



Trinidad and Tobago's Budget Highlights 2026

“Building economic fairness through accountable fiscal policies”

October 13, 2025

<https://kpmg.com.tt>



Our Values:



Integrity

We do what is right.



Excellence

We never stop learning and improving.



Courage

We think and act boldly.



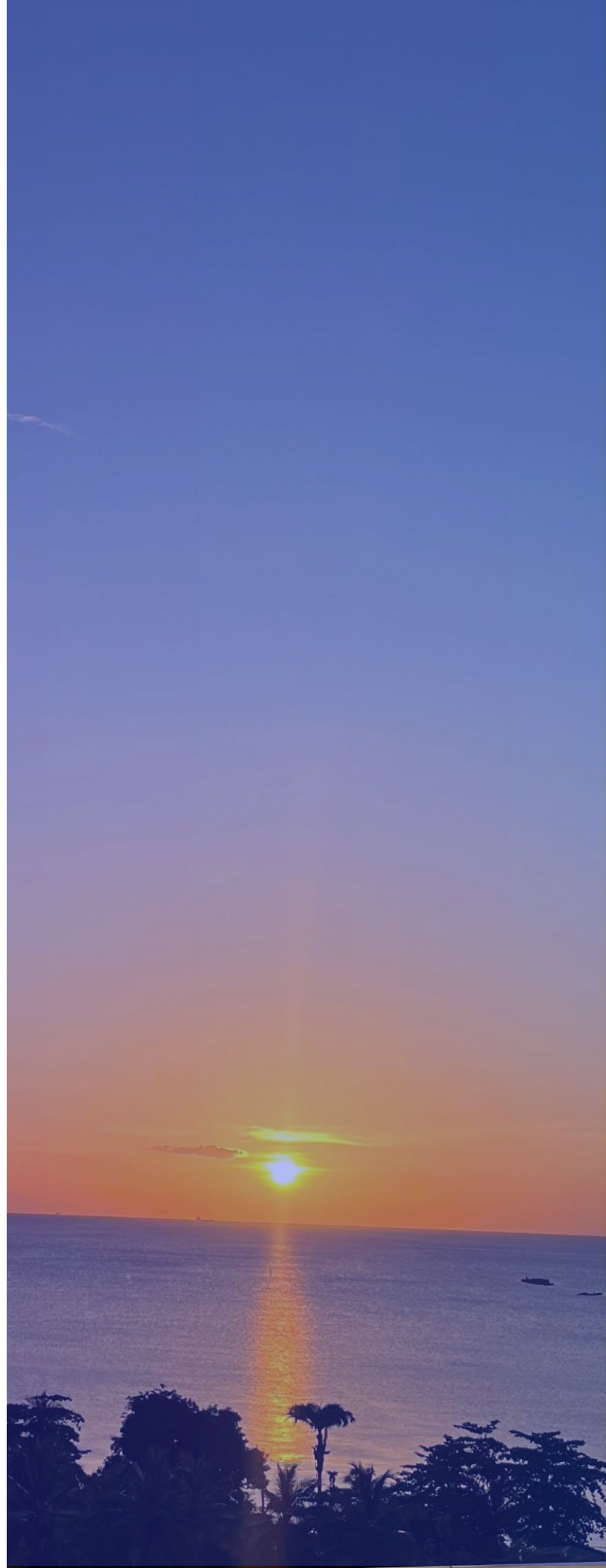
Together

We respect each other and draw strength in our differences.



For Better

We do what matters.



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01

Managing Partner's Message

Managing Partner's message

We are pleased to present our annual post-budget commentary on Trinidad and Tobago's (T&T) 2026 National Budget Statement, which was presented by the Honourable Minister of Finance, Davendranath Tancoo, on October 13, 2025.

The Minister's 2026 Budget speech centered on the theme of "Building Economic Fairness through Accountable Fiscal Policies".

Based on an assumption of US\$73.25 per barrel and US\$4.25 per MMBtu for natural gas, the budget estimates total revenue of TT\$55.367 billion and expenditure of TT\$59.23 billion and an estimated fiscal deficit of TT\$3.87 billion for Fiscal Year 2026. Realisation of these commodity prices will ultimately impact where we land in terms of this deficit at the end of fiscal 2026.

The estimated deficit represents 2.17% of GDP which is within the international benchmark of 3%.

The estimated revenue comprises of TT\$43.4 billion of non-oil revenue or 78% of total revenue clearly showing a continued shift from the energy sector.

The growth in the non-energy sector is driven by manufacturing specifically in food, beverages and tobacco products. There were no specific fiscal incentives to continue to support manufacturers in this year's budget proposals.

It is hoped that the proposed infrastructure, digital and institutional strengthening will deliver positive results including improvements in the ease of doing business.

The Budget was anchored by the following 5 strategic pillars

1. Restoring confidence and fiscal stability
2. Unlocking productive investment and jobs
3. Commercializing and optimizing public assets
4. Modernising infrastructure, transport and digital services
5. Protecting people through social investment and safety nets

Fiscal responsibility initiatives included promises to equip the Inland Revenue Division ("IRD") and Customs and Excise Division ("CED") with the technology, manpower and legal authority to deliver timely, efficient and transparent services to citizens, to broaden the tax base and enhance revenue collection.

To ensure that CED is operating efficiently the Minister advised by the end of 2025 there shall be the implementation of an electronic payment system.

The Minister also acknowledged the problems with the existing VAT system and is proposing its review and if feasible to replace it with a more efficient Sales Tax which he explained was more efficient and easier to administer. It is expected that the outcome of this review will not be in the short term should it be determined that the Sales Tax will work – in the interim we hope that the proposed modernization of the IRD would alleviate the current problems experienced with the VAT system including the backlog of VAT refunds which he did promise to clear.

From an international perspective, the Government has prioritized the initiative to remove T&T from the European Union list of non-cooperative jurisdictions for tax purposes by February 2026. Primary benefits of this being lower borrowing cost, deepen our capital market, enhance revenue and strengthen foreign exchange inflows.

With respect to Transfer Pricing, the Minister proposed "once and for all he will make it a reality" and implement transfer pricing legislation. This will be coupled with the modernization of the IRD and CED with priority given to filling all vacant posts to aid in securing and fortifying our revenue base.

Also, on the international front it was confirmed that as a result of the Prime Minister's attendance at the UN General Assembly, bilateral agreements were signed with China and the UAE which he noted these provide opportunities to expand foreign exchange earnings, attract investments and open new opportunities for business.

Managing Partner's message

The Minister will establish an Economic Resilience Council to support and guide economic development initiatives that attract investment, generate employment opportunities and promote equitable prosperity for all citizens. This Council will be chaired by the Minister of Finance supported by subject matter expert consultants.

From an energy perspective he noted that Heritage is expanding its drilling campaign and foreign investment in upstream remains robust with projected US\$2.5 Billion in 2026. Advances in energy cooperation with Grenada, Suriname and Guyana on exploration was duly noted.

Finally, the Minister correctly identified that a modern infrastructure is the backbone of a developing economy and proposed many programmes to modernize including public transport, bridges, highways, flood mitigation and healthcare infrastructure, amongst others.

He also promised to strictly enforce litter and dumping laws and modernize penalties to deter offenders.

More could have been proposed on benefits of using advanced technology and alternative energy initiatives. The latter he assured the nation that the Government remained committed to with the goal being a 15% emissions reduction by 2030 and progressing toward wind development opportunities both onshore and offshore.

We were pleasantly surprised to see that animal lovers were also considered in the Minister's speech by the introduction of a tax deduction for both companies and individuals making financial contributions to registered animal shelters to support abandoned and abused animals.

The 2026 National Budget laid out a comprehensive framework for addressing the challenges and opportunities facing Trinidad and Tobago.

We hope to see the implementation of the initiatives outlined in the budget in order to achieve the necessary growth and transformation of the Trinidad and Tobago economy.

Our post-budget bulletin serves to provide some insights and analyses on the fiscal measures announced in the Honourable Minister's 2026 Budget Speech and it is hoped that our comments act as a catalyst for discussions on how this budget affects you. We look forward to your feedback on our publication.



Dushyant Sookram



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Budget 2026 snapshot

All amounts are in TT\$ unless otherwise stated.

