

**ONE HUNDRED AND FIRST REPORT**

**OF THE**

**SALARIES REVIEW COMMISSION**

**OF THE**

**REPUBLIC OF TRINIDAD AND TOBAGO**

November 26 , 2014

# ONE HUNDRED AND FIRST REPORT OF THE SALARIES REVIEW COMMISSION

## Determination of Salary and other terms and conditions of service for the offices of Supervisor and Deputy Supervisor of Insolvency

By letter dated May 23, 2014, His Excellency, the President of the Republic of Trinidad and Tobago conveyed his approval for the Salaries Review Commission (SRC) to determine the salary and other conditions of service for the offices of Supervisor of Insolvency (SOI) and Deputy Supervisor of Insolvency (DSOI), Ministry of Finance and the Economy. These offices were placed within the purview of the SRC by virtue of Legal Notice No. 224 dated May 23, 2014.

2. The office of SOI was established to supervise the administration of all estates and matters to which the Bankruptcy and Insolvency Act, 2007 (the Act) applies. Parts I to X and Parts XII and XIII of the Act were proclaimed on May 23, 2014.

### Powers of the SOI

3. The Act revised the law relating to bankruptcy to provide for corporate and individual insolvency and for the rehabilitation of the insolvent debtor. Additionally, we are advised that the Act addresses reforms in the regulatory environment which would strengthen the role of Trinidad and Tobago as the regional financial centre. These reforms would contribute to the creation of the business enabling environment, thereby improving the attractiveness of Trinidad and Tobago as an investment destination. Further, the modernization of the financial and legal structure for credit in the country can lead to the upgrade of the ranking of the country in the World Bank (International Bank for Reconstruction and Development) Annual Report on Doing Business.

4. We are informed that the office of SOI was created as a public office under section 175(1) of the Act as an important component of the reform programme which seeks to address those factors which limit the expansion of financial access in the country. Further, in order to provide high level technical support, stability and continuity,

the office of DSOI was created with effect from June 01, 2014. The office of SOI will be involved in all administrative and legislated operations as mandated by the Act which include, but are not limited to:

- the making of receiving orders and proposals under the Act;
- the administration of estates;
- the appointment of inspectors;
- the examination and discharge of bankrupts;
- the licensing and regulation of trustees;
- the treatment of offences under the Act.

#### **Role and Function of the offices of SOI and DSOI**

5. The SOI is responsible for managing the Department and its programmes. In this regard, the office holder would be responsible for providing vision, strategic leadership, guidance and oversight in defining the legislative and regulatory framework which underpins the national bankruptcy and insolvency system. The incumbent would also be required to provide overall leadership in the development of systems and associated processes to improve the efficiency of the national insolvency system.

6. We are advised that the DSOI, under the directions of the SOI, would be responsible for developing, establishing and managing key operational functions of the office, including the administration of the insolvency programme, trustee licensing and managing the national supervisory framework that will support the objectives of the Act.

#### **Duties and Responsibilities of the SOI**

7. Regarding the main duties and responsibilities of the office, the Act states that the SOI shall:

- receive applications for licences to act as trustees (under this Act) and issue licences to persons whose applications have been approved;
- where not otherwise provided for, require the deposit of one or more continuing guaranty bonds as security for the due accounting of all property received by trustees and for the due and faithful performance by them of their duties in the administration of estates to which they are appointed, in such amount as the Supervisor may determine; and
  - (i) which amount may be increased or decreased as he may deem expedient;
  - (ii) the security shall be in a form satisfactory to the Supervisor; and
  - (iii) may be enforced by the Supervisor for the benefit of the creditors;
- from time to time make or cause to be made such inspection or investigation of estates or other matters to which the Act applies including the conduct of a trustee or a trustee acting as a receiver or interim receiver as the Supervisor may deem expedient and for the purpose of the inspection or investigation the Supervisor or any person appointed by the Supervisor for the purpose shall have access to and the right to examine and make copies of all books and records pertaining or relating to any estate or other matter to which this Act applies;
- receive and keep a record of all complaints from any creditor or other person interested in any estate and making such specific

investigations with regard to such complaints as the Supervisor may determine; and

- examine trustee's accounts of receipts and disbursements and final statements.

In addition, the Supervisor may by way of notice, intervene in any matter or proceeding in Court, where the Supervisor considers it expedient to do so, as if the Supervisor were a party to the matter of proceedings.

