Accounting*, and in this article—it was the 12th of the 2nd, 2019. They looked at demonetization in India, and evaluation. It is by authors Rasel and Sajjad Hosain. And quite frankly, this article, even though people spoke about what happened in India and the ill-effects of what happened in India, it did speak to the effect that other countries had the same concept, and they listed— Germany did it in 1923 to prevent inflation and inflation fell. The USA did it in 1969 to resist black money and they were successful. And this is what I am thinking. We have to look at the success stories of the other countries and see how, you know, not just the negative, but the success stories to see, “Hey, this may be able to help us.”

They also looked at the UK in 1971 and the UK did it to bring uniformity in currency and it was again successful in the UK. In Ghana, they actually had it to control the black money and in different countries—they mentioned a few countries here that tried this. And I am saying, we had success in certain countries and I am thinking we have to look at the success stories and see how it could apply to us. Because in our situation, in our country, we realize with the geographical location and the fact that we are a transshipment zone for drugs and other ill-effects, we have to realize that, I think, this might be something that is needed here at this stage.

So, Mr. Vice-President, I am saying, soon I am hoping the old money in crocus bags may be a thing of the past. I am hoping that—

Sen. Vieira: It is going to be an increase. The money will last longer.

Sen. V. Deyalsingh: It will last longer, but you see, I looked at the situation. Let us say those so-called “illicit gains businessmen”, I want to say, would now be able

to hide their money in the next three years, we cannot go every three years and change the currency. You understand? We cannot change the currency every three years, because, I mean, it would be defeating the purpose. So this is the time now to put things in place to earmark them, to red-flag them, and this is why there has to be a sort of an effect between the Commissioner of Police, National Security, to look at these individuals who are rushing; develop systems in place where you could really, really target them. Because we will miss the boat and as I am saying, I think this will return to the same situation in the next few years.

So, Mr. Vice-President, there is not much I want to say again and I hope that, you know, we can look at this piece of legislation; do what we have to do, but still, please consider the fact of those individuals who may be left out. And I think the Minister has the authority to look at those individuals. But I am saying, do not make it three months. Make it longer. Somebody could find something in their home that their father left years ago that is there. Somebody could, you know, have little pieces of cash. And as Sen. Vieira said, the £5 is our money. It is hard-earned money. So if I happen to look in my study and I find a \$200, I would still like to say I could go to the Central Bank and say, “Listen, I do not have a pattern of getting a whole set of money, but I found \$200. Still allow me to be able to change that money.” It may be there, you know, and I forgot about it. There may have patients with Alzheimer’s who may just do not even know they have it there. So still have that accommodation, once it is not a lot of money. Once, you know, you give a fair explanation to the Central Bank. I am saying do not have a cut-off point of three months. Let it be there for small amounts that you can explain. Thank you, Mr. Vice-President. [*Desk thumping*]

Mr. Vice-President: Leader of Government Business. [*Desk thumping*]

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Thank you very much, Mr. Vice-President, and let me start off by thanking my colleagues in this House for the second time in my time, and many of our times, for some of you, the first time, for coming out on a matter of significance, a critical matter for the country, and the legislation before you sets out what we intend to do as the Government. We have had a lot of issues raised, some of which I will address and some of which we will address in the winding up.

I want to say right away that we anticipated that somebody would raise the constitutional issue, and, of course, Sen. Vieira did, and it took me right back to 2009 and the Canadian jurisdiction with a similar charter to our Constitution has always—the Supreme Court in Canada has always strongly defended, among the fundamental rights, that right to freedom of religion. It is one of the most defended. In fact, it is the defence of that right that led, for example, to the Sikhs being able to forego the turban and not wear helmets on motorcycles. It led to the same scenario of the Sikhs being able to wear the turban in the RCMP, and some far-reaching decisions of the Supreme Court in relation to freedom of religion.