Price assumptions

Oil

2026 – US\$73.25 pb

2025 – US \$77.80 pb

Natural Gas

2026 – US\$4.25 per MMBtu

2025 – US\$3.59 MMBtu



\$55.37 B
Total revenue



\$59.23 B
Total expenditure



\$11.25 B
Oil revenue



\$3.87 B
Fiscal deficit

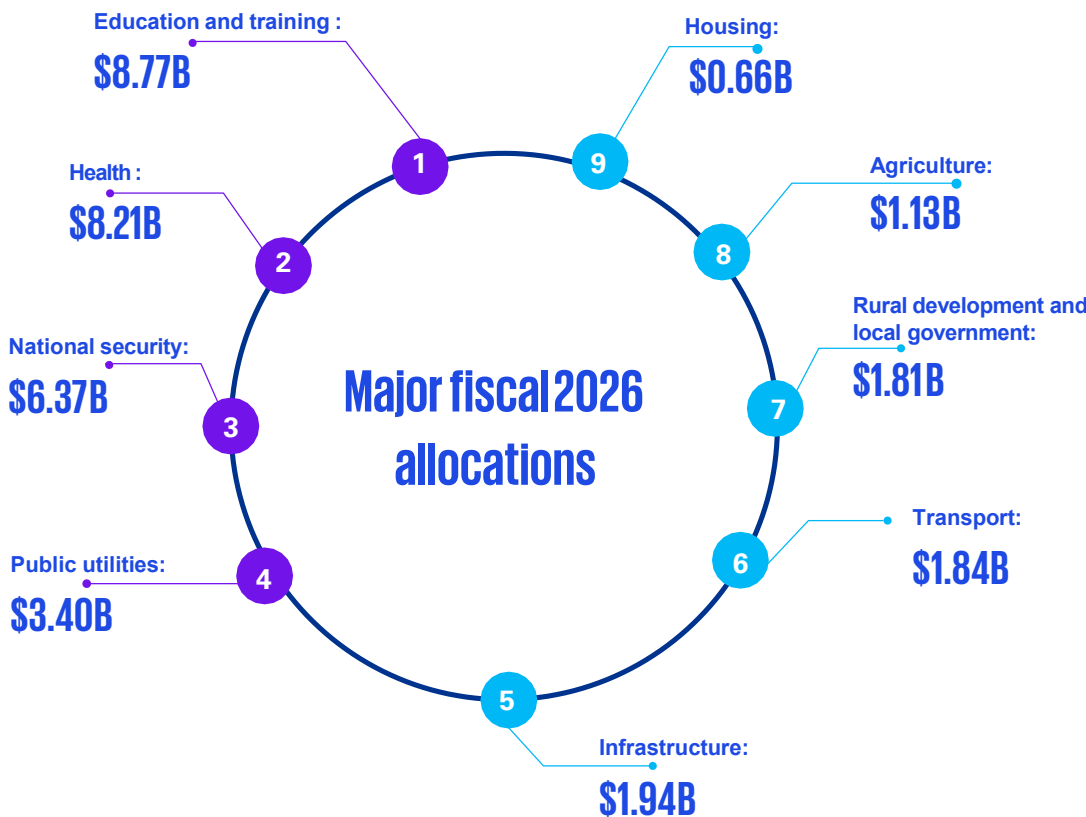


\$43.40 B
Non-oil revenue



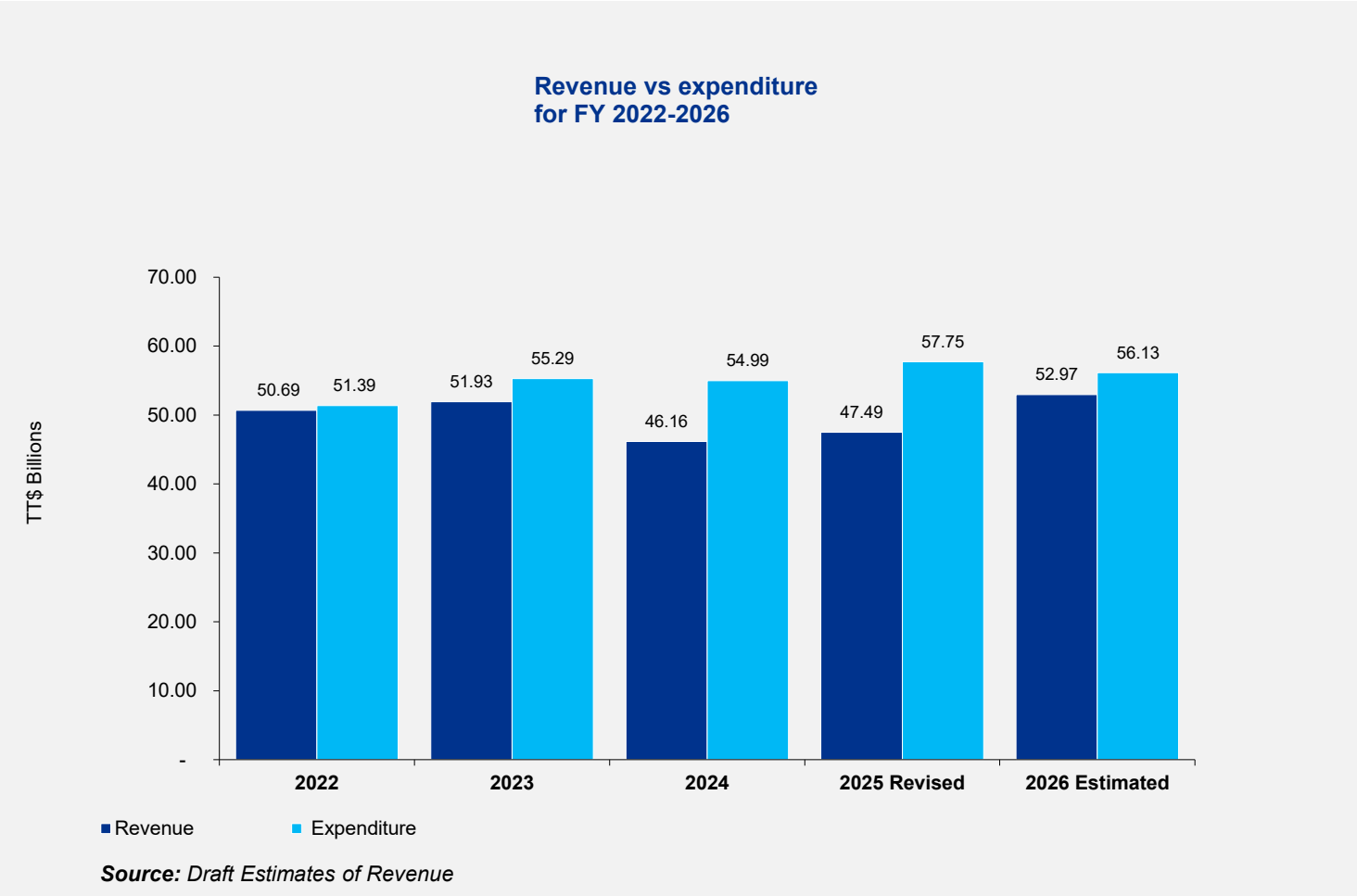
2.17%
Fiscal debt to GDP

Key fiscal 2026 allocations



Revenue vs. expenditure (FY 2022-2026)

The data outlines the trends in government revenue and expenditure over a five-year period from fiscal year 2022 to 2026. The values for 2022 to 2024 are actual, 2025 is revised and 2026 is estimated:





02

Economic snapshot



Economic snapshot (1/2)

All amounts are expressed in TT\$, unless otherwise stated

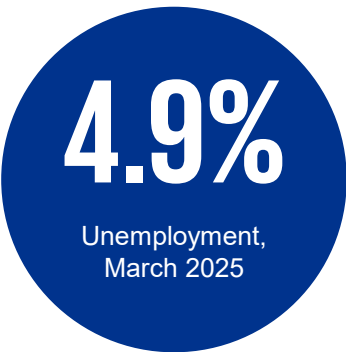
Key economic metrics:

\$173b

Nominal GDP, 2024

2.5%

Real GDP growth, 2024



US\$4.6b

Net Foreign Exchange Reserves, August 2025



5.4

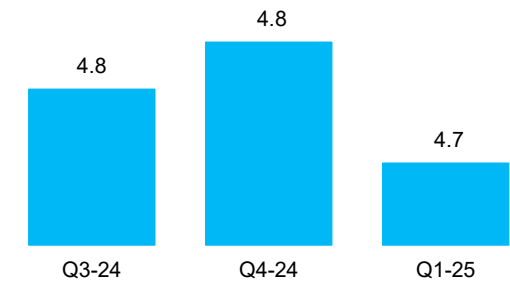
Import cover (months), August 2025



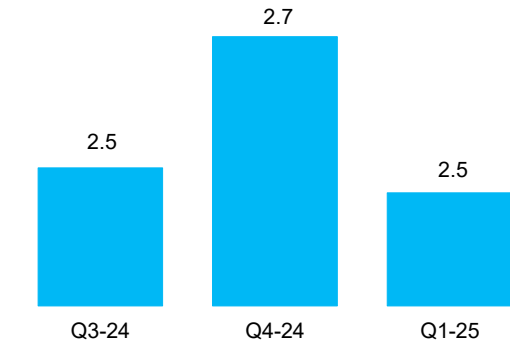
1.4%

Inflation Rate (annual average), August 2025

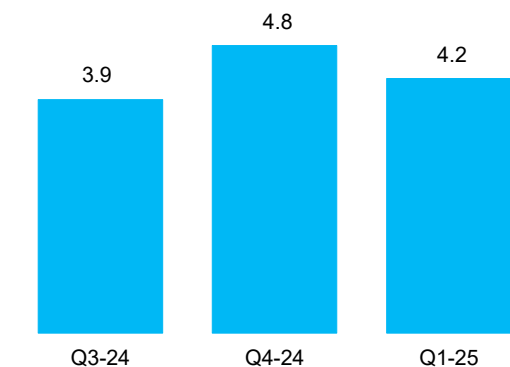
Crude oil production ('millions b/d)



Natural Gas Production (bcf/d)



Liquified Natural Gas cubic metres (cu/m)



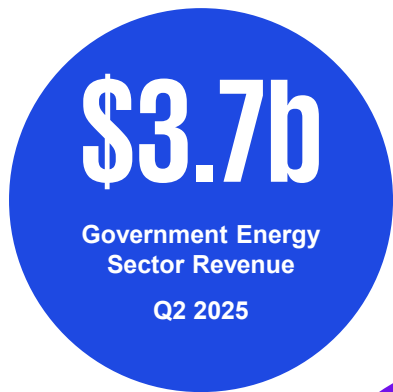
Sources: CBTT DataPack September 2025, CBTT monetary policy announcement September 2025

Economic snapshot (2/2)

Private sector credit growth

7.7%

July 2025



Balance of payments

-5.1%

As a % of GDP,
Jan to Mar 2025

\$147.9b

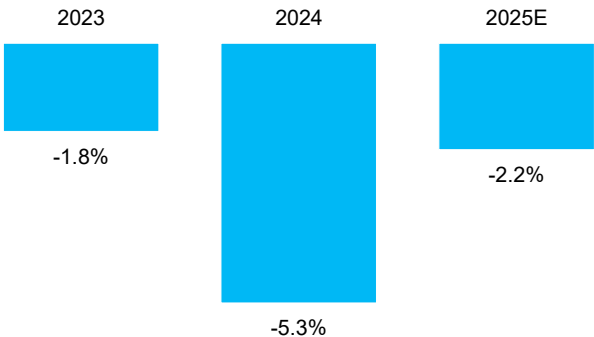
General Government Debt¹,
June 2025

84.6%

Debt to GDP Ratio,
June 2025



Fiscal balance as a % of GDP



Note: (1) This excludes debt issued for sterilisation and self-serviced guaranteed debt of public entities.
Sources: CBTT Economic Datapack September 2025, Standard & Poors



03

Proposed fiscal measures

Fiscal measures summary

Environmental / Technology measures

- Taxation on single-use plastics
- Electricity surcharge
- Penalties on offences
- UWI research and development funding for development, climate resilience, security, sustainable agriculture and health
- eLEVATE TT – programme to upskill 15,000 educators helping them to modernize their teaching methodologies
- NEXTCLASS – programme to use AI to empower teachers with resources to enhance their teaching

Revenue measures

- Levy on the assets of commercial banks and Insurance companies operating in T&T
- Landlord business surcharge
- Increases in fees, charges and excise duties
- Increases in customs duties on luxury electric cars
- Removal of motor-vehicle tax concessions for returning Nationals
- Reduction in subsidy on LPG

