

# BUSINESS INTEGRITY COUNTRY AGENDA 2018

TRINIDAD AND TOBAGO

TRINIDAD AND TOBAGO TRANSPARENCY INSTITUTE



**Transparency International is a global movement with one vision: a world in which government, business, civil society and the daily lives of people are free of corruption. Through more than 100 chapters worldwide and an international secretariat in Berlin, we are leading the fight against corruption to turn this vision into reality.**

<https://www.transparency.org/>

<http://transparency.org.tt/>



Global Affairs  
Canada

Affaires mondiales  
Canada

This publication was produced with the financial support of Global Affairs Canada. Its contents are the sole responsibility of Trinidad and Tobago Transparency Institute and do not necessarily reflect the views of Global Affairs Canada.

## AUTHORS

Lead Researcher: Dr. Marvin Pacheco, *Arthur Lok Jack Global School of Business*

Research Officer: Keegan Bharath, *Arthur Lok Jack Global School of Business*

BICA Project Coordinator: Kernika Charles, *Trinidad and Tobago Transparency Institute*

Research Assistants: Karina Wharton, Gina Marajh and Renée François Trumpet

© 2018 Trinidad and Tobago Transparency Institute. All Rights Reserved

Design: Arthur Lok Jack Global School of Business

This report was produced by the Trinidad and Tobago Transparency Institute. Every effort has been made to verify the accuracy of the information contained within and which is believed to be correct as at September 2018.

## Contents

List of Abbreviations.....	4
Foreword.....	6
Acknowledgements.....	7
Executive Summary.....	8
Methodology .....	20
Corruption Profile.....	31
Business Integrity Activities.....	34
Public Sector Assessment.....	36
Private Sector Assessment.....	87
Civil Society Sector Assessment.....	114
Recommendations.....	120

## List of Abbreviations

ACIB	Anti-Corruption Investigation Bureau
AMT & CFT	Anti-Money Laundering and Combating the Financing of Terrorism
ASYCUDA	Automated System for Customs Data
BICA	Business Integrity Country Assessment
BIR	Board of Inland Revenue
C&E	Customs and Excise
CBTT	Central Bank of Trinidad and Tobago
CFATF	Caribbean Financial Action Task Force
CMAA	Customs Mutual Administrative Agreement
CSME	CARICOM Single Market and Economy
CTB	Central Tenders Board
DPP	Director of Public Prosecutions
FATF	Financial Action Task Force
FIB	Financial Investigations Bureau
FIU	Financial Intelligence Unit
ICATT	Institute of Chartered Accountants of Trinidad and Tobago
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
JSC	Joint Select Committee
MER	Mutual Evaluation Report
ML	Money Laundering
PAYE	Pay As You Earn
PCA	Police Complaints Authority
PSC	Public Service Commission
RFP	Request For Proposal
SME	Small and Micro Enterprise
SRP	Special Reserve Police
TOR	Terms of Reference

TTEITI	Trinidad and Tobago Extractive Industries Transparency Initiative
TTFTC	Trinidad and Tobago Fair Trading Commission
TTTI	Trinidad and Tobago Transparency Institute
TTPS	Trinidad and Tobago Police Service
TTSE	Trinidad and Tobago Stock Exchange
TTSEC	Trinidad and Tobago Securities Exchange Commission
UNODC	The United Nations Office on Drugs and Crime

## Foreword

Trinidad and Tobago, two islands, one country. The island of Trinidad is renowned for its oil and gas industry whilst Tobago is best known as a vacationer's paradise. The energy sector constitutes approximately 80 per cent of the country's total exports.

Over the five-year period 2014-2018 Trinidad and Tobago's economy has been adversely affected by depressed prices for energy products. In 2014, oil prices fell by almost 50 %, sliding to an average of US\$56 per barrel in the first half of 2015. In January 2016, the price declined further, dropping to a 12-year low of US\$27 per barrel. This elevated the need for economic diversification to an emergency. After four years of decline, the projection is for a return to growth of 1.2% in 2018. Over the period, gross official reserves fell from US\$10B to US\$7.6B while public sector debt rose from 42% to 61% of GDP. Further, GDP per capita declined to US\$16,300 in 2017 from US\$20,300 in 2014.

The economy faces other important challenges, one of which is corruption. Trinidad and Tobago currently ranks 77/180 on Transparency International's Corruption Perception Index (CPI) 2017 with a score of 41/100. This is a six-point improvement on its rank of 35/100 in 2016. The World Economic Forum's Global Competitiveness Report 2015-2016 identified corruption as the second most problematic factor in doing business in Trinidad and Tobago. In the 2017-2018 Report, corruption dropped to the third most problematic factor in doing business. Although strides have been made towards the implementation of procurement and whistleblowing legislation, corruption and the public perception of corruption remain high.

This is the context in which the Trinidad and Tobago Transparency Institute (TTTI) embarked upon the Business Integrity Country Agenda (BICA) to assess stakeholder efforts at reducing corruption within and by the business sector at the country level, and to provide recommendations for a reform agenda aimed at reducing opportunities for corrupt activities in the private sector.

The BICA Report highlights weaknesses in legislation pertaining to key areas such as money laundering, collusion and bribery. TTTI is committed to working with stakeholders to ensure that the recommendations suggested within the BICA Report are implemented to achieve greater transparency and reduce corruption in Trinidad and Tobago.

## Acknowledgements

Trinidad and Tobago's Business Integrity Country Agenda (BICA) Assessment Report is the product of the commitment and effort of the BICA project team and researchers. Heartfelt appreciation is extended to the Research team led by Dr. Marvin Pacheco, Lead Researcher, and Mr. Keegan Bharath, Research Officer, both from the Arthur Lok Jack Global School of Business. Special thanks are extended to the project Research Assistants, Ms. Karina Wharton, Ms. Gina Marajh and Ms. Renée François Trumpet.

TTTI also thanks the National Advisory Group (NAG) which includes Dr. Kamla Mungal, Chair; Ms. Angelique Parisot-Potter – Trinidad and Tobago Chamber of Industry and Commerce (TTCIC) and Massy Group; Ms. Tenille Harriott-Lewis – Aegis Business Solutions Limited; Ms. Terry Dale Ince - Organizational Development Consultant; Mr. Jason Stedman - The Buzz Limited; Mr. Deryck Murray - Governance Consultant; Mr. Behzad Hassanali - Trinidad and Tobago Energy Chamber; Mr. Ramlogan Roopnarinesingh - Trinidad and Tobago Contractors Association; Ms. Jacqueline Burgess - NGO Consultant; and Ms. Lindi Ballah-Tull - First Citizens. Their guidance, feedback and support were invaluable to the finalisation of this report.

Additionally, special thanks are extended to Mr. Ian De Souza, External Reviewer, and Mr. Andrew Mcdevitt from Transparency International Secretariat (TI-S) for their continuous feedback and support throughout the process. The BICA Report would also not have been possible without the support of the Board of Directors of Trinidad and Tobago Transparency Institute.

TTTI acknowledges the critical role of TI-S in providing funding through a grant received from Global Affairs Canada. Further, TTTI expresses appreciation to all the companies and individuals who provided key inputs through interviews and the supply of data for the report.

***Dion Abdool***

Chair

*Trinidad and Tobago Transparency Institute (TTTI)*

## Executive Summary

The Business Integrity Country Agenda (BICA) is an initiative developed by Transparency International (TI) with the objective of reducing corruption in the business environment. BICA seeks to provide a body of evidence on business integrity in a country as a reference point for collective action involving government, the business sector and civil society in the promotion of business integrity in their country. The BICA initiative consists of two consecutive phases:

- 1) An assessment of a country's business integrity environment.
- 2) Development of an operational reform agenda derived from the assessment's key findings for implementation through collective action.

This report presents the findings of the assessment phase and is Trinidad and Tobago's first comprehensive analysis of contributions from all stakeholders on transparency, integrity and accountability in the corporate sector. The report identifies the contributions and shortcomings of the business sector, public institutions and civil society which are the key players in reducing corruption. The analysis aims to strengthen these three stakeholder groups by establishing a framework for a comprehensive reform agenda to address corruption. The sub-section that follows presents a summary of the findings in relation to each of the three stakeholder groups.

## Public Sector Assessment Summary

The Public Sector plays a major role in setting the standards for transparent and fair business practices. It is one of the main stakeholder groups which contribute to the development of an enabling environment conducive to private sector integrity. Public sector practices significantly influence the private sector whose business operations are conducted within a regulatory framework established by laws approved by Parliament.

Given this relationship any assessment of business integrity would require an examination of both the public and private sectors as participants in the demand and supply processes which fuel and support

corruption. In examining the demand side, the BICA assessed the public sector by evaluating the country's laws and practices in preventing, reducing and responding to corruption in the private sector.

The assessment covered the following nine thematic areas:

- 1.1 Prohibiting bribery of public officials
- 1.2 Prohibiting commercial bribery
- 1.3 Prohibiting laundering proceeds of crime
- 1.4 Prohibiting collusion
- 1.5 Whistleblowing
- 1.6 Accounting, auditing and disclosure
- 1.7 Prohibiting undue influence
- 1.8 Public Procurement
- 1.9 Taxes & Customs

The BICA Public Sector assessment revealed that Trinidad and Tobago has a fairly comprehensive legal environment with several gaps. The major deficiencies lie mainly within the country's enforcement and institutional capacities. The general findings in each area of assessment are discussed in the following sub-sections.

### **Legal Environment**

Trinidad and Tobago's legislative framework adequately addresses corruption in four of the nine public sector thematic areas: prohibiting laundering proceeds of crime (money laundering); prohibiting collusion; undue influence in the form of other conflicts of interest and accounting; and auditing standards. In improving its operations, Trinidad and Tobago has implemented measures either to become compliant or to ensure alignment with several international standards and recommendations mainly in areas of accounting, auditing and money laundering. Trinidad and Tobago is fully compliant with the International Standards on Auditing (ISA) and abides by the International Financial Reporting Standards (IFRS) for Small and Medium-sized companies. The country has also improved its efforts in complying

with the 40 recommendations of the Financial Action Task Force (FATF)<sup>1</sup> by amending several of its anti-money laundering and counter-terrorist financing legislation to increase its level of adherence.

There are legal gaps in areas such as bribery among public officials and undue influence in the form of political contributions (campaign financing). The overarching laws governing bribery and campaign financing are the Prevention of Corruption Act Chapter (POCA) 11:11 and the Representation of the People (ROP) Act No. 41 of 1967, respectively. However, these laws do not explicitly define key terms such as bribery and political parties. Thus, the laws remain unrelated to the country's contemporary realities. Trinidad and Tobago's public procurement system also has some challenges as the Public Procurement and Disposal of Public Property Act 2015 has been only partially proclaimed. The outgoing procurement legislation, the Central Tenders Board Ordinance 1961, excludes regulations for state-owned enterprises which are a major provider of services within the public sector. These ambiguities produce deficits in Trinidad and Tobago's regulatory framework which could undermine the transparency of operations.

Absent from the country's legislation are laws which entirely address whistleblowing, commercial bribery, lobbying and cooling-off periods. The provisions in the Data Protection Act and the Integrity in Public Life Act provide insufficient coverage for whistleblowing due to their limited scope. There are no laws regulating commercial bribery, undue influence in the form of lobbying, and "cooling-off" periods for senior and retired civil servants who move to the private sector or for corporate executives who are recruited to senior positions in the public sector.

### **Enforcement**

The enforcement of laws and regulations in Trinidad and Tobago is compromised by several factors, including the lack of legislation which renders enforcement non-existent in several areas, the partial proclamation of laws, and a lack of resources which compromises the capacity of enforcement agencies. Additionally, lack of clarity and expressed inclusion of some offences in the law have created loopholes that further compromise enforcement. For example, the prohibition of bribery among public officials is prosecuted under the overall offence of misbehaviour in public office which adversely affects enforcement. Weak enforcement creates significant challenges resulting in Trinidad and Tobago's underperformance on key measures of transparency and accountability. One example is the low money laundering conviction rate due to the challenges faced in applying sanctions laid out in the law.

---

<sup>1</sup> FATF is the task force internationally recognized as an independent inter-governmental body aimed at promoting policies within the global sphere to protect against areas such as terrorist financing, anti-money laundering and financial proliferation.

## **Capacity**

Overall, the institutional capacity of the public sector is affected by challenges such as a shortage of human resources and high staff turnover. In some instances, there are difficulties in attracting new applicants to fill vacancies due to the stringent screening processes and unattractive remuneration packages. A lack of autonomy affects the operations of some public sector institutions such as the Anti-Corruption Investigation Bureau (ACIB). The ACIB lacks an independent budget which results in over-dependence on the resources and support of other agencies. Inadequate space is also a challenge. Due to insufficient physical space, the Office of the Director of Public Prosecutions (DPP) is unable to hire vital staff. Additionally, partial legislative enforcement affects the full operation of specific bodies. The partial proclamation of the anti-collusion legislation affects the extent to which the Fair Trading Commission can perform its functions as designated by law. Lastly, Trinidad and Tobago also lacks an enforcement agency or an oversight body to address non-adherence to accounting and auditing standards.

The scores for each thematic area examined within the public sector are identified below:

<b>Thematic area</b>	<b>Score</b>
1.1 Prohibiting Bribery of Public Officials	58
1.2 Prohibiting Commercial Bribery	0
1.3 Prohibiting Laundering Proceeds of Crime	50
1.4 Prohibiting Collusion	33
1.5 Whistleblowing	0
1.6 Accounting, Auditing and Disclosure	31
1.7 Prohibiting Undue Influence	42
1.8 Public Procurement	25
1.9 Taxes and Customs	42

## Public Sector Recommendations

### Legislation

These recommendations fall under the remit of the Legislature:

- Amendment of the Prevention of Corruption Act 1987 to cover commercial bribery and bribery of foreign officials. The current legislative framework ignores bribery in the private sector and only prohibits bribes where a state entity or the state is involved. This amendment would provide legislative cover thereby enabling and encouraging persons in the private sector to report cases of bribery.
- The enactment of Whistleblowing legislation.
- Revision of Campaign Finance legislation to cover not only electoral candidates but political parties as well.
- Proclamation of the Fair Trading Act 2006 which would operationalise the Fair Trading Commission.
- Strengthening of sanctions against the breach of accounting and auditing standards in order to deter non-compliance effectively.
- Urgent introduction of a legal requirement for companies to publish a list of their beneficial owners.

### Enforcement

- **Enhance public participation in the enforcement process.** Weak enforcement is one of the main factors which undermine the effectiveness of Trinidad and Tobago's anti-corruption legislative framework in such key areas as money laundering, collusion and bribery. One way to increase enforcement is to make the public more aware of their options for reporting such crimes which could lead to greater reporting, more investigations and, eventually, more arrests and convictions.
- **Institute stricter penalties for accounting and auditing discrepancies.** These penalties should be fines proportionate to the discrepancy and not simply the suspension, transfer or dismissal of the perpetrator. Serious breaches should carry a sentence of imprisonment.
- **Introduce measures for the prevention of accounting fraud in state enterprises.** Currently there is no way to monitor accounting standards at these institutions.

## Capacity

- Relocate the Office of the Director of Public Prosecutions (DPP) to a space large enough to accommodate a full complement of staff, especially administrative staff. Vacancies should be filled and the factors responsible for the office's high turnover of senior staff and shortage of experienced prosecutors should be addressed.
- Expand the power of the Police Complaints Authority (PCA) to improve its investigative capability in cases of alleged police misconduct. This body should have the power to compel officers to give evidence.
- Make The Anti-Corruption Investigation Bureau (ACIB) operationally independent so that it can better fulfil its mandate as required by international best practice. In addition to greater autonomy, there should also be greater collaboration among institutions, each with clear responsibilities and transparent reporting mechanisms. Also recommended is the establishment of deeper linkages and more effective communication flows among institutions.
- Equip the Auditor General's office with more accounting and auditing staff to audit institutions that fall under its remit.
- Examine and address the resource constraints of the Office of the DPP, the Financial Investigations Bureau (FIB), the Fraud Squad and the ACIB.

## Private Sector Assessment Summary

The Private Sector is the second major stakeholder group assessed under the BICA. Its assessment was based on the following five key thematic areas:

- 2.1 Integrity Management
- 2.2 Auditing and Assurance
- 2.3 Transparency and Disclosure
- 2.4 Stakeholder Engagement
- 2.5 Board of Directors

In the area of Integrity Management, few businesses in Trinidad and Tobago's private sector have formal anti-corruption policies. However, many companies have their own codes of conduct and policies for addressing internal corruption. While there is no whistleblowing legislation at the national level, a few companies have implemented whistleblowing policies and programmes.

Not all companies are required to subject their accounts to internal audit. While publicly listed companies must have their financial reporting internally audited, non-listed private companies have no such mandatory requirement.

The assessment of a sample of companies on the thematic area of Transparency and Disclosure revealed that anti-corruption programmes and policies are not a high priority for the business community. A common problem contributing to Trinidad and Tobago's low score in this area is that although companies may incorporate anti-corruption programmes and policy guidelines in their operations, the extent to which this information is publicly available or advocated on their websites is low to non-existent. While the majority of the companies examined listed their fully consolidated subsidiaries, domestic legislation does not impose disclosure stipulations for each country in which a company has operations. As such, of the 23 companies examined, only seven publicly disclosed their revenue/sales, capital expenditure, pre-tax income and income tax. All seven companies are listed on the Trinidad and Tobago Stock Exchange (TTSE).

Companies listed on the TTSE are compliant with the basic disclosure, stakeholder engagement and corporate governance requirements mandated by law.

In 2015, Trinidad and Tobago gained compliant country status as a member of the multi-stakeholder Extractive Industry Transparency Initiative (EITI). This apart, there are few other multi-stakeholder initiatives specific to anti-corruption. Business associations generally take a public stance against corruption and many outline their guiding principles for behaviour which promote the conduct of business with integrity by their members.

In assessing the thematic area of Board of Directors, it was apparent that businesses in Trinidad and Tobago do not have formal anti-corruption programmes. However, companies do have codes of ethics and conduct that seek to address corrupt activities in the workplace. The role of a company’s Board of Directors is to ensure that there are policies and levels of accountability to eliminate the risk of corrupt practices. Many companies have policies for dealing with conflicts of interest. These include independence from company management and safeguards against insider trading.

Following are the scores in each thematic area of the private sector assessment:

<b>Thematic area</b>	<b>Score</b>
2.1. Integrity Management	13
2.2 Auditing and Assurance	42
2.3 Transparency and Disclosure	25
2.4 Stakeholder Engagement	42
2.5 Board of Directors	50

## Private Sector Recommendations

### General

- In the absence of state regulation, businesses should adopt self-regulation policies to prevent corrupt practices. This could result in greater access to global markets since many international companies refuse to conduct business with companies that do not subscribe to good governance policies.
- It is imperative that companies in the private sector have a publicly available anti-corruption policy document that clearly states their position against corruption. Every business should be guided by rules which emanate out of this policy position and which clearly define acceptable practices.<sup>2</sup> Ideally, its implementation should be overseen by the Board of Directors with execution by the relevant technical staff.
- Companies should make available to the public all documents relevant to their code of ethics in the conduct of business. Many companies claim to have such documents but they are not readily accessible by the public. Companies should post their policies and supporting documents on their websites to increase public accessibility. This will allow stakeholders to make a more informed assessment of the company's ethical position and to be better guided in doing business with the given company.

### Auditing and Assurance

- The Institute of Chartered Accountants of Trinidad and Tobago (ICATT) should publish a list of qualified auditors and accountants on their website. The public is not fully aware of this pool of professionals and could therefore make uninformed recruitment decisions. A public list would also enhance transparency and accountability among private companies in the hiring of external auditors. In addition to the list of qualified auditors, there should also be one identifying blacklisted accounting and auditing professionals and firms whose involvement in corrupt practices has been investigated and confirmed.
- Criminal penalties should be levied against auditors who engage in corrupt activity. Currently, the consequences for such firms is mainly the risk of reputational damage.

---

<sup>2</sup> Foreign and Commonwealth Office, Good Governance Toolkit for Myanmar Businesses: A handbook for resisting corruption and working with integrity, 2011.

## Civil Society Assessment Summary

Civil Society organizations constitute the final stakeholder group with a vital role in promoting business integrity by monitoring business conduct, engaging with companies and exposing violations of business integrity to the public. The BICA utilized one main thematic area in assessing this stakeholder group with data collected mainly through desk research and interviews.

In assessing Civil Society, media independence is an integral evaluation criterion because it can facilitate or inhibit the ability of civil society organisations to perform their duties. It is important that civil society is free to communicate and comment on business integrity issues through various media outlets. In assessing media independence, Trinidad and Tobago's media was found to have a significant degree of autonomy. The country has earned favourable international ratings in Freedom House's Freedom of Press ratings as well as the World Press Freedom Index compiled by Reporters Without Borders.

Generally, Trinidad and Tobago's civil society organizations promote business integrity by their input in national laws and policies. Two examples of this are their role in lobbying and shaping the procurement legislation process and in promoting national adoption of the Extractive Industries Transparency Initiative (EITI). Notwithstanding their fundamental role in shaping these policies, the assessment of Civil Society suffered from a lack of information on the extent to which it monitors business integrity in the private sector, especially given that these bodies are not regulatory institutions.

Following is the score for the thematic area of Civil Society Assessment:

Thematic area	Score
3.1 Broader Checks and Balances	33

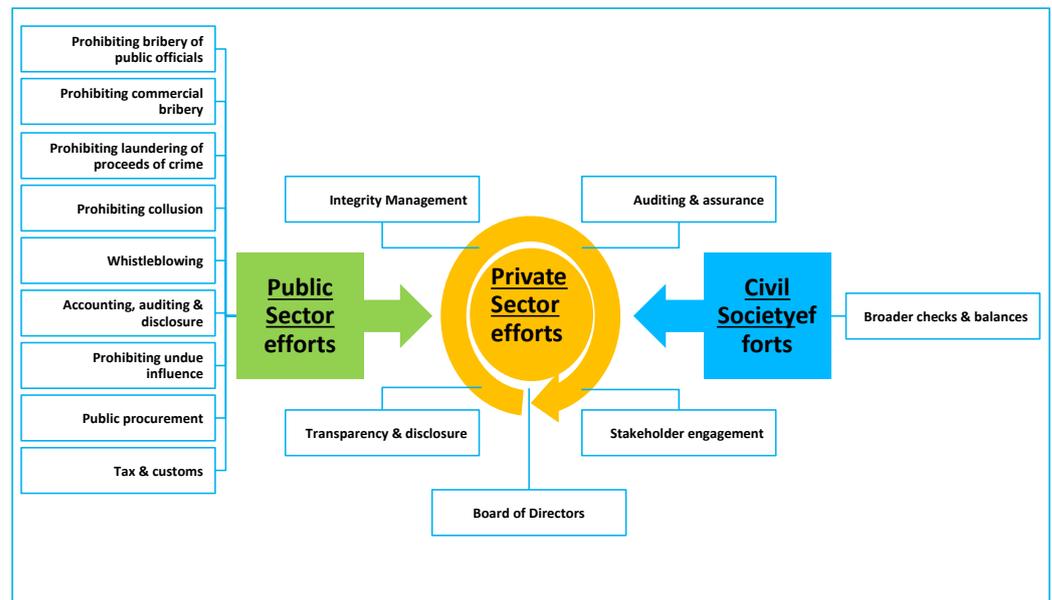
### **Civil Society Recommendations**

- There should be a clear articulation of interests by civil society groups. A register of interests should also be created.
- Civil society organizations are not involved expressly in the monitoring of private sector corruption and do not have systems to support such monitoring. The BICA Report presents an opportunity for Trinidad and Tobago Transparency Institute and other civil society organizations to utilize its findings in collaborating with the private sector to mitigate corruption and improve transparency and corporate governance business practices.

## Methodology

The objective of the Business Integrity Country Agenda, BICA, is to reduce corruption in the business environment through the collective actions of the Public Sector, the Private sector and Civil Society, all acting on the basis of a body of business integrity evidence. These stakeholder groups were assessed based on thematic areas that describe a comprehensive topic (e.g. Commercial Bribery, Money Laundering and Public Procurement).

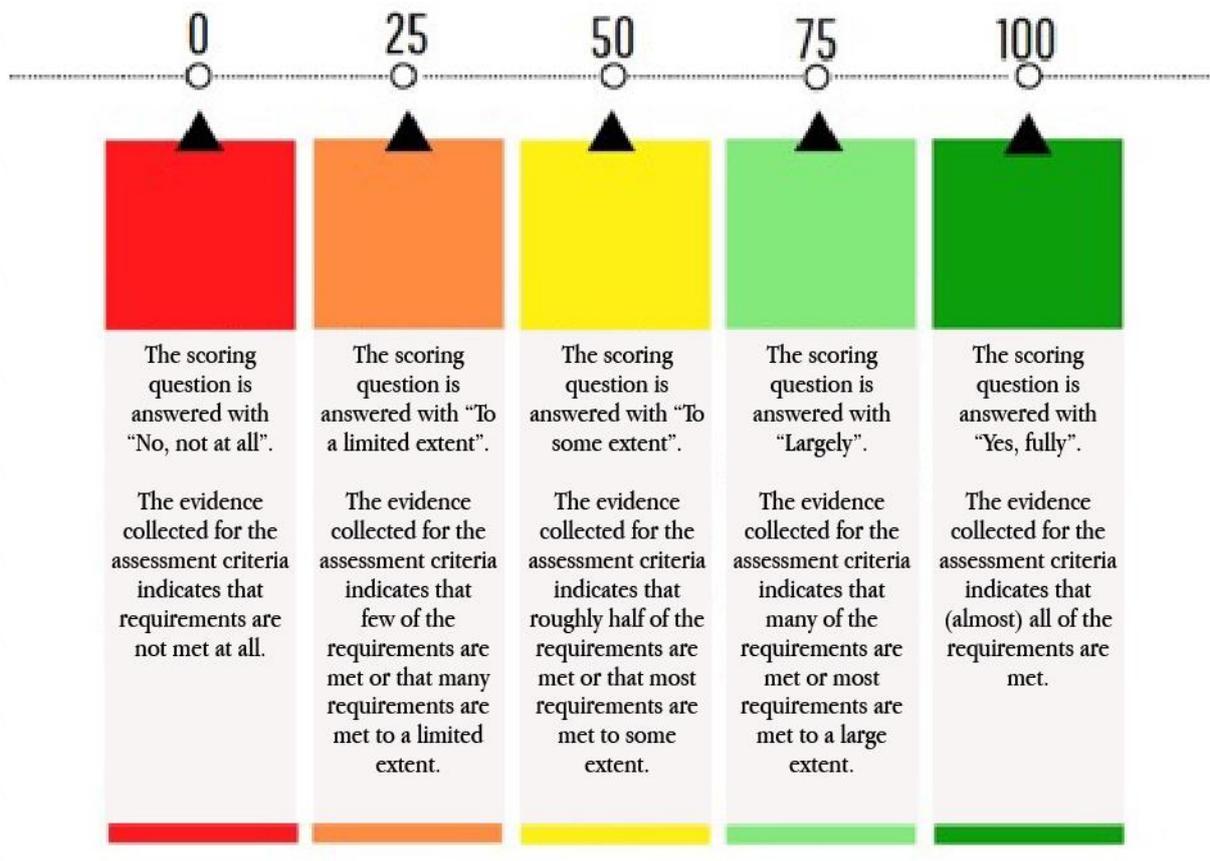
### Overview: BICA assessment Indicators



Each thematic area was further divided into numerous indicators with their own scoring question and assessment criteria to be met. Indicators were assigned scores using the BICA scale and in accordance with the assessment criteria for each indicator. Consequently, an aggregate score was given to each thematic area. If the criteria for the indicators were not met in Trinidad and Tobago, the assigned score was zero.



