Honourable Davendranath Tancoo, MP

Minister Of Finance

FEATURE ADDRESS AT ICATT'S 2025 CONFERENCE:

"BEYOND THE BUDGET: SHAPING TRINIDAD AND TOBAGO'S FUTURE"

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SALUTATIONS

- Ms. Marissa Quashie, President of ICATT,
- Ms. Marsha Caballero, Chief Executive Officer of ICATT
- Mr. Desmond Dial, Chair of the Conference
- Mr. Sixto Coy, President of Institute of Chartered Accountants of the Caribbean (ICAC)
- Distinguished members of ICATT's Council
- Distinguished members of the Student Relations Committee
- Members of the Finance and Audit Committee, and other dedicated committees;

- Fellow auditors, accountants, financial analysts, regulators, and other distinguished guests.

Good morning to you all.

INTRODUCTION

I am deeply honoured to join you this morning to deliver the feature address at **ICATT's Sixteenth Annual International Finance and Accounting Conference**.

This forum brings together professionals who safeguard the financial integrity of our nation and ensure that the financial architecture of Trinidad and Tobago remains strong.

Across the world, economies are being reshaped by:

- artificial intelligence,
- financial technology and digital payments,
- cybersecurity risks,

- supply chain disruptions and,

- international tax enforcement rules that grow more complex every year.

The global financial landscape is moving quickly and, **Trinidad and Tobago cannot remain still.**

In fact, later today in Parliament, I will have the privilege of piloting the Virtual Assets and Virtual Assets Service Providers Bill, 2025 a key step toward modernising our legislative framework and keeping pace with digital monetary developments.

In this rapidly changing world, we must remain vigilant and adaptive, to stay one step ahead of those who would use emerging innovations to exploit our systems.

This year's theme speaks directly to the moment we are in: **Future Ready. Innovation. Transformation. Resilience.**

These are not abstract words. They are a call to action.

In this environment, your profession carries enormous responsibility.

Every <u>audited financial statement</u> tells a citizen that the system is fair.

Every <u>assurance report</u> tells an investor that Trinidad and Tobago is a credible place to do business.

Every <u>compliance certificate</u> tells the world that this country takes financial integrity seriously.

In this regard, it would be remiss of me not to acknowledge the unwavering leadership demonstrated by the Auditor General: Ms. Jaiwantie Ramdass and her team.

At a time when public trust in institutions is more vital than ever, the Auditor General has stood firmly on the pillars of independence, integrity, and constitutional duty.

In the face of scrutiny, and despite the inevitable pressures that accompany such a critical role, the Auditor General chose the path of professionalism and courage.

She has demonstrated what it means to serve without fear or favour, upholding the standards of her office with dignity and resilience.

Her refusal to compromise the integrity of the audit process sends a clear message, that the public interest must always be placed above political or partisan considerations.

For this, Trinidad and Tobago owe her a sincere debt of gratitude.

That is the example we must emulate.

We must hold ourselves to the highest standards of ethics and professionalism.

For the success or failure of economies often hinges upon the integrity and reliability of the accounting profession.

You keep the system honest, and assure stakeholders that our financial framework remains strong, transparent, and resilient.

So, ladies and gentlemen, I am very grateful for this opportunity to speak to the people who protect our nation's financial credibility and expand it every day.

BEYOND THE BUDGET: SHAPING TRINIDAD AND TOBAGO'S FUTURE.

Ladies and gentlemen, my budget presentation was not just an accounting document, nor was the theme *"T&T First: Building Economic Fairness through Accountable Fiscal Policies"* just a slogan:

- it is our statement of national intent,
- a roadmap for improving lives,
- and also, a commitment to the people of Trinidad and Tobago
- that public resources will be used responsibly and transparently and fairly.

More than that, it is our commitment to citizens that we are building a future where the economy will work for everyone.

A future where national wealth creation involves ordinary citizens, not just institutions.

A future where innovation is encouraged.

A future where financial discipline is balanced with targeted investment.

A future where accountability is not optional but guaranteed.

