2026 Budget Newsletter

SECURING OUR FUTURE, GROWING OUR POTENTIALS

Snapshot of 2026 Trinidad and Tobago Budget

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Acknowledgements

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We would like to take a moment to acknowledge the exceptional teamwork, leadership, and unwavering commitment demonstrated by the following team members, whose efforts have ensured the delivery of timely and valuable information to both our colleagues and valued clients:

Our esteemed authors and diligent editors: Aleema Ogeer-Ali, Alyssa Seecharan, Amanda Ramnarine, Anisha Mohammed, Ashta Beharry, Asma Mohammed, Avalon Butcher, Avalon Lewis, Brent Ramsumair, Chelsie Cedeno, Cherylon Ramkissoon, Cheyenne Cedeno, Jenna Marie Pollard, Joanne Webb, Josiah John, Kaveen Siew, Keston James, Kyle Burgess, Ley Ann Whiskie, Lisa Creese, Melissa Cobham, Ray-Keisha Cottoy, Sabrina Ramgattie, Sarah Khan, Tenille Harriot Lewis, Wendy Wong Won and Whitney Phillips.

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Your collective efforts, mutual support, and dedication have made this newsletter possible. Thank you all for your outstanding contributions and for standing together to support one another throughout this project.

Message From Our Chairman

Securing Our Future, Growing Our Potential

To secure our future, we must strengthen the pillars that have sustained us: sound governance, strong relationships, and disciplined financial management. To grow our potential, we must invest boldly in our people, skills, innovation, and technology, ensuring that we remain relevant and competitive in an increasingly digital and diversified economy.

Let us continue strengthening our companies and by extension, our country, to remain forward-looking, resilient, and ready to seize the opportunities that lie ahead.

-Angela Lee Loy, Chairman, Aegis Business Solutions Limited

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Message From Our Chair

The 2026 National Budget, "T&T First: Building Economic Fairness through Accountable Fiscal Policies," presented by the Honourable Davendranath Tancoo, Minister of Finance, on October 13, 2025, signals an era of renewal, responsibility, and reform. It charts a course toward a more equitable, modern, and resilient Trinidad and Tobago, thereby calling upon every citizen, business, and institution to contribute to national progress through transparency, innovation, and shared effort.

Our Newsletter theme this year, *"Securing Our Future, Growing Our Potentials,"* mirrors both the national direction and our own corporate philosophy.

To secure our future, we must strengthen the pillars that have sustained us: sound governance, strong relationships, and disciplined financial management.

To grow our potential, we must invest boldly in our people, skills, innovation, and technology, ensuring that we remain relevant and competitive in an increasingly digital and diversified economy.

The 2026 Budget's focus on diversification across agriculture, manufacturing, renewable energy, tourism, and the creative industries opens new avenues for business and collaboration. With projected revenue of **$55 billion**, including **non-oil revenue of $43 billion (81%)**, the country continues to make progress in broadening its economic base beyond oil and gas.

The Government's strong emphasis on digitisation, AI integration, and modernization of public services aligns with our own transformation journey toward efficiency, data-driven decision-making, and client-focused service delivery. Equally significant is the renewed focus on **youth development and education**, with an allocation of **$8.77 billion (14.8% of total expenditure)** to build the future talent and skills base of the nation.

As business leaders, it is our responsibility to nurture this potential through mentorship, continuous learning, and a culture of innovation and integrity.

The Budget's overarching message of **economic fairness, accountability, and inclusion** is one we at Aegis take to heart.

For twenty-five years, our company has stood as a trusted partner in nation-building, adapting to economic shifts, embracing change, and upholding the highest standards of quality and integrity.

It reminds us that sustainability extends beyond profit; it is about creating shared value for our clients, employees, and the wider community.

Together, we will continue to build a company and a country that is forward-looking, resilient, and ready to seize new opportunities

Let us move forward with confidence and unity, securing our future and growing our collective potential.