# BICA Indicator Scores



## Data Collection

The BICA researchers relied on both primary and secondary sources of data. The laws of Trinidad and Tobago were reviewed in conjunction with expert interviews to gain a comprehensive overview of the various thematic areas. Data for the public sector was more widely available online and through relevant bodies, such as the Financial Investigations Unit (FIU) and the Judiciary. Other secondary sources used included journal articles, books, newspaper articles, and reports such as Joint Select Committee Reports of Parliament and those published by Transparency International (TI).

The Transparency and Disclosure thematic area was assessed utilizing a simplified version of TI's Transparency in Corporate Reporting (TRAC) methodology. A sample of 23 companies was selected on the basis of being locally-owned (registered in Trinidad and Tobago) with a physical presence in



other countries, within the Caribbean and/or beyond. The researchers analysed the level of transparency of each company in relation to their anti-corruption policies and programmes, organizational transparency and country by country reporting, based on information on the company's website.

### The National Advisory Group

A multi-stakeholder National Advisory Group (NAG) was established for the purpose of this study. Their purpose was to provide sources of information based on diverse views, advise on research, suggest expert interviewees, agree on recommendations and offer feedback on BICA findings. Another important role of the NAG was to discuss ways to transform strategic recommendations into an operational reform agenda. The NAG consisted of 14 persons chosen from the three stakeholder groups - Private Sector, Public Sector and Civil Society.

### NAG Meetings

The NAG met on 13 March 2018 and members were introduced to the Lead Researcher. The NAG Chair acknowledged that there was no representation from the government or multinational companies in Trinidad and Tobago. The NAG agreed to direct the Research Team to studies and information which they deemed relevant, as well as to assist with accessing experts to be interviewed. The second NAG meeting was held on 1<sup>st</sup> May 2018. The members were updated on the gaps in the research and provided suggestions to the research team on how they could be filled.

### Validation

The NAG held a final meeting on 11<sup>th</sup> September 2018 to review the final draft, validate the scores and develop strategic recommendations. Where NAG members did not agree with a specific score a justification had to be provided. In cases where sufficient evidence could not be provided the score was changed. The draft report was then submitted to the External Reviewer for final validation before publication. The External Reviewer was a non-resident, non-partisan expert in the areas of business and corporate governance who was familiar with the landscape of Trinidad and Tobago.



## Trinidad and Tobago Country Context

### Geographic Context and Population

Trinidad and Tobago is a twin-island state located at the southernmost tip of the Caribbean archipelago, a few miles off the coast of South America. The islands are bordered by the Atlantic Ocean and the Caribbean Sea. The population is approximately 1.37 million. The ethnic composition comprises 35.4 per cent of Indian descent, 34.2 per cent of African descent and 15.3 per cent mixed – other (2011)<sup>3</sup>.

### Current Political Situation

Trinidad and Tobago gained its independence from British rule in 1962 and became a Republic in 1976. Trinidad and Tobago's bicameral parliamentary democracy is modelled after that of Great Britain i.e. the Westminster Model, and consists of two Chambers, an elected House of Representatives with 41 members and an appointed Senate comprised of 31 members. Sixteen Senators are appointed on the advice of the Prime Minister, six on the advice of the Leader of the Opposition and nine by the discretion of the President. The citizens of Trinidad and Tobago elect the 41 members of the House of Representatives in a general election, which is constitutionally due every five years. The Constitution however, grants the Prime Minister the option to announce elections at any time within the maximum five-year period.

Tobago has its own local government body, the Tobago House of Assembly (THA). The THA is responsible for the administration of the island of Tobago and for the implementation of policies referred by Parliament.

Since becoming a Republic, Trinidad and Tobago has held 11 general elections (1976, 1981, 1986, 1991, 1995, 2000, 2001, 2002, 2007, 2010 and 2015). The democratic transfer of power between the ruling party and the opposition is peaceful and routine, and the country is thus characterised as a stable democratic state with free, fair, open and transparent elections. In the post-independence era, there has only been one instance of a serious threat to democracy with a failed coup attempt in 1990.

### Gross Domestic Product

Being endowed with extensive natural reserves of hydrocarbons (oil and gas), Trinidad and Tobago's economy is heavily underpinned by this sector which made its first successful discovery of oil in 1866. The hydrocarbon sector moved from being oil dominant to mostly natural gas-based in the 1990s. Hydrocarbon reserves contribute the largest share to state revenue and exports. This sector has been largely

<sup>3</sup> Index Mundi, Trinidad and Tobago Demographic Profile 2018. (web) accessed 03 August, 2018.  
[https://www.indexmundi.com/trinidad\\_and\\_tobago/demographics\\_profile.html](https://www.indexmundi.com/trinidad_and_tobago/demographics_profile.html)



responsible for the rapid economic growth of the country since the late 1970s when oil prices skyrocketed due to the OPEC oil embargo of 1974 and the industrialization policies of successive governments. As such, the energy sector has provided much of the financing for the country's development and economic activity. Resultantly, overall economic performance is directly affected by trends and fluctuations in global energy prices as well as local exploration and production output.

Over the last five years, Trinidad and Tobago's economy was adversely affected by the continued weakness in international commodity prices for energy products and depressed hydrocarbon output. From a price of over US\$100 per barrel in mid-2014, oil prices fell by almost one-half to an average of US\$56 per barrel in the first half of 2015. On an accelerated decline, in January 2016 the price was at US\$27 per barrel (a 12 year low)<sup>4</sup>. The effects of this dramatic collapse in oil prices have lingered well into the succeeding fiscal years causing Trinidad and Tobago to experience consecutive years of slow and negative growth, as seen in Table 1 below.

**Table 1<sup>5</sup>: Gross Domestic Product of Trinidad and Tobago at Constant (2012) Market Prices**

	2013	2014	2015	2016	2017
<i>Real GDP Growth % change</i>	1.0	-0.3	1.5	-6.0	-2.3

<sup>4</sup> Ministry of Finance, *Shaping a Brighter Future – A Blueprint for Transformation & Growth*, 2017. Budget Statement Presented by the Honourable Colm Imbert, Minister of Finance on September 30, 2016.

<sup>5</sup> Ministry of Finance, *Review of the Economy*, 2017. Appendix 2 Extract



## Unemployment

The global drop in commodity prices for oil and gas combined with low levels of production had debilitating spill-over effects on all macroeconomic indicators of the economy including unemployment. Trinidad and Tobago's unemployment rate fluctuated in the period 2011 to 2017 as seen in the table below.

**Table 2<sup>6</sup>: Unemployment Rate in Trinidad and Tobago for five (5) year period**

	<b>2011</b> <b>(Apr-Dec)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b> <b>(Jan-Mar)</b>
<b>Unemployment Rate</b>	5.0%	4.9%	3.7%	3.3%	3.4%	4.0%	4.5%

During the first quarter of fiscal year 2017 the number of unemployed workers rose from 22,900 to 29,100, or by 6,200 persons<sup>7</sup>. Further observation of the unemployment rate in 2017 shows an increase to 4.9 per cent. The highest rates during the first six months of 2017 were observed in the construction (9.6%) and energy (8.8%) sectors. An average of 8,000 persons lost their jobs over the first two quarters of 2017 (year-on-year). Of this number, 5,300 persons continued to actively seek employment while 2,800 persons left the labour force, thus reducing the labour participation rate<sup>8</sup>.

## Foreign Direct Investment (FDI)

Foreign Direct Investment (FDI) is of paramount importance to Trinidad and Tobago's economy especially in expanding the production frontier. Within the Latin American and Caribbean region, Trinidad and Tobago has been one of the largest recipients of FDI. However, this has been affected negatively by the curtailment of production within the energy sector as hydrocarbons, petro-chemicals and metals attract the most FDI. The main international investing countries are the United States, the United Kingdom and Canada. Table 3 shows the FDI for period 2012-2016:

**Table 3<sup>9</sup>: Trinidad & Tobago's Foreign Direct Investment for 2012-2016 (US million dollars)**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>FDI</b>	2,080.5	1,196.9	-689.3	-202.4	30.6

<sup>6</sup> Ministry of Finance, *Review of the Economy*, 2017. Appendix 13 Extract

<sup>7</sup> Ministry of Finance. *Review of the Economy*, 2017.

<sup>8</sup> Central Bank of Trinidad and Tobago. *Annual Economic Survey Report*, 2017.

<sup>9</sup> Ministry of Finance, *Review of the Economy*, 2017



## Imports and Exports

The oil and gas sector constitutes approximately 80% of Trinidad and Tobago's total exports. Other exports include ammonia, alcohols, iron, steel and fertilizers. The United States is the main export partner, receiving 52 per cent of total exports. Others include Jamaica, Spain, Mexico, the Netherlands, the Dominican Republic, Barbados and the United Kingdom<sup>10</sup>. Imports are mainly crude petroleum, fuel, vehicles and water heaters largely from the United States, Gabon, Colombia, Brazil, China, Russia and Canada.

In 2017 the estimated value of exports was TT\$9.7 billion (approx. US\$1.4 billion)<sup>11</sup> while estimated imports were TT\$10.1 billion (approx. US\$1.5 billion)<sup>12</sup>. The country's non-energy trade balance has been in deficit throughout the past two decades. However, while there have been incentives to promote expansion in other sectors such as agriculture and manufacturing to reduce the import bill, the majority of investment is in the energy sector.

## Current Economic Reforms

In its efforts to attain sustainable economic growth and to cope with the adverse effects of decreased revenue from the energy sector, the Government of Trinidad and Tobago implemented several economic reforms over the last three years (2015-2018). New fiscal measures, mainly taxation, were introduced to enhance revenue. These measures included the reintroduction of the Property Tax regime, the levy of a 7 per cent tax on online purchases effective October 2016, and increases in taxes on tobacco and alcohol. In September 2017, in keeping with its policy of redirecting expenditure away from subsidies and discretionary transfers towards economic and social infrastructure, the government began a process of removing fuel subsidies<sup>13</sup>.

The Gambling Control Commission was established in 2016 to regulate the Gaming and Betting sectors. These sectors are vulnerable to infiltration by money launderers and terrorist financiers. The government also introduced a range of new taxes, including a 40 per cent increase on mechanical games of chance for gambling; a 10 per cent tax on all cash winnings of the National Lotteries Control Board;

---

<sup>10</sup> Trading Economics: Trinidad and Tobago Exports (web) accessed 31, July 2018. <https://tradingeconomics.com/trinidad-and-tobago/exports>

<sup>11</sup> 1 USD = 6.75 TTD.

<sup>12</sup> Trading Economics: Trinidad and Tobago Exports.(web) accessed 31, July 2018. <https://tradingeconomics.com/trinidad-and-tobago/exports>

<sup>13</sup> Ernst & Young Services Ltd. *Focus on Trinidad and Tobago Budget*, 2016.



taxes on roulette devices and an increase in taxes on gaming tables and other devices at Private Members' Clubs (PMC). These measures took effect from January 01, 2018<sup>14</sup>.

### Tax System

The Board of Inland Revenue serves as the principal tax-collecting agency in Trinidad and Tobago. Over the past 25 years, efforts have been made to improve the taxes and customs system and the government has proposed a Revenue Authority which would improve the tax management system to make it simpler, more beneficial to citizens and more effective, with a robust compliance and collections process. Its aim is to promote an equitable, fair and just tax system and to provide value for money.

The current system for collecting taxes has several limitations. The country scored poorly in the Tax Administration Diagnostic Assessment Tool (TADAT) Report<sup>15</sup>. Some strengths include the existence of a relatively good tax administration ICT platform (GenTax), and efficient arrangements for collecting taxes such as withholding at source or Pay As You Earn (PAYE). Areas of weakness include poor integrity of the taxpayer registration database, underdeveloped compliance risk management practice, a weak revenue accounting environment and a shortage of staff<sup>16</sup>.

### Privatization Efforts

Trinidad and Tobago has 117 State Owned Enterprises (SOEs)<sup>17</sup> in sectors such as energy, manufacturing, agriculture, tourism, financial services, transportation, and communication. The Government is turning to Public-Private Partnerships as a model for privatizing key sectors and has encouraged foreign investment in several state enterprises.

There have been recent efforts to divest state-owned companies. Both First Citizens (FCB) and National Gas Company (NGC) had Initial Public Offerings. The FCB IPO of July 2013 represented 19.3 per cent of the total shareholding. It was the largest IPO of shares in the history of the Trinidad and Tobago Stock Exchange with a market value of approximately TT\$ 1.1 billion (approx. US\$163 million).<sup>18</sup> FCB launched an Additional Public Offering in March 2017. NGC had its IPO in August 2015.

---

<sup>14</sup> Ministry of Finance, *Budget Statement 2018*.

<https://www.finance.gov.tt/wp-content/uploads/2017/10/revised-BUDGET-STATEMENT-2018-BOOKLET-faw1.pdf>

<sup>15</sup> Muyangwa, Muyangwa, Norris Miller, Tracey-Ann Bonner, and Ruud van den Bosch. *TADAT Report on Trinidad and Tobago BIR Performance*, 2017, Ministry of Finance.

<sup>16</sup> Muyangwa, Muyangwa, Norris Miller, Tracey-Ann Bonner, and Ruud van den Bosch. *TADAT Report on Trinidad and Tobago BIR Performance*, 2017, Ministry of Finance.

<sup>17</sup> International Trade Administration Export.gov (web) accessed 31 July, 2018 <https://www.export.gov/article?id=Trinidad-and-Tobago-State-Owned-Enterprises>

<sup>18</sup> First Citizens Corporate Banking (web) accessed 31 July, 2018 <https://www.firstcitizenstt.com/about/news-and-noticees/first-citizens-launches-ipo.html>



## Business Sector Composition

The dominant industries in Trinidad and Tobago are energy, manufacturing, banking and finance. The energy industry was founded over 100 years ago. There has been considerable oil and gas production on land and in shallow water, with cumulative production totalling over three billion barrels of oil. Trinidad and Tobago houses one of the largest natural gas processing facilities in the Western Hemisphere.<sup>19</sup> The Phoenix Park Gas Processors Limited (PPGPL) Natural Gas Liquids (NGL) complex has a processing capacity of almost two billion cubic feet (Bcf) per day and an output capacity of 70,000 barrels per day (bbl/d) of NGL.<sup>20</sup> The energy sector accounts for approximately 34.9 per cent of the country's GDP.<sup>21</sup> There is a nascent service industry in Trinidad and Tobago related to the energy sector consisting of a group of indigenous companies with the capacity to provide high value-added goods and services to the energy industry. These firms sell their products to multinational corporations, and their commercial links to such corporations locally facilitate their expansion abroad as their multinational clients purchase their goods and services for their businesses in other regions. These companies offer the potential for long-term economic growth but this will hinge on their continued specialization. As such, as firms specialize and grow, their portfolio of clients expands and their future growth becomes less dependent on the domestic energy sector.<sup>22</sup>

Trinidad and Tobago's manufacturing sector is the largest in the English-speaking Caribbean. In 2016 it was projected to represent 7.8 per cent of overall GDP, with total output worth an estimated TT\$8.29 billion (US\$1.2 billion), according to government estimates.<sup>23</sup> This made it the third largest sector of the economy after the energy and services industries. Approximately 47,700 people, or 7.3 per cent of the total active labour force, are employed in manufacturing.<sup>24</sup> Trinidad and Tobago holds several competitive advantages, including cheap electricity and natural gas, two international ports that are well served by shipping lines, good availability of local or imported raw materials, a captive domestic market, and relatively easy access to regional markets through trade agreements.<sup>25</sup>

---

<sup>19</sup> Invest in Trinidad and Tobago today. InvestTT. 2018. <http://www.investt.co.tt/industries-and-opportunities/>

<sup>20</sup> Invest in Trinidad and Tobago today. InvestTT. 2018. <http://www.investt.co.tt/industries-and-opportunities/>

<sup>21</sup> Oil and Gas Industry. Ministry of Energy and Energy Affairs. 2018. <http://www.energy.gov.tt/our-business/oil-and-gas-industry/>

<sup>22</sup> Private Sector Assessment Report. Compete Caribbean. 2016. <https://competecaribbean.org/wp-content/uploads/2015/02/2014-Trinidad-and-Tobago-Private-Sector-Assessment-Report.pdf>

<sup>23</sup> Industry. Oxford Business Group. 2017. <https://oxfordbusinessgroup.com/trinidad-tobago-2017/industry>

<sup>24</sup> Industry. Oxford Business Group. 2017. <https://oxfordbusinessgroup.com/trinidad-tobago-2017/industry>

<sup>25</sup> Oxford Business Group. Industry. 2017.

<https://oxfordbusinessgroup.com/trinidad-tobago-2017/industry>



It is also a regional financial centre, and banking services enjoy a high level of penetration within urban areas while rural areas have significantly lower levels. The banking sector is considered healthy as it is well capitalized and liquid. Leading financial economists believe that cutbacks in both the public and private sectors arising from T&T's depressed economy will cause deceleration of lending growth. The total assets of T&T's banks in 2015 was approximately USD\$20billion with the five largest banks' assets estimated at USD\$8.4 billion. In 2015, the Central Bank estimated non-performing loans at 3.5 per cent, down from a high of 7.5 per cent in 2011.<sup>26</sup>

Several leading multinational corporations - Nestle, Unilever and Unicomer- have located their regional operations in Trinidad and Tobago, enjoying several benefits operating in this location. To encourage foreign investment the government offers numerous incentives, from tax exemptions to duty-free concessions. Due to this, most of the major enterprises are foreign-owned.

The small and medium-sized industrial enterprises are engaged mainly in light manufacturing and agriculture-based processing.<sup>27</sup> Almost all of the enterprises engaged in the manufacture of petroleum and petroleum-based products, petrochemicals, steel and cement are very large (assets in excess of US\$1.5M)<sup>28</sup>. The Trinidad and Tobago Chamber of Industry and Commerce has a stake in assisting with the survival and growth of this sector as their SME membership is close to 70 per cent. In Trinidad and Tobago, many SMEs have difficulty in moving forward because of a limited resource base. Critical areas that must be addressed include, but are not limited to, credit facilities, infrastructure, technology and quality improvement, as well as marketing assistance. An examination of each of these factors can provide insights on why many SMEs do not move beyond the micro and small classification, and in some cases, eventually become part of the shadow or informal economy. While at the policy-making level there has been much discussion over the past years, this has not led to a truly enabling environment with support mechanisms in place.<sup>29</sup>

The Investments Division of the Ministry of Finance is responsible for conducting management and performance audits of the 117 State Owned Enterprises (SOEs) which include 47 wholly-owned companies, seven majority-owned companies, five minority-owned companies (i.e. less than 50 per cent

---

<sup>26</sup> T&T Financial Sector. International Trade Administration. 2017. <https://www.export.gov/article?id=Trinidad-and-Tobago-Financial-Sector>

<sup>27</sup> T&T Financial Sector. International Trade Administration. 2017. <https://www.export.gov/article?id=Trinidad-and-Tobago-Financial-Sector>

<sup>28</sup> Nurturing a small business in the current economy. T&T Newsday. 2017.

<sup>29</sup> Nurturing a small business in the current economy. T&T Newsday. 2017. <http://archives.newsday.co.tt/2017/08/03/nurturing-a-small-business-in-the-current-economy/>



holdings), and 51 companies held indirectly as subsidiaries of wholly-owned companies. In addition, there are also seven statutory corporations.<sup>30</sup>

---

<sup>30</sup> T&T State Owned Enterprises. International Trade Administration. 2017. <https://www.export.gov/article?id=Trinidad-and-Tobago-State-Owned-Enterprises>



## Corruption Profile

Trinidad and Tobago is a signatory to The United Nations Convention Against Corruption, which was ratified on 31<sup>st</sup> May 2006 and the Inter-American Convention Against Corruption, which was ratified on 15<sup>th</sup> April 1998. The country currently ranks 77/180 on Transparency International's Corruption Perception Index (CPI) 2017 with a score of 41/100. This is a six-point improvement from its score of 35/100 in 2016<sup>31</sup>. This is the first time in the last six surveys that it has crossed the 40-point mark.

In 2016, Transparency International conducted a survey on "People and Corruption: Latin America and the Caribbean Global Corruption Barometer". Respondents were interviewed about their perceptions and experiences of corruption. According to its findings, 59 per cent of Trinidad and Tobago respondents felt that corruption had increased in the previous 12 months. They perceived a high level of police corruption (between 61 per cent and 64 per cent), and 60 per cent believed that the government was doing badly in the fight against corruption. Only 37 per cent of Trinidad and Tobago respondents felt that it was socially acceptable to report a case of corruption, the lowest of the 20 countries surveyed<sup>32</sup>.

The World Economic Forum's Global Competitiveness Report 2015-2016 identified corruption as the second most problematic factor in doing business in Trinidad and Tobago. In the 2017-2018 Report, corruption dropped to the third most problematic factor in doing business<sup>33</sup>. Notwithstanding the country's improvements and compliance in some areas, corruption and the public perception of corruption remain high. Within the CARICOM region, Trinidad and Tobago is among the three lowest scoring countries as being most corrupt, having tied with Suriname and ranking just above Guyana (38) and Haiti (22)<sup>34</sup>.

Trinidad and Tobago has been heavily reliant on the extractive sector as a major source of government revenue and a key driver of the economy. Thus, it is imperative that transparency and accountability exist within this sector. As such, Trinidad and Tobago sought and obtained compliance with the Extractive Industries Transparency Initiative (EITI) in 2015. The EITI is a voluntary global initiative that

---

<sup>31</sup>Trinidad and Tobago Transparency Institute (web) accessed 31, July 2018. <http://transparency.org.tt/2018/02/22/corruption-perceptions-index-2017-shows-high-corruption-burden-two-thirds-countries/>

<sup>32</sup> Transparency International, *People and Corruption: Latin America and the Caribbean*, 2017 Report Transparency International.

<sup>33</sup> World Economic Forum, *The Global Competitiveness Report*, Annual Report, 2015, 2016, 2017.

<sup>34</sup> Trinidad and Tobago Transparency Institute (web) accessed 31, July 2018. <http://transparency.org.tt/2018/02/22/corruption-perceptions-index-2017-shows-high-corruption-burden-two-thirds-countries/>



promotes transparency and accountability in the oil, gas and mining sectors. The EITI is based on interested parties from civil society and extractive companies collaborating with the Government to ensure that the natural resources of the country are used in a way that is beneficial to citizens.

There have always been concerns expressed about transparency, accountability and corruption in the political arena in Trinidad and Tobago. A major problem is that allegations of corruption seldom work through the legal system, resulting in a scarcity of cases with legal outcomes to act as a deterrent.

The absence of regulations or restrictions governing political party campaign financing has contributed to several allegations of corruption in Trinidad and Tobago. The manoeuvrings by the Government and Opposition in various scandals surrounding campaign financing, appointments, award of contracts and the functioning of major oversight institutions have combined to undermine the quality of corporate governance, the level of public trust and the efficiency of Government bureaucracy.

In 2009, the local arm of Transparency International conducted a survey on Corruption in the Trinidad and Tobago Construction Industry. The survey found that over 90 per cent of the respondents believed that corruption was common in the industry, with half of those respondents considering it to be very common. The types of corruption identified as existing in the industry were: bribery to obtain planning permission; leaking of information to a preferential bidder; bribery to obtain a contract; concealment of bribes; production of fraudulent timesheets and invoices; and inclusion of false extra costs to contract claims. More than half (53 per cent) of the respondents reported being offered a bribe on at least one occasion while 97 per cent of the respondents believed that the government was not doing enough to combat corruption<sup>35</sup>.

Several international bodies highlighted concerns about the country's public procurement processes. The U.S. Department of Commerce cited the lack of transparency in procurement which acted as an obstacle to foreign direct investment<sup>36</sup>. In the Guidance on Overseas Business Risk for Trinidad and

---

<sup>35</sup> Trinidad and Tobago Transparency Institute. *Corruption in the Trinidad and Tobago Construction Industry*, 2009 Survey.

<sup>36</sup> State Department's Office of Investment Affairs, Investment Climate Statement, *Trinidad and Tobago - Corruption* (web) accessed 31 July, 2018. <https://www.export.gov/article?id=Trinidad-and-Tobago-Corruption>  
[https://photos.state.gov/libraries/port-of-spain/231771/PDFs/2013%20Investment%20Climate%20State-  
ment\\_\\_001.pdf](https://photos.state.gov/libraries/port-of-spain/231771/PDFs/2013%20Investment%20Climate%20Statement__001.pdf)



Tobago, the UK Government's Department for International Trade advised on the widespread allegations of bribery, corruption and lack of transparency in procurement processes, especially in the public sector<sup>37</sup>.