I will begin with the foundation of any responsible financial plan which is **fiscal discipline.**

FISCAL RESPONSIBILITY AND REVENUE REFORM

For Fiscal 2026, Government projects a deficit of **$3.865 billion,** or approximately **2.17 percent** of our GDP, which falls within the internationally accepted benchmark for a sustainable budget deficit.

This deficit is reflective of the need to maintain essential public services while expanding investment opportunities for a modern economy.

Our revenue reform initiatives are not being used to burden the population.

Rather, it is being used to make the system fair and to eliminate loopholes, and ensure that those who benefit most from the economy contribute fairly towards national development.

For instance, the imminent introduction of a **levy on the assets of commercial banks and insurance companies in Trinidad and Tobago**, would ensure that the most profitable institutions contribute fairly to national development.

Commercial banks hold an asset base of approximately **$160 billion dollars**, while insurance companies hold nearly **$70 billion dollars in assets**.

Together, that is over **$230 billion dollars** in financial assets.

A Levy of only a quarter of **one (1) percent** will yield an estimated **$575 million dollars** a year.

I wish to assure the national community that the introduction of this levy on commercial banks should not result in any additional financial burden on customers.

The Central Bank will maintain vigilant oversight to ensure that this levy is absorbed by the institution, and that no undue costs are transferred to depositors, borrowers, or the wider public.

This, is **financial responsibility with equity.**

At the same time, the Government is correcting outdated fee structures that have been **unchanged for up to thirty (30) years**.

Many public services, unfortunately, cost more to deliver than they generate in revenue.

This is simply not sustainable.

These updated fees would embrace the concept of fairness as well as enhance cost recovery and improve the quality of essential services.

STRENGTHENING TAX ADMINISTRATION AND THE BALANCE OF PAYMENTS

A modern economy demands a modern tax administration.

Rather than outsourcing responsibility to an Authority, we have begun to rebuild and modernise the Board of Inland Revenue.

This approach is not merely a structural change, but a **transformational improvement** that will:

- strengthen accountability,
- improve tax payers service and
- ensure that revenue collection supports national development in a fair and transparent manner.

The Board will be expanded from five **(5)** Commissioners to nine **(9)** and will include senior public finance experts, a chartered accountant and an attorney-at-law.

This is the first meaningful restructuring of the BIR in decades.

Commissioners will be required to report to the Minister of Finance and to **Parliament**, and will now fall under the **Integrity in Public Life Act**.

This brings transparency, accountability and higher standards to an institution that plays a critical role in **revenue protection**.

In addition, Trinidad and Tobago has long faced large errors and omissions in the **Balance of Payments**, which weakens our ability to track real foreign exchange movement, and protect reserves.

Government will now legally empower **the Central Bank of Trinidad and Tobago** under the **Statistics Act** to collect the necessary data to properly compile the Balance of Payments.

This is a major step toward accurate forecasting, stronger reserve management and better macroeconomic planning.

TRANSFER PRICING: CLOSING A MAJOR REVENUE LEAK

For many years, multinational corporations have been able to shift profits outside of Trinidad and Tobago by manipulating the pricing of transactions between their own subsidiaries.

This has reduced the national tax base and created an unfair playing field for domestic firms.

This however, will soon be changed.

A comprehensive **legal framework for transfer pricing** will be introduced in **2026**, which will align Trinidad and Tobago with international standards and give the Board of Inland Revenue the legal tools to detect, prevent and prosecute abusive profit shifting.

This is estimated to generate between **$400 million** and **$800 million dollars** within the first two **(2)** years.

However, when fully operational with trained auditors, annual returns are projected to reach up to **$1.5 billion dollars**.

This, ladies and gentlemen, is a **transformative reform**.

It expands revenue, rewards compliance, protects local businesses, and positions Trinidad and Tobago as a serious and disciplined jurisdiction.

For ICATT members, it opens new opportunities in tax advisory, compliance and assurance.

The accounting profession will be central in interpreting rules, advising clients, certifying compliance and supporting enforcement.