I wish to thank our hardworking team for their diligence and for executing this newsletter, whether working from their homes or the office.

To you, our valued clients, colleagues and readers, we hope you find our publication informative and insightful, and we warmly welcome your feedback.

Budget Insights

Budget Insights

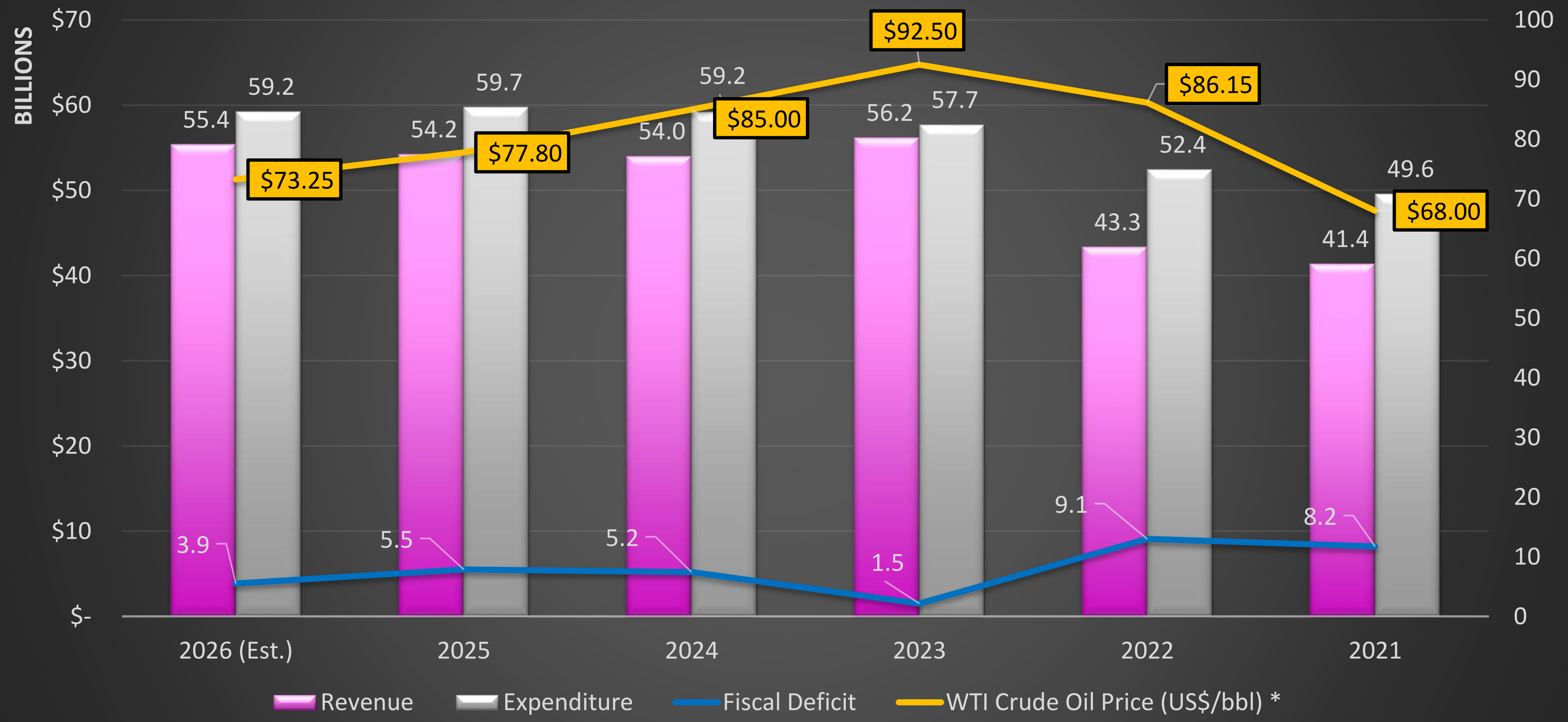
The budget is anchored in five strategic pillars, with fiscal stability at its core. It acknowledges that the economy is challenged by deep structural imbalances that trap us in a low-growth cycle. Quoting Kahlil Gibran, the Minister of Finance reminded the nation audience that “true progress is not in enhancing what is, but in advancing what should be.” Accordingly, he declared, “We have chosen a fiscal approach that will not only restore stability but also lay the foundation for lasting prosperity. Our task, therefore, is not just to balance the nation’s finances, but to restore balance to our society.”