Cost of living and well being measures

- Launch of a \$1B NIF bond
- Increase in NI contribution rates
- Gradual increase in the age for NIS pension
- Financing and mentorship to 100 graduates via the National innovation and incubator programme
- Period poverty intervention support via a women's health fund
- PEARL project – promoting early assessment for resilient learners
- Support for animal shelters by way of tax deductions for companies and individuals
- Removal of VAT on additional basic food items
- Agriculture incentives to protect our food security and make food more affordable
- Affordable vehicle ownership programme
- Removal of tax on Private Pensions
- Reducing cost of construction materials

Proposed fiscal measures

Levy on the assets of commercial banks and insurance companies operating in Trinidad and Tobago	
Proposal	Introduction of an asset levy of 0.25% on the assets of commercial banks and insurance companies, excluding institutions in Special Economic Zones.
KPMG's view	This measure recognizes the strong financial performance of these institutions against the experience of the citizens who continue to experience high banking fees and minimal returns on savings and investments. This proposed measure, though not giving back to the citizens, will tax the financial institutions with a levy on their asset base. We await the legislation to see what will fall within the definition of "assets" subject to the proposed levy and when it will be collected. This measure is expected to contribute \$575 million to revenues none of which were identified to being used to alleviate the high fees and low returns faced by the citizens. Banks are already subject to a higher rate of corporation tax and this measure may be seen as another way to tax them on their successes. There is the view that this increase in tax will only be passed back to the citizens. We will continue to monitor the entities exempted at this juncture vs. the entities included. An additional view is that it is a measure to ensure that the most profitable sectors contribute fairly to national development.
Who are affected	Commercial banks, insurance companies excluding those operating in the Special Economic Zones, and customers of financial institutions
Effective date	This measure to take effect from January 1, 2026

Proposed fiscal measures (cont'd)

Landlord surcharge	
Proposal	Mandatory landlord registration with the Board of Inland Revenue and the payment of a one-time registration fee of \$2,500 plus a surcharge as follows:- ▪ 2.5% on gross annual rental income up to \$20,000 and ▪ 3.5% on gross annual rental income exceeding \$20,000.
KPMG's view	There already exists, legislation for the taxation of rental income and we await the legislation to ascertain whether the proposed surcharge will be in addition to the tax that is due on the rental income. There is also provision in the legislation and requirement on the corporate tax returns that all details for landlords that the taxpayer pays rent to must be declared. What is needed now is stronger enforcement, which we hope will be supported by the filling of vacancies at the IRD. Introducing a new tax to broaden the tax revenue base and enforce collection may not be the solution for tax avoidance by landlords. We also await the legislation to ascertain the provisions for registration and when the proposed surcharge will be collected. This measure is expected to generate at least \$70 million in revenue from the one-time registration fee which suggest that there are approximately 28,000 commercial and residential landlords.
Who are affected	Landlords and tenants
Effective date	This measure is to take effect from January 1, 2026

Proposed fiscal measures (cont'd)

Electricity surcharge	
Proposal	A fixed surcharge of \$0.05 per kilowatt-hour (kWh) will be introduced for commercial and industrial customers to reduce government electricity subsidy and promote energy conservation. Vulnerable households and essential services will be exempt.
KPMG's view	It is accepted that T&T's electricity rates are below those of its trading partners. However, alternative options should be considered for power such as: solar and wind farms. There already exists legislation to offer tax allowances for utilizing solar water heaters and wind turbines. As such, an evaluation into the reasons why such incentives are not taken advantage of. It is hoped that the surcharge will motivate commercial and industrial users to adopt and take advantage of alternative energy sources and encourage energy conservation and by extension reduce the government's subsidy burden. The Minister of Finance proposed that essential public services such as schools and hospitals will be exempted. We await the legislation to ascertain whether other essential services such as churches, performing arts centers such as NAPA will also be exempted. Again, as with other increases in taxes and levies, it is very likely that these additional costs will flow to the customer. Based on current consumption patterns, this initiative is projected to contribute approximately \$269 million in additional revenue.
Who are affected	Commercial and industrial customers excluding schools and hospitals
Effective date	This measure is to take effect from January 1, 2026

Proposed fiscal measures (cont'd)

Increase in fees, charges and excise duties																										
Proposal	The following adjustments with regard to customs duties on rum and spirits, beer and tobacco, as well as revisions to various license, permit and processing fees were proposed: <table> <tr> <th>Consumer Good/Services</th><th>Existing</th><th>Proposed</th></tr> <tr> <td>Rum and Spirits (by per cent of Alcohol)</td><td>\$79.25</td><td>\$158.50</td></tr> <tr> <td>Beer (by gravity of beer)</td><td>\$5.14</td><td>\$10.28</td></tr> <tr> <td>Cigarettes (per pack of 20)</td><td>\$5.26</td><td>\$10.52</td></tr> <tr> <td>Container Processing Fees</td><td>\$525</td><td>\$1,050</td></tr> <tr> <td>Customs Declaration Transaction User Fee</td><td>\$ 40</td><td>\$ 80</td></tr> <tr> <td>Environmental Tyre Tax</td><td>\$ 20</td><td>\$ 40</td></tr> <tr> <td>Wild Animals and Birds</td><td>\$100</td><td>\$ 200</td></tr> </table>		Consumer Good/Services	Existing	Proposed	Rum and Spirits (by per cent of Alcohol)	\$79.25	\$158.50	Beer (by gravity of beer)	\$5.14	\$10.28	Cigarettes (per pack of 20)	\$5.26	\$10.52	Container Processing Fees	\$525	\$1,050	Customs Declaration Transaction User Fee	\$ 40	\$ 80	Environmental Tyre Tax	\$ 20	\$ 40	Wild Animals and Birds	\$100	\$ 200
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KPMG's view	These revisions are intended to align charges more closely to the true cost of providing public services and it is hoped the additional revenue will be used to update and improve processes at these institutions many of which have remained unchanged for decades. The immediate increase in the customs duties on alcohol and cigarettes is a complex policy tool balancing the social effects of consumption and public health and raising revenues against unintended consequences such as increased illicit trade or undue financial hardship for vulnerable populations. Ongoing evaluation and complementary measures, such as education and support are essential for maximizing positive outcomes. This initiative is projected to generate approximately \$1 billion in additional revenue.																									
Who are affected	Manufacturers, importers, distributors and consumers																									
Effective Date	Excise duties on rum and spirits, Beer and cigarettes: Immediate effect other fees, charges, and licences: effective January 1, 2026																									

Proposed fiscal measures (cont'd)

Customs duties on luxury electric cars	
Proposal	The government proposed to adjust the applicable taxation regime with respect to luxury electric vehicles ("EVs"), that is, EVs whose CIF value exceeds \$400,000 as follows: ▪ Customs Duty: 10% ▪ Value-Added Tax: 12.5% ▪ Motor Vehicle Tax: tiered rate based on electric motor size
KPMG's view	Whilst we support the use of EV's, this has to be balanced with the current economic restrictions citizens face with accessing foreign exchange for critical goods and services. This proposal will tax the importation of luxury vehicles whose CIF exceeds \$400,000 and retain the tax relief on mid and lower-priced EVs. It is hoped that this adjustment of existing tax concessions on luxury EVs will ease the strains on the foreign exchange and still support fairness to lower income earners in owning their own motor vehicle. This initiative aligns with the government's sustainability and equity objectives and is projected to generate an additional \$40 million in revenue.
Who are affected	Luxury vehicle dealers and high-income consumers
Effective date	This measure is to take effect from January 1, 2026

Taxation on single-use plastics	
Proposal	Introduction of a 5% tax on the CIF value of single-use plastic products at the point of importation.
KPMG's view	This measure aims to reduce plastic pollution, protect the environment, and promote sustainability. Single-use plastics, such as straws, bags, bottles and packaging have become a significant environmental concern due to their widespread use and limited recyclability. Governments around the world are implementing taxes on these items to curb their negative impacts and we commend the Minister for seeking to address this issue having recognized the negative impact it has on the environment. The proceeds will fund national recycling programmes, waste management initiatives and public environmental education, encouraging responsible production and consumption practices. Like other tax measures, this additional cost is likely to flow down to the consumers.
Who are affected	Food service, packaging and retail sectors, consumers and society
Effective date	This measure will take effect from January 1 2026

Proposed fiscal measures (cont'd)

Establishment of a Real Estate Investment Trust (REIT) in Trinidad and Tobago	
Proposal	Establishment of a state-sponsored REIT to monetize high-value, income-generating state properties. Shares will be listed on the Trinidad and Tobago Stock Exchange (TTSE), enabling public and institutional participation while maintaining a strategic state stake.
KPMG's view	The state-sponsored REIT intends to consolidate high value, income generating state assets, such as land, office buildings, and commercial infrastructure into a professionally managed investment vehicle. This initiative is designed to unlock liquidity from state-owned assets without increasing public debt, while broadening public participation in national wealth creation and deepening the domestic capital market. As shares will be listed on the TTSE, this will enable both citizens and institutional investors to earn dividends, with the State retaining a strategic ownership stake. The success of this measure will, however, depend on the implementation of robust governance frameworks, transparent asset valuation, and prudent management practices to make the investment attractive.
Who are affected	Institutional investors and individuals
Effective date	Fiscal 2026

National Investment Fund (NIF) Bond	
Proposal	Issuance of a \$1 billion tax-free bond backed by a 21% shareholding in First Citizens Group Financial Holdings Limited (FCGFH) of approximately \$2 billion valuation, while the government retains indirect and beneficial ownership of 60.11% of FCGFH.
KPMG's view	This initiative provides individual and institutional investors with a government backed, tax-free investment opportunity that allows for wealth creation without increasing public debt. Additionally, this measure should strengthen citizen participation in the national investment landscape and expand access to secure, long-term financial instruments.
Who are affected	Individual and institutional investors.
Effective date	The Bond will be issued in the second quarter of Fiscal 2026

Proposed fiscal measures (cont'd)