SAFEGUARDING THE NATIONAL INSURANCE SYSTEM

The National Insurance System has provided relief and income security for families for more than **fifty (50)** years.

However, for the last several years, expenditure has exceeded contributions.

If left unchanged, the Fund would be exhausted between 2033 and 2034!

Government has chosen responsibility over delay. Contribution rates will increase gradually in 2026 and 2027.

The retirement age for full pension will rise in a phased approach over the next ten **(10)** years until it reaches **65** in 2036.

More importantly, benefits will continue and the system will remain strong.

These changes protect working families, today and in the future, by ensuring that pensions remain reliable.

We acknowledge ICATT members and the critical role that you will play in educating employers and employees, in payroll implementation, in audit validation and in safeguarding transparency during the transition.

INVESTMENT, PUBLIC ASSETS AND WEALTH CREATION

For Trinidad and Tobago to be future ready, Government must unlock investment capital without increasing public debt.

We will embark on two **(2)** major reforms to achieve this.

The first is the establishment of **State-Sponsored Real Estate Investment Trust**, where the Government will place high-value commercial properties into a professionally managed trust.

Listing on the Trinidad and Tobago Stock Exchange will allow citizens, credit unions, pension funds and small investors to buy units and earn dividends.

This broadens ownership, deepens the capital market and turns government buildings into direct income-generating assets.

The second is the launch of a **$1 billion-dollar National Investment Fund Bond**, which is safe, tax free and gives ordinary citizens the chance to invest confidently at a time when international markets are volatile.

Ladies and gentlemen, these measures will transform public assets into **public opportunity.**

DIGITAL TRANSFORMATION AND FINANCIAL INCLUSION

A modern economy cannot function without secure and seamless digital payments.

The **National Payment and Innovation Company of Trinidad and Tobago** has expanded its mandate to operate the central public payment platform.

Citizens can now pay for licenses, taxes, duties, and permits online or through self-service kiosks.

Digital receipts generated from these transactions will strengthen audit trails, while real-time reconciliation will reduce fraud risk and ultimately, improve transparency in the public service sector.

Yet, modernisation has no meaning if it leaves people behind.

Financial inclusion remains a national priority.

Too many individuals and small businesses remain unbanked.

Too many families operate on a cash-only basis, and as a result many are unable to access credit.

In October 2025, the Unit Trust Corporation, the National Payment and Innovation Company of Trinidad and Tobago and Telecommunications Services of Trinidad and Tobago launched the **NOBIS** platform, a scalable and secure platform built in Trinidad and Tobago.

NOBIS, a national electronic Know-Your-Customer system, allows citizens and small enterprises to verify identity and open financial accounts entirely online.

NOBIS replaces manual verification with a faster, more secure, fully digital process.

For citizens, it means greater convenience and improved access to government services, while companies benefit from a compliant, onboarding solution and lower compliance costs.

For the Government, it means enhanced transparency and reduced administrative delays.

Complementing this, is our national digital assistant, **Anansi**, which now delivers instant, user-friendly guidance on public services 24/7 public service guidance.

Upcoming initiatives include:

- digital IDs for all citizens,
- unified electronic health records,
- smart classrooms,
- and a National AI Research and Innovation Hub to train youth in data science, software engineering, and creative content production.

Ladies and gentlemen, this is not a pilot project.

It is a national transformation through improved competitiveness and growth of our local digital economy.

For the first time, a citizen in Trinidad or Tobago can become part of the financial system without having to physically walk into a building.

This is what innovation looks like when it is designed for **real people**.

JOBS, HUMAN CAPITAL AND SOCIAL INVESTMENT

Growth has no value if it does not create opportunity.

The **Employment Fund** focuses on full-time jobs and apprenticeships that will build our nation’s skillset.

New training pathways in ICT, logistics, digital enterprise and renewable energy will prepare our young people for jobs that pay well and are scalable globally.

The Government will continue to invest in health, housing and education because social mobility is the strongest driver of long-term economic resilience.

The **eLEVATE Programme** will provide thousands of educators with modern digital teaching skills.

