



Trinidad and Tobago EITI Report FY2019 and FY2020

Covering the period 1 October 2018 to
30 September 2020

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Abbreviations

Abbreviation	Meaning
bbl	Barrels (of oil)
bcf	Billion cubic feet
bcf/d	Billion cubic feet per day
BIR	Board of Inland Revenue
BO	Beneficial ownership
AFS	Audited financial statements
AMLD	EU Anti-Money Laundering Directives
bopd	Barrels of oil per day
CBD	United Nations Convention on Biological Diversity
CEC	Certificate of Environmental Clearance
ECMA	East Coast Marine Area
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
EMA	Environmental Management Authority
FATF	Financial Action Task Force
FO	Farm-out
GoRTT	Government of the Republic of Trinidad and Tobago
IA	Independent Administrator
IAS	International Accounting Standards
IPSC	Incremental production service contracts
LNG	Liquefied natural gas
LO	Lease-out
MAC	Minerals Advisory Council
MEEI	Ministry of Energy and Energy Industries
mmBtu	Metric million British thermal unit
mmscf	Million standard cubic feet
mmscf/d	Million standard cubic feet per day
MOF-Inv	Ministry of Finance – Investment Division
MOF-IRD	Ministry of Finance: Inland Revenue Division
MSG	Multi-stakeholder group
MT	Million tonnes
MtCO ₂ e	Million tonnes of carbon dioxide equivalent
NCMA	North Coast Marine Area
NGC	National Gas Company of Trinidad and Tobago
NGCPL	NGC Pipelines Limited
PEP	Politically exposed person
PPLSA	Petroleum Production Levy and Subsidy Act
PSC	Production Sharing Contract
SC	TTEITI Steering Committee
SCMA	South Coast Marine Area
SEPMM	State Enterprises Performance Monitoring Manual
SOE	State-owned enterprise
T&T	Trinidad and Tobago
TCF	Trillion cubic feet
TPHL	Trinidad Petroleum Holdings Limited
TRINTOC	Trinidad and Tobago Oil Company Limited
TRINTOPEC	Trinidad and Tobago Petroleum Company Limited
TT\$	Trinidad and Tobago dollar
TTEITI	Trinidad and Tobago EITI
UNFCCC	United Nations Framework Convention on Climate Change
US\$	US dollar

Foreword

Welcome to Trinidad and Tobago's eighth annual Extractive Industries Transparency Initiative (EITI) Report. The country has been implementing the EITI for over a decade and this year's report arrives at a time when fears over a global recession, the war in Ukraine and supply chain challenges linger. The Covid-19 pandemic also continues to impact global economies. For Trinidad and Tobago, these events have had significant bearing on our economy's performance.

In the early stages of the pandemic, depressed oil, gas and petrochemical prices contributed to the country's deep economic recession. In 2022, global energy commodity prices have been buoyed by the global demand-supply imbalance caused by the war in Ukraine. Brent crude oil and Henry Hub gas prices have averaged US\$104 per barrel and US\$6 per mmBtu in 2022. This temporary boost in energy commodity prices for 2022 has improved revenue collections. Royalties and production sharing contract share of profit are both expected to reach nine-year highs. The Minister of Finance also confirmed improved GDP, cash flow and Government's plans to use the spike in revenue to tackle debt, reduce the budget deficit and importantly to fund a deposit to the Heritage and Stabilisation Fund. This will be the first deposit into the Heritage and Stabilization Fund since 2013.

While the short-term revenue outlook is definitely promising, the country must look beyond the temporary fillip in prices and revenue. There are also structural issues to be addressed in the energy sector that will change the country's energy landscape. These include the results of the deep water, shallow water and onshore bid rounds, the development of the Caribbean's largest solar project, changes to the fiscal regime to incentivize more production, the restructuring of Atlantic LNG and a move towards liberalisation of retail fuel prices and reduction of the fuel subsidy.

Given these policy shifts and the changing nature of the global energy market, sharing up to date information on oil, gas and mining revenue and the future outlook for these sectors is key. This report reconciles Government's payments for fiscal years 2019 and 2020. However, the Trinidad and Tobago EITI's (TTEITI) Steering Committee (SC) has included up to date information on the Government's revenue from royalties and profit share from production sharing contracts and other key parameters for the period up to 2022.

Over the last year, we have been focussing on advancing the practice of systematic disclosure whereby EITI information becomes available at source within the relevant Ministry websites and is not confined to EITI Reports. The SC embarked on a pilot with the EITI International Secretariat, concentrating on developing a road map for systematic disclosure to be embedded in Government systems. Our new work plan for 2021-23, also targets an increase in mining sector participation in TTEITI and the passing of TTEITI legislation. We recently welcomed the Estate Management and Business Development Company as a new EITI implementing mining company. The Minister of Energy has also been briefed on the benefits of EITI legislation. All of these focus areas will inform our performance in implementing the EITI Standard and our successfully achieving compliance for our second Validation assessment. This report therefore introduces several innovations.

Some of these innovations include divulging findings of studies on contract transparency and beneficial ownership. These innovations are being introduced because the EITI, as a dynamic initiative, is responding positively to the evolving challenges in its member countries while upholding an international standard and accommodating the different national realities and contexts. In Trinidad and Tobago, the EITI continues to provide a collaborative mechanism and platform for developing and consolidating transparency and accountability in the nation's oil and gas sectors, the cornerstone of the national economy. The SC's aim is also to ensure that the EITI is relevant to and effective in targeting national priorities, including digitalisation and local Government reform on participatory budgeting.

On behalf of the TTEITI Steering Committee and Secretariat, I wish to acknowledge with thanks the roles played by the stakeholders - Government, extractive companies and civil society - in guiding and supporting EITI implementation over the last year and in producing this report. In particular, I recognize the Ministry of Energy and Energy Industries and the Ministry of Finance's Board of Inland Revenue and Investments Division for their contributions. Also, I recognize the EITI Independent Administrator, PKF Limited, supported by Engaged Consulting and Michael Barron Consulting, for their professionalism in carrying out the analysis for this report. Finally, I want to thank the TTEITI Steering Committee and the Secretariat for their daily contributions to EITI implementation. I am optimistic that the information provided in this report will advance dialogue and debate on the country's extractive sector. My fervent hope is that we all continue to support the EITI's journey for the next decade and beyond.

Gregory McGuire

Chairman, TTEITI Steering Committee

23 August 2022

1 Report of the Independent Administrator

23 August 2022

Trinidad and Tobago EITI Steering Committee
15th Floor International Waterfront Centre
1 Wrightson Road
PORT OF SPAIN

To whom it may concern,

PKF Limited, in partnership with Engaged Consulting Limited and Michael Barron Consulting, was engaged to provide Independent Administrator (IA) services to the TTEITI Steering Committee.

The Republic of Trinidad and Tobago became an EITI member with candidate country status in March 2011, and, in January 2015, under the direction of the Cabinet-appointed Multi-Stakeholder Steering Committee, attained EITI Compliant Country status, having met all the requirements of the EITI Standard.

In keeping with the EITI's standard of promoting transparency and accountability, this report, which covers a two-year period 1 October 2018 to 30 September 2019 and 1 October 2019, to 30 September 2020, is designed to disclose payments made to the Government of the Republic of Trinidad and Tobago (GoRTT) by companies in the oil, gas and mining sectors. In the preparation of this report, the following process was adopted:

- Examining local laws, reporting standards and internal control systems to determine the level of assurance that could be placed on data quality.
- Reviewing the relationship among the governmental and non-governmental reporting entities.
- Drafting an inception report covering a review of materiality, the disaggregated revenue flows, the participating companies and governmental agencies, and the roles of all parties involved in the provision of data.
- Reviewing and compiling data which is readily accessible from public sources.
- Collecting and evaluating signed completed templates from all parties, as well as non-financial contextual information from the TTEITI Steering Committee and Secretariat.
- Reconciling revenue flows reported by the various private and governmental participants.
- Recommending changes directed at enhancing transparency and accountability.
- Producing a draft report for evaluation by the TTEITI Steering Committee.
- Providing a final report, together with electronic data files for publication.

The procedures performed did not constitute an audit or a review in accordance with generally accepted auditing standards or attestation standards. Accordingly, the IA provide no opinion, attestation or other forms of assurance with respect to our work or the information upon which our work was based. We did not audit or otherwise verify the information supplied to us in connection with this engagement, from whatever source, except as may be specified in this report. Our work was limited to the specific procedures and analyses described herein and was based only on the information made available through 31 July 2022. Accordingly, information provided after this date, which could affect the findings outlined in the report, may not have been considered. Our assessment was not designed to identify or disclose fraud, defalcations and other irregularities. Where our checks involved documents with an authorising signature, no procedures were performed to verify the authenticity of those signatures.

The EITI report for fiscal 2019 and 2020 is attached.



Renée-Lisa Philip
Managing Director – PKF Limited

2 Background

2.1 Background of EITI

The Extractive Industries Transparency Initiative (EITI) was set up in 2002 and brings together government, oil, gas and mining companies and civil society organisations to improve transparency and accountability in the extractive sector. It is voluntary for countries to join and so far, more than 55 countries have elected to do so. Countries must fulfil certain conditions to be accepted as implementing countries. Implementation involves meeting the requirements of the EITI Standard, which have developed over time. Currently the EITI Standard 2019 is being applied.

At its core, EITI involves companies disclosing the taxes they pay to government and government disclosing taxes received from the companies. The Independent Administrator reconciles the taxes paid and received and publishes the information in an annual report. The report must also contain other information such as production levels and the legal framework under which the extractive sector operates in a country.

However, in recent years the Standard has expanded to include additional reporting requirements including those on beneficial ownership, contract transparency, gender, environmental impact and project level reporting. This constant progression in the EITI Standard has meant that even countries who have successfully implemented EITI in the past still need to bring in new, fresh insights in order to maintain that position. At the global level, EITI is overseen by a Board consisting of equal number of representatives of governments, companies and civil society. The current chair is the former New Zealand Prime Minister Rt Hon. Helen Clark. The Board makes the final decision on whether a country has met the EITI Standard on recommendation from the International Secretariat. The International Secretariat, based in Oslo, supports the Board and the implementation process to ensure that the Standard is being met.

At an individual level, an EITI multi-stakeholder group (MSG) undertakes the implementation of EITI. The MSG is typically headed by a relevant minister and comprises equal numbers of government, company and civil society representatives. Once a country has joined the EITI, all companies in scope for reporting taxes are expected to comply. The government is responsible for funding implementation, but finance is available from the World Bank and from some bilateral aid organisations.

2.2 History of EITI in Trinidad and Tobago

Trinidad and Tobago has been an EITI Candidate country since 2011, and prepared its first EITI report covering 2010-2011 data in 2013. This is the eighth Trinidad and Tobago EITI Report, which includes EITI revenue data from the period 1 October 2018 to 30 September 2020. The Independent Administrator's (IA) work was carried out between 28 March 2022 and 31 July 2022 in accordance with the Terms of Reference included in Annex B. The report is based on information received up to 31 July 2022. Information received after this date has not been taken into account.

The report was prepared in the wake of the Covid-19 pandemic, and although previous restrictions on face-to-face meetings had been lifted, remote working practices and the use of virtual meetings continued to be the norm.

However, Covid-19 was a significant factor in this EITI Report being prepared for Fiscal Years 2019 and 2020. It also resulted in reporting templates being issued by TTEITI some time in advance of the IA being appointed and under contract.

This report reflects efforts by EITI, and TTEITI in particular towards mainstreaming of extractive industry data, where data is made systematically available online on government or other institutional websites. In cases where information is available online, it is not reproduced in this report, but clear reference is made to the online data and links are provided where possible.

The report is intended for the use of the TTEITI Steering Committee for the purpose of that initiative and is not to be relied upon by other parties.

The report includes its Annexes, which are provided separately.

2.3 Objective of this Report

The objective is to produce an EITI Report for the Fiscal Years 2019 and 2020 in accordance with the EITI Standard 2019 and the Terms of Reference (see Annex B). The Report provides an analysis and reconciliation of payments directly or indirectly made by participating extractive oil and gas companies involved in upstream and associated activities to the Government of the Republic of Trinidad and Tobago (GoRTT) and revenues reported as received by the GoRTT agencies from those companies for fiscal years 2019 and 2020.

In addition, the report includes a continuation of the pilot project on the mining sector. Five (5) companies from the mining sector were included in the pilot reporting and reconciliation for fiscal years 2019 and 2020, and payments to GoRTT were reported by these companies and receipts reported by GoRTT from these companies are included in this report and reconciled in accordance with the decision of the TTEITI Steering Committee.

2.4 Scope of work

Our scope of work is set out in Section 4 of this report, together with details of the work undertaken to determine the scope of the report and the determination of materiality.

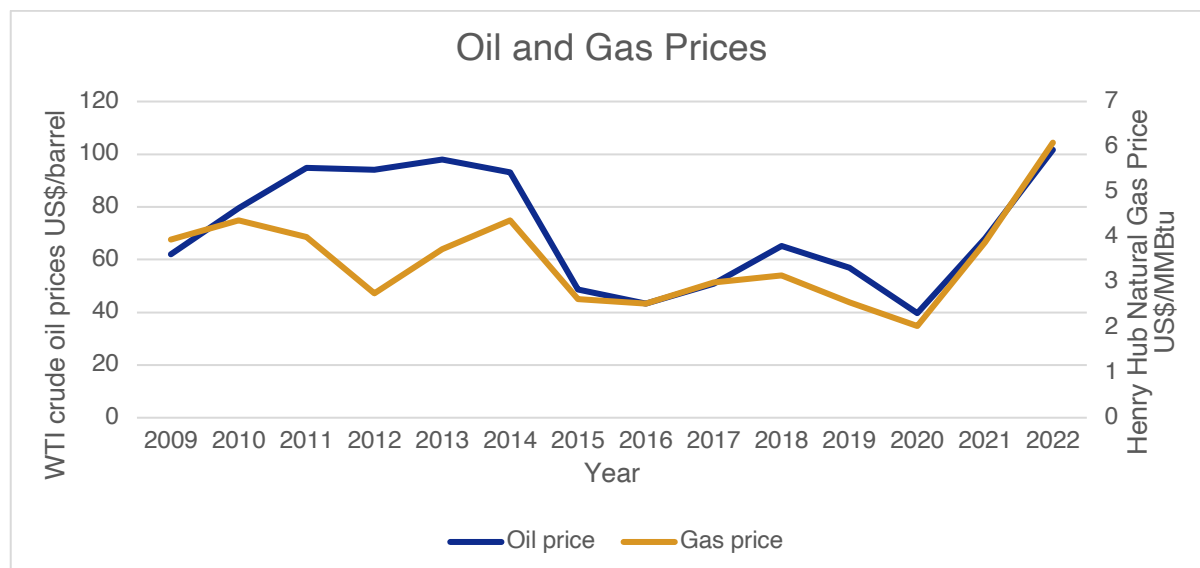
2.5 Acknowledgements

We would like to express our sincere thanks to the Ministry of Energy and Energy Industries, the Ministry of Finance, the TTEITI Steering Committee, the various companies which submitted their reporting templates and to Mr. Sherwin Long from the TTEITI Secretariat, who have assisted us in receiving replies from the Government and participating companies from the extractive industries, and for sending and receiving official confirmation letters to/from these parties. We also recognise the additional efforts made by stakeholders to overcome the difficulties caused by the aftermath of Covid-19 restrictions.

3 Executive summary

3.1 Overview of the extractive sector

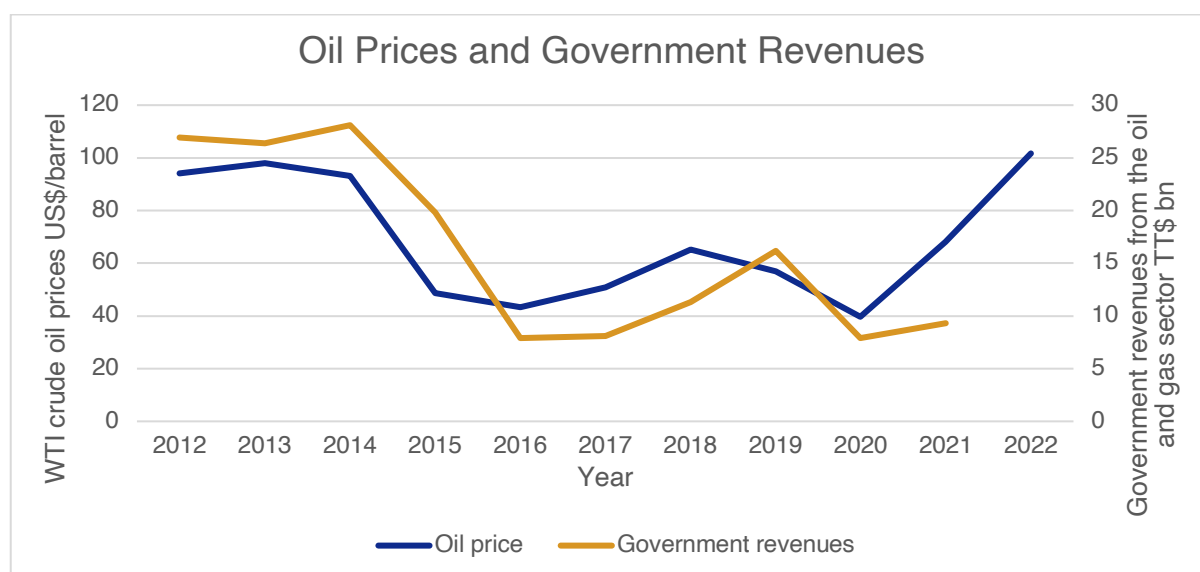
Oil and gas prices fell during 2019 to 2020, as a result of global factors including Covid-19 but rose again in 2021 and 2022 as the global economy recovered and also due to the uncertainty created by events in Ukraine. The oil price has returned to levels seen in the early 2010s, and the gas price is above those levels.



Source: [macrotrends.net](https://www.macrotrends.net)

Figure 3-1 Oil and Gas Prices 2009-2022

As can be seen from the chart below, government revenues from the oil and gas sector have tracked those changes in the oil price (and the gas price) over the last 10 years, as might be expected. The change in government revenues lags behind the commodity price, reflecting those prices flowing through into taxes and other payments to government.



Source: [macrotrends.net](https://www.macrotrends.net)

Figure 3-2 Oil Prices and Government Revenues 2012-2022

Table 3-1 Contribution of the extractives sector

Category	2017	2018	2019	2020	2021
Oil and Gas contribution to Government Revenue	23% of total Gov't revenue or TT\$8.1 bn	27 % of total Gov't revenue or TT\$11.3 bn	35.5% of total Gov't revenue or TT\$16.2 bn	24% of total Gov't revenue or TT\$7.9 bn	25% of total Gov't revenue or TT\$9.3 bn
Oil and Gas contribution to economic growth (Energy GDP)	5.1%	7%	10.1%	5.2%	NA

Source: Central Bank of Trinidad and Tobago, Summary Economic Indicators 2020, Ministry of Finance, Draft Estimates & Review of the Economy, Various Years.

The legal and institutional framework of the extractives sector is governed by four key agencies, Ministry of Energy and Energy Industries (MEEI), Ministry of Finance: Inland Revenue Division (MOF-IRD), Ministry of Finance: Investment Division (MOF-Inv) and The Environmental Management Authority (EMA). Their respective roles and responsibilities are set out in Section 5.4.2.

3.2 Reporting entities

Through the process of developing two materiality reports, one for 2019 and another for 2020, the TTEITI Steering Committee (SC) identified material entities and payments for the purposes of this report.

The selected government agencies were Ministry of Energy and Energy Industries (MEEI), Ministry of Finance – Investment Division (MOF-Inv) and Ministry of Finance – Inland Revenue Division (MOF-IRD).

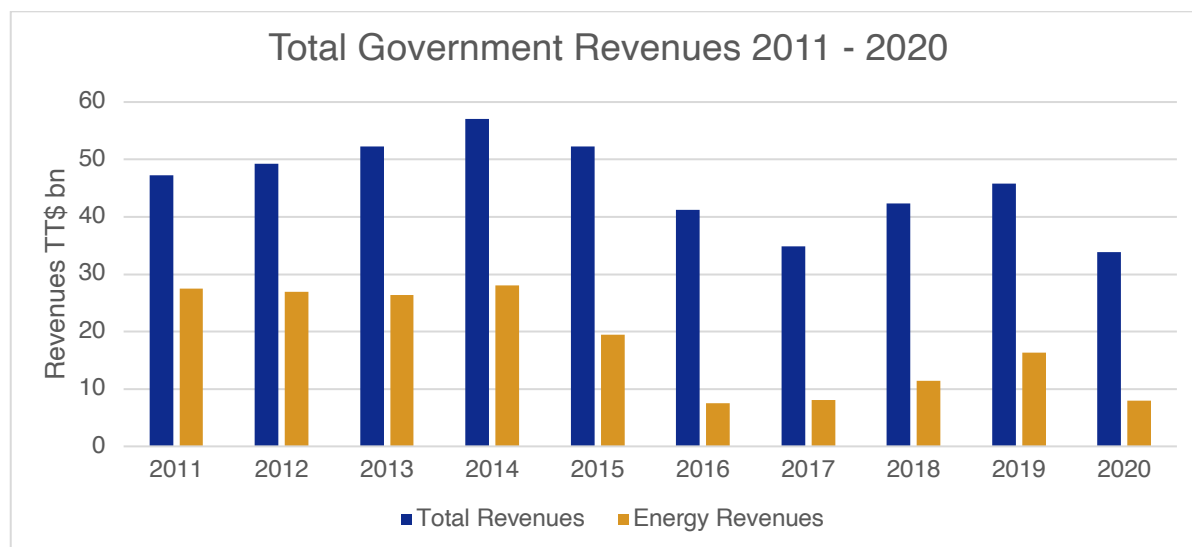
Forty-five oil and gas companies were selected. In addition, five mining companies were selected to be part of the ongoing pilot to include this sector within TTEITI reporting.

Table 3-2 Level of coverage

	Oil & Gas		Mining	
	2019	2020	2019	2020
Percentage of payments to MOF-IRD made by EITI reporting companies	99.5%	99.6%	35.4%	40.2%

Further details can be found in Section 4.2.

3.3 Government revenue generated from the extractive industries



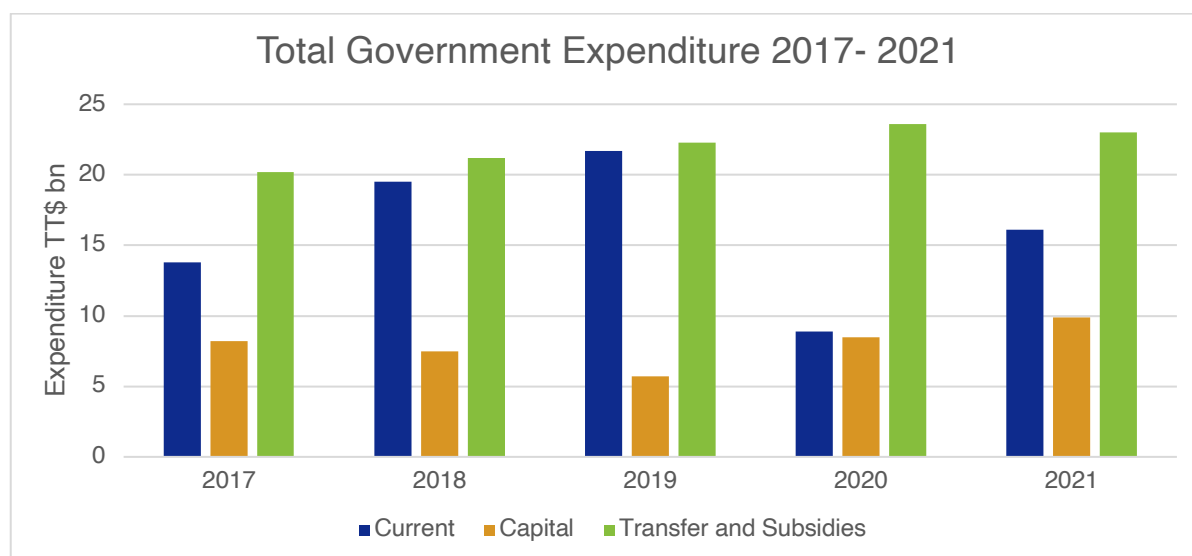
Source- Ministry of Finance, Estimates of Revenue 2020

Figure 3-3 Total Government revenues 2011 to 2020

3.4 Distribution of extractives revenues

Allocation of government revenues (extractive and non-extractive revenues from the Consolidated Fund) in Trinidad and Tobago to priority areas is determined by the Minister of Finance through the National Budget which is approved by Parliament.

Further details can be found in Section 5.10.



Source- Ministry of Finance, Estimates of Revenue 2020

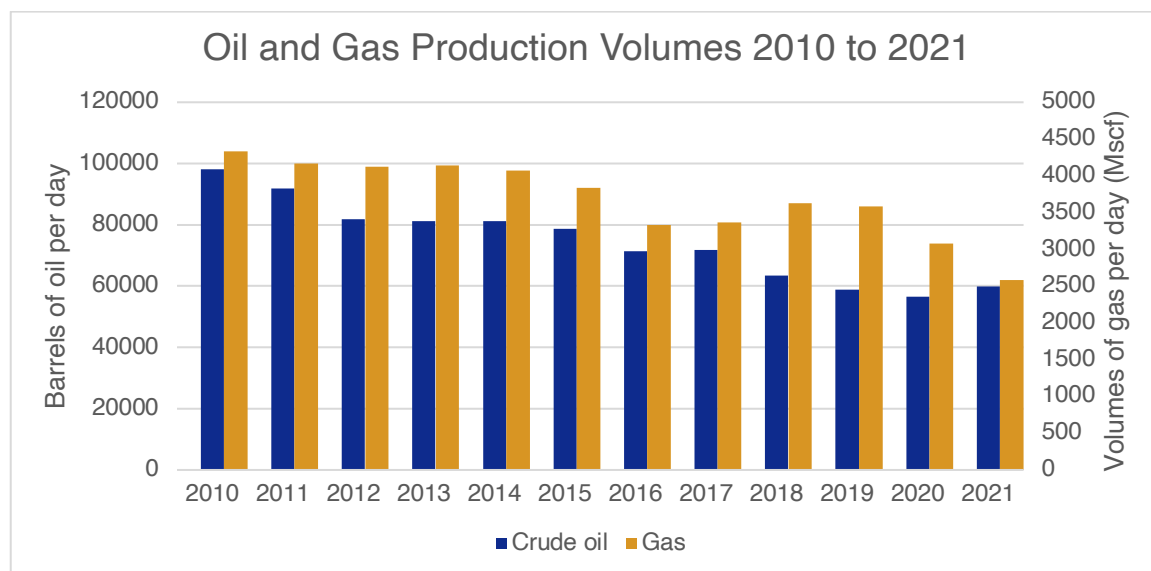
Figure 3-4 Total Government expenditures 2017 to 2021

3.5 Production data

Having seen a steady decline over the course of 10 years, crude oil production volumes saw a marginal increase in 2021 to 59,850 bopd.

However, gas production volumes saw a continuation of the decline which started in 2019.

Further details of both can be found in Section 6.3.



Source: Ministry of Energy and Energy Industries (MEEI), Consolidated Monthly Bulletins

Figure 3-5 Average crude oil and natural gas production volumes

3.6 Scope of the data collection and reconciliation

Reporting entities, with the exception of MOF-IRD, provided soft and hard copy templates to the Independent Administrator (IA), along with hard copies of companies' audited financial statements where available. MOF-IRD provided data using a different approach, due to confidentiality concerns. See Section 4.2.3.3.

The IA performed reconciliations of information provided by the various reporting entities as follows:

- Data was collated in specially-designed spreadsheets.
- A comparison was made between all entries, and questions were raised to investigate differences.
- Where differences suggested an omission by MEEI, the apparent omission was discussed with both the participant and MEEI to determine its authenticity, and to allow either party the opportunity to acknowledge the error.
- Where differences suggested an omission by MOF-IRD, the participant was asked to provide documentation to support the omission.
- Where necessary, virtual meetings were held with the participants and MEEI to resolve differences. Where meetings were impracticable, issues were resolved in writing using an appropriate virtual medium.

A recommendation relating to this process can be found in Section 8.3.1

3.7 Completeness and reliability of data

The reconciliation process resulted in changes being recommended to all parties. This threw into question the accuracy of the initial information provided by participants and governmental entities.

The reconciliation differences existed despite all templates being signed on behalf of the company by an official of the participant. Similarly, the templates by MOF-IRD were signed by the Commissioner of Inland Revenue and Chairman of the Board. Additionally, templates from MOF-Inv were signed by the Permanent Secretary at the Ministry. The existence of inaccuracies impact their reliability and credibility. There were no reconciliation differences with regard to dividends disclosed by MOF-Inv and the relevant participant.

The errors detected included the following:

- Misclassification of payments
- Omissions
- Payment made by one entity being posted to the wrong entity
- Transposition and other errors in posting
- Requested tax offset being treated as payments, although no payment occurred.

Further details on these issues can be found in Section 4.6.

3.8 Reconciliation of cash flows and any discrepancies

MOF-IRD, MOF-Inv and MEEI disclosed all material revenues from oil, gas and mining companies in accordance with the agreed scope. These entities also provided aggregate information about the amount of total revenues received from each of the benefit streams from oil and gas companies, including revenues that fell below agreed materiality thresholds. This was not provided for the mining companies.

All oil and gas companies making material payments to the government disclosed these payments in accordance with the agreed scope. Selected mining companies disclosed these payments in accordance with the agreed scope. Information provided was disaggregated by each individual company, government entity and revenue stream.

Information provided by governmental entities were compared against that provided by companies within the oil, gas and mining industries. Where differences arose, copies of source documents and explanations were requested from all relevant parties, except MOF-IRD which, by virtue of confidentiality provisions, is prohibited from discussing matters with the IA. This resulted in some errors which were allocated to MOF-IRD, not being verified with that particular entity.

Further details can be found in Section 4.5.

3.9 Recommendations

A review was carried out of recommendations included in the FY 2018 report, including those brought forward into that report from earlier years.

Significant progress has been made on some of these recommendations, and they have now been cleared. This has followed actions by TTEITI or others. The prior year recommendations which remain are listed below. Further details can be found in section 8.2.