ADDRESSING THE ESTIMATES OF REVENUE AND EXPENDITURE FOR 2025/26

In presenting the estimates for the 2025/26 fiscal year, the Minister of Finance projected a fiscal deficit of 2.17 percent of GDP — comfortably within the international benchmark of 3 percent. This projection is based on an oil price assumption of US$73.25 per barrel (compared to US$77.80 in 2025) and a natural gas price of US$4.25 per MMBtu (compared to US$3.59 in 2025).

This deficit is notably lower than what was anticipated in public discourse and, by most measures, would easily pass the test of fiscal stability. However, given the volatility of global oil and gas markets, there remains a downside risk between projected and actual prices. The Minister acknowledged this uncertainty, emphasizing that it calls for “careful and responsive policy making.”

Revenue, Expenditure, Fiscal Deficit & Oil Prices (2019-2025)



Budget Insights

LAYING THE FOUNDATION FOR LASTING PROSPERITY

On the issue of long-term growth, the Minister was aspirational. He declared:

“In the future, we will pursue a path of fiscal consolidation and structural reform to break free from the cycle of low growth, anaemic revenue, and high expectations that have constrained our economy for far too long.”

To this end, the Minister announced the establishment of an Economic Resilience Council (ERC), chaired by himself, to guide and support economic development initiatives.

The Council will engage commercial consultants, as needed, to provide technical expertise. Its mandate will focus on promoting economic transformation and ensuring the prudent management of state resources.

The Minister also lamented the country’s declining international credit rating, from A- in 2015 to BBB- in 2024, and committed to reversing this trend. Regarding public sector wages, negotiations are expected to resume, with the Chief Personnel Officer proposing a revised offer of 10 percent.

Budget Insights

Taxation and Funding Measures

The Minister signalled his intention to replace the current "onerous" Value Added Tax (VAT) system with a more "efficient" Sales Tax, assuring that the transition would be revenue-neutral and socially balanced. Technical assistance will be sought for this review during the fiscal year. He further projected that Trinidad and Tobago will be removed from the European Union's list of non-cooperative tax jurisdictions by February 2026, as part of efforts to strengthen transparency and compliance. The introduction of transfer pricing legislation will "secure and fortify our revenue base," complemented by a comprehensive training program for the Inland Revenue Division. In his words, "multinational corporations must pay their fair share of taxes." In addition to technical and legal adjustments, the success of these measures will depend heavily on public confidence and investor trust to ensure smooth implementation.

The Minister also announced new fiscal measures, including:

- **An Asset Levy of 0.25 per cent on commercial banks and insurance companies, expected to generate TT$575 million annually.**
- **A Landlord Business Surcharge on actual income, estimated to raise TT$70 million.**
- **A truncated Electricity Surcharge, projected to yield TT$269 million.**

These measures, while increasing revenue, also contribute to a more balanced financial framework for the national budget.

To support domestic financing, the Minister revealed plans for a new National Investment Fund (NIF) Bond, backed by 21 percent of the Government's shareholding in First Citizens Bank Holdings Limited, aimed at raising TT$1 billion — likely the first phase of a broader domestic financing strategy.

Budget Insights

There is clarity of intent in the Government's effort to ensure that every citizen receives "a piece of the pie." Yet, achieving true fairness may require far greater resources and momentum. On the horizon are opportunities that could redefine Trinidad and Tobago's economic trajectory, including the U.S. license for oil exploration in Venezuelan waters in a time of embargo, renewed investor interest in the energy sector, strengthened crude production and gas expansion, the establishment of an Export Academy, and new global partnerships with India, Grenada, Africa, and Venezuela.