The number of fraud cases reported to Trinidad and Tobago's Fraud Squad involving Government agencies fluctuated during the 2014 -2016 period. In 2014 there were 145 cases, in 2015 there were 127 cases and in 2016 the total number of cases was 141. The value, however, increased exorbitantly in 2016. In 2014, there was a reported value of TT\$200,300,000 (US\$29,674,074) and in 2016 the value was TT\$402,600,000 (US\$59,644,444)<sup>38</sup>

Another challenging area for the country is money laundering, especially within the gaming industry. According to Global Security Organization, while public casinos and online gaming are illegal in Trinidad and Tobago, gamblers take advantage of private members' clubs which operate as casinos and are able to move large quantities of cash and engage in dubious activities due to the lack of adequate supervision of this sector<sup>39</sup>. In addition, Trinidad and Tobago has been regarded as a haven for casinos due to its typical cash-based economy, little government oversight and poor enforcement of AML/CFT controls<sup>40</sup>. The Government identified this as high risk, especially as these clubs evade taxes, and has sought to address the regularization and supervision of Private Members' Clubs within the last three years.

---

<sup>37</sup> Department for International Trade, Foreign Commonwealth Office, *Guidance Overseas Business Risk – Trinidad & Tobago*, 7 May, 2018. <https://www.gov.uk/government/publications/overseas-business-risk-trinidad-tobago/overseas-business-risk-trinidad-tobago>

<sup>38</sup> Trinidad and Tobago Police Service, *Dealing with White Collar Crime Successes & Challenges*, Presentation by Mr. Harold Phillips (web) accessed 31 July, 2018. <http://transparency.org.tt/wp/wp-content/uploads/2017/11/Dealing-with-White-Collar-Crime-Harold-Phillip.pdf>

<sup>39</sup> Global Security, *Trinidad and Tobago Corruption*, (web) accessed 31 July, 2018 <https://www.globalsecurity.org/military/world/caribbean/tt-corruption.htm>

<sup>40</sup> Gordon, Netty-Ann, *The Casino and Gaming Industry in Trinidad and Tobago: Employment, Revenue, Regulation and Crime*, 13-14 October, 2016. <https://sta.uwi.edu/conferences/16/cote/documents/NGordonCOTE2016Presentation.pdf>





# INTEGRITY

## Business Integrity Activities

Most private sector businesses do not have a specific corruption policy but may have a code of conduct that outlines integrity positions. Their Code of Conduct may include a clause intended to promote integrity or ethical behaviour among members. For instance, one of the objectives of the Code of Ethics of the Association of Trinidad and Tobago Insurance Companies (ATTIC) is to “define and promote standards of ethical behaviour among member companies.”<sup>41</sup> Professional associations such as ATTIC make their codes available on their websites and to their members. Regarding adherence to the policies of local associations, the TTCIC requests that members sign the certificate at the back of the Code booklet as evidence of having read the Code of Ethics. This serves as an indication that they agree with the stated clause: “In the event that the Chamber receives a formal complaint or allegations about any member with respect to the compliance of the Code, the Chamber would endeavour to investigate the complaint or allegation in a thorough manner and would attempt to have these resolved. Failure to comply with the Code may result in termination of membership.”<sup>42</sup>

The American Chamber of Commerce (AMCHAM) is one of the associations in Trinidad and Tobago which stood against corruption in their annual budget submission in calling for the strengthening of the

<sup>41</sup> Association of T&T Insurance Companies, Code of Ethics, 2017. <http://www.attic.org.tt/uploads/Codepercent20ofpercent20ethics.pdf>

<sup>42</sup>T&T Chamber of Commerce. Code of Conduct. 2012. [https://chamber.org.tt/wp-content/uploads/2017/01/TTCIC\\_CodeofConduct\\_2012.pdf](https://chamber.org.tt/wp-content/uploads/2017/01/TTCIC_CodeofConduct_2012.pdf)

Fraud Squad and the Cyber-Crime Bill. AMCHAM also argued that whistleblower legislation remained important in finding and prosecuting white-collar crimes, in particular, and could have a considerable effect on the prosecution and the conviction of lawbreakers.<sup>43</sup> The Bankers' Association of Trinidad and Tobago has a committee comprised of fraud officers whose responsibilities involve the detection and prevention of fraud in the banking arena.<sup>44</sup> The Energy Chamber of Trinidad and Tobago has a whistleblower policy which applies to all members, employees and volunteers. Whistleblowers are protected from retaliation and anyone found guilty of doing so faces disciplinary action.<sup>45</sup>

Most multinational corporations operating in Trinidad and Tobago, such as KPMG, Atlantic LNG, BHP Billiton and Coca Cola, actively implement anti-corruption policies. These policies are detailed and feature on their websites in downloadable formats. They cover bribery, political contributions, facilitation payments and other corrupt activities. They also state clearly that all employees at various levels of the company are required to adopt the policy. To this end, employees undergo a training programme on the company's policy. In contrast, local associations or businesses tend to limit their anti-corruption initiatives to a policy or code of conduct. Apart from having a very detailed policy, BHP Billiton's anti-corruption programme covers situations that all employees, directors or subsidiaries may encounter and outlines the appropriate procedure for handling them. These situations range from business travel, to accepting gifts, hospitality and entertainment, to conflicts of interest. Such codes of business conduct cover most aspects of an employee's behaviour.

Some businesses in Trinidad and Tobago have signed on to the United Nations Global Compact. This is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment, and anti-corruption. This is a voluntary initiative based on a company's commitment to implementing sustainable and socially responsible policies, including anti-corruption policies.<sup>46</sup> Local participants of UN Global Compact are Insepra Limited, Trinidad Cement Limited (TCL), Electrical Industries Group Limited, Trinidad and Tobago Manufacturers' Association (TTMA) and the Trinidad and Tobago Chamber of Industry and Commerce. As participants in this initiative, companies must report annually on the initiatives that they have implemented in line with UN Global Compact principles.

---

<sup>43</sup> AMCHAM TT, Vision and Mission, 2017. <https://www.amchamtt.com/AMCHAM-T&T-Vision-&-Mission>

<sup>44</sup> Bankers Association of Trinidad and Tobago, Annual Report, 2017. <https://batt.org.tt/wp-content/uploads/2017/02/BATT-Annual-Report-2017.pdf>

<sup>45</sup> Energy Chamber T&T, Whistleblowing Policy, 2012. <https://static1.squarespace.com/static/5502c848e4b0e376000821c1/t/56f195e8c6fc0826ee2db89c/1458673130145/ECTT+Whistleblowing+Policy+-+Oct+11+2012.pdf>

<sup>46</sup> UN Global Compact, Ten Principles. 2013. <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-10>

## **Public Sector Assessment**

The BICA Public Sector Assessment found that the laws of Trinidad and Tobago are largely in alignment with international transparency standards. Areas of strength include laws covering bribery of public officials, proceeds of crime, collusion, accounting and auditing standards, and conflicts of interest. Major shortcomings are the lack of laws addressing commercial bribery, whistleblowing and lobbying. Consequently, the country scored low in enforcement in these areas.

## SUMMARY TABLE OF PUBLIC SECTOR ASSESSMENT

Thematic area	Score	Indicator	Score
1.1 Prohibiting Bribery of Public Officials	58	1.1.1 Laws of prohibiting bribery of public officials	75
		1.1.2 Enforcement of laws prohibiting bribery of public officials	50
		1.1.3 Capacities to enforce laws prohibiting bribery of public officials	50
1.2 Prohibiting Commercial Bribery	0	1.2.1 Laws prohibiting commercial bribery	0
		1.2.2 Enforcement of laws prohibiting commercial bribery	0
		1.2.3 Capacities to enforce laws prohibiting commercial bribery	0
1.3 Prohibiting Laundering Proceeds of Crime	50	1.3.1 Laws prohibiting laundering proceeds of crime	75
		1.3.2 Enforcement of laws prohibiting laundering proceeds of crime	25
		1.3.3 Capacities to enforce laws prohibiting laundering proceeds of crime	50
1.4 Prohibiting Collusion	33	1.4.1 Laws prohibiting collusion	75
		1.4.2 Enforcement of laws prohibiting collusion	0
		1.4.3 Capacities to enforce laws prohibiting collusion	25
1.5 Whistleblowing	0	1.5.1 Whistleblowing laws	0
		1.5.2 Enforcement of whistleblowing laws	0
1.6 Accounting, Auditing and Disclosure	31	1.6.1 Accounting and auditing standards	75
		1.6.2 Enforcement of accounting and auditing standards	0
		1.6.3 Professional service providers	50
		1.6.4 Beneficial Ownership	0
1.7 Prohibiting Undue Influence	42	1.7.1 Laws on political contribution	25
		1.7.2 Enforcement of public disclosure of political contributions	25
		1.7.3 Laws on lobbying	0
		1.7.4 Enforcement and public disclosure on lobbying	0
		1.7.5 Laws on other conflicts of interest	75
		1.7.6 Enforcement and public disclosure of other conflicts of interest	75
1.8 Public Procurement	25	1.8.1 Operating environment	25
		1.8.2 Integrity of contracting authorities	25
		1.8.3 External safeguards	25
		1.8.4 Regulations for the private sector	25
1.9 Taxes and Customs	42	1.9.1 Operating environment	50
		1.9.2 Integrity of tax administration authorities	50
		1.9.3 External Safeguards	25

## 1.1 Prohibiting Bribery of Public Officials

58

In Trinidad and Tobago, the bribery of public officials is covered by the offence of misbehaviour in public office as defined under anti-corruption legislation. However, the law does not extend to facilitation of the offence. Explicitly outlined in the legislation is a range of sanctions and penalties for perpetrators. However, there are enforcement challenges that continue to stymie the effective operations of several law enforcement authorities. There is need for greater autonomy for enforcement bodies such as the Anti-Corruption Investigation Bureau (ACIB) and for greater power for the Police Complaints Authority (PCA). Resource constraints in the Office of the Director of Public Prosecutions (DPP) exert a significant and debilitating effect on the efficiency of the country's judicial capacity.

### 1.1.1. Laws Prohibiting Bribery of Public Officials

Scoring question: *Do the country's laws prohibit bribery of national and foreign public officials?*

Score: 75

#### Analysis

The Prevention of Corruption Act Chapter 11:11 is the main law that addresses bribery by public officials<sup>47</sup>. Interestingly, the Prevention of Corruption Act does not use the word 'bribery'<sup>48</sup>; however, the activities prohibited by the Act may constitute active and passive, direct and indirect bribery<sup>49</sup>. This is described in Section 3. Police officers sometimes charge offending persons with misbehaviour in public office or corruption rather than bribery.

The Act uses the phrase "Every person" to describe who may be liable. However, no mention is made of foreign public officials and officials of publicly-owned international companies. The charge of misbehaviour in public office is applicable to persons holding public office who are accused of having breach this law.

The Prevention of Corruption Act does not mention undue advantages but Section 27 of the Integrity in Public Life Act states that a person to whom this part applies<sup>50</sup> shall not accept a fee, gift or personal benefit, except compensation authorised by law that is connected directly or indirectly with the performance of the duties of his/her office.<sup>51</sup>

Trinidad and Tobago's laws do not address facilitation payments. However, such payments are prohibited in the code of conduct of several multinational organizations operating in the country including BHP Billiton, BP and Atlantic LNG.

The scope of the Prevention of Corruption Act does not cover the prohibition of bribery involving foreign public officials and officials of public international organizations.

---

<sup>47</sup> Public office is defined in the Act as any office or employment of a person as a member, officer or servant of a public body.

<sup>48</sup> Bribery is an offence under Section 5 of the Criminal Offences Act 1844.

<sup>49</sup> U4 Anti-Corruption Resource Centre (web) accessed 31, July 2018. <https://www.u4.no/terms#> definitions of active and passive bribery

<sup>50</sup> This part applies to a person in public life and to all persons exercising public functions.

<sup>51</sup> Integrity in Public Life Act

### 1.1.2. Enforcement of Laws Prohibiting Bribery of Public Officials

Scoring question: *Are sanctions and incentives applied in practice to deter bribery of public officials?*

Score: 50

#### Analysis

According to the Deputy Court Statistician, there are currently no charges or convictions for bribery before the Magistrates Court or the High Court. However, the court uses the description ‘misbehaviour in public office’ to refer to a range of offences committed by public officials including bribery.<sup>52</sup> Therefore, some persons charged with misbehaviour in public office were in fact accused of having committed bribery. Over the period 2012-2017, there were eight such cases before the High Court, two of which were disposed of by way of dismissal and acquittal, and a total of 637 cases before the Magistrates’ Court. Since details of each case are unknown, it would be difficult to get an accurate figure of how many of these cases are bribery-related.

There are several sanctions to deter bribery. Section 6 of the Prevention of Corruption Act lays out the penalties for the offences found in Section 3 (corruption in office), Section 4 (corrupt transactions with agents) and Section 5 (corruptly communicating official information). They include a fine of TT\$500,000 (US\$74,074.07) and imprisonment for 10 years. A person convicted of having received a bribe would be required to repay the sum. On a second conviction, in addition to the penalties of a fine and imprisonment, the perpetrator will be banned from registering as an elector or voting in any election of members of any public body. If the convicted person is a public servant, he/she may be liable to forfeit the right to claim compensation or pension.

There is no statute of limitations for indictable offences in Trinidad and Tobago. However, for summary offences the six-month statute of limitations is extended to one year in corruption cases under Section 8 of the Prevention of Corruption Act, 1987.<sup>53</sup>

There are currently no mitigation incentives or leniency programmes available.

---

<sup>52</sup> Dowlat, Rhondor. “*Cop caught red-handed taking bribe*”, Trinidad and Tobago Guardian Newspaper (web) 3 March, 2018. <http://www.guardian.co.tt/news/2018-03-02/cop-caught-red-handed-taking-bribe>

<sup>53</sup> Implementation Review Group, *Review of Implementation of United Nations Convention Against Corruption*, 2013.

While an alleged case of corruption may involve bribery, it is difficult to ascertain how many persons are before the court on bribery-related offences due to the manner in which offences are classified by the court.

### 1.1.3. Capacities to Enforce Laws Prohibiting Bribery of Public Officials

Scoring question: *Do relevant public authorities possess adequate capacities for enforcing laws prohibiting bribery of public officials?*

Score: 50

#### Analysis

In fiscal year 2018, the TTPS received a budgetary allocation of TTD\$2.3 billion (US\$340,740,740) which was 4.2 per cent of the national budget. This sum is distributed throughout the entire police service. The amount given to individual departments is unknown.

The bodies responsible for enforcing anti-corruption laws against public officials are the Anti-Corruption Investigation Bureau (ACIB), the Police Complaints Authority (PCA), and the Office of the Director of Public Prosecutions (DPP).

The ACIB was established by Cabinet Minute No. 20 of 11<sup>th</sup> January 2002 under the Ministry of the Attorney General. It operates as the premier department in the Trinidad and Tobago Police Service (TTPS) with the responsibility for investigating matters involving corruption by government officials, public officers, police officers and public and statutory bodies..<sup>54</sup> Its power is derived from Section 9 of the Prevention of Corruption Act, the Proceeds of Crime Act and Section 5 of the Indictable Offences (Preliminary Enquiries Act).

The ACIB does not have an independent budget and may be too dependent on the resources and support of other agencies. It has had problems attracting police officers due to the very stringent screening process and unattractive remuneration packages.<sup>55</sup> Another challenge of the ACIB is the lack of training programmes for staff in areas such as Forensic Investigations, Intelligence Gathering and Analysis, Information Technology, Financial Crime Investigations and Cyber Crime Investigations.

A 2014/2015 Joint Select Committee report suggested that the ACIB be removed from under the jurisdiction of the Attorney General and should be financially and administratively independent.<sup>56</sup> This

---

<sup>54</sup>Organization of American States, Trinidad and Tobago Police Service, Anti-Corruption Investigation Bureau. 12 September 2018.

[http://www.oas.org/juridico/PDFs/mesicic4\\_tto\\_ACIB.pdf](http://www.oas.org/juridico/PDFs/mesicic4_tto_ACIB.pdf)

<sup>55</sup> Joint Select Committee of the Administration and Operations of the Anti-Corruption Investigation Bureau (ACIB) 2, June 2015. <http://www.ttparliament.org/reports/p10-s5-J-20150529-JSC1-r13-ACIB.pdf> pages 19-21

<sup>56</sup> Joint Select Committee of the Administration and Operations of the Anti-Corruption Investigation Bureau (ACIB) 2, June 2015. <http://www.ttparliament.org/reports/p10-s5-J-20150529-JSC1-r13-ACIB.pdf> page 30

would be in keeping with international best practices. Despite the recommendation, the ACIB still has not attained operational independence.

When necessary, the ACIB cooperates with the Integrity Commission, the Board of Inland Revenue, the Registrar General's office, the Elections and Boundaries Commission, the Central Authority of the Attorney General's Office and the DPP. There is some overlap with the ACIB and the Financial Investigations Branch of the TTPS.

The PCA is an independent body empowered to investigate complaints against police officers including allegations of serious misconduct, corruption and criminal offences. Under the PCA Act police officers under investigation are not compelled to furnish information to the PCA and, in some instances, have exercised the option not to do so. The PCA has said it would become more efficient if the Authority and its officers were granted the same powers, privileges, authorities and immunities as police officers and if the PCA were designated as a body authorised to access information under the Interception of Communications Act, Chap. 15:08.<sup>57</sup>

In addition to the above, the PCA has recommended an amendment to the Justice Protection Act for the protection of witnesses in cases being investigated by the Authority.<sup>58</sup>

In 2014/2015, the PCA reported that the number of staff employed was insufficient for its workload. With a staff complement of 48, the PCA was operating with just two-thirds of the recommended 72 employees. The PCA has encountered challenges in attracting new talent from among the limited pool of skilled local candidates in the area of investigations<sup>59</sup>. The situation has since improved with the recruitment of some new personnel throughout the organisation. However, critical positions in the area of investigations remain vacant. The PCA has also provided a range of training to its staff over the period 2016-2017.<sup>60</sup> Despite the allocation of funds for procuring much-needed equipment for its work, the PCA has occasionally been unable to do so due to a shortage of investigative staff.<sup>61</sup> The PCA has an information-sharing relationship with the ACIB and the TTPS and occasionally cooperates with foreign law enforcement authorities. Unfortunately, the Authority does not have a Memorandum of

---

<sup>57</sup> Joint Select Committee of the Administration and Operations of The Police Complaints Authority.2015. <http://www.pca.org.tt/wp-content/uploads/2013/07/12th-Report-JSC-Group-1-Police-Complaints-Authority.pdf> Page 24

<sup>58</sup> Joint Select Committee of the Administration and Operations of The Police Complaints Authority.2015.

<sup>59</sup> PCA *Annual Report 2016-2017*. 23, December 2016.

<sup>60</sup> PCA *Annual Report 2016-2017*. 23, December 2016. Page 15

<sup>61</sup> Joint Select Committee of the Administration and Operations of The Police Complaints Authority <http://www.pca.org.tt/wp-content/uploads/2013/07/12th-Report-JSC-Group-1-Police-Complaints-Authority.pdf> page 36-40

Understanding with agencies that provide medical and forensic reports, which would assist greatly in its investigations.

The DPP's office is responsible for providing prosecution services in Trinidad and Tobago. The DPP's functions are set out in Section 90, Chapter 6, Part 1 of the Constitution of Trinidad and Tobago. The independence of the Office of the DPP is constitutionally guaranteed, although it does not have its own budget and is subject to the authority of the Attorney General for administrative matters such as staffing.<sup>62</sup> Appearing before a Joint Select Committee of Parliament in 2017, Director of Prosecutions, Roger Gaspard, disclosed details about the problems of staffing and budget.

At the time, the Office of the DPP was operating with a complement of 60 professional staff members which was less than half of the 137 staff approved in its organisational structure. The DPP recognized that the potential risks of the job was a deterrent to those who would otherwise be willing to be employed in the office. Several persons who were interviewed and offered the position of State Counsel had declined. There was also a high turnover of staff with 46 resignations over the past ten years. For many, the office is a stepping-stone to careers in other state agencies or private practice. The high turnover has not only made it difficult to fill the position of State Counsel 3 but fuels a steady migration of experienced personnel with the result that the DPP's Office is constantly training new hires.

The office has outgrown its physical space and is currently in the process of finding new accommodation.<sup>63</sup> This is another reason given by the DPP for the shortage of both professionals and support staff. Other agencies usually forward information to the DPP's office in order to determine whether there is enough evidence to take to the courts. This results in an accumulation of physical files at the DPP's office. The DPP has proposed the adoption of a modern case management system, which would boost efficiency and reduce the need for physical space.

The DPP cooperates with the TTPS, the Board of Inland Revenue, the Customs and Excise Division and the Financial Intelligence Unit in the exercise of its functions.

---

<sup>62</sup> In the case of the *State v. Seeromanie Maraj-Naraynsingh et al* (Crim. App. No. 5 of 2006), the court confirmed that the DPP is under no obligation to obey any instruction or direction from the Attorney General.

<sup>63</sup> Joint Select Committee on National Security, 24 March, 2017. pages 8-12 <http://www.ttparliament.org/documents/2498.pdf>

## 1.2. Prohibiting Commercial Bribery

0

Commercial bribery is not addressed in the laws of Trinidad and Tobago.

### 1.2.1. Laws Prohibiting Commercial Bribery

Scoring question: *Do the country's laws prohibit commercial bribery?*

Score: 0

#### Analysis

Trinidad and Tobago's legislation does not make any provision for commercial bribery. The United Nations Office on Drugs and Crime (UNODC) notes in its 2013 United Nations Convention Against Corruption Review that "active and passive bribery in the private sector is not currently addressed in the legislation of Trinidad and Tobago."<sup>64</sup>

### 1.2.2. Enforcement of laws prohibiting commercial bribery

Scoring question: *Are sanctions and incentives applied in practice to deter commercial bribery?*

Score: 0

#### Analysis

Not Applicable.

---

<sup>64</sup> Implementation Review Group, Review of Implementation of United Nations Convention Against Corruption, 2013 (web) accessed 31 July, 2013. <https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/26-27November2013/V1387808e.pdf>

**1.2.3. Capacities to Enforce Laws Prohibiting Commercial Bribery**

Scoring question: *Do relevant public authorities possess adequate capacities for enforcing laws prohibiting commercial bribery?*

Score: **0**

**Analysis**

Not Applicable

### 1.3. Prohibiting Laundering of Proceeds of Crime

50

Trinidad and Tobago's laws prohibit laundering of proceeds of crime but there is no provision to address the facilitation of the offence. While dissuasive, proportionate sanctions exist, the effectiveness of these are compromised by the country's inability to enforce the law and actually convict perpetrators. A factor in this may be that several of the law enforcement agencies are operating below their required human resource and financial capacity.

### 1.3.1 Laws Prohibiting Laundering of Proceeds of Crime

Scoring question: *Do the country's laws prohibit laundering of proceeds of crime?*

Score: 75

#### Analysis

Trinidad and Tobago's laws criminalizes Money Laundering (ML) There is one main law with two Amendments that govern the laundering of the proceeds of crime, namely the Proceeds of Crime Act (2000)<sup>65</sup> (POCA), its Amendment Act (2009)<sup>66</sup> and the Miscellaneous Provisions Act No. 15 of 2014<sup>67</sup>. While money laundering is not explicitly defined in POCA (2000), Part II Section 43-53 inter alia defines criminal conduct<sup>68</sup> and criminal property<sup>69</sup> and makes ML an indictable offence linking it to transactions involving criminal property. The POCA (2000) extends the ML offence to a range of activities including receiving, possessing, transferring and converting that criminal property.

Section 45 of POCA (2000) states that “... A person who knows or has reasonable grounds to suspect that property is criminal property and who— (a) engages directly or indirectly, in a transaction that involves that criminal property; or (b) receives, possesses, conceals, disposes of, disguises, transfers, brings into, or sends out of Trinidad and Tobago, that criminal property; or (c) converts, transfers or removes from Trinidad and Tobago that criminal property, commits an offence of money laundering.”

Additionally, Trinidad and Tobago has also made significant strides towards improving the laws that prohibit ML in order to achieve greater compliance with the international standards of the Financial Action Task Force (FATF). The POCA Amendment (2009) improves the functionality of the POCA (2000) and enables higher compliance with the 40 recommendations of FATF. The Miscellaneous Provisions Act No.15 of 2014 further widened and strengthened the scope of ML to allow for a more effective legislative scheme for prosecution of the offence.

Notwithstanding the criminalization of the offence and Trinidad and Tobago's efforts to comply with established international standards on ML, there remains a lack of provisions in the legislation for “facilitating” as an ancillary to the offence of ML. Thus, a gap exists in the law which would prohibit the aiding of the commission of an ML offence.

---

<sup>65</sup>Proceeds of Crime Act No. 55 of 2000

<sup>66</sup>Proceeds of Crime (Amendment) [Act No. 10 of 2009](#)

<sup>67</sup> Miscellaneous Provisions No. 15 Bill 2014 [Act No. 15 of 2014](#)

<sup>68</sup> POCA 2000 defines Criminal Conduct as conduct which constitutes an offence in Trinidad and Tobago or occurs outside of Trinidad and Tobago and would constitute an offence if it occurred in Trinidad and Tobago;

<sup>69</sup> POCA 2000 defines Criminal Property as property which constitutes the benefit to a person from criminal conduct or represents such a benefit in whole or in part whether directly or indirectly.

### 1.3.2 Enforcement of Laws Prohibiting Laundering of Proceeds of Crime

Scoring question: *Are sanctions and incentives applied in practice to deter the laundering of proceeds of crime?*

Score: 25

#### Analysis

The laws of Trinidad & Tobago outlines ML sanctions and penalties with appropriate, dissuasive and proportionate sanctions. However, the country struggles with active enforcement in the investigation and prosecution of the offence. In Trinidad and Tobago's Fourth Round Mutual Evaluation Report (MER), June 2016<sup>70</sup>, the Caribbean Financial Action Task Force (CFATF) indicated that although persons had been charged with ML, the lack of convictions suggested limited investigations and low priority within the court system. The Report noted that Trinidad and Tobago lacks the measures required for ensuring timely prosecution of ML offences. Given the high volume of offences reported, the number of ML investigations was minimal with no stand-alone ML convictions. As at 21<sup>st</sup> February 2018 there were 27 cases of ML before the court, amounting to 359 charges valued at TTD\$21,035,719 (US\$3,116,402).<sup>71</sup> These cases included charges laid as far back as six years ago. However, there are no actual convictions for specific ML offences.