### **Duties and Responsibilities of the DSOI**

8. The DSOI has responsibility for:

- managing the day to day operations of the office;
- developing, establishing and managing the national supervisory framework, strategies, operational policies and procedures for the supervision of stakeholders, including trustees and of all debtors filing insolvency proceedings under the Act;
- developing an effective and cost effective risk-based supervisory framework for identifying non-compliance risks;
- conducting investigations under the Act, including issues of misconduct by the trustees;
- developing standards for licensing and the continuous development of trustees;
- managing the process and resolution of complaints;

- initiating appropriate enforcement actions including the investigation of trustee professional misconduct as well as unlawful actions or abuse by debtors and creditors;
- representing the office on procedural insolvency matter before the courts;
- acting as the SOI in the absence of the incumbent.

### **Qualifications, Training and Experience.**

9. The Commission has been advised that the holder of the office of SOI is required to possess a Master's Degree in finance, economics or a related field and at least eight (8) years of experience in the financial sector. In addition, the incumbent is required to have in-depth knowledge in conducting liquidation or matters relating to insolvency and experience at an executive level in a business and/or Government organization.

10. The holder of the office of DSOI is required to have a Bachelor of Laws Degree with post graduate qualifications in either management, finance, economics or accounting. In addition to a minimum of eight (8) years of experience in liquidation, insolvency and bankruptcy, the incumbent should possess executive management experience in business and/or the public sector.

11. We compared the duties of the office of SOI with those of other offices within our purview and are of the view that the office of SOI bears some similarity to that of Director, Financial Intelligence Unit (FIU) which is remunerated in Group 2B of the Top Managers in the Public Service grouping. In this regard, we took into consideration the fact that both the FIU and the office of SOI fall within the purview of the Ministry of Finance and the Economy and have jurisdiction over specific areas that impact the financial sector. Their operations are national in scope and administrative in nature.

12. In addition, both office holders head their respective units and are responsible for the overall supervision for planning, organising and directing the activities and implementing legislation and policies which govern the operations thereof. Like the Director, FIU, the SOI operates with autonomy regarding all decisions related to operations of the office as prescribed by regulations. There is commonality in that both office holders protect the State and the economy through the application of the laws which govern their operations.

13. Also, we hold the view that the office of DSOI shares some similarities with the office of Deputy Director, FIU which is classified in Group 3B of the Top Managers in the Public Service grouping. As with the relationship between the offices of Director and Deputy Director, FIU, the DSOI plays a supporting managerial role to the SOI. Both Deputies coordinate operations and activities in their respective spheres.

### Recommendations

14. Having regard to the foregoing, we recommend that the office of SOI be placed in Group 2B of the Top Managers in the Public Service grouping and the office of DSOI in Group 3B. With respect to the specific remuneration arrangements which should apply, we are of the view that the Duty Allowance applicable to certain office holders in those groupings is not appropriate for the offices of SOI and DSOI as the duties of these offices would not require the office holders to be available on a twenty-four hour basis. The recommended remuneration arrangements are contained in **Appendix I and Appendix II**, respectively.

15. Further, since the offices of SOI and DSOI are in the Civil Service, we recommend that the necessary steps be taken to have them declared pensionable as provided for under section 2 of the Pensions Act, Chap. 23:52.

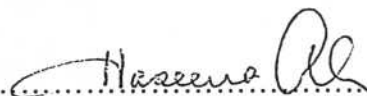
Effective Date

16. It is recommended that the remuneration arrangements for the offices of SOI and DSOI be made effective June 1, 2014, the date on which the offices were created by Cabinet.

Dated this 26<sup>th</sup> day of November, 2014



.....  
Edward Collier  
(Chairman)



.....  
Haseena Ali



.....  
Gerard Pinard



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Kenneth Dalip



.....  
Monica Clement



**Remuneration arrangements for the office of  
Supervisor, Office of the Supervisor of Insolvency**

**Salary**

\$30,340 per month

**Transport Facilities**

- (i) A maximum loan of \$250,000 at a rate of interest of 6% per annum repayable over a period of six (6) years to facilitate the purchase of either:-
  - (a) a new motor vehicle with exemption from Motor Vehicle Tax limited to the amount payable on a vehicle with an engine capacity of 1999cc and exemption from Value Added Tax to a maximum of \$45,000; or
  - (b) a used motor vehicle with exemption from Special Motor Vehicles Tax limited to the maximum amount payable in respect of Motor Vehicle Tax on a vehicle at (a) above and exemption from Value Added Tax to a maximum of \$45,000.
- (ii) A loan to cover the cost of Motor Vehicle Insurance premium at a rate of interest of 6% per annum.
- (iii) A maximum loan of \$20,000 at a rate of interest of 6% per annum to effect repairs to a motor vehicle.
- (iv) A Transportation Allowance of \$3,900 per month.