Table 3-3 Summary of prior year recommendations

EITI Report FY 2018 Ref.	Subject of recommendation	Status		EITI Report FY 2019-20 Ref.
6.2.1	Confidentiality issues acting as a barrier to transparency	Repeated	Little/no progress	8.2.1
6.2.2	Auditor General staff numbers	Repeated	Little/no progress	8.2.2
6.2.2	Audit of MOF-IRD records by Auditor General	Repeated	Little/no progress	8.2.2
6.2.2	Auditor General assurance over EITI reporting	Repeated	Little/no progress	8.2.2
6.2.2	MEEI to improve monitoring of amounts due under PSCs and E&P	Repeated	Little/no progress	8.2.2
6.2.2	Audit of extractives SOEs	Repeated	Some progress	8.2.2
6.2.3	Engaged more O&G companies in EITI reporting	Cleared		8.2.3
6.2.4	Introduction of appropriate computerised systems by MEEI	Cleared		8.2.4
6.2.5	Consider whether and how to move quarrying reporting beyond a pilot	Cleared		8.2.5
6.2.5	Reporting by SOEs in the mining sector	Cleared		8.2.5
6.2.6	Introduction of provisions into all new licences/PSCs for companies to adhere to TTEITI requirements	Repeated	Little/no progress	8.2.6
6.2.7	MEEI to maintain publicly available license register with timely and comprehensive information	Repeated	Little/no progress	8.2.7
6.2.8	Individual company audits	Cleared		8.2.8
6.2.9	MEEI to enact a plan to bring licensing in mining sector up to date	Repeated	Little/no progress	8.2.9
6.2.9	MEEI to expedite drone technology procurement	Repeated	Some progress	8.2.9
6.2.10	Including of companies making escrow payments in reporting	Cleared		8.2.10
6.2.11	Review of accuracy of data on the petroleum register	Repeated	Some progress	8.2.11

Eight further recommendations have been made as set out in table 3-4 below.

Table 3-4 Summary of current year recommendations

Subject of recommendation	EITI Report FY 2019-20 Ref.
Integrity of the reconciliation process <ol style="list-style-type: none"> 1. TTEITI, MOF-IRD and the IA should work together to find a practical solution whereby templates and other data provided by government can be shared with the IA in a way which does not give the companies advance access or editorial access to those templates. With the relaxation of Covid-19 related rules it is possible that this might be achieved by a return to the previous approach of having a physical handover meeting. 	8.3.1
Legislative reform – Requirement for audited financial statements <ol style="list-style-type: none"> 1. TTEITI should establish whether an amendment to the Companies Act is impractical as a result of timing or subject matter. 2. If it is a matter of timing, TTEITI should establish mechanisms to monitor when there may be an opportunity to amend the Companies Act, and work on a timely basis to propose suitable amendments. 3. If it is a matter of subject matter, TTEITI should establish the nature of the impediment, and what actions could be undertaken to facilitate an amendment to the Companies Act. 	8.3.2
Regulatory enforcement <ol style="list-style-type: none"> 1. TTEITI should undertake a scoping study to establish the mining sector guidelines, the existence and effectiveness of any current mechanisms for their enforcement, and develop recommendations for suitable mechanisms to improve regulatory compliance. 	8.3.3
Mineral reserves <ol style="list-style-type: none"> 1. TTEITI should engage with MEEI to encourage the preparation of an up-to-date survey of minerals reserves to take place during 2022/23, with the results of that survey being systematically disclosed by MEEI and referenced in the following EITI Report. 	8.3.4
Beneficial ownership <ol style="list-style-type: none"> 1. TTEITI put in place a system to ensure that each company listed on the registry undertakes an annual update and/or reconfirmation of the accuracy and completeness of the information held on the registry. This should include adding to each company's listing the date of the most recent update or reconfirmation. 2. TTEITI adds fields to each company's entry on the registry to record the nature and extent of the ownership and/or control of each beneficial owner listed. 3. TTEITI co-operate with the MEEI to ensure that beneficial ownership details for each applicant for and oil and gas exploration licence or mining licence are collected and added to the online registry. 4. TTEITI persist with efforts to persuade all companies in scope for reporting provide their beneficial ownership details for the registry. 	8.3.5
Contract transparency <ol style="list-style-type: none"> 1. TTEITI should engage with the relevant government agencies to identify opportunities to embed provisions that will support EITI implementation including on contract transparency as part of any legal reforms of the extractive industries. 	8.3.6

<p>In particular, this should include reform of confidentiality provisions to allow the disclosure of the text of contracts and licenses.</p> <ol style="list-style-type: none"> 2. TTEITI should undertake a scoping study to create a contract transparency regime in the country. This study should include consideration of the contract information that is likely to cause commercial damage if disclosed, the resources required to upgrade the contract and license information already available on the MEEI website and the resources required to implement an online database of contracts and licenses. 3. TTEITI should engage with EITI supporting companies and seek to build a case for the waiver of confidentiality clauses in contracts and take that proposal to the government. 	
<p>Gender reporting</p> <ol style="list-style-type: none"> 1. Company reporting templates for FY 2021 should include a request for each company to report employment data disaggregated by gender and occupations level. 2. Disclosures should be included in the 2021 EITI Report showing disaggregated data where possible. 	8.3.7
<p>Mainstreaming</p> <ol style="list-style-type: none"> 1. TTEITI establish a mainstreaming page on its website which provides links to mainstream information, including any notes on how to access. This page should be kept up to date at least on a monthly basis. 2. TTEITI should liaise with MEEI to ensure its website is updated to ensure the latest version of legislation is available. 	8.3.8

4 Approach and methodology

4.1 Introduction

PKF Trinidad in collaboration with Engaged Consulting Ltd and Michael Barron Consulting Ltd (together “the Independent Administrator”) were appointed on 1 March 2022 following a competitive tendering process, required to undertake the work set out in the Terms of Reference for the Engagement. This includes undertaking a reconciliation of specified flows to government from companies in the extractive sector, as described further in this section.

The reconciliation has been carried out on a cash accounting basis.

Oil and gas

With regard to the reconciliation of flows arising from the oil and gas sector, the Steering Committee of TTEITI determined the specific flows to be captured within the report, the specific participants and the levels of materiality. Please see Sections 4.2.5 and 4.2.6 for the list of participants; Sections 4.2.1 and 4.2.2 for the applicable flows; and Section 4.2.4 for the materiality determination.

The procedures performed did not constitute an audit or a review in accordance with generally accepted auditing standards or other attestation standards. Accordingly, we provide no opinion, attestation or other forms of assurance with respect to our work or the information upon which our work was based. We did not audit or otherwise verify the information supplied to us in connection with this engagement, from whatever source, except as may be specified in this report. Our work was limited to the specific procedures and analyses described herein and was based only on the information made available through 31 July 2022. Accordingly, information provided after this date, which could affect the findings outlined in the report, may not have been considered. We held discussions with persons responsible for reporting within the oil and gas sector as listed in Annex A of this report. We also reviewed the relevant legislation and prior reports prepared for previous reporting periods. Our assessment was not designed to identify or disclose fraud, defalcations and other irregularities. Where our checks involved documents with an authorising signature, no procedures were performed to verify the authenticity of those signatures. This report includes specific payments made by those participants and reported as having been received by MEEI, MOF-IRD and MOF-Inv. Where certain payments have been made to the National Gas Company of Trinidad and Tobago for use of its facilities for transportation, these have also been reported.

Mining

The TTEITI Steering Committee continued with its pilot project and incorporated five (5) participants in the mining sector into its reconciliation process. This report includes specific payments made by those participants and reported as having been received by MEEI and MOF-IRD. The specific flows and the structure of the Reporting Template were determined by the Steering Committee of the TTEITI.

Of the five (5) mining companies which agreed to participate in EITI reporting, one (1) had nothing to report on account of the absence of production during the reporting period; and one (1) did not provide completed templates. The TTEITI contacted two other State-Owned Enterprises (SOEs) - Estate Management and Business Development Company Limited and Palo Seco Agricultural Enterprises Limited - to participate in the pilot project. Estate Management and Business Development Company Limited agreed to participate in the 2021 report. Palo Seco Agricultural Enterprises Limited did not agree and noted that the company is not an extractive company and its core function is project management. The report on the mining sector, therefore, takes into account just three (3) companies, two (2) of which are SOEs.

4.2 Scoping study and materiality

4.2.1 Flows in scope – Oil and gas

The TTEITI Steering Committee Materiality Determinations for 2019 and 2020 identified the following flows as in scope and specified those to be reconciled.

Table 4-1 Flows in scope

Key	
	Included in scope, disclosed and reconciled
	Included in scope and disclosed, but not reconciled
	Not included in scope

Category of flow	
1	Royalty for Gas and Crude Oil
2	Minimum Rent E&P (Surface rental fees)
3	PSC Minimum Hectare Payment (Annual License/Hectare Acreage payments)
4	PSC Share of Profits
5	Petroleum Impost
6	Petroleum Production Levy
7	Other payments under PSC - Training Fees
8	Other payments under PSCs - R&D Fees
9	Other payments under PSCs - Administration Fees
10	Petroleum Profits Tax (PPT)
11	Supplemental Petroleum Tax (SPT)
12	Unemployment Levy
13	Green Fund Levy
14	Withholding Tax on Dividends
15	Withholding Tax on Branch Profits Deemed Remittance
16	Dividends (paid by NGC and PETROTRIN)
17	Insurance Premium Tax for Foreign Policies
18	Corporation Tax
19	Business Levy
20	Signature Bonuses
21	Bidding Fees
22	Production bonuses
23	Abandonment Provision – Payments into Environmental Escrow Account
24	Fees for assignment of PSCs
25	PSCs Holding Fee
26	Payments in-kind Flows
27	PSC Tax Settlements
28	Social Payments
29	Transportation Revenue
30	Infrastructure Provision
31	Withholding Tax on Loan Interest

32	Royalty for minerals
33	Working Interest & Overriding Royalty Interest to State Companies
34	Pay-As-You-Earn (PAYE)
35	Import Duties

4.2.2 Flows in scope – Mining

Having considered the material flows within the mining sector and its experience from the previous year's report, the Steering Committee determined the flows that would be relevant for reporting. These would include corporation tax, green fund levy, business levy and royalties.

4.2.3 Selected government entities

The following government entities were selected, being those receiving the selected flows.

Table 4-2 Selected government agencies

Government entities	
1	Ministry of Energy and Energy Industries (MEEI)
2	Ministry of Finance – Investment Division (MOF-Inv)
3	Ministry of Finance – Inland Revenue Division (MOF-IRD)

4.2.3.1 MEEI

MEEI provided the following:

- A template, in both US\$ and TT\$, showing amounts received from participants in the oil and gas sector in a variety of payment categories, as well as the dates of payment and receipt numbers where applicable.
- A template, in both US\$ and TT\$, showing amounts received from participants in the mining sector in a variety of payment categories, as well as the dates of payment and receipt numbers where applicable.
- Monthly oil and gas production figures for participants in the oil and gas sector.
- Escrow balances as applicable.

Reconciliation questions were readily addressed and where applicable, amendments agreed.

4.2.3.2 MOF-Investment Division

MOF-Inv provided copies of correspondence evidencing dividend payments received from those SOE participants in the oil and gas sector, as well as completed templates showing such dividends.

4.2.3.3 MOF Inland Revenue Division

MOF-IRD provided the following:

- A template, in both US\$ and TT\$, showing amounts received from participants in the oil and gas sector in a variety of payment categories, as well as the dates of payment and receipt numbers where applicable.

- A template, in both US\$ and TT\$, showing amounts received from participants in the mining sector in a variety of payment categories, as well as the dates of payment and receipt numbers where applicable.

Section 4(1) and 4(2) of the Income Tax Act reads:

‘...4. (1) Every person having any official duty or being employed in the administration of this Act shall regard and deal with all documents, information, returns, assessment lists, and copies of such lists relating to the income or items of the income of any person, as secret and confidential, and shall make and subscribe a declaration in the form prescribed to that effect before a Magistrate.

(2) Any person having possession of or control over any document, information, returns, or assessment lists or copies of such lists relating to the income or items of income of any person who at any time communicates or attempts to communicate such information or anything contained in such documents, returns, lists or copies to any person— (a) other than a person to whom he is authorised by the President to communicate it; or (b) otherwise than for the purposes of this Act or any other written law administered by the Board, is guilty of an offence...’

These provisions prohibited the MOF-IRD from providing the listed templates directly to the Independent Administrator (IA). Instead, they were transmitted to the participants via email for immediate onward transmission to the IA. All participants provided completed templates before they received templates from MOF-IRD. There was therefore no evidence to suggest that the participants altered their templates to fall in line with the reports submitted by MOF-IRD.

In some cases, there were delays between MOF-IRD templates being sent to participants and them being passed on to the IA. For example:

One participant notified the IA that the templates for a company were being ‘revised by the BIR’ and that when the updated templates were received, they would be forwarded to the IA. This would suggest that the MOF-IRD template was intercepted by the participant and returned to the MOF-IRD for ‘correction’ instead of being immediately forwarded to the IA. Although there is nothing specifically prohibiting participating companies from doing this, it introduces a risk in the reconciliation process. Having the participant as the medium through which the MOF-IRD templates must pass, before reaching the IA weakens the independence of the IA’s reconciliation process.

Another participant received their template from MOF-IRD on 4 April 2022 and forwarded it to the IA on 7 July 2022 - three (3) months later. The participant indicated that they were unaware that they needed to forward the template to the IA, believing that the MOF-IRD would have already done so. This participant provided its own template on 26 April 2022, twenty-three (23) days after receipt of the MOF-IRD template. There is no indication that the template from MOF-IRD was amended, and the delay may be a result of miscommunication.

For another participant there was a delay between the date it received its template from MOF-IRD and the date it was forwarded to the IA. The template was submitted to the participant on 29 April 2022 and it was forward to the IA on 17 May 2022 - eighteen (18) days later. It is possible that the participant may have conducted an internal evaluation or reconciliation in the intervening period. Again, there is nothing specifically prohibiting participating companies from doing this, but it bypasses part of the reconciliation process. This participant provided its template on 26 April 2022 and no further amendments or updates were provided thereafter.

This issue is the subject of the recommendation in Section 8.3.1.

4.2.4 Materiality

At its 74th Technical Sub-Committee Meeting held on 19 January 2022, the proposed approach to determining materiality as outlined in the Guidance Notes was presented to the Multi-Sector Group

(MSG) for their agreement in principle, and this approach was approved. More specifically, that approval included the use of MEEI and MOF-IRD revenue data to determine a threshold using an Aggregate Payment Threshold approach. Also, at its 75th Technical Sub-Committee Meeting held on 16 February 2022, the materiality determination was presented to the members who had a lengthy consideration and discussion and agreed unanimously to set the threshold for materiality to TT\$2 million. At its 136th Meeting held on 17 February 2022, this materiality document was presented to the members in detail and there was unanimous agreement that this would form the final materiality determination for the eighth TTEITI Report.

The papers setting out the materiality decision of the TTEITI Steering Committee for 2019 and 2020 are included as Annexes C and D.

4.2.5 Selected companies – Oil and gas

The TTEITI Steering Committee Materiality Determinations for 2019 and 2020 stated:

“The application of the criteria outlined above resulted in the inclusion of 45 companies in the 8th TTEITI Report for Fiscal 2019-2020, either because of crossing the threshold or because they agreed to report given that they were part of the process for the first TTEITI Report.”

Those 45 companies are listed below.

Table 4-3 Selected companies – Oil and gas

Company	
1	Amoco Trinidad Gas BV Trinidad Branch
2	BG International Limited
3	Shell Trinidad 5(a) Limited
4	Shell Trinidad and Tobago Limited
5	Shell Trinidad Central Block Limited
6	BHP Billiton (Trinidad-2C) Limited
7	BHP Billiton (Trinidad-3-A) Limited
8	BHP Billiton Petroleum (Trinidad Block 14) Limited
9	BHP Billiton Petroleum (Trinidad Block 23A) Limited
10	BHP Billiton Petroleum (Trinidad Block 23B) Limited
11	BHP Billiton Petroleum (Trinidad Block 28) Limited
12	BHP Billiton Petroleum (Trinidad Block 29) Limited
13	BHP Billiton Petroleum (Trinidad Block 3) Limited
14	BHP Billiton Petroleum (Trinidad Block 5) Limited
15	BHP Billiton Petroleum (Trinidad Block 6) Limited
16	BHP Billiton Petroleum (Trinidad Block 7) Limited
17	BP Exploration Operating Co Ltd Trinidad Branch
18	BP Trinidad and Tobago LLC
19	BP Trinidad Processing Limited
20	Touchstone Exploration (Trinidad) Ltd
21	Trinidad and Tobago LNG Limited
22	Trinity Exploration and Production (Galeota) Limited
23	Trinity Exploration and Production (Trinidad and Tobago) Limited
24	De Novo Energy Block 1 A Limited

25	Shell Trinidad Block E Limited
26	EOG Resources Trinidad 4(A) Unlimited
27	EOG Resources Trinidad Limited
28	EOG Resources Trinidad- U(A) Block Limited
29	EOG Resources Trinidad U(B) Block Unlimited
30	Lease Operators Limited
31	National Gas Company of Trinidad and Tobago Limited
32	NGC E&P Investments (Netherlands) B.V.
33	NGC Pipeline Company Limited
34	Oilbelt Services Limited
35	Perenco T&T Limited
36	Petroleum Company of Trinidad and Tobago Limited
37	Primera Oil and Gas Limited
38	PT.Fortin LNG Exports Ltd.
39	Repsol Angostura Ltd
40	Shell T&T Resources SRL
41	Shell Trinidad North Coast Limited
42	Shell Gas Supply Trinidad Limited
43	Trinling Limited
44	BG 2/3 Investments Limited
45	Heritage Petroleum Company Limited

4.2.6 Selected companies – Mining

The MSG Steering Committee, at its 111th Meeting held on 16 January 2020, agreed to reconcile five (5) mining companies on a pilot basis without determining a materiality threshold, and has retained this position for the 8th TTEITI Report.

The five (5) pilot companies selected to participate in the report are set out in table 4-4.

Table 4-4 Selected companies – Mining

Company	
1	Trinidad Cement Limited
2	Hermitage Limestone Limited
3	FW Hickson & Co Ltd
4	Lake Asphalt Trinidad & Tobago (1978) Limited (SOE)
5	National Quarries Company Limited (SOE)

Of the entities listed, no information was provided by the following:

Table 4-5 Companies providing no information – Mining

Company	
1	Trinidad Cement Limited

Of the entities listed, no activity was reported for the following:

Table 4-6 Companies reporting no activity – Mining

Company	
3	FW Hickson & Co Ltd

As recommended in the previous report, the TTEITI contacted two other SOEs (Estate Management and Business Development Company Limited and Palo Seco Agricultural Enterprises Limited) to participate in the pilot project. Estate Management and Business Development Company Limited agreed to participate in the 2021 report. Palo Seco Agricultural Enterprises Limited did not agree, and noted that the company is not an extractive company and its core function is project management. The report on the mining sector, therefore, takes into account just three (3) companies, two (2) of which are SOEs.

4.2.6.1 Trinidad Cement Limited (TCL)

According to its 2020 Annual Report (<https://www.stockex.co.tt/news/trinidad-cement-limited-annual-report-2020/>), TCL is resident and incorporated in Trinidad and Tobago and is engaged in the manufacture and sale of cement, concrete and aggregate. The company is a limited liability company with its registered office located at Southern Main Road, Claxton Bay. It is the parent of several subsidiaries including Readymix (West Indies) Limited, TCL Packaging Limited, TCL Ponsa Manufacturing Limited; TCL Leasing Limited, RML Property Development Limited, Caribbean Cement Company Limited, Rockfort Mineral Bath Complex Limited, Arawak Cement Company Limited, TCL Trading Limited, TCL (Nevis) Limited, TCL Guyana Inc., Arawak Concrete Solutions Limited, TTLI Trading Limited, TGI Concrete Solutions Limited and TGI Concrete Solutions Inc.

It is a subsidiary of Sierra Trading and the ultimate parent is CEMEX, S.A.B. de C.V. - a public stock corporation with variable capital organised under the laws of Mexico, with shares traded on the Mexican Stock Exchange and the New York Exchange.

TCL's quarrying area covers 127.0741 Hectares.

In 1990, TCL was privatized and to this day, falls under the ownership of several key shareholders including CEMEX, the National Insurance Board, the Trinidad and Tobago Unit Trust Corporation and the TCL Employee Share Ownership Plan.

4.2.6.2 Hermitage Limestone Limited

According to its website (<http://hermitagelimestone.com/#home>), Hermitage Limestone Limited is a privately owned company incorporate on 17 September 1999. Its registered office is at 6 Mile Mark Heights of Guanapo Road, Arima. It operates an area that spans between the Arima River Valley and the Aripo River Valley. The quarry is located on Tumbason Road and covers 25.1841 hectares.

4.2.6.3 FW Hickson & Co Ltd

According to TTEITI's website (<https://www.tteiti.com/register-beneficial-ownership/fw-hickson-co-ltd>), this privately owned company was incorporated in Trinidad and Tobago and has its registered office at 222 Hosein Street, Lopinot Road, Arouca. However, the license expired and there is an ongoing legal dispute over the private mineral rights.

4.2.6.4 Lake Asphalt Trinidad and Tobago (1978) Limited

Lake Asphalt Trinidad and Tobago (1978) Limited is incorporated in the Republic of Trinidad and Tobago and continued under the provisions of The Companies Act, 1995, on 27 July 1999. Its principal activities are mining, processing and selling asphalt and related products. The registered office of the company is Lamp Post 4717, Brighton, La Brea.

The company has access to the Pitch Lake via a non-exclusive lease agreement with the Government of the Republic of Trinidad and Tobago – its sole shareholder. Its quarry covers 44.1117 Hectares.

The company has a fully owned subsidiary, Trinidad Asphalt Corporation of America, which was incorporated under the laws of the United States of America.

4.2.6.5 National Quarries Company Limited

National Quarries Company Limited was incorporated on 23 February 1979 under the Laws of the Republic of Trinidad and Tobago. Its principal activities are quarrying and mining of sand and gravel and limestone at its two quarries located at Turure Road, Guaico, Sangre Grande and Blanchisseuse Road, Blanchisseuse. Its head office is located at Churchill Roosevelt Highway, Arouca. The company was continued under the provisions of the Companies Act, 1995 on 15 March 1999.

4.2.6.6 Estate Management and Business Development Company Limited (EMBD)

The EMBD is a limited liability company, formed in August 2002 and is owned by the Government of Trinidad and Tobago. Its activities include residential, agricultural and quarry management. According to its website (<http://embdt.org/embd-projects/quarry-management/>), it presently oversees two (2) quarries located at the Esperanza Estate which was formerly managed Caroni (1975) Limited. The operating quarries are located at Coco Road and Windsor Park. The stone quarry is located in the Guaracara area of Williamsville. The sand quarries supply backfill material and red sand for plastering. The Guaracara yellow stone is mostly used as a sub-base for road construction.

EMBD has two locations – one on Coco Road, off Cedar Hill Road in Claxton Bay and one on Indian Trail Road in Couva. Together, they cover 114.9332 Hectares.

4.2.6.7 Palo Seco Agricultural Enterprises Ltd (PSAEL)

PSAEL, formerly Trinidad Tesoro Agricultural Company Limited, was incorporated on 11 October 1956. It was a wholly-owned subsidiary of Trinidad and Tobago Petroleum Company Limited (TRINTOPEC), a company incorporated in Trinidad and Tobago on 19 November 1985.

The principal activities of the company are the design, construction and management of infrastructure development projects in southern Trinidad, as well as the management of the residual non-oil assets of Petroleum Company of Trinidad and Tobago Limited (Petrotrin), a company formed in 1993, in which the oil-related assets of TRINTOPEC and the Trinidad and Tobago Oil Company Limited (TRINTOC), were vested.

The company's registered address is 31 Casuarina Avenue Petrotrin Compound, Pointe-a-Pierre.

The quarry is located at Parrylands, La Brea via Grants Road and covers 69.19 Hectares.

4.2.7 Assessment of coverage - Companies

Requirement 4.9 of the EITI Standard 2019 states that:

“All oil, gas and mining companies making material payments to the government are required to comprehensively disclose these payments in accordance with the agreed scope. A company should only be exempted from disclosure if it can be demonstrated that its payments are not material.”

Involvement in the EITI reporting is on a voluntary basis and those willing to participate have to sign a Memorandum of Understanding to that effect. The Government of the Republic of Trinidad and Tobago (GoRTT) cannot force compliance, even among those entities that are party to the MOU. The process involves significant moral suasion.

The voluntary nature of participation would, by its very nature, result in significant participants not being included in the report by virtue of their unwillingness to contribute. The IA does not have access to company information stored at MOF-IRD to assess which other companies within the extractive industries provide material revenues to GoRTT and should be approached to become a participant. Likewise, private companies are not required to conduct an audit or to make their financial information publicly available, for a similar assessment to be made.

Considerations of the Steering Committee suggest that following companies, some of which have lease-out (LO), farm-out (FO) or incremental production service contracts (IPSC) with Heritage Petroleum Company Limited, may have made material payments to MEEI, MOF-IRD and MOF-Inv:

Table 4-7 Assessment of coverage

Company	LO/FO/IPSC
Lennox Production Services Limited	-
Range Resources Limited	FO
Goudron E&P Limited	IPSC
T.N. Ramnauth & Co Limited	LO
Rocky Point T&T Limited	LO
Trinidad Wireline Limited	LO
Petroleum Contracting Services Limited	LO
Hydrocarb Trinidad Limited	LO

Financial statements for these companies were not readily available to the IA. Nonetheless, an internet search revealed the following:

4.2.7.1 Range Resources Limited:

Range Resources Trinidad Ltd. is the local subsidiary of exploration, development, and production company, Range. A review of the group's 2019 and 2020 financial statements at <https://ir.rangeresources.com/static-files/64ff7245-a777-4c03-81d8-78c80ea8ecf9> and <https://ir.rangeresources.com/static-files/57580ba6-9f1f-4477-92ce-5c7db251905b> did not reveal tax information specific to the local entity. This company has an FO Contract with Heritage Petroleum Company Limited.

4.2.7.2 Goudron E&P Limited:

This Oil and Gas Production and Exploration company is a 100% subsidiary of Challenger Energy Group plc (formerly Challenger Energy Group plc), as suggested by a review of the parent's financial statements at <https://www.investegate.co.uk/challenger-energy/rns/annual-report-and-financial-statements/202109270700109830M/>. The group financial statements did not provide information on the tax liabilities of the local subsidiary. This company has an IPSC with Heritage Petroleum Company Limited.

The financial statements of Challenger Energy Group plc listed several 100% owned subsidiaries within the oil and gas sector in Trinidad and Tobago. These include:

Leni Trinidad Ltd	Oil and Gas Production and Exploration Company
Columbus Energy Services Ltd	Oil and Gas Services Company
Columbus Energy Bonasse Limited	Oil and Gas Production and Exploration Company
FRAM Exploration (Trinidad) Ltd (IPSC)	Oil and Gas Production and Exploration Company
Jasmin Oil & Gas Ltd (FO)	Oil and Gas Production and Exploration Company
Cory Moruga Holdings Ltd	Oil and Gas Production and Exploration Company
West Indian Energy Group Ltd	Oil and Gas Services Company
T-REX Resources (Trinidad) Ltd	Oil and Gas Production and Exploration Company

Heritage Petroleum Company Limited has included an EITI reporting clause in its revised LOFO and IPSC contracts, making it mandatory for these companies to report revenue payments to the TTEITI IA.

4.2.7.3 Trinity Group

Other than the specific participants listed among the forty-five selected by the MSG Steering Committee, Trinity reported the following locally-register subsidiaries, all of which have been declared inactive:

- i. Trinity Exploration and Production Services Ltd
- ii. Trinity Exploration and Production (Erin 1) Ltd
- iii. Trinity Exploration and Production (Erin 2) Ltd
- iv. Trinity Exploration and Production (Forest 1) Ltd
- v. Trinity Exploration and Production (Forest 2) Ltd
- vi. Trinity Exploration and Production (Forest 3) Ltd
- vii. Trinity Midstream Ltd
- viii. Trinity Renewable Resources Ltd

4.2.7.4 BP Group

Other than the specific participants listed among the forty-five selected by the Steering Committee, BP also included in their reporting, a locally registered subsidiary - BP Alternative Energy Trinidad and Tobago Limited. At the time of signing the MOU, this company was inactive. It is expected to participate in the country's first industrial scale solar power project. Operational activity is expected to commence in 2022/2023.

4.2.7.5 Repsol Group

Other than the specific participants listed among the forty-five selected by the Steering Committee, Repsol reported a locally registered subsidiary – Repsol Exploration Tobago SA. Employees from Repsol Angostura Limited were transferred to Repsol Exploration Tobago SA in September 2021 (following the start of the liquidation process of Repsol Angostura Limited). Prior to this, there were no employees, and this entity was used to record Repsol's share (30%) of a JV held with Amoco

Trinidad Gas BV which had no activity (other than fulfilling obligations as per the PSC) following sanctions impacting development of the Manakin Block. This entity should be included in future EITI reports.

4.2.7.6 BHP Group

Other than the specific participants listed among the forty-five selected by the Steering Committee, BHP reported the following locally-register subsidiaries, both of which have relinquished blocks awarded by the MEEI:

- i. Block 7 – Relinquished
- ii. Block 28 – Relinquished

4.2.7.7 EOG Group

Other than the specific participants listed among the forty-five selected by the Steering Committee, EOG reported a locally-registered subsidiary – EOG Resources Trinidad Nitro Unlimited. This company is not involved in upstream operations.