The breach of the laws under the POCA results in the application of strict penalties ranging from TTD\$25,000.00 (US\$3,703.70) to TTD\$5,000,000.00 (US\$740,740.74) and imprisonment ranging from 2 to 25 years.<sup>72</sup> However, the low conviction rate stymies the active application of these sanctions to persons charged with the offence including its application to anyone who directs or works in any capacity for a private sector entity and against legal persons in general. In the 4<sup>th</sup> MER, Trinidad and Tobago was rated as having low levels of effectiveness<sup>73</sup> in the two main assessment areas related to

---

<sup>70</sup> Caribbean Financial Action Task Force, *Anti-money laundering and counter-terrorist financing measures Trinidad and Tobago Mutual Evaluation Report*, 2016.

<sup>71</sup>

Financial Intelligence Unit Trinidad and Tobago, Trinidad & Tobago Police Service (TTPS) – *Money Laundering charges before the courts as at 30 June, 2018* (web) accessed 02 August, 2018 <https://www.fiu.gov.tt/en-forcement.php?mid=75>

<sup>72</sup> Financial Intelligence Unit Trinidad & Tobago, *Offences & Penalties under the AML/CFT Laws of Trinidad and Tobago*, 14 November 2014.

<sup>73</sup> This FATF's rating systems assesses a country's effectiveness, which examines the extent to which the country's technical compliance (laws and regulations) effectively works at achieving desirable results in combating ML.

Money Laundering: Immediate Outcome 7 which assesses the extent to which ML offences and activities are investigated and offenders prosecuted, and Immediate Outcome 8 which assesses the confiscation of proceeds of crime.

In Trinidad and Tobago, there is no statute of limitation on indictable offences nor any set mitigation incentives.<sup>74</sup> The judicial system examines the context of each case and any application of leniency programmes is at the discretion of the judge.

---

<sup>74</sup> Implementation Review Group, Review of Implementation of United Nations Convention against Corruption, 2013 (web) accessed 31 July, 2013. <https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/26-27November2013/V1387808e.pdf>

### 1.3.3 Capacity to Enforce Laws Prohibiting Laundering of Proceeds of Crime

Scoring question: *Are adequate enforcement capacities available for enforcing laws prohibiting laundering of proceeds of crime?*

Score: 50

#### Analysis

Enforcement authorities exist in accordance with various laws, providing full autonomy to execute their function in relation to Money Laundering (ML). One of the main enforcement agencies is the Trinidad and Tobago Police Service (TTPS) which is responsible for investigating all offences in accordance with the Police Service Act Chapter 15:01.

1. The Fraud Squad within the TTPS has been instrumental in the arrest and prosecution of persons involved in ML while the Financial Investigation Branch (FIB) is the agency tasked with the responsibility to investigate ML and confiscate proceeds of such crimes.
2. The Customs and Excise Division (C&E) established under the Customs Act is considered a law enforcement authority under the Financial Intelligence Unit of Trinidad and Tobago Bill, 2009. C&E is required to collect revenue and combat any associated fraud.
3. The Board of Inland Revenue (BIR) is another law enforcement authority responsible for investigating tax offences. The Criminal Tax Investigation Unit within the BIR conducts investigations into ML and cooperates with the Financial Intelligence Unit (FIU) in this regard.

The three main supervisory and regulatory bodies in the financial sector include the Central Bank of Trinidad and Tobago (CBTT), the Financial Intelligence Unit (FIU) and the Trinidad and Tobago Securities and Exchange Commission (TTSEC). These bodies monitor and report any suspicious activities to the FIU. The CBTT is the most experienced and oldest serving Supervisory Authority in Trinidad and Tobago. It is responsible for ensuring that licensed institutions under the Financial Institution Act, registrants under the Insurance Act Chapter 84:01, the Home Mortgage Bank Act Chap 78:08, bureaux de change, and money remittance businesses comply with the Anti Money Laundering and Combating the Financing of Terrorism (AMT&CFT) legislative and regulatory requirements. The Financial Intelligence Unit Act Chap. 72 established the Financial Intelligence Unit: 01<sup>75</sup>. The FIU is the primary institution for the collection, analysis and dissemination of financial intelligence and information among domestic and international law enforcement authorities, financial institutions and businesses. The FIU also supervises and maintains the list of all non-regulated financial institutions and listed businesses in

---

<sup>75</sup>Financial Intelligence Unit of Trinidad and Tobago Act 11 of 2009

Trinidad and Tobago. The TTSEC is an autonomous agency established by the Securities Industry Act (2012) to regulate the securities market and is responsible for ensuring that Broker-Dealers, Underwriters and Investment Advisers comply with laws related to AML & CFT by consulting, cooperating with and providing information to the Financial Intelligence Unit as set out in Section 19 of the Securities Act 2012.

These three Supervisory Authorities (CBTT, FIU & TTSEC) cooperate and share information with each other to the extent that the laws permit. The CBTT has a Memorandum of Understanding (MOU) with TTSEC<sup>76</sup> and FIU<sup>77</sup> on the exchange of information, cooperation and collaboration on matters pertaining to prevention of money laundering and terrorist financing. The FIU further collaborates with several other regulatory and enforcement bodies by sending Intelligence Reports to the Commissioner of Police, the Comptroller of Customs and Excise, the Chief Immigration Officer and the Chairman of the Board of Inland Revenue. Additionally, foreign law enforcement authorities and foreign FIUs receive reports from the FIU. In a June 2016 report, CFATF highlighted some shortcomings in the ability of other supporting agencies' to provide and obtain timely information from foreign counterparts specifically the Customs and Excise Division and the Board of Inland Revenue<sup>78</sup>. In September 2016, Trinidad and Tobago signed a Customs Mutual Administrative Agreement (CMAA) with the United States of America. This treaty allows counterpart Customs Authorities in different countries to exchange information, intelligence and documents to assist in inter alia the prevention, detection and prosecution of money laundering, terrorist financing and human trafficking.

There is inadequate funding, staffing issues and a general lack of resources in several of the law enforcement and prosecution authorities. This has significantly affected their ability to analyse, investigate, prosecute and confiscate proceeds of crime from ML offences. In addition, there is no proper case management system for mutual legal assistance in extradition cases and there are clear indications of serious resource constraints within the judicial system. Overall, these factors have contributed to the courts' inability to achieve the timely and efficient processing of matters<sup>79</sup>. The 2017 Annual Report of the FIU revealed that there was an increase in the complement of staff in the Analyst and Compliance

---

<sup>76</sup> CBTT and TTSEC MOU, 2016. [https://www.central-bank.org.tt/sites/default/files/page-file-uploads/MOU%20between%20Central%20Bank%20and%20TTSEC\\_0.pdf](https://www.central-bank.org.tt/sites/default/files/page-file-uploads/MOU%20between%20Central%20Bank%20and%20TTSEC_0.pdf) MOU Between the TTSEC and the CBTT for the exchange of information and cooperation and consultation. 6 January 2014

<sup>77</sup> CBTT and FIU MOU, 2014. <https://www.central-bank.org.tt/sites/default/files/page-file-uploads/MOU%20between%20Central%20Bank%20and%20FIU.pdf> MOU Between the CBTT and the FIU concerning exchange of information on matters pertaining to anti-money laundering and the combating of terrorism financing. May 2014

<sup>78</sup> Caribbean Financial Action Task Force, *Anti-money laundering and counter-terrorist financing measures Trinidad and Tobago Mutual Evaluation Report*, 2016

<sup>79</sup> Caribbean Financial Action Task Force, *Anti-money laundering and counter-terrorist financing measures Trinidad and Tobago Mutual Evaluation Report*, 2016.

& Outreach Division. However, there still exists a shortage of human resources since a number of positions remain vacant. The situation is similar in the TTPS. While the FIB received an increase of regular officers, there remains a deficit in staff in both the FIB and Fraud Squad of 18 per cent and 34 percent respectively.<sup>80</sup> The overall decrease in the National Budget for fiscal year 2018 of approximately TT\$640 million (US\$94,814,814) resulted in a reduction in the allocations to several agencies including the TTPS. These capacity constraints have contributed to Trinidad and Tobago's challenges with enforcement of the established laws that prohibit laundering of proceeds of crime.

---

<sup>80</sup> Trinidad & Tobago Police Service (TTPS), *Manpower Audit Report 2017*. 2017.

## 1.4. Prohibiting Collusion



Trinidad and Tobago laws prohibit collusion. However, notwithstanding the establishment of the legal framework, there is no active enforcement due to partial proclamation of several integral provisions within the law. Resultantly, this limits the extent to which the regulatory body has the necessary oversight powers and ability to implement legal recourse actively. The main enforcement bodies are also not fully operational.

### 1.4.1. Laws Prohibiting Collusion

Scoring question: *Do the country's laws prohibit collusion?*

Score: 75

#### Analysis

There are two pieces of legislation in Trinidad and Tobago related to collusion and anti-competitive business practices. These are the Fair Trading Act Chapter 81:13 Act 13 of 2006 and the Public Procurement and Disposal of Public Property Act of 2015. The genesis of the Fair Trading Act 2006 lies in Trinidad and Tobago being a signatory to the Revised Treaty of Chaguaramas which provides for the promotion and maintenance of fair competition in the CARICOM Single Market and Economy (CSME). Under the treaty, member states are obligated to enact a national competition law to ensure consistency and compliance with rules of competition. Part III of the Fair Trading Act (2006) covers anti-competitive mergers, agreement practices and monopoly power. Section 17 explicitly prohibits all forms of direct and indirect price-fixing. Equally, agreements to share markets are criminalized. Section 21 of the Fair Trading Act (2006) also addresses the issue of limitations on production of goods and services. However, such limitations are framed as illicit if imposed to the detriment of consumers by an enterprise that holds monopoly.

The second law relevant to prohibiting collusion is the Public Procurement and Disposal of Public Property Act 2015.<sup>81</sup> Part IV, Investigation and Enforcement, Section 41 makes provisions for complaints to be submitted to the commission to investigate “bid rigging or other forms of collusion between all or any of the interested parties to procurement proceedings”.<sup>82</sup> The penalty for the offence of bid rigging is in Section 60 of the Act which states:

*A person who—(a) is involved in, or participates in bid rigging; or (b) directly or indirectly influences in any manner or attempts to influence in any manner any procurement proceedings in order to obtain*

---

<sup>81</sup> Republic of Trinidad and Tobago (2015): Act No. 1 of 2015 (Public Procurement and Disposal of Public Property Act), <http://www.finance.gov.tt/wp-content/uploads/2017/02/Public-Procurement-and-Disposal-of-Public-Property-Act-1-of-2015.pdf> 20 March 2018

<sup>82</sup> Republic of Trinidad and Tobago (2015): Act No. 1 of 2015 (Public Procurement and Disposal of Public Property Act), <http://www.finance.gov.tt/wp-content/uploads/2017/02/Public-Procurement-and-Disposal-of-Public-Property-Act-1-of-2015.pdf> 20 March 2018

*an unfair advantage in the award of a procurement contract, commits an offence and is liable to a fine of TT\$5 million (US\$742,024.24) and imprisonment for ten years*<sup>83</sup>.

#### **1.4.2. Enforcement of Laws Prohibiting Collusion**

Scoring question: *Are sanctions and incentives applied in practice to deter collusive practices?*

Score: **0**

#### **Analysis**

The Trinidad and Tobago Fair Trading Commission (TTFTC) was established in 2014 as an independent statutory agency pursuant to the Fair Trading Act 2006.<sup>84</sup> The Commission is mandated to carry out investigations and has the right to summon witnesses to produce documents necessary for inquiries. Further, the Commission is empowered to seek legal recourse against any business or individual who has engaged in corrupt practices. However, despite the Commission's remit, crucial parts of the anti-collusion legislation have not been proclaimed, limiting the Commission's room to manoeuvre and its ability to implement action. The specific parts of the legislation that have not been proclaimed include Part I which deals with preliminary matters, Part III which deals with examination and approving of proposed mergers and investigation into anti-competitive agreements and monopolies, Part VII which deals with the jurisdiction of the Court to deal with decisions of the Commission including appeals from High Court decisions, and Part IX which deals with miscellaneous and general matters. The Commission's ability to enforce the laws is contingent upon the declaration of all the sections of the Fair Trading Act, which will fully afford the TTFTC to take those enterprises charged with anti-competitive practices to court.<sup>85</sup>

Once the Fair Trading Act comes into effect, the TTFTC will be able to take to court any business or individual alleged to have engaged in anti-competitive practices and has failed to take corrective measures. The courts can prohibit the offending conduct, prohibit an agreement from being made or carried out, order that an agreement be modified or terminated, prohibit any specific conditions being

---

<sup>83</sup> Republic of Trinidad and Tobago (2015): Act No. 1 of 2015 (Public Procurement and Disposal of Public Property Act), <http://www.finance.gov.tt/wp-content/uploads/2017/02/Public-Procurement-and-Disposal-of-Public-Property-Act-1-of-2015.pdf> 20 March 2018

<sup>84</sup> TTFTC About the Trinidad and Tobago Fair Trading Commission (web) accessed 20, March 2018. <http://tandtftc.org/who-is-the-ttftc/>

<sup>85</sup> TTFTC *What can the TTFTC do?* (web) accessed 20, March 2018. <http://tandtftc.org/what-can-the-ttftc-do/>

attached to transactions, prohibit the acquisition of another company, or impose appropriate conditions and fines (limited to 10% of annual turnover)<sup>86</sup>.

While the framework has been provided for enforcement through an established Commission, there is currently no active enforcement of anti-collusion regulations. Collusive practices are not met by dissuasive, proportionate and effective sanctions nor are incentives applied in practice to deter collusive practices.

The Office of Procurement Regulation, the body responsible for enforcing the Public Procurement and Disposal of Public Property Act 2015, was constituted with the appointment of board members by the President of the Republic of Trinidad and Tobago on Friday 12th January 2018. This has been facilitated through the partial proclamation of the Act bringing the Procurement Regulator and the Office of Procurement Regulation into existence. “The partial proclamation allows for gradual establishment of the necessary functions, posts, process and transitions resulting in a more seamless adjustment to the new legislation and amplified efficacy in operations”<sup>87</sup>.

---

<sup>86</sup> TTFTC *What can the TTFTC do?* (web) accessed 20, March 2018. <http://tandtftc.org/what-can-the-ttftc-do/>

<sup>87</sup> Cabinet Note July 14<sup>th</sup> 2015. Trinidad and Tobago Contractors Association. Sections of the Public Procurement Act Proclaimed To Establish Office. <http://www.ttca.com/articles/sections-public-procurement-act-proclaimed-establish-office>.

### 1.4.3 Capacities to Enforce Laws Prohibiting Collusion

Scoring question: *Are adequate enforcement capacities available for enforcing laws prohibiting collusion?*

Score: 25

#### Analysis

The Trinidad and Tobago Fair Trading Commission is an Independent Statutory Body with three full-time members of staff - Executive Director, Legal Officer, and Researcher. The budgetary allocation for the Commission since its establishment in 2014 were: for fiscal 2014/2015- TT\$2million (US\$296,296); 2015/2016- TT\$1.2million (US\$177,777); 2016/2017- TT\$1million (US\$148,148); 2017/2018- \$TT1million (US\$148,148)<sup>88</sup>. The main activities currently being undertaken by the Commission include: (i) Public Advocacy and Sensitization, (ii) Facilitating the establishment of the remaining parts of the TTFC legislation, and (iii) Conducting market studies to understand the comparative factors affecting industries and the competitive issues hindering their development<sup>89</sup>.

The Trinidad and Tobago Fair Trading Commission is not currently involved in the active enforcement of its regulations, therefore cooperation with foreign law enforcement authorities on investigation and enforcement is non-existent. However, the Commission receives valuable information from competition authorities on threats to competition emanating from organisations such as international cartels which operate across borders. These competition authorities include International Competition Network, EU Director General for Competition and the CARICOM Competition Commission<sup>90</sup>.

The Office of Procurement Regulation, the body responsible for enforcing the Public Procurement and Disposal of Public Property Act 2015 is still being set up administratively. It is in the process of recruiting staff and developing regulations and handbooks on its functions. In fiscal 2017/2018 the body was allocated TT\$26million (US\$3,851,851.85). This was subdivided into TT\$16 million (US\$2,370,370.37) for recurrent expenditure (inclusive of salaries) and TT\$10 million (US\$1,481,481.48) for setting up the Office of Procurement Regulation<sup>91</sup> (one-time payment).

---

<sup>88</sup> Information provided by the Executive Director of TTFC.

<sup>89</sup> Information provided by the Executive Director of TTFC.

<sup>90</sup> TTFC, International Affairs. <http://tandtfc.org/international-affairs/>, 2017.

<sup>91</sup> Information provided by a board member from the Procurement Board.

## 1.5. Whistleblowing

0

There are no laws or enforcement in place for whistleblowing.

### 1.5.1. Whistleblower Laws

Scoring question: *Do the country's laws provide for protection to public and private sector whistleblowers regarding corruption?*

Score: 0

#### Analysis

There is no legislation that solely focuses on protection against whistleblowing. The Data Protection Act has one section (99) that speaks to the protection of whistleblowers, but that is limited to whistleblowing concerning breaches of the Data Protection Act only.

Part 5 (Power of Investigation), Section 32 of the Integrity in Public Life Act provides for a member of the public who wishes to file a complaint about a person in public life or a person exercising a public function who is believed to have acted in contravention of the Act.

### 1.5.2. Enforcement of Whistleblower Laws

Scoring question: *To what extent does the public sector enforce the laws protecting whistleblowers in the public and private sector?*

Score: 0

#### Analysis

Not Applicable. See Recommendations.

## 1.6 Accounting, Auditing and Disclosure

**31**

Trinidad and Tobago is compliant with international accounting standards. However, the country battles with weak enforcement capacity and no oversight authority to actively monitor and apply sanctions for non-adherence to accounting procedures within the public sector.

## 1.6.1 Accounting and Auditing Standards

Scoring question: *Does the country's accounting and auditing regulatory framework adhere to internationally recognised standards (for example, International Financial Reporting Standards)?*

Score: 75

### Analysis

The following laws govern the statutory framework for accounting, auditing, and financial reporting requirements in Trinidad and Tobago:

1. The Companies Act, 1995, and the Companies Regulations, 1997.

The Companies Act requires all companies, public and private, to present audited financial statements to their shareholders. Companies Regulations of 1997 grants official responsibility to the Institute of Chartered Accountants of Trinidad and Tobago (ICATT) for the establishment of accounting standards and requires that all financial statements be prepared and audited in accordance with those standards approved by ICATT. ICATT has adopted International Financial Reporting Standards (IFRS) since 1999 and IFRS for SMEs since 2010 by reference, without modification. IFRS is required for all public interest entities.<sup>92</sup> The Central Bank and the Trinidad and Tobago Stock Exchange also require that the financial statements of entities under their supervision comply with accounting standards adopted by ICATT.

International Standards on Auditing have been adopted. The Companies Regulation of 1997 requires that financial statements be audited in accordance with auditing standards adopted by ICATT. Empowered by the Institute of Chartered Accountants of Trinidad and Tobago (Incorporation) Act No. 33 of 1970, ICATT has adopted International Standards on Auditing (ISA) by reference, without modification, since 2003. ISAs are required for all mandatory audits. The Central Bank and the Trinidad and Tobago Stock Exchange also require that financial statements be audited using the auditing standards adopted by ICATT.

2. The Insurance Act, 1980 (Chapter 84:01) and the Financial Institutions Act, 2008;

Both the Financial Institutions Act and the Insurance Act require banks, financial institutions, and insurance companies to submit annual audited financial statements to the Central Bank. The Central

---

<sup>92</sup> International Federation of Accountants, *Legal and Regulatory Framework*, 2015. <https://www.ifac.org/about-ifac/membership/country/trinidad-and-tobago>

Bank and the Trinidad and Tobago Stock Exchange also require that the financial statements of entities under their respective supervision be prepared and audited according to the standards adopted by ICATT.

3. The Securities Industry Act, 1995 (Chapter 83:02)

The Securities Industry Act requires listed companies to file annual audited financial statements with the Trinidad and Tobago Stock Exchange.

4. The Exchequer and Audit Act (Chapter 69:01).

This Act lays out the duties and powers of the Auditor General of Trinidad and Tobago. However, there has been no adoption of International Public Sector Accounting Standards (IPSAS). The government of Trinidad and Tobago is responsible for setting public sector accounting standards. The public sector accounting standards are cash-based standards. The government has not adopted IPSAS, and there is no plan to incorporate them into the national requirements.

Companies are required to prepare financial statements that follow internationally recognized accounting standards. The government bases these standards on International Financial Reporting Standards (IFRS) and IFRS for Small and Medium Sized (SME) companies. Standards generally prohibit inappropriate accounting acts but these standards, due to the fact that they are more guidelines than laws, are not mandatory. It is more important for financial statements to be prepared appropriately. Likewise, companies are required to maintain accurate books and records available for inspection. Companies are required by law to maintain effective control systems and it is ICATT's responsibility to oversee this. However, ICATT has no stipulations for monitoring the accounting processes, but has stipulations for auditing. All publicly traded and listed companies are required to have their accounts externally audited and published according to International Standards on Auditing (ISA).

Every State Enterprise is required to appoint an Audit Committee. It is composed of a minimum of two non-executive directors and other independent company professionals<sup>93</sup>. The Minister of Finance may appoint other independent professionals to the Committee. The Audit Committee of the Board serves as an independent and objective party to monitor the company's periodic financial reports and internal control system. In addition, the Minister of Finance reviews and audits contracts awarded by State Enterprises as considered neces-

---

<sup>93</sup> Government of the Republic of Trinidad and Tobago Ministry of Finance State Enterprises Performance Monitoring Manual, 2011.

sary and appropriate. State Enterprises are required to submit to the Minister of Finance within 14 days following the end of each month, lists of all contracts awarded during the month, together with the value of each contract<sup>94</sup>. Tender rules and any amendments must also be submitted to the Minister of Finance for approval.

### **1.6.2. Enforcement of Accounting and Auditing Standards**

Scoring question: *Is the adherence of the country's accounting and auditing regulatory framework enforced in practice?*

Score: **0**

#### **Analysis**

Trinidad and Tobago does not have an institutional oversight system that penalises cases of non-adherence to accounting and auditing standards. However, issues do exist relating to compliance with and enforcement of established standards of accounting and auditing. These have had costly consequences to the public exchequer, the economy, and the region. Several factors contributed to these failures, including inadequate regulation by assigned regulators (including the Securities Exchange Commission, the Institute of Chartered Accountants of Trinidad and Tobago, and other responsible agencies), inadequate enforcement and sanctions, poor performance by management and boards of the institutions involved, lack of compliance with accounting requirements, and inadequately considered professional audit opinions.

The capacity for enabling compliance, enforcement, and sanctions are generally weak. There are few accounting professionals outside professional practice who are adequately knowledgeable in accounting standards. Some audit practitioners admit that a qualified audit opinion in the private sector would almost certainly lead to a change of auditors. This contributes to the low levels of compliance. Stakeholders view major legislation and regulations dealing with financial reporting and compliance (i.e., the Companies Act, Financial Institutions Act, Insurance Act, SEC Act, ICATT Act, and TTSE Limited and ICATT rules and regulations)<sup>95</sup> as providing weak enforcement mechanisms and weak deterrent sanctions for non-compliance.

---

<sup>94</sup> Government of the Republic of Trinidad and Tobago Ministry of Finance State Enterprises Performance Monitoring Manual, 2011.

<sup>95</sup> Report on the Observance of Standard and Codes (ROSC) T&T – Accounting and Auditing. World Bank. 2013.

### 1.6.3. Professional Service Providers

Scoring question: *Are the country's professional service providers (for accounting, auditing, rating or other related advisory services) required to comply with internationally recognised standards?*

Score: 50

#### Analysis

Professional service providers are subject to formal licensing. This includes the ACCA recognised big four firms – Deloitte, KPMG, PricewaterhouseCoopers and Ernst and Young. It is unknown whether professional service providers perform their services autonomously and independently of the government. The main professional oversight body is ICATT which has to ensure that professional bodies adhere to the standards. ICATT places a greater focus on auditing service providers as opposed to accounting service providers. For example, one must be a member of ICATT in order to be a licensed auditor while accountants do not necessarily have to be members of ICATT.

#### 1.6.4. Beneficial Ownership

Scoring question: *Do the country's laws require public information on beneficial ownership for companies, trusts and other legal structures?*

Score: 0

##### Analysis

The laws of Trinidad and Tobago do not require companies to identify publicly the real beneficiaries from the ownership of a company. However, the Trinidad and Tobago Extractive Industries Transparency Initiative requires the disclosure of beneficial ownership.<sup>96</sup> This is available in the Beneficial Ownership Registry which is accessible to the public. In 2015, a total of 51 extractive companies shared information on their beneficial owners with the TTEITI. This public register includes full name, birth date, nationality, address of the registered office and the principal place of business (if different), as well as a description of how the ownership or control is exercised (such as the percentage of shares held).

At the Anti-Corruption Summit in London 2016, Trinidad and Tobago's Country Statement specifically mentioned the goals regarding information on beneficial ownership. The document stated:

"Trinidad and Tobago will work towards establishing a registry of company beneficial ownership information. Trinidad and Tobago commits to ensuring that law enforcement agencies have full and effective access to beneficial ownership information for companies and other legal entities registered within its jurisdiction. Trinidad and Tobago is open to implementing bilateral arrangements that will ensure law enforcement in Trinidad and Tobago have full and effective access to the beneficial ownership information of companies incorporated in other countries who are willing to share such information with us. Trinidad and Tobago is prepared to provide full and effective access to the beneficial ownership information of companies incorporated in Trinidad and Tobago to other partner countries".<sup>97</sup>

Since the London 2016 country statement, Trinidad and Tobago has not been able to make the publication of beneficial ownership a legal requirement for companies.

---

<sup>96</sup>T&T Extractive Industries Transparency Initiative, *Beneficial Ownership Declaration*, 2018.

<http://www.tteiti.org.tt/industry-overview/beneficial-ownership-declaration/>

<sup>97</sup> Trinidad and Tobago's Country Statement. Anti-Corruption Summit- London. 2016.

## 1.7. Prohibiting Undue Influence

42

Campaign financing is a predominant area of concern in Trinidad and Tobago where it is highly unregulated. Existing legislation regulates individual candidates whose election campaigns rely on funding from private sources. The law does not apply to political parties, thus there is no oversight on funding channels, or contributions made to parties by the private sector. There are also no laws or enforcement against lobbying and for public disclosure. However, the declaration of assets by senior civil servants and public officials is sufficiently regulated by legislation and actively enforced. The country has no regulations on “cooling-off” periods for corporate executives transitioning to senior public offices and posts.