**Service Allowance**

\$5,050 per month.

**Subsistence Allowance**

- (i) \$200 per day when travelling on official business beyond a radius of sixteen (16) kilometres from official headquarters, and where it is necessary to purchase a meal(s).

- (ii) When on duty in Tobago the office holder to be eligible for hotel accommodation and meals, as necessary. In the absence of the provision of any meal(s) to be paid \$200 per day.
- (iii) For travel abroad on official business, US\$100 per day, once not in receipt of other allowances for overseas travel, such as those payable under Minister of Finance Circular No. 2 dated April 7, 2006.

### **Housing Allowance**

\$7,740 per month.

### **Entertainment**

Actual expenses incurred for official entertainment to be met from an official Entertainment Vote under the control of the Ministry of Finance and the Economy.

### **Vacation Leave**

Thirty (30) calendar days per annum.

### **Telecommunication Facilities**

\$500 per month.

### **Medical benefits**

Membership in and entitlement to medical benefits as provided under the UNIMED Group Health Plan.

### **Pension/Gratuity**

Entitlement to superannuation benefits in accordance with the provisions of the Pensions Act, Chap. 23:52, subject to the office being made pensionable under that Act.

**Remuneration arrangements for the office of  
Deputy Supervisor, Office of the Supervisor of Insolvency**

**Salary**

\$25,370 per month.

**Transport Facilities**

- (i) A maximum loan of \$250,000 at a rate of interest of 6% per annum repayable over a period of six (6) years to facilitate the purchase of either:-
  - (a) a new motor vehicle with exemption from Motor Vehicle Tax limited to the amount payable on a vehicle with an engine capacity of 1999cc and exemption from Value Added Tax to a maximum of \$45,000; or
  - (b) a used motor vehicle with exemption from Special Motor Vehicles Tax limited to the maximum amount payable in respect of Motor Vehicle Tax on a vehicle at (a) above and exemption from Value Added Tax to a maximum of \$45,000.
- (ii) A loan to cover the cost of Motor Vehicle Insurance premium at a rate of interest of 6% per annum.
- (iii) A maximum loan of \$20,000 at a rate of interest of 6% per annum to effect repairs to a motor vehicle.
- (iv) A Transportation Allowance of \$3,900 per month.

**Subsistence Allowance**

- (i) \$200 per day when travelling on official business beyond a radius of sixteen (16) kilometres from official headquarters, and where it is necessary to purchase a meal(s).
- (ii) When assigned/transferred to Tobago (or to Trinidad where the office holder is stationed in Tobago), the following to be applicable:-

(a) **Official duty or assignment of one (1) month or less**

The office holder to be eligible for hotel accommodation and meals, as necessary. In the absence of the provision of any meal(s), to be paid \$200 per day. (The provision at (i) above shall not apply.)

(b) **Temporary assignments in excess of one (1) month and not exceeding six (6) months**

The office holder to be responsible for his/her accommodation and meals. However, the State may, at its option, provide accommodation only for the office holder.

(i) Where accommodation only is provided by the State, to be paid a Tobago/Trinidad Duty Allowance of \$2,775 per month.

(ii) Where accommodation is not provided by the State, to be paid a Tobago/Trinidad Duty Allowance of \$6,750.

(c) **Permanent transfer to Tobago/Trinidad (periods in excess of six (6) months)**

The office holder to be responsible for his/her accommodation and meals.

(i) Where the office holder is eligible for a Housing Allowance, to be paid, in addition to such allowance, a Tobago/Trinidad Duty Allowance of \$2,775 per month for a period not exceeding two (2) years.

(ii) Where the office holder is not eligible for a Housing Allowance, to be paid a Tobago/Trinidad Duty Allowance of \$6,750 per month for a period not exceeding two (2) years.

(iii) For travel abroad on official business, US\$100 per day, once not in receipt of other allowances for overseas travel, such as those payable under Minister of Finance Circular No. 2 dated April 7, 2006.

**Housing Allowance**

\$4,620 per month.

**Entertainment**

Actual expenses incurred for official entertainment to be met from an official Entertainment Vote under the control of the Ministry of Finance and the Economy.

**Vacation Leave**

Thirty (30) calendar days per annum.

**Telecommunication Facilities**

An allowance of \$400 per month.

**Medical benefits**

Membership in and entitlement to medical benefits as provided under the UNIMED Group Health Plan.

**Pension/Gratuity**

Entitlement to superannuation benefits in accordance with the provisions of the Pensions Act, Chap. 23:52, subject to the office being made pensionable under that Act.