4.2.8 Assessment of coverage - Payments

4.2.8.1 Payments to MOF-IRD

Total receipts from the extractive sector, as reported by MOF-IRD to the TTEITI Secretariat, are shown below:

Table 4-8 Assessment of coverage – Payments to MOF-IRD

Tax Type	2019		2020	
	Total Collections TT\$	Percentage	Total Collections TT\$	Percentage
Supplemental Petroleum Tax	1,009,126,169	21.52%	417,250,969	20.15%
Petroleum Profits Tax	2,201,664,246	46.95%	1,047,772,974	50.60%
Unemployment Levy	313,647,547	6.69%	136,940,407	6.61%
Green Fund Levy	152,566,016	3.25%	82,505,743	3.98%
Corporation Tax	802,655,928	17.12%	233,554,964	11.28%
Business Levy	20,739,083	0.44%	46,222,554	2.23%
Withholding Tax on Branch Profits	135,803,609	2.90%	77,834,555	3.76%
Withholding Tax on Dividends	48,147,863	1.03%	24,976,012	1.21%
Insurance Premium Tax	2,729,287	0.06%	1,252,483	0.06%
Interest	1,466,792	0.03%	1,989,536	0.10%
Penalties	495,153	0.01%	465,345	0.02%
TOTAL	4,689,041,693	100.00%	2,070,765,542	100.00%

Source: MOF-IRD data Table 3.1a

Table 4-9 Assessment of coverage – Split of payments to MOF-IRD – Oil & gas 2019

Tax Type	Collections Non-EITI Companies	Collections EITI Companies	% Related to EITI Companies
	TT\$	TT\$	
Supplemental Petroleum Tax	16,174,511	992,951,658	98.4%
Petroleum Profits Tax	1,309,201	2,200,355,045	99.9%
Unemployment Levy	320,643	313,326,904	99.9%
Green Fund Levy	1,316,317	146,605,051	99.1%
Corporation Tax	2,756,200	796,895,798	99.7%
Business Levy	517,417	11,371,185	95.6%
Withholding Tax on Branch Profits	0	135,803,609	100.0%
Withholding Tax on Dividends	0	48,095,958	100.0%
Insurance Premium Tax	0	2,729,287	100.0%
Interest	492,965	917,431	65.0%
Penalties	9,272	484,744	98.1%
Total	22,896,526	4,649,536,670	99.5%

Table 4-10 Assessment of coverage – Split of payments to MOF-IRD – Oil & gas 2020

Tax Type	Collections Non-EITI Companies	Collections EITI Companies	% Related to EITI Companies
	TT\$	TT\$	
Supplemental Petroleum Tax	3,829,616	413,421,353	99.1%
Petroleum Profits Tax	1,194,030	1,046,578,944	99.9%
Unemployment Levy	307,333	136,633,074	99.8%
Green Fund Levy	712,944	77,209,103	99.1%
Corporation Tax	792,635	231,057,927	99.7%
Business Levy	410,728	37,470,765	98.9%
Withholding Tax on Branch Profits	0	77,782,650	100.0%
Withholding Tax on Dividends	0	24,976,012	100.0%
Insurance Premium Tax	0	1,252,483	100.0%
Interest	3,182	1,958,941	99.8%
Penalties	0	464,345	100.0%
Total	7,250,468	2,048,805,597	99.6%

Table 4-11 Assessment of coverage – Split of payments to MOF-IRD – Mining 2019

Tax Type	Collections Non-EITI Companies	Collections EITI Companies	% Related to EITI Companies
	TT\$	TT\$	
Green Fund Levy	2,628,692	2,015,956	43.4%
Corporation Tax	2,980,590	23,340	0.8%
Business Levy	5,014,021	3,836,460	43.3%
Withholding Tax on Branch Profits	0	0	
Withholding Tax on Dividends	51,905	0	0.0%
Insurance Premium Tax	0	0	
Interest	56,350	46	0.1%
Penalties	1,137	0	0.0%
Total	10,732,695	5,875,802	35.4%

Table 4-12 Assessment of coverage – Split of payments to MOF-IRD – Mining 2020

Tax Type	Collections Non-EITI Companies	Collections EITI Companies	% Related to EITI Companies
	TT\$	TT\$	
Green Fund Levy	2,553,947	2,029,749	44.3%
Corporation Tax	1,704,402	0	0.0%
Business Levy	4,463,341	3,877,720	46.5%
Withholding Tax on Branch Profits	51,905	0	0.0%
Withholding Tax on Dividends	0	0	
Insurance Premium Tax	0	0	
Interest	26,312	1,101	4.0%
Penalties	1,000	0	0.0%
Total	8,800,907	5,908,570	40.2%

Due to confidentiality considerations, MOF-IRD would not provide details of any entities that made payments above the threshold set by the Steering Committee.

4.2.8.2 Payments to MEEI

Total receipts from the extractive sector, as reported by MEEI to the TTEITI Secretariat, are shown below:

Table 4-13 Assessment of coverage – Payments to MEEI

Tax Type	2019		2020	
	Total Collections	Percentage	Total Collections	Percentage
	TT\$		TT\$	
Royalty	3,240,475,537	40.61%	1,791,774,087	41.71%
Minimum Rent – E&P	36,687,927	0.46%	30,349,264	0.71%
PSC Minimum Hectare Payments	49,569,371	0.62%	76,247,576	1.78%
PSC Share of Profits	2,289,697,504	28.69%	1,847,008,195	43.00%
Petroleum Levy	201,286,832	2.52%	174,462,828	4.06%
Petroleum Impost	70,684,971	0.89%	68,553,092	1.60%
Other PSC Payments	2,071,017,897	25.95%	293,094,527	6.82%
Subtotal	7,959,420,039	99.74%	4,281,489,569	99.68%
Other (Signature Bonus and PSC Bidding Fees)	20,908,778	0.26%	13,710,352	0.32%
TOTAL	7,980,328,817	100.00%	4,295,199,921	100.00%

4.2.8.3 Overview of coverage achieved

The receipts provided by MEEI, MOF-IRD and MOF-Inv for EITI Reporting Companies were amended by reconciliation adjustments as follows:

Table 4-14 Overview of coverage 2019

	Initially Reported	Amended after Reconciliation procedures	TT\$ change	% change
	TT\$	TT\$		
MOF-IRD	4,863,817,009	5,190,370,494	326,553,485	6.71%
MEEI	7,923,834,903	7,980,328,817	56,493,914	0.71%
Sub total	12,787,651,912	13,170,699,311	383,047,399	3.00%
MOF-Inv	192,940,990	192,940,990	0	
Total	12,980,592,902	13,363,640,301	383,047,399	

Table 4-15 Overview of coverage 2020

	Initially Reported	Amended after Reconciliation procedures	TT\$ change	% change
	TT\$	TT\$		
MOF-IRD	2,208,237,297	2,258,400,322	50,163,025	2.27%
MEEI	4,258,458,609	4,295,199,921	36,741,312	0.86%
Sub total	6,466,695,906	6,553,600,243	86,904,337	1.34%
MOF-Inv	109,930,015	109,930,015	0	
Total	6,576,625,921	6,663,530,258	86,904,337	

4.3 Methodology

4.3.1 Data collection

Reporting entities provided soft copy templates to the Independent Administrator, with the exception of MOF-IRD, which did not provide any templates directly to the IA. Hard copy templates, with the assurance declaration signed by a senior official were provided by reporting entities, and copies of companies' audited financial statements were also provided in hard copy.

All companies and government entities provided signed hard copy templates.

See Annex E for details of audited financial statements provided by companies.

4.3.2 Templates used in the 2019-20 reconciliation

The Steering Committee approved data collection templates at the 123rd Steering Committee Meeting held on 21 January 2021 and on 8 February 2021, the Secretariat then issued templates to companies and government ` participating in the 2019 and 2020 reconciliations for completion.

4.3.3 Level of disaggregation (Requirement 4.7)

The EITI Standard requires that "the multi-stakeholder group should agree the level of disaggregation for the publication of data...and that EITI data is presented by individual company, government entity and revenue stream".

The Steering Committee decided that data should be reported and published at an individual company level and for each government entity, analysed by flow.

On 17 August 2017, the SC agreed to the following definition of project level reporting:-

“A project is defined in line with the Canada ESTMA, EU Directives and US SEC rules, which all essentially define a project to be taken as:

the operational activities that are governed by a single contract, licence, lease, concession, or similar legal agreement and form the basis for payment liabilities with a government, and if multiple such agreements are substantially interconnected, they would be considered a single project”.

“Substantially interconnected” means forming a set of operationally and geographically integrated agreements (e.g. contracts, licences, etc.) with substantially similar terms that are signed with a government, resulting in payment liabilities.”

Based on the definition all licenses and production sharing contracts in T&T are reported on as projects.

4.3.4 Elements of work of the Independent Administrator

The IA performed reconciliations of information provided by the various reporting entities utilising the following strategy:

- The IA created specially designed spreadsheets and populated them with the 2019 and 2020 information provided by the following:
 - Participating entities directly to the IA
 - MOF-IRD to the participating entities, for onward transmission to the IA.
 - MEEI directly to the IA
 - MOF-Inv directly to the IA
- A comparison was made between all entries, and questions were submitted to either MEEI or the participants for clarification or justification for entries reported by one and not the other.
- Where differences suggested an omission by MEEI, the apparent omission was discussed with both the participant and MEEI to determine its authenticity, and to allow either party the opportunity to acknowledge the error.
- Where differences suggested an omission by MOF-IRD, the participant was asked to provide documentation to support the omission.
- In most cases, documentation was submitted in soft medium.
- Where documentation was provided instructing MEEI to make specific payments e.g. for royalties, but where MEEI has no evidence of such payments being made, the participant's entry was adjusted.
- Where the participant gave directives to other governmental entities e.g. for the offset of outstanding VAT against SPT, but where no evidence of such payment was made, the participant's entry was adjusted.
- Where necessary, virtual meetings were held with the participants and MEEI to resolve differences. Where such meetings were impracticable, issues were resolved in writing using an appropriate virtual medium.

4.4 Mainstreaming and data collection

4.4.1 Mainstreaming

The EITI Standard 2016 encouraged implementing countries to prepare to mainstream data available on existing government and corporate online sources. The EITI Standard 2019 built on this foundation leading to scoping studies into barriers to systematic disclosure and action plans to address these barriers.

“EITI Mainstreaming is about encouraging and recognising countries that make transparency an integral feature of their governance and management of the extractive industries. EITI implementing countries are increasingly making the information required by the EITI Standard available through government and corporate reporting systems (databases, websites, annual reports, portals etc). This helps to ensure that this data is timely, reliable and accessible. In 2016 the EITI Standard was revised to encourage these efforts. This action plan outlines activities to be undertaken by the EITI International Secretariat, working together with supporting organisations, to accelerate the trend toward mainstreaming.”

EITI, Towards Mainstreaming Action Plan, 2016¹

Mainstreaming is part of ongoing efforts to improve the timeliness of EITI reporting, by providing direct access to systematically disclosed data outside of the regular annual EITI process. However, mainstreamed data remains an important element of an EITI Report, in order to ensure that it provides a holistic view of the extractives sector and its impact.

Systematic disclosure is also important in building public trust.

In line with the ongoing approach taken by TTEITI, where data is available online, this report provides links to the location of that data rather than embedding it in the report, unless that data is vital in understanding a wider piece of analysis.

4.4.2 Data collection and templates

Data collection templates for FY 2019 and 2020 were approved by the Steering Committee on 21 January 2021 and issued to companies and entities in February 2021, with the instruction that they would be required to be returned once the Independent Administrator for these years was in place.

The templates issued covered most of the EITI Standard 2019, with the following exceptions.

- the quantum and value of export volumes by commodity,
- barter arrangements,
- A description of the transportation arrangements,
- the methodologies used to calculate transportation taxes, tariffs or other relevant payments,
- Disclosure of tariff rates and volume of the transported commodities,
- Employment and gender, and
- Beneficial ownership (to update TTEITI’s online BO registry).

¹ https://eiti.org/sites/default/files/attachments/2016-10-towards_mainstreaming_action_plan.pdf

4.5 Reconciliation and investigation of discrepancies (EITI Requirements 4.7 and 4.1.d)

In accordance with EITI Requirement 4.1(d), MOF-IRD, MOF-Inv and MEEI disclosed all material revenues from oil, gas and mining companies in accordance with the agreed scope. These entities also provided aggregate information about the amount of total revenues received from each of the benefit streams from oil and gas companies, including revenues that fell below agreed materiality thresholds. This was not provided for the mining companies.

All oil and gas companies making material payments to the government disclosed these payments in accordance with the agreed scope. Selected mining companies disclose these payments in accordance with the agreed scope. Information provided was disaggregated by each individual company, government entity and revenue stream.

Information provided by governmental entities were compared against that provided by companies within the oil, gas and mining industries. Where differences arose, copies of source documents and explanations were requested from all relevant parties, except MOF-IRD which, by virtue of confidentiality provisions, is prohibited from discussing matters with the IA. This resulted in some errors which were allocated to MOF-IRD, not being verified with that particular entity.

Most differences emerging from the reconciliation process, were on account of one or more of the following issues:

- Transaction omissions,
- Sales volumes provided rather than production volumes,
- Inability of participants to locate source documents to support entries made by government entities,
- Letters of instructions by participants to governmental entities were taken as payments, without evidence that the transaction actually occurred,
- Inability to corroborate escrow payment made by participants against the movements in the escrow accounts provided by MEEI,
- Transactions in one party within a group being treated as payments by another party within the same group – sometimes a foreign member of the group that is not a participant,
- Transportation payments made by participants not equating the transportation revenue being reported by SOEs,
- Production volumes through farmouts, lease operators and incremental production services contracts being reported by all parties to the contracts, resulting in duplications.

4.6 Reliability and credibility of data reported

The reconciliation process resulted in changes being recommended to all parties. This threw into question the accuracy of the initial information provided by participants and governmental entities. The reasons for inaccuracies being reported include the following:

- Although many of the participants produced audited financial statements or were subjected to some level of verification, the information required by template to facilitate the reconciliation process could not be easily discerned from the audited financial statements. The standards that govern financial statements do not always require the disclosure of information required by the template. Sometimes the audited financial statements are consolidated and not stand-alone for a particular reporting entity. Therefore, the preparation of the template is not a mere replication of information clearly revealed in the audited financial statements.

- The materiality levels utilised by the various auditing firms in the conduct of their assurance processes, possibly permit the acceptance of information that may, to the IA, be considered material.
- Because of the inherent limitations of an audit, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with International Standards of Auditing or International Standards of Supreme Audit Institutions. An audit is not a 100% verification process. Therefore, generating Template information from the audited financial statements may result in the replication of undetected errors.
- The provision of Template information is voluntary and the IA's demands on participants, during a time when they are inundated with current financial reporting matters, may result in inaccuracies and omissions, on account of the lack of importance attached to these reporting responsibilities.
- The MOF-IRD is not subjected to the levels of audit procedures that would allow for comfort on the balances generated therefrom.
- At MEEI, minimum audit work was done on the accuracy of gas production, oil production, royalties and minimum rent.

The reconciliation differences existed despite all Templates being signed on behalf of the company by an official of the participant. Similarly, the templates by MOF-IRD were signed by the Commissioner of Inland Revenue and Chairman of the Board. Additionally, Template from MOF-Inv was signed by the Permanent Secretary at the Ministry. The existence of inaccuracies impact their reliability and credibility. There were no reconciliation differences with regard to dividends disclosed by MOF-Inv and the relevant participant.

5 Contextual information on the extractive sectors

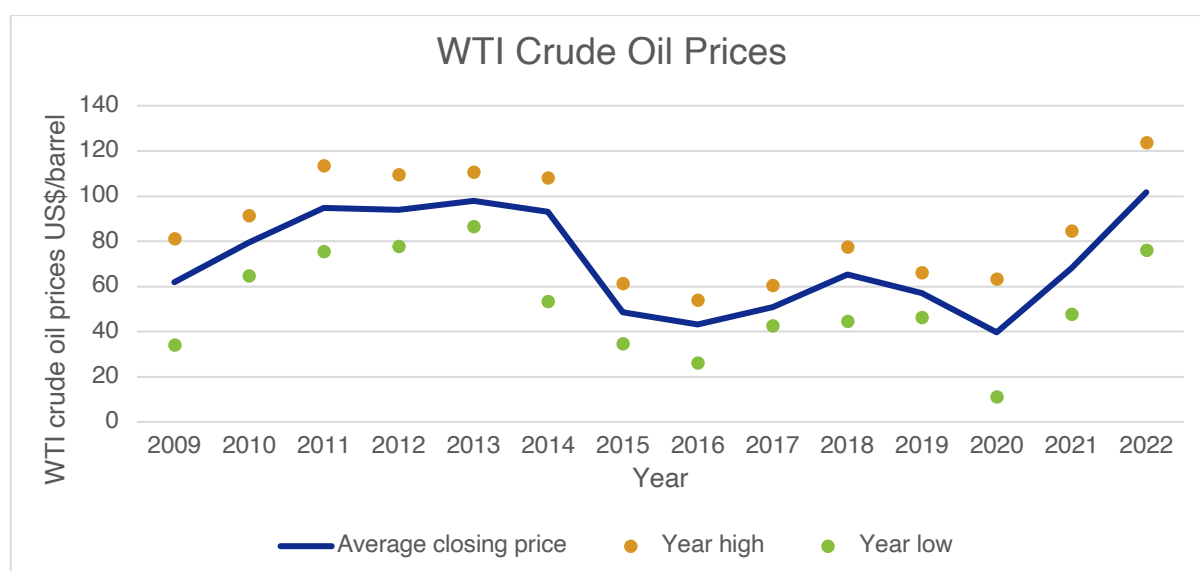
5.1 Overview of the extractive industries (EITI Requirement 3.1)

Natural (or extractive) resources, such as oil, gas and minerals belong to a country's citizens. Extraction of these resources can lead to economic growth and social development. However, when poorly managed it has too often led to corruption and even conflict. More openness around how a country manages its natural resource wealth is necessary to ensure that these resources can benefit all citizens.

EITI International

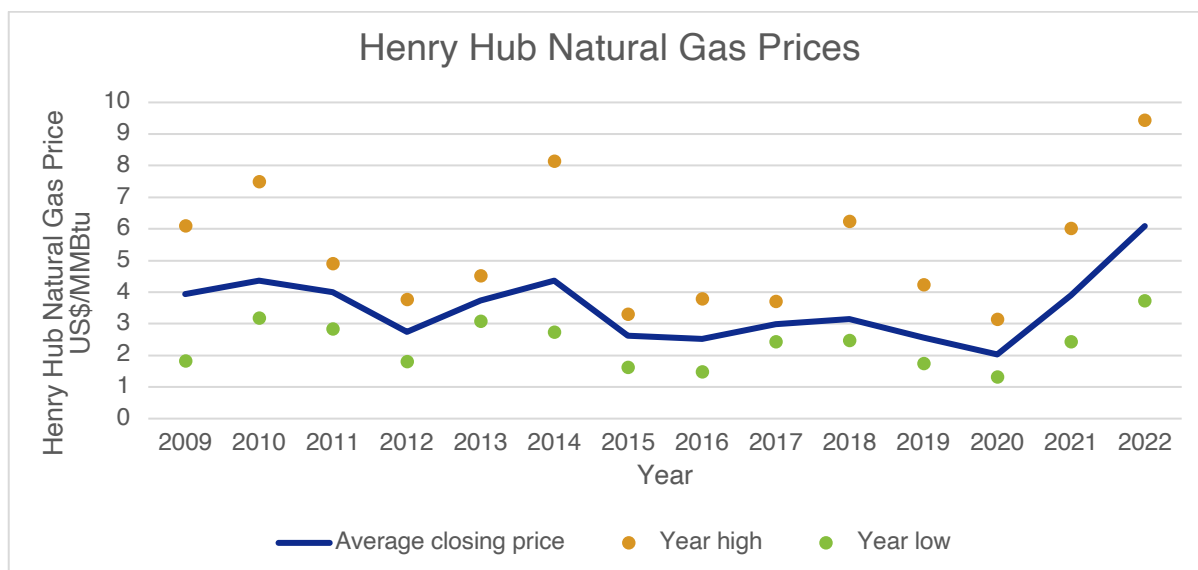
The global economy, already reeling from the impacts of the Covid-19 pandemic, has now been shaken by the war in Ukraine. These events have caused a significant economic downturn and uncertainty characterized by wild energy commodity price and production swings and inflationary pressures for many countries. The unpredictability of events has become the norm, with supply chain ripples, energy supply and demand imbalances and changing patterns of employment occurring regularly. For Trinidad and Tobago, these global developments, understandably have impacted the country's energy sector and economy.

In 2022, WTI oil prices have averaged US\$98 per barrel compared to US\$68 in 2021 while Henry Hub gas prices have averaged US\$7.70 per mmBtu in 2022 compared to US\$4.06 per mmBtu in 2021. This boost in prices has led to more revenue in Government coffers. Between 2021 and 2022, royalties and Government's share of profit from production sharing contracts cumulatively increased by 37 percent. It is important to note that these 2022 figures only account for 8 months of the fiscal year. Royalties increased by 53 percent from TT\$1.7 billion in 2021 to TT\$2.5 billion in 2022. The share of profit the country earned from production sharing contracts fell by 21 percent from TT\$3.4 billion in 2021 to TT\$2.7 billion in 2022.



Source: [macrotrends.net](https://www.macrotrends.net)

Figure 5-1 WTI Crude Oil Prices 2009-2022



Source: [macrotrends.net](https://www.macrotrends.net)

Figure 5-2 Henry Hub Natural Gas Prices 2009-2022

These energy commodity price increases will likely be fleeting and analysts from the IEA and US EIA predict a dampening in demand for energy due to inflationary pressures. The GoRTT has already indicated any windfall from the rise in energy prices will be used to settle debts and arrears, finance VAT refunds, reduce the budget deficit and make a deposit into the Heritage and Stabilisation Fund.

Despite this fillip in revenue, the local energy sector is currently facing several short, medium and long-term adjustments that will change the country's energy landscape. Some of these adjustments include:

- A change in the commercial structure of Atlantic LNG.
- A move towards liberalisation of retail fuel prices and reduction of the fuel subsidy.
- A revamp of the fiscal regime to attract more upstream investment.
- The conclusion of the deep water and onshore acreage bid rounds.
- The development of the Caribbean's largest solar project.

One thing is clear is that amidst these adjustments and impactful global events and policy plans, transparency and accountability are critical. In this Trinidad and Tobago EITI report, we will reconcile payments made by oil, gas and mining companies to Government and provide recommendations to improve revenue collection, data management and audit and assurance. The report also focuses on beneficial ownership disclosure, contract transparency and environmental reporting.

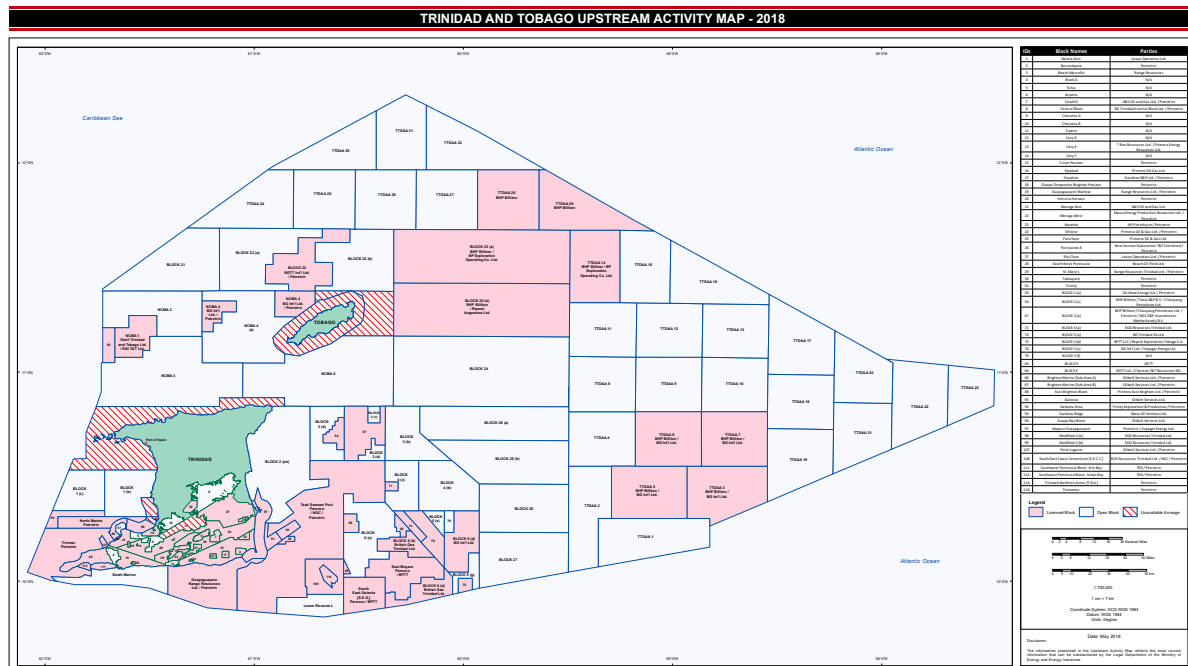
5.1.1 Crude oil & natural gas

Trinidad and Tobago's hydrocarbon resources are located both on land and offshore provinces. The industry begun in onshore Trinidad primarily in the South East and South West regions. Offshore reserves occur in three zones: ECMA (East Coast Marine Area), NCMA (North Coast Marine Area) and the SCMA (South Coast Marine Area). There is no onshore production in Tobago.

For T&T Onshore and Offshore hydrocarbon field locations see: <https://www.energy.gov.tt/wp-content/uploads/2013/12/Offshore-Onshore-Activity-Map-2018-2.pdf>. Image included below.



Government of the Republic of Trinidad and Tobago
Ministry of Energy and Energy Industries



Source: www.energy.gov.tt

Figure 5-3 Upstream Activity Map

5.1.2 Minerals

The Trinidad and Tobago mining sector consists of state owned and private locally owned companies. Sand and gravel are the minerals that are produced in the greatest quantities. Throughout the country various types of minerals deposits are found.

These locations are as follows:

Northern Range	Central Trinidad	South Trinidad	Tobago
<ul style="list-style-type: none"> Limestone Sharp Sand Gravel 	<ul style="list-style-type: none"> Red Sand Yellow Limestones Clay 	<ul style="list-style-type: none"> Asphalt Porcellanite Oil Sands 	<ul style="list-style-type: none"> Andesite Copper

The minerals quarried are used in the construction industry, the manufacturing of tiles, pottery and blocks. Asphalt and oil sands are utilised to pave the nation's roads, it should be noted that the majority of asphalt produced is exported.

5.2 The contribution of the extractive sector to the economy (EITI Requirement 6.3 and 4.1)

The government publishes data on the extractive industries' contribution to the national economy at: <https://www.finance.gov.tt/publications/national-budget/review-of-the-economy/>.

There was an increase in Government revenues collected from oil and gas between fiscal 2020 and fiscal 2021. This was due in large part to an increase in global energy prices, coupled with a marginal increase in local production, and loosening Covid-19 restrictions.

Table 5-1 Contribution of the extractives sector

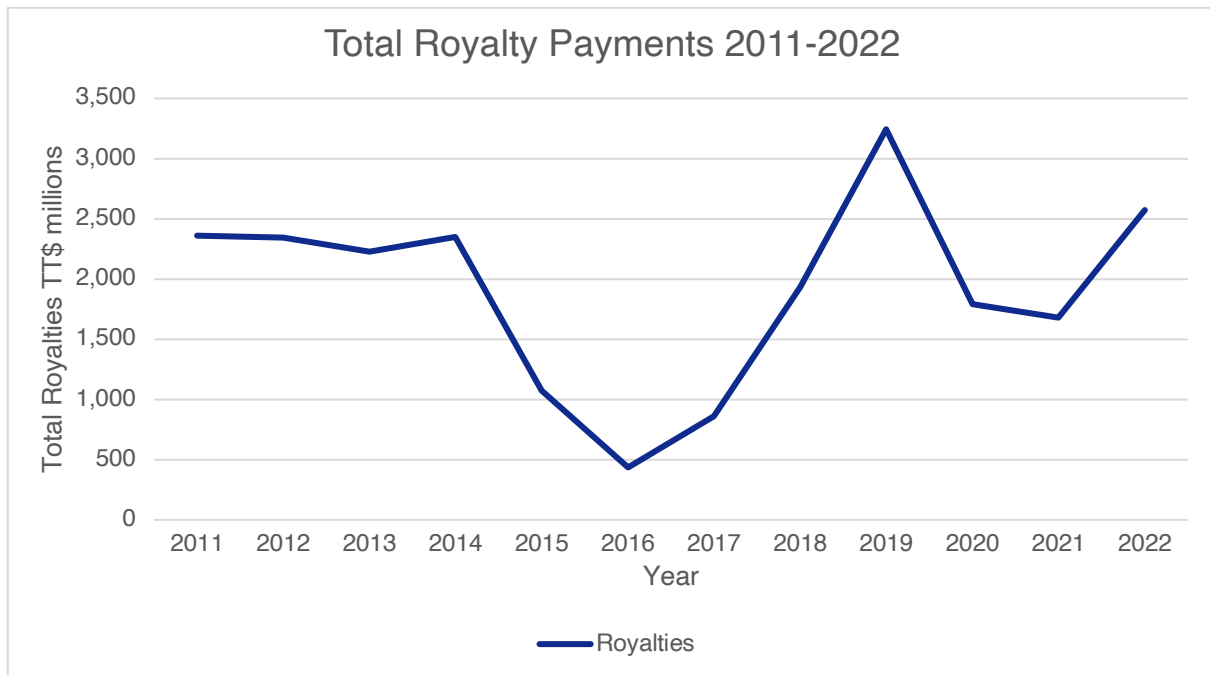
Category	2017	2018	2019	2020	2021
Oil and Gas contribution to Government Revenue	23% of total Gov't revenue or TT\$8.1 bn	27 % of total Gov't revenue or TT\$11.3 bn	35.5% of total Gov't revenue or TT\$16.2 bn	24% of total Gov't revenue or TT\$7.9 bn	25% of total Gov't revenue or TT\$9.3 bn
Oil and Gas contribution to economic growth (Energy GDP)	5.1%	7%	10.1%	5.2%	NA
Oil and Gas export earnings	47% of total export earnings or US\$ 4.1bn	51% of total export earnings or US\$ 5bn	41% of total export earnings of US\$ 2.9bn	NA	NA
Mining Sector Revenues	TT\$7.9 million	TT\$3.4 million	TT\$5.2 million	TT\$2.5 million (revised estimate)	NA
Oil and Gas contribution to total employment	2.4% 14,600	1.6% 11,000	NA	2.5% 14,700	NA
HSF Fund Value	\$US 5.8 billion	\$US 5.9 billion	US\$ 6.2 billion	US\$ 5.8 billion	NA
SOE investment in Corporate Social Responsibility	TT\$ 10.6 million NGC	TT\$ 10 million NGC	NA	NA	NA

Source: Central Bank of Trinidad and Tobago, Summary Economic Indicators 2020, Ministry of Finance, Draft Estimates & Review of the Economy, Various Years.