The Argument for a Fair Budget

Ultimately, a fair budget demands explicit growth momentum and renewed vigour in economic diplomacy. Within its first 150 days, the 2026 Budget Statement emerges as both an ambitious and transitional document, one that seeks to repair an old structure while charting a course toward financial stability and fairness.

- Professor Winston Dookeran




Budget Highlights

Super Gas Price Slashed by $1

Electricity Surcharge Targets Industrial and Commercial Use

Single-Use Plastics Taxed to Tackle Pollution

Banks and Insurers Face New Asset Levy

Rum, Beer, Cigarettes See Double Duty Hike in Push for Fiscal Reform

Private Pensions to Become Tax-Exempt Under New Fiscal Policy

Landlords Must Register and Pay New Rental Income Surcharge Starting January 2026

Phased Adjustment to NIS Contribution Rates to Safeguard Pension Fund Stability

Basic Food Items Get VAT Relief

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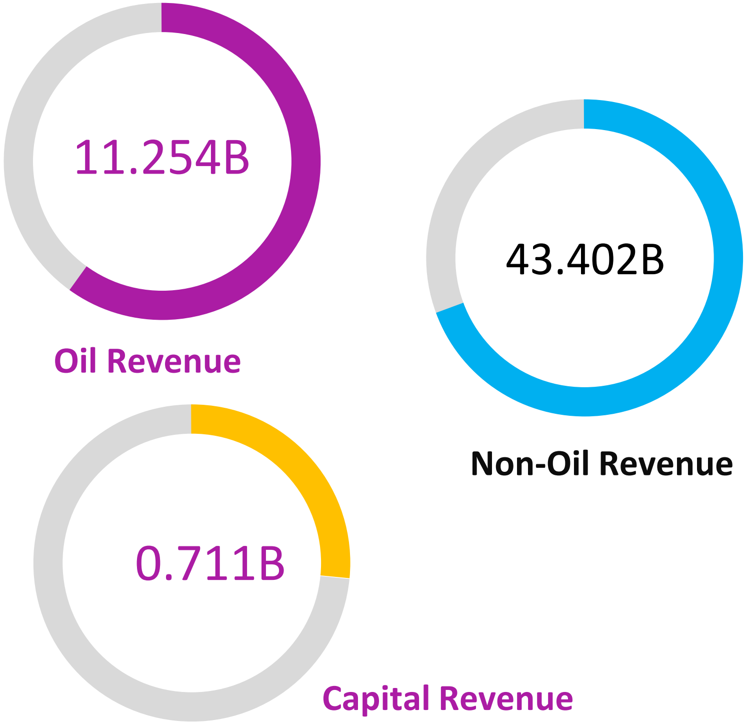
Estimates Of Revenue & Expenditure

Revenue Overview



An estimated **TT$55.367BN** in total revenue is projected for Fiscal 2026, comprising **TT$11.254BN** from oil, **TT$43.402BN** from non-oil sources, and **TT$0.711BN** from capital revenue.

The Finance Minister highlighted that the **fiscal deficit**, estimated at **TT$3.865BN or 2.17% of GDP**, remains within the international benchmark of 3%.

This balanced approach reflects the Government's commitment to **fiscal responsibility**, **sustained growth**, and **effective resource management** amid evolving global economic conditions.

Expenditure

Net Deficit

6.52%

For 2026, the total estimated expenditure is TT$59.232BN. Of this, 40% is allocated to key sectors such as education and training, health, and national security. An additional TT$3.395BN is designated for public utilities, while TT$5.439BN will be directed towards other initiatives, including rural development, local government, agriculture, and housing.