But in 2009, the Supreme Court was confronted with striking the balance between freedom of religion and this issue of public safety. By 2009, of course, we had come out of 9/11 and we had come out of the series of events relating to international terrorism, and Canada, like many jurisdictions, had been on heightened alert in terms of national security. And out of that requirement to improve national security and, in particular, to deal with the issue of identity theft, the Province of Alberta made it mandatory for photographs to be on drivers' licenses. Now, for us in Trinidad and Tobago, that is nothing strange. We are required to have our photographs on drivers' licenses, as well as other forms of

identification. But in Alberta, where you have a very significant section of the population called the Hutterites or the Hutterian Brethren of Wilson Colony, their religion does not allow them to be photographed.

So when the Province of Alberta introduced the requirement that drivers' licences must bear the photograph of the individual, the holder, it became a constitutional issue. Of course, it just so happened that the Hutterites are also a significant farming community and they own a lot of vehicles, many of which have to be on the road for the purposes of agriculture. So this driver's license was critical to the conduct of their trade as farmers, but also absolutely necessary to be on the road, and now the requirement was that the drivers' licences bear photographs.

And in 2009, in the decision of *Alberta v the Hutterian Brethren of Wilson Colony*—and the citation is 2009, 2 SCR 567—the Supreme Court of Canada struck the balance between the requirements for national security and public safety and this fundamental right to freedom of religion, and held that—in this case as we often do when we apply *Suratt* in Trinidad and Tobago—held the view that one:

The requirement for photo licenses was justified. It was reasonable. In this case, it was a fair prescription in law, and fourthly, it was linked to a requirement that individuals—there is an ability to identify an individual based on some unique identifier in relation to identity theft.

So I say that to say that the right to property is, of course, a fundamental right in Trinidad and Tobago in our Constitution, but as with all the fundamental rights, it is not an absolute right. It is a right that can be—the individual could be deprived of, pursuant to the law through due process. And we believe that while what we are doing is being done in a very tight timeline, we recognize that it would

bring a tremendous change in the way people currently conduct their business. It would put pressure in the banks to make the change in the time required to do so.

We believe that for the reasons outlined by the Minister of Finance, the Minister of National Security, in support of the Bill, that this is something that is justified; it is reasonable; it is required in dealing with this issue of money laundering; the proliferation of cash in criminal activity; the likelihood that criminals and other persons whose intentions are not necessarily in the best interest of the society, holding significant amounts of cash and that cash is used to encourage criminal activity, perpetuate criminal activity, but it also represents a symbol to those who some people wish to attract into a life of crime.

And it is not difficult to find justification in relation to this issue of money laundering. In several debates I have resorted the FIU reports and in particular, the one for the period 2017 to 2018. And in the last report that has been published the data demonstrates that from 2013 to 2018 the reports, the STRs and SARs, in relation to suspicious transactions and suspicious activity, doubled between 2013 and 2018, from 554 in 2013 to 1,100 in 2018. And that demonstrates two things. One is a higher level of reporting, but most likely also a higher level of suspicious activities, and the second important piece of information in the 2018 report is one that startled a lot of us, and that is that the value of the 1,100 reports, STRs and SARs, was \$22billion. And a lot of us were startled, just as Sen. Teemal was just startled there—\$22 billion in SARs and STRs. That is transactions which were actually completed in the financial systems and transactions which were stopped before they were completed.

And just to explain, that sometimes for the purpose of law enforcement being able to do what they have to do, the transactions are flagged and allowed to

go through all the way to the end, and in some cases the banking system would block the transactions from ever proceeding. And in that \$22 billion for the period October 2017 to 2018, \$722 million were actually transactions in the banking system which went through. The bulk of it, of course, were transactions which were blocked. And a figure that we do not pay a lot of attention to, \$142 million worth of transactions were actually related to attorneys-at-law, and that is in the FIU report of 2018. The report also flagged an increase. And I remember in a previous debate tracking the movement of financing of terrorism (FT) and the exponential increase, and I said one day we would be in one of these Houses talking about how financing of terrorism has overtaken money laundering in relation to tainted cash in the local banking system.