### 1.7.1. Laws on Political Contributions

Scoring question: *Is undue influence in the form of political contributions from the private sector to political parties and/or individual candidates prohibited by law?*

Score: 25

#### Analysis

In the absence of an adequate legal framework that encompasses stipulations for both political parties and individual candidates, Trinidad and Tobago's campaign financing system lacks sufficient transparency and accountability. There is no mechanism to determine direct public funding for electoral campaigns as elections are privately funded. The regulations that guide political financing in Trinidad and Tobago are severely undermined by the loophole created by the lack of a definition of political parties in the legislation. The law focuses only on the electoral expenses of individual candidates. As such political parties are outside the pale of legislative regulation. This regulatory deficit increases the opacity of the electoral financing system for both political parties and individual candidates.

The Representation of the People (ROP) Act No. 41 of 1967<sup>98</sup> and its amendment in 2000<sup>99</sup> are the primary laws governing electoral operations. ROP 1967, Part IV Section 44 – 59, specifically outlines the guidelines for individual candidates on electoral campaigns. Pertaining to reporting, the ROP 1967 enjoins candidates to submit a written statement of payment alongside all bills and receipts to the Chief Election Officer within 21 days after the day on which the results of the election are declared. Section 52 (2) (d) further stipulates that a declaration of all money, securities and equivalents of money received by the agent from the candidate or any other person for the purpose of election expense be transmitted to the Chief Election Officer within 42 days after the day of the declaration of election results. Though not explicitly stated, there are prohibitions on anonymous contributions for individual candidates, as alongside the aforementioned declarations, candidates are also required to submit a list of the names of persons who have contributed.

Article 46 of the Ordinance establishes the parameters within which individual candidates may receive gifts for the conduct and management of elections up to a statutory limit of TT\$5,000 (US\$740.74) for general elections, and for personal expenses related to elections not exceeding TT\$5,000 (US\$740.74). It prohibits unauthorized payment of expenses and stipulates a limit of TT\$50,000 (US\$7,407.41) for election expenses by candidates or their agents.

---

<sup>98</sup> Representation of the People (ROP) Act 41 of 1967

<sup>99</sup> Representation of the People (ROP) Act Amendment No. 51 of 2000

These stipulations regulate only individual candidates. The lack of legislation governing the financing of political parties and electoral campaigns stems from the fact that when the law was first enacted, independent candidates were the norm and party politics had not yet become entrenched. The legislation did not account for the emergence of political parties<sup>100</sup> and has not evolved to deal with the modern realities of elections as a contest between political parties striving to win votes at a national level as opposed to contests between individual candidates at the level of electoral districts.<sup>101</sup> Given that in Trinidad and Tobago candidates are elected as part of a team, voting is centrally based on parties and not individual candidates.<sup>102</sup> Individual candidates therefore tend to rely heavily on the campaign strategies and materials supplied by the political party, which the legislation fails to define. There are no laws that regulate or limit the extent to which political parties are funded by the private sector. Direct cash contributions are unregulated, there are no stipulations on anonymous contributions, no obligations guiding disclosure of donations received by parties, and no obligation on the part of the donors to declare sums given.

Overall, the electoral financing of political parties in Trinidad and Tobago is not regulated by legislation. Regulations exist to guide individual candidates but the manner in which elections operate allows the individual candidate to benefit from the lack of legislation of political parties.

---

<sup>100</sup>O'Brian Derek, *The Constitutional Systems of the Commonwealth Caribbean: A Contextual Analysis*, 2014.

<sup>101</sup> Parliament of Republic of Trinidad and Tobago, First Report of The Joint Select Committee Appointed To Propose A Legislative Framework To Govern The Financing of Election Campaigns, 2014/2015 Fifth Session of the Tenth Parliament

<sup>102</sup> Pinto Michael Duschinsky, *Commonwealth Secretariat, Political Financing in the Commonwealth*, 2001.

## 1.7.2. Enforcement and Public Disclosure on Political Contributions

Scoring question: *Is the prohibition of undue influence in the form of political contributions from the private sector to political parties and/or individual candidates monitored in practice?*

Score: 25

### Analysis

In Trinidad and Tobago, the Elections and Boundaries Commission is responsible for the general direction and supervision of the administrative conduct of elections.

There is no monitoring of political contributions from the private sector to political parties for electoral financing, neither is there any independent oversight authority to monitor political finance information, especially given that political parties are not required to report on contributions or political financing. Individual candidates and their agents file their expenditure reports which are published in the media<sup>103</sup>. This disclosure is merely to meet the legal requirements but it is widely acknowledged that the reports do not accurately reflect what occurs in practice with respect to the funding of elections.<sup>104</sup> The disclosure stipulations outlined in the ROP 1967 with respect to the Statement of Payment, its related bills and receipts, statement of all disputed claims, and list of donors for individual candidates are open to public inspection for a period of two years on payment of a nominal fee of TT\$2.50. (US\$0.37). Article 59 of the Act speaks to inspection of returns and declarations.

Notwithstanding clear evidence of the various parties' exorbitant expenditure on electoral campaign, which has significantly increased over the last five elections,<sup>105</sup> there has been no investigation or audit into electoral expenses of any political party and, consequently, no publication of audit results.

---

<sup>103</sup>Elections & Boundaries Commission Notice, Local Government Elections. 2016 Summary of Return of Election Expenses

<sup>104</sup>Ryan Selwyn, OAS Unit for the Promotion of Democracy – International IDEA, Political Party and Campaign Financing in Trinidad and Tobago

<sup>105</sup>Ragoonath, Reshma. “Some \$330m to campaign for 2015 general elections”, Trinidad and Tobago Guardian Newspaper (web) 12 October, 2015. <http://www.guardian.co.tt/news/2014-10-12/some-330m-campaign-2015-general-election>

### 1.7.3. **Laws on Lobbying**

Scoring question: *Is undue influence in the form of lobbying by the private sector prohibited by law?*

Score: **0**

#### **Analysis**

Lobbyists in Trinidad and Tobago rely on self-regulation within their specific industry of operation. As such, there is no overarching legislation defining a lobbyist or its target groups. Some lobby groups have individual pieces of legislation that guide their operations. For example, the Trade Union Act 20 of 1932 requires registration of trade unions for approval and certification. However, Trinidad and Tobago does not have any legislative footprint procedure which would document the time, person and subject of a legislator's contact with a lobbyist or stakeholder providing input into draft legislation. The laws of Trinidad and Tobago do not prohibit undue influence in the form of lobbying by the private sector.

#### 1.7.4. Enforcement and Public Disclosure on Lobbying

Scoring question: *Is the prohibition of undue influence in the form of lobbying by the private sector monitored in practice?*

Score: 0

##### Analysis

Not applicable

#### 1.7.5. Laws on Other Conflicts of Interest

Scoring question: *Is undue influence in the form of other conflicts of interest between the private and the public sector prohibited by law?*

Score: 75

##### Analysis

Trinidad and Tobago's Integrity in Public Life Act 83 of 2000<sup>106</sup> substantially addresses undue influence in the form of other conflicts of interest between the private and public sectors. Article 11 of the Ordinance requires public officials<sup>107</sup> to file a declaration with the Integrity Commission stating their assets and those of their spouse and children under 18 within three months of being appointed and every year thereafter of their tenure. Article 14 stipulates further financial disclosure in mandating that officials "declare an additional statement of registrable interest which consists of, inter alia, particulars of any directorships held in any company or other corporate body; the name or description of any company, partnership or association in which the person is an investor; particulars of any political, trade or professional association to which the person belongs and particulars relating to sources of income"<sup>108</sup>. Consistent with Article 30, occasionally as deemed necessary, incumbents are also required to declare to the appropriate Commission in the prescribed form, all business, commercial and financial interests and activities in which he/she is engaged.

---

<sup>106</sup> Integrity in Public Life Act 83 of 2000

<sup>107</sup> The legislation lists persons in public life as Members of the House of Representatives; Ministers of Government; Parliamentary Secretaries; Members of the Tobago House of Assembly; Members of Municipalities; Members of Local Government Authorities; Senators; Judges and Magistrates appointed by the Judicial and Legal Service Commission; Members of the Boards of all Statutory Bodies and State Enterprises including those bodies in which the State has a controlling interest; Permanent Secretaries and Chief Technical Officers.

<sup>108</sup> Integrity in Public Life Act 83 of 2000

The receipt of gifts, benefits and hospitality from private sector entities is prohibited under Article 27 except compensation authorised by law, which is connected directly or indirectly with the performance of the duties of the office. It states, “Any gift or personal benefit received while operating in the aforementioned capacity that exceeds TT\$5,000 (US\$740.74) or where the total value received directly or indirectly from one source in any 12 month period exceeds five thousand dollars TT\$5,000 (US\$740.74), a person in public life is required to file with his declaration, a statement indicating the nature of the gift or benefit, its source and the circumstances under which it was given or accepted”.<sup>109</sup>

Trinidad and Tobago does not have any stipulated “cooling-off” period for public officials moving to the private sector (post-public employment) or for corporate executives transitioning to senior public posts (pre-employment).

---

<sup>109</sup> Integrity in Public Life Act 83 of 2000

### 1.7.6. Enforcement and Public Disclosure of Other Conflicts of Interest

Scoring question: *Is the prohibition of undue influence in the form of other conflicts of interest between the private and the public sector monitored in practice?*

Score: 75

#### Analysis

The Integrity Commission is the oversight authority for conflicts of interest. Part II of the Integrity in Public Life Act 2000 establishes its powers and functions. It is established as an independent body in provision 2 (a) of the Act – *The Commission shall not be subjected to the direction or control of any other person or authority.* The Integrity Commission receives and investigates complaints on conflicts of interest and, inter alia, monitors and examines the practices and procedures of public bodies for corrupt practices.

Public officials are mandated to declare assets regularly. Failure to comply with the disclosure stipulations outlined in the Act results in the Commission publishing the names of offenders in the Gazette and in at least one daily newspaper. The Commission may at any time after the publication, make an application to the High Court for an order directing compliance. Any person who fails to comply with the directions of the Court commits an offence and is liable on conviction to a fine of TT\$150,000.00. (US\$ 22,222.22) The *Trinidad Express* of 6 March 2018 reported that the Integrity Commission intended to publish the names of 871 persons in public life who have failed to comply with their duty to file Declarations of Income, Assets and Liabilities and Statements of Registrable Interests for the period 2011 to 2016.<sup>110</sup> This evidence thus illustrates that public officials are actively monitored in terms of their duty to declare their assets with the required deadline.

Since Trinidad and Tobago has no stipulated “cooling-off” period, this is not monitored in practice.

---

<sup>110</sup> Integrity Commission, 871 public officials failed to file says Integrity Commission, Trinidad Express Newspaper (web), 9 March 2018 accessed 03 August, 2018. [https://www.trinidadexpress.com/news/local/public-officials-failed-to-file-says-integrity-commission/article\\_f47d907c-23be-11e8-a5b9-8786ac60e4df.html](https://www.trinidadexpress.com/news/local/public-officials-failed-to-file-says-integrity-commission/article_f47d907c-23be-11e8-a5b9-8786ac60e4df.html)

## 1.8. Public Procurement

25

Trinidad and Tobago faces a number of problems in the area of Public Procurement. There are several examples of impasse resulting from the law being only partially proclaimed. The enhancement of transparency through more publicly-available information on the procurement process remains limited while e-procurement is still a work in progress. Additionally, there is limited information on the extent to which the country adheres to internationally recognised standards of integrity and ethical behaviour and the extent to which these are integrated in the various documents developed to guide codes of conduct in the procurement of services among state enterprises.

### 1.8.1. Operating Environment

Scoring question: *To what extent do the country's public procurement processes ensure that contracts are awarded in a fair and impartial manner?*

Score: 25

#### Analysis

The package of legislation that deals with public procurement in Trinidad and Tobago are the Central Tenders Board (CTB) Ordinance 1961 (as amended 1979 1987, 1991, 1993), the Exchequer And Audit Act 20 of 1959 and the Public Procurement and Disposal of Public Property Act 2015. However, the latter legislation has only gained partial proclamation in order to bring the Procurement Regulator and the office into existence. The Public Procurement and Disposal of Public Property Act 2015 is expected to replace the Central Tenders Board Ordinance when the Office of Procurement Regulation is operational and all its provisions are ready under the new public procurement regime.

The CTB is limited to the tendering stage of the procurement cycle and covers mainly Government departments. Other public agencies such as state-owned enterprises that conduct the majority of public procurement do not fall within its purview. Critical decisions involved in spending public monies for property and services take place at the initial stages of the procurement cycle. These decisions permeate the process and affect the award of contracts. In law, the CTB has no direct involvement in the design of Terms of Reference (TOR), or in the preparation of Requests for Proposals (RFPs), or in the monitoring or the execution of contracts. Further, after the award of a contract, all matters fall within the domain of contract law to which the CTB cannot be a party. Public Tendering involves wide advertisement of the RFPs through various media such as the local daily newspapers, international development business forums, reputable journals and various websites (e.g. [www.Igov.tt](http://www.Igov.tt) (ttconnect), ttbizLink and [www.finance.tt](http://www.finance.tt)).

At present, an electronic procurement system does not exist. However, the CTB has taken a number of steps to publish electronically the procedures for the award of contracts and the list of contracts awarded in a specific period. Tender notices are available on the portal of the Ministry of Finance with links to the CTB. In addition, registration forms for contracts are available on the website<sup>111</sup>. An e-Auction initiative has also been piloted in the State Enterprises sector.

---

<sup>111</sup> Independent Report by Trinidad and Tobago Transparency Institute. *Monitoring and Evaluation of the Third Round of the Inter-American Convention Against Corruption in Trinidad and Tobago*. 2009.

There are no requirements for contracts between the procuring agency and its contractors, suppliers and service providers to comply with strict anti-corruption policies.

The requirements for public contracts above a certain threshold to be subject to competitive bidding depends on whether the disbursed funds fall under the purview of CTB regulations or the state enterprises sector. The CTB utilizes the three-quote system under which a Permanent Secretary or an authorised officer can disburse the sum of TT\$1 million (US\$148,148.15) or less<sup>112</sup>. The firm offering the lowest cost is usually selected. Where the lowest tender is not selected a justification for the selected tender must be recorded. Each company in the State Enterprise sector has its own unique policies and regulations with respect to competitive bidding. There are no considerations for use of “Integrity Pacts” under the Central Tenders Board regime or by state enterprises.

---

<sup>112</sup> Ministry of Finance and Economy Central Tenders Board Division. Indrani Rampersad, Director of Contracts- Tender/Procurement Policies and Procedures. 14 April 2014.

## 1.8.2 Integrity of Contracting Authorities

Scoring question: *To what extent do the country's contracting authorities and their employees adhere to internationally recognized standards of integrity and ethical behaviour?*

Score: 25

### Analysis

The Central Tenders Board Regulation 1969 16(1) stipulates, "A public officer or an employee of the Government, or a member or employee of a statutory body or a spouse or a child or such person, must not enter into any contract for the supply of goods or services to the Government or statutory body"<sup>113</sup>. It further states: "Where a person becomes a public officer or employee of the Government or a member or employee of a Statutory Board, after he or his spouse or any child has entered into such a contract, the contract with such person or his spouse or any child shall thereupon be treated as terminated upon such terms as the Board considers appropriate".<sup>114</sup>

The Ministry of Finance created a document to guide the code of conduct of state enterprises titled "State Enterprises Performance Monitoring Manual" (July 2011) which outlines the relationship that should prevail among the shareholder, the directors and the management of the enterprises to ensure good corporate governance. Under Part IV of the Integrity in Public Life Act, Code of Conduct applies to a person in public life and to all persons exercising public functions. This part of the Act includes prohibitions against gifts, conflicts of interest, misuse of office, wrongful use of insider information, and wrongful influence.

It is uncertain whether contracting authorities and their employees receive regular training on the anti-corruption policies employed by the public sector. Contracts awarded by the Central Tenders Board are submitted to the Auditor General. The Auditor General's department is responsible for independent auditing of the financial aspects of the process. This department also publishes the public accounts of the Republic of Trinidad and Tobago on an annual basis. The client Ministry or Department is responsible for the remaining stages of the procurement cycle during which the contract is administered.

Contracting authorities do not publicise the financial asset reports of senior managers and there are no laws that provide safe, anonymous mechanisms for whistleblowers. This limits the extent to which the country can follow instances of possible corruption in the contracting process. However, sanctions are

---

<sup>113</sup> Government Printery Trinidad and Tobago, Central Tenders Board (Amendment) Regulations, 1969.

<sup>114</sup> Government Printery Trinidad and Tobago, Central Tenders Board (Amendment) Regulations, 1969.

in place for public officials upon a determination of corruption through the Prevention of Corruption Act, 1987. (Please refer to the thematic area ‘Prohibiting bribery of public officials’.)

Remuneration packages for persons in procurement positions in the public sector are inadequate. For instance, salaries of persons in procurement positions in the Central Tenders Board are less than that of a Permanent Secretary. An expert on public procurement has recommended that the remuneration package of the Head of the Procurement Board should be on par with that of similar positions in the private sector.

### 1.8.3. External Safeguards

Scoring question: *To what extent do the country's public procurement processes include external safeguards for detecting and reporting violations?*

Score: 25

#### Analysis

Contracts awarded by the Central Tenders Board are submitted to the Auditor General. The Auditor General reports annually to Parliament on the accounts of Ministries, Departments, Regional Health Authorities, Regional Corporations, State-controlled Enterprises and Statutory Boards. The client Ministry or the Department is responsible for the remaining stages of the procurement cycle.

Special Purpose State Enterprises have developed their own procurement procedures with the approval of the Ministry of Finance. The overall authority in the acquisition of goods, works and services resides with the Board of Directors. In an effort to improve the management of public funds, especially as it relates to the procurement process within state agencies, the Central Audit Committee was established in the Ministry of Finance in 2002 to evaluate and analyse the procedures and practices relating to the procurement of goods and services.

Neither the Ordinance nor the Regulations contain provisions setting out procedures for challenging a selection. A person aggrieved over the fairness of an administrative decision may seek redress under the constitutional right to equality of treatment from any public authority in the exercise of any functions through the Office of the Ombudsman, which is a non-political, independent and impartial oversight institution. They may also apply for judicial review of the decision on the grounds listed under Section 5 of the Judicial Review Act, 2000. Additionally, aggrieved persons can seek information on contracts awarded by following the process under the Freedom of Information Act – 1999, except in the case of exempt documents such as Evaluation Reports<sup>115</sup>.

The public can report allegations of corruption of a public official via the Integrity Commission. Section 32 (1) of the Integrity in Public Life Act Chap. 22:01 of Trinidad and Tobago provides for a member of the public to submit in writing the offence committed by a person in public life or any person exercising a public function.

Additionally civil society organisations are not involved in all stages of the procurement process as independent monitors. There is one civil society representative on the Procurement Board governed by

---

<sup>115</sup> Republic of Trinidad and Tobago, *Ministry of Finance Central Tenders Board Information Booklet*, 2008.

the Public Procurement and Disposal of Public Property Act 2015<sup>116</sup>. This representative cannot give an independent report, as it would constitute a breach of his or her oath as a board member<sup>117</sup>.

#### **1.8.4. Regulations for the Private Sector**

Scoring question: *To what extent do the country's public procurement processes require integrity measures in bidding entities?*

Score: 25

#### **Analysis**

There are no regulations which stipulate that companies should tender only if they have implemented a code of conduct under which the company and its employees commit to a strict anti-corruption policy and certify that they have not engaged in illegal conduct as part of their bid.

There are also no regulations that state that a company should tender only if its ownership structure is clear and publicly available, including the disclosure of its beneficial owner/s as well as the ultimate beneficiary or beneficiaries of associated and parent companies.

There is no legislative mechanism that allows the CTB to blacklist, exclude or sanction contractors. However, the CTB has a system called the Auctioneer of Past Performance which rates contractors based on the quality of their delivery of goods and services. As such, since the CTB has the discretion to award contracts, it has the administrative capacity not to choose contractors of proven substandard performance. In addition, in the annually supplied contracts, the CTB has employed a feedback mechanism post-2007. This mechanism also allows Ministries to provide feedback on the performance of contractors and their goods and services<sup>118</sup>.

However, Section 32 (3) of the Central Tenders Board Act does provide stipulations with respect to company representatives trying to influence members of the Board or Committee in a manner favourable to their position. It states that "any person whether he has made an offer or not who, with the intention of gaining any advantage or concession for himself or any other person, offers any member of the Board or a Committee or any officer thereof a gift of money or other thing or approaches any member of the Board, Committee or any officer thereof with respect to any matter that is before the

---

<sup>116</sup> Expert Interview 2. See Annex 2.

<sup>117</sup> Expert Interview 2. See Annex 2.

<sup>118</sup> Independent Report by Trinidad and Tobago Transparency Institute. *Monitoring and Evaluation of the Third Round of the Inter-American Convention Against Corruption in Trinidad and Tobago*. 2009

Board or a committee or that is expected to come before the Board or Committee is, in addition to being disqualified from being awarded a contract, guilty of an offence and is liable on summary conviction to a fine of TT\$500 (US\$74.07) or to imprisonment for one year or to both such fine and such imprisonment”.<sup>119</sup>

Further, Section 13 of the Ministry of Finance, Investments Division’s Standard Procurement Procedures for the Acquisition of Goods, Works and Services and for the Disposal of Unserviceable Items in a State Enterprise/Statutory Authority stipulates the grounds for disqualification for Award of Contract. It states: “Any person who, with the intention of gaining any advantage for himself or herself or any other person whether he has made an offer or not, offers any member of the Committee or officer of the State Agency a gift or money or other consideration or approaches any member of the State Agency in respect to any matter that is before the Committee or that is expected to come before the Committee shall be disqualified from being awarded a contract.”

Settlement mechanisms and procedures are the same as mentioned in 2.8.3. External safeguards Stakeholder indicator paragraph three.

There are no known incentives that would give a tender advantage to companies with effective anti-corruption programmes in place.

---

<sup>119</sup> Central Tenders Board Act.

## 1.9 Taxes and Customs

42

Although Trinidad and Tobago lacks compliance with internationally recognised standards, efforts have been made to maintain a level of transparency through the publication of relevant information on taxes and required procedures on the websites of the main agencies. The Board of Inland Revenue has an e-tax option which allows transactions to be conducted online. Similarly, the Customs and Excise Division has implemented the Automated System for Customs Data (ASYCUDA). Sanctions exist against tax and customs administration employees and private sector staff who are found to have engaged in corruption.

## 1.9.1. Operating Environment

Scoring question: *Are the country's tax and customs administrations utilising processes in accordance with internationally recognised standards?*

Score: 50

### Analysis

Trinidad and Tobago is not a contributing party to the Revised Kyoto Convention. This international convention provides for the simplification and harmonization of customs procedures. It emphasises the predictability and efficiency that modern trade requires. Its governing principles include transparency and predictability of customs actions, maximum use of information technology and the use of risk management and audit-based controls.<sup>120</sup>

The government has proposed a revised Revenue Authority in the current fiscal year (2017-2018). While efforts have been made over the past 25 years to improve the system, they have been largely unsuccessful. The proposed Revenue Authority seeks to improve accountability, corporate performance and human resource management, among other things.<sup>121</sup>

The government determines the rate of taxation. This information is available on the Inland Revenue website. The site lists the various categories of businesses and the sum of taxes and licence fees to be paid, the dates payments are due, and the offices at which payments can be made. Categories include petroleum companies, fisheries, forestry and pawnbrokers. Each form comes with detailed instructions and information on allowances and rates to be paid. Payments are made to the cashiers and, where necessary, clerks are available to provide information and guidance.

The Inland Revenue Division (IRD) has an e-tax option which allows persons to manage their taxes online. It is currently only available for returns and income tax payments. Individuals, Corporations and Partnerships can register for Board of Inland Revenue (BIR) numbers online.

The Customs website offers information on how to export or import goods as well as the rate of taxation. They provide a comprehensive list of items that require an Export or Import Licence. The customs

---

<sup>120</sup>World Customs Organization, Text of the Revised Kyoto Convention. 17 April 2008  
[http://www.wcoomd.org/Topics/Facilitation/Instrument%20and%20Tools/Conventions/pf\\_revised\\_kyoto\\_conv/Kyoto\\_New](http://www.wcoomd.org/Topics/Facilitation/Instrument%20and%20Tools/Conventions/pf_revised_kyoto_conv/Kyoto_New)

<sup>121</sup>Ministry of Finance, Establishment of the Trinidad and Tobago Revenue Authority. 17, January 2018.  
<https://www.finance.gov.tt/wp-content/uploads/2018/01/Press-Release-Establishment-of-a-Trinidad-and-Tobago-Revenue-Authority-17.1.2018.pdf>

website also has a Duty Calculator that estimates the amount of duty to be paid depending on the type of item being imported. On February 1<sup>st</sup>, 2009, Automated System for Customs Data (ASYCUDA) was launched. ASYCUDA is a computerised customs management system which covers most foreign trade procedures. The system handles manifests and customs declarations, accounting procedures, and transit and suspense procedures.

Extensive lists with goods and their rates of duty are available. These tariffs can be found on the Inland Revenue and trade websites to promote awareness of rates and to eliminate the scope for hidden fees.

Trinidad and Tobago has adopted the Extractive Industries Transparency Initiative (EITI) which requires the government to disclose how much money is received from extractive companies operating in the country and which also requires companies to disclose how much was paid. An independent administrator then reconciles the figures. This level of transparency should exist in other industries. There is a lack of information in other sectors.

