



THE PARLIAMENT OF
TRINIDAD AND TOBAGO

BILL ESSENTIALS

Date introduced: 17 May, 2019

House: House of Representatives

Minister: Minister of Finance

HOR Bill No: 12 of 2019

Links: The links to the Bill, and its progress can be found on the Bill's home page through the Parliament's website, www.ttparliament.org

BILL ESSENTIALS

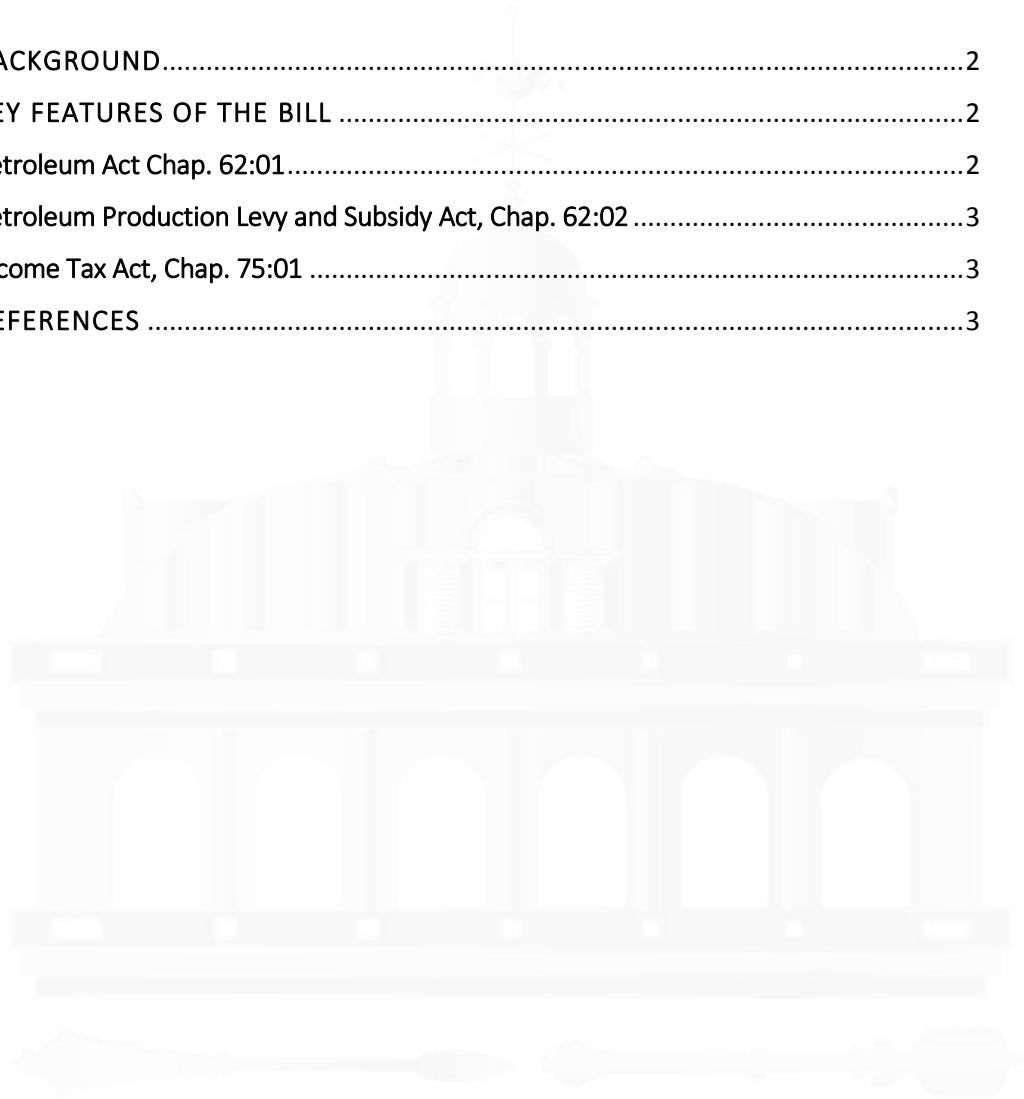
BILL ESSENTIALS NO. 17, 2018–19

May 22, 2019

Miscellaneous Provisions (Petroleum, Petroleum Production Levy and Subsidy and Income Tax) Bill, 2019

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BACKGROUND

1. The **Miscellaneous Provisions (Petroleum, Petroleum Production Levy and Subsidy and Income Tax) Bill, 2019**¹ (hereinafter referred to as “the Bill”) aims to amend the Petroleum Act, Chap. 62:01, the Petroleum Production Levy and Subsidy Act, Chap. 62:02 and the Income Tax Act, Chap. 75:01.
2. The Bill was introduced in the House of Representatives by the Minister of Finance on May 17, 2019.