So when we talk about having to deal with money laundering as one element of dealing with crime in the country, and having to deal with what the FIU tells us, it becomes very critical that we tackle this cash, because it is cash that fuels the crime and crime fuels the flow of cash. I know that Sen. Hosein talked about the power of the Minister, and whether we were compromising. Two Senators, Sen. Hosein and Sen. Vieira, alluded to the interference with the independence of the Central Bank through the creation. I think it was Sen. Vieira who talked about a parallel situation of the Central Bank being able to withdraw from the—or demonetize—and a parallel system of the Minister of Finance having the power to give the directive. And it is not unusual. In fact, the structure of the Central Bank legislation, throughout the legislation you see the legislation recognizing that the management of the monetary flow in the country requires an interplay between the Central Bank and the Minister of Finance, and you would see throughout, “approval” or “consultation”, the words used to demonstrate or to create that

relationship between the Minister and the Central Bank.

But more importantly, this is obviously meant to give the Minister the power to intervene in cases where it becomes very urgent, and in many cases that information will come via the Ministry of National Security or the Minister of National Security, or through some agency of law enforcement. And it is not a power that a Minister of Finance will use—you know, somebody used the expression—willy-nilly. It would be a power that would be grounded in some urgency in order to intervene in relation to the notes which are in circulation and the need to make changes in the flow of those notes.

And, of course, in section 26 it is an involvement that already exists in the law where the Minister of Finance is the one who makes the determination, or gives the approval in relation to notes and coins and the denomination and the designs, and so on, that are in circulation. So we do not believe that it is something that is unusual. We believe that it is something that forms part of the current construct of the Central Bank legislation and we believe that in the particular case in which it is intended to apply, that the Minister should be given the power to act where there is urgency.

I take note of Sen. Teemal's contribution in relation to the hoarding of cash, but also the reference to jewellery, cars and business, and I make the point that the FIU already has regulations which govern jewellery, cars, car rentals, automotive dealerships, and so on, and if you go to the reports of the FIU, you would see the extent to which some of the SARs and STRs also have been in relations to those forms of businesses.

You make the point, too, that the big players most likely conduct criminal activity in US dollars. We also recognize that, but as the Minister of National

Security said, some of the trading across borders in relation to illegal activity would be conducted in foreign currency. But definitely, what happens in the local environment and what gives rise to somebody, or groups of people trying to deal with \$22 billion in tainted transactions, a substantial amount of that would be done in TT currency. And when you go to the FIU Report of 2018, you see that it is a small amount of transactions that are actually intercepted and stopped, or allowed to go through for law enforcement purposes—a small amount is done in US transactions and the bulk of what is happening in our local economy and reported to the FIU is really denominated in TT currency.

6.25 p.m.

So I thank you very much for your contributions. I thank you for all the suggestions that you have given. The Government recognizes we have brought you out on a Saturday, brought ourselves out on a Saturday, largely to deal with something that is critical, something that is urgent, something that is in the best interest of the economy, and something that, most importantly, is going to be an important part of what national security does in relation to this matter of money laundering. I thank you very much. [*Desk thumping*]

Mr. Vice-President: The Minister of Finance.

The Minister of Finance (Hon. Colm Imbert): Thank you, Mr. Vice-President. Let me try my best to address a number of issues that have been raised by hon. Senators opposite. Let me deal first with a matter raised by Sen. Thompson-Ahye with respect to what appeared to be an apparent typographical error in clause 4 of the Bill—sorry, in clause 3 of the Bill, where the hon. Senator indicated that by removing the words:

“...‘is ninety thousand dollars or such other amount as’.”

It—I am paraphrasing here—damaged the grammar to the extent that it cannot be read properly. I am subject to correction if that is not what was said.

Now, what I did was I went to the Proceeds of Crime Act myself, I found section 55(3C), I deleted the words:

“...is ninety thousand dollars or such other amount...”— is—

And this is what remains—

Sen. Thompson-Ahye: “As”.

Hon. C. Imbert: “As”, sorry.

“...is ninety thousand dollars or such other amount as...”

I took them out and the words that remain will be as follows:

“large transaction” means a transaction, the value of which the Minister may by Order prescribe.