Tax and customs concessions exist in sectors that the government is seeking to develop, such as agriculture, manufacturing and tourism. The Ministry of Finance has published a list of Major Investment Incentives that are available under each sector.<sup>122</sup>

---

<sup>122</sup> Ministry of Finance, Major Investment Incentives in Trinidad and Tobago (web) accessed 31, July 2018. <https://www.finance.gov.tt/wp-content/uploads/2017/08/MOF-Investment-Incentives-in-Trinidad-and-Tobago-web.pdf>

## 1.9.2. Integrity of Tax Administration Authorities

**Scoring question:** *Are the country's tax and custom administrations and its employees committed to internationally recognized standards of integrity and ethical behaviour?*

**Score:** 50

### Analysis

The Inland Revenue Division (IRD) and Customs Department do not have internal affairs units. They rely on the Public Service Commission (PSC) for assurance of integrity. The PSC has the power to investigate cases of corruption involving public servants, including the staff of IRD and Customs.<sup>123</sup>

The Internal Audit Unit is not independent and does not have appropriately skilled staff. Procedures for all key operations and internal controls are documented but are not readily available or up-to-date. The audit programmes do not cover all key operations. The IRD does not have an internal affairs unit and does not maintain or report statistics on integrity among staff.<sup>124</sup> In 2017, at a Joint Select Committee meeting, the shortage of internal audit staff was raised.<sup>125</sup>

Sanctions against wrongdoing exist within the legal framework. Section 62 of the Excise Act is the same as Section 216 of the Customs Act. Customs officers are likely to be dismissed if they accept unauthorized fees. Persons who offer a customs officer such a fee shall pay a penalty of TT\$4,000 (US\$592.59). Section 217 of the Customs Act refers to collusive seizure and bribery. Any customs officer who is found to have accepted a bribe will incur a penalty of TT\$20,000 (US\$2,962) and be rendered incapable of holding any office in the public service. Any person found to have enticed a customs officer into such behaviour would also incur a penalty of TT\$20,000 (US\$2,962).

There is no protection for whistleblowers in the Customs Department. However, the IRD offers a platform for reporting suspected corruption. The Criminal Tax Investigation Unit offers an anonymous service for reporting tax fraud. However, the Unit encourages persons to give personal details on the promise of confidentiality. Additionally, an online form, telephone hotline, email address or postal address can be utilized for making reports.

---

<sup>123</sup> Muyangwa, Muyangwa, Norris Miller, Tracey-Ann Bonner, and Ruud van den Bosch. *TADAT Report on Trinidad and Tobago BIR Performance*. Ministry of Finance. 2017

<sup>124</sup> Muyangwa, Muyangwa, Norris Miller, Tracey-Ann Bonner, and Ruud van den Bosch. *TADAT Report on Trinidad and Tobago BIR Performance*. Ministry of Finance. 2017

<sup>125</sup> Joint Select Committee on Public Administration and Appropriations, Examination of the System of Internal Audit within the Public Service <http://www.tparliament.org/reports/p11-s2-J-20170915-PAAC-r4.pdf>

The Public Service Commission sets salary remuneration for customs officers based on rank and years of experience and levels comparable to other public sector positions.

### **1.9.3. External Safeguards**

Scoring question: *Are the country's tax and revenue collection processes integrating external safeguards for detecting and reporting violations?*

Score: **25**

#### **Analysis**

The Board of Inland Revenue is responsible for tax registration. Individuals and companies are required to register for a Board of Inland Revenue number also called BIR number. BIR numbers feature on all returns, statements and tax-related documents<sup>126</sup>. There are also PAYE numbers that employers are required to use when remitting taxes deducted in accordance with the PAYE System (income tax and health surcharge) from their employees' salaries.<sup>127</sup>

The Auditor General is responsible for auditing and reporting on the accounts of both Customs and Inland Revenue and the report is made available annually on the Auditor General's website. However, the efficacy of the audits is inhibited by the invocation of the official secrecy provisions of Section 4 of the Income Tax Act, Chapter 75:01 by the IRD, thereby barring the Auditor General access to any information with taxpayer details.<sup>128</sup> This means that staff dealing with taxpayer information must do so confidentially.

There are several ways by which allegations of tax corruption can be reported including via an anonymous fraud reporting system online.

Members of the public can also send written complaints via post, email or telephone.<sup>129</sup> Some companies have their own internal policies regarding the prevention and reporting of corruption.

There are no mitigation sanctions currently offered by the government for voluntary disclosure businesses that report on corruption.

---

<sup>126</sup> Ministry of Finance Inland Revenue Division (web) accessed 31, July 2018. [http://www.ird.gov.tt/BIR\\_number](http://www.ird.gov.tt/BIR_number)

<sup>127</sup> Ministry of Finance Inland Revenue Division (web) accessed 31, July 2018. <http://www.ird.gov.tt/application-for-payee-number> Inland Revenue Division

<sup>128</sup> Muyangwa, MUYANGWA, Norris Miller, Tracey-Ann Bonner, and Ruud van den Bosch. TADAT Report on Trinidad and Tobago BIR Performance. Ministry of Finance. 2017

<sup>129</sup> Ministry of Finance Inland Revenue Division (web) accessed 31, July 2018. [http://www.ird.gov.tt/fraud\\_reporting\\_details](http://www.ird.gov.tt/fraud_reporting_details) Inland Revenue Division

## **Private Sector Assessment**

The private sector assessment showed that to some extent these areas under assessment are compliant with BICA requirements. There were some shortcomings in the thematic area of Integrity Management as it is not known to what extent businesses adopt anti-corruption programmes and business partner management. In addition, the area of Transparency and Disclosure showed a limited adherence to the BICA standard based on the sample of companies used.

## SUMMARY TABLE OF PRIVATE SECTOR ASSESSMENT

Thematic area	Score	Indicator	Score
2.1. Integrity Management	13	2.1.1 Provision of Policies	25
		2.1.2 Implementation of Practices	0
		2.1.3 Whistleblowing	25
		2.1.4 Business Partner Management	0
2.2 Auditing and Assurance	42	2.2.1 Internal Control & Monitoring Structures	50
		2.2.2 External Audit	50
		2.2.3 Independent Assurance	25
2.3 Transparency and Disclosure	25	2.3.1 Disclosure of Anti-Corruption Programmes	25
		2.3.2 Disclosure on Organisational Structures	25
		2.3.3 Disclosure on Country-by-Country Operations	25
		2.3.4 Additional Disclosures	25
2.4 Stakeholder Engagement	42	2.4.1 Stakeholder Relations	50
		2.4.2 Business- Driven Anti-Corruption Initiatives	25
		2.4.3 Business Associations	50
2.5 Board of Directors	50	2.5.1 Oversight	25
		2.5.2 Executive Remuneration	50
		2.5.3 Conflict of Interest	75

## 2.1 INTEGRITY MANAGEMENT

13

Formal anti-corruption policies are lacking among local businesses in all sub-sectors of Trinidad and Tobago's private sector. Most companies do not have anti-corruption programmes. However, a few member companies of private sector bodies conduct their own internal anti-corruption programmes. The extent to which companies apply their anti-corruption programmes in dealing with business partners is unknown. Encouragingly, even in the absence of legislation a few companies have implemented whistleblowing programmes.

### 2.1.1. Provision of Policies

Scoring question: *To what extent do companies establish formal policies to counter corruption?*

Score: 25

#### Analysis

Few businesses in Trinidad and Tobago's private sector have official anti-corruption policies. Those that exist are not publicly available and are not specific to corruption. They are general in nature and cover a broad range of behaviour to be discouraged. None of the companies reviewed as part of the TRAC analysis has made its anti-corruption programme publicly available. However, several companies encourage ethical behaviour and see integrity as a core value of their business to be reflected in the company's vision or mission statement.

Individual companies rarely speak out against corruption, opting instead to do so through their business associations whose codes of conduct may include a clause promoting integrity or ethical behaviour among members. One such example is the Code of Ethics of the Association of Trinidad and Tobago Insurance Companies (ATTIC) which states that one of the Association's objectives is to "define and promote standards of ethical behaviour among member companies."<sup>130</sup> Most chambers tend to encourage their members to act ethically in their business practices. Businesses also practise self-regulation to prevent the perception of corruption. This is true for companies that trade internationally<sup>131</sup>.

The United Nations Global Compact is a voluntary initiative based on a company's commitment to implementing sustainable and socially responsible policies, including anti-corruption practices.<sup>132</sup> Local participants of UN Global Compact are Insepra Limited, Trinidad Cement Limited (TCL) and Electrical Industries Group Limited. Companies are required to report annually on initiatives they have implemented in line with the principles of the UN Global Compact. The three companies identified above have instituted anti-corruption measures as members of this programme.

Most multinational corporations operating in Trinidad and Tobago have implemented anti-corruption policies. These policies are very detailed and feature prominently on their websites in a downloadable format. They cover a host of issues related to corruption including bribery, political contributions and

---

<sup>130</sup> Association of Trinidad and Tobago Insurance Companies (ATTIC) (web) accessed 31, July 2018. <http://www.attic.org.tt/uploads/Code%20of%20ethics.pdf> page 1

<sup>131</sup> Expert Interview 7

<sup>132</sup> United Nations Global Compact, The Ten Principles of the UN Global Compact (web) accessed 31 July 2018. <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-10>

facilitation payments. Employees at all levels are required to adopt the policy and must participate in training sessions.

## 2.1.2 Implementation of Practices

Scoring question: *To what extent do companies have anti-corruption programmes in place?*

Score: 0

### Analysis

Most companies do not have anti-corruption programmes. However, according to the American Chamber of Commerce (AMCHAM), a few member companies conduct their own internal anti-corruption programmes.<sup>133</sup> The CEO of a business association confirmed that some board members are trained in anti-corruption practices<sup>134</sup>. Members who are accused of behaviour in contravention of their Chamber's principles are investigated and dealt with on a case-by-case basis<sup>135</sup>. Membership may be revoked if the offending behaviour continues.<sup>136</sup>

---

<sup>133</sup> AMCHAM Trinidad and Tobago. Response to Trinidad and Tobago Transparency Institute Request for Information. June 13<sup>th</sup>, 2018.

<sup>134</sup> Expert Interview 7. See Annex 2.

<sup>135</sup> Expert Interview 7. See Annex 2.

<sup>136</sup> Expert Interview 7. See Annex 2.

### 2.1.3. Whistleblowing

Scoring question: *To what extent do companies provide secure and accessible channels to raise concerns and report violations (whistleblowing) in confidence and without risk of reprisal?*

Score: 25

#### Analysis

While Trinidad and Tobago may not have formal laws dealing with whistleblowing, a few companies have implemented whistleblowing programmes (Massy, Tucker Energy Services, Trinidad Cement Limited, Angostura). However, most businesses do not have such policies, leaving significant room for improvement. Workers who belong to a trade union benefit from the opportunity to blow the whistle by reporting directly to their union representatives.

The Energy Chamber of Trinidad and Tobago has a whistleblower policy that applies to all members, employees and volunteers<sup>137</sup>. Concerns may be raised verbally or in writing and should include full details and supporting evidence of alleged malpractice. The identity of the whistleblower is kept confidential until the start of formal investigation when the complainant's identity may be disclosed, if necessary. However, there is no anonymous reporting. Whistleblowers are protected from retaliation and disciplinary procedures are in place for anyone deemed to have retaliated against a whistleblower.<sup>138</sup>

The few companies that do have whistleblower policies have similar ways of handling whistleblower reports. The complaint is made to a designated person who may require that the complaint be put in writing to facilitate the investigative process. The complainant must also provide evidence of the alleged breach of policy. The whistleblower's identity is kept confidential until a formal investigation is launched. After the investigation is launched, the identity of the person who made the allegation is kept confidential unless doing so is incompatible with a fair investigation.<sup>139</sup>

---

<sup>137</sup> Energy Chamber Trinidad and Tobago (ECTT), Whistleblowing Policy, (web) accessed 31, July 2018. <https://static1.squarespace.com/static/5502c848e4b0e376000821c1/t/56f195e8c6fc0826ee2db89c/1458673130145/ECTT+Whistleblowing+Policy+-+Oct+11+2012.pdf>

<sup>138</sup> Energy Chamber Trinidad and Tobago (ECTT), Whistleblowing Policy, (web) accessed 31, July 2018. <https://static1.squarespace.com/static/5502c848e4b0e376000821c1/t/56f195e8c6fc0826ee2db89c/1458673130145/ECTT+Whistleblowing+Policy+-+Oct+11+2012.pdf>

<sup>139</sup> United Nations Global Compact, Communication on Progress, Trinidad Cement Limited, 12, July, 2012. <https://www.unglobalcompact.org/participation/report/cop/create-and-submit/learner/252911> page 14

The whistleblower policies of multinational corporations operating in Trinidad and Tobago are similar to that of their international counterparts and is standard across the board.

#### **2.1.4. Business Partner Management**

Scoring question: *To what extent do companies apply their anti-corruption programmes to relevant business partners?*

Score: **0**

#### **Analysis**

The Codes of Conduct of indigenous business associations include anti-corruption policies applicable to their members and staff. While associations urge their member companies to apply the Code of Conduct guidelines in their day-to-day operations, they do not have the power to compel them to do so. The extent of the level of enforcement and compliance is therefore unknown.

## 2.2 AUDITING AND ASSURANCE

42

In Trinidad and Tobago large multinational companies have internal audit structures, unlike small and medium-sized companies. However, for the most part, financial institutions and publicly listed companies in Trinidad and Tobago are required to comply with the FIU compliance programme.

## 2.2.1. Internal Control and Monitoring Structures

Scoring question: *To what extent do companies establish internal control and monitoring structures that seek to detect and prevent corruption?*

Score: 50

### Analysis

Large indigenous and foreign multinational companies in Trinidad and Tobago generally have internal controls, accurate books, records, and internal audits. However, the private sector is comprised of many small and medium-sized family-owned companies which have no strict policies and procedures for effective systems of internal controls over corruption<sup>140</sup>. Companies generally maintain accurate books for inspection but there are issues with charities and NGOs which do not maintain proper documentation<sup>141</sup>. The failure of some companies to maintain adequate record management systems is a problem.

Overall, companies do not have independent, fully resourced internal audit structures in place because internal auditing carries a high cost<sup>142</sup>. However, it is not necessary for companies to have internal audit staff since the function can be outsourced<sup>143</sup>, which is the general practice among small to medium-sized companies. Assessment of the effectiveness of the internal audit function of companies is done annually by a qualified, independent reviewer, or by an external review team<sup>144</sup>. Large companies primarily establish Audit Committees (or equivalent bodies) to assist in the oversight of the integrity of the company's financial statements and its compliance with legal and other regulatory requirements. These committees usually meet once per year<sup>145</sup>. On the other hand, small and medium-sized companies do not adhere to this practice<sup>146</sup>. The CEO and head of finance in large companies certify in writing to the Board of Directors that the financial statements present a true and fair view of the affairs of the company<sup>147</sup>.

---

<sup>140</sup> Expert Interview 4. See Annex 2.

<sup>141</sup> Expert Interview 4. See Annex 2.

<sup>142</sup> Expert Interview 1. See Annex 2.

<sup>143</sup> Expert Interview 1. See Annex 2.

<sup>144</sup> Expert Interview 4. See Annex 2.

<sup>145</sup> Expert Interview 4. See Annex 2.

<sup>146</sup> Expert Interview 4. See Annex 2.

<sup>147</sup> Expert Interview 1. See Annex 2.

## 2.2.2. External Audit

Scoring question: *To what extent do companies subject their financial reporting to external audits?*

Score: 50

### Analysis

Independent, qualified and licensed auditors conduct the annual audits of multinational companies and large local businesses. These companies also publicly report on their external audits. However, for the majority of small and medium-sized companies in Trinidad and Tobago, annual audits are conducted at the request of a financial institution, usually as a requirement for accessing financial services.<sup>148</sup> In the case of non-listed companies an external audit is not required. Companies utilise licensed external auditors but not necessarily those licensed by the Institute of Chartered Accountants of Trinidad and Tobago (ICATT)<sup>149</sup>. In addition, there is limited public awareness of the auditors licensed by ICATT<sup>150</sup>. The main external auditors in Trinidad and Tobago are KPMG Trinidad, Ernst and Young, Deloitte and PricewaterhouseCoopers Trinidad. The rotation of companies' external audit service providers does not occur frequently due to the high costs<sup>151</sup>. While the size and culture of Trinidad and Tobago society make it difficult for external auditors to be completely independent of company officers, board members and their families, best practice requires that they be independent and not have any other substantive contracts with the audited company.<sup>152</sup> In addition, companies do not publicly report on their external audits, unless required to do so.

---

<sup>148</sup> Expert Interview 4. See Annex 2.

<sup>149</sup> Expert Interview 1. See Annex 2.

<sup>150</sup> Expert Interview 4. See Annex 2.

<sup>151</sup> Expert Interview 1. See Annex 2.

<sup>152</sup> Expert Interview 4. See Annex 2.

### 2.2.3. Independent Assurance

Scoring question: *To what extent do companies undergo voluntary independent assurance on the design, implementation and/or effectiveness of the anti-corruption programme?*

Score: 25

#### Analysis

Financial institutions and listed companies are required to comply with the FIU's compliance programme. This is specific to anti-money laundering and counter-financing of terrorism activities which fall under corruption<sup>153</sup>. This is a legal requirement and not a voluntary one<sup>154</sup>.

External assurance practitioners follow internationally recognised standards such as International Standard on Assurance Engagements (ISAE) for large companies but not for small and medium-sized businesses<sup>155</sup>. Only publicly-listed companies disclose related assurance options, as it is legally required<sup>156</sup>. Private companies do not disclose this information.

---

<sup>153</sup> Expert Interview 4. See Annex 2.

<sup>154</sup> Expert Interview 4. See Annex 2.

<sup>155</sup> Expert Interview 1. See Annex 2.

<sup>156</sup> Expert Interview 1. See Annex 2.

## 2.3 TRANSPARENCY AND DISCLOSURE

25

In assessing Transparency and Disclosure of businesses in Trinidad and Tobago, the TRAC methodology was employed and 23 companies were examined. The companies were selected based on their suitability in meeting the assessment criteria of being a locally owned company (must be registered in Trinidad and Tobago) with a physical presence in any other country regionally or internationally.<sup>157</sup>

Out of the 23 companies examined, none expressed a commitment to compliance with anti-corruption laws and legislation, disclosed information on political contribution policies or information on such contributions, or named their beneficial owners. Only two companies disclosed information on availability of specific complaint channels. Fourteen companies reported information on their shareholders while among the group were seven companies that reported their revenue/sales and capital expenditure publicly. Information on sponsorships was disclosed for three companies and only one company disclosed information on its lobbying activities.

---

<sup>157</sup> See Annex 1

### 2.3.1 Disclosure of Anti-Corruption Programmes

Scoring question: *To what extent do companies report publicly on their anti-corruption programmes?*

Score: 25

#### Analysis

The assessment of the selected companies revealed that anti-corruption programmes and policies are not highly prioritized by the business community. A common problem contributing to Trinidad and Tobago's low score in this area is that although companies may incorporate anti-corruption programmes and policy guidelines into their operations, the extent to which this information is publicly available on their websites is low to non-existent. The majority of companies examined, therefore, lacked publicly available anti-corruption programmes. Apart from one bank (Republic Bank Limited) which in its Ethics Operating Principles Guide<sup>158</sup> stated its commitment to complying with the overall laws of Trinidad and Tobago, no other company explicitly indicated its commitment to be compliant with national laws, including anti-corruption laws. There was also no public disclosure of any leadership support for anti-corruption by any company. In addition, no code of conduct or anti-corruption training programmes existed for employees and directors in the assessed companies.

Republic Bank was the only company with a policy governing gift-giving and facilitation payments in its Ethics and Operating Principles Guide.<sup>159</sup> No other company policy advocated its principle on appropriate and inappropriate gifts, hospitality and travel expenses, and facilitation payments. There was no publicly available information on the companies' prohibition of retaliation for reporting violations of anti-corruption policy. The evidence showed that only two companies, Massy Group<sup>160</sup> and Tucker Energy Services,<sup>161</sup> have publicly disclosed the availability of channels through which employees can report potential violations of their anti-corruption policies as stated in the annual reports on Massy and Tucker Energy Services' websites. Specifically, Tucker Energy Services also has a whistleblowing mechanism via a special hotline called "Speak Up" through which employees can make confidential reports. No company assessed had any stipulations on political contributions.

---

<sup>158</sup> Republic Bank Limited, *Ethics and Operating Principles*, 2017. <https://www.republictt.com/pdfs/Ethics-and-Operating-Principles.pdf>

<sup>159</sup> Republic Bank Limited, *Ethics and Operating Principles*, 2017.

<sup>160</sup> Massy Group Limited, Annual Report, 2017. [http://www.massygroup.com/uploadedFiles/Massy/Content/Investors/Annual\\_Reports/MASSY%20ANNUAL%20REPORT%202017.pdf](http://www.massygroup.com/uploadedFiles/Massy/Content/Investors/Annual_Reports/MASSY%20ANNUAL%20REPORT%202017.pdf)

<sup>161</sup> Tucker Energy Services, Speak Up, (web) accessed 31, July 2018. <http://www.tuckerenergy.com/SitePages/speakup.aspx>

### **2.3.2. Disclosure on Organisational Structures**

Scoring question: *To what extent do companies report publicly on their organisational structure?*

**Score: 50**

#### **Analysis**

All companies owning subsidiaries abroad listed these fully consolidated subsidiaries in their annual reports or on their websites. About one-fifth of the companies declared the percentages owned in those fully consolidated subsidiaries. Approximately half of the companies which listed their fully consolidated subsidiaries were able to specify the countries of incorporations and operations. Less than half of the companies were able to state their non-fully consolidated subsidiaries and state their countries of incorporation and operation. None of the companies that were examined included any names of beneficial owners since this is not required by law in Trinidad and Tobago. Pursuant to Section 93 (1)(a) of the Companies Act, however, the disclosure of Directors and Senior Officers in any material contracts with the company (such as share ownership) has to be disclosed and as such seven<sup>162</sup> of the companies listed this information in their annual reports.

### **2.3.3. Disclosure of Key Financial Data on a Country-by-Country Basis**

Scoring question: *Do companies report publicly on their countries of operation?*

**Score: 25**

#### **Analysis**

Companies listed on the Trinidad and Tobago Stock Exchange are required to make annual financial disclosures as stipulated by the Company's Act Division 7- Financial Disclosure provisions 151-156. The legislation however, does not impose disclosure stipulations for each country in which the company operates. Of the 23 companies examined, all seven publicly listed companies publicly disclosed their revenue/sales, capital expenditure, pre-tax income and income tax. Republic Bank and Massy individually listed the revenue, capital expenditure, pre and income tax earned for each country of operation. Two companies listed a consolidated figure and the remaining three listed sums made from operations in Trinidad and Tobago only. This information was listed in the financial statements and reports of the

---

<sup>162</sup> Angostura, First Citizens, Republic Bank, Massy, Agostini, Flavorite and ANSA McAL

various companies. Specific to community contribution, several companies listed activities they had participated in and sponsored as part of their Corporate Social Responsibility (CSR). However, none of the companies publicly disclosed the actual amount contributed to communities in any country of operation.

#### 2.3.4. Additional Disclosure

Scoring question: *To what extent do companies publish information on charitable contributions, sponsorships and lobbying activities both domestically and internationally (for example corporate reporting or corporate social responsibility reports)?*

Score: 25

#### Analysis

In the sample of companies chosen for this area, only three publicly disclosed charitable contribution of all their sponsorships. They were Massy, Guardian Holdings and ANSA McAL Group of Companies. This can be found in each of their Annual Reports.<sup>163</sup> ANSA McAL was the only company that publicly disclosed its lobbying activities. This can be found in its most recent annual report where information is included on industrial relations lobbying.<sup>164</sup>

---

<sup>163</sup> 1. *Guardian Group Limited*, Annual Report, 2017. <http://trinidad.myguardiangroup.com/guardian-holdings-limited/investor-relations/annual-reports>.

2. *ANSA MCAL Group of Companies*, Annual Report, 2017.

3. Massy Annual Report 2017 (web), accessed 31 July, 2018. [http://www.massygroup.com/uploaded-Files/Massy/Content/Investors/Annual\\_Reports/MASSY%20ANNUAL%20REPORT%202017.pdf](http://www.massygroup.com/uploaded-Files/Massy/Content/Investors/Annual_Reports/MASSY%20ANNUAL%20REPORT%202017.pdf)

<http://ansamcal.com/news/annual-report-2017/>

<sup>164</sup> *ANSA MCAL Group of Companies*, Annual Report, 2017.

<http://ansamcal.com/news/annual-report-2017/>

## 2.4 STAKEHOLDER ENGAGEMENT

42

Companies listed on the Trinidad and Tobago Stock Exchange are highly compliant with the basic fundamental disclosure and stakeholder engagement requirements of corporate governance, which is mandated by legislation. Trinidad and Tobago is a fully compliant member of the multi-stakeholder Extractive Industries Transparency Initiative (EITI). However, apart from this, there are not many multi-stakeholder initiatives specific to anti-corruption. Business associations take a broad and visible stance against corruption. Included in the guiding principles of the associations are expected acceptable behaviour that support anti-corruption procedures in the conduct of business by their members.

## 2.4.1 Stakeholder Relations

Scoring question: *To what extent do companies engage their own stakeholders (including shareholders) in multi-stakeholder initiatives aimed at reducing corruption?*

Score: 50

### Analysis

Companies listed on the Trinidad and Tobago Stock Exchange are highly compliant with the basic fundamental disclosure and stakeholder engagement requirements on corporate governance which is mandated by legislation. Beyond legislative requirements, disclosure is, however, voluntary and thus the extent to which non-listed companies implement and make public their levels of compliance to these standards is negligible. Trinidad and Tobago has a Corporate Governance Code 2013<sup>165</sup> that aims to increase transparency and accountability within the business sector. This was a collaborative effort developed by the Caribbean Corporate Governance Institute and the Trinidad and Tobago Chamber of Industry and Commerce (TTCIC). However, implementation of these recommendations and practices remains voluntary.

The Trinidad and Tobago Companies Act (Chapter 81:01, No. 35 of 1995)<sup>166</sup> forms the statutory framework related to corporate governance disclosure for companies in Trinidad and Tobago and encourages active participation by shareholders in decision-making. The Act in Section 113(1) mandates that listed companies must cooperate with stakeholders in the sustainability of financially sound enterprises through communication of key information. In its annual meetings, each company must provide its stakeholders, including shareholders, directors and auditors, with information on its annual returns filed in the Companies Registry, any changes in the types of shares issued, the shareholding, the execution of mortgages and bills of sale that bind the company's assets, and any other encumbrances to the company's assets<sup>167</sup>. A meeting of shareholders is to be called not later than 18 months after the company comes into existence, and subsequently not later than 15 months after the preceding annual meeting<sup>168</sup>.

