LEGAL NOTICE NO. 165

REPUBLIC OF TRINIDAD AND TOBAGO

THE FISCAL INCENTIVES ACT, CHAP. 85:01

ORDER

MADE BY THE PRESIDENT UNDER SECTION 10 OF THE FISCAL INCENTIVES ACT

THE FISCAL INCENTIVES (CARIBBEAN GAS CHEMICAL LIMITED) ORDER, 2016

Citation

1. This Order may be cited as the Fiscal Incentives (Caribbean Gas Chemical Limited) Order, 2016.

Interpretation

2. In this Order—

"the Act" means the Fiscal Incentives Act; and

"tax holiday period" means a period of ten years.

Declaration of approved enterprise

3. Caribbean Gas Chemical Limited, a company incorporated in Trinidad and Tobago (hereinafter referred to as "the Company"), is declared an approved enterprise in respect of methanol and dimethyl ether (hereinafter referred to as "the approved products") to be manufactured at Union Industrial Estate, La Brea, with effect from 1st November, 2018 (hereinafter referred to as "the production day").

Classification

4. The Company, classified as a highly capital intensive enterprise under section 9 of the Act, in respect of the approved products, is granted, during the tax holiday period commencing from the production day—

(a) total relief from customs duty in relation to the approved products; and

(b) total relief from income tax on dividends or other distributions, other than interest, out of profits or gains derived from the manufacture of the approved products during the tax holiday period.

Benefits
Chap. 78:01

5. The Company shall be granted the following benefits in accordance with the provisions of the Customs Act under:

(a) Item No. 11 of the Second Schedule—import duty concessions on machinery and equipment;

(b) Item No. 24 of the Second Schedule—import duty concessions on industrial machinery and equipment;

(c) Item No. 14 of the Third Schedule—import duty concessions on materials for the manufacture of methanol and dimethyl ether; and

(d) Item No. 70 of the Third Schedule—import duty concessions on building materials for construction of the plants.

Obligations imposed on approved enterprise

6. The Company shall—

(a) undertake locally or cause to be undertaken locally, the minimum manufacturing processes set out in the Schedule;

(b) maintain to the satisfaction of the Board of Inland Revenue, accounts in respect of its business and the accounts so maintained shall allow for the transactions relating to the manufacture of the approved products to be clearly identifiable from the transactions relating to any other business of the company;

(c) observe the practice and policy prevailing in Trinidad and Tobago as regards labour relations and conditions of employment;

(d) comply with the requirements of the Environmental Management Authority on the environmental codes of conduct for the industry and obtain the Certificate of Environmental Clearance;

(e) submit to the Ministry of Trade and Industry any information requested in the manner directed and at such times as the Ministry may request; and

(f) obtain all statutory approvals from the Town and Country Planning Division, Ministry of Planning and Development.

SCHEDULE

[Paragraph 6*(a)*]

MINIMUM MANUFACTURING PROCESSES

1. Methanol

Methanol is produced by a steam reforming process of natural gas at the reformer and a conversion process of reformed gas at the methanol synthesis reactor. Crude methanol produced at the methanol synthesis reactor is transferred to a distillation system and then purified for use as saleable methanol.

The reforming reactions of natural gas take place over a nickel-base catalyst filled in the reforming tubes at elevated temperatures. The steam—methane reforming reaction and carbon monoxide shift reaction take place under equilibrium. As the overall reaction is endothermic, the heat for the reaction is supplied from outside of reforming tubes by firing fuel (natural gas).

The reformed gas consisting of hydrogen, carbon dioxide, carbon monoxide and water vapour is cooled and compressed and delivered to the methanol synthesis reactor. Most of the water vapour is separated from the reformed gas by passing through this cooling and compression process.

The compressed gas is again heated up to the required temperature for a methanol synthesis reaction to occur. The methanol synthesis reaction takes place over a copper-zinc-base catalyst filled in the methanol synthesis reactor.

The effluent gas from the methanol convertor is cooled and then condensed water and methanol are separated at the crude methanol separator. After this, the mixture of methanol and water (crude methanol) is delivered to a distillation system to purify the methanol for use as saleable methanol.

2. Dimethyl ether

Dimethyl ether (hereinafter referred to as "DME") is produced by a dehydration reaction of methanol. Methanol produced at the methanol production process is fed to the DME synthesis reactor at the required temperature *via* a vapour phase. The dehydration reaction of methanol takes place over an alumina-base catalyst filled in the DME synthesis reactor.

Effluent gas from the DME synthesis reactor which consists of DME, water vapour and methanol is cooled and delivered to a DME distillation system to purify the DME for us as saleable DME.

Dated this 26th day of October, 2016.

L. RODRIGUEZ
Secretary to Cabinet

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