So it seems it is okay. The “as”, the “is” and the “as”—

Sen. Thompson-Ahye: May I?

Hon. C. Imbert: Sure. Sure, sure. Certainly.

Sen. Thompson-Ahye: I did send a note to the head of CPC that it was not the wording, but the punctuation.

Hon. C. Imbert: Punctuation?

Sen. Thompson-Ahye: Yes. So that what I was advising is after “transaction” we had a “, the value of which the Minister, may by Order prescribe”, and the same thing if you look at 27A(6), you have “with the approval of the Minister,” enclosed, and when you have it in (7), “with the approval of the Minister” is not similarly enclosed. I sent a note to him so I guess that at the end of it—

Hon. C. Imbert: Well, I did not get the memo. [*Laughter*]

Sen. Thompson-Ahye: Sorry.

Hon. C. Imbert: So that it reads as follows—that unfortunately was not passed on to me—but it reads as follows:

“large transaction” means a transaction, the value of which the Minister may by Order prescribe.

Yes, there are some commas that could have been there, but I do not think it changes—[*Interruption*] I will have to ask for protection, you know. I will have to ask for protection. [*Laughter*] I do not think it changes the meaning of the clause. Okay.

Now, let me deal with something now that Sen. Vieira raised, and I want to thank Sen. Vieira. You really assisted us in this House today. Unfortunately, through some administrative error which befuddles me—I do not understand it, but these things happen—apparently the file copy of the Bill that was presented to the hon. Vice-President and to hon. Senators, has wrong words in it in clause 4, and the Bill that we debated last night, fortunately when I was packing up my papers last night I put away a copy of the Bill that we debated last night, and I fortunately brought my bag with me, and it fortunately is still there and it reads as follows:

“The Financial Obligations Regulations...”

As you absolutely correctly said, for some reason I do not know why the wrong version was circulated. I asked them for proof—being a kind of methodical person, I asked the Senate to provide proof of what is the real version of the Bill and they have brought it for me and it does say Financial Obligations Regulations. So that resolves that issue. This is in clause 4, hon. Senators. It should not read as is in the version that some of you have, you may all have—

Sen. Thompson-Ahye: All have.

Hon. C. Imbert: Well, I cannot say. I am a guest here so I cannot say. But in the

version that you have, clause 4 would read as follows:

The Financial Intelligence Unit of Trinidad and Tobago Act is amended in Regulation 11...

That is not the Bill that we debated and passed in the House last night. The one we debated and passed had this in it, instead of in clause 4 “the Financial Intelligence Unit of Trinidad and Tobago Act is amended”, it had these words:

“The Financial Obligations Regulations are amended”.

So I want—

Sen. Baptiste-Primus: Financial obligations.

Hon. C. Imbert: “Financial Obligations Regulations” should replace the words “Financial Intelligence Unit of Trinidad and Tobago Act”.

Sen. Baptiste-Primus: You are just replacing “Intelligence Unit”?

Hon. C. Imbert: “—of Trinidad and Tobago Act.” Okay? And if you go to those Regulations you will see what regulation 11 says because it is extremely relevant that when you go to the Financial Obligations Regulations it deals with the one-off transaction. Let me read it for you.

“Where a financial institution or listed business undertakes a financial transaction—

(a) pursuant to an agreement to form a business relationship;”—or

“(b) as a one-off or occasional transaction of ninety-thousand dollars or more;”

And that is the one that is going to be amended because there was no power of the Minister in those Financial Obligations Regulations to change the amount. It was just a flat amount. So that, whereas in other aspects of related legislation, the Minister does have the power to prescribe the amount, in this particular Financial

Obligations Regulation, it was just a straight amount of 90. So that is now going to be deleted and replaced by the amount prescribed by the Minister under section 55(3C) of the Act, and that is the same section that we just discussed which would read as follows:

“large transaction” means a transaction, the value of which the Minister may by Order prescribe.

So what it means now is that a large transaction is no longer a flat sum of \$90,000. It is now “a transaction, the value of which the Minister may by Order prescribe”. Okay? So I regret that that occurred, but I am glad we found it. If Sen. Vieira had not raised it, we might have made a little mistake here this evening and we have caused a problem.