TT$8.776BN

Education & Training

15%

TT$8.214BN

Health

14%

TT$6.366BN

National Security

11%

TT$3.395BN

Public Utilities

6%

TTS1.943BN

Infrastructure

4%

TT$1.807BN

Rural Development and Local Government

3%


AEGIS
Fiscal
Measures

Levy on the Assets of Commercial Banks & Insurance Companies

Effective January 1st, 2026, a 0.25% levy will be applied to the assets of commercial banks and insurance companies operating in Trinidad and Tobago, excluding those located in Special Economic Zones.

Electricity Surcharge

A fixed electricity surcharge of TT$ 0.05 per kWh will be introduced for commercial and industrial users effective January 1st, 2026. Essential public services will remain exempt under this measure.

Customs Duties on Luxury Electric Cars

Electric vehicles valued above TT$400,000 will now attract a 10% customs duty, in addition to VAT and tiered motor vehicle taxes. This measure takes effect from January 1st, 2026.

Landlord Business Surcharge

Starting January 1st, 2026, landlords will be required to register with the Board of Inland Revenue and pay a one-time registration fee of TT$ 2,500. A yearly surcharge will apply at a rate of 2.5% on rental income up to TT$ 20,000 and 3.5% on income exceeding that threshold

Taxation on Single-Use Plastics

A 5% tax on the CIF value of imported single-use plastics will take effect on January 1st, 2026. This measure aims to encourage environmental responsibility and reduce plastic pollution.

Removal of Motor Vehicle Tax Concessions for Returning Nationals

Effective January 1st, 2026, customs duty relief and related tax concessions on vehicles imported by returning nationals will be discontinued.

Fiscal Measures

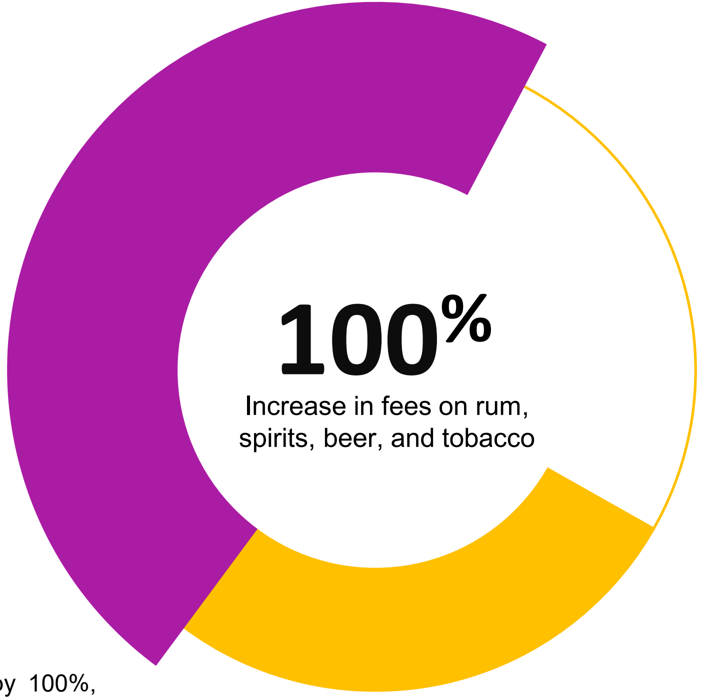
Increase in Fees, Charges and Excise Duties

Proposed Duties

$158.50
Rum and Spirits (by percent of alcohol)

$10.28
Beer (by gravity of beer)

$10.52
Cigarettes (per pack of 20)



Increase in Fees, Charges and Excise Duties

Custom Duties for rum, spirits, beer, and tobacco products have been increased by 100%, effective immediately. In addition, a 100% increase will apply to container processing, custom declaration user fees, the Environmental Tyre Tax, and fees related to Wild Animals and Birds, effective January 1st, 2026.