Penalties on offences																							
Proposal	The Minister of Finance proposes stricter penalties for non-compliance as follows:																						
		<table><tr><th></th><th>Existing</th><th>Proposed</th></tr><tr><td>Environmental Tyre Tax</td><td>\$3,000</td><td>\$5,000</td></tr><tr><td>Application for Registration of a Pesticide</td><td>\$2,000</td><td>\$4,000</td></tr><tr><td>Brewers</td><td>\$4,000</td><td>\$10,000</td></tr><tr><td>Driving while disqualified from holding or obtaining a driving permit</td><td>No Fee</td><td>\$5,000</td></tr><tr><td>Careless Driving</td><td>No Fee</td><td>\$15,000</td></tr><tr><td>Driving or being in charge of a vehicle while blood alcohol levels exceed prescribed limit</td><td>No Fee</td><td>\$15,000</td></tr></table>		Existing	Proposed	Environmental Tyre Tax	\$3,000	\$5,000	Application for Registration of a Pesticide	\$2,000	\$4,000	Brewers	\$4,000	\$10,000	Driving while disqualified from holding or obtaining a driving permit	No Fee	\$5,000	Careless Driving	No Fee	\$15,000	Driving or being in charge of a vehicle while blood alcohol levels exceed prescribed limit	No Fee	\$15,000
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These increases in and proposed penalties will contribute an additional \$180 million to revenues.																							
KPMG’s view	The proposed penalties align with the government’s broader fiscal strategy to																						
	1. Discourage non-compliant harmful behavior																						
	2. Encourage proper regulation and oversight of hazardous substances																						
	3. Promote environmental responsibility and cover the cost of associated tyre waste																						
Who are affected	All citizens																						
Effective date	Amendments to take effect from January 1, 2026																						

Removal of motor-vehicle tax concessions for returning nationals	
Proposal	The Minister proposes to remove the customs duty relief and related tax concessions (Valued Added Tax and Motor Vehicle Tax) on motor vehicles imported by returning nationals
KPMG's view	The removal of these concessions aims to: • Protect public funds and prevent tax avoidance and abuse of the concessions • Promote fairness by ensuring that exemptions and concessions are not exploited However, the removal of the concessions may have implications for genuine returning nationals who would have benefitted from such relief. The proposal is a targeted measure to address fraud and abuse, but it should be balanced against its potential impact on legitimate beneficiaries.
Who are affected	Returning nationals
Effective date	This Measure will take effect on January 1, 2026

Proposed fiscal measures (cont'd)

Subsidy on Liquefied Petroleum Gas-LPG	
Proposal	The Minister of Finance proposes to amend the subsidy on LPG cylinders of 100 pounds and above by \$0.50 per pound. The price of cylinders below 100 pounds, including the standard 20-pound cylinders, will continue to be subsidised at the same rate and will not change.
KPMG's view	Fiscal Responsibility: Adjusting the subsidy for larger LPG cylinders after more than 25 years demonstrates a commitment to fiscal prudence and ensures that subsidies reflect current market realities. Targeted Protection: By maintaining the subsidy for smaller cylinders, the proposal protects lower-income households and small businesses that rely on LPG for daily needs. - This will increase the cost for large businesses who use cylinders of 100 pounds and above, the cost will likely be transferred to the consumer. The proposal seeks to balance fiscal sustainability with social protection. By preserving subsidies for smaller cylinders, the government is prioritizing support for those most in need while gradually aligning larger cylinder prices with market conditions.
Who are affected	Citizens utilising LPG cylinders
Effective date	Amendments will take effect on January 1, 2026

Safeguarding our National Insurance System	
Proposal	The Government will implement reforms to the National Insurance System (NIS) to ensure its long-term sustainability. These measures include increasing contribution rates and gradually raising the retirement age for a full NIS pension, aiming to address the current funding shortfall and prevent depletion of the Fund.
KPMG's view	The proposed NIS reforms will increase costs for employers and employees but are necessary to secure pension benefits and maintain the system's viability. These changes will help protect income security for retirees and reduce fiscal risks, ensuring continued support for vulnerable citizens. The increased employer costs may be transferred to consumers or result in employers reducing employees hours to lower the costs of their share of the increased contributions.
Who are affected	Employers and employees, as well as future retirees
Effective date	No set date mentioned

Proposed fiscal measures (cont'd)

Amendment to NIB rates	
Proposal	The Government proposes a phased increase in the National Insurance Scheme (NIS) contribution rate: a 3% rise effective January 5, 2026, followed by another 3% increase from January 4, 2027. Additionally, starting January 2028, the retirement age for receiving a full NIS pension will gradually increase from 60 to 65 over a ten-year period, with the age rising by one year every two years. Existing pensioners and those retiring at age 60 before January 1, 2028, will not be affected. Early retirees will continue to receive a pension, but at a reduced rate. These reforms aim to strengthen the sustainability of the NIS Fund.
KPMG's view	The phased increase in NIS contribution rates will raise payroll costs for employers and employees, affecting disposable income and expenses. The gradual rollout will help ease the transition but result in extending the retirement age and additional funding of the scheme by employers and employees. These reforms are essential for the long-term sustainability of the NIS Fund, ensuring pension security and reducing future fiscal risks. The changes promote fairness across generations and require individuals to adjust financial planning, but are necessary to protect the pension system and maintain social protection.
Who are affected	Employers, employees and future retirees
Effective date	3% increase in contribution rate effective January 5, 2026 , followed by another 3% increase from January 4, 2027

Research and Development Impact Fund UWI	
Proposal	The Government will allocate \$10 million to the University of the West Indies (UWI) Research and Development Impact (RDI) Fund in Fiscal 2026. This funding aims to support applied research, foster partnerships, and drive innovation in key areas such as climate resilience, citizen security, sustainable agriculture, and health innovation, in line with national development priorities.
KPMG's view	The \$10 million allocation to the UWI RDI Fund will support applied research in priority areas and encourage collaboration between universities, industry, and government. This investment aims to deliver practical solutions to national challenges and strengthen the foundation for sustainable growth and a more competitive economy.
Who are affected	UWI Researchers
Effective date	Allocation to be provided in Fiscal 2026

Proposed fiscal measures (cont'd)

National Innovation and Incubator Programme	
Proposal	The Government will allocate \$15.75 million in fiscal 2026 to launch the National Innovation and Incubator Programme, in partnership with the Unit Trust Corporation and UWI Ventures Limited. The initiative will provide 100 young graduates and aspiring entrepreneurs with mentorship, financing, and structured support to help transform ideas into viable businesses, expand small and micro-enterprises, and drive economic diversification.
KPMG's view	The National Innovation and Incubator Programme will foster entrepreneurship, support new business development, and promote economic diversification. It will empower young graduates and entrepreneurs, create jobs, and stimulate community innovation. Young graduates will benefit from increased access to business support and financing, contributing to a more dynamic and resilient economy.
Who are affected	Aspiring entrepreneurs
Effective date	Programme will commence in January 2026

Period poverty intervention	
Proposal	The Ministry of Finance and the Ministry of the People, Social Development and Family Services will collaborate to establish a Women's Health Fund with an initial allocation of \$5 million. The Fund will support a pilot programme distributing free menstrual kits in educational institutions and provide menstrual health education for various groups. To encourage contributions from individuals and corporations, a tax incentive will be introduced.
KPMG's view	This is a most welcome initiative to help women who cannot afford menstrual hygiene products. The Women's Health Fund will have minimal impact on tax revenues at \$5 million. Improved access to menstrual hygiene products is expected to reduce absenteeism in schools and workplaces, boosting productivity and educational outcomes. The measure promotes menstrual health and equal opportunities, supporting social development. The offering of a tax incentive for contributions to the Fund for companies and individuals should encourage support of this important initiative.
Who are affected	Women in society
Effective date	Programme to commence January 2026

Proposed fiscal measures (cont'd)

eLEVATE TT	
Proposal	The Government proposes the eLEVATE Programme, allocating \$5.72 million to upskill 15,000 educators in modern teaching methodologies using 21st-century technology. This initiative will deliver flexible, relevant professional development aligned with national priorities and the 2025–2030 Education Policy.
KPMG’s view	Investment in educator training can lead to improving student performance and workforce readiness. The initiative also promotes greater equity in access to quality education, helping to bridge digital divides and modernise learning environments. Students will benefit from better teaching and stronger preparation for future careers.
Who are affected	Educators and students
Effective date	Programme to commence January 2026

Proposed fiscal measures (cont'd)

NEXTCLASS	
Proposal	The NEXTCLASS programme aims to create an AI-powered user interface platform that empowers teachers with the resources to enhance their teaching effectiveness and foster a more personalised learning environment. Every teacher will gain access to a single platform hosted by the Ministry of Education, featuring lesson planning, real-time student tracking, automated grading support and professional development tools. The Government will invest \$4.64 million in this programme.
KPMG's view	This is a welcome initiative that continues to embrace technology and the efficiencies that it will offer for learning which will ultimately benefit future generations. By integrating digital tools into the education environment, it is hoped that this can create a more engaging and accessible learning experience for teachers and by extension students. It is hoped that the supporting infrastructure and training will also be part of this proposal.
Who are affected	Teachers and students
Effective date	Programme to commence January 2026

PEARL Project – Promoting Early Assessment for Resilient Learners	
Proposal	The PEARL initiative is intended to touch the lives of children and their families by ensuring that challenges in vision, hearing, growth, and development are detected and addressed before they become barriers to learning. The programme will embed universal screening in our schools, ensuring that difficulties are identified and addressed early before they limit a child's potential. Through the alignment of various Ministries, PEARL will guarantee parents and students a seamless medium of care and attention. The government will allocate \$7.89 million to this programme
KPMG's view	Another welcome initiative to assist parents and children with possible development issues to be detected early and secure appropriate care and attention
Who are affected	Children with possible developmental issues and by extension their parents
Effective date	Programme to commence January 2026

Proposed fiscal measures (cont'd)

Tax concession for corporate and individual contributions to registered animal shelters	
Proposal	Recognising the critical role that registered animal shelters play in controlling stray populations and advancing public health and environmental sanitation, to support their work, the Minister of Finance proposes to allow <u>companies</u> that make financial contributions to approved registered animal shelters to claim such contributions as a deduction in computing their chargeable profits. The deduction will be capped at the lower of 15% of chargeable profits or \$100,000 per year of income. With respect to <u>individuals</u>, it is proposed to provide a stand-alone deduction for individuals who support registered animal shelters. The deduction will be capped at the lower of 20% of the individual's total income or \$20,000 per year. To qualify, the shelter must be registered under the Non-Profit Organisations Act or the Companies Act and approved by the Minister of Agriculture and Fisheries.
KPMG's view	Much needed incentive for animal lovers to support abandoned and abused animals and also to control the stray animal population. It is duly noted that the Minister of Finance extended this tax deduction to both individuals and companies.
Who are affected	Abandoned animals and the shelters and shelters / volunteers who try to protect them.
Effective date	Amendments to take effect January 1, 2026

Proposed Fiscal Measures (cont'd)

