



Government of the Republic of Trinidad and Tobago
MINISTRY OF FINANCE

IMMEDIATE RELEASE

January 17th 2018

PRESS RELEASE

ESTABLISHMENT OF THE TRINIDAD AND TOBAGO REVENUE AUTHORITY

The Government of Trinidad and Tobago is seeking to implement the decision to establish the Trinidad and Tobago Revenue Authority (TTRA) in the current fiscal year. The Ministry of Finance has launched a programme of stakeholder engagement in which information is shared with national stakeholders including the staff at the Inland Revenue and Customs and Excise Divisions. As the stakeholder engagement continues, there will be an ongoing effort to provide answers to questions raised.

The Existing System

Several efforts have been made over the last twenty-five years to make meaningful changes in the national tax administration system. However, these efforts have been largely unsuccessful. The constraints of the existing legal and regulatory system, limits the kinds of changes that are necessary in the areas of human resource management; corporate performance; and improved accountability amongst others.

Timing

The country's present financial and economic circumstances make it even more urgent that every effort is made to have a national revenue collection system that is transparent, fair, effective and efficient. The importance of ensuring that revenue due to the country for the provision of services to its citizens cannot be overstated.

Cost of the Transition

The cost of the transition, which is being tightly controlled, will be minimal when weighed against the benefits to the country.

The Revenue Authority Model

The TTRA Model has been investigated since the establishment of the Multi-Sectoral Deane Committee in 2002, which recommended the establishment of a revenue authority. As more RAs are brought on stream, Government been able to benchmark against more than forty of them in developed and developing countries and on every continent. We have been able to identify what works and what does not work. We can apply the good practices and avoid the risks and pitfalls experienced by other countries.



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Business Process Re-Engineering

The TTRA is not about exchange and just creating a new institution. It is about real change for the people of Trinidad and Tobago. As part of that commitment to change, the opportunity is being taken to conduct a thorough business process re-engineering exercise. We are in the process of examining each process, each work rule and each policy, the supporting legislation and regulations. These will be reviewed and revised to ensure the best possible delivery of service to the people of Trinidad and Tobago; that they receive value for money; that transaction costs and hassle are reduced.

Appointment of the Board and Senior Management

The Government is using its benchmarking activities to determine the best architecture for the TTRA. This includes the composition and appointment of the Board and of the Senior Management. The Government is aware of the concerns about political and other types of interference in the operations of the tax administration. The TTRA will be an agency of the Government of Trinidad and Tobago and will therefore be subject to the general direction of the Government. At present, the Minister of Finance and the Government have no control over the day to day operations of the IRD or the Customs. This fundamental approach will not change.

Compensation and Other Terms and Conditions

It has been noted that one of the areas for improvement is the human resource management and development processes that are applied to the IRD and CED. These included compensation and performance management. The IRD and CED serve almost as a recruiting agency for the private sector, as staff leave for better compensation and better terms and conditions.

Government is mindful of its responsibilities to all the citizens of Trinidad and Tobago, private and corporate. Government will therefore balance its obligation to ensure that the staff of the TTRA is adequately compensated while continuing to be responsible in the use of national revenue. Government will therefore provide adequate compensation and other terms of conditions to attract and keep good staff.

It has committed to allowing all staff wishing to transfer to the TTRA to do so on terms and conditions no less favourable than they currently enjoy. It also intends to preserve the pension entitlements and recognise the years of service of all such persons.

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Hon. Allyson West
Minister in the Ministry of Finance