Fiscal Measures

Penalties on Offences

To strengthen compliance and promote responsible practices, the Government has proposed several penalty increases effective **January 1st, 2026**. The **Environmental Tyre Tax** will rise from **TT$3,000 to TT$5,000**, while the **Application for Registration of a Pesticide** increases from **TT$2,000 to TT$4,000**. Fees for **Brewers** move from **TT$4,000 to TT$10,000**. New penalties are also being introduced, including **TT$5,000** for driving while disqualified, and **TT$15,000** for careless driving or driving under the influence of alcohol.

Increase to retirement age

From January 2028, the retirement age for full NIS pension will gradually increase from 60 to 65 over a 10-year period, rising by one year every two years. Current pensioners and individuals retiring before January 1st, 2028, will not be affected.

NIB contribution rate will increase by 3%

From January 5th, 2026, and by an additional 3% on January 4th, 2027.

Tax Exemption for Private Pensions

Private pension income will be exempt from Income Tax, effective January 1st, 2026.

TT$5MN

Women's Health Fund

To address menstrual inequity and promote women's health, the Government will launch a Women's Health Fund with an initial investment of TT$ 5MN, starting January 2026. Tax incentives will also be provided to encourage private sector support and contributions.

Tax Concession for Corporate and Individual Contributions to Registered Animal Shelters

To support registered animal shelters in managing stray populations and promoting animal welfare, tax deductions will be available to both corporations and individuals. Corporations will be allowed a deduction of up to 15% of chargeable profits or TT$ 100,000 annually, while individuals may claim up to 20% of total income or TT$ 20,000. This measure takes effect from January 2026.

Reduction in Cost of Construction Materials

Effective January 1st, 2026, the negative list under the Trade Ordinance will be amended to remove item (i) 4 (Clays, limestone, sand, gravel, plastering sand, etc.). This initiative aims to reduce construction costs and stimulate employment within the construction and allied sectors.

Agriculture Incentives

Effective January 1st, 2026, VAT will be removed from all machinery and equipment used exclusively for agriculture, as well as from hydroponic and greenhouse farming components. Customs Duty on animal feed for poultry, cattle and pigs will also be eliminated.

Fiscal Measures

Effective **October 17th, 2025**, **VAT will be removed** from several basic food items, including table salt, mauby, coconut water, and locally produced vegetables such as pumpkin, watermelon, cucumber, lettuce, and tomato, to help ease the cost of living. Additionally, the price of super gasoline has been reduced by TT$1.00 per litre, effective immediately, providing further relief to households and businesses alike.

Super Gasoline reduced by TT$1.00 effective immediately, and VAT to be removed from basic food items.

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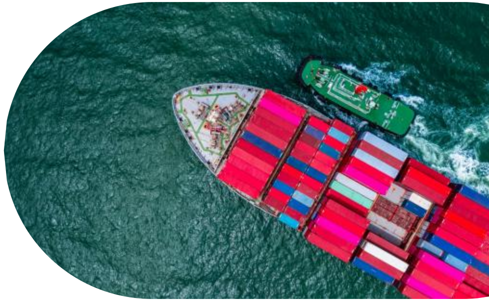
Trade, Social & Other Initiatives

Agriculture

TT$ 793.7MN investment in agriculture, fisheries, irrigation, and agri-tech and promotion of Smart Agriculture and AI farming systems to reduce imports and boost exports with a target of TT$ 1BN in exports by next fiscal year.

Trade and Investment

Plans to launch a National Registry of Exporters, introduce a “Buy Local” campaign, and pursue new trade agreements with India and West Africa to boost exports and strengthen market access. Additionally, efforts to position Trinidad and Tobago as a regional marine services hub will include streamlining immigration and customs processes and attracting investment of US$3 billion over the next two years and US$9 billion within five years, with the goal of creating approximately 3,000 jobs and expanding the country’s blue economy.



Digital Technology

The Government will launch the National Payment and Innovation Company to manage all public payments and collections, supported by a wider digital transformation drive featuring Anansi 24/7 services, digital IDs, online access to public services, and an AI Hub to train youth for the digital economy.