Sen. Baptiste-Primus: You would have to come back.

Hon. C. Imbert: No, we would not have to come back. I just want to make it clear, we—*[Interruption]* You see, that is the point I was making. Some persons may have had the wrong version—*[Interruption]* The one that was emailed.

Mr. Vice-President: If you would like him to give way, you ask him to give way and then he would either oblige or not oblige.

Hon. C. Imbert: I did not see him.

Mr. Vice-President: “Huh?”

Hon. C. Imbert: I did not see him.

Mr. Vice-President: I know, I know, I know. I am just advising her.

Sen. Thompson-Ahye: This is confusion. Apparently some people have the correct one and some do not. Sen. Remy has a different Bill from the one I have. So that people have to really check and see what they have to know what you are correcting.

Hon. C. Imbert: Thank you very much, Sen. Ahye, that is the point I was making. Some Members of the Opposition so want to tell me that I am wrong, that when I said “some”, I think I was correct. So some have the right version, some have the wrong version, but anyway, the point is the correct version is clause 4:

“The Financial Obligations Regulations are amended—

(a) in regulation 11(1)-”

Let us move along now. [*Crosstalk*] I want to refer Members—all right. I see you all are ready to go, so am I. Some Members raised matters of law and constitutionality, and legitimate expectation, and the right to property. These are very important issues and they were looked at in detail in India when they demonetized and, in fact, there were several challenges in the Supreme Court, High Court, et cetera, but by and large the courts in India did not interfere with a policy decision of the Government. So that even though this thing was tested in the courts in India, the view was that the court should not interfere in a policy decision.

However, what we have done, looking at the case law and the type of challenges that came in terms of constitutional challenges, and the right to property, what we had done is we included important safeguards in this legislation, and I will tell you what these important safeguards are and that will clear up something that Sen. Mark brought up, and also others Senators brought up these issues as to, if somebody has the old bills and for one reason or another the bank does not accept them, what are they supposed to do because it is their property, and Sen. Vieira also showed his old banknote. I have known Sen. Vieira for a long time and this is a strange coincidence. I had the same experience myself where I had one of these old banknotes in England and I went to buy a train ticket and it would not accept it, and this was just a couple of years after I had gotten the

banknote. So it seems that the English changeover was done very, very quietly. A lot of people did not know and I am sure there are a lot of people that still have the old English banknotes.

Sen. Thompson-Ahye: Not England tender?

Hon. C. Imbert: No, they did an English banknote. Mr. Vice-President, through you, English banknotes issued about 10 years ago that are no longer legal tender, believe it or not.

Sen. Thompson-Ahye: No?

Hon. C. Imbert: Yes, Sen. Ahye. So if you have some old English pounds that you got 10 or 15 years ago—

Sen. Baptiste-Primus: Frame them.

Hon. C. Imbert: No, no. No, no, there is a silver lining. So when I was confronted with this problem in the United Kingdom as what am I supposed to do with these banknotes that I bought them legitimately through a bank and I went to England and I cannot use them, what am I supposed to do with this? You can redeem them at a commercial bank in the United Kingdom. Even though many years have still elapsed, you can still redeem those old banknotes in a commercial bank in England. What you cannot do is use them for legal tender to purchase goods and services.

Sen. Thompson-Ahye: What about Australian dollars from 1993? [*Laughter*]

Hon. C. Imbert: Mr. Vice-President, I have been to Australia twice. I did go in 1995, so I might have some of the Australian dollars that the hon. Senator is speaking about. I may very well have Australian dollars that I cannot use, who knows. I am afraid, Sen. Ahye, I simply researched the English problem when Sen. Vieira brought it up. I have not looked into Australia, but I am just saying,

Sen. Vieira, you can exchange those notes in a bank, but you cannot use it—and I believe the post office as well—to buy something in a store. So that I understand all of the issues and problems that have arisen with that.

Now, let me move on as well—and actually there is an article, I will just refer it to you. The newspaper is sometimes accused of being a tabloid. For those of us who have been to England, you may have heard about the *Sun*.