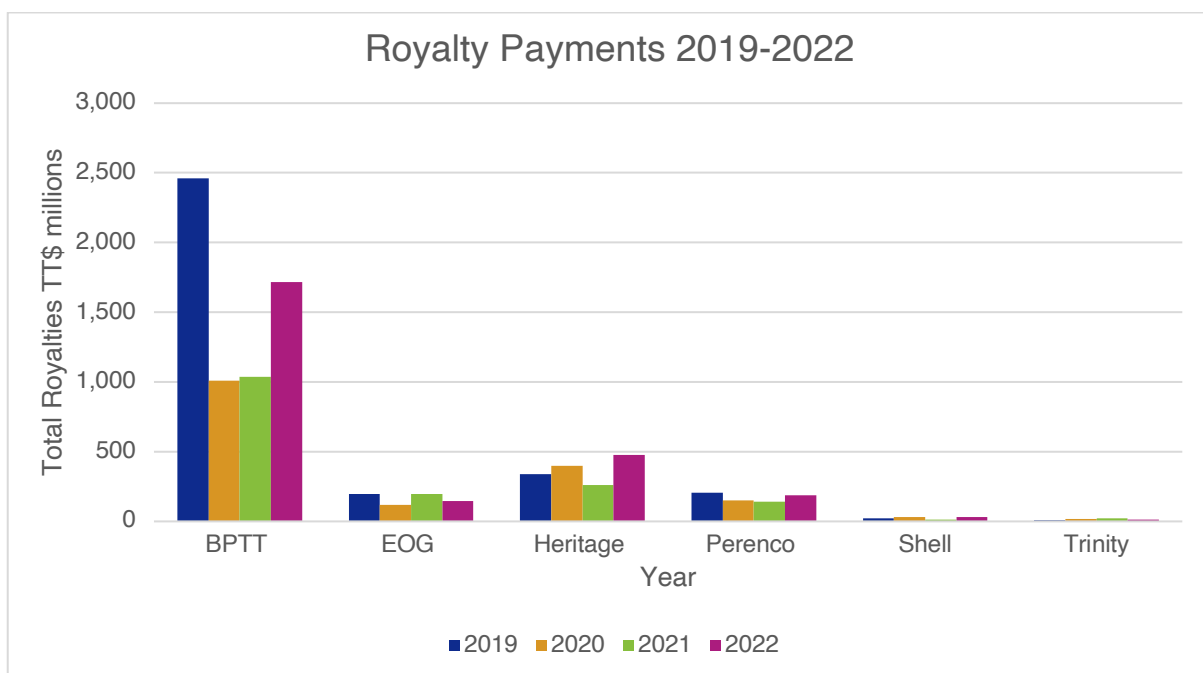
5.2.1 Oil and gas sector revenues

In order to include more up to date tax and royalty information in this report, the TTEITI steering committee has agreed to include unaudited/unreconciled information provided by MEEI.

The following charts give royalty and PSC share of profit payments up to fiscal 2022. The first chart shows total royalty payments from 2011 to 2022 and the second chart shows companies with largest royalty payments for 2019 to 2022. bpTT and Heritage were the two largest contributors to royalty, paying TT\$1.7 billion and TT\$474 million respectively in 2022. Perenco, EOG Resources, Shell and Trinity contributed TT\$189 million, TT\$147 million, TT\$33 million and TT\$11 million respectively in 2022.

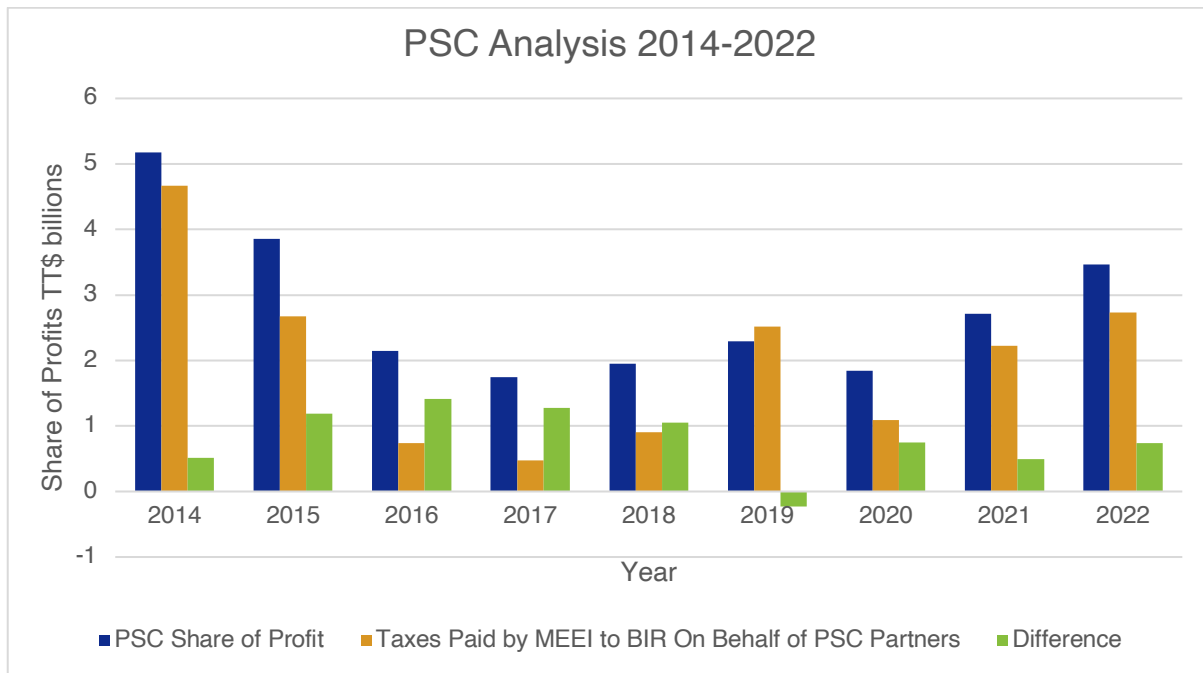


Source: MEEI - Note: 2022 data is up to 30th March
Figure 5-4 Total Royalty Payment 2011-2022

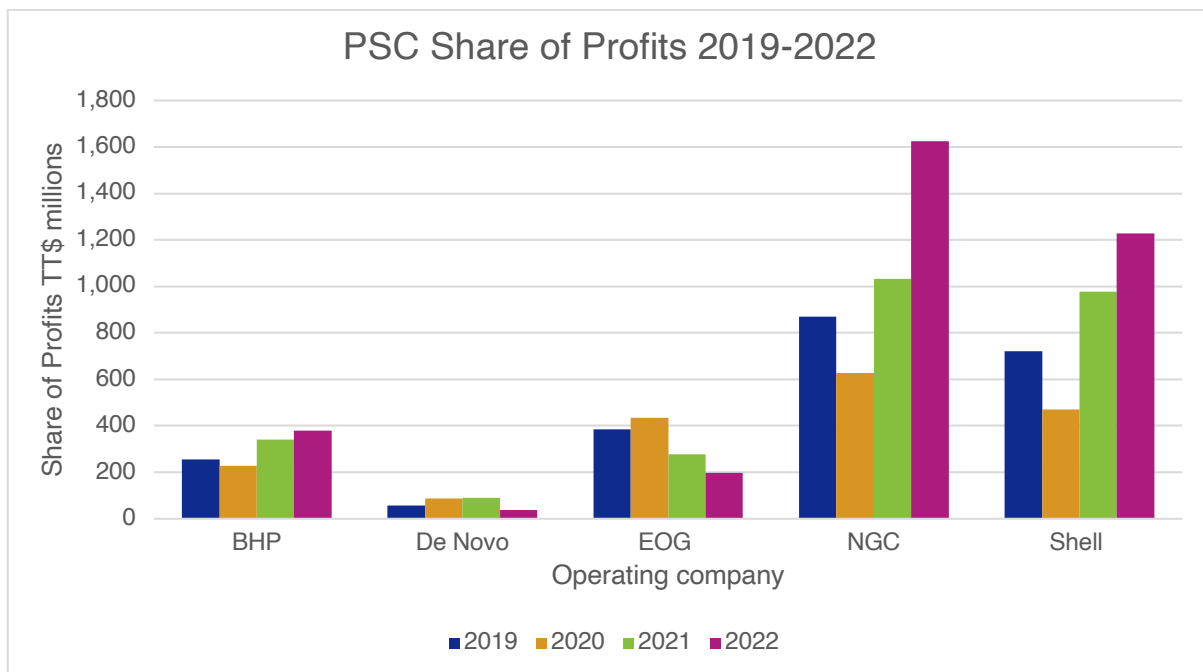


Source: MEEI - Note: 2022 data is up to 30th March
Figure 5-5 Royalty Payments 2019-2022

Companies operating under PSC's pay the MEEI a profit share. From this profit share the MEEI covers tax obligations for all its partners and this payment is made to the Board of Inland Revenue (BIR). The following chart compares these payments to the PSC share of profit. The second chart illustrates the four companies with the largest PSC share of profit payments from 2019 to 2022. The NGC and Shell were the two largest contributors, paying TT\$1.6 billion and TT\$1.2 billion respectively in 2022. BHP, EOG Resources and De Novo followed with contributions of TT\$379 million, TT\$198 million and TT\$37 million respectively in 2022.



Source: MEEI - Note: 2022 data is up to 30th March
Figure 5-6 PSC Analysis 2014-2022



Source: MEEI - Note: 2022 data is up to 30th March
Figure 5-7 PSC Share of Profits 2019-2022

The PSC and E&P Operator is responsible for making payments on behalf of all parties to the PSC and E&P agreements. The amounts declared by operators in respect of such payments were:-

Table 5-2 Payments by Operators on behalf of Partners – Summary by Operators

Operator	Partners	2019 TT\$	2020 TT\$
BHP Billiton (Trinidad-2C) Ltd	Chaoyang Petroleum (Trinidad) Block 2C Limited	55,893,435	59,138,463
	NGC E&P Investments (Netherlands) B.V.	80,470,083	70,966,155
BHP Billiton (Trinidad-3A) Limited	Chaoyang Petroleum (Trinidad) Block 3A Limited	5,277,934	1,692,929
	Petroleum Company of Trinidad and Tobago Limited	1,603,683	-
	NGC E&P Investments (Netherlands) B.V.	908,992	959,579
	BHP Billiton (Trinidad-2C) Ltd	5,253,314	
BHP Billiton Petroleum (Trinidad Block 3) Limited	BG International Limited	3,856,878	4,065,279
BHP Billiton Petroleum (Trinidad Block 5) Limited	BG International Limited	4,064,589	4,269,029
BHP Billiton Petroleum (Trinidad Block 6) Limited	BG International Limited	3,872,487	4,065,421
BHP Billiton Petroleum (Trinidad Block 14) Limited	BP Exploration Operating Company Limited	3,206,618	3,103,643
BHP Billiton Petroleum (Trinidad Block 23a) Limited	BP Exploration Operating Company Limited	6,456,141	6,700,780
EOG Resources Trinidad Limited	The National Gas Company of Trinidad and Tobago Limited	3,890,778	127,820
	Heritage Petroleum Company Limited	15,563,111	511,280
	Trinidad and Tobago Marine Petroleum Company Limited	119,831	-
	BP Trinidad and Tobago LLC	60,583,104	-
BG International Limited	Shell Trinidad and Tobago Resource SRL	6,711,681	5,056,942
	Heritage Petroleum Company Limited	2,636,843	2,632,167
Shell Trinidad and Tobago Limited	Shell Trinidad and Tobago Resource SRL	148,540,899	163,772,867
	Shell Trinidad North Coast Limited	214,073,930	14,563,352
	BG International Limited	45,012,000	
	Shell Trinidad 5(A) Limited	2,025,540	3,927,996
	Heritage Petroleum Company Limited	2,599,443	-
	Shell Trinidad Central Block Ltd	4,827,537	-
	Shell GAS International Holdings B.V.	4,240,130	-
	Shell Trinidad Block E Limited	48,522,936	1,748,381
Shell Trinidad Block E Limited	Shell Trinidad and Tobago Resource SRL	338,386	22,424,420
Shell Trinidad Central Block Limited	Heritage Petroleum Company Limited	1,549,168	13,647,406
	Petroleum Company of Trinidad and Tobago	1,385,817	
Heritage Petroleum Company Limited	Moruga West Joint Venture - Massy Energy Production Resources	378,958	496,394
	Petroleum Company of Trinidad and Tobago	2,665,400	-
Perenco T&T Limited	Petroleum Company of Trinidad and Tobago	79,739,603	-
	Petroleum Company of Trinidad and Tobago & The National Gas Company of Trinidad and Tobago Limited	-	56,882,026
Point Fortin LNG Exports Limited	Shell GAS International Holdings B.V.	13,743,189	11,229,465
	Heritage Petroleum Company Limited	4,240,886	3,465,199
	Shell Trinidad North Coast Limited	3,764,058	3,075,586
Shell Trinidad 5(A) Limited	Shell Trinidad and Tobago Resource SRL		18,292,381
TOTAL		838,017,382	476,814,960

Table 5-3 Payments by Operators on behalf of Partners – Summary by Partners

Partner on whose behalf payments were made	2019 TT\$	2020 TT\$
BG International Limited	56,805,954	12,399,729
BP Exploration Operating Company Limited	9,662,759	9,804,423
BP Trinidad and Tobago LLC	60,583,104	-
Chaoyang Petroleum (Trinidad) Block 2C Limited	55,893,435	59,138,463
Chaoyang Petroleum (Trinidad) Block 3A Limited	5,277,934	-
ENI Trinidad & Tobago Ltd	-	-
NGC E&P Investments (Netherlands) B.V.	81,379,075	71,925,734
Petroleum Company of Trinidad and Tobago Limited	85,394,503	1,692,929
Shell Trinidad and Tobago Resource SRL	155,590,966	209,546,610
The National Gas Company of Trinidad and Tobago Limited	3,890,778	127,820
Trinidad and Tobago Marine Petroleum Company Limited	119,831	-
BHP Billiton (Trinidad-2C) Ltd	5,253,314	-
Heritage Petroleum Company Limited	26,589,451	20,256,052
Moruga West Joint Venture - Massy Energy Production Resources	378,958	496,394
Shell GAS International Holdings B.V.	17,983,319	11,229,465
Shell Trinidad 5(A) Limited	2,025,540	3,927,996
Shell Trinidad Block E Limited	48,522,936	1,748,381
Shell Trinidad Central Block Ltd	4,827,537	-
Shell Trinidad North Coast Limited	217,837,988	17,638,938
Petroleum Company of Trinidad and Tobago Limited & The National Gas Company of Trinidad and Tobago Limited	-	56,882,026
TOTAL	838,017,382	476,814,960

Companies were asked to report changes in the payments to Government between each fiscal year, from 2018 to 2019 and from 2019 to 2020 together with an explanation for the movement.

Information for the six largest payers is shown below.

Table 5-4 Changes in payments to government 2018 to 2019

Company	Payments in respect of:	2019 TT\$	2018 TT\$	Movement TT\$	Variance explanations
The National Gas Company of Trinidad and Tobago	MOF-IRD (BIR)	692,264,465	633,424,846	58,839,619	Increase in commodity prices
BP Trinidad and Tobago LLC Trinidad Branch	MOF-IRD (BIR), MEEI	3,141,129,334	2,590,956,562	550,172,772	Increase in commodity prices
Perenco Trinidad and Tobago Limited	MOF-IRD (BIR)	278,696,842	539,662,294	(260,965,452)	Decrease in production
EOG Resources Trinidad Limited	MOF-IRD (BIR), MEEI	738,050,482	569,730,658	168,319,824	Increase in commodity prices
Shell Trinidad and	MEEI	2,589,484,148	535,755,083	2,053,729,065	Increase in

Tobago Limited					commodity prices
Heritage Petroleum Company Ltd.	MOF-IRD (BIR), MEEI	696,548,173	399,422,226	297,125,947	Increase in commodity prices
TOTAL		8,136,173,444	5,268,951,669	2,867,221,775	

Table 5-5 Changes in payments to government 2019 to 2020

Company	Payments in respect of:	2020 TT\$	2019 TT\$	Movement TT\$	Variance explanations
The National Gas Company of Trinidad and Tobago	MOF-IRD (BIR)	127,551,521	692,264,465	(564,712,944)	Decline in commodity prices and production.
BP Trinidad and Tobago LLC Trinidad Branch	MOF-IRD (BIR), MEEI	1,345,627,740	3,141,129,334	(1,795,501,594)	Decline in commodity prices and production.
Perenco Trinidad and Tobago Limited	MOF-IRD (BIR)	129,684,115	278,696,842	(149,012,727)	Decline in commodity prices and production.
EOG Resources Trinidad Limited	MOF-IRD (BIR), MEEI	398,715,159	738,050,482	(339,335,323)	Decline in commodity prices and production.
Shell Trinidad and Tobago Limited	MEEI	506,362,813	2,589,484,148	(2,083,121,335)	Decline in commodity prices and production.
Heritage Petroleum Company Ltd.	MOF-IRD (BIR), MEEI	800,430,201	696,548,173	103,882,028	Increase in production
TOTAL		3,308,371,549	8,136,173,444	(4,827,801,895)	

5.2.2 Mining sector revenues

Data from the MEEI shows that quarry operators owe the Government a total of TT\$ 193 million in royalty payments, as at the end of 2019. This is due to the under reporting of mineral production volumes and the challenges in collecting royalties owed. Between 2004 and 2019 the Government should have received a total of TT\$ 222 million from quarry operators, but operators' payments amounted to TT\$ 29 million.

Accurately recording mineral volumes produced is necessary to determine the amount of royalties owed to the Government. However, as identified earlier in the report the MEEI does not independently verify production volumes but relies on reports from operators.

The downward trend of revenues is because of declining production of minerals. Total production in 2019 was 2,046,100.96 cubic metres and fell to 1,619,550.35 cubic metres in 2020. Additionally, the IA has stated in the past seven EITI reports that the MEEI's monitoring of revenue payments from the mining sector needs to be significantly improved.

Table 5-6 Royalty payments – Mining sector

Year	Royalty Payments from the Mining Sector TT\$ millions
2017	7.9
2018	3.6
2019	3.0
2020	2.5

Source: MEEI

5.2.3 Revenues collected from state-owned enterprises (SOEs)

The significant contributor among SOEs is the National Gas Company of Trinidad and Tobago. Revenue is also collected from Trinidad Petroleum Holdings Limited (TPHL) which was created after the operations of Petrotrin were discontinued. TPHL is a holding company with four subsidiaries:

1. Heritage Petroleum Company Ltd
2. Paria Fuel Trading Company Ltd
3. Guaracara Refining Company Ltd
4. Petrotrin

Additional information on SOEs is given in Section 5.9 of this document.

SOEs in the energy sector make payments to the government for royalties, taxes and dividends (from net profits after tax). From the EITI reporting year 2017 profit after tax for NGC increased by 135 % in 2018. The increase in profits was due to higher commodity prices, partial settlement from investment notes from Cllico investment bank and improved productivity. However, by 2019 the upward trend for the past three years of after-tax profits ended. There was an approximate TT\$ 2 billion decrease in profits as a result of unfavourable market conditions, these are as follows:

- Natural Gas Liquids (NGL) prices fell by 31%
- Methanol prices fell by 31%
- Ammonia prices fell by 23%

However, for the nine-month period ending in September 2021, the NGC Group recorded an unaudited after tax profit of TT\$1.045 billion which represented a marked improvement. The period generated revenue of TT\$15.6 billion which represented a 93% increase when compared to the same period of 2020. This is a result of increased ammonia, methanol and LNG prices.

The following table outlines corporation tax and dividends paid by the National Gas Company (NGC) and Petrotrin (2016-18) / Trinidad Petroleum Holdings Limited (TPHL – 2019) from 2016 to 2020 as well as the companies' declared profits after tax.

Table 5-7 NGC and Petrotrin profit after tax, dividends and corporation tax

TT\$ millions		Profit/(loss) after tax	Dividends paid	Tax charge in financial statements
NGC	2020	(2,134.6)	109.9	-
	2019	482.2	192.9	75.2
	2018	2,395.8	1,047.2	1,544.6
	2017	989.2	1,422.2	1,262.4
	2016	720.7	1,585.0	499.8
TPHL/Petrotrin	2019	(2,854.0)	-	2,681.0
	2018	(16,487.2)	-	864.7
	2017	(2,194.2)	-	463.4
	2016	(4,986.9)	-	3,093.6

Source: NGC audited annual reports (NGC accounts are for 12 months to December 31 each year), NGC Sustainability Report 2020 – NGC

Note: 2019 figure for TPHL unaudited (Petrotrin and TPHL accounts are for 12 months to September 30 each year). NGC 2019 profit before tax restated in 2020.

5.2.4 Subnational payments

In some countries, companies are required to make certain payments (e.g. royalties, land levies) directly to local Governments in the areas where they operate. This type of payment is not practised in T&T, all payments are made to the national government. Several Acts and other legal documents (e.g. the Petroleum Taxes Act, Production Sharing Contracts and E&P Licences) detail the payments that apply to upstream oil and gas companies and they identify the various agencies responsible for collecting the payments. The provisions in these Acts, Production Sharing Contracts and E&P Licences do not allow for the payment of oil and gas payments to Regional Corporations.

In relation to the mining sector, the Minerals Act 2000, Section 8 (e) charges the Ministry of Energy and Energy Industries with the responsibility of determining and collecting the various payments required by mining companies (e.g. royalties, bonds and licence fees). Schedules 4 and 5 of the Minerals (General) Regulations 2015, detail the various payments and their rates.

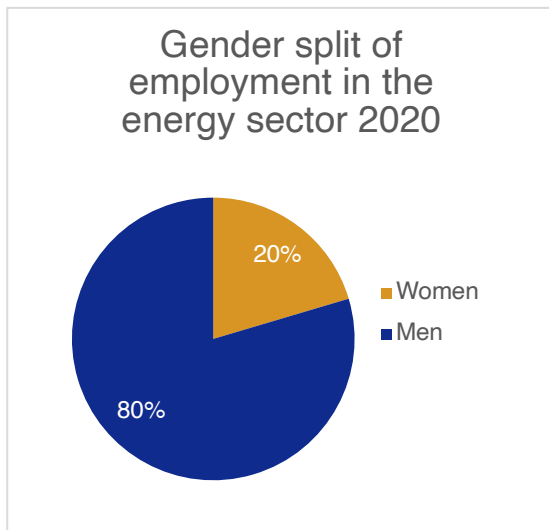
Prior to the Minerals Act 2000, the State Lands Act Chapter 57:01 Section 6 (2) gave the Commissioner of State Lands jurisdiction to collect royalties and other licence payments from other operators, which were paid at the District Revenue Office. This practice continues today even with the proclamation of the Minerals Act 2000. Operators make payments to an account in the name of the Permanent Secretary of the Ministry of Energy and Energy Industries.

5.3 Gender data (EITI Requirement 6.3.d)

5.3.1 MSG Gender Composition TTEITI MSG

The TTEITI MSG gender balance as at 30 June 2022 is 50/50 and consists of 14 males and 14 females.

5.3.2 Employment in the Extractives Sector



The data obtained from the Central Statistical Office is not separated by individual projects. The data provides employment information by sector and separated by gender. The latest information is from 2020 and the figures for energy sector employment are shown here. The total number of people employed in T&T is 545,900, of whom 14,700 are employed in the energy sector, being approximately 2.6%. Women make up 20% of those employed in the energy sector while 80% are men. The data does not detail employment by job classification.

Source: <https://cso.gov.tt/subjects/continuous-sample-survey-of-population>

Figure 5-8 Gender split of employment

5.3.3 Women in leadership Roles T&T Energy Sector

In the local energy sector, there are several women in key leadership positions at various organisations. The list below highlights a few individuals:

- Penelope Bradshaw-Niles – Permanent Secretary MEEI
- Christine Sahadeo – Director Heritage & Member of the Tax Appeal Board of Trinidad & Tobago
- Claire Fitzpatrick- Regional President bpTT
- Giselle Thompson- VP of Corporate Affairs bpTT
- Hafsa Ali – Production Manager, STTL
- Candice Clarke-Salloum - Head, Corporate Relations, STTL
- Jenna Joseph – General Manager, Business Transformation, STTL
- Sandra Fraser – Permanent Secretary MEEI
- Louise Poy Wing- Senior State Counsel MEEI
- Carla Noel-Mendez - Corporate Affairs Manager BHP (now Woodside)
- Soraya Khan- Finance Manager BHP (now Woodside)
- Verlier Quan Vie – VP Commercial NGC
- Mitzi St Rose – Manager Energy Marketing and Trading NGC

5.4 Legal and institutional framework (EITI Requirement 2.1)

The EITI seeks to promote greater public awareness about the legal and regulatory frameworks that apply to the extractive industries. These laws and regulations establish the institutional responsibilities of the State in managing the sectors, establish rules on licence allocation and contracts, and establish detailed requirements for extractive companies.

EITI International

5.4.1 The Legal framework

The list of legislation and tax laws relevant to the extractive sector and links to the text of the laws can be found on the MEEI's website at: <https://www.energy.gov.tt/for-investors/legislation-and-tax-laws/>

However, this list has not been updated to include the 2017 amendment to the Petroleum Act (Chapter 62:01) which increased the royalty rate to 12.5% on oil, gas and condensate production.

The mining sector in T&T is regulated by the Minerals Law Act 2000, the Asphalt Industry Regulation Act, the Mining Compensation Act, the Geological Survey Act and the Minerals (General) Regulations 2015. These laws can be accessed on the Ministry of Energy and Energy Industries' official website.

The most recent change to the country's mineral laws occurred in 2015 when the Minerals (General) Regulations 2015 was tabled in Parliament. In the same year, the Government also finalised a national mining policy, referred to as the White Paper on National Minerals Policy 2015.

The Minerals Act 2000 seeks to ensure that the mining sector is regulated through the enforcement of several guidelines linked to exploration, mining and processing licences, illegal mining, quarry rehabilitation and environmental protection.

On paper, these are critical additions, but mechanisms need to be put in place to ensure that they are enforced if citizens are to reap the full rewards of the sector, especially given the sector's challenges.

5.4.2 Roles and Responsibilities of Key Ministries and State Agencies

The roles and responsibilities of the key ministries and state agencies are set out on each organization's website. A summary is given below and the website where more detail can be found.

Ministry of Energy and Energy Industries (MEEI)

Website: <https://www.energy.gov.tt/about-us/our-roles-and-functions/>

- Leasing and/or licensing of areas for petroleum exploration and production
- Regulation and management of all oil and gas development activities
- Regulation and management of upstream operations in oil refining activities
- Administration of domestic marketing of petroleum products, natural gas transmission/sales, petrochemical manufacture and other natural gas-based industries
- Formulation and implementation of legal instruments for the petroleum industry
- Acquisition, analysis and dissemination of both local and international petroleum information
- Sharing responsibility with the Ministry of Finance for the collection of petroleum revenues accruing to the State

- Representation of the interests of Trinidad and Tobago at international petroleum fora and institutions
- Long term planning, development and implementation of policy initiatives in the petroleum sector.
- Sharing of the management of the State's interests and assets in the oil and gas industry
- Sharing responsibility for the administration and management of the minerals sector.
- Collection of royalties on gas and crude, Petroleum Impost, hectare payments and Petroleum Production Levy.

The Accounting Unit at MEEI is responsible for the collection and recording of revenue. The Downstream Petroleum Management Division's technical unit would verify the income, ensuring payments are made on time and not understated.

The Contract Management Division at MEEI assigns officers to specific blocks and fields and those officers are tasked with reviewing the production forms in the data hub and signifying if any payment is outstanding. The officer will then notify the participant and then check with the Accounting Unit to ensure that the payment was made.

With regard to training/technical assistance, the Commercial Evaluation Division would check all PSC obligations, and liaise with the relevant institutions such as the University of the West Indies and the University of Trinidad and Tobago, to ensure that the payments were received and used for the intended purpose.

Ministry of Finance: Inland Revenue Division (MOF/IRD)

Website: <https://www.ird.gov.tt/about/the-board>

- Main Tax collecting agency in Trinidad and Tobago
- Collection of extractive companies' tax – Petroleum Profits Tax (PPT), Unemployment Levy, Green Fund Levy, Supplemental Petroleum Tax (SPT), Withholding Tax, and Corporation Tax (from petrochemical companies)

Ministry of Finance: Investment Division

Website: <https://www.finance.gov.tt/divisions/investments-division/>

- Establishment of performance criteria for all State Enterprises and monitoring the adherence to the performance criteria
- Ensuring consistency between Enterprise performance and GoRTT macro-economic policy objectives
- Commissioning of operational and management audits of State Enterprises
- Appraising and evaluating investment plans of State Enterprises to ensure the profitability of investment projects
- Analysing of the operations of individual Enterprises to ensure consistency with Government macroeconomic and sectoral objectives
- Preparing quarterly and annual forecasts and reviews of domestic investment activity
- Providing overall strategic planning and co-ordination of the Sector

The Environmental Management Authority

Website: <https://www.ema.co.tt/about/what-we-do/>

- Review of applications and issuance of Certificates of Environmental Clearance to new development projects which may impact the environment
- Determine if EIA (Environmental Impact Assessment) is requirement of the developer
- Respond to emergency incidents and spills in conjunction with other government agencies
- Monitor company compliance to standards, criteria and programs relating to the environment

5.4.3 Fiscal regimes

5.4.3.1 Oil and gas

The fiscal regime for oil and gas is now generally governed by production sharing contracts (PSCs) between the government and investors. A description of the fiscal regime can be found on the MEEI website at: <https://www.energy.gov.tt/for-investors/fiscal-regime/tax-laws/>. Under each PSC, the companies producing oil and gas pay taxes and royalties and have access to investment incentives. The payments and incentives are documented in the laws that govern the industry. However, companies can negotiate profit splits and other terms with the Government, even though the taxes are fixed by the law. The negotiated terms are recorded in each PSC. The first PSCs were awarded in 1974 but did not become widespread in the country until the 1990s. Until that time, the government awarded licences for the exploration and production of oil and gas. Some of these pre-PSC licences are still in force, and some have been renewed.

The PSC Audit Unit within MEEI monitors PSCs to ensure returns are maximised and all contractual obligations are adhered to by companies. With regards to technical and financial contractual obligations, the contract management and commercial evaluation divisions respectively ensure compliance.

The model PSC can be found here:

http://www.energy.gov.tt/wp-content/uploads/2013/11/Deep_Water_Depth_PSC.pdf

The following are the main taxes companies pay to the Government:

1. Supplemental Petroleum Tax (SPT)
2. Petroleum Profit Tax (PPT)
3. Unemployment Levy
4. Petroleum Production Levy
5. Petroleum Impost
6. Green Fund Levy
7. Withholding Tax
8. Insurance Premium Tax

Petrochemical companies and NGC's non-E&P activities are taxed under the Corporation Tax Act.