Agricultural incentives	
Proposal	The Minister of Finance proposes to focus on making food more affordable to every citizen by supporting increased and sustainable agricultural production. To this end, he proposes: • to remove VAT from all machinery and equipment intended explicitly for agricultural use; • to remove VAT from all components used explicitly in hydroponic farming and greenhouse farming, if not already specified elsewhere; • the review of Paragraph 5 of Schedule 2 of the VAT Act to provide a comprehensive classification for zero-rated preparations and chemicals to ensure farmers have access to a full range of cost-effective inputs for cultivation and animal health; and • the removal of Customs Duty from feed used for poultry, cattle and pig.
KPMG's view	Welcome initiative in the efforts to continue to curb the increased cost of food production at the start of the food chain and support positively the cash outflow for farmers. By addressing these challenges early in the supply chain, there is potential to make a significant impact on overall food affordability and availability. It is hoped that this proposal can also encourage investment and innovation in agricultural practices for persons in addition to farmers.
Who are affected	All citizens and farmers
Effective date	Amendments to take effect January 1, 2026

Proposed fiscal measures (cont'd)

VAT on food items	
Proposal	The Minister of Finance proposes to remove Value Added Tax from a multiplicity of basic food items. These items will include table salt, mauby, coconut water, as well as locally produced pumpkin, watermelon, cucumber, lettuce and tomatoes, amongst others.
KPMG's view	Another welcome initiative to continue to make basic food supplies more affordable.
Who are affected	All citizens
Effective date	This measure to take effect from October 17, 2025

Amendments to the policy on importation of foreign used vehicles	
Proposal	The Minister proposes to make vehicle ownership affordable again, as follows: i. an increase in the permissible age of importation of private cars (SUVs, Sedans and Station Wagons) which are powered by gasoline, diesel or CNG from 3 years and under, to 6 years and under, from the date of manufacture; and ii. an increase in the permissible age of importation of light commercial vehicles (pickups and panel vans) from 7 years and under, to 10 years and under, from the date of manufacture.
KPMG's view	It is understandable the need to support individuals to own their own vehicles, however equal consideration should also be given to the road worthiness of such older vehicles and their impact on the environment.
Who are affected	Lower to middle income earners who will now have more opportunities to own their own vehicle
Effective date	This measure to take effect from January 1, 2026

Proposed fiscal measures (cont'd)

Removal of tax on private pensions

Proposal	In keeping with the Government's promise, the Minister of Finance proposes that private pensions be exempted from Income Tax.
KPMG's view	Another welcome initiative that would add some additional funds to pensioners who will no longer be liable to income tax on their pensions. Depending on the income level this is a savings of 25% or 30%.
Who are affected	All persons in receipt of a private pension
Effective date	This measure to take effect from January 1, 2026

Reducing the cost of construction materials

Proposal	The Minister of Finance proposes that the negative list under the Trade Ordinance be amended to remove item no. "(i) 4. clays, crushed limestone, boulders, sand, gravel, plastering sand, porcellanitic, argillite, oil sand". This will provide a much-needed impetus to the construction sector and is expected to reduce the cost of building materials and the cost of construction, generally. This will also boost employment in plumbing, electricals, tiling, masonry, carpentry and fabrication industries amongst others.
KPMG's view	Generally, with these laudable proposals, it is hoped that the reduction in prices of the items would materialize to all those identified by the Minister of Finance. It is noted that a further initiative to reduce the cost of construction materials would have been to remove VAT on these items.
Who are affected	Ultimately those who benefit from the work of the construction sector e.g. homeowners, commercial construction projects
Effective date	This measure to take effect from January 1, 2026



04

Other budget comments

Tax Partner's message

“Strictly tax – IRD & CED”

Amid a global environment focusing on renewables and sustainability and the impact of fast paced developments in technology such as AI, the Honourable Minister whilst paying attention to those issues put forth some commendable focus on measures to secure and improve his revenue collections.

This will be the focus of my message – all other pertinent aspects of the budget are well covered in our budget 2026 commentary

The budget is anchored by five strategic pillars of which the First Pillar is restoring confidence and fiscal stability.

In the context of fiscal stability, one of the Government's first actions upon taking office was to repeal the Revenue Authority Act and strive to strengthen and equip the Inland Revenue Division (“IRD”) and Customs and Excise Division (“CED”) with the necessary manpower.

The noted gaps of the IRD being weaknesses in technology, skills and legal authority.

What was needed was identified as delivery of timely, efficient and transparent service to the taxpayers in order to achieve the significant enhancement in revenue collection.

To achieve this increased revenue collection, the Honourable Minister proposed the Modernisation of the IRD. One of the key constraints identified was in the area of human resources stating that it was operating with approximately 61% of what the approved establishment allows for.

A priority will be given to filling all vacant posts and we trust that the appropriate training and infrastructure will also support this short-term strategy. This recruitment will include the appointment of Tax auditors and criminal tax investigations officers, amongst others. The focus being to expand audits and arrears collections.

The Honourable Minister stated that the recruitment drive will be supported by a comprehensive digital transformation, and they have commenced procurement of an upgraded GenTax system.

The benefits of this modern and fully staffed IRD will be efficient return processing, payments, collections, compliance and analytics.

What taxpayers want is improved speed of processing of their Tax and VAT refunds and conversely what the IRD wants is improved collections and compliance – in a perfect world it is hoped that the wants of both sides can be met with the modernized IRD.

The Honourable Minister also noted the constraints faced by the CED including outdated ICT systems and under staffing. Initiatives were commenced to fill all vacancies and roll out of a comprehensive training programme including partnerships with the US Customs and Border Protection. Finally, there would be technology upgrade including the implementation of electronic payments by the end of 2025.

From an international tax compliance perspective, the Honourable Minister stated that T&T is on course to be removed from the EU list of non-cooperative jurisdictions for tax purposes by February 2026. This delisting will lower our borrowing costs, amongst other financial benefits, and remove a significant barrier that constrained relations with EU Member States.

Another initiative to improve revenue collections is to implement Transfer Pricing (“TP”) legislation and the appropriate training programme to the IRD. The Honourable Minister mentioned in his budget speech that T&T lost approximately \$17.5B over 8 years due to failure to act on TP. A timeline of 2 years was noted in his presentation.

Tax Partner's message – cont'd

Finally, the Honourable Minister mentioned that stakeholders have stated that the VAT system has become increasingly onerous to administer. This could possibly be linked to the staff shortage at the IRD.

The issue of the build –up of VAT refund arrears was noted, which incidentally is no different to the corporate tax refund arrears.

A review of the existing VAT systems is proposed and the possibility of it being replaced with a Sales Tax applied at the final transaction point.

Whilst both VAT and Sales Tax are indirect taxes, they function quite differently. One of the key differences between VAT and Sales Tax is where they are collected.

VAT is collected as the product or service moves through the supply chain where value is added. This includes, but are not limited to stages such as: manufacturing, wholesaling, and retailing. Whereas Sales Tax is a one-off tax collected only at the point where the final sale to the consumer happens.

The intention is that any transition to Sales Tax regime will be revenue-neutral and socially balanced with protection for low-income households.

What does all of this mean for you?

It is hoped that with implementation of the above measures, the Government will realise its budgeted tax collections, improve the Ease of doing business in T&T, protect our borders, comply with international reporting requirements, attract foreign investment and create meaningful jobs.

For the taxpayers and citizens of T&T, it is hoped these proposals will realise an improved service from the IRD, timely processing of their assessments and refunds, interaction with well trained and knowledgeable staff using the best technology.

We hope to see the implementation of these IRD and CED initiatives as outlined in the budget in order to achieve the necessary growth and transformation of the T&T economy.

Details of the fiscal measures proposed with our comments thereto are detailed later on in this newsletter. We hoped that our comments act as a catalyst for discussions on how this budget affects you. We look forward to your feedback on our publication.



Nicole Joseph

Partner, Tax

KPMG in Trinidad and Tobago

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Country-by-Country (CbC) reporting

Subject to president proclamation

The Base Erosion and Profit-Shifting inclusive Framework (Country-by-Country) Reporting Act, 2024 was enacted by the parliament of T&T.

What is required?

Each Ultimate parent Entity of a multinational enterprise (MNE) group resident for tax purposes in T&T will be required to:

- File a CbC report with the BIR
- No later than 12 months after the Reporting Fiscal Year of the MNE Group

Who does it affect?

A MNE Group :

- Consolidated group revenue > US\$850M
- During Fiscal Year immediately preceding the Reporting Fiscal Year

What should be reported?

- Any Constituent Entity of an MNE Group resident for tax in T&T shall notify the BIR if it is the Ultimate Parent Entity
- Report containing aggregate revenue, profit or loss before tax, tax paid, tax accrued, stated capital, accumulated earnings, number of employees and tangible assets with regard to each jurisdiction in which the MNE Group operates



Penalties

- Failure to comply with the reporting requirements is an offence and is liable on summary conviction to a penalty of \$250,000 and 10 yrs imprisonment

Contact

Our tax specialists are here to help you assess your obligations and ensure seamless compliance on CbC reporting in Trinidad and Tobago.

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05

Economic review



State of the economy

The T&T economy has experienced limited but increasing growth over the last five years, coming out of the global COVID-19 pandemic economic shock. The gains recognised are largely attributable to global energy prices, as the T&T economy remains dependent on the oil and gas sector, which contributes more than 30% of GDP and approximately 80% of exports annually. In September 2025, S&P Global Ratings (“S&P”) maintained its BBB- rating for T&T but revised its outlook from “stable” to “negative”. This revised outlook is due to the prolonged erosion of fiscal and external buffers, limited economic diversification, and weak long-term growth performance. S&P added that there is a one-in-three chance that the ratings of T&T can be lowered further in the next six to 24 months if corrective action is not taken to improve public finances and ensure balanced long-term economic growth.

According to the World Bank Macro Poverty Outlook for T&T dated April 2025, the country’s human capital indicators are among the strongest in Latin America and the Caribbean due to the government’s sustained investment in education. Life expectancy is 74.7 years, while the average years of schooling is 11.7 years, which exceeds regional averages and student performance in standardized tests is comparatively strong.