Sen. Baptiste-Primus: Not the rising sun. [*Laughter*]

Sen. S. Hosein: You will get the *Sunshine*.

Hon. C. Imbert: I see Members really want to go home, but there is a newspaper in England call the *Sun* and there is a particular article, and the question was asked: what happens to that old £10 note; when did the old £10 note expire; can you still use them; and how do you exchange them now that they have been discontinued? And this is an article from the 4th of April, 2018, in the *Sun* newspaper in United Kingdom. You can Google it, and it tells you exactly what to do with those old UK pound notes.

But coming back to the point I was making about constitutional arguments, and the right to property, and legitimate expectations, and so on, to answer a question raised by Sen. Mark, who really must be under the influence of the flu virus as he made a good point. [*Laughter*] Clause 2, the new 7A(3), it is an absolute provision. This is what it says:

“The Bank shall redeem at face value any specified notes which are presented for redemption prior to the appointed date.”

Now, this bank is not a commercial bank. This is the Central Bank. So where the work “Bank” is used in capital letters in this Bill, it means the Central Bank. What it means is that if you go to a commercial bank and they will not accept your

money because maybe they have suspicions as to the origin, you can go to the Central Bank and this compels the Central Bank to exchange the old notes for new notes—okay?—so that you do not lose your property. What you might lose is your privacy because you might have to explain where you got all this money from. But I mean, at least this is an important safeguard that has been put into the legislation to make it crystal clear that anybody that presents one of these old paper notes to the Central Bank, the bank must redeem them and give them the new polymer note. Okay?

The other safeguards that we have in here are the ability to extend the time and that is in 27A(5):

“The Minister may by Order extend the date or period in subsections (1) and (4) in any case or class of cases where he considers it appropriate to do so.”

And those periods are the date of cancellation. That is in subsection (1). So the Minister may extend the date of cancellation and the Minister may also extend what I would refer to as the grace period that is created by new section 27A(4) of the Bill.

Let me see if there are any other issues that I need to address. What I would ask hon. Members to do in their space time is go to the Financial Intelligence Unit website and look for Guidance Note on Suspicious Transaction/Activity Reporting Standards, and that is a document that was updated not too long ago, September 2019. You will find it on the FIU website and that gives guidelines on how to identify a suspicious transaction. While I am not sure that I entirely agree with what Sen. Obika was saying, that someone might come with \$2,000/\$3,000 and the bank teller might say well, this person is looking suspicious and make a note—I am not sure that happens—but there are guidelines here as to what is a suspicious

transaction, and there are quite a few parameters and criteria in terms of what is a suspicious transaction, how to identify a suspicious transaction, a suspicious activity, and they identify all the red flags. There is a particular section on financing of terrorism but I will move on from that to red flags pointing to money laundering and I will just give some examples. The FIU guidance to the commercial banks, this is a red flag:

“(a) The client cannot provide satisfactory evidence of identity.”

So the person comes into the bank with cash but cannot produce a driver's permit, an ID card, a passport or anything like that. So they cannot properly identify themselves. That is a red flag.

“(b) Situations where it is very difficult to verify customer information.”

The customer may give information that does not make any sense.

“(c) Situations where the source of funds cannot be easily verified.”

The person says well, I earned this from pumpkin and bhagi, and it might be difficult—or I am a fisherman—because the pumpkin and the bhagi might have been sold and eaten and the fish might have been caught and so on.

Sen. Baptiste-Primus: Pholourie. Selling pholourie.

Hon. C. Imbert: I do not need any assistance. [*Laughter*]

“(d) Transactions...in which the parties are non-residents and their only purpose”—I will have to ask for protection—“is a capital investment (they are not interested in living at the property they are buying).

(e) Frequent change of ownership of same property in unusually short time periods with no apparent business, economic or other legitimate reason... between related persons.

(f) Client wants to re-sell Property shortly after purchase at a significantly

differently purchase price, without corresponding changes in market values in the same area.

