



Government of the Republic of Trinidad and Tobago

MINISTRY OF FINANCE

CORPORATE COMMUNICATIONS UNIT

IMMEDIATE RELEASE

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PRESS RELEASE

TAX COLLECTION IN THE GAMBLING AND GAMING INDUSTRY

The Minister of Finance has taken note of comments made in articles and editorials in the Guardian Newspaper regarding the collection of tax from the local gambling and gaming industry.

The editorial stated that the Government should not talk, or talk less, about the low compliance rate in terms of the payment of taxes by casinos and bars on gaming devices or about the proliferation of illegal casinos, and instead, the Government should simply collect the taxes due and take action against illegal casinos. The editorial further stated that Government spokesmen should not be critical of foreigners who own and operate casinos in Trinidad because if we do so, this will discourage foreign investment.

In the first instance public sensitisation about important national issues is essential. If the public is not aware of the nature of the problems faced by the Government in the collection of taxes, especially at this time of severely reduced national revenues, then when the Government moves to take action, misunderstandings will inevitably occur. It cannot be correct therefore to say that the Government must not talk, or talk less, about such matters. To the contrary, we are of the view that these issues must be properly ventilated in the public domain.

In addition, unregulated and illegal casino operations, with all the attendant ills of potential money laundering and leakage of scarce foreign exchange cannot be desirable. This is not the type of foreign investment that any country should wish to encourage.

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In all this, it must be emphasised that the collection of taxes on gambling and gaming is the responsibility of the Board of Inland Revenue and the enforcement of our laws is the responsibility of the Trinidad and Tobago Police Service. The Government does not collect these taxes directly nor does it enforce the law. It is thus a misconception to think that it is solely up to the Government to address the problem of non-compliance in the gambling and gaming sector.

However, in view of the extremely low compliance rates in the gambling and gaming sector, something is obviously wrong. The system of collection of taxes and enforcement of the applicable of our laws is clearly not functioning effectively. This is one of the reasons why we believe that the establishment of a Revenue Authority is essential.

However, since the Revenue Authority is still in the formation stage, the Government will redouble its efforts in 2018, in collaboration with the Board of Inland Revenue and the Trinidad and Tobago Police Service to do whatever it can to ensure that taxes on gambling and gaming devices are collected. This will include interim legislative changes if required to allow greater oversight of private members' clubs and greater monitoring of the system of granting licenses to bars that operate amusement gaming devices.

Finally, the Minister of Finance has taken note of comments made by persons representing the Amusement Gaming Association of Trinidad and Tobago who do not agree with the statistics and data provided by the Minister in his winding up of the Budget Debate. However, the figures given by the Minister came directly from written and oral submissions made to the Joint Select Committee appointed to examine the proposed Gambling (Gaming and Betting) Control Bill now before the Parliament. In these submissions, it was established and accepted by all stakeholders that there are amusement gaming devices in at least 2,000 bars in Trinidad and Tobago, and further, there could be as many as 5,000 bars with such devices.

It is unfortunate, therefore, that persons involved in the amusement gaming industry are now seeking to deny the established facts.

The estimate of the loss of revenue of up to \$90 million per year from the non-payment of taxes on amusement gaming devices in bars, which is separate and apart from loss of revenue in casinos, is thus at the low end of the scale, since it is based on the low estimate of 2,000 bars with these gaming devices.

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The leakage of tax revenue would be much higher if in fact the figure of 5,000 bars with amusement gaming devices submitted by major players in the industry to the JSC is correct.

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Minister of Finance
Hon. Colm Imbert