Table 5-8 Types of payments made to MOF-IRD – oil and gas

Payments made to the Ministry of Finance (Inland Revenue Division)	
Petroleum Profits Tax (PPT)	PPT is applicable to all oil and gas producers and is applied to chargeable income from operations, after deductions for operating expenses, capital allowances, royalties, SPT, Petroleum Levy/Impost, signature and production bonuses, among others. The current rate is 50% (35% for operations in deep water blocks). This is governed by the Petroleum Taxes Act Chap 75:04. All upstream extractive companies pay this to the MOF-IRD.
Petroleum Production Levy (PPL)	PPL is computed at the lower of 4% of the income from producers of crude oil in excess of 3,500 barrels per day, and the entity's share of petroleum subsidy. This is governed by the Petroleum Production Levy and Subsidy Act, Chap 62:02.
Supplemental Petroleum Tax (SPT)	SPT is a windfall tax imposed on income generated from the disposal of crude oil, net of royalty and over-riding royalty. The applicable rates range from 0% at crude prices at or below US\$50 per barrel to the highest rate of 33%. The rates are determined by the classification of the field and the weighted average price for crude oil for a given quarter. This is governed

	by the Petroleum Taxes Act Chap 75:04. All upstream extractive companies pay this to the MOF-IRD.
Corporation Tax (CT)	CT is a tax on business profits accruing in the Republic of Trinidad and Tobago. Resident companies (those controlled from Trinidad and Tobago, wherever they are incorporated) are liable to CT on their worldwide income. Other companies are taxed on their income from sources in the Republic of Trinidad and Tobago. The standard rate of CT is 30%. However, this can be varied if there is a double taxation treaty. For companies engaged in the liquefaction of natural gas, transmission and distribution of natural gas, the physical separation of liquids from natural gas, the manufacture of petrochemicals and the wholesale marketing and distribution of petroleum products, the rate is 35%. CT is payable on a quarterly basis before the end of the applicable quarter.
Unemployment Levy (UL)	UL is applicable to companies that pay PPT. The applicable rate is 5% of the chargeable income, before loss relief, plus any exempt income, other than those exempted under the Petroleum Taxes Act. It is used to assist with the government's social programmes. All upstream extractive companies pay this to the MOF-IRD.
Green Fund Levy	GFL came into effect in January 2001 under the Miscellaneous Taxes Act Chapter 77:01, and is used in the maintenance, reforestation, restoration and conservation of the environment. GFL is chargeable on gross sales i.e., on all income received in the ordinary course of business activities, before allowing any deductions for business expenses. The rate of the GFL is 0.3% of the gross sales/receipts. All taxable non-individual entities are liable to this levy. GFL is payable on a quarterly basis before the end of the applicable quarter and is not tax deductible for the purposes of CT.
Business Levy	BL is chargeable on all taxable businesses, except petroleum companies and those with annual turnover under TT\$360,000. BL is charged on gross sales i.e. all income received in the ordinary course of business activities, before allowing any deductions for business expenses. The rate of the BL is 0.6% of the gross sales/receipts. BL is not payable in the first three (3) years of a company first being registered. BL is payable quarterly before the end of each quarter. Payments of BL are deductible from the CT liability. However, if BL exceeds CT, no refund of business levy is granted. All taxable non-individual entities are liable to this levy. BL is payable on a quarterly basis before the end of the applicable quarter.
Withholding Tax on Dividends	WHT is imposed on payments and distributions that are made to any person or company that is not resident in the Republic of Trinidad and Tobago. WHT is imposed at varying rates up to 15%, depending on the nature of the payment, the status of the payee, and the applicability of any double taxation treaty that has been concluded between the Republic of Trinidad and Tobago and the country of residence of the foreign entity or recipient of the payment. WHT is payable on a monthly basis, within 30 days of the remittance being made.
Withholding Tax on deemed branch remittance	WHT is imposed on branch profits remitted or deemed to be remitted to the participant's head office. It is governed by the Income Tax Act but varies depending on any double taxation treaty that has been concluded between the Republic of Trinidad and Tobago and the country of residence of the head office to which the payment was made or deemed to have been made. The rate applicable is between 5-15% depending on the country.
Insurance Premium Tax	IPT is imposed on insurance premiums in respect of general insurance contracts. Life insurance, commercial insurance relating to ships and aircraft, loss of or damage to goods in international transit, risks arising

	outside the Republic of Trinidad and Tobago, and reinsurance premiums are all exempt. The 6% tax is collected from policyholders and paid over to MOF-IRD by the insurance company on or before the fifteenth (15th) of the month following that in which the premium was paid.
Interest	Companies that do not make payments by their due date are required to pay interest at the rate of 20% per annum on taxes outstanding. For withholding tax, there is a penalty of 25% and interest at the rate of 20% per annum is applied on the combined sum.
Penalties	The non-remittance of certain taxes by the due date will result in the imposition of a penalty, together with the interest charges. The rate of penalty is 25% of the tax due and the interest at the rate of 20%, is computed on the principal tax and the penalty (compounded sum). Examples of taxes where a penalty is imposed are PAYE, withholding tax on dividends, withholding tax on branch profits and insurance premium tax.

Table 5-9 Types of payments made to MEEI – oil and gas

Payments to the Ministry of Energy and Energy Industries	
Royalty	Royalties at the rate of 12.5% is levied on the production of crude oil, condensate, and natural gas extracted. This tax affects those operating under an exploration and production (E&P) licence but not those operating under a Profit Sharing Contract (PSC). Under the latter, the government takes a share of the oil or gas instead.
Minimum Rent – Exploration & Production	In addition to royalties, exploration and production companies are required to pay a Minimum Rent, based on the size of the acreage (in hectares) multiplied by the applicable rates that are specified in each E&P Licence or PSC. According to the Petroleum Regulations, (Sections 56 - 58), every E&P Licensee shall pay in respect of each acre of State Land and Submarine Area held by him, such minimum payment at such rates as are fixed by the Minister and specified in the licence. Minimum payments shall be payable quarterly in advance within the first ten (10) days of January, April, July and October. Where the sum of royalties is equal to or exceeds the amount already paid as minimum rent for the same period, then the amount of minimum rent so paid shall be deducted from the royalties payable in respect of such quarterly period.
Annual Licence Acreage Payments	This acts like a rental payment to explore, drill and produce from T&T's acreage. Although companies pay this, they do not own the acreage they occupy, nor do they own the hydrocarbons produced.
Petroleum Production Levy	Exploration and Production companies pay this levy on the crude oil produced as their contribution towards the Petroleum Fuels Subsidy.
Petroleum Impost	This tax, which is billed annually, is based on crude oil and natural gas won and saved. Crude oil and natural gas won and saved constitutes all petroleum produced, with the exception of petroleum used by the licensee within the licensed area for the carrying out of petroleum operations. The rate is determined by the MEEI.
Production Sharing Contract (PSC) Share of Profit	The Government and an oil/gas company agree to split the profits that the company makes in a contract referred to as a Production Sharing Contract. This payment is made only after the company deducts its permitted costs.
PSC Signature Bonus	This is the amount that a petroleum company pays the Government upon the award of a licence for acreage or production sharing contract.
PSC Bidding Fees	When the Government offers Blocks to companies during a Competitive Bid Round), they must pay this standard fee in order to submit a bid.

Transfer Fees or stamp duty	This fee is paid by companies that assign a PSC (or equity share in a PSC) that was awarded to another company or assigned to another operator.
Abandonment Provisions	Companies make this payment to a special account referred to as an escrow account. These funds are used in the event of possible pollution and the eventual abandonment of the platform.
Transportation Revenue	This is revenue received by SOEs from the transportation of oil and gas.
Training Fees	Companies pay this fee to assist nationals in getting training in fields of study associated with the energy sector. Typically, the contribution goes to the University of Trinidad and Tobago or the University of the West Indies (or an institution decided on by the Minister of Energy and Energy Industries)
R&D Fees	These payments are used to fund research and development projects in Universities throughout T&T.
Production Bonus	Companies that produce in excess of a certain threshold must make this payment having surpassed the production target. This is agreed to in both the Exploration and Production licences and the Production Sharing Contract.
Technical Assistance	These payments finance equipment (e.g. printers, scanners, telephones, etc.) for the Ministry of Energy and Energy Industries.
Scholarships	This payment is intended to finance the award of scholarships for training nationals of Trinidad and Tobago in fields of study associated with the energy industry.
PSC Holding Fees	Companies make this payment when they do not develop the hydrocarbons (i.e. oil/gas) that they would have found.

Table 5-10 Types of payments made to MOF-Inv – oil and gas

Payments to Ministry of Finance (Investment Division)	
Dividends paid by NGC	NGC makes these payments to the Government from its profits and retained earnings.

Other Fees

The list below represents taxes levied by the Minerals (General) Regulations, which were considered immaterial, and have therefore not been included in this report:

Table 5-11 Other fees levied by the Minerals (General) Regulations

Activity		Fee
1	Application for a New Licence	TT\$ 1,000
2	Application for Renewal of Licence	TT\$ 1,000
3	Annual Exploration Licence Fee	TT\$ 250 per hectare of Licensed Area
4	Annual Mining Licence Fee	TT\$ 250 per hectare of Licensed Area
5	Annual Processing Licence Fee	TT\$ 250 per hectare of Licensed Area
6	Application Fee for Assignment/Transfer	TT\$ 1,000

Incentives offered to oil and gas exploration and production

While companies make these payments, allowances and incentives are prescribed in the legislation such as accelerated capital allowances, investment tax credits and sustainability

incentives. Capital allowances are available for the exhaustion of plant and machinery used in the production of hydrocarbons and investment tax credits and sustainability incentives allow for further investments to be made depending on the age, maturity, lifecycle of the field/reservoir. These incentives are intended to incentivise and encourage exploration and boost production.

Changes to the oil and gas legislation and Fiscal Regime

All the changes listed below have been passed into law through inclusion in the Appropriation Act for the relevant year. These Acts can be found at: <https://www.finance.gov.tt/legislation/>.

Capital Allowances

Legislative changes were introduced in 2020 for energy companies that engage in exploration and development. The 2020 legislative changes amended the capital allowance rates which were introduced in 2014.

In 2014, the initial allowance was 50% of cost in year 1, annual allowance of 30% of cost in year 2 and 20% of cost in year 3. This was done to encourage higher levels of investment. The changes made in 2020 allowed for capital allowances (tangible and intangible drilling / development costs) to be calculated using a straight-line method of 20% for a five-year period. This change resulted in a slowing/staggering of the claims made in any one year for capital expenditure incurred.

Loss Relief Restriction

The Minister of Finance also introduced an amendment to the loss relief restriction, i.e. the utilisation of brought forward losses from 100% to 75% of taxable profits. The intended purpose of this change was to increase revenue received from companies that operate in the upstream, by staggering the utilisation of brought forward losses. This took effect on 1 January 2020.

Supplemental Petroleum Tax

Another legislative change proposed in the 2020 budget was an amendment to the threshold for imposition of the SPT for small onshore oil producers. The threshold was increased from \$50 per barrel to US\$75, from 1 January 2021.

Fiscal Year 2022

The Government has announced plans to undertake a review of the fiscal regime for the upstream petroleum sector with emphasis on three main petroleum taxes, namely Petroleum Profits Tax, Supplemental Petroleum Tax and Royalty. Any changes to the fiscal regime will apply to both onshore and offshore, in the deep water and shallow water and for large and small producers.

5.4.3.2 Mining

The fiscal regime for the mineral sector refers to the taxes, royalties and other payments mining companies are required to pay to the Government.

The mining sector fiscal regime is specified in the Minerals (General) Regulations, which can be found on the MEEI website at the location specified above in section 5.4.1. on the legal framework. Mining companies are required to pay royalties, fees for competitive bid rounds, annual licence fees, licence renewal fees, rehabilitation bonds and performance bonds to the Government. The introduction of this Act in 2015 increased the rates on all of these payments. The Government stands to collect more royalties under the new royalty rates, but this depends on the effectiveness of the MEEI's efforts to collect the royalties owed.

Table 5-12 Types of payments made to government ministries – mining

Payment	
Royalty	Royalties are paid by mining companies based on the volume of aggregate extracted. The rate ranges from TT\$6 to TT\$10 per cubic metre.
Fees for Competitive Bid Rounds	This is one-time payment paid by all operators submitting a bid to explore for minerals and quarry as part of a Competitive Bid Round.
Annual Licence Fees	Operators who are awarded licences to explore, mine and process minerals pay this annually.
Licence renewal fee	Paid by operators seeking to renew their licences
Rehabilitation Bond	Used as security to properly restore quarried lands to their previous condition or to improve on the previous condition of the quarried lands.
Performance Bond	This money is held as security for the non-payment of royalties and other dues arising out of any breach of the terms and conditions of the licence.

5.5 Contract and license allocations (EITI Requirement 2.2)

Licences in the oil and gas sector are governed by the MEEI.

The minerals sector is governed by the Minister, the MEEI Minerals Division where delegated, and the Minerals Advisory Council (MAC). For further details see <https://www.energy.gov.tt/minerals/>

The issue of unlicensed operators is a longstanding one. Although some unlicensed companies pay royalties, there is no obligation for these companies to contribute to the national purse. Additionally, several environmental problems arise through unlicensed operations, given that they fall outside of the environmental regulatory system.

5.5.1 Oil and gas bidding process

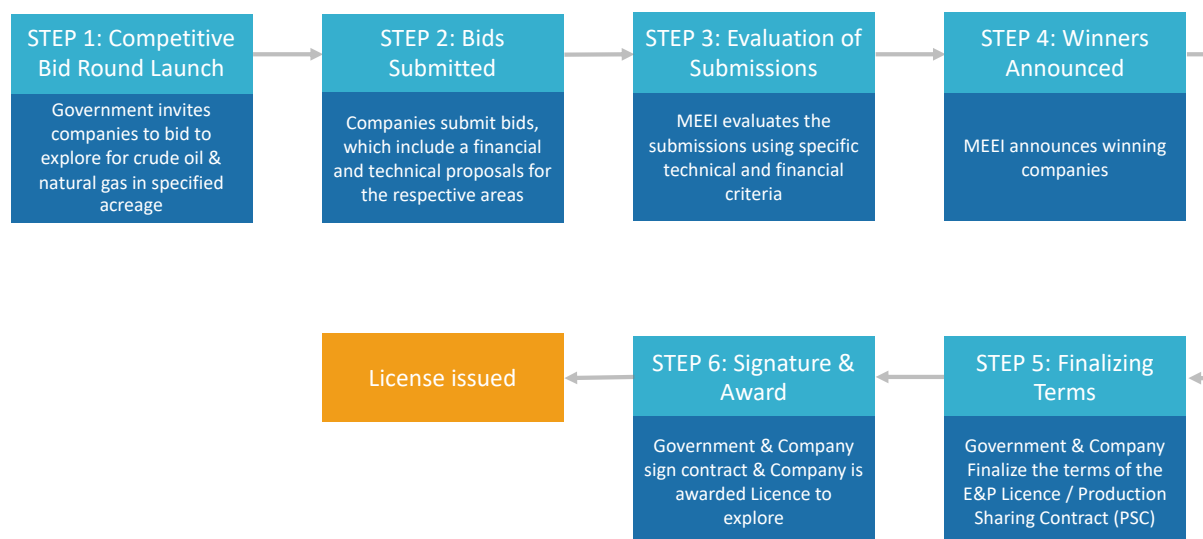


Figure 5-9 Oil and gas bidding process

After the submission deadline has passed, the MEEI holds a public ceremony for the opening of bid documents. A list of all bidders is made available.

For step 3, companies are evaluated based on their minimum exploration programmes, profit share splits and drilling programmes. Companies are assigned points for these areas and the highest

scoring company is favoured. An example of this for the recent 2021 deep water bid round is available in Schedule 6 of the legal notice, found at: <https://www.energy.gov.tt/wp-content/uploads/2022/07/CBO-Legal-Notice-No.-281-of-2021.pdf>

5.5.2 Mining license process

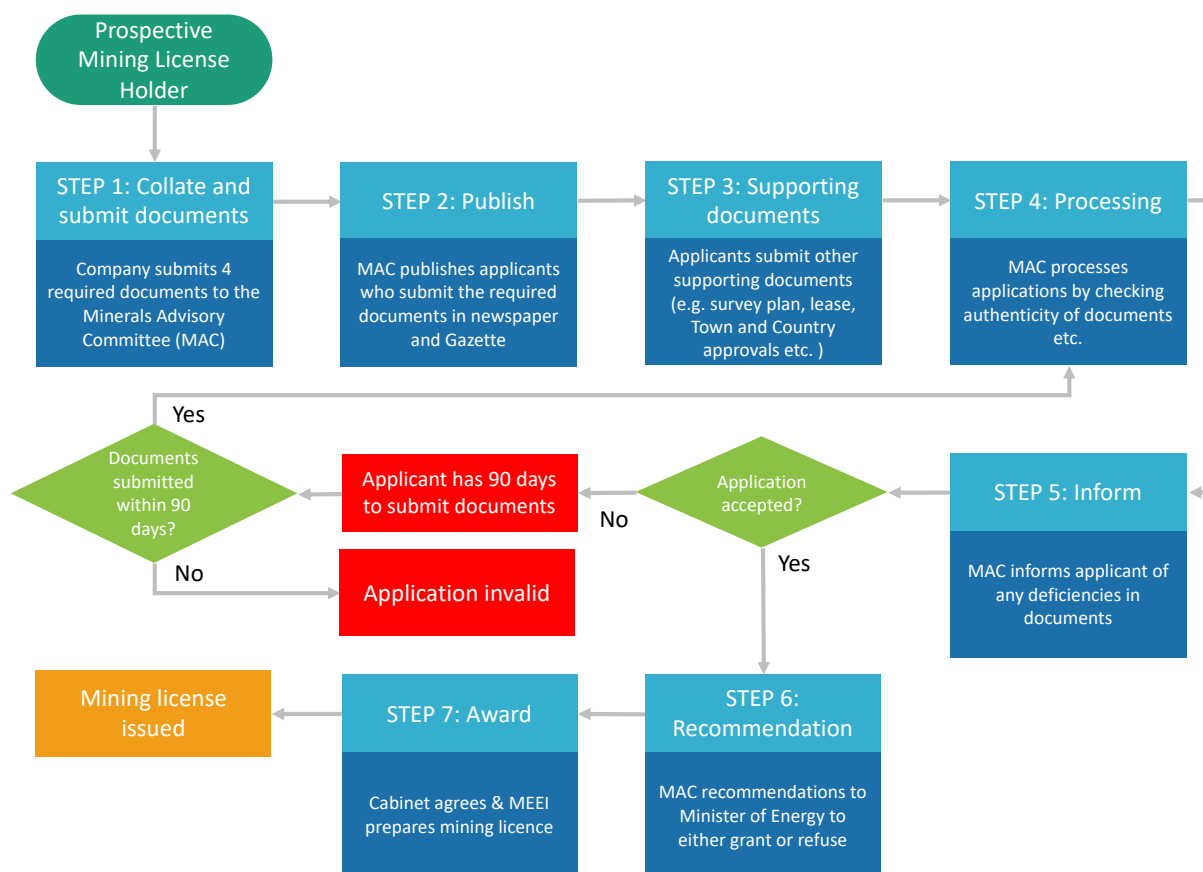


Figure 5-10 Mining licence process

See link below for additional information:

<http://www.energy.gov.tt/wp-content/uploads/2013/12/Guidelines-Flow-Chart-Mining-Licence.pdf>

5.6 Register of licenses and permits (EITI Requirement 2.3)

5.6.1 MEEI register

The MEEI maintains registers of:

- Oil and gas production sharing contracts,
- Oil and gas exploration licences,
- Quarrying licences.

These registers are in the form of Excel spreadsheets and are available at: <https://www.energy.gov.tt/services/license-registers/>

For the active oil gas licences (both PSCs and exploration), all the licence holders participate in the EITI reporting process. The list of active quarrying licences includes companies that do not participate in EITI reporting.

5.6.1.1 Oil and gas production sharing contracts

This register was updated in May 2022 and underwent substantive revisions compared to the previous version. MEEI performs periodic reviews of the register. These have generally happened every 2 years, or when there are several transfers or assignments to record. TTEITI keeps track of expected changes and highlights any gaps identified to MEEI. The register provides the following information on each PSC:

- Block name,
- Block size (in hectares),
- Parties to the PSC and their percentage share,
- Date of application,
- Summary of terms,
- Summary of surrender provisions,
- Guarantees,
- Assignment, extension, renewal, amendment, termination details
- The minimum work obligation.

The register also indicates whether the block has been relinquished or terminated. The register appears to contain complete, comprehensive and consistent information on each PSC, both active contracts and those that have been relinquished or terminated. The register would benefit from more frequent update e.g. quarterly.

5.6.1.2 Oil and gas exploration licences

This register was also updated in May 2022 but again it is not clear how frequently it is updated. The register provides the following information:

- Block name,
- Licence type,
- Parties and percentage share,
- Licence co-ordinates,
- Date of application (and effective date if different),
- Duration,
- Commodity.

This register does not provide consistent information on each licence. There are gaps in the information available. For example, for some blocks the percentage share of each party to the licence is not given. This register would benefit from ensuring there is complete, comprehensive and consistent information for each licence.

The MEEI also maintains a register of sub-licences, Under Section 24A of the Petroleum Act Chapter 62:01, a person holding a licence, (i.e. a licensee of an exploration and production licence) can issue sub-licences to a person, to engage in petroleum operations both onshore and offshore,

within the licensed area. written approval from the Minister's must be obtained before a licensee can issue a sub-licence.

The sub-licence register is in PDF format and lists the sub-licensee name and the relevant block. There is no further information, such as the date the sub-licence came into force or its duration, the block's location and co-ordinates or the nature of the sub-licensee's interest. The register is dated 2010/11 and so it is unclear whether it is current. This register should be updated and expanded to include the information noted above.

5.6.1.3 Quarrying licences

This register was updated on 29 September 2020 and contains the details of eight quarry licences. No new licences have been awarded since, so this remains up to date. For these licences, the register contains the following information:

- Licence holder,
- Location,
- Land status (i.e. state-owned or private),
- Size,
- Mineral,
- Co-ordinates,
- Start date,
- Expiry date,
- Licence number.

This register does not appear to be a complete list of quarrying licences. The MEEI should ensure all active licences are listed and that the register is updated frequently e.g. quarterly.

5.6.2 MEEI register

MEEI provided the following data relating to the assignment and transfer of PSCs and E&Ps in the period 2019 to 2021. There were no material deviations from the legal and regulatory framework for the awards and transfer during the 2019-2021 period.

None of the transfers listed below required a transfer fee under the clause relating to the assignment. It is important to note that based on the information provided by the MEEI the licences transferred between 2019-2021 contained no clauses requiring a transfer fee be paid. However, the Model PSC published on the MEEI website requires the PSC parties to provide:-

- A guarantee for the minimum exploration programme and details of the guarantor,
- A guarantee for the other PSC obligations and details of the guarantor,
- An undertaking from the parent company of the assignee to provide necessary technical and financial resources.

The guarantee for the minimum exploration programme would not be required in cases where the PSC development is past the stage of the minimum exploration programme. However, there is no allowance in the PSC for the requirement for the guarantee for other PSC obligations or for the parent company undertakings to be dispensed with.

Where a transfer fee is payable, MEEI should obtain as a condition of granting consent a copy of any executed Deed of Assignment and Sale and Purchase Agreement for licence transfers,

so that it has full information on the transfer and is able to follow up and collect any transfer fees payable.

The model Deepwater PSC published by the MEEI provides that in event of an assignment or transfer,

“For each assignment or transfer made by any entity or entities, the following rates shall apply to the amounts or value of the consideration:

For every dollar of first US\$100 million: 1%

For every dollar of next US\$100 million: 1.5%

For every dollar thereafter: 2%

The Minister reserves the right to waive this payment or any part thereof.”

In practice, not all PSCs contain this clause.

Table 5-13 Assignments of PSCs and E&Ps in 2019 to 2021

Block	Date of assignment	Applicable PSC or E&P	Percentage interest assigned	Assignor	Assignee	Clause in PSC or E&P relating to assignment
3(a)	18/11/2020 effective 28/12/2018	PSC for Block 3(a) dated 22/4/2002	34.23%	Chaoyang Petroleum (Trinidad) Block 3A Limited	BHP Billiton (TRINIDAD-3A) Limited	Article 31
	2/12/2020 effective 30/12/2020		20.13%	Heritage Petroleum Company Limited	NGC Caribbean Investments Limited	
	15/6/2021		11.41%	NGC E&P (Netherlands) B.V.	NGC Caribbean Investments Limited	
2(c)	3/11/2021	PSC for Block 2(c) dated 22/4/1996	30%	NGC E&P Investments (Netherlands) B.V.	NGC Caribbean Investments Limited	Article 31
1(a)	19/8/2021	PSC for Block 1(a) dated 5/7/2005	20%	NGC E&P Investments Limited	De Novo Energy Block 1A Limited	Article 31
Trinidad Northern Areas (TNA)	26/7/2021	E&P (Public Petroleum Rights) for TNA, Trinmar Licenced Area dated 31/12/2012 and E&P (Public Petroleum Rights) for TNA, North Marine Licenced Area dated 31/12/2012	65% of the amalgamation of both Trinmar and North Marine Licence Areas	Heritage Petroleum Company Limited	EOG Resources Trinidad Limited	Clause 11
South East Coast Consortium (Deep Ibis Area)	17/6/2020 effective 1/10/2014	E&P (Public Petroleum Rights) dated 28/12/1973 and registered as No. 4434 of 1978	1.4%	EOG Resources Trinidad Limited	National Gas Company of Trinidad and Tobago Limited	Clause 13

Source: Memo from MEEI included as Annex J

5.7 Disclosure of licenses and contracts (EITI Requirement 2.4)

At present contracts, licences and PSCs are confidential documents in Trinidad and Tobago based on several existing laws. A legal barrier exists within the Petroleum Act Chap. 62:01 section 35² and the Freedom of information Act Chap 22:02 section 31.³ The applicable pieces of legislation from section 35 and section 31 (1) are Stated below:

Section 35

1. No person who obtains information by virtue of the provisions of this Act shall disclose that information otherwise than in the discharge of his functions under this Act or for the purposes of any criminal proceedings.
2. Any person who contravenes this section is liable on summary conviction to a fine of fifteen thousand dollars or to imprisonment for one year.

Section 31(1)

A document is an exempt document if its disclosure under this Act would disclose information acquired by a public authority from a business, commercial or financial undertaking, and—

- a) the information relates to trade secrets or other matters of a business, commercial or financial nature; or
- b) the disclosure of the information under this Act would be likely to expose the undertaking to disadvantage.

The TTEITI Steering Committee and Secretariat planned to address barriers to contract transparency in their 2021-2023 workplan and have taken the following steps to advance contract transparency:

- Research and Advocacy: The SC prepared a series of policy briefs⁴ aimed at a change in policy to remove legal barriers. The SC provided recommendations on amendments to the Petroleum Act calling for contract disclosure and submitted a brief to the Minister of Energy outlining the benefits of EITI legislation. The SC also recommended including EITI clauses in contract for the 2021 deep water bid round however the recommendation was not accepted/included in the model production sharing contract.
- Public Outreach: The SC prepared a series of articles outlining the benefits of contract transparency, analysis on contract terms and conditions as well as hosted webinars highlighting the issue.⁵

5.8 Beneficial ownership (EITI Requirement 2.5)

5.8.1 Beneficial ownership disclosure under EITI

Beneficial ownership disclosure is important because it contributes to reducing illegal activities (e.g. tax avoidance and money laundering) which have negative implications on a country's potential revenue streams. TTEITI has defined a beneficial owner (BO) as “a living person who directly/indirectly owns a company or controls the shares or total votes, while a Politically Exposed Person (PEP) is a beneficial owner who has been entrusted with a prominent political function”.⁶ TTEITI previously applied a threshold for reporting of at least 10% of the shares or total votes, but has now aligned the definition to that in the amended Companies Act (see below), which does not apply any threshold.

² <https://www.energy.gov.tt/wp-content/uploads/2021/07/The-Petroleum-Act.pdf>

³ <https://www.energy.gov.tt/wp-content/uploads/2021/07/Freedom-of-Information-Act-22.02.pdf>

⁴ These are not yet publicly available.

⁵ For example, see <https://www.tteiti.com/articles/will-contract-transparency-be-beneficial-for-tt>

⁶ <https://www.tteiti.com/beneficial-ownership-register>

Participating EITI countries are required to disclose BO's and PEP's participation in extractive sector companies. The TTEITI published the country's first BO register in 2020. The register contains the details of 44 companies active in the extractive sector and can be found at: <https://www.tteiti.com/beneficial-ownership-register>

The register can be searched by the following parameters:

- Sector (oil and gas or mining),
- Company type (company name or subsidiary),
- Company name.

For each company, the register provides the following BO information:

- Company name
- MOF-IRD number
- Type of company ownership (e.g. listed company),
- Type of contractual arrangement (e.g. PSC),
- Registered address,
- Name of government owner (if applicable)
- Company registration number,
- Direct legal owners
- Legal owners' website
- Type of beneficial owner
- Name(s) of beneficial owners,
- Link to stock exchange website for listed companies only
- Names of any political exposed persons

The register does not contain details of the percentage share of each beneficial owner. While the information is publicly available, it is not downloadable or in machine-readable format.

The expectation is that companies are regularly asked to update their BO information in the register, although there has not been an update requested since January 2020. The next update is due to take place before preparation of the EITI report for FY2021 and for this update all companies active in the country's extractive industries will be asked to submit their BO information.

The register supported the Government's obligations under FATF, Global Forum and the EITI. The register provided the Government with the extractive sector model of how BO disclosure can be applied. The electronic database's launch was supported by a national sensitization campaign which reached close to 75,000 people and contributed to T&T being removed from the FATF grey list. With digitization of the declaration form and register, the TTEITI has seen a 93% increase in companies disclosing their BOs and over 5000 visitors to the register within one week of its launch. A gap analysis on national BO legislation was also conducted in 2022.⁷

The TTEITI facilitated increased dialogue among civil society, extractive companies and government agencies through our BO campaign workshops. The action also facilitated close inter-ministerial collaboration as workshops were held with the Registrar General's Department (RGD) and the Attorney General's (AG) office and law enforcement agencies in June 2022.⁸

5.8.2 Legal provisions and beneficial ownership disclosure practices in T&T

The Companies (Amendment) Act 2019 (Act 6 of 2019) sets out, in sections 337A to 337D, the legal provisions on beneficial ownership applicable in Trinidad and Tobago.⁹ The intent of this Act is clear, but there are significant issues with the way in which it tries to achieve that intent.

⁷ This has not yet been published.

⁸ <https://www.tteiti.com/bo-webinar-law-enforcement>

⁹ <http://news.gov.tt/sites/default/files/E-Gazette/Gazette%202019/Acts/Act%20No.%206%20of%202019.pdf>

The most significant issue appears to be the way it makes the distinction between:

- A. A person who holds a beneficial interest in shares, on behalf of the legal owners; and
- B. A person who is an ultimate beneficial owner of a company by virtue of direct or indirect ownership or control.