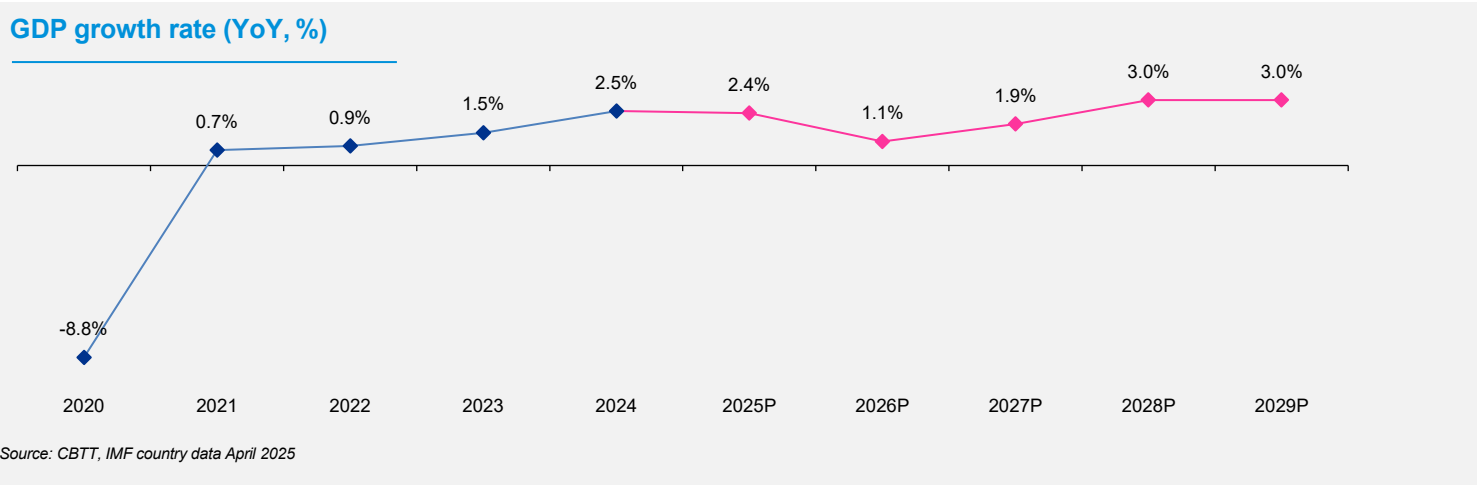
The pillars of the fiscal 2026 budget includes measures to promote trade, investment and diversification of the economy in the areas of agriculture, manufacturing, and tourism. The measures taken are expected to bode well to improve the economic condition of the country.

GDP growth

Growth strengthened to 1.5% in 2023, following contractions due to the COVID-19 pandemic in 2020 and 2021. This was supported by the non-energy sector, as the energy sector contracted amid lower global energy prices and decreased production. In 2024, T&T reported a GDP growth of 2.5%, supported by a 1.2% expansion of the non-energy sectors, along with a 0.4% increase in the energy sector.

CBTT’s monetary policy announcement in September 2025 reported that T&T real GDP fell by 2.1% in the first quarter as a result of decreases in both energy and non-energy outputs of 4.8% and 1.0%, respectively. The downstream oil and gas industry recorded increases in ammonia and urea output by 6.9% and 26.7%, respectively along with a decrease in methanol production of 28.1%, resulting in the overall decrease in energy sector output.

The International Monetary Fund (“IMF”) latest data estimates real GDP to expand by 2.4% in 2025 and to average 2.3% annually from 2026 to 2029. GDP growth remains largely dependent on local developments in the oil and gas sector and global energy prices.



Inflation and unemployment

Inflation

Inflation rose from 0.8% in 2020 to 8.7% in 2022 as a result of global supply chain disruptions, higher food and energy import prices, and transport cost increases. In 2023, inflation declined to 0.7% due to declining food and energy prices globally and increased availability of local produce.

Inflation eased in 2024 to 0.5%, mainly due to a 1.7% decline in the price index for home ownership. This was accompanied by a 1.5% increase in food and non-alcoholic beverages. August 2025 year-on-year inflation stood at 1.4% due to increases in all price categories, with the largest increase of 3.0% in food and non-alcoholic beverages.

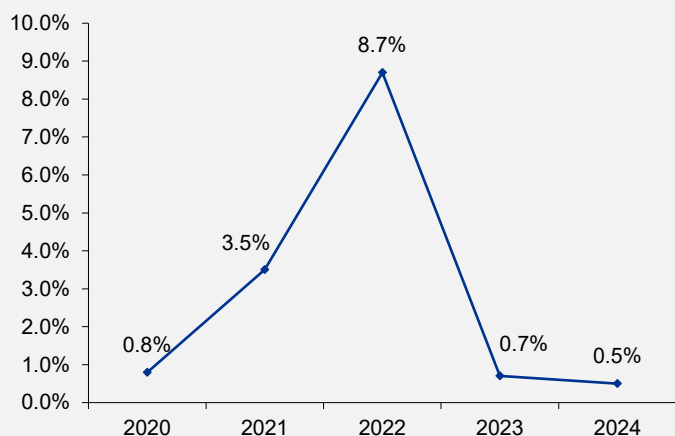
The IMF's latest data projects T&T's inflation to remain low and stable between 2025 and 2029, averaging around 1.8%.

Unemployment

T&T's unemployment rate has trended downward from the COVID-19 pandemic high of 5.7% in 2020 to 4.0% in 2023, as employment in construction, manufacturing, and other sectors increased, indicating a period of labour market recovery and increased job opportunities. This was primarily driven by the reopening of the economy and private businesses operating at full capacity following the easing of COVID-19 pandemic restrictions.

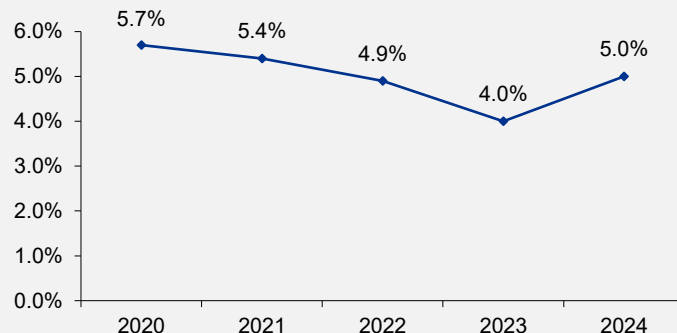
The unemployment rate then increased to 5.0% in 2024 due to increased youth unemployment. The Central Statistics Office Youth Unemployment report cited an increase from 9.3% in Q3 2023 to 13.5% in Q3 2024. Youth unemployment represents the unemployment rate for persons aged 15 to 24 years old. This age group accounts for approximately 40% of the non-institutional population over 15 years old.

Consumer prices (end of period change, %)



Source: CBTT

Unemployment (end of period, %)



Source: CBTT

Balance of payments and reserves

Balance of payments

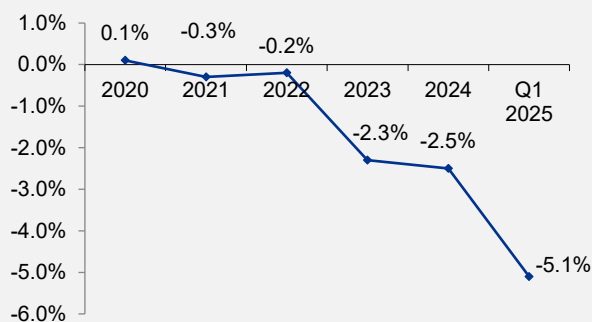
T&T's balance of payments has fluctuated over the last five years, with an increasingly negative balance starting from 2021 to 2024. The balance of payments deficit increased by 781% between 2021 and 2024, moving from -0.3% of GDP in 2021 to -2.5% of GDP in 2024.

There were notable increases in exports in 2021 and 2022 as global energy prices rose. This was followed by declines in 2023 and 2024 as global energy prices fell.

Energy exports accounted for an average of 82% of total exports annually for 2021 to 2024, and 84.1% for the first quarter of 2025. This represented an average of 33.6% of GDP for 2021, 2023, and 2024. In 2022, energy exports represented 60.6% of GDP as global energy prices skyrocketed due to geopolitical tensions.

The decline in global energy prices from 2023 to the present is having a notable impact on the balance of payments. The balance of payments deficit of US\$332 million in the first quarter of 2025 represented 5.1% of GDP. This has affected foreign exchange reserves, as discussed next.

Balance of payments (As a % of GDP)



Source: CBTT

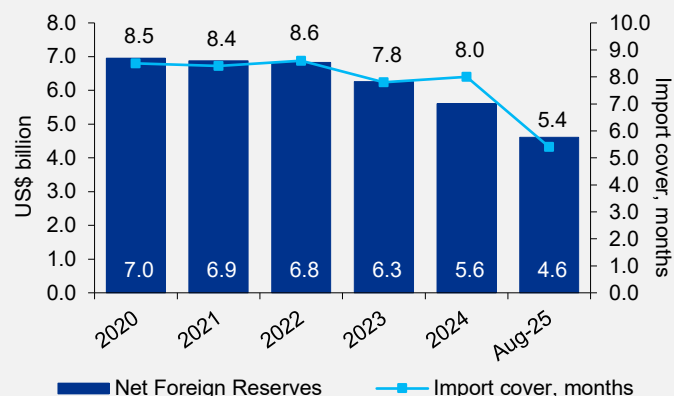
Foreign exchange reserves

T&T's net foreign reserves fell from US\$7.0 billion to US\$5.6 billion from 2020 to 2024, due to lower foreign exchange inflows from the energy sector.

Imports increased while oil and gas prices decreased, resulting in decreases in reserves. The country's import cover averaged 8.3 months over the period 2020 to 2024.

In January 2025, foreign exchange reserves stood at US\$5.5 billion, with import cover dropping to 6.4 months based on the revised prospective imports. Foreign reserves further declined to US\$4.6 billion, with import cover of 5.4 months as of August 2025.

Foreign exchange reserves cover (Weeks of imports)



Source: CBTT

Note: (1) The calculation of prospective imports used in the import cover ratio by CBTT was revised in the September 2025 DataPack.

Fiscal balance and public sector debt

Fiscal balance

The fiscal deficit reduced to 7.8% in 2021 as global oil and gas prices began recovering and government revenue streams rebounded, allowing the government to partially contain its fiscal losses.

The country achieved a surplus in 2022 of 0.7% due to increases in global oil and gas prices and increased natural gas outputs. The increase in natural gas production was due to Shell's Colibri development, which began operations in mid-2022.

However, in 2023 and 2024, the fiscal balance decreased again to -1.8% and -5.3%, respectively, reflecting lower energy prices and rising government expenditure.

The fiscal 2026 budget was presented with a projected deficit of \$3.9 billion, representing approximately 2.2% of GDP.

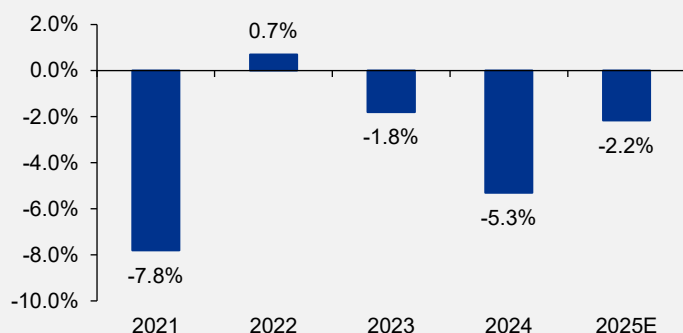
Public sector debt

T&T's gross public sector debt stood at 81.6 % of GDP in 2020 as a result of increased government borrowing to cushion the economy against the COVID-19 pandemic shock.

