



The Government of the Republic of Trinidad and Tobago
Ministry of the Attorney General and Legal Affairs

CORPORATE COMMUNICATIONS DEPARTMENT

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MEDIA RELEASE

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European Listing of Trinidad and Tobago

The Government of Trinidad and Tobago notes that on February 13th 2019, the European Commission released a revised list of twenty-three (23) countries, including Trinidad and Tobago, it has designated as high risk third countries posing significant threats to the European Union's financial system on the basis of deficiencies in their anti-money laundering and countering the financing of terrorism (AML/CFT) system.

Our country was first placed on the European Commission's list in December 2017 on the basis of being included on the Compliance Document published by the Financial Action Task Force (FATF) in October 2017. On that basis, the Commission called for additional measures against our country far exceeding those required by FATF. The Government of Trinidad and Tobago immediately raised strong objection to this **mischaracterisation** of the Compliance Document with the European Union, the European Commission and the FATF, particularly in light of the fact that fifteen (15) EU members and the European Commission itself are members of the FATF.

The FATF has reiterated that identification on its Compliance Document is neither a call for countries to apply enhanced due diligence and/or counter-measures against countries such as Trinidad and Tobago. On the contrary, it reflects the country's high level political commitment to working together with the FATF and the Caribbean Financial Action Task Force (CFATF) in addressing deficiencies

through execution of the agreed action plan. Since Trinidad and Tobago embarked on its action plan in October 2017, updates to the Compliance Document in February, June and October 2018 have reflected the steady progress of our country towards completing the action plan. Many key steps outlined in the action plan have in fact been completed with some being ahead of schedule. The FATF will again be looking closely at all the progress that Trinidad and Tobago has made at its upcoming Plenary meeting during **February 20-22, 2019** in Paris, France.

The European Commission has now added another criterion for listing which it has applied to our country: Trinidad and Tobago is a jurisdiction listed on Annex I of the European Union's list of non-cooperative tax jurisdictions. Similar to relying on the FATF's Compliance Document as a criterion for listing, the Commission's process is linked to, *inter alia*, the methodology set by the Global Forum on Transparency and Exchange of Information for Tax Purposes.

Since assuming office in September 2015, the Government has worked diligently to meet the standards of transparency and exchange of information committed to by Trinidad and Tobago, benchmarked on the report of an in-depth peer review of our country published in January 2011. In May 2018, the Government introduced in the Parliament the Income Tax (Amendment) Bill, 2018 which included provisions that would form a foundation for the enactment of **the Mutual Administrative Assistance in Tax Matters Bill, 2018** and **the Tax Information Exchange Agreements Bill, 2018**. The Opposition refused to support crucial amendments to the Income Tax Act in the Parliament, further impeding our country's progress towards full compliance with the Global Forum. These legislative measures are critical for our country to be removed from Annex I and the Government remains committed to working with all Members of Parliament to address these legislative deficiencies.

The Government maintains strong objection to the methodology of the European Commission in its process of composing the list and the disproportionate measures that flow from it. We join with other jurisdictions, including most notably the Department of Treasury of the United States of America which set out rational reasons for the rejection of the European Commission's publication.

We wholeheartedly agree with the analysis of the United States which laid four compelling reasons for the rejection of the European Commission's publication viz- *“First, the Commission's process did not include a sufficiently in-depth review necessary to conduct an assessment related to such a serious and consequential issue. Second, the Commission provided affected jurisdictions with only a cursory basis for its determination. Third, the Commission notified affected jurisdictions that they would be included on the list only days before issuance. Fourth, the Commission failed to provide affected jurisdictions with any meaningful opportunity to challenge their inclusion or otherwise address issues identified by the Commission.”*

We remain steadfast in our mission to achieve the highest global AML/CFT and tax transparency standards for Trinidad and Tobago. Our country is well on the way to completing its FATF ICRG action plan which will result in being removed from the Compliance Document. The Government is also confident that, with the mature collaboration of all Members of Parliament, the criteria for exchange of international tax information and transparency obligations can be satisfied in the shortest possible time. The Government will continue to work steadfastly with standard-setting technical bodies towards achieving these objectives in the best interests of the people of Trinidad and Tobago and the global community.

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