

- Assembling
- Processing, refining, purifying and mixing
- Merchandising, including international trading on products

Applications for Free Zone status must be made to the Trinidad and Tobago Free Zones Company Limited, who then makes recommendations to the Ministry of Trade and Industry.

Construction Incentives

Local construction companies are provided with a range of incentives, some discretionary and some performance based. Companies engaged in property development can apply to the Board of Inland Revenue to be registered as an approved development company. Companies must be locally owned in order to be approved by the board, and are then allowed an allowance against their taxable income of 15% of construction costs on homes completed in the taxation year. The Housing Act allows tax-free concessions to companies building dwellings, the cost of which must not exceed TT\$250,000. Profits can also be distributed by way of dividends tax free. Any houses constructed under this incentive may then be exempted from tax on rental income for a period of up to ten years.

Special Classes of Companies

Special classes of companies are eligible to apply for a tax credit of 15% of their taxable income for seven years. This reduces the effective corporate tax rate to 20%. These special classes include:

- approved small companies
- approved companies trading in a regional development area
- an approved activity company

An approved company must be locally incorporated and locally owned. Applications must be made through TIDCO, or for small companies through the Small Business Development Company Limited.

Loss Relief

The Income Tax Act and Corporation Tax Act provides a clause which allows companies to carry forward any losses without limitations.

Special Tax Allowances for Exporter

Certain performance-based incentives exist in order to aid the development of export markets. Promotional expenses which are incurred in development or expansion of foreign markets can be grossed up to 150% of the expense incurred. Manufactured products which are exported outside