



Government of the Republic of Trinidad and Tobago

**MINISTRY OF FINANCE**

CORPORATE COMMUNICATIONS UNIT

**IMMEDIATE RELEASE**

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**MEDIA RELEASE**

**Trinidad and Tobago Chamber Misunderstands IMF Country Report**  
**\$4.2 Billion in VAT refunds paid in Fiscal 2017**

The Ministry of Finance wishes to set the record straight on statements made by the Trinidad and Tobago Chamber of Industry and Commerce (TTCIC) in a press release dated November 28<sup>th</sup>, 2017.

In referencing page 12 of the IMF Country Report, the Chamber accused the government of having outstanding VAT arrears owed to businesses and individuals in the sum of TT\$5.5b. The Chamber also accused the government of penalizing businessmen and misrepresenting expenditure for the fiscal year ending in September 2017.

The Ministry wishes to point out that the diagrams on page 12 of the most recent IMF Country Report indicate **tax arrears owed BY businesses TO the State and not vice versa**, which it has estimated at 11% of GDP or approximately \$16 billion.

What the IMF was saying is that tax avoidance, tax evasion and tax leakage in Trinidad, which it has described as “tax arrears” amounts by its estimation to 11% of GDP, or \$16 billion, which is the annual tax revenue being **lost** by Government. Therefore, the IMF did not at any time confirm that the Government owes businesses tax arrears of 11% of GDP. In fact, it confirmed **the reverse**.

*The Chamber has thus completely misunderstood the information in the IMF Report.*

It stands to reason that the government is not being punitive to businesses nor has it misrepresented expenditure in its most recent budget statement.



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The Government has been compliant in issuing VAT refunds to businesses. For the fiscal years 2017 and 2016 VAT refunds totaling \$4.2b and \$3.7b respectively were paid by the Government to VAT registered businesses.

The Ministry understands the important role the TTCIC plays as “the voice of Business”, and urges it to continue to champion a strong and sustainable National economy responsibly.

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