



ITU/BDT Regional Seminar on the Economic and Financial Aspects of
Telecommunications /ICTs

Study Group 3 Regional Group for LAC

MEXICO CITY, MARCH 19-20, 2013

TAXATION OF INTERNATIONAL TELECOMMUNICATIONS – A TRINIDAD AND TOBAGO PERSPECTIVE

March 20th 2013

Presented by: Cynthia Reddock-Downes
on behalf of

The Telecommunications Authority of Trinidad
and Tobago

CONTENTS

- Taxation Rules in Trinidad and Tobago
- Universal Service Contribution
- Regional Telecommunications Taxation Issues
- Recommendations

Taxation Rules – Customs Duties

- Computers and related equipment – 0%
- Telephone Instruments – 30%
- Telecommunications equipment – 5% to 30%

Taxation Rules - Other

- VAT on Telecommunications Equipment – 15%
- VAT on computers and related equipment – 15%
- VAT on Handsets – 15%

Universal Service Contribution - Proposed

- International Incoming Revenues – 1.5%
- Domestic Revenues – 0.5%
- Closed User Groups – 2%

There will be no tax levy on calls but a contribution will be made out of Revenues by service providers. Access to Universal Service projects will be limited to Concessionaires (pay and play).

Selection of Taxes in Region, 2012

Country	VAT (or other tax) on telecommunication services	Import duty taxes applied to Network Equipment and computers	General Goods and Services
Antigua & Barbuda	15%		15%
Bahamas		25%	0%
Jamaica	25%		17%
St. Vincent & Grenadines	15%		15%
Trinidad & Tobago	15%	30%	15%

Source: ITU Dynamic Reporting, 2013

Regional Telecommunications Taxation Issues

Jamaica:

- From July 15, 2012 a Tax rate of \$0.075US per minute has been imposed on International Calls terminating on a mobile network.
- A Universal Service levy of \$0.02US for Incoming International calls terminating on a mobile network is already in place.
- A Universal Service levy of \$0.03US for Incoming International calls terminating on a fixed network is already in place.

Regional telecommunications Taxation Issues (cont'd)

- These taxes may be passed on to consumers in the Caribbean region by the common carriers.
- Taxation impacts the affordability of telecommunications in the Region.

Recommendations

- Regional governments should collaborate more closely on telecommunications taxation matters.
- Cross-Border taxation is a matter for States to agree upon in trade agreements and should not be left to the sole discretion of commercial interest groups.
- The WCIT recommendation should be considered by regional governments.

“where in accordance with the national law of a country a fiscal tax is levied on collection charges for international telecommunications services, this tax should normally be collected only in respect of international services billed to customers in that country, unless other arrangements are made to meet special circumstances.”

Thank You