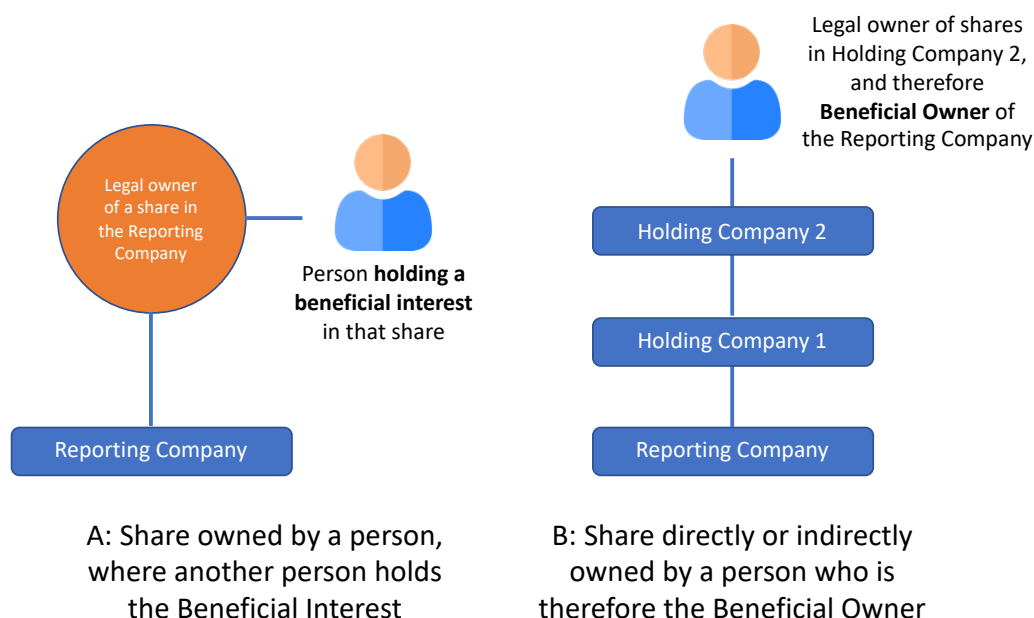


Figure 5-11 Beneficial interests vs. beneficial ownership

The provisions of the Companies (Amendment) Act 2019 include a beneficial ownership definition, an obligation on companies to identify their beneficial owners, to maintain records on their BO and to submit the information to the Companies Register.

Section 373A.(2) seeks to define a Beneficial Owner in the context of scenario B above, or similar scenarios where the shares in the Reporting Company are owned directly or indirectly (so potentially through multiple layers of holding companies) by one or more natural persons. This is aligned to the expectations of FATF and the way in which beneficial owners are defined under the EU AMLD and by EITI.

Companies are also obliged to submit an annual reconfirmation of their BO information and to report any changes within 30 days of the change occurring.

Section 373B.(1) and (2) then create an obligation for companies to ascertain details of those beneficial owners as defined above on at least an annual basis.

The process is then set out in Section 373C. However, that section variously refers to "beneficial interests" (implying arrangements as set out in Figure 1, diagram A above) and "beneficial owner" (implying arrangements as set out in Figure 1, diagram B above). By mixing these terms, the real obligations placed on companies become unclear, and there is a significant risk of loopholes or unintended consequences.

As a result, the obligation on companies appears to rely on those companies issuing a form to the legal holders of shares requesting that those legal owners declare if the shares are held for the beneficial interest of someone else (scenario A above). This does not necessary capture indirect ownership or control (scenario B above).

The provisions do make it clear that failing to ascertain beneficial owners is an offence for which all directors and officers of the company are liable and face fines or imprisonment. The provisions also state that failing to submit information to the register and/or failing to make a BO declaration are also offences.

The legislation also exempts companies listed on a stock exchange from the BO obligations. This appears to be intended to mitigate the significant administrative burden for a listed company, which might conceivably have hundreds of thousands of shareholders, from providing an unmanageable amount of data. However, it could have the disadvantage of resulting in listed companies, which can be the largest and most valuable businesses operating in a country, providing no data to the register at all.

There are also some significant omissions from the legislation. The definition does not set a threshold for reporting ownership or control of a company. While the definition refers to both direct and indirect ownership and control as well as other means of ownership other than shares, the bulk of the provisions refer only to shareholders. So, the provisions do not appear to create obligations for natural persons who exercise ownership or control through other means e.g. partnerships or co-operatives.

To implement the provisions described above, the Companies Register makes available on its website the following seven forms for companies to identify their beneficial owners, submit that information to the Register and to notify any changes. However, these forms are not entirely clear as to when they are referring to a person who holds a beneficial interest and when they are referring to an ultimate beneficial owner. The forms are:

- Form 40: issued by the company to shareholders asking them to notify who holds a beneficial interest in the shares legally held in their name (if not them). So this form appears to relate to scenario A above.
- Form 41: used by those named in the company share register but who do not “hold the beneficial interest in such shares” to give details of who is the beneficial owner. So this form appears to relate to scenario B above, although it relies on Section 373C(1).
- Form 42: used by those who are the beneficial owner to declare their ownership. It is unusual for a regime to require a signed and witnessed statement from every individual beneficial owner, and although this adds credibility to the data collected, it may not be proportionate to the risk. This form does not require the beneficial owner to disclose any unique identification, such as a national identity or passport number.
- Form 43: used to notify change in BO. However, this form is completed by the shareholder in the reporting company, rather than by the company itself, which increases the administrative burden.
- Form 44: used to notify of change in level of BO in company. This form supplements Form 43, and once again requires signed and witnessed statements by the outgoing and incoming beneficial owners. There are questions of practicality here.
- Form 45: used to submit information on the beneficial owner to the register. This form does not appear to be on the RGD website.
- Form 46: for transfer of shares

The forms can be found at: <http://legalaffairs.gov.tt/forms.php>

As a suite of forms intended to capture information on the beneficial owners of a company, these are complex and do not always capture the correct information or sufficient information to uniquely identify each beneficial owner.

The BO information collected under the Act is not publicly available. Also, it is not stored in a machine-readable format and therefore there are barriers to sharing this information with law enforcement agencies and with authorities in other jurisdictions.

5.9 State participation (EITI Requirement 2.6)

Information of revenues collected from SOEs can be found in section 5.2.3.

5.9.1 The Financial Relationship between the Government and SOEs

Government/State owned oil, gas and mining companies must be held to standards of accountability and transparency. The EITI requires implementing countries to inform the public on the various rules and practices regarding the financial relationship between the Government and state-owned enterprises. This includes the rules and practices governing how funds are to be transferred between the SOE and the State, how retained earnings and reinvestments are to be handled as well as rules on third party financing.

The government describes how it participates in the extractive industries at: <https://www.finance.gov.tt/divisions/investments-division/>. Reports on this participation are found at: <https://www.finance.gov.tt/publications/state-enterprises-investment-programme/>.

The State Enterprises Performance Monitoring Manual developed by the Ministry of Finance addresses all these issues. It also contains rules governing inter-agency debt, the publishing of financial statements and procurement.

The Auditor General reviews the work of the Ministry of Finance's Investment Division to ensure SOEs live up to the expectations outlined in the State Enterprises Performance Monitoring Manual. The Auditor General's report is available at:

https://auditorgeneral.gov.tt/sites/default/files/Auditor_Generals_Report_2021.pdf

Table 5-14 State enterprises performance monitoring manual

Document	Submission Date	Receiving Agency
Strategic Plan*	Six (6) months Prior to start of Financial Year for companies receiving subventions and one (1) month for others	Investments Division and Line Ministry
Annual Budget	Six (6) months prior to start of Financial Year	Investments Division and Line Ministry
Board Minutes	One (1) week after confirmation	Investments Division and Line Ministry
Cash Statements of operations	Within three (3) weeks after month's end	Investments Division
Quarterly Reports	End of First Month after Quarter	Investments Division
Status of Loan and overdraft portfolio	One (1) week after the end of the reporting month	Investments Division
Annual Financial Statements	Four (4) months after end of Financial Year	Investments Division and Line Ministry

Table 5-15 The financial relationship between SOEs and the Government

Issue	Rule	Practice
Transfer of funds between SOEs and the state	Section 3.1.19.1 of the SEPMM highlights the different taxes and royalty payments that SOEs are required to pay on a timely manner.	Tax and royalty payments are contractual arrangements between the MEEI and the extractive company. This therefore falls outside of the purview of the Investments Division of the MOF. Section 3.12 of the Auditor General's Report 2017 explains that quarry

		operators in default of submitting arrears are not recorded or notified by the MEEI.
	Section 3.1.7 of the SEPMM outlines a dividend policy whereby SOEs are also required to pay interim dividends based on semi-annual financial results. The Minister of Finance has to agree to the distributions of profit, which ought to be disclosed in the companies' financial statements. The manual also states specific considerations when determining the amount of dividends that an SOE is required to pay the State.	The Ministry of Finance is guided by the dividend policy to which the SOEs closely adhere.
	Section 3.1.18 of the SEPMM outlines the policy on shares and transfers for State enterprises. This includes the submission of original share certificates to the Ministry of Finance and Investment Division's maintenance of State Enterprises share register.	All State Enterprises closely adhere to this policy and the Ministry of Finance continuously updates its State Enterprises Share Register.
	<p>The dividends policy in Section 3.1.7 of the SEPMM states that SOEs with retained earnings in excess of working capital requirements may be required to pay Special Dividends.</p> <p>Section 4.2.2 of the SEPMM states that retained earnings are to be disclosed in quarterly reports submitted to the Investments Division in the Ministry of Finance. Also, refer to Appendix I of the SEPMM.</p>	<p>The retained earnings are recorded in the SOEs' Quarterly Returns Report.</p> <p>All SOEs submit Quarterly Returns Reports to the Investments division of the Ministry of Finance.</p>
Retained earnings	Section 3.1.7 of the SEPMM states that SOEs with retained earnings in excess of working capital requirements may be required to pay Special Dividends. This has implications on the amount of money that can be reinvested.	The retained earnings are recorded in the SOEs' Quarterly Returns Report.
Reinvestment	<p>SOEs must first receive approval by the Minister of Finance before taking a decision to acquire significant assets, to invest in new non-government securities, to incur any new/additional long-term debt and to enter into significant contracts. Refer to Section 3.1.14 of the SEPMM.</p> <p>State Enterprises are to inform the Ministry of Finance on matters related to Inter-Agency Accounts Receivables and Payables that are unmanageable as detailed in the required Quarterly Returns Report. Refer to Section 3.1.15 of the SEPMM.</p>	<p>All State Owned Enterprises adhere strictly to this Policy.</p> <p>All SOEs in addition to the submission of Quarterly Returns Report, also inform the Investments Division of unmanageable Accounts Receivables and Payables while seeking an intervention from both MOF and the respective Line Ministry</p>
Third-party financing	The Minister of Finance must approve of any Government shares to be issued. Refer to Section 3.1.18 of the SEPMM.	All State Enterprises closely adhere to this policy and the Ministry of Finance continuously updates its State Enterprises Share Register.

Table 5-16 Government loan and loan guarantees offered to oil, gas and mining companies in Fiscal 2021

Name of state-owned enterprise	Government ownership percentage (%)	Government guaranteed loan
Lake Asphalt of Trinidad and Tobago (1978) Limited (LATT)	100%	No Government Guaranteed Loans
National Quarries Company Limited (NQCL)	100%	No Government Guaranteed Loans
The National Gas Company of Trinidad and Tobago Limited and its Subsidiaries (NGC)	100%	No Government Guaranteed Loans
Trinidad and Tobago National Petroleum Marketing Company Ltd (NPMC)	100%	No Government Guaranteed Loans
The Trinidad Petroleum Holdings Limited	100%	Seven facilities (three matured by July 2017).

5.9.2 State-owned Extractive Companies (SOEs) in T&T

SOEs which are major players in the extractive industries in Trinidad and Tobago are summarised below (*oil and gas / ** minerals): -

1. National Gas Company of Trinidad and Tobago (NGC) and its subsidiaries*
2. The Trinidad Petroleum Holdings Limited*
3. National Quarries Company**
4. Lake Asphalt**

In addition, the Estate Management and Business Development Company Limited (EMBDCL) and Palo Seco Agricultural Enterprises Ltd (PSAEL) are owners of land used in the extractive sector and /or provide services to the sector, although they are not themselves active extractive companies. These two companies are not included in the scope of this TTEITI Report.

Between 2019-2021, based on information provided by the MEEI Legal Unit there were several instances where PSC and licence transfers involved SOEs. Heritage Petroleum transferred its 20% stake in Block 3A to the National Gas Company (NGC) and 65% of its interest in the Trinidad Northern Areas acreage to EOG Resources. The NGC transferred 20% of its stake in Block 1A to De Novo.

Details of the state's shareholdings can be found in the State Enterprise Investment Programme and the License Register: <https://www.finance.gov.tt/wp-content/uploads/2021/10/State-Enterprises-Investment-Programme-SEIP-2022.pdf>

5.9.2.1 The National Gas Company of Trinidad and Tobago (NGC)

The National Gas Company of Trinidad and Tobago Limited (NGC) Group is a diversified group with assets worth TT\$ 40 billion spread across the entire value chain. The core business of the parent, NGC, is the purchase, transmission, compression, distribution and sales of natural gas.

NGC is the largest contributor to earnings from State owned enterprises. The NGC Group recorded a profit of TT\$482.2 million in 2019 (as restated in 2020) which represents an 75.89% (TT\$1.9 billion) fall from its 2018 profit of TT\$2.39 billion. In 2019 the company paid the Ministry of Finance

TT\$192.9 million in dividends compared to roughly TT\$1 billion in 2018. For the NGC's financial performance see: <https://ngc.co.tt/financial-performance/>.

The NGC Group gives a full listing of its subsidiaries, the nature of their business and their percentage equity owned by the Government in its Annual Report 2019. For NGC's annual report see: https://ngc.co.tt/wp-content/uploads/2020/10/ngc-annual-report-2020_resolute-and-resourceful.pdf

NGC has a number of subsidiary companies:

- National Energy Corporation of Trinidad and Tobago Limited (National Energy) is 100% owned by NGC and is involved in the conceptualisation, promotion, development and management of industrial estates and port and marine facilities.
- NGC CNG Company Limited (NGC CNG) is mandated to develop the CNG market in T&T by promoting CNG and the installation of a network of CNG stations as well as implementing Government incentives for the sector.
- Trinidad and Tobago NGL Limited (TTNGL) is a company incorporated to hold 39% of PPGPL and was listed on the Trinidad and Tobago Stock Exchange in 2015, to allow citizens to own a stake in the energy sector.
- NGC Pipeline Company Limited owns finances, constructs, operates and maintains a 56-inch cross-island pipeline (CIP) from Beachfield on the south-east coast of Trinidad to Point Fortin on the south west coast of Trinidad.
- Trinidad and Tobago LNG Limited holds 11.11% equity interest in Atlantic LNG 4 of Trinidad and Tobago Unlimited ("Atlantic 4") together with other shareholders. Atlantic 4 is principally engaged in the ownership of a Liquefied Natural Gas Plant in Trinidad and in the processing and sale of Liquefied Natural Gas ('LNG') and Natural Gas Liquids ('NGLs').
- NGC Trinidad and Tobago LNG Limited holds 10% ownership in Atlantic Train 1 which sells liquified natural gas ('LNG') and natural gas liquids ('NGLs'). This Company should be included
- NGC NGL Company Limited hold 51% investment in Phoenix Park Gas Processors Limited ('PPGPL').
- La Brea Industrial Development Company Limited is principally engaged in the promotion and development of an industrial estate and marine infrastructure facilities at La Brea.
- NGC Petrochemicals Limited main activity is to hold a 20% investment in Caribbean Gas Chemical Limited (CGCL) and market its methanol and DME entitlement.
- NGC E&P (Barbados) Limited provides certain material needs and services for its members (NGC E&P Netherlands Cooperatif U.A.).
- NGC E&P Investments (Barbados) Limited provides certain material needs and services for its members (NGC E&P Netherlands Cooperatif U.A.).
- Downstream Petrochemicals Research and Development Limited is principally engaged in the Management of DME and Downstream Promotion Fund.
- NGC E&P Investments Limited holds 20% interest in Block 1A Offshore Trinidad which is principally engaged in focusing on delivering low-cost natural gas to the domestic market.
- NGC Group Captive Insurance (Barbados) Limited is principally engaged providing additional insurance of various risk of its Parent (NGC) and subsidiaries assets.
- NGC Caribbean Investments Limited holds 20.13% equity in exploration, development and production of oil and gas of Block 3 (a).

All the NGC subsidiaries are registered in Trinidad and Tobago, except for

- NGC E&P Investments (Barbados) Limited (registered in Barbados)
- NGC E&P (Barbados) Limited (registered in Barbados)
- NGC Group Captive Insurance (Barbados) Limited (registered in Barbados)

NGC has a number of sub-subsidiary companies:

- Phoenix Park Gas Processors Limited (PPGPL) is principally engaged in natural gas processing and aggregation, fractionation and marketing of Natural Gas Liquids.
- NGC E&P Netherlands Coöperatief U.A 100% holds the equity interest in NGC E&P Investments (Netherlands) B.V. which holds a 30% interest in Block 2C and NGC E&P (Netherlands) B.V. which holds a 11.41% interest in Block 3A
- NGC E&P (Netherlands) B.V holds a 11.41% equity in exploration, development and production of oil and gas of Block 3A
- NGC E&P Investments (Netherlands) B.V. holds a 30% equity interest in the exploration, development and production of oil and gas of Block 2C

5.9.2.2 Trinidad Petroleum Holdings Limited

Despite its improvements in crude oil production, refinery throughput and bunkering, the Petroleum Company of Trinidad and Tobago (Petrotrin) continued to be challenged by serious management-created debts, manpower issues, refinery inefficiencies, aged infrastructure and frequent oil spills. In 2018, the Government ceased Petrotrin's operations and introduced a new structure and placed it under a new holding company- Trinidad Petroleum Holdings Limited (TPHL). TPHL's four subsidiaries are:

1. **Heritage Petroleum Company Ltd** (<https://heritage.co.tt/>): located in Santa Flora and Point Fortin, Heritage Petroleum has the responsibility for all E&P Assets, including E&P contracts, with revenue generated through crude oil sales and crude oil storage. The operations are primarily located within southern Trinidad and Tobago with non-operated assets off Trinidad's north and east coast. In addition, Heritage also holds multiple contracts and joint venture (JV) arrangements for offshore acreages ranging from 10% to 80% interest. In most of these joint ventures, JV partners pay for the activities involved in the involvement in the exploration phase.

Table 5-17 List of Heritage Petroleum's joint ventures 2019

Blocks		Heritage Equity	Joint Venture Partners
ONSHORE			
1	Moruga West	40.0%	Massy Energy Production Resources Ltd. (60%) New Licence in progress
2	Central Block	35.0%	Shell Trinidad & Tobago Limited (65%)
3	Parrylands 'E'	25% (CVORR)	New Horizon Exploration Trinidad & Tobago Unlimited (75%)
4	Rio Claro Block	20.0%	Lease Operators Limited (80%)
5	Ortoire Block	20.0%	Touchstone Exploration (Trinidad) Limited (80%)
6	St. Mary's Block	20.0%	Range Resources Trinidad Limited (80%)

OFFSHORE			
7	Brighton Marine	45% (CVORR)	Oilbelt Services Limited (55%)
8	Point Ligoure, Guapo Bay Brighton Marine (PGB)	30.0%	Oilbelt Services Limited (70%)
9	Pelican	16.0%	EOG Resources Trinidad Limited (80%) The National Gas Company of Trinidad and Tobago Limited (NGC) (4%)
10	SECC	16.0%	EOG Resources Trinidad Limited (80%) NGC (4%)
11	NCMA-1 / Block 9 Unitised Area	19.5%	Shell Trinidad & Tobago Limited (63.1925%) ENI Trinidad & Tobago Limited (17.3075%)
12	TSP	15.0%	Perenco T&T Limited (70%) NGC (15%)
13	Block 3A	20.13%	BHP Billiton (Trinidad 3-A) Ltd (34.23%) Chaoyang Petroleum (Trinidad) Block 3A Limited (34.23%) NGC E&P (Netherlands) B.V. (11.41%)
14	Block 22	10.0%	BG International Limited (90%)
15	Galeota	35% (Dev. Area - CVORR)	Trinity Exploration and Production (Galeota) Limited (65%)
16	NCMA 4	20.0%	BG International Limited (80%)
17	East Brighton	30%	Primera Oil and Gas Limited (70%)
SUBSIDIARY			
	Trintomar	80%	NGC (20%)

2. **Paria Fuel Trading Company Ltd** (<https://pariatt.co/>): The terminalling (fuel trading and product supply) activities are being undertaken by Paria Fuel Trading Company Ltd (Paria Fuel). Paria Fuel is responsible for trading and product supply, logistics, terminalling and handling of the exports of Heritage Petroleum. The five fuels imported are Gasoline 95R, Gasoline 92R, Jet, Gasoil and Fuel Oil.
3. **Guaracara Refining Company Ltd**: is responsible for preservation of the refinery assets, in addition to providing utility services (i.e. water - domestic and hydrant, electricity and nitrogen) to Paria Fuel and Petrotrin.
4. **Petrotrin**: Petrotrin is now responsible for all legacy items that have not been transferred to one of the new operating entities, including ongoing preservation/ maintenance works, properties, lands, prioritisation of payables, legal liabilities (the validation of which is in progress) and it will continue to support the pension plan going forward. All assets owned by the 'old' Petrotrin are still owned by the State-owned oil company (Trinidad Petroleum Holdings Ltd). On closure of the refinery the Government revealed it planned to sell or lease the facility. The Government received expressions of interest from 77 bidders. However, only 25 signed the Non-Disclosure Agreements (NDAs) and could continue in the process. Of the remaining 25 potential buyers, eight submitted Non-binding Offers (NBOs). Following the evaluation of the submitted offers five bidders were shortlisted.

Cabinet then appointed a 10-person evaluation committee with a mandate based on the following:

- Select preferred bidder

- Negotiate and finalise a binding offer
- Negotiate and execute a definitive agreement
- Initiate negotiations of critical agreements
- Negotiate any government incentives and conduct environmental audits

Patriotic Energies and Technologies Company Limited was named the preferred bidder and they were given a month to present a detailed work plan. However, the Government and Patriotic were not aligned on several issues and an agreement was not made. On the 31 of October 2020, the Minister of Energy stated, “the proposal did not address key outstanding issues and, as such, Patriotic does not meet the criteria necessary to lead to a signed contractual agreement.”



5. **National Quarries Company Limited (NQCL, <http://nqcl.co.tt>):** National Quarries Company Limited (NQCL) is a fully state-owned enterprise that was incorporated in 1979 to ensure that the country’s construction sector and Government’s major development projects are adequately supplied with aggregate at a fair price. The company operates quarries, mines and sand pits, and also manufactures, imports and exports aggregate products.
6. **Lake Asphalt of Trinidad and Tobago (1978) Limited:** Lake Asphalt of Trinidad and Tobago (1978) Limited (or Lake Asphalt) is a state-owned enterprise situated in Brighton, La Brea with the responsibility of overseeing the commercial development of the world’s largest deposit of natural asphalt. The company undertakes mining, refining, manufacturing and distribution of road building products and other asphalt related products. In addition to exporting asphalt, the company sells its refinery bitumen locally and internationally.

5.10 Collection and distribution of extractive revenues (EITI Requirements 5.1 and 5.2)

Extractive sector revenue collected by the Government is distributed in a number of different ways and involves several different institutions. Transparency in revenue allocations enables citizens to track whether the money from the extractive sector ends up in the national budget or is distributed to other funds or Government entities.

EITI International

5.10.1 The process of distributing extractive revenues

In Trinidad and Tobago, there is no revenue sharing formula that determines how revenues should be allocated to different priority areas (e.g. health care, security, tourism development, etc.). Generally, the Minister of Finance meets with representatives of stakeholder groups (e.g. Business Associations and Chambers) to gather information on the areas that they deem important for spending for the upcoming fiscal year. The Minister incorporates this information into the National Budget (referred to as the Appropriation Bill) which is submitted to Parliament for approval. Once the Budget is approved, the extractive and non-extractive revenues from the Consolidated Fund are allocated to the various Government Ministries and Statutory Agencies which then provide goods and services for the public.

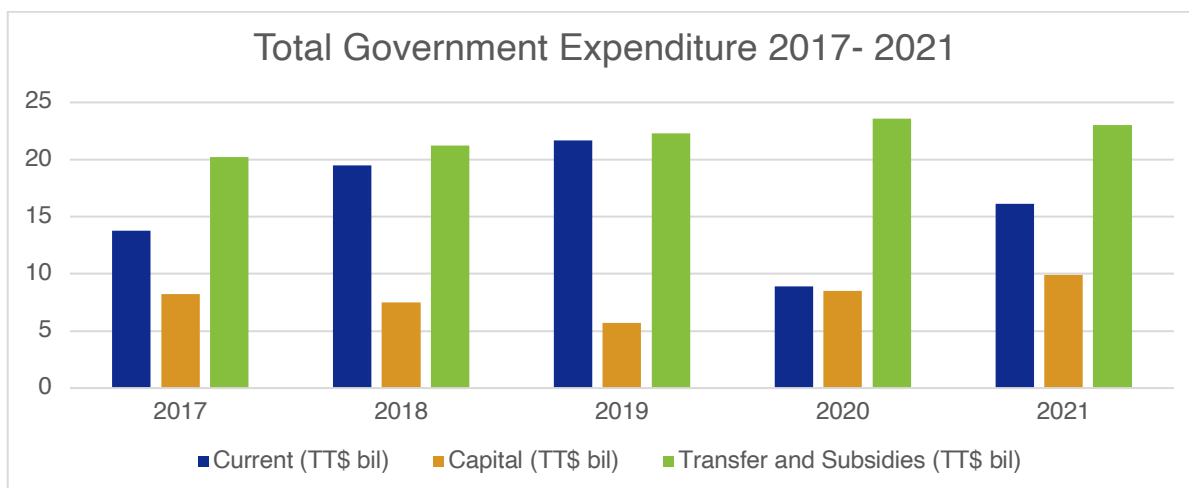
In relation to Requirement 5.1, it is important to note that Trinidad and Tobago utilises the IMF's Government Finance Statistics Manual.

Table 5-18 Total Government expenditure

Year	Current TT\$ bn	Capital TT\$ bn	Transfer and Subsidies TT\$ bn
2017	13.8	8.2	20.2
2018	19.5	7.5	21.2
2019	21.70	5.70	22.30
2020	8.9	8.50	23.60
2021	16.1	9.90	23.00

Source- Ministry of Finance, Estimates of Revenue 2020

Note: 2019 figures are revised, 2020 and 2021 are estimates



Source- Ministry of Finance, Estimates of Revenue 2020

Figure 5-12 Total Government expenditures 2017 to 2021

5.10.2 Corruption and Mismanagement

There are established legal mechanisms and procedures to minimise corruption and mismanagement of revenues from the Consolidated Fund. The parties involved in this oversight are:

1. The Minister of Finance
2. The Auditor General
3. The Accounting Officer (appointed by the Treasury)
4. The Parliament's Joint Select Committees. These mechanisms are detailed in the Accounting Manual prepared by the MOF's Treasury Division, which can be found on the Auditor General's Department webpage.

See: <http://www.auditorgeneral.gov.tt/sites/default/files/Accounting%20Manual%20Comptroller%20of%20Accounts.pdf>

5.10.3 Sub national transfers

Subnational transfers refer to the process of transferring revenues from the extractive sector between the Central Government and sub national government agencies, for instance regional and local corporations. In Trinidad and Tobago there is no statutory requirement for this practice.

Chapter 8 Section 112 (1) to (4) of The Constitution of The Republic of Trinidad and Tobago states that *"All revenues or other moneys raised or received by Trinidad and Tobago ... shall ... be paid into and form one Consolidated Fund."*

The money contained in the consolidated fund is not separated into buckets based on extractive or non-extractive revenues, it is one single pool of revenues. In terms of expenditure from the fund, the Finance Minister creates estimates for the national budget which is approved by the Parliament. After the budget is approved, funds are then transferred to the various heads of expenditure which include local and regional corporations. Therefore, Requirement 5.2 does not apply to Trinidad & Tobago.

5.10.4 The Consolidated Fund

There is no revenue sharing formula that determines how revenues should be allocated to different priority areas (e.g. health care, security, tourism development, etc.). Generally, the Minister of Finance meets with representatives of stakeholder groups (e.g. Business Associations and Chambers) to gather information on the areas that they deem important for spending for the upcoming fiscal year. The Minister incorporates this information into the National Budget (referred to as the Appropriation Bill) which is submitted to Parliament for approval. Once approved, monies from the Consolidated Fund which are all revenues including taxes, custom duties, interest and monies raised or received by Trinidad and Tobago, are then allocated by the Parliament to meet Government Expenditure. Projects and programmes by Ministries, Statutory Boards, Local Government and the Tobago House of Assembly within the Public Sector Investment Programme (PSIP) were partially funded through the Consolidated Fund for the fiscal year 2021/22. The table below outlines the total allocation to the PSIP and the amount that was funded by the Consolidated fund.

The government publishes a description of the country's budget process at: www.auditorgeneral.gov.tt. In addition, TTEITI has produced a guide for CSOs on the country's budget. This can be found at: <https://stories.tteiti.com/budget-guide/index.html>

Details of the country's budget can be found at: <https://www.finance.gov.tt/category/budget-statement/>.

