



Government of the Republic of Trinidad and Tobago
MINISTRY OF FINANCE

February 8th 2025

For immediate release

MEDIA RELEASE

**TRINIDAD AND TOBAGO REMOVED BY THE OECD
FROM THE LIST OF COUNTRIES WITH HARMFUL TAX PRACTICES**

The Minister of Finance, Hon. Colm Imbert, MP, wishes to advise that in January 2025, Trinidad and Tobago was deemed by the OECD Forum on Harmful Tax Practices to be free from harmful tax practices, and removed from the list of countries with such practices in February 2025.

The OECD Forum on Harmful Tax Practices (FHTP) has been conducting reviews of preferential tax regimes for the last 25 years to determine whether the regimes could be harmful to the tax base of other jurisdictions. Base erosion and profit shifting (BEPS) – where multinationals shift profits to low or no-tax locations where they have little or no economic activity or erode tax bases through deductible payments, such as interest or royalties – cost countries throughout the world billions in lost revenue annually. BEPS practices undermine the fairness and integrity of tax systems because businesses that operate across borders can use them to gain a competitive advantage over enterprises operating at the domestic level. In a broader context, when large corporations avoid income tax, they undermine voluntary compliance by all taxpayers.

Because of the operation of Free Trade Zones in this country, with duty-free and tax-free regimes, Trinidad and Tobago were found to be non-compliant with the FHTP and non-compliant with the BEPS standards. As a result, we committed to making the necessary legislative changes to abolish Free Trade Zones. This took years of work, and in 2024, our Free Trade Zones were replaced with Special Economic Zones (SEZs), and the Free Trade Zone Act was repealed, leading to the abolishment of Free Trade Zones in Trinidad and Tobago.

In the new Special Economic Zones, a minimum global tax rate of 15% is imposed on multinationals operating in our SEZs, in accordance with the BEPS standards. Our SEZ Regime was examined comprehensively by the OECD in 2024 as part of our action plan to make Trinidad and Tobago compliant with the requirements of the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes.

The Global Forum is a multilateral framework for tax transparency and information sharing, within which over 170 countries participate equally. Trinidad and Tobago is currently engaged in a formal Peer Review Process with the Global Forum and if all goes according to plan, we expect to be deemed compliant by the Global Forum later in 2025, which will also lead to us being declared compliant by the European Union in due course.

The acknowledgment by the OECD that we are no longer considered to have harmful tax practices is an important step in our journey towards full compliance with the Global Forum and the EU.

The January 2025 list of countries with harmful tax practices is attached.

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The Honourable Colm Imbert M.P.
Minister of Finance