There was a decrease to 80.2% in 2021 and then a sharper drop to 69.9% in 2022 reflecting a combination of recovering revenue, especially from the oil and gas sector, and restrained new borrowing, which allowed the debt ratio to fall as GDP rebounded.

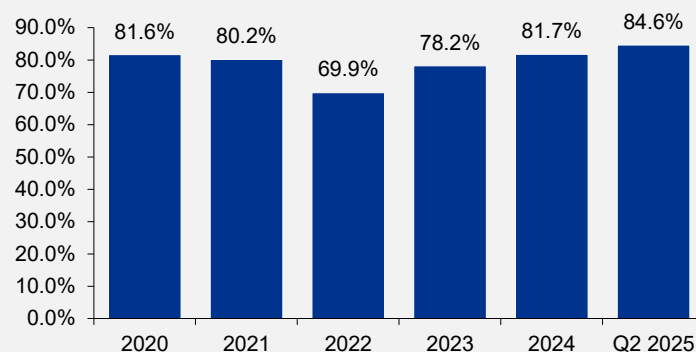
However, the increase to 78.2% in 2023 and 81.7% in 2024 is a result of slowing energy prices and rising public expenditure. June 2025 adjusted general government debt stood at \$147.9 billion, representing 84.6% of GDP.

Fiscal balance (As a % of GDP)



Source: CBTT

Gross public sector debt (As a % of GDP)



Source: CBTT

Economic overview

Selected economic indicators						
	2020	2021	2022	2023	2024	2025 Q1
Economic indicators						
Nominal GDP (TT\$ billions)	141.0	163.7	191.4	169.0	173.0	N.a.
Real GDP growth %	-8.8%	0.7%	0.9%	1.5%	2.5%	-2.1%
Inflation (end-of-period)	0.8%	3.5%	8.7%	0.7%	0.5%	1.0%
Unemployment rate	5.7%	5.4%	4.9%	4.0%	5.0%	4.9%
Balance of payments						
Current account balance (as a % of GDP)	-6.5	10.9	17.5	11.8	4.8	0.5
Exports of goods (US\$ billions)	6.0	11.1	16.7	10.4	10.0	2.7
Imports of goods (US\$ billions)	5.0	6.4	7.5	6.6	7.5	1.6
Gross international reserves (US\$ billions)	7.0	6.9	6.8	6.3	5.6	5.3
Gross international reserves cover, months	8.5	8.4	8.6	7.8	8.0	6.1 ¹
Government debt						
Public sector debt (TT\$ billions)	118.6	126.8	129.0	136.5	140.6	144.8
Public sector debt (as a % of GDP)	81.6%	80.2%	69.9%	78.2%	81.7%	84.6%
Fiscal measures						
Fiscal revenue (TT\$ billions)	33.4	39.9	58.3	52.5	47.8	10.5
Fiscal expenditure (TT\$ billions)	50.7	50.5	55.7	56.5	57.5	14.5
Overall fiscal balance (TT\$ billions)	(17.3)	(10.7)	2.7	(4.1)	(9.6)	(4.0)
Overall fiscal balance (as a % of GDP)	-11.5%	-7.8%	0.7%	-1.8%	-5.3%	N.a.
Credit ratings						
S&P	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-
Moody	Ba1	Ba2	Ba2	Ba2	Ba2	Ba2

(1) The calculation of prospective imports used the in the import cover ratio by CBTT was revised in the September 2025 DataPack

(2) 'N.a.' represents data not available.

Source: CBTT, S&P, Moody's

A nighttime aerial photograph of a city. In the center, a large stadium with a distinctive white, ribbed, arched roof is illuminated. To the left, a dense urban skyline with various skyscrapers is visible against the dark sky. The foreground shows a green field, possibly a park or sports field, with some trees and a few small structures. A road with a white van is visible in the lower left. The overall scene is lit with city lights, creating a vibrant contrast with the dark night sky.

06

Tax rates

Tax rates and allowances

Individual Income Tax	Proposed 2026	2025
Chargeable income up to \$1M	25%	25%
Chargeable income in excess of \$1M	30%	30%
Personal allowance	\$90,000	\$90,000
Approved pension/deferred annuity/ NIS contribution 70%	\$60,000	\$60,000
Tertiary education expenses	\$72,000	\$72,000
First time homeowner	\$30,000	\$30,000
Donations under deed of covenant	up to 15% of total income	up to 15% of total income
CNG kit and cylinder - Tax Credit	25% of cost – Max \$10,000	25% of cost – Max \$10,000
Solar water heating equipment - Tax Credit	25% of cost – Max \$10,000	25% of cost – Max \$10,000
Venture capital - Tax Credit	30% of investment	30% of investment
National Tax-Free Savings Bonds - Tax Credit	25% of face value up to \$5,000	25% of face value up to \$5,000
Maintenance/Alimony paid (court order)	100%	100%
Severance pay exemption limit	\$500,000	\$500,000
Guest house approved capital expenditure deduction	100%	100%
Financial contributions to registered animal shelters	Lower of 20% of total income or \$20,000 per annum	--
Private pensions	Exempt	--

Tax rates and allowances

Corporation Tax rates	Proposed 2026	2025
Corporation tax rate	30%	30%
Corporation tax rate - Petrochemical Companies & Financial Institutions	35%	35%
Small and Medium Enterprise (SME) - First five years from listing on T&T Stock Exchange	0%	0%
SME - first 5 years after listing on T&T Stock Exchange	15%	15%
Business Levy - Gross sales / receipts	0.6%	0.6%
Business Levy - Listed SME – First five years from listing	0%	0%
Business Levy - first 5 years after listing on T&T Stock Exchange	0.3%	0.3%
Business Levy - Export Sales of Manufacturing companies	Exempt	Exempt
Green Fund Levy - Gross sales / receipts	0.3%	0.3%
Green Fund Levy - Listed SME – First five years from listing	0%	0%
Green Fund Levy - first 5 years after listing on T&T Stock Exchange	0.15%	0.15%
Commercial banks and Insurance companies: Asset levy	0.25%	--
Single use plastic	5% on CIF value at point of importation	--
Landlord business surcharge – on actual rental income	< \$20,000: 2.5% >\$20,000: 3.5%	--

Tax rates and allowances

Allowances	Proposed 2026	2025
Training & Retraining allowance	150% uplift	150% uplift
Audio / Visual / Video Production allowance	150% uplift – Max \$12M ¹	150% uplift – Max \$12M ¹
Art & Culture	100% - Max \$12M ¹	100% - Max \$12M ¹
Sportsmen & Sporting Activities	100% - Max \$12M ¹	100% - Max \$12M ¹
Fashion industry allowance	150% uplift – Max \$12M ¹	150% uplift – Max \$12M ¹
Investment in tech start-up and new tech business	150% uplift – Max \$3M	150% uplift – Max \$3M
Technology solution and Digitization	150% uplift – Max \$3M	150% uplift – Max \$3M
Creation of employment in a technology industry	150% uplift – Max \$3M	150% uplift – Max \$3M
Apprenticeship Training Programme	150% uplift – Max 20% of wages & salaries	150% uplift – Max 20% of wages & salaries
Corporate Sponsorship - Public and Private schools	150% uplift – Max \$500,000	150% uplift – Max \$500,000
Promotional allowance	150% uplift	150% uplift
Research & Development – to create a new / improved product	140% - Max \$3M	140% - Max \$3M
Preservation of Property of Interest – certified by Minister	150% uplift – Max \$1M	150% uplift – Max \$1M
Sponsorship of public & private schools	150% - Max \$500,000	150% - Max \$500,000
Energy Service Company allowance	150% uplift	150% uplift
Manufacturing companies - initial allowance	90%	90%
Scholarship allowance – not employees	100%	100%
Covenanted donations to charity	100% - Max 15% of Total Income	100% - Max 15% of Total Income
Research and development (R&D) capital allowance	40% of expenditure	40% of expenditure
Cybersecurity Investment Tax Allowance	--	Expenses incurred – Max \$500,000
Financial contributions to registered animal shelters	Actual – Max is the Lower of 15% of chargeable profits or \$100,000 per annum	--

Note 1: The aggregate claim in respect of these allowances is capped at \$12 million

Tax rates and allowances

Petroleum Tax	Proposed 2026	2025
Petroleum Profits Tax (PPT) - Petroleum operations	50%	50%
Petroleum Profits Tax (PPT) - Petroleum operations: Deepwater blocks	30%	30%
Unemployment Levy	5%	5%
Supplemental Petroleum Tax (SPT)	Varying rates from 0–55%	Varying rates from 0–55%
Tax losses brought forward	75% relief	75% relief
Petroleum Production Levy	lower of 4% of income from crude oil of >3,500 bopd or share of subsidy	lower of 4% of income from crude oil of >3,500 bopd or share of subsidy
Royalty	12.5% of the fair market value of crude oil and natural gas won and saved	12.5% of the fair market value of crude oil and natural gas won and saved

Petroleum Allowances/credits	Proposed 2026	2025
Investment Tax Credit	30%	30%
Sustainability Incentive	25%	25%
Tangible/Intangible/Exploration allowance	20% per annum on capital expenditure over 5 years on a straight line basis	20% per annum on capital expenditure over 5 years on a straight line basis
Deepwater Blocks	140% uplift	140% uplift
Enhanced Oil Recovery/Carbon Capture allowance	30%	30%

“ Building economic fairness through accountable fiscal policies ”



Family office services

How we can help

Families often need a number of different advisers, and it can be difficult to find the right expert for a particular issue. An advantage of our approach is that through one contact-point you can access our network of specialists across the full breadth of KPMG.