KEY FEATURES OF THE BILL

Petroleum Act Chap. 62:01

3. **Clause 2** of the proposed legislation seeks to amend the **Petroleum Act Chap. 62:01**² to provide for the type of operations which would be undertaken by Paria Fuel Trading Company.
4. In 2018 the major refining operations of Petrotrin were discontinued and new companies for exploration and production, terminalling and refining were established. One of these companies, Paria Fuel Trading Company, was established to undertake trading and product supply activities logistics, terminalling and product handling³.
5. **Clause 2** amends **Section 31 (1)** of the **Petroleum Act** by inserting after the words “refining business” the words “or the trading business”.
6. Further, **section 31 (2)** of the **Petroleum Act** is amended by deleting the words “both the refining business and the marketing business” and inserting after the words “person carries on”, the words “a refining business, a trading business or both and a marketing business.”
7. **Clause 2** of the Bill amends **Section 31 (6)** of the **Petroleum Act**:
 - (i) in the definition of “marketing business”, by inserting after the words “refining business”, the words “or a trading business”; and
 - (ii) by inserting after the definition of “marketing licensee”, the following definition: “trading business” means the business of supplying petroleum products by way of the purchase thereof, locally or internationally, for sale and use in Trinidad and Tobago.
8. Moreover, **Clause 2** of the Bill seeks to amend clause 2 of the **Price of Petroleum Products Order** by inserting a definition of “*ex-terminal price*”. The “*ex-terminal price*” is the price at which petroleum products may be disposed of by the trading business of any person to the marketing business of such person or any other person for disposal and use in Trinidad and Tobago.

¹ <http://www.ttparliament.org/legislations/b2019h12.pdf>

² https://rgd.legalaffairs.gov.tt/laws2/Alphabetical_List/lawspdfs/62.01.pdf

³ <http://www.ttparliament.org/hansards/hh20181114.pdf>

9. Additionally, **Clause 2** provides for the insertion of a new **Fifth Schedule**. This new schedule is necessary because the component buildup of ex-refinery price in the **First Schedule** is different from the component buildup for the ex-terminal price. As such, the new **Fifth Schedule** shall provide the basis for the computation of the new ex-terminal price.

Petroleum Production Levy and Subsidy Act, Chap. 62:02

10. **Clause 3** of the Bill seeks to amend the **Petroleum Production Levy and Subsidy Act, Chap. 62:02**⁴ for consistency with the amendments proposed in the **Petroleum Act**.
11. **Clause 3** of the Bill proposes the insertion of the words “or a trading business” in the definition of “marketing business” as well as inserting a definition for “trading business” because it is not currently defined in the **Petroleum Production Levy and Subsidy Act**.
12. **Clause 3** also seeks to insert a new **subsection 1A**, which is intended to provide for the calculation of the subsidy for the ex-terminal price to cater for Paria Fuel Trading Company’s operations. This subsidy is to be calculated monthly in respect of sales of each petroleum product listed in the Schedule.

Income Tax Act, Chap. 75:01

13. **Clause 4** of the Bill seeks to amend section 4 of **The Income Tax (Amendment) Act, 2018**⁵ to correct a numbering error by renumbering subparagraphs (i) and (ii) as paragraphs (a) and (b) and by deleting the words “(a) in subsection 4, by”.

REFERENCES

KEY LEGISLATION

- **Miscellaneous Provisions (Petroleum, Petroleum Production Levy and Subsidy and Income Tax) Act, 2019** <http://www.ttparliament.org/legislations/b2019h12.pdf>
- **Petroleum Act Chap. 62:01** https://rgd.legalaffairs.gov.tt/laws2/Alphabetical_List/lawspdfs/62.01.pdf
- **Petroleum Production Levy and Subsidy Act, Chap. 62:02** https://rgd.legalaffairs.gov.tt/laws2/Alphabetical_List/lawspdfs/62.02.pdf
- **The Income Tax (Amendment) Act, 2018** <http://www.ttparliament.org/legislations/a2018-18.pdf>

⁴ https://rgd.legalaffairs.gov.tt/laws2/Alphabetical_List/lawspdfs/62.02.pdf

⁵ <http://www.ttparliament.org/legislations/a2018-18.pdf>



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