Trade, Social & Other Initiatives

Trade, Social & Other Initiatives

For 2026, three major education initiatives were announced. The **eLEVATE TT Programme** (TT$5.72M) will train 15,000 teachers in digital literacy, coding, and AI-assisted teaching, in partnership with UWI and Microsoft Caribbean.

The **NEXTCLASS Project** (TT$4.64M) will pilot an AI-powered learning platform in 60 secondary schools to support lesson planning, grading, and parent engagement.

The **PEARL Project** (TT$7.89M), a joint Education and Health initiative, will introduce universal screening for preschool and infant students to detect learning and developmental challenges early, aiming to cut undiagnosed difficulties by 30% within two years.

Tobago

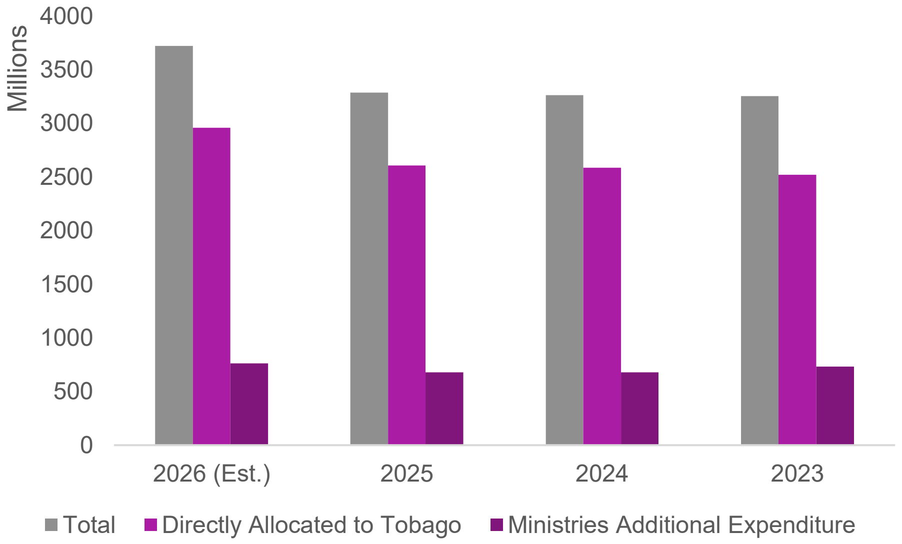
Tobago Allocation

Expenditure

For Fiscal Year 2026, Tobago will receive a total allocation of TT$3.72 billion, representing 6.3% of the national budget, the highest in recent years. This includes TT$2.96 billion for the Tobago House of Assembly (5%) and TT$763 million in additional spending by central ministries.

Funding priorities include key investments in tourism and creative sectors, infrastructure, agriculture, digital transformation, human capital, education, training, and MSME development.
The allocation aligns with the THA's Strategic Development Pathway (2025–2045), focused on economic diversification and resilience.

national budget.



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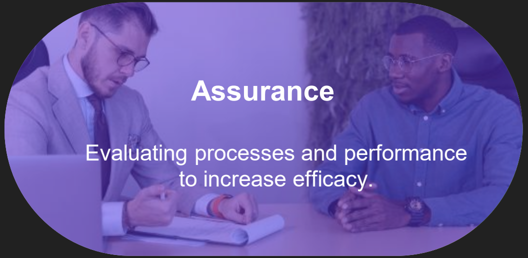

Assurance

Evaluating processes and performance to increase efficacy.

Payroll

Ensuring your most valuable assets are compensated on time, every time.

Accounting & Taxation

Keeping an eye on the numbers and maintaining your tax compliance.

Information Technology

Leveraging technology to propel your business.

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Get In Touch

Looking to streamline your operations, scale your team, or bring a project to life? We specialize in delivering reliable, cost-effective outsourcing solutions tailored to your needs.

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