- (g) Client wishes to form or purchase a company whose corporate objective is irrelevant to the client's normal professional activities...
- (h) The client sets up shell companies with nominee shareholders and/or directors.
- (i) Client repeatedly changes Attorneys within a short period of time....
- (j) Client purchases property in names of other persons or uses different names on offers to purchase...
- (k) Client deposits a large amounts of cash...to make payments...outside of the client's profile.
- (l) Client negotiates a purchase but wants to record a lower value on documents paying the difference 'under the table'....
- (m) Client's documents such as identification, statement of income or employment details are provided by an intermediary..."

In other words, the person is not producing their identification documents themselves. Somebody else is saying these are the person's documents.

- “(o) Transaction involves legal entities and there is no relationship seen between the transaction and the business activity of the buying company...
- (p) Client requests the firm to act as his agent in obtaining sum bankers' drafts, cashiers' cheques any other cash equivalent or near cash monetary instruments or in making wire transfers to and from other banks or financial institutions..."—That is called anonymity.
- (q) Divergence from the type, volume or frequency of transactions expected

in the course of the business relationship.”

So just some examples of what the FIU considers to be money laundering and these are the red flags that this is the guidance they give to the commercial banks to the control units in the commercial banks. But however, in this Bill we have made it crystal clear that the Central Bank must accept and redeem the notes.

Now, let me to go to another point as to whether this is all unusual. Section 27 remains. In other words, the power of the Central Bank to demonetize remains unfettered. What we have added is a power of the Minister to intervene, and really it should be evident that in a case like this, which is driven by national security considerations, the bank cannot be expected to be the repository of national security information. I am talking about the Central Bank. The Central Bank may have knowledge of counterfeiting, it may have knowledge of suspicious transactions, but it would not have in-depth knowledge of things like drug trafficking and so on. National security will have.

So this is why in addition to the normal power to demonetize which is the purview of the bank, and they may wish to demonetize for all sorts of reasons such as they want to change from paper to polymer. Polymer lasts longer. It costs more, but when you do a life cycle costing it may end up costing less in the long run. You have to replace the paper bill every two or three years, the polymer bill is seven/eight years. So you have a higher capital investment but you do not have to replace it as often. So the Central Bank can make a commercial decision that, look, I want to go to a polymer because in the long run it will cost me less, or they may decide to do it for reasons of avoiding counterfeiting. It is much more difficult to forge a polymer bill than a paper bill.

So those are all what I will call technical considerations which will flow

from the Central Bank, but you may have a security implication, security initiative that the bank would not be reasonably expected—sure, Sen. Vieira.

Sen. Vieira: Thank you, hon Minister. I understand the thinking, it is just that the section speaks in addition to the powers of the bank under section 27. So you have confined yourself to 27, but I am pointing out that when it comes to the redemption of banknotes, 36(a), the bank may issue and redeem notes and coins; section 3, the bank has the exclusive right; 21(2): bank has sole right to issue notes and coins. So you may find yourself in conflict with those other sections. That is all I am drawing attention to. And the other thing is too, for me this is the most potentially contentious aspect of the legislation because the Central Bank has always jealously guarded its autonomy and independence, and while I recognize the delicate interplay and balance between Central Bank and Minister of Finance, and the need for consultation, for example 35(2), 44D(4) and (5), and Part VI, the relations with Government, this seems to be seem now—even if you just say all we are doing is cancelling, you cannot cancel and not have a knock-on effect on the issuance and redemption. So I am just drawing that to your attention.

Hon. C. Imbert: Right, I was coming to that. I had not finished the point I was making. I just want to make the point that there will be instances where the Government has to drive the process for reasons of national security such as this one, and you cannot expect a Central Bank to have enough security information to make a decision, a reasonable decision, as to whether they should demonetize because they want to get rid of dirty money.

So this is why this has been added, but I want to draw your attention before I come to section 3—I know that is where you want me to go. Before I reach section 3, I want to draw your attention to the Bank of Jamaica Act, and in the

Bank of Jamaica Act in section 16(i) it says:

“The Bank shall have power on giving three months’ notice in the *Gazette* to call in any notes and coins on payment of the face value thereof and any such notes or coin with respect to which a notice has been given under this section shall, on the expiration of the notice, cease to be legal tender, but shall be redeemed by the Bank upon such conditions as may be prescribed.”