Table 5-19 Public Sector Investment Programme (PSIP) 2022 – Allocation by sector

Sector and Area	Total Allocation TT\$ million	Consolidated Fund TT\$ million
Building Globally Competitive Businesses	557.8	512.3
Agriculture	97.6	80.6
Economic Reconstructing and Transformation	132.1	132.1
Industrial Development	0.2	0.2
Manufacturing	40.2	22.7
Tourism	54.7	46.7
Youth Development and Entrepreneurship	233.0	230.0
Improving Productivity through Quality Infrastructure and Transport	1,306.4	651.0
Drainage	203.7	104.7
Electricity	40.3	40.3
Information Technology and Infrastructure	245.7	245.7
Roads and Bridges	493.5	123.5
Sewerage	81.1	0.0
Transportation	182.7	107.7
Urban and Regional Development	0.0	0.0
Water Security	59.4	29.1
Placing the Environment at the Center of Social and Economic Development	20.2	17.7
Energy/Renewable Energy Alternatives	0.3	0.3
Environment	19.9	17.4
Delivering Good Governance and Service Excellence	767.0	426.5
Administration	387.2	174.7
Capacity Building/ Institutional Strengthening	90.7	90.7
Communication	8.2	8.2
Law Enforcement	152.8	88.8
Public Safety and Citizen Security	126.6	62.6
Regional Development Planning	1.5	1.5

Putting People First: Nurturing Our Greatest Asset	1,548.6	894.7
Community Development	190.0	42.0
Culture	33.3	14.3
Early Childhood Education	7.8	1.8
Health/ HIV AIDS	586.8	322.2
Housing and Shelter	153.0	153.0
Primary Education	39.8	14.1
Science, Research and Development	4.6	4.6
Secondary Education	61.6	16.4
Skills Development	25.4	25.4
Social Development	30.7	18.2
Special Education	12.2	9.7
Sport and Recreation	116.9	31.5
Tertiary Education	286.5	241.5
GRAND TOTAL	4,200.0	2,502.2

Source: Guide to the Budget 2022

5.10.5 The Heritage and Stabilisation Fund: saving for the future generations

The Heritage and Stabilisation Fund (HSF) was created by the Heritage and Stabilisation Act, No.6. of 2007 It has three objectives:

1. Cushion the impact on or sustain public expenditure capacity during periods of revenue downturn whether caused by a fall in prices of crude oil or natural gas.
2. Generate an alternate stream of income to support public expenditure capacity as a result of revenue downturn caused by the depletion of non-renewable petroleum resources.
3. Provide a heritage for future generations of citizens of Trinidad and Tobago from savings and investment income derived from the excess petroleum revenues

The Act outlines the rules for deposits and withdrawals for the Ministry of Finance:

Deposit Rule:

- 60% of difference between actual and budgeted revenue
- For budgeted revenues, prices used for oil and gas estimates are based on defined international sources

Withdrawal Rules:

- Withdrawal permitted if annual tax revenue from oil and gas is at least 10% below budget projection
- Withdrawal could be up to 60% of shortfall but not exceeding 25% of the fund

These rules remained the same up to 2020. Amendments were made in Q1 2020 (see below). The table below shows the value of the HSF at year end 2018 to 2021.

Table 5-20 Value of the Heritage Stabilisation Fund 2018 to 2021

HSF US\$	
2021	5,463,893,835
2020	5,731,799,397
2019	6,255,349,599
2018	5,965,847,092

Source: CBTT

The Ministry of Finance publishes an annual report on the Fund, which includes financial statements for the year, audited by the Auditor General. The latest report (FY 2021) is available at <https://www.finance.gov.tt/wp-content/uploads/2022/04/HSF-AR-2021-web-1.pdf>

The Heritage and Stabilisation Fund (HSF) increased by 4.8% from fiscal 2018 to 2019 due to interest income earned. No deposits or withdrawals were made during 2019. On 27 March 2020, the Minister of Finance introduced a Bill (Act no. 9 of 2020) to change the legislation of the HSF. The change in legislation was meant to amend the fiscal rules that govern the HSF. As at the end of fiscal 2020 total withdrawals for the year were US\$ 900 Million and a further US\$ 600 Million for fiscal year 2021. Under the new rules to the fund, withdrawals of US\$ 1.5 billion can be made during a financial year to help finance the Covid-19 pandemic.

5.10.5.1 Change in Legislation

The amendment of section 15A is as follows:

(1) Notwithstanding section 15 and any other written law and subject to subsection (2), withdrawals may be made from the Fund where:

- (a) A disaster area is declared under the Disaster Measures Act
- (b) A dangerous infectious disease is declared under the Public Health Ordinance
- (c) There is, or is likely to be, a precipitous decline in budgeted revenues which are based on the production or price of crude oil or natural gas

(2) Withdrawals under subsection (1) may be made from the fund not exceeding one and one half billion dollars at any time during the financial year.

Table 5-21 Heritage Stabilisation Fund deposits and withdrawals

	Oil Price (US\$)	Deposits (US\$)	Withdrawals (US\$)
2010		477,344,263	-
2011	94.88	451,400,519	-
2012	94.05	207,550,846	-
2013	97.98	42,414,251	-
2014	93.17	-	-
2015	48.66	-	-
2016	43.29	-	375,050,860
2017	50.8	-	252,548,048
2018	64.94	-	-
2019	56.99	-	-
2020	38.96	-	900,000,000
2021	75.03	-	893,000,000

Source: MOF, HSF Quarterly Investment Report

5.10.6 The Social Sector Investment Programme

The goal of the Social Sector Investment Programme (SSIP) is to meet the social protection needs of the population. As a result of the Covid-19 pandemic, there has been a slight decrease in the number of programmes being implemented. In fiscal year 2021, 140 social sector programmes which span across 13 ministries and the five divisions of the House of Assembly, have been implemented. An example of some of these programmes include the Agricultural Incentive Programme, Alcohol and Drug Abuse Prevention Programme (ADAPP), Litter Eradication Programme (LEP), Vocation Skills Training Programme, Higher Education Loan Programme, Text

Book Rental Loan Programme and Youth Training and Employment Partnership Programme (YTEPP). Overall, the social sector has experienced a downward trend in investment. The table below highlights key social programmes that aim to address a range of social issues, and to promote sustainable human and social development under sector ministers and agencies. Senior Citizens' Pension (SCP) continues to record the highest expenditure and showed an upward trend from 2017-2020. The second highest expenditure recorded is the Disability Assistance Grant (DAG) which has also experienced an upward trend since 2018.

Table 5-22 The Social Sector Investment Programme

PROGRAMME	Actual Expenditure TT\$ thousands						
	2014	2015	2016	2017	2018	2019	2020
Community-based Environment Protection & Enhancement Programme (CEPEP)	532,557	606,200	531,588	450,000	447,998	353,540	400,400
Disability Assistance Grant (DAG)	371,683	379,507	516,848	523,755	513,472	565,698	613,074
Government Assistance for Tertiary Expenses (GATE)	635,678	712,000	650,000	504,940	434,300	435,000	435,000
National Schools Dietary Services Limited	258,660	250,000	235,500	200,000	203,302	239,200	179,558
On the Job Training (OJT) Programme	307,025	308,000	347,820	228,083	175,896	237,722	313,595
Public Assistance Grant (PAG)	288,743	409,500	463,991	404,253	391,386	356,876	488,251
Senior Citizens' Pension (SCP)	2,434,804	2,861,471	3,688,326	3,506,374	3,553,245	3,846,556	4,062,736
Food Support Programme	270,487	294,000	260,000	158,104	139,930	153,125	314,034
Unemployment Relief Programme (URP)	572,519	717,500	349,841	299,901	272,155	281,472	281,472
TOTAL	5,672,155	6,538,177	7,043,914	6,275,410	6,131,683	6,469,189	7,088,119

Source: Ministry of Social Development and Family Services, Social Sector Investment Programme 2020, 2021 and 2022.

5.10.7 Fuel subsidies

5.10.7.1 The current fuel subsidy regime

Since 1974, motorists in Trinidad and Tobago have been enjoying the use of transportation fuels at prices below the open market price, implemented through the Petroleum Production Levy and Subsidy Act (PPLSA). Both the Government and exploration and production (E&P) companies share the burden of the fuel subsidy by paying Paria Fuel Trading Company the difference between the actual selling price and the subsidised price. In Trinidad and Tobago, the fuel subsidy was not based on an individual's income levels but was universally applied.

Over several years the Government has been reducing the subsidy on fuel which resulted in price increases the table below shows these changes from 2015 to present. In April 2022, fuel prices increased as shown in the table below. The price of premium gasoline and super gasoline was adjusted by TT\$1 per litre, to TT\$6.75 and TT\$5.97 per litre, respectively while the price of diesel was only increased by 50 cents.

Table 5-23 Super gasoline and diesel prices

Year	Super Gasoline Price increase (per litre)	Diesel Price Increase (per litre)
	TT\$	TT\$
2015 Q3	\$2.70 - \$3.11	\$1.50 - \$1.72
2016 Q2	\$3.11 - \$3.58	\$1.72 - \$1.98
2016 Q3	\$3.58	\$1.98 - \$2.30
2017 Q3	\$3.58 - \$3.97	\$2.30 - \$3.41
2018 Q4	\$3.97 - \$4.97	\$3.41
2020	\$4.97	\$3.41
2021 Q1	\$4.97	\$3.41
2022 Q1	\$5.97	\$3.91

Source: Ministry of Finance

The increase in fuel prices is primarily due to the burden of the cost of the fuel subsidy to the Government. The Government's subsidy liability was an estimated TT\$726 million at the end of fiscal 2018 but this amount decreased to an estimated TT\$431 million at the end of 2021. At the end of Q1 of 2022, the subsidy liability stood at an estimated TT\$453 million.

Table 5-24 Subsidy claims, levy payments and Government liability

Calendar Year	Subsidy Claims	Levy Payments	Outstanding Government Subsidy Liability
	TT\$	TT\$	TT\$
2011	4,410,393,680.25	684,173,443.41	3,726,220,236.84
2012	4,547,950,572.74	629,129,076.23	3,918,821,496.51
2013	4,336,107,784.84	626,523,244.84	3,709,584,540.00
2014	3,796,600,645.83	576,382,330.79	3,220,218,315.04
2015	1,656,850,198.45	288,743,995.93	1,368,106,202.52
2016	589,427,986.85	221,153,258.60	368,274,728.25
2017	805,510,951.84	281,287,911.52	524,223,040.32
2018	1,042,266,408.77	316,019,033.13	726,247,375.64
2019	491,496,985.85	246,549,775.71	244,947,210.14
2020	148,002,912.90	127,925,712.48	20,077,200.42
2021	710,366,556.05	279,340,905.08	431,025,650.97
2022 YTD Mar (estimated)	539,062,528.28	85,617,605.52	453,444,922.76

Source: MEEI

According to the Ministry of Energy and Energy Industries' Monthly Bulletins (Sections 4F, 4G, 4H), during the period January -December 2020 a total of 1,022,303,104 litres of gas oil/diesel was imported into T&T, however during that same period a total of 435,770,966 litres was sold locally. This decline in local sales can be attributed to the government mandated Covid-19 Stay-at-Home order which curtailed movement. A similar trend occurred in 2021, heading into the second year of the pandemic. During the abovementioned period, 1,136,929,233 litres of gas oil/ diesel were imported however local sales were 429,663,003 litres. The Paria fuel trading exports for gas oil/diesel during the period January-December 2020 was 443,708,442 litres while during the same period in 2021, the company saw an increase in exports with a total of 554,222,482 litres.

5.10.7.2 Reform of the fuel subsidy regime

In 2020, the Government announced the decision to liberalise retail fuel prices at the pump which at that time, utilised the fuel subsidy model that was implemented in 1974. The proposed changes were then outlined in the Finance Bill 2021. In the 2022 Budget Statement, the Government signalled that the liberalisation of fuel prices was scheduled to commence in February to March 2022. However, due to unexpected increases in oil prices, these plans have not been implemented yet. Instead, the second quarter of 2022 only saw partial liberalisation as the weight of the fuel subsidy was reduced via an increase in the cost of fuel to consumers.

However, it should be noted that as recently as June 2022, there have been suggestions from Government that T&T may soon move to a fully liberalised fuel market although no timetable has been set.

5.10.7.3 The subsidy regime old and new - comparison

In 1974, the Government of Trinidad and Tobago implemented the Petroleum Production Levy and Subsidy Act (PPLSA) to mitigate the burden of high oil prices on consumers. The PPSLA allowed fuels such as diesel, gasoline and kerosene to be sold at fixed prices which were lower than market price. In the 1974 model, fuel was provided to distributors (NP) by Petrotrin (then Trintoc), at a wholesale price which was lower than international selling prices. Fuel was then sold to the dealers by the distributors at Government regulated (subsidized) prices, inclusive of a fixed margin. Dealers at the gas stations would then sell to the public at the fixed pump price. The subsidy value was the difference between the wholesale price from Petrotrin and the international price. The Government refunded this subsidy to Petrotrin.

In the new fuel subsidy model, Paria Fuel Trading Company would continue to purchase fuels at current international prices and then add its margin, terminalling fees, distribution and other costs to determine its wholesale price to marketing companies (Unipet and NP). These marketing companies would then purchase fuel from Paria and the wholesale price plus value added tax and therefore retail prices at the gas stations would be the sum of the wholesale price and a margin. These key features are highlighted in clauses 9 and 10 of Finance Bill 2021 which further states that only marketing companies that purchase fuel from refineries or traders will be allowed to sell to gas stations.

There are several differences between the old and the new model. Firstly, due to the removal of a fixed retail margin, gas stations will not be allowed to price competitively and prices at the pump will fluctuate in line with international prices. The wholesale price and international prices will be published by the MEEI to allow comparisons to be made between these and prices at the pump by the public. The Government will also be able to retain some flexibility to maintain the subsidy on certain fuels as well as fix the wholesale price which would enable a measure of control over prices. The introduction of the fuel levy in the proposed model which kicks in once oil prices are below US \$65 per barrel, is another key difference. This levy is to be paid monthly by any marketing company selling fuels wholesale to gas stations. The proposed model also brings T&T's fuel

market in line with what prevails in other countries including, CARICOM neighbours, Barbados and Jamaica.

In 2017, the Office of the Prime Minister highlighted that aggregate fuel subsidies amounted to TT\$31 billion in the period 2000-2016. In 2020 alone, with the onset of the pandemic and two lockdowns, the fuel subsidy was approximately TT\$148 million. The most recent budget for the fiscal year 2021/2022, was based on an oil price of US\$65/bbl and gas at US\$3.75/mmBtu which is now currently hovering around US\$100/bbl and US\$6.30/mmBtu. With the cost of maintaining the fuel subsidy becoming exorbitant, the second quarter of 2022 saw a partial increase in the cost of fuel. A combination of factors such as the Russia-Ukraine crisis, as well as climatic and global economic factors have contributed to a 60% increase in Brent oil prices from US\$65 per barrel at the end of December 2021 to an average of US\$97 per barrel in February 2022 and US\$106 per barrel in March 2022, shocks which the Government would not be able to absorb. This increase in the price of gasoline, kerosene and diesel will allow the Government to reduce the weight off the subsidy by 50% which consumers will now bear.

5.11 Infrastructure and barter arrangements in the extractive sector (EITI Requirement 4.3)

Oil, gas and mining companies sometimes provide the Government with loans, grants or infrastructure works in exchange for oil and gas concessions (e.g. rights to drill in a Block). However, this practice does not occur in T&T. Some state companies may spend on infrastructure work as part of their Corporate Social Responsibility programmes or based on the Government's rural development policy. Such expenditure is disclosed as "Social Expenditure" in the EITI report.

Infrastructure and barter arrangements are not included in any oil, gas or mining sector laws including in the primary pieces of legislation namely the Petroleum Taxes Act, Minerals Act 2000, Minerals (General) Regulations 2015. There are also no provisions for these arrangements in Production Sharing Contracts or E&P Licences.

5.12 Social and environmental expenditures (EITI Requirement 6.1)

Requirement 6.1 states:

"Where material social expenditures by companies are mandated by law or the contract with the government that governs the extractive investment, implementing countries must disclose these transactions."

"Where material payments by companies to the government related to the environment are mandated by law, regulation or contract that governs the extractive investment, such payments must be disclosed."

The Steering Committee has determined that there were no such arrangements applying in FY 2019 and 2020. For more details, see the materiality determinations for 2019 and 2020 attached as annexes C and D.

The SC agreed to the following definition of Social Payments/Expenditure at the 55th SC meeting on 21 May 2015:

"Social payments/expenditure is the provision by public and private extractive sector and related companies of benefits to and financial contributions targeted at communities, civil society organizations, households and individuals. Such benefits can be cash transfers or direct (in-kind) provision of goods and services but shall exclude advertising and/or promotional costs related to the expenditure."

These payments are reported and not reconciled. Companies disclosed on a voluntary basis any discretionary social expenditure in total for the fiscal year via the reporting templates. Companies'

contribution to social expenditure focuses on funding sporting, musical, educational and capacity building initiatives. The companies with the largest contributions to social expenditure include BP, Shell and the NGC. These companies support steel pan orchestras, youth football, cricket and athletic leagues, micro funding for entrepreneurs, adult literacy campaigns and support for educational programmes promoting STEM. The NGC's Sustainability Report also outlines its CSR initiatives and is available at <https://ngc.co.tt/wp-content/uploads/2021/06/2020-Sustainability-Report-1.pdf>. Table 5-25 below summarises the amounts reported.

Table 5-25 Social expenditure by company

Company	2019 social payments TT\$	2020 social payments TT\$
BP Trinidad and Tobago LLC Trinidad Branch	11,550,010	9,039,621
EOG Resources Trinidad Limited	817,183	831,687
Heritage Petroleum Company Limited	90,755	601,360
Lease Operators Limited	238,026	270,471
The National Gas Company of Trinidad and Tobago	1,615,264	2,157,840
Perenco T&T Limited	678,013	433,636
Petroleum Company of Trinidad and Tobago Limited	164,833	-
Repsol Angostura Limited	109,762	50,573
Shell Trinidad and Tobago Limited	19,030,724	14,344,736
BG International Limited	250,000	-
Total	34,544,570	27,729,924

Companies not represented in the table above did not report any discretionary social expenditure.

5.13 Transportation revenues (EITI Requirement 4.4)

The NGC subsidiary NGC Pipelines Limited (NGCPL) is the only company to report transportation revenues. See section 6.5 for further details. NGCPL receives these revenues for capacity in gas pipelines under the Cross Island Pipeline Gas Transportation Agreement dated 1 May 2007. Companies shipping gas through NGCPL pipelines are billed one month in advance and based on agreed amounts reserved on the pipeline by each shipper.

The table below sets out the total revenues that NGC received in FY2019 and FY2020. Shippers make payments in US\$. NGC via the data collection template reported the total amount received in US\$ and the TT\$ equivalent.

Table 5-26 NGCPL total transportation revenues for 2019 and 2020

	US\$	TT\$
2019	44,665,562	301,804,056
2020	40,061,673	270,135,079

In addition, companies reported their transportation tariffs. These figures include all payments, not just those to NGCPL, and so do not correspond to the revenues reported above.

Table 5-27 Transportation tariffs reported by companies for 2019 and 2020

Company	2019 transportation tariffs TT\$	2020 transportation tariffs TT\$
BP Trinidad and Tobago LLC Trinidad Branch	58,212,389	31,714,653
BP Trinidad Processing Limited	65,306,221	83,786,119
Perenco T&T Limited	15,204,339	26,080,236
BG International Limited	122,570,889	54,135,737
Shell International Block E Limited	427,239,384	92,734,905
Total	688,533,222	288,451,650

5.14 Auditing and accounting (EITI Requirement 4.9)

Requirement 4.9 of the EITI Standard 2019 states that:

“The expectation is that government and company disclosures as per Requirement 4 are subject to credible, independent audit, applying international auditing standards.”

Participating oil and gas companies were requested to provide copies of their audited financial statements (AFS) covering FY 2019 and 2020.

In the oil and gas sector, AFS were obtained for the following SOEs:

- The National Gas Company of Trinidad and Tobago Limited – available at:
<https://ngc.co.tt/media/publications/>
- Heritage Petroleum Company Limited - available at:
<https://trinidadpetroleum.co.tt/investor-relations/financial-statements/>
- Petroleum Company of Trinidad and Tobago Limited – summary financial statements published in the daily newspaper – 2019 on 17 July 2022. The audited financial statements for 2020 are not yet available.

The financial statements provided by private companies are detailed in Annex E. These findings are summarized below.

Table 5-28 Audited financial statements

		Number of companies	
		2019	2020
SOEs	Provided current audited financial statements	3	2
	Did not provide audited financial statements	0	1
Other companies	Supplied audited financial statements for the local company	16	16
	Do not produce audited financial statements for local subsidiary, audited group financial statements provided	19	19
	Failed to provide audited financial statements	7	7
TOTAL		45	45

Table 5-29 Audit status of financial statements 2019

		Independent audit under IAS	2019 audited Financial Statements	Unqualified audit opinion
Government agencies	MOF-IRD	N*	N/A	N/A
	MOF-Investment Division	N*	N/A	N/A
	MEEI	N*	N/A	N/A
SOEs	NGC	Y	Y	Y
	Heritage Petroleum	Y	Y	Y
	Petrotrin	Y	Y	N
	Lake Asphalt	N	N	N/A
	National Quarries	Y	Y	N
Private companies		Some (see 5.14.4 below)		

N* - These are audited in accordance with International Standards of Supreme Audit Institutions (ISSAI)

Table 5-30 Audit status of financial statements 2020

		Independent audit under IAS	2020 audited Financial Statements	Unqualified audit opinion
Government agencies	MOF-IRD	N*	N/A	N/A
	MOF-Investment Division	N*	N/A	N/A
	MEEI	N*	N/A	N/A
SOEs	NGC	Y	Y	Y
	Heritage Petroleum	Y	Y	Y
	Lake Asphalt	Y	N	N/A
	National Quarries	Y	N	N/A
Private companies		Some (see Section 5.14.4 below)		

N* - These are audited in accordance with International Standards of Supreme Audit Institutions (ISSAI)

5.14.1 Government reporting

The duties and powers of the Auditor General include the following:

1. The Auditor General shall examine, inquire into and audit the accounts of all accounting officers and receivers of revenue and all persons entrusted with the assessment of, collection, receipt, custody, issue of payment of public moneys, or with the receipt, custody, issue, sale, transfer or delivery of any stamps, securities, stores or other State property.
2. The Auditor General shall satisfy himself that:
 - all reasonable precautions have been taken to safeguard the collection of public moneys and that the laws, directions and instructions relating thereto have been duly observed;
 - all issues and payments were made in accordance with proper authority and that all payments were property chargeable and are supported by sufficient vouchers or proof of payment;

- all money expended has been applied to the purpose or purposes for which the same was granted by Parliament and that such expenditure conforms to the authority which governs it and has been incurred with due regard to the avoidance of waste and extravagance;
- essential records are maintained and the rules and procedures framed and applied are sufficient to safeguard the control of stores and other State property.

Using the powers enshrined in the Exchequer and Audit Act Chapter 69:01 of the laws of the Republic of Trinidad and Tobago, the Auditor General audits MOF-Inv and MEEI.

For the period 2019 and 2020, minimum audit work was done on the accuracy of gas production, oil production, royalties and minimum rent. The petroleum impost was audited 100% as this is done as a separate financial statement and includes some verification of the annual administration. Expenditure of money received from government by the MEEI is verified on a sample basis during the annual audit.

The Auditor General audits MEEI. During the reconciliation process, amendments were required to the information provided by MEEI due to omissions or errors, suggesting the need for amendments to the control environment in operation at the government entities. Audits conducted on a sample basis are designed to detect only material errors. A thorough audit of the accounting systems will detect control weaknesses which, when strengthened, would impact the accuracy of information flows. The Auditor General had not done an interim (controls) audit in 2000.

The Auditor General is not granted access to MOF-IRD's revenue records in order to conduct an audit. This is due to statutory confidentiality restrictions within Sections 4(1) and 4(2) of the Income Tax Act. The information provided by MOF-IRD is therefore not subjected to an independent audit. Likewise, the IA could not refer to MOF-IRD, any questions on templates it received from participants. On at least one occasion, there was evidence to suggest errors on the template produced by MOF-IRD. The existence of an error does not suggest a weak control environment as it depends on its nature, frequency, materiality and genesis.

The Auditor General audits MOF-Inv which has, via its templates, provided information on SOE dividends, which, during 2019 and 2020, were received from only one SOE. This information was corroborated by documentation and information provided by the SOE on its template. In FY 2018, only NGC paid a dividend confirmed by the company's independently audited accounts.

One (1) SOE in the mining sector did not produce audited financial statements for 2019 and two (2), for 2020. Additionally, one SOE in the oil industry received a qualified independent auditors' opinion for 2019 and has not yet produced audited financial statements for 2020 as at the date of this report. This impacts the IA's assessment of MOF-Inv's compliance with its mandate as a monitoring agent of State Enterprises, which includes:

- Monitoring the adherence to the performance criteria established for all state Enterprises;
- Commissioning operational and management audits of State Enterprises; and
- Preparing economic and financial appraisals of State Enterprises.

5.14.2 SOE reporting

5.14.2.1 *Oil and gas*

The 2019 and 2020 financial statements for National Gas Company of Trinidad and Tobago Limited were audited by a firm of independent auditors, and the opinions thereon were unqualified.

The 2019 financial statements for Petroleum Company of Trinidad and Tobago Limited were audited by a firm of independent auditors and the opinion thereon was qualified, as the auditors were unable to obtain sufficient, appropriate audit evidence:

- over the expenses on TT\$309 million contained within trade and other payables; and

- about the accuracy of movement in the carrying amount of assets held for distribution to owners valued at TT\$8.421 million.

The 2019 and 2020 financial statements of Heritage Petroleum Company Limited were audited by a firm of independent auditors, and the opinions thereon were unqualified.

5.14.2.2 Mining

The 2019 financial statements for National Quarries Company Limited were audited by a firm of independent auditors and the opinion thereon was denied, as the company did not provide supporting documentation to substantiate the completeness, existence, accuracy and valuation of fixed assets, inventory, accounts receivable and prepayments, accounts payable and accruals, development costs, environmental rehabilitation, royalties payable, cash in hand and at bank and bank overdraft.

The 2019 and 2020 financial statements for National Quarries Company Limited have not yet been audited.

The MOF-Inv publishes the State Enterprises Performance Monitoring Manual (SEPM), which may be found at

<https://www.finance.gov.tt/wp-content/uploads/2013/11/State-Enterprise-Performance-Monitoring-Manual-2011.pdf>

The Manual sets out various guidelines for performance monitoring, oversight and compliance, including:-

- Performance Monitoring;
- Strategic Plans;
- Annual Operating Budgets;
- Project Management Protocol;
- Risk Management;
- Audited Financial Statements;
- Administrative Reports;
- Board Minutes;
- Additional Monitoring Indicators;
- Monitoring Process Flow;
- Monitoring and Evaluation;
- Reporting;
- Cash Statements of Operations;
- Quarterly Returns;
- Loan/Overdraft/Investments in Securities Portfolios and Litigation Proceedings;
- Performance Financial Indicators;
- Revenue and Expenditure;
- Supplementary Public Sector Investment Programme; and
- Compliance.

With regard to audited financial statements, State Enterprises are required to submit:-

- Audited Financial Statements one (1) electronic copy and three (2) originals to the Minister of Finance within four (4) months of their financial year end. These reports are to be laid in Parliament and subsequently submitted to the Public Accounts and Enterprises Committee for consideration.
- Copies of their Management letters issued by Statutory Auditors.

According to the Companies Act Chap. 81:01, the directors of a company shall call an annual meeting of shareholders not later than eighteen months after the company comes into existence, and subsequently not later than fifteen months after holding the last preceding annual meeting. The act goes further to state that the directors of a company shall place before the shareholders at every annual meeting of the shareholders of the company:

- comparative financial statements relating separately to the period that began on the date the company came into existence and ended not more than twelve months after that date, or, if the company has completed a financial year, the period that began immediately after the end of the last period for which financial statements were prepared and ended not more than twelve months after the beginning of that period; and the immediately preceding financial year;
- the report of the auditor, if any; and
- any further information respecting the financial position of the company and the results of its operations required by the articles of the company, its By-laws, or any unanimous shareholder agreement and any information required to be reported under section 93(6).

With regard to the delay in preparing audited financial statements for National Quarries Company Limited to 2020 and for Lake Asphalt (1978) Limited, the MOF-Inv, via letter dated 19 May 2022 to the Head of the TTEITI Secretariat, stated the following:

... "The Plan for the Audit of NQCL financial statements for 2020 and 2021:

NQCL audited financial statements for the period ended September 30, 2019, were submitted to Parliament on July 22, 2021. The financial statements were also published in the Newsday newspaper on November 30, 2021. The company's auditors have completed the field work and issued a draft audit report for the financial year 2020. It is anticipated that the audit for the year 2020 would be finalised by May 31, 2022. Additionally, the company is in the process of preparing the schedules to support the financial statements for the year ended September 30, 2021 and anticipate the audit to be completed by September 30, 2022.

The Plan for the Audit of LATT financial statements for 2016 to 2021:

LATT has submitted its audited financial statements for the year ended September 30, 2015 to the Ministry of Finance, however, the statements are to be accepted by the Minister of Finance (Corporation Sole), after which the audited financial statements would be submitted to Parliament and published in the Daily Newspaper.

LATT has informed that the auditors have completed all the audit field work for financial year 2016 and submitted a second draft of the financials to LATT. The company is in the process of finalizing their internal reviews and the audit is anticipated to be completed by September 30, 2022.

LATT also informed that preliminary fieldwork was conducted and LATT was collating all audit schedules in preparation for the auditors to complete the audit of the 2017 financials. LATT is working to have the audited financial statements for the years ended September 30, 2017 to 2021 brought up to date by January 31, 2023.

The Investments Division continues to liaise with the respective companies via correspondence, emails and the telephone to have their audited financials brought up to date..."

5.14.3 PSC auditing

MEEI has provided updated information on the number of PSC audits due, conducted and outstanding for the calendar year 2019, 2020 and 2021, a summary of which is given below:-

Table 5-31 PCS audit statistics 2019 to 2021

	Revenue	Cost
Audits outstanding as at December 2019	79	304
• Quarterly audits due in 2020	32	75
• Audits completed in 2020	(1)	(70)
Audits outstanding as at December 2020	110	309
• Quarterly audits due in 2021	28	68
• Audits completed in 2021	(8)	(47)
Audits outstanding as at December 2021	130	330
Scheduled audits in progress to June 2022	10	76

The PSC Audit Unit of the Ministry of Energy and Energy Industries is responsible for monitoring and auditing amounts due and paid by PSC operators, ensuring compliance with the terms and conditions of the PSCs.

The PSC Audit Unit completed the following:

Table 5-32 PCS audit 2019 to 2021

Year	Number of Audits	Revenue	Number of Audits	Expenditure
2019		68		53
2020		33		0
2021		22		28

During the conduct of the audits, the PSC Audit Unit disallowed several expenses as follows:

Table 5-33 PCS disallowed expenditure 2019 to 2021

Year	Value of Disallowed Expenditure
2019	USD10.4 million
2020	USD65.3 million
2021	USD46.9 million

Continuation of these audits has been facilitated by the 2021 renewal of three-year contracts for the personnel within the PSC Audit Unit.

5.14.4 Reporting companies

5.14.4.1 Oil and gas

Forty-two (42) private companies and three (3) SOEs were asked to provide a copy of their 2019 and 2020 audited financial statements. Details of the responses are set out in Annex E. Of the private companies, seventeen (17) produced company audited financial statements, thirteen (13) produced group audited financial statements and twelve (12) did not provide any audited financial statements. Of the SOEs, for 2019, all three (3) provided audited financial statements and for 2020, two (2) provided audited financial statements.