Stakeholders do have access to relevant information on business operations in a timely manner. The Act mandates the directors of a company to disclose the company's comparative financial statements, reports of the auditor, if any, and any further information with respect to the financial position of the company and the results

---

<sup>165</sup> Caribbean Corporate Governance Institute, *Trinidad and Tobago Corporate Governance Code*, 2013. [http://www.ecgi.org/codes/documents/trinidad\\_tobago\\_cgcode\\_26nov2013\\_en.pdf](http://www.ecgi.org/codes/documents/trinidad_tobago_cgcode_26nov2013_en.pdf)

<sup>166</sup> Company Act Chapter 81:01, 1995

<sup>167</sup> Syntegra Change Architects Ltd, *Corporate Governance Disclosure in Trinidad and Tobago*, 2011. [http://www.syntegrachange.com/images/research\\_items/Syntegra\\_CG\\_Review\\_TT.pdf](http://www.syntegrachange.com/images/research_items/Syntegra_CG_Review_TT.pdf)

<sup>168</sup> Syntegra Change Architects Ltd, *Corporate Governance Disclosure in Trinidad and Tobago*, 2011. [http://www.syntegrachange.com/images/research\\_items/Syntegra\\_CG\\_Review\\_TT.pdf](http://www.syntegrachange.com/images/research_items/Syntegra_CG_Review_TT.pdf)

of its operations to shareholders at every annual meeting. Additionally, any shareholder of a company who holds not less than five per cent of the equity of the company can examine its financial statements. Provision 128 of the Act provides shareholders with the right to participate via voting on specific company issues directly affecting their investment.

In practice, the companies listed on Trinidad and Tobago's Stock Exchange do provide such information in their annual reports; these companies are thus highly compliant in these areas. Though not mandated by law, other private non-listed companies have internal policies that cover corporate governance. Some business associations collaborate with various businesses in developing some of their operating guidelines. Although the associations have no regulatory power they highly encourage and advocate its importance to their members. However, these associations are not obliged to monitor the companies' level of implementation. However, several non-listed businesses participate in corporate governance workshops, most notably those operating in the energy sector. Several of them participate in the NGO award and are recognised for their procedures and practices on good corporate governance<sup>169</sup>. Non-listed companies self-regulate to prevent the perception of corruption in conducting business. Another important impetus in promoting corporate governance in business originates from the standards of international markets. Local private businesses must adhere to international best practices in order to enter foreign markets<sup>170</sup>.

Unionized companies have a level of protection for employees that file complaints to the Board of Directors. However, most private businesses are not unionized and have their own mechanisms for employees to communicate illegal or unethical business practices. In these cases, the level of protection or the extent to which whistleblower rights are compromised is unknown<sup>171</sup>. Some private companies have industrial relations or human resource managers who handle such matters. In some cases, however, the strength of the C-level executives override the independence of the investigation and compromise the protection of the stakeholder. Recently, however, more businesses have been incorporating whistleblower and similar policies as part of their bye-laws or HR policies.

The practice at listed companies is to communicate corporate changes to their shareholders through Annual General Meetings. However, the mechanisms and extent to which this practice exists for other private non-listed companies are unknown. In many of the smaller private companies, the Board of

---

<sup>169</sup> The Energy Chamber of Trinidad and Tobago. Response to Trinidad and Tobago Transparency Institute for Information. May 24<sup>th</sup>, 2018.

<sup>170</sup> Expert Interview 7. See Annex 2.

<sup>171</sup> Expert Interview 5. See Annex 2.

Directors are also major shareholders. Therefore, decisions made are widely known and this practice is apparent in mostly family-owned businesses.

## **2.4.2 Business-Driven Anti-Corruption Initiatives**

Scoring question: *To what extent do companies engage in multi-stakeholder initiatives aimed at reducing corruption?*

Score: **25**

### **Analysis**

Trinidad and Tobago gained compliant country status as part of the multi-stakeholder Extractive Industries Transparency Initiative (EITI) in January 2015. EITI encourages transparency, disclosure and accountable management of natural resources. Business associations collaborate with government agencies on government regulations and policies. For example, the business community would give its views on the content of various acts. In the banking sector there is the Committee of Bankers Association comprised of Fraud Officers of various banks that communicate and collaborate on issues pertaining to fraud<sup>172</sup>.

Apart from these, there are not many multi-stakeholder initiatives specific to anti-corruption. The various business associations cooperate on other initiatives with the business community and civil society such as improving corporate governance including strengthening the stance against corruption. These engagements are done mostly through special events, seminars, workshops and projects. Although benefits are derived from the companies' participation, companies generally do not publicly promote the advantages of engaging in these initiatives.

---

<sup>172</sup> Expert Interview 8. See Annex 2.

### 2.4.3 Business Associations

Scoring question: *To what extent do business associations support companies in fighting corruption?*

Score: 50

#### Analysis

Business associations take a visible stance against corruption. The guiding principles of these associations focus on acceptable behaviour that supports anti-corruption procedures in the conduct of business transactions by their members. Embedded in the Code of Conduct of these associations, member companies are required to abide by general clauses that ensure ethical business practices. One of the associations is the Trinidad and Tobago Chamber of Industry and Commerce (TTCIC). Outlined in its Code of Conduct is the Chamber's stance against corruption in Principle 1 – Legislation and Government<sup>173</sup> which discourages corrupt behaviour and bribery. The Bankers Association's Code of Banking Practice<sup>174</sup> promotes good banking practices and formalizes standards of disclosure and conduct. In addition, the Code of Conduct of the American Chamber of Commerce of Trinidad and Tobago (AMCHAM T&T) references its stance against corruption<sup>175</sup>.

The extent to which business associations provide supporting materials to strengthen anti-corruption efforts varies based on the sector that it serves. For example, businesses in the financial sector are provided with strict guidelines pertaining to AML/CFT. Other industries are less stringent but some do still provide assistance. The Energy Chamber provides its members with a tool kit and an online assessment to assist in strengthening their practices<sup>176</sup>. The Trinidad and Tobago Manufacturing Association encourages its members to engage in best practices and promotes some businesses that employ good work ethics<sup>177</sup>. This encourages others to abandon unfavourable practices that may tarnish the reputation of business.

Business associations have demonstrated their active efforts to support anti-corruption practices. They have established specific committees to deal with various matters in this area. For instance, the Bankers Association of Trinidad and Tobago has an Anti-Money Laundering & Compliance Committee and a

---

<sup>173</sup> Trinidad and Tobago Chamber of Industry and Commerce, Code of Conduct, 2018. (web) accessed 31, July 2018. <https://chamber.org.tt/membership/code-of-conduct/>

<sup>174</sup> Bankers Association of Trinidad and Tobago, Code of Banking Practices, February 2017.

<https://batt.org.tt/wp-content/uploads/2017/02/BATT-Code-of-Banking-Handbook.pdf>

<sup>175</sup> AMCHAM Trinidad and Tobago. Response to Trinidad and Tobago Transparency Institute Request for Information. June 13<sup>th</sup>, 2018.

<sup>176</sup> The Energy Chamber of Trinidad and Tobago. Response to Trinidad and Tobago Transparency Institute for Information. May 24<sup>th</sup>, 2018.

<sup>177</sup> Expert Interview 7. See Annex 2.

Fraud Awareness Committee<sup>178</sup>. The American Chamber of Commerce of Trinidad & Tobago (AMCHAM) has a Transparency, Accountability & Governance (TAG) Committee which reviews its internal processes to ensure transparency<sup>179</sup>. The Committee also carries out due diligence on potential AMCHAM T&T members to ensure that they provide accurate and relevant documentation in the membership application process and that the values of their businesses are consistent with those of AMCHAM T&T<sup>180</sup>. The TTCIC also has a Disciplinary Committee charged with the responsibility to investigate corruption-related complaints against member companies<sup>181</sup>. The process includes a provision for membership termination in the case of persistent breaches.<sup>182</sup>.

---

<sup>178</sup> Expert Interview 8. See Annex 2.

<sup>179</sup> AMCHAM Trinidad and Tobago. Response to Trinidad and Tobago Transparency Institute Request for Information. June 13<sup>th</sup>, 2018.

<sup>180</sup> AMCHAM Trinidad and Tobago. Response to Trinidad and Tobago Transparency Institute Request for Information. June 13<sup>th</sup>, 2018.

<sup>181</sup> Expert Interview 5. See Annex 2.

<sup>182</sup> Expert Interview 5. See Annex 2.

## 2.5 BOARD OF DIRECTORS

50

Companies in Trinidad and Tobago are not legally required to have an anti- corruption programme. However, some companies have a code of ethics and code of conduct with emphasis on corrupt activities in the workplace. The Board of Directors determines the directors' remuneration package based on the company's performance. Remuneration may be in addition to the salary paid to any officer or employee of the company who is also a director. There are several provisions in place to deal with conflicts of interest in companies.

### 2.5.1. Oversight

**Scoring question:** *To what extent is the Board of Directors responsible for the oversight of the company's anti-corruption programmes?*

**Score:** 25

#### Analysis

In Trinidad and Tobago, the Companies Act of 1995 explicitly states that the directors of a company “shall exercise the powers of the company directly or indirectly through the employees and agents of the company; and direct the management of the business and affairs of the company (Section 60).”<sup>183</sup> It is important to note that family-owned companies determine the type of board that is in charge. In practice, the responsibility for monitoring the effectiveness of a company's governance depends on the size and ownership structure of the company, but generally the Board of Directors is responsible for this in all companies. This is especially so for larger companies which have an internal audit framework and, to a lesser extent, for family-owned businesses.

Companies in Trinidad and Tobago are not legally required to have an anti-corruption programme. However, companies do have a code of ethics or conduct which addresses corrupt activities in the workplace. Compliance is one of the components associated with the framework. For instance, in First Citizens there is a Legal and Compliance Unit which is responsible for adherence to the code of ethics by all employees including senior management and board members.<sup>184</sup> The board receives training in fiduciary responsibilities and quarterly training in anti-money laundering. This is done most commonly within the banking sector. There is an overall increase in providing training for governance and directors. This has been on the rise since the financial crisis of 2008 and companies are requesting the training.

Some formal boards may have charters to declare their purpose, roles and responsibilities. Chief Executive Officers (CEOs) are given permission to conduct business while the board may ask for an audit on mitigation issues. Whether the Board of Directors receives regular status reports from the company's senior management on the programme and is informed on cases of major incidents and corrective actions depends on whether such provisions exist in a company. It is the board's responsibility to ensure these actions are executed.

---

<sup>183</sup> The Companies Act 1995 Chapter 81:01

<sup>184</sup> First Citizens Bank Limited. Management Team (web) accessed 31, July 2018.

<https://www.firstcitizenstt.com/corporate-banking/management-team.html> First Citizens T&T, Management Information, 2018.<https://www.firstcitizenstt.com/corporate-banking/management-team.html>

## 2.5.2. Executive Remuneration

Scoring question: *To what extent is the remuneration of Board members and senior executives determined according to good corporate governance standards?*

Score: 50

### Analysis

According to the Companies Act of 1995 (Schedule 2, Section 7.1), the remuneration to directors shall be determined by the board and such remuneration may be in addition to the salary paid to any officer or employee of the Company who is also a director. The board may also award special remuneration to any director undertaking any special services on the Company's behalf other than the routine work ordinarily required of a director. The confirmation of any such resolution by the shareholders shall not be required. The directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the company.<sup>185</sup> In practice, boards focus on the package and contract of the CEO<sup>186</sup>. In publicly listed companies, there is a subcommittee to handle this or a compensation or remuneration committee.<sup>187</sup>

Remuneration varies and is dependent on the sector as well as the company's structure. At the board level, remuneration is dependent on the number of committees and sub-committees to which the board member belongs.<sup>188</sup> In some companies, executives are not independent of the board<sup>189</sup>, but other companies are required to have non-executive directors who can be both dependent and independent board members. Companies operating in the Financial Sector are more compliant in this area as they are obligated to adhere to additional requirements such as the Financial Institutions Act and Central Bank guidelines.<sup>190</sup> Senior board members decide on the members and have control over the quantity. Overall, very few companies hold board members accountable and link their sustainable performance to benefits. It is important to note that board and senior executive remuneration and benefits packages are not made public especially in Trinidad and Tobago for safety reasons due to the crime rate.<sup>191</sup>

---

<sup>185</sup> The Companies Act 1995 Chapter 81:01

<sup>186</sup> Expert Interview 3. See Annex 2.

<sup>187</sup> Expert Interview 3. See Annex 2.

<sup>188</sup> Expert Interview 5. See Annex 2.

<sup>189</sup> Expert Interview 5. See Annex 2.

<sup>190</sup> Expert Interview 8. See Annex 2.

<sup>191</sup> Expert Interview 6. See Annex 2.

In most cases board and senior executive remuneration and benefits packages are tied to sustainable performance and determined by independent, non-executive directors. Several factors, including the company's performance and the experience of the director, determine board packages.<sup>192</sup> Some companies offer stock options to their directors where there is shareholder approval.

---

<sup>192</sup> Expert Interview 8. See Annex 2.

### 2.5.3. Conflicts of Interest

**Scoring question:** *To what extent are safeguards in place to govern Board of Directors' conflicts of interest?*

**Score:** 75

#### Analysis

There are several provisions in place to deal with conflict of interest in companies, such as independence from company management and safeguards to deal with insider trading. The Energy Chamber of Trinidad and Tobago's Corporate Governance Orientation Guide for New Directors encourages directors to disclose their interests to the Chairman and Secretary of the Board. They are encouraged to recuse themselves from any board or committee discussion or decision where either an actual or a potential conflict of interest may exist.<sup>193</sup> The Trinidad and Tobago Corporate Governance Code recommends that the Board of Directors be independent from company management to ensure proper and effective oversight.<sup>194</sup> Publicly listed companies have safeguards in place to deal with insider trading within the Board of Directors. Information on potential conflicts of interest from Board of Directors (and other senior representatives) may only be publicly available for listed companies, which would include information on outside appointments, parallel internal positions, financial investments and employment of relatives. The financial sector makes monitoring of assets a priority<sup>195</sup>. The misuse of corporate assets is limited in this sector due to strict controls and the need for authorization.

---

<sup>193</sup>Energy Chamber T&T, Corporate Governance Orientation Guide for new directors, Energy Chamber T&T: 2013. <https://docs.google.com/viewer?url=http%3A%2F%2Fcorpgovtt.info%2Fwp-content%2Fuploads%2F2014%2F05%2FEC01-Orientation-Guide.pdf>

<sup>194</sup> Trinidad and Tobago, Corporate Governance Code, 2009.

<sup>195</sup> Expert Interview 8. See Annex 2.

## Civil Society Sector Assessment

Within the Civil Society stakeholder group, media independence and civil society engagement in business integrity are addressed to an extent but can be improved. Shortcomings of this group are due to the lack of information on the extent to which the civil society organizations actively monitor business integrity within the operations of private sector companies.

### SUMMARY TABLE OF CIVIL SOCIETY SECTOR ASSESSMENT

Thematic area	Score	Indicator	Score
3.1 Broader Checks and Balances	33	3.1.1 Independent media	50
		3.1.2 Civil society engagement in business integrity	50
		3.1.3 Civil society monitoring of business integrity	0

### 3.1. Broader Checks and Balances

33

Generally, the media has favourable standings in terms of its level of freedom and independence in reporting. To an extent, civil society actively engages in tripartite discussions on various developmental issues of the country. The voice of the various business associations is considered and thus has an impact on the Government's decisions. There is limited information on civil society's business integrity monitoring role.

### 3.1.1 Independent Media

Scoring question: *To what extent is the country's media perceived as being free and independent?*

Score: 50

#### Analysis

Freedom of the press is enshrined in the Constitution of Trinidad and Tobago. The country has received favourable international ratings on the degree of press freedom. In Freedom House Freedom of the Press 2017 ratings, Trinidad and Tobago obtained a score of 25/100 (0=Most Free, and 100=Least Free<sup>196</sup>). Trinidad and Tobago also moved up ten spots to 34 out of 180 countries with a global score of 20.62. on the 2017 Reporters Without Borders, World Press Freedom Index.<sup>197</sup> In 2016, T&T ranked 44<sup>th</sup> with a global score of 23.29, while in 2015, T&T ranked 41<sup>st</sup> with a score of 23.39.<sup>198</sup> The Press Freedom Index is an annual ranking of countries compiled and published by Reporters Without Borders based on the organisation's own assessment of a country's press freedom record in a given year. Reporters Without Borders noted that the index only deals with press freedom and does not measure the quality of journalism nor does it look at human rights violations in general.

In Trinidad and Tobago, libel remains a criminal offence. In February 2014, the government amended the Libel and Defamation Act to abolish “malicious defamatory libel” as a criminal offence; however, it preserved “malicious defamatory libel known to be false.”<sup>199</sup> Journalists are also subjected to exorbitant civil libel judgments. In April 2014, a High Court judge ordered the *Trinidad Express* newspaper to pay Professor Ken Julien, former president of the University of Trinidad and Tobago, over TT\$500,000 (US\$74,184.80) in damages for articles criticizing his management of the university. The award was one of the highest ever for a defamation case in Trinidad and Tobago.<sup>200</sup>

In May 2014, the Cybercrime Bill was introduced in the Parliament. Press freedom advocates criticized a number of the bill's provisions which included jail time and fines for defamatory online content and rules requiring internet service providers to disclose customer information under court order. While freedom of information

---

<sup>196</sup> Freedom House, Freedom of the Press 2017 Trinidad and Tobago Profile, 2018. <https://freedomhouse.org/report/freedom-press/2017/trinidad-and-tobago>

<sup>197</sup> Clyne, Kalifa, *T&T moves up 10 spots on Press Freedom Index, 2017. Trinidad and Tobago Guardian online*, April 30<sup>th</sup> [www.guardian.co.tt/news/2017-04-29/tt-moves-10-spots-press-freedom-index](http://www.guardian.co.tt/news/2017-04-29/tt-moves-10-spots-press-freedom-index)

<sup>198</sup> Clyne, Kalifa, *T&T moves up 10 spots on Press Freedom Index, 2017, Trinidad and Tobago Guardian online*, April 30<sup>th</sup>

<sup>199</sup> Freedom House, *Freedom of the Press 2017 Trinidad and Tobago*. 2018. <https://freedomhouse.org/report/freedom-press/2015/trinidad-and-tobago>

<sup>200</sup> Freedom House, *Freedom of the Press 2017 Trinidad and Tobago*, 2018. <https://freedomhouse.org/report/freedom-press/2015/trinidad-and-tobago>

legislation is in place, the government received criticism for gradually narrowing the categories of public information that are available under the law<sup>201</sup>.

There are three daily newspapers—*Trinidad Express*, *Newsday*, and the *Trinidad Guardian*—and three weekly publications, all of which are privately-owned. About a dozen television stations are in operation, including the state-owned Caribbean New Media Group (CNMG). There are several radio stations, including three operated by CNMG. Several media outlets accused the government of withholding state advertising from them in 2014 because of their critical reporting<sup>202</sup>.

The Telecommunications Authority of Trinidad and Tobago is a statutory body formed by the Telecommunications Act 2001 (the “Act”). The Authority is an independent regulatory body for the telecommunications and broadcasting sectors in Trinidad and Tobago. Section 79 of the Act requires that the Authority, subject to affirmative resolution of Parliament, promulgate a Broadcasting Code to regulate the practices of providers of broadcasting services<sup>203</sup>. Building upon the framework of rights contained in the Constitution, the draft Broadcasting Code creates a regulatory framework designed to enable the Telecommunications Authority of Trinidad and Tobago to balance the conflicting rights and interests of stakeholders while promoting acceptable standards through the introduction of protective provisions.

The Media Complaints Council is as an independent body charged with enforcing a Code of Practice, which was formed by the Trinidad & Tobago Publishers & Broadcasters Association. The MCC’s mission statement is “to help maintain public trust and confidence in the news media by promoting fairness, courtesy and balance and by creating a forum where the public and the news media can engage each other in examining standards of journalistic fairness.”<sup>204</sup> The Council states that all members of the media have a duty to maintain the highest professional standards and provides an opportunity outside the courts for holding the media to account. However, it does not have the power to impose fines.

---

<sup>201</sup> Freedom House, *Freedom of the Press 2017 Trinidad and Tobago*, 2018. <https://freedomhouse.org/report/freedom-press/2015/trinidad-and-tobago>

<sup>202</sup> Freedom House, *Freedom of the Press 2017 Trinidad and Tobago*, 2018. <https://freedomhouse.org/report/freedom-press/2015/trinidad-and-tobago>

<sup>203</sup> Telecommunications Authority of Trinidad and Tobago. *A Draft Broadcasting Code for the Republic of Trinidad and Tobago*. 2009. <https://tatt.org.tt/Portals/0/Documents/Broadcasting%20Code%20Final%20Draft%20March%202009.pdf>

<sup>204</sup> Baboolal, Yvonne, *Media Complaints Council still in business*, *Trinidad and Tobago Guardian* (web) March 27<sup>th</sup> 2013 accessed 31 July, 2018. <http://www.guardian.co.tt/news/2013-03-27/media-complaints-council%E2%80%88still-business>

### 3.1.2 Civil Society Engagement in Business Integrity

Scoring question: *To what extent are civil society organisations engaged with companies in order to strengthen their commitment towards integrity, accountability and transparency?*

Score: 50

#### Analysis

There are two examples of civil society engagement with companies in order to strengthen their commitment towards integrity, accountability and transparency: the Private Sector/Civil Society Group on Procurement Reform, and the Trinidad and Tobago Extractive Industries Transparency Initiative. The members of the Private Sector/Civil Society group were part of a Working Party on the Public Procurement White Paper which was published in August 2005. The main members of the Private Sector/Civil Society Group are: (a) the Joint Consultative Council for the Construction Industry (JCC); (b) the Trinidad and Tobago Transparency Institute (TTTI); (c) the Trinidad and Tobago Chamber of Industry and Commerce; (d) the Trinidad and Tobago Manufacturers Association (TTMA); (e) the American Chamber of Commerce of Trinidad and Tobago (AMCHAM T&T). The group drafted a public procurement bill and made a submission to the Government in December 2010. The bill became law in 2015 and is now called the Public Procurement and Disposal of Public Property Act 2015.

The Extractive Industries Transparency Initiative (EITI) is a global initiative with the objective of promoting public transparency and accountability by companies and governments involved in extractive industries (i.e. oil, gas and mining). Companies disclose the total payments made by companies to Government, which is independently reconciled with the Government's declared receipts. The EITI is comprised of a multi-stakeholder group of government, civil society organizations and companies. The TTEITI released its first report on 30<sup>th</sup> September 2013 at a launch event presided over by the then Minister of Energy, the Honourable Kevin Ramnarine. The report identified a number of areas in need of further improvement to strengthen the management of the extractive industries sector. These include auditing practices, automation of government systems, more complex production figures and clearer categorisation of payments.<sup>205</sup> In January 2015, after four years of EITI membership, Trinidad and Tobago achieved Compliant Country Status, the highest level of EITI membership.

---

<sup>205</sup> Government of the Republic of Trinidad and Tobago, *Local EITI report is a huge step-TTEITI chair*, 2013. <http://www.news.gov.tt/content/local-eiti-report-huge-step-tteiti-chair#.WuC-8ojwbIU>

### 3.1.3 Civil Society Monitoring of Business Integrity

Scoring question: *To what extent does the country have active and engaged civil society monitoring of private sector corruption?*

Score: 0

#### Analysis

There is no evidence of civil society activity in this area.



## Recommendations

### Public Sector Recommendations

#### Legislation

These recommendations fall under the remit of the Legislature:

- Amendment of the Prevention of Corruption Act 1987 to cover commercial bribery and bribery of foreign officials. The current legislative framework ignores bribery in the private sector and only prohibits bribes where a state entity or the state is involved. This amendment would provide legislative cover thereby enabling and encouraging persons in the private sector to report cases of bribery.
- The enactment of Whistleblowing legislation.
- Revision of Campaign Finance legislation to cover not only electoral candidates but political parties as well.
- Proclamation of the Fair Trading Act 2006 which would operationalise the Fair Trading Commission.
- Strengthening of sanctions against the breach of accounting and auditing standards in order to deter non-compliance effectively.
- Urgent introduction of a legal requirement for companies to publish a list of their beneficial owners.

#### Enforcement

- **Enhance public participation in the enforcement process.** Weak enforcement is one of the main factors which undermine the effectiveness of Trinidad and Tobago's anti-corruption legislative framework in such key areas as money laundering, collusion and bribery. One way to increase enforcement is to make the public more aware of their options for reporting such crimes which could lead to greater reporting, more investigations and, eventually, more arrests and convictions.
- **Institute stricter penalties for accounting and auditing discrepancies.** These penalties should be fines proportionate to the discrepancy and not simply the suspension, transfer or dismissal of the perpetrator. Serious breaches should carry a sentence of imprisonment.

- **Introduce measures for the prevention of accounting fraud in state enterprises.** Currently there is no way to monitor accounting standards at these institutions.

### Capacity

- Relocate the Office of the Director of Public Prosecutions (DPP) to a space large enough to accommodate a full complement of staff, especially administrative staff. Vacancies should be filled and the factors responsible for the office's high turnover of senior staff and shortage of experienced prosecutors should be addressed.
- Expand the power of the Police Complaints Authority (PCA) to improve its investigative capability in cases of alleged police misconduct. This body should have the power to compel officers to give evidence.
- Make The Anti-Corruption Investigation Bureau (ACIB) operationally independent so that it can better fulfil its mandate as required by international best practice. In addition to greater autonomy, there should also be greater collaboration among institutions, each with clear responsibilities and transparent reporting mechanisms. Also recommended is the establishment of deeper linkages and more effective communication flows among institutions.
- Equip the Auditor General's office with more accounting and auditing staff to audit the institutions that fall under its remit.
- Examine and address the resource constraints of the Office of the DPP, the Financial Investigations Bureau (FIB), the Fraud Squad and ACIB.

## Private Sector Recommendations

### General

- In the absence of state regulation, businesses should adopt self-regulation policies to prevent corrupt practices. This could result in greater access to global markets since many international companies refuse to conduct business with companies that do not subscribe to good governance policies.
- It is imperative that companies in the private sector have a publicly available anti-corruption policy document that clearly states their position against corruption. Every business should be guided by rules which emanate out of this policy position and which clearly define acceptable practices.<sup>206</sup> Ideally, its implementation should be overseen by the Board of Directors with execution by the relevant technical staff.
- Companies should make available to the public all documents relevant to their code of ethics in the conduct of business. Many companies claim to have such documents but they are not readily accessible by the public. Companies should post their policies and supporting documents on their websites to increase public accessibility. This will allow stakeholders to make a more informed assessment of the company's ethical position and to be better guided in doing business with the given company.