That is very similar to our section 27. So in the Bank of Jamaica Act, the bank has the power by giving three months’ notice to call in any notes or coins on payment of the face value thereof—demonetized. But in the Bank of Jamaica Act it goes on to say in 16(3):

“If the Minister considers it necessary or expedient so to do he may, by order published in the *Gazette*, direct that such notes and coins as may be specified in the order shall cease to be legal tender as from such date as may be specified in the order, not being less than ten days from the date of publication in the *Gazette*;”

So in the Jamaica legislation, the Bank of Jamaica Act, they have already had this provision for many, many years. In fact, when I look at the marginal note in the Bank of Jamaica Act, it is there since 1978. So since 1978 the Minister of Finance in Jamaica has had the power to direct that coins and notes be pulled from circulation with just 10 days’ notice. So that what we are doing here is no different to what has obtained in Jamaica for a very, very long time, 41 years.

So I just wanted to let you know it is a parallel system. You would not expect a Minister to just jump up one day and demonetize a currency on a whim. One would hope that a Minister would not do that. It would be driven by something such as a national security consideration. So we are simply

harmonizing our law consistent with what is already in Jamaican legislation.

With respect to a comment made about the former Financial Intelligence Unit head, Susan Francois, she actually said that the polymer 100 bill is the way to go, and that is in the *Newsday* of yesterday, I believe, or today. She said that the polymer 100 bill is the way to go, but one of the more important points she made was that it is more secure and harder to commit fraud through forgery, plus there is wear and tear in replacing the old notes, referring to the polymer bill. What she was talking about in terms of forgery, she said there was no international pressure on Trinidad and Tobago to demonetize because of incidences internationally of forgery, but she concurred that the polymer note is much harder to forge. So I just want to clear that up.

Sen. Rambharat: Thanks for clearing that up.

Hon. C. Imbert: Yes, I just wanted to clear that up. I think I have covered everything. I think I have addressed everything. So at the end of the day, I just want to repeat that the Bill that some Members have received is the incorrect Bill. The correct Bill has “Financial Obligations Regulations” in it, and I would ask hon. Senators to support this legislation. I beg to move. [*Desk thumping*]

6.55 p.m.

Question put and agreed to.

Bill accordingly read a second time.

Hon. C. Imbert: Mr. Vice-President, I beg to move that a Bill entitled an Act to amend the Proceeds of Crime Act, Chap. 11:27 and the Central Bank Act, Chap. 79:02, be read a third time and passed.

Mr. Vice-President: Hon. Senators, the question is—

Hon. C. Imbert: Oh sorry, they gave me the wrong thing. I do not know what is

going on here today, Mr. Vice-President. [*Crosstalk*] I do not know what is going on. [*Crosstalk and laughter*] Mr. Vice-President, “they still gimme the wrong thing”. [*Crosstalk and laughter*] No, I think it is because it is a Saturday, everybody is tired; everybody wants to go home.

Sen. Ameen: Because you call us out on Saturday.

Hon. C. Imbert: I think we are all a lil cranky so I would ask everybody to calm down including myself. Okay? [*Laughter*]

Bill committed to a committee of the whole Senate.

Senate in committee.

Mr. Chairman: Hon. Members, as you are well aware, the Bill has four clauses in it and there have not been any amendments both in the debate or otherwise, so I think for prudence and the fact that it is Saturday and everybody wants to go home, we will take all the clauses together.

Clauses 1 to 4 ordered to stand part of the Bill.

Question put and agreed to: That the Bill be reported to the Senate.

Senate resumed.

Bill reported, without amendment, read the third time and passed.

ADJOURNMENT

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Mr. Vice-President, I beg to move that this Senate do now adjourn to Tuesday, December 10, 2019, at 1.30 p.m. at which time we will do the second reading of the Finance Bill, 2019. Thank you.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 7.02 p.m.