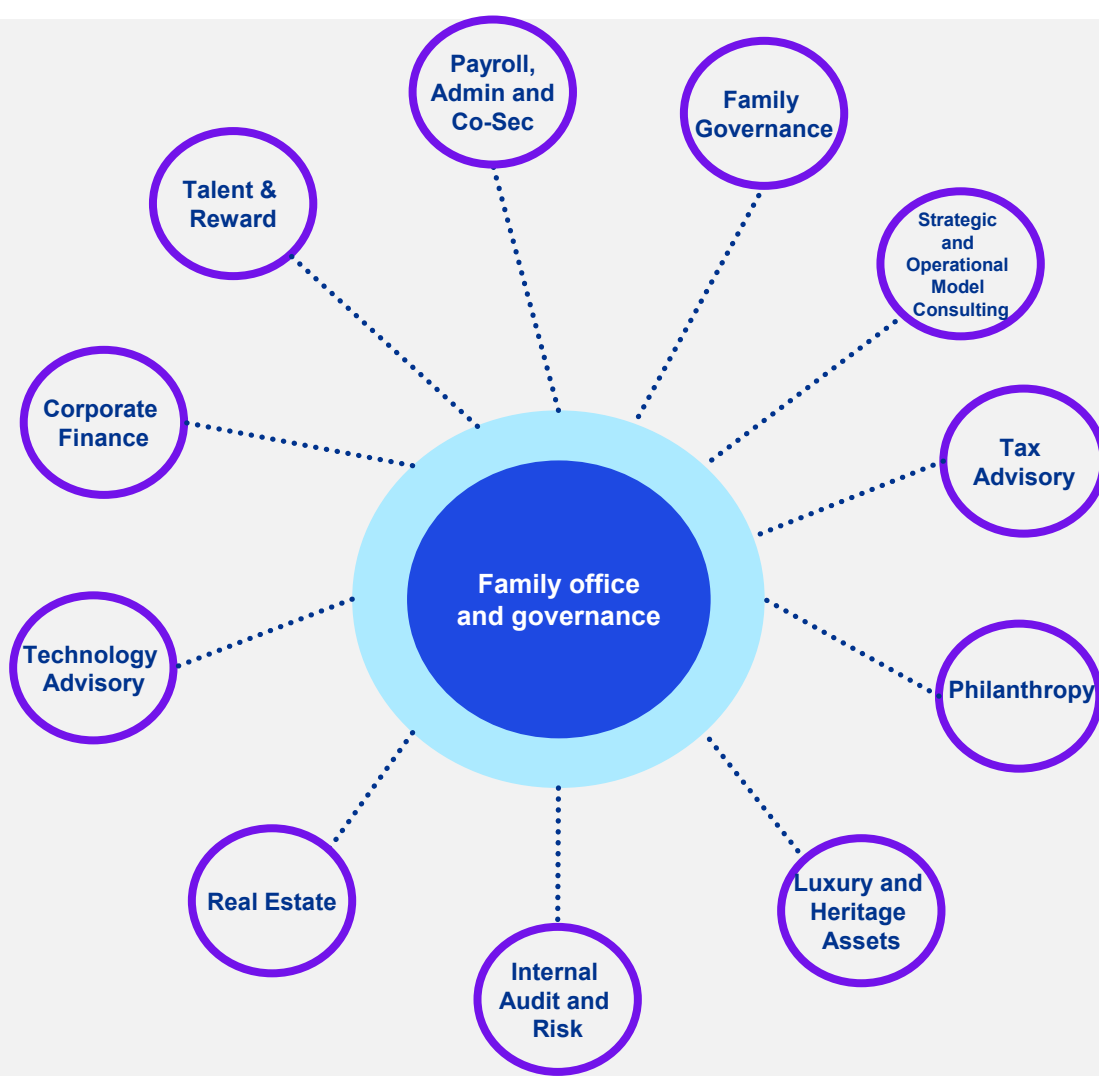
Whether you want help to design your family office's blueprint or develop its strategy, to conduct a health-check of your existing structures, or just to access expert advice on one particular project or transaction, we have the people for the job.

When you use us, you don't have to go through the time-consuming process of putting together a team of advisors, explaining your needs separately to each one, and then managing them.

There are no retainers to pay and we will agree costs up front on the basis of the services you need. When you work with us you have experts on hand. But when you aren't using them, you don't pay for them.



Our family office clients are currently drawing on the following areas of specialist expertise:

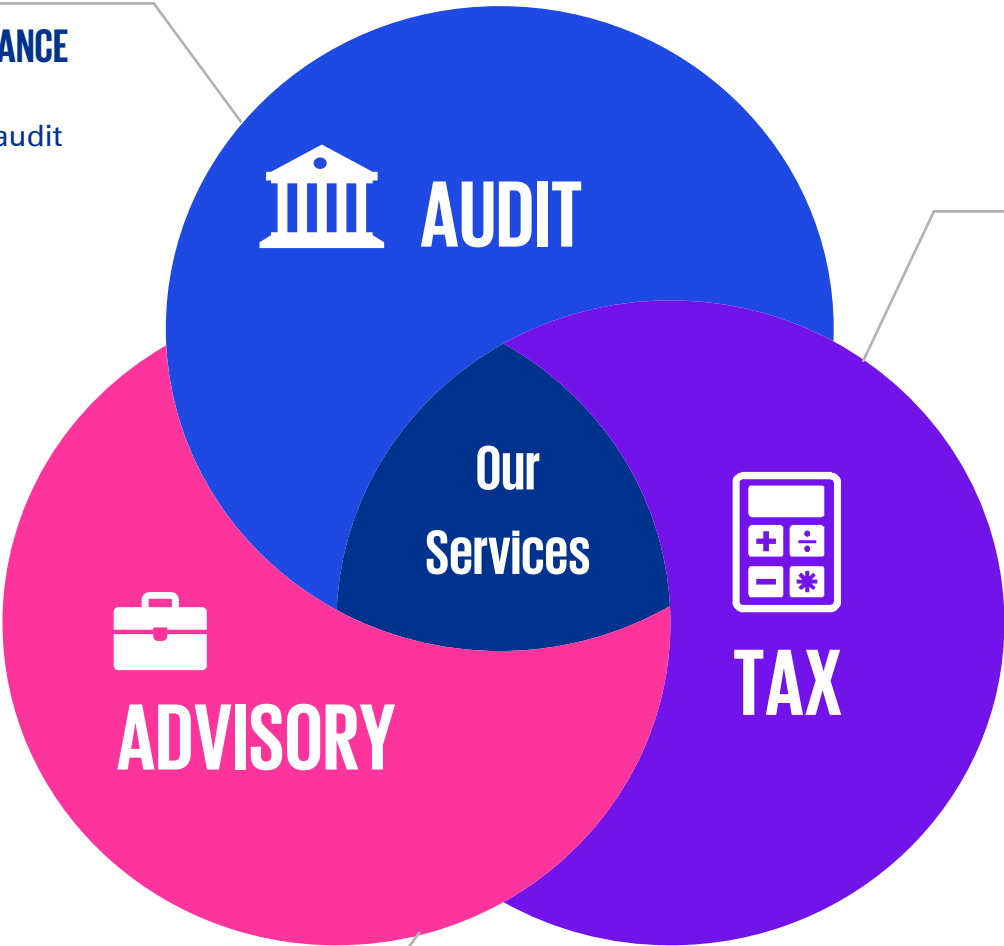


Reach out to a member of our tax team to learn how KPMG can support your family office.

KPMG in Caricom

AUDIT AND ASSURANCE

- Statutory audit
- Non-statutory audit
- Assurance



TAX

- Tax advisory
- Personal and corporate tax
- International tax
- Transfer pricing
- Tax due diligence

Advisory

Management Consulting

- Customer and operations
- IT advisory
- People and change
- Internal audit risk and compliance
- Accounting advisory
- Cyber Security Services

Risk Consulting

- Financial risk management
- Internal audit and risk consulting
- Accounting advisory services

Deal Advisory

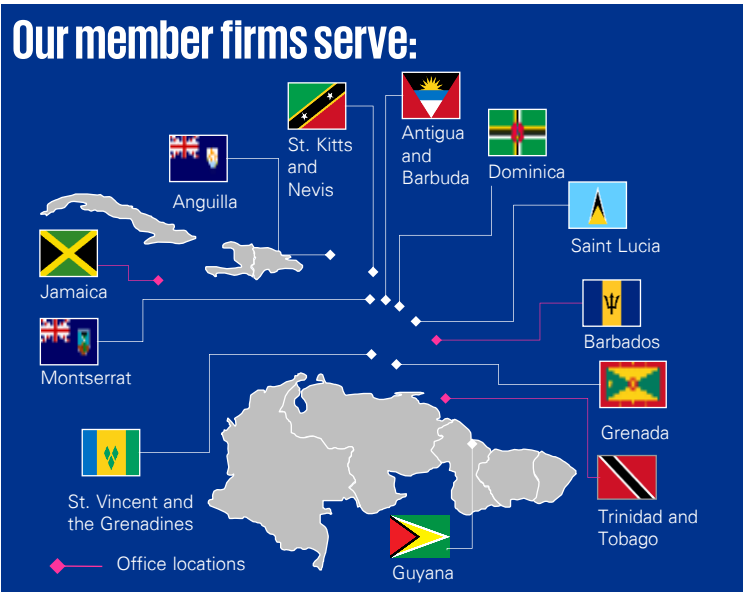
- Corporate finance
- Infrastructure
- Valuation services
- Transaction services
- Restructuring

KPMG in Caricom

KPMG in Caricom forms part of the international network of member firms that operate in 142 countries and territories, with more than 275,000 partners and employees. Our Caricom offices consists of 1,300 professionals collaborating across industries, sectors, and national boundaries to deliver professional services for the benefit of their clients, KPMG people, and the capital markets.

Member firms are located in Jamaica, Trinidad and Tobago, and Barbados (also servicing St. Lucia, Antigua and Barbuda, Anguilla, Dominica, Grenada, Guyana, Montserrat, St. Kitts and Nevis, and St. Vincent and the Grenadines). Our practice has strong professional contacts with the KPMG member firms in the Bahamas, Bermuda, Cayman Islands, all of which have similar cultures and operating environments.

KPMG Caricom operates across the region with a specific understanding of the cultural, economic, and political facets of each individual economy. We are also part of KPMG Islands Group which extends into additional countries such as British Virgin Islands , Guernsey , Jersey, the Isle of Man and Malta. In-depth industry knowledge is available through the global KPMG network which provides access to skilled member firm professionals, across a wide range of industry sectors.



Servicing
12
countries

- Anguilla
- Antigua and Barbuda
- Barbados
- Dominica
- Grenada
- Guyana
- Jamaica
- Montserrat
- St. Lucia
- St. Kitts and Nevis
- St. Vincent and the Grenadines
- Trinidad and Tobago

Celebrating,
100+
years
of service

4
physical
offices

- Barbados
- Jamaica (two offices)
- Trinidad and Tobago

Our people

39
Partners
and Directors

70% | 30%
Gender split (F | M)

Contact us



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