### Auditing and Assurance

- The Institute of Chartered Accountants of Trinidad and Tobago (ICATT) should publish a list of qualified auditors and accountants on their website. The public is not fully aware of this pool of professionals and could therefore make uninformed recruitment decisions. A public list would also enhance transparency and accountability among private companies in the hiring of external auditors. In addition to the list of qualified auditors, there should also be one identifying blacklisted accounting and auditing professionals and firms whose involvement in corrupt practices has been investigated and confirmed.
- Criminal penalties should be levied against auditors who engage in corrupt activity. Currently, the consequences for such firms are mainly the risk of reputational damage.

---

<sup>206</sup> Foreign and Commonwealth Office, Good Governance Toolkit for Myanmar Businesses: A handbook for resisting corruption and working with integrity, 2011.

### **Civil Society Recommendations**

- There should be a clear articulation of interests by civil society groups. A register of interests should also be created.
- Civil society organizations are not involved expressly in the monitoring of private sector corruption and do not have systems to support such monitoring. The BICA Report presents an opportunity for Trinidad and Tobago Transparency Institute and other civil society organizations to utilize its findings in collaborating with the private sector to mitigate corruption and improve transparency and corporate governance business practices.

## **Bibliography**

### **Laws**

Central Tenders Board Ordinance 1961

Companies Act No. 35 of 1995

Financial Intelligence Unit of Trinidad and Tobago Act 11 of 2009

Fair Trading Act No. 13 of 2006

Integrity in Public Life Act 83 of 2000

Miscellaneous Provisions No. 15 Bill 2014

Proceeds of Crime Act of 2000

Proceeds of Crime Amendment Act 10 of 2009

Public Procurement and Disposal of Public Property Act 2015

Representation of the People (ROP) Act No. 41 of 1967

Representation of the People (ROP) Act Amendment No. 51 of 2000

### **Reports and Articles**

AMCHAM Trinidad and Tobago. Response to Trinidad and Tobago Transparency Institute Request for Information. June 13<sup>th</sup>, 2018.

Ansa McAL Group of Companies, Annual Report 2017 (web) accessed 31 July, 2018. <http://ansam-cal.com/news/annual-report-2017/>

Arnold Niranjana, *Dilemmas of corporate governance in state-owned companies in Trinidad and Tobago*, 2012.

Arthur Lok Jack Graduate School of Business, *Transparency in Private Sector Organisations*, Survey Report 2015.

Bankers Association of Trinidad and Tobago Code of Banking Practices <https://batt.org.tt/wp-content/uploads/2017/02/BATT-Code-of-Banking-Handbook.pdf>

Baboolal, Yvonne. "Media Complaints Council still in business" Trinidad and Tobago Guardian Newspaper (web) 27 March, 2013 <http://www.guardian.co.tt/news/2013-03-27/media-complaints-council%E2%80%88still-business>

Caribbean Corporate Governance Institute Trinidad and Tobago, Chamber of Industry and Commerce and Trinidad and Tobago Stock Exchange Limited, *Trinidad and Tobago Corporate Governance Code 2013*, 2013. [http://www.ecgi.org/codes/documents/trinidad\\_tobago\\_cgcode\\_26nov2013\\_en.pdf](http://www.ecgi.org/codes/documents/trinidad_tobago_cgcode_26nov2013_en.pdf)

Caribbean Financial Action Task Force, *Anti-money laundering and counter-terrorist financing measures Trinidad and Tobago Mutual Evaluation Report*, 2017. <https://www.fiu.gov.tt/content/4th%20Round%20Mutual%20Evaluation%20Report.pdf>

Central Bank of Trinidad and Tobago, *Annual Economic Survey 2017*, 2017 Report. [https://www.centralbank.org.tt/sites/default/files/reports/Annual\\_Economic\\_Survey\\_52017.pdf](https://www.centralbank.org.tt/sites/default/files/reports/Annual_Economic_Survey_52017.pdf)

Clyne, Kalifa. “Media Complaints Council still in business” Trinidad and Tobago Guardian Newspaper (web) 30 July, 2017 <http://www.guardian.co.tt/news/2017-07-29/crime-costing-tt-businesses>

Clyne, Kalifa, “T&T moves up 10 spots on Press Freedom Index” 2017 *Trinidad and Tobago Guardian online*, April 30<sup>th</sup> [www.guardian.co.tt/news/2017-04-29/tt-moves-10-spots-press-freedom-index](http://www.guardian.co.tt/news/2017-04-29/tt-moves-10-spots-press-freedom-index)

Code of Ethics for Professional Accountants. International Federation of Accountants. 2006.

Department for International Trade, Foreign Commonwealth Office, *Guidance Overseas Business Risk – Trinidad & Tobago*, 7 May, 2018. <https://www.gov.uk/government/publications/overseas-business-risk-trinidad-tobago/overseas-business-risk-trinidad-tobago>

Dowlath, Rhondor, “Cop caught red-handed taking bribe”, Trinidad and Tobago Guardian Newspaper (web) 3 March, 2018. <http://www.guardian.co.tt/news/2018-03-02/cop-caught-red-handed-taking-bribe>

Ernst & Young Services Ltd, *Focus on Trinidad and Tobago Budget, 2017 Report*, [https://www.ey.com/Publication/vwLUAssets/ey-focus-on-the-trinidad-tobago-budget-2017/\\$FILE/ey-focus-on-the-trinidad-tobago-budget-2017.pdf](https://www.ey.com/Publication/vwLUAssets/ey-focus-on-the-trinidad-tobago-budget-2017/$FILE/ey-focus-on-the-trinidad-tobago-budget-2017.pdf)

Elections & Boundaries Commission Notice, Local Government Elections 2016 Summary of Return of Election Expenses <https://www.ebctt.com/wp-content/uploads/Summary-of-Return-of-Election-Expenses-LG-2016.pdf>

Energy Chamber of Trinidad and Tobago, Corporate Governance Orientation Guide for New Directors 2013 (web) accessed 31 July, 2018. <https://docs.google.com/viewer?url=http%3A%2F%2Fcorp.govtt.info%2Fwp-content%2Fuploads%2F2014%2F05%2FEC01-Orientation-Guide.pdf>

Energy Chamber of Trinidad and Tobago, Energy Chamber of Trinidad and Tobago (ECTT) Whistleblowing Policy, 11 October, 2012. <https://static1.squarespace.com/static/5502c848e4b0e376000821c1/t/56f195e8c6fc0826ee2db89c/1458673130145/ECTT+Whistleblowing+Policy+-+Oct+11+2012.pdf>

First Citizens Corporate Banking (web) accessed 31 July, 2018. <https://www.firstcitizenstt.com/corporate-banking/management-team.html>

First Citizens Corporate Banking (web) accessed 31 July, 2018. <https://www.firstcitizenstt.com/about/news-and-notices/first-citizens-launches-ipo.html>

Financial Intelligence Unit Trinidad & Tobago, Offences & Penalties under the AML/CFT Laws of Trinidad and Tobago 14 November 2014. <https://www.fiu.gov.tt/content/14%20Nov%202014%20Offences%20and%20Penalties.pdf>

Financial Intelligence Unit Trinidad and Tobago, Trinidad & Tobago Police Service (TTPS) – Money Laundering charges before the courts as at 30 June, 2018 (web) accessed 02 August, 2018. <http://www.fiu.gov.tt/enforcement.php?mid=75>

Foreign and Commonwealth Office, Good Governance Toolkit for Myanmar Businesses: A handbook for resisting corruption and working with integrity, 2011.

Freedom House. 2018. Freedom of the Press 2017 Trinidad and Tobago. <https://freedomhouse.org/report/freedom-press/2015/trinidad-and-tobago>

Global Security, Trinidad and Tobago Corruption (web) accessed 02 August, 2018. <https://www.export.gov/article?id=Trinidad-and-Tobago-Corruption>

Global Security, Trinidad and Tobago Corruption (web) accessed 31 July, 2018 <https://www.globalsecurity.org/military/world/caribbean/tt-corruption.htm>

Government of the Republic of Trinidad and Tobago, *Ministry of Finance State Enterprises Performance Monitoring Manual*, 2011.

Government of the Republic of Trinidad and Tobago. 2013. Local EITI report is a huge step-TTEITI chair. <http://www.news.gov.tt/content/local-eiti-report-huge-step-tteiti-chair#.WuC-8ojwbIU>

Guardian Group Holdings Limited, Annual Reports (web) accessed 31 July, 2018. <http://trinidad.myguardiangroup.com/guardian-holdings-limited/investor-relations/annual-reports>

Implementation Review Group, Review of Implementation of United Nations Convention against Corruption, 2013 (web) accessed 31 July, 2013. <https://www.unodc.org/documents/treaties/UNCAC/Working-Groups/ImplementationReviewGroup/26-27November2013/V1387808e.pdf>

Index Mundi, Trinidad and Tobago Demographic Profile 2018 (web) accessed 31 July, 2018. [https://www.indexmundi.com/trinidad\\_and\\_tobago/demographics\\_profile.html](https://www.indexmundi.com/trinidad_and_tobago/demographics_profile.html)

Integrity Commission, 871 public officials failed to file says Integrity Commission, Trinidad Express Newspaper, 9 March 2018. [https://www.trinidadexpress.com/news/local/public-officials-failed-to-file-says-integrity-commission/article\\_f47d907c-23be-11e8-a5b9-8786ac60e4df.html](https://www.trinidadexpress.com/news/local/public-officials-failed-to-file-says-integrity-commission/article_f47d907c-23be-11e8-a5b9-8786ac60e4df.html)

International Federation of Accountants, Institute of Chartered Accountants of Trinidad and Tobago (web) accessed 31 July, 2018. <https://www.ifac.org/about-ifac/membership/country/trinidad-and-tobago>

International Trade Administration (Export.gov) (web) accessed 31 July, 2018 <https://www.export.gov/article?id=Trinidad-and-Tobago-State-Owned-Enterprises>

InvesTT Limited (web) accessed 31, July 2018. <http://www.investt.co.tt/industries-and-opportunities/>

Knoema (web) accessed 31 July, 2018 <https://knoema.com/atlas/Trinidad-and-Tobago/Adult-literacy-rate>

Massy Annual Report 2017 (web), accessed 31 July, 2018. [http://www.massygroup.com/uploaded-Files/Massy/Content/Investors/Annual Reports/MASSY%20ANNUAL%20REPORT%202017.pdf](http://www.massygroup.com/uploaded-Files/Massy/Content/Investors/Annual%20Reports/MASSY%20ANNUAL%20REPORT%202017.pdf)

Ministry of Energy and Energy Affairs (web) accessed 31, July 2018. <http://www.energy.gov.tt/our-business/oil-and-gas-industry/>

Ministry of Finance, *Changing the Paradigm: Putting the Economy on a Sustainable Path*, 2017 Review of the Economy Report <https://www.finance.gov.tt/wp-content/uploads/2018/06/Review-of-the-Economy-2017.pdf>

Ministry of Finance, Establishment of the Trinidad and Tobago Revenue Authority 17, January 2018 <https://www.finance.gov.tt/wp-content/uploads/2018/01/Press-Release-Establishment-of-a-Trinidad-and-Tobago-Revenue-Authority-17.1.2018.pdf>

Ministry of Finance, Mid-Year Budget Review 2018, Presented by the Honourable Colm Imbert, Minister of Finance, in the House of Representatives on Thursday May 10th 2018. <http://www.finance.gov.tt/wp-content/uploads/2016/09/Budget-Statement-2017-for-web.pdf>

Ministry of Finance, Shaping a Brighter Future – A Blueprint for Transformation & Growth, 2017 Budget Statement Presented by the Honourable Colm Imbert, Minister of Finance on September 30, 2016. <http://www.finance.gov.tt/wp-content/uploads/2016/09/Budget-Statement-2017-for-web.pdf>

Ministry of Finance, Major Investment Incentives in Trinidad and Tobago <https://www.finance.gov.tt/wp-content/uploads/2017/08/MOF-Investment-Incentives-in-Trinidad-and-Tobago-web.pdf>

Ministry of Public Administration, *National Consultations on the Draft National Information Technology Plan (NICT) Plan 2017-2021*. <http://www.mpac.gov.tt/node/396>.

Memorandum of Understanding between the TTSEC and the CBTT for the exchange of information and cooperation and consultation. January 2014 (web) accessed 31 July, 2108. [https://www.central-bank.org.tt/sites/default/files/page-file-uploads/MOU%20between%20Central%20Bank%20and%20TTSEC\\_0.pdf](https://www.central-bank.org.tt/sites/default/files/page-file-uploads/MOU%20between%20Central%20Bank%20and%20TTSEC_0.pdf)

Memorandum of Understanding between the CBTT and the FIU concerning exchange of information on matters pertaining to anti-money laundering and the combating of terrorism financing. May 2014 (web) accessed 31 July, 2018. <https://www.central-bank.org.tt/sites/default/files/page-file-uploads/MOU%20between%20Central%20Bank%20and%20FIU.pdf>

Muyangwa, Muyangwa, Norris Miller, Tracey-Ann Bonner, and Ruud van den Bosch. *TADAT Report on Trinidad and Tobago BIR Performance*, 2017, Ministry of Finance. <https://www.finance.gov.tt/wp-content/uploads/2018/03/TADAT-December-2017-Report-on-Trinidad-and-Tobago-BIR-Performance.pdf>.

National Archives, *Understanding Politics and Government in Trinidad and Tobago*, 2010. <https://nationalarchivestt.wordpress.com/2010/07/05/a-basic-understanding-of-politics-and-government-in-trinidad-and-tobago/>

Netty Ann Gordon, *The Casino and Gaming Industry in Trinidad and Tobago: Employment, Revenue, Regulation and Crime*, COTED presentation, 2016. <https://sta.uwi.edu/conferences/16/cote/documents/NGordonCOTE2016Presentation.pdf>

Niranjan, Arnold, *Dilemmas of corporate governance in state-owned companies in Trinidad and Tobago Study*, November 2012

O'Brian Derek, *The Constitutional Systems of the Commonwealth Caribbean: A Contextual Analysis*, 2014.

OAS Unit for the Promotion of Democracy, *Political Party and Campaign Financing in Trinidad and Tobago* <https://archivos.juridicas.unam.mx/www/bjv/libros/4/1593/56.pdf>

Ryan Selwyn, OAS Unit for the Promotion of Democracy – International IDEA, *Political Party and Campaign Financing in Trinidad and Tobago* <https://archivos.juridicas.unam.mx/www/bjv/libros/4/1593/56.pdf>

Parliament of Republic of Trinidad and Tobago, *Joint Select Committee on Ministries, Statutory Authorities and State Enterprises on the Administration and Operations of the Anti-Corruption Investigation Bureau (ACIB)*, 2015 Thirteenth Report. <http://www.ttparliament.org/reports/p10-s5-J-20150529-JSC1-r13-ACIB.pdf>

Parliament of Republic of Trinidad and Tobago, *Joint Select Committee on National Security*, 24<sup>th</sup> March, 2017. pages 8-12 <http://www.ttparliament.org/documents/2498.pdf>

Parliament of Republic of Trinidad and Tobago, *First Report of The Joint Select Committee Appointed To Propose A Legislative Framework To Govern The Financing of Election Campaigns*, 2014/2015 Fifth Session of the Tenth Parliament <http://www.ttparliament.org/reports/p10-s5-J-20150525-JECF-r1.pdf>

Parliament of Republic of Trinidad and Tobago, *Fourth Report of the Committee on Public Administration and Appropriations, Examination of the System of Internal audit within the Public Service* <http://www.ttparliament.org/reports/p11-s2-J-20170915-PAAC-r4.pdf>

Pinto Michael Duschinsky, *Commonwealth Secretariat, Political Financing in the Commonwealth*, 2001.

Pros and cons of corporate codes of conduct. Ada-Iuliana POPESCU. *Journal of public Administration, Finance and Law*. 2013.

Ragoonath, Reshma. "Some \$330m to campaign for 2015 general elections", *Trinidad and Tobago Guardian Newspaper (web)* 12 October, 2015. <http://www.guardian.co.tt/news/2014-10-12/some-330m-campaign-2015-general-election>

Republic Financial Holdings Limited, *Ethics & Operating Principles* <https://www.republictt.com/pdfs/Ethics-and-Operating-Principles.pdf>

Syntegra Change Architects Ltd. *Corporate Governance Disclosure in Trinidad and Tobago*, 2011. [http://www.syntegrachange.com/images/research\\_items/Syntegra\\_CG\\_Review\\_TT.pdf](http://www.syntegrachange.com/images/research_items/Syntegra_CG_Review_TT.pdf)

Trading Economics: Trinidad and Tobago Exports, 2018 <https://tradingeconomics.com/trinidad-and-tobago/exports>.

Telecommunications Authority of Trinidad and Tobago. *A Draft Broadcasting Code for the Republic of Trinidad and Tobago*, 2009. <https://tatt.org.tt/Portals/0/Documents/Broadcasting%20Code%20Final%20Draft%20March%202009.pdf>

Trinidad and Tobago Transparency Institute. *Corruption in the Trinidad and Tobago Construction Industry*, 2009 Survey. <https://www.qaqc-construction.com/downloads/Construction-Industry-Corruption-Survey-2009.pdf>

Trinidad and Tobago Transparency Institute (web) accessed 31, July 2018. <http://transparency.org.tt/2018/02/22/corruption-perceptions-index-2017-shows-high-corruption-burden-two-thirds-countries/>

Trinidad and Tobago Transparency Institute, *Monitoring and Evaluation of the Third Round of the Inter-American Convention against Corruption in Trinidad and Tobago*, 2009 Independent Report.

Transparency International, *People and Corruption: Latin America and the Caribbean*, 2017 Report Transparency International. [http://files.transparency.org/content/download/2156/13639/file/2017\\_GCB\\_AME\\_EN.pdf](http://files.transparency.org/content/download/2156/13639/file/2017_GCB_AME_EN.pdf).

Transparency International, *Transparency in Corporate Reporting: Assessing The World's Largest Companies*, 2014. [https://www.transparency.org/files/content/publication/2014\\_TICR\\_Methodology\\_EN.pdf](https://www.transparency.org/files/content/publication/2014_TICR_Methodology_EN.pdf)

Trinidad and Tobago Chamber of Industry and Commerce, *Code of Conduct* <https://chamber.org.tt/membership/code-of-conduct/>

Trinidad and Tobago Contractors Association, Sections of Public Procurement Act Proclaimed to Establish Office (web) accessed 31 July, 2018. <http://www.ttca.com/articles/sections-public-procurement-act-proclaimed-establish-office>

Trinidad and Tobago Extractive Industries *Transparency Initiative Beneficial Ownership Declaration*, 2016 (web) accessed 31 July, 2018. <http://www.teiti.org.tt/industry-overview/beneficial-ownership-declaration/>

State Department's Office of Investment Affairs, Investment Climate Statement, Trinidad and Tobago - Corruption (web) accessed 31 July, 2018. <https://www.export.gov/article?id=Trinidad-and-Tobago-Corruption>

The Energy Chamber of Trinidad and Tobago. Response to Trinidad and Tobago Transparency Institute for Information. May 24<sup>th</sup>, 2018.

Trinidad and Tobago Fair Trade Commission, *About the Trinidad and Tobago Fair Trading Commission*, 2017 (web) accessed 20 March, 2018. <http://tandtftc.org/who-is-the-tftfc/>

Trinidad and Tobago Fair Trade Commission, What can the TTFTC do? 2017, (web) accessed 20 March 2018. <http://tandtftc.org/what-can-the-tftfc-do/>.

Trinidad and Tobago Police Service, *Final Report of the Police Manpower Audit Committee*, 2017.

Trinidad and Tobago Police Service, *Dealing with White Collar Crime Successes & Challenges*, Presentation by Mr. Harold Phillips (web) accessed 31 July, 2018. <http://transparency.org.tt/wp/wp-content/uploads/2017/11/Dealing-with-White-Collar-Crime-Harold-Phillip.pdf>

Tucker Energy Service, Speak Up (web) accessed 31 July, 2018. <http://www.tuckerenergy.com/SitePages/speakup.aspx>

U4 Anti-Corruption Resource Centre (web) accessed 31, July 2018. <https://www.u4.no/terms#> definitions of active and passive bribery

United Nations Development Program, *Human Development for Everyone*, 2016 Annual Report, New York: UNDP. [http://hdr.undp.org/sites/default/files/2016\\_human\\_development\\_report.pdf](http://hdr.undp.org/sites/default/files/2016_human_development_report.pdf)

United Nations Development Program, *Human Development for Everyone, Briefing note for countries on the 2016 Human Development Report, Trinidad and Tobago 2016*. [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/TTO.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/TTO.pdf)

United Nations Global Compact, The Ten Principles of the UN Global Compact (web) accessed 31 July, 2018. <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-10>

United Nations Global Compact, Communication on Progress, Trinidad Cement Limited, 12, July, 2012. <https://www.unglobalcompact.org/participation/report/cop/create-and-submit/learner/252911>

World Bank, Jeff Huther and Anwar Shah, *Anti-Corruption Policies and Programs. A Framework for Evaluation*. 2000.

World Bank, Report on the Observance of Standard and Codes (ROSC) T&T – Accounting and Auditing. 2013.

World Customs Organization, Text of the Revised Kyoto Convention, 17 April 2008. [http://www.wcoomd.org/Topics/Facilitation/Instrument%20and%20Tools/Conventions/pf\\_revised\\_kyoto\\_conv/Kyoto\\_New](http://www.wcoomd.org/Topics/Facilitation/Instrument%20and%20Tools/Conventions/pf_revised_kyoto_conv/Kyoto_New)

World Economic Forum, *The Global Competitiveness Report*, 2015, 2016, 2017 Annual Report, Geneva: World Economic Forum.

World Economic Forum, The Global Information Technology Report 2016, Innovating the Digital Economy 2016 [http://www3.weforum.org/docs/GITR2016/WEF\\_GITR\\_Full\\_Report.pdf](http://www3.weforum.org/docs/GITR2016/WEF_GITR_Full_Report.pdf)

## Annex 1

### Summary Listing of Companies in TRAC

Company	Companies Publically Disclose the Details of their Anti-Corruption Programme	Companies Publically Disclose the Full List of their Fully Consolidated Subsidiaries	Companies Publically Disclose Revenues/Sales in Country X for Each Country of Operations	Companies Publically Disclose all their Sponsorships	Companies Publically Disclose all their Lobbying Activities
Agostini Insurance Brokers Ltd	No	N/A	No	No	No
Agostini's Limited	No	Yes	Yes	No	No
Amalgamated Security Services	No	Yes	No	No	No
Angostura Ltd	No	Yes	Yes	No	No
ANSA McAL Group of Companies	No	Yes	Yes	Yes	Yes
Associated Brands	No	Yes	No	No	No
Bermudez Group	No	Yes	No	No	No
Blue Waters Products Ltd	No	No	No	No	No
Capital Signal	No	No	No	No	No
First Citizens Bank	No	No	Yes	No	No
Flavorite	No	Yes	No	No	No
Global Brands Limited	No	Yes	No	No	No
Guardian Holdings	No	Yes	No	Yes	No
L&S Surveying Services Ltd	No	No	No	No	No
Massy Group	No	Yes	Yes	Yes	No
One Caribbean Media	No	Yes	No	No	No
Ramps Logistics	No	N/A	No	No	No
Republic Bank Ltd	No	Yes	Yes	No	No
Royal Castle Limited	No	N/A	No	No	No
Sacha Cosmetics	No	N/A	No	No	No
SM Jaleel	No	No	No	No	No
TCL Group	No	Yes	No	No	No
Tucker Energy Services	No	Yes	No	No	No

## Annex 2

### Expert Interviews and Workshops

BICA National Advisory Group Meeting at the Trinidad and Tobago Transparency Institute head office, 13 March 2018. **[NAG Meeting 1]**

BICA National Advisory Group Meeting at the Trinidad and Tobago Transparency Institute head office, 17 May 2018. **[NAG Meeting 2]**

BICA National Advisor Group Meeting at the Arthur Lok Jack Global School of Business, Mt. Hope, 11 September 2018. **[NAG Meeting 3]**

Interview with expert representative from a consultative business solutions company on Accounting, Auditing and Disclosure in the public sector and Accounting and Auditing in the private sector, conducted by Arthur Lok Jack Global School of Business Research Officer Keegan Bharath and BICA TT TI Research Assistant Gina Marajh, 29th May, 2018. **[Expert Interview 1]**

Interview with Chartered Surveyor expert in procurement, Public Procurement, conducted by Arthur Lok Jack Global School of Business Research Officer Keegan Bharath and BICA TT TI Research Assistant Karina Wharton, 1 June, 2018. **[Expert Interview 2]**

Interview with Deputy CEO of Global School of Business on Board of Directors, Stakeholder Engagement and Integrity Management, conducted by Arthur Lok Jack Global School of Business Research Officer Keegan Bharath and BICA TT TI Research Assistants Gina Marajh and Renée François Trumpet, 7 June, 2018. **[Expert Interview 3]**

Interview with expert representative from a consultative business solutions company on Accounting, Auditing and Disclosure in the public sector and Accounting and Auditing in the private sector, conducted by Arthur Lok Jack Global School of Business Research Officer Keegan Bharath and BICA TT TI Research Assistant Gina Marajh, 8 June, 2018. **[Expert Interview 4]**

Interview with the former senior representative of the Chamber of Industry and Commerce on Board of Directors, Stakeholder Engagement and Integrity Management, conducted by Arthur Lok Jack Global School of Business Research Officer Keegan Bharath and Research Assistants Karina Wharton and Renée François Trumpet, 11 June, 2018. **[Expert Interview 5]**

Interview with experienced director and expert in finance and banking sector on Board of Directors, Stakeholder Engagement and Integrity Management, conducted by Arthur Lok Jack Global School of Business Research Officer Keegan Bharath and BICA TT TI Research Assistants Gina Marajh and Renée François Trumpet, 10 July, 2018. **[Expert Interview 6]**

Interview with expert from manufacturing industry on Board of Directors, Stakeholder Engagement and Integrity Management, conducted by Arthur Lok Jack Global School of Business Research Officer Keegan Bharath and BICA TT TI Research Assistants Karina Wharton and Renée François Trumpet, 12 July, 2018. **[Expert Interview 7]**

Interview with expert in banking and finance on Board of Directors, Stakeholder Engagement and Integrity Management, conducted by Arthur Lok Jack Global School of Business Research Officer Keegan Bharath and BICA TT TI Research Assistants Karina Wharton and Gina Marajh, 20 July, 2018. **[Expert Interview 8]**