The **NEXTCLASS Programme** will integrate artificial intelligence into classrooms through a secure online platform that assists teachers with grading, lesson planning and learning analytics.

The **PEARL** initiative will introduce early screening for school-aged children to address conditions such as hearing, vision and developmental challenges before they disrupt learning.

This is investment in our Human Capital.

I have always maintained that Trinidad and Tobago's greatest and most valuable natural resource is our people. And I am proud to be part of an administration, led by a Prime Minister, who prioritises progress for every citizen.

COMBATTING ILLEGAL LOTTERIES AND STRENGTHENING THE NLCB

The **National Lotteries Control Board** generates close to **$3 billion** annually.

Yet, illegal lotteries continue to siphon significant revenue from the public purse.

The Government will respond firmly to this.

Penalties will be increased and criminal offences will be introduced.

Also, illegal operators who use NLCB results to run shadow lotteries will now face serious consequences.

To improve transparency, the NLCB will transfer funds to the Consolidated Fund on a **quarterly basis** rather than annually.

Financial limits will be imposed to control expenditure.

Funds for the **Sport and Culture Fund** will be set by the Minister of Finance to ensure better support for national development.

This protects revenue.

It protects consumers.

It protects the legitimacy of the gaming sector.

ENFORCEMENT, COMPLIANCE AND ENVIRONMENTAL RESPONSIBILITY

The Government will increase fines for major offences relating to motor vehicle insurance and tobacco control.

These changes protect citizens and strengthen enforcement.

A **five (5) percent** tax on imported **single-use plastics** will also be introduced with proceeds supporting national recycling, waste management and environmental education programmes.

IMPLEMENTATION IS THE REAL TEST

Any government can announce policy. The true measure of success however is **implementation**, **evaluation** and **intervention** when needed.

To ensure delivery, the Government is in the process of strengthening project management offices, enforcing quarterly reporting, modernising procurement and expanding digital monitoring of expenditure.

The **Economic Resilience Council** subjects every major public investment to stress testing and international appraisal standards.

This earns trust, guarantees value for money and ensures budgets become outcomes.

A CALL TO PARTNERSHIP

Ladies and Gentlemen, I wish to underscore that these strategic interventions are embodied in our National Policy Framework.

To the members of ICATT, your profession stands at the centre of everything I have just described.

Every reform requires accountants, auditors, financial analysts, tax experts and compliance professionals.

You are the **gatekeepers of financial credibility** in this country.

For five years I chaired the Parliament's **Public Accounts Committee**.

The PAC is the financial oversight committee, established under the Constitution, to examine government spending and administration by reviewing the Auditor General's reports and the audited accounts of public bodies.

Throughout my tenure as Chairman, I saw first-hand, the pivotal role that accountants play in safeguarding our nation’s financial integrity.

I can say with absolute certainty that the professionalism, precision, and ethical standards of accountants form the backbone of public accountability.

Your work provides the evidence and clarity that allow oversight bodies like the PAC to identify inefficiencies, ensure transparency, and demand responsibility in the use of public funds.

Accountants are not just number-crunchers, you are the sentinels of trust, the interpreters of fiscal truth, and essential partners in ensuring that governance remains honest, efficient, and responsive to the people.

And that is why we ask for your partnership in:

- strengthening public financial management,
- supporting the implementation of transfer pricing,
- training the next generation of financial professionals, and, most importantly,
- in designing scoreboards of measurable results so the public can see the impact of their tax dollars.

Together, we can deliver real value in a future where Trinidad and Tobago is stronger, more competitive and just.

A future where public institutions earn confidence.

A future where wealth creation includes every citizen.

A future where innovation is not just a slogan but a habit.

A future where resilience is not a response to crisis but a permanent national strength.

I remain deeply honoured to serve, and to stand with the people who guard financial truth in this country.

Let us go further - <u>beyond the budget</u> - to build systems that work, and in so doing, shape a future that the next generation will inherit with immense pride.

May God continue to bless our beautiful twin island Republic.

I thank you.