Of the thirty (30) private companies which provided audited financial statements or group financial statements, all independent auditors' reports were unqualified. Of the three (3) SoEs which provided audited financial statements in 2019, two (2) bore unqualified independent auditors' reports and one (1) auditors' opinion was qualified. Of the two (2) SoE which provided audited financial statements in 2020, both contained unqualified independent auditors' opinions.

Group financial statements aggregate the financial information of components that are under common control. The audit of group financial statements requires the group auditor to determine significant components of the group and to engage enhanced auditing procedures thereon. However, if a component is clearly insignificant to the group on account of size or complexity, or if a component is perceived to have a low risk of material misstatement of the group financial statements, then the audit focus will not be directed toward that component. The impact is that limited if any audit work would be done on components which are insignificant to the group, thereby providing a very low level of assurance to those who depend on the issue of an unqualified group auditors' report for comfort on the truth and fairness of component information.

Table 5-34 Audited financial statements in the oil and gas sector - 2019

	No. of companies	Payments TT\$	% of total
SOEs providing AFS	3	2,449,545,528	18.34%
SOEs not providing AFS	-	0	0.00%
Private company providing AFS	16	5,895,964,861	44.13%
• Private company providing group AFS	19	1,189,598,167	8.90%
• Private company not providing AFS	7	3,824,328,691	28.63%
Total	45	13,359,437,247	100.00%

Table 5-35 Audited financial statements in the oil and gas sector - 2020

	No. of companies	Payments TT\$	% of total
SOEs providing AFS	2	1,664,385,714	24.98%
SOEs not providing AFS	1	0	0.00%
Private company providing AFS	16	2,174,478,151	32.63%
• Private company providing group AFS	19	952,315,228	14.29%
• Private company not providing AFS	7	1,872,351,164	28.10%
Total	45	6,663,530,257	100.00%

5.14.4.2 Mining

Two (2) SOEs and three (3) private companies within the mining sector were asked to participate. Two SOEs and two (2) private companies submitted information on pre-designed templates. The

third private company, despite having signed a memorandum of understanding with regard to the TTEITI, was not contactable during the course of the preparation of this report.

The two (2) private companies and two (2) SOEs that participated, were asked to provide a copy of their 2019 and 2020 audited financial statements. Details of the responses are set out in Annex E. Of the private companies, neither provided company audited financial statements. The laws of the Republic of Trinidad and Tobago do not require private companies to produce audited financial statements.

Of the SOEs, for 2019, one (1) provided audited financial statements, and for 2020, neither provided audited financial statements. The only audited financial statements received from participants in the mining sector contained a denial of opinion from its independent auditors.

The private company which did not provide any template information is generally considered an important participant in the sector. For that reason, the IA sought to determine the impact non-compliance had on the report. This company is part of a group which had its 2019 and 2020 audited financial statements accessible through an internet search. The financial statements for both years were unqualified and listed a key audit matter relating to significant tax assessments raised by the tax authorities. Because of the group being listed on both the Trinidad and Tobago Stock Exchange and the Barbados Stock Exchange, the International Standards on Auditing require these key audit matters to be disclosed. A review of the key audit matter revealed that it pertained to disallowed expenditure totalling TT\$998.4 million and additional tax assessment of TT\$43.7million relating specifically to the parent, which is the Trinidad and Tobago company from which information could not be obtained. The IA suggests that all efforts should be made to incorporate revenues from this company into the 2021 report.

Table 5-36 Audited financial statements in the mining sector - 2019

	No. of companies	Payments TT\$	% of total
SOEs providing AFS	1	2,548,750	12.38%
SOEs not providing AFS	1	404,265	78.07%
Private company providing AFS	-	-	-
• Private company providing group AFS	-	-	0.00%
• Private company not providing AFS	2	311,825	9.55%
Total	4	3,264,840	100.00%

Table 5-37 Audited financial statements in the mining sector - 2020

	No. of companies	Payments TT\$	% of total
SOEs providing AFS	-	-	0.00%
SOEs not providing AFS	2	1,784,188	86.73%
Private company providing AFS	-	-	-
• Private company providing group AFS	-	-	0.00%
• Private company not providing AFS	2	272,914	13.27%
Total	4	2,057,102	100.00%

5.14.5 Assurance procedures adopted for EITI reporting in 2019 and 2020

As the EITI reporting is not considered an audit, no assurance procedures were adopted. Discrepancies detected were brought to the attention of the relevant parties for resolution.

All parties providing completed reporting templates were required to sign the document as a means of acceptance of responsibility for their preparation, thereby affording the IA a level of assurance that a level of review was conducted into their accuracy and completeness.

All government departments signed the declarations on the EITI templates in accordance with the instructions.

All companies and SOEs signed the declarations on the EITI templates in accordance with the instructions, with the exception of Petroleum Company of Trinidad and Tobago and Lake Asphalt of Trinidad and Tobago (1978) Limited.

5.15 Export data in the extractive sector (EITI Requirement 3.3)

The government publishes data on the volume of oil and gas exports at:

<https://www.energy.gov.tt/publications/>

5.15.1 Oil & gas

Oil

Oil export volumes significantly increased between 2018 and 2019 due to the refinery closure at Pointe-a-Pierre. This resulted in Heritage Petroleum having to export its crude oil for refining, in previous years all crude oil would be refined locally. In 2020, the value of crude oil exports declined to US\$ 850 million consistent with the decline in export volumes for that same year. However, oil export volumes increased in 2021 and as the latest estimates from the Central Bank state, the value for crude oil exports is US\$ 1.1 billion for the period January to September 2021. The Central Bank reports export values in calendar years.

LNG

LNG export volumes increased marginally by 1.3 % from 2018 to 2019. However, LNG cargo exports generated US\$2.5 billion in 2018 and US\$2 billion in 2019, the fall in value is attributed to a fall in market prices. In 2020, LNG export volumes decreased by 29.7% and further experienced a 45.5% decrease in 2021. This generated a decrease in the value of LNG exports to US\$1.1 billion in 2020 and a further decrease to US\$1 billion in 2021.

Table 5-38 Crude oil and LNG exports 2017 to 2021

Energy Export Volumes		
	Crude Oil (Barrels)	LNG (mmBtu)
2017	9,971,693	565,502,280
2018	8,047,023	637,378,645
2019	21,298,352	646,009,003
2020	18,409,859	497,763,833
2021	21,681,344	341,926,543

Source: MEEI Consolidated Monthly Bulletins

Table 5-39 Crude oil and LNG export values

Energy Export Values (US\$mn)		
	Crude Oil	LNG
2018	618.9	2,502.5
2019	1,375.8	2,036.5
2020	850.3	1,075.0
2021	1,075.0	1,022.3

Source: Central bank of Trinidad and Tobago

Note: Data for 2021 is from Jan-Sept

5.15.2 Minerals

The Minerals Division of the MEEI confirmed that most minerals produced in T&T are used domestically and not exported, the only exception is asphalt.

Based on figures from the Central Statistical Office (CSO), in 2019, 5.2 million kilogrammes of asphalt was exported, valued at TT\$17.3 million. For 2020, there was 8 million kilogrammes of asphalt exports valued at TT\$17.3 million. It is important to note that the 2020 figures are provisional figures and will be adjusted pending further verification from the CSO.

Trinidad and Tobago's asphalt originates from the Pitch Lake in La Brea and state enterprise Lake Asphalt oversees the production at its facility in La Brea.

The data for exports can be found at the Harmonised System section of the CSO's website: <https://cso.gov.tt/subjects/international-trade/>

5.15.3 The calculation and verification of export volumes and values

The calculation and verification of export volumes and values is a collaborative effort between, the Central Bank of Trinidad and Tobago (CBTT) and the Central Statistical Office (CSO). The CBTT conducts direct surveys of oil and gas companies to ascertain the volumes exported on a quarterly basis and uses benchmark prices to calculate export values. The Customs and Excise Division also provides data on export volumes to the CSO generated from its ASYCUDA system. To verify these export volumes, the CBTT and the CSO compare/reconcile their figures. Periodically, the CBTT will also liaise with the MEEI to verify consistency with export data compiled by the MEEI.

In addition, the CBTT uses global benchmark prices to calculate export values and liaises with the CSO when preparing its reports such as the Annual Economic Survey.

A description of these procedures is not publicly available. Export data is available on the Central Bank's website at: <https://www.central-bank.org.tt/publications/latest-reports>

5.16 Environmental impact of extractive activities (EITI Requirement 6.4)

In 2019, the EITI Standard was updated to include material environmental payments made by companies as well as contextual information relating to environmental monitoring. The specific environmental requirements of the 2019 EITI Standard are provided in the accompanying box.

Trinidad and Tobago has always included environmental disclosures in its reports and started an environmental reporting pilot project, carded to end in 2022. The pilot project will see the National Gas Company of Trinidad and Tobago disclose several environmental indicators in granular detail.

The company will disclose its greenhouse gas emissions (GHG) and measures being taken to reduce GHG emissions, its contribution to national and international methane reduction goals as well as its consumption of resources including electricity; Crude Oil/Diesel/Petrol; alternative energy sources and water. This project will guide the SC and other countries on how to incorporate environmental reporting by company into the EITI framework.

As the nature and scope of TTETI's environmental reporting continues to evolve, it will help to play an important role in monitoring national performance on its climate obligations and add to the knowledge bank for research projects and sharing of best practice within the industry.

The specific requirements of the 2019 EITI Standard are as follows:

- Requirement 6.1 "Social and environmental expenditures by extractive companies" mandates the TTEITI to undertake
- Disclosure of material payments by companies to the government related to the environment
- A procedure to address data quality as agreed upon by the multi-stakeholder group
- Development of a reporting process for discretionary social and environmental expenditures that are deemed material by the multi-stakeholder group
- Requirement 6.4 "Environmental impact of Extractive industries" encourages the TTEITI to provide
- Overviews of relevant legal provisions and administrative rules and practice related to environmental management and monitoring of extractive investments
- Information on regular environmental monitoring procedures, administrative and sanctioning processes of governments, as well as environmental liabilities, environmental rehabilitation, and remediation programmes.

5.16.1 Environmental Legal and Policy Frameworks

T&T's legal framework for environmental regulation is relatively extensive and is guided mainly by the Environmental Management Act Chapter 35:05 (EM Act), which includes several pieces of legislation that are a key part of regulating extractive industry activities – the Certificate of Environmental Clearance (CEC) Rules 2001, the Water Pollution Rules 2019 (which replaced the Water Pollution Rules 2001), the Air Pollution Rules 2014 and the Noise Pollution Control Rules 2001. The Environmental Management Authority (EMA) was established under the EM Act and serves as the main national environmental regulator of development activities, including that of the extractive sector. Further details can be found on the EMA's website at: <https://www.ema.co.tt>

The EMA, through the EM Act and its subsidiary legislation, aim to ensure that the environmental impact of development, extractive activities included, are managed and minimized. The National Environmental Policy, 2018, is also a critical instrument, as it provides a framework for environmental management in T&T and provides a set of principles that will guide and ground any future policies that may have an impact on environmental or natural resource management.

Extractive activities are also governed by a range of other national laws and policies that seek to hold extractive companies and actors accountable to best practice, so that the chances of negative impacts to people and the environment are lessened. Some of these laws and policies include:

- The Minerals Act Chapter 61:03 (2000 amended 2014)

- Ministry of Energy and Energy Industries (MEEI) Guidelines on approval for offshore petroleum infrastructures
- Petroleum Act, Chapter 62:01, and all relevant subsidiary legislation thereunder
- Oil Pollution of Territorial Waters Act, Chapter 37:03
- Fisheries Act, Chapter 67:51
- Conservation of Wildlife Act, Chapter 67:01
- Marine Area (Preservation and Enhancement) Act, Chapter 37:02

Trinidad and Tobago is also party to many international treaties and conventions that have helped shape national legislation and help keep the country accountable in international arenas for policies or practices that may impact the natural environment, including those related to the extractive sector. These include the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement; the United Nations Convention on Biological Diversity (CBD); and the Montreal Protocol.

A comprehensive list of international treaties and conventions related to the environment to which Trinidad and Tobago is a part can be found in the schedule to the Revised National Environmental Policy (2018).

5.16.2 Environmental Permitting and Compliance

Certificate of Environmental Clearance Rules: Since the enforcement of the CEC Rules in 2001 (and up to March 2020), a total of 276 CECs were issued to oil and gas companies; and 101 were issued to quarries. Extractive industries collectively accounted for 11% of all CECs issued by the EMA since the CEC Rules were enforced in 2001.

In the ten-year period between 2010 and 2019, the majority of CEC applications for oil and gas exploration (73%) and production (83%) have successfully resulted in the issuance of CECs. However, in the case of mining a proportionately higher percentage of quarrying applications are still pending clarification (37.5%) or have resulted in a decision being taken that a CEC was not required for the activity to proceed (16.5%).

If the activity is expected to result in significant impacts on the environment, as determined by the EMA's Standard Operating Procedure, the CEC applicant will be required to conduct an Environmental Impact Assessment (EIA). Since 2001, the EMA has required 173 of all extractive industry CEC applications (oil & gas, and quarries) to prepare an (EIA), roughly 45% of all CEC applications for extractive activities since 2001.

At present, the EMA's accounts do not distinguish between CEC- and EIA-related fees applicable to extractive industries, and fees received from any other type of activity, making future reconciliation of these payments from companies to the EMA difficult under the 2019 EITI Standard. All fees collected enter an organisational consolidated fund.

Water Pollution Rules: The Water Pollution Rules, 2019, aims to protect the freshwater systems of Trinidad and Tobago from pollution. Over the period 2007 to 2019, and under the WPR 2001, twenty-two (22) water pollution permit applications were received from extractive industries. Of these 22 applications, a total of twelve (12) permits were issued by the EMA. Eight (8) water pollution permit applications have been received from extractive industries under the new Water Pollution Rules 2019, with the first permit being issued on July 7, 2020. These new rules follow the Polluter Pays Principle (PPP) which means that the more you pollute, the more you should pay to manage the impact on the environment of that pollution.

Air Pollution Rules: Like the Water Pollution Rules, 2019, the Air Pollution Rules, 2014, seek to control the emission of air pollutants known to have negative impacts on the environment and human health. As of March 2020, only one (1) application for an air pollution permit was received

from an extractive industry company under the APR2014, and a determination is pending (EMA, 2020).

Compliance Data: Section 63(2) of the EM Act allows the EMA to issue a written Notice of Violation (NoV) to the holder of any environmental permit or CEC, where the EMA believes that the person/entity is in violation of the environmental requirements(s) within the permit/ CEC. Additionally, the EMA can issue an NoV for failure to comply with the environmental requirements laid down in Section 62 of the Environmental Management Act (2000). For example, pursuant to Section 62(f) you can be served with a NoV for failure to apply for a CEC.

Following the issuance of a NoV, the EMA may cancel the NoV or establish an agreed resolution in writing - a Consent Agreement, that typically includes measures/actions to be taken to address the violation. If the person/entity is unable to respond to the NoV in specified time or is unable to resolve with the EMA all the matters specified in the NoV, the EMA may issue what is called an Administrative Order under Section 64 of the EM Act.

Fourteen (14) Notices of Violation were issued to extractive industries between 2010 and July 2020. Of these, eleven (11) Consent Agreements were reached; and three (3) Administrative Orders were issued. The single largest penalty enforced as a result of the issuance of NoVs was the fine of \$20,000,000 charged to Petrotrin in 2013 for an oil spill in the La Brea area.

5.16.3 Oil Spills

Trinidad & Tobago's national oil spill contingency plan is available at:

https://www.energy.gov.tt/wp-content/uploads/2013/11/National_Oil_Spill_Contingency_Plan_2013.pdf

Between 2016-2021, there were 836 oil spills in Trinidad and Tobago. During this period 75% of all spills occurred on land. Forest Reserve/Fyzabad (191), Los Bajos/Palo Seco/ Santa Flora (167) and Grand Ravine/Guapo/Pt Fortin/Cedros/Icacos (125) were the areas with most incidents.

The MEEI's volume threshold for reporting a spill is one (1) gallon. One barrel of oil is 42 gallons. Between 2016-2021, 88,568 barrels spilled with 82,640 recovered. This equates to 3.7 million gallons spilled and 3.4 million gallons recovered. The value of oil spilled between 2016-2021: Net (after deducting recovered barrels) was TT\$2.1 million and Gross (without deduction of recovered barrels) was TT\$31.3 million.

It is important to note that the EMA calculates fines for spill events. Spill costs escalate based on volume spilled and recovery rates and there is no spill value threshold for triggering escrow use. The MEEI has plans to improve its spill monitoring capabilities by purchasing early detection radar systems.

Table 5-40 Oil spills 2016 to 2021

Year	Summary of Oil Spills
2016	51(38 land and 13 marine)
2017	104 (51 land,52 marine, 1 land &marine)
2018	100(58 land,41 marine, 1 land & marine)
2019	200(175 land and 25 marine)
2020	60(49 land, 10 marine and 1 land& marine)
2021	240 (179 land, 58 marine, 3 land & marine)

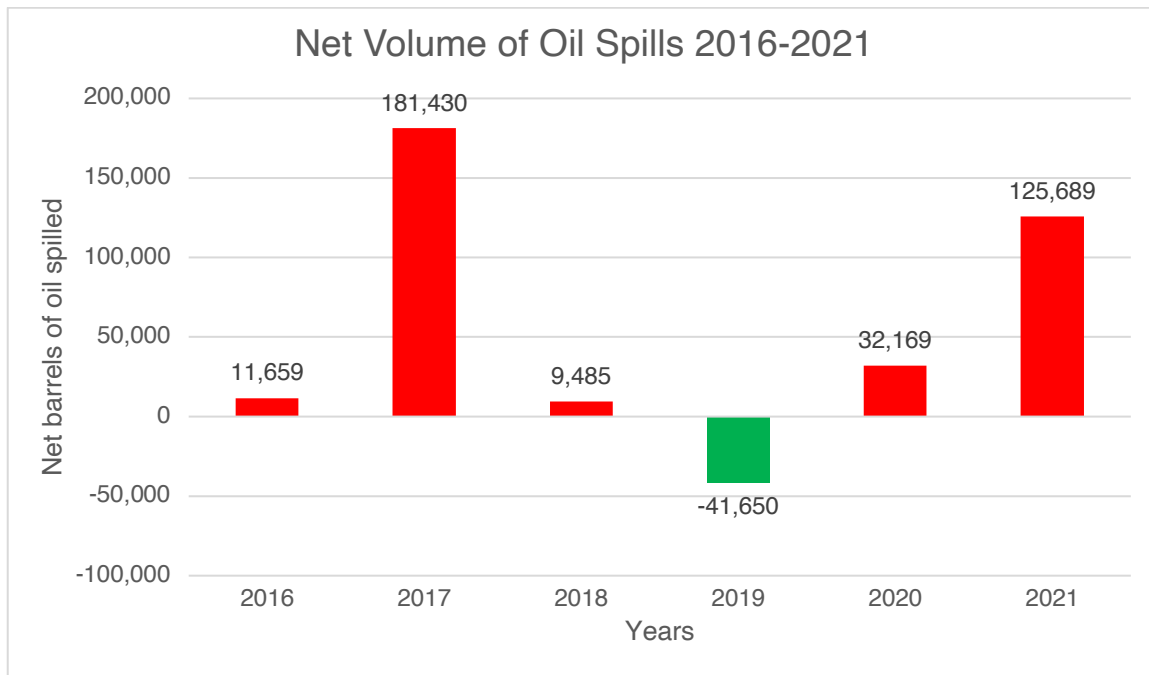


Figure 5-13 Net volume of oil spills 2016 to 2021

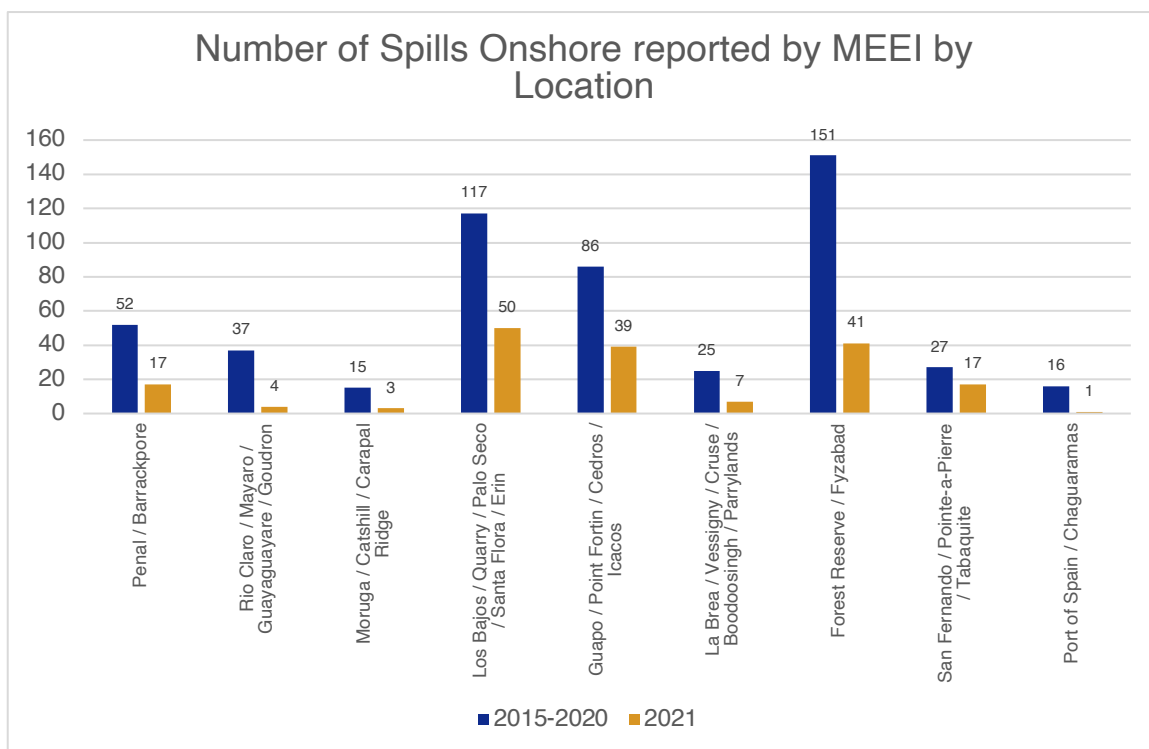


Figure 5-14 Oil spills by location

5.16.4 Abandonment Provisions

5.16.4.1 Systems for monitoring, decommissioning and clean up

Decommissioning provisions are contained in the licenses issued to Operators in the oil and gas sector. The Operator is required to send their Decommissioning Plans to the MEEI. Prior to

decommissioning, approval from the MEEI is required and any other Government institution having jurisdiction. Oversight of decommissioning is conducted by the relevant Division of the MEEI based on the type of infrastructure. For instance, oversight for wells is under Contract Management Division, for pipelines it would be POMD and DPMD, and for offshore platforms – POMD.

Monitoring would be conducted by daily reports on the activity submitted to the MEEI and site visits. Mechanical Engineers, Environmental Officers and Petroleum Inspectors primarily would be involved in these activities. With respect to oil spills, the POMD has a Pipeline and Oil Loss Section with Petroleum Inspectors who monitor clean-up of oil spills.

For the Point Lisas Estate, from an operational point of view POMD would review any Decommissioning plan, monitoring would be done by both POMD and DPMD. Chemical Engineers, Environmental Officers and Petroleum Inspectors would be involved in these activities.

The Petroleum Act outlines the fines and penalties all licensees must pay related to a breach of their obligations (including environmental considerations and abandonment provisions). There were no fees paid in the years under consideration.

5.16.4.2 *Rehabilitation and Performance Bonds*

MEEI provided information on rehabilitation bonds outlining the total value of the bonds and whether the bonds were used by the state for rehabilitation. The rehabilitation and performance bonds are mandated for any licensed company based on the the Minerals (General) Regulations 2015. Approximately, 30 quarries submitted bonds valued at TT\$ 17.2 million for the period 2008 to present. However, none of these bonds have been used by the state for rehabilitation. Performance bond are currently valued at TT\$ 6.6 million and similarly have not been used for payment of unpaid royalties.

The purpose of the Green Fund is to finance civil society and community group projects that focus on remediation, reforestation, environmental education and public awareness of environmental issues and conservation of the environment. The fund is bankrolled by contributions to the Green Fund Levy. This levy/tax is paid by companies to the Board of Inland Revenue at a rate of 0.3 percent on their gross revenue, sales or receipts.

At the end of fiscal 2020, the balance in the Green Fund was TT\$7,632,357,483.81. The Fund grew by 9.88 percent year on year between 2019 and 2020. Green Fund disbursements for projects in 2020 and 2019 was TT\$2,381,186 and TT\$13,649,273 respectively. Based on EITI Reports, between fiscal 2010-2020, upstream companies contributed TT\$908,526,969.6 to the Fund, roughly 12% of the total value to date. There are strict rules for disbursements/withdrawal from the Fund. And, according to the Miscellaneous Taxes Act Chapter 77:01 and the Green Fund regulations, the Government cannot withdraw from the fund for non-environmental or social projects.

Table 5-41 Green Fund Levy

Year	Green Fund Balance (TT\$)	Cumulative Disbursements (TT\$)	Disbursements (TT\$)
2007	1,146,191,464	-	-
2008	1,593,301,307	-	-
2009	1,906,841,159	-	-
2010	2,221,298,122	10,624,516	10,624,516
2011	2,581,557,614	16,104,660	5,480,144
2012	2,916,148,341	28,018,352	11,913,692
2013	3,252,186,048	61,655,386	33,637,034
2014	3,565,863,827	129,327,747	67,672,361

2015	3,789,261,585	251,754,734	122,426,987
2016	4,396,918,503	255,817,443	4,062,709
2017	5,190,253,514	265,444,890	9,627,447
2018	6,002,631,525	266,212,205	767,315
2019	6,946,131,930	279,861,478	13,649,273
2020	7,632,357,484	282,242,664	2,381,186
2021	8,438,216,227	287,504,146	5,261,482

Source: Auditor General Annual Reports¹⁰

5.16.5 Renewable Energy Projects in T&T

As a small island developing state and the most industrialized Caribbean country, Trinidad and Tobago urgently needs to adapt to and mitigate against the impacts of climate change. The country has pledged support for several international obligations focusing on reducing its greenhouse gas emissions. T&T has also revised its policy frameworks and promoted green energy projects to meet its emissions reductions targets.

On 22 February 2018, Trinidad and Tobago ratified the Paris Agreement – a very important step in managing GHG emissions in T&T. T&T has committed to Nationally Determined Contributions (NDC), where the goal is to reduce overall emissions from the three main emitting sectors (electricity generation, transportation and industry) by 15% by 2030. In absolute terms, this means reducing cumulative emissions by 103 million tonnes of carbon dioxide equivalent (MtCO₂e), inclusive of emissions from the industry sector of 72 MtCO₂e). As at 2018, it was reported that total GHG emissions in T&T amounted to approximately 45 MtCO₂e; of which 60% were attributable to the industry sector.

According to the country's Third National Communication to the United Nations Framework Convention on Climate Change (UNFCCC) several initiatives have commenced to help the country meet its targets. These include:

- The development of a monitoring, reporting and verification system for tracking national greenhouse gas emissions and a forecasting model to project emissions to 2050
- The development of an integrated resource and resilience plan which focuses on expansion planning and climate and vulnerability assessments
- The development of a feed-in tariff
- An update of the National Climate Change Policy to align with the Paris accord targets
- The development of a just transition workforce policy to address any socio-economic issues

The Government has also identified constraints such as capacity for a fully functioning monitoring, review and verification unit, the need for wind resource assessments and identification of sites for carbon capture and storage as well as infrastructure upgrades for electric vehicle charging stations. These interventions have been costed and Government will use its public sector investment programme (PSIP) project to target 30% of the country's power generation coming from renewable sources. Given the likely impacts of climate change for Trinidad and Tobago, living up to these policy, legal and project promises will help the country navigate the inevitable impacts of rising global temperatures for current and future generations.

Following a competitive selection process, MEEI selected two utility scale renewable projects, being two commercial scale solar power projects:

Brechin Castle Solar Project¹¹

- 225,303 Megawatts supplied per year

¹⁰ <https://www.auditorgeneral.gov.tt/latest-reports>

¹¹ https://www.lightsourcebp.com/tt_en/projects/brechin-castle-solar-farm/

- Equivalent energy needs of 31,500 homes
- 587 acres of land
- 123,000 tons of carbon dioxide emissions saved

Orange Grove Solar Project¹²

- 50,417 Megawatts supplied per year
- Equivalent energy needs of 7000 homes
- 148 acres of land
- 27,500 tons of carbon dioxide emissions saved

The target for both projects is for construction to commence during 2022 and for the sites to be operational in 2023.

¹² https://www.lightsourcebp.com/tt_en/projects/orange-grove-solar-farm/

6 Reserves and production data for the extractive sectors

6.1 Oil, gas and mineral reserves

In previous TTEITI reports reserves information drawn from the Ryder Scott Reports¹³ reserves were classified into three groups namely:

1. Proved Reserves - very likely to be recoverable, can be produced & sold with 90% degree of certainty.
2. Probable Reserves - less likely to be recoverable, 50% probability that it can be produced and sold.
3. Possible Reserves – least likely to be recoverable, 10 % probability it can be produced and sold.

The 2020 audit of the oil and gas reserves for Trinidad and Tobago used the new international reserve standard in T&T for the second time which was last revised in 2018 and introduced the new terms Technically Recoverable Resources, as well as P1 + C1 Resources. This standard was introduced by The Society of Petroleum Engineers in 2018. Under the new standard contingent resources were added (C1, C2, & C3) these describe commercial contingencies. Contingent resources are if a resource volume is awaiting approval of a development plan or for the necessary infrastructure to be built. Proved reserves, probable reserves and possible reserves are now called P1, P2 and P3 respectively but there is no change to their degree of certainty. Additionally, the combination of the p and c values are now referred to as technically recoverable resources.

Technically Recoverable Resources

1. P1 (proved reserves) + C1 (contingent resources)
2. P2 (probable reserves) + C2 (contingent resources)
3. P3 (possible reserves) + C3 (contingent resources)

6.1.1 Oil Reserves

An audit of the crude oil resources as at, 31 December 2018 was conducted by Netherland, Sewell and Associates. The oil reserves of the country have increased from the 2012 audit:-

- Proved reserves increased from 199.5 to 220.1 million barrels
- Probable reserves increased from 85.8 to 99.7 million barrels
- Possible reserves increased from 124.8 to 135.5 million barrels

Additionally, unrisked prospective resources have increased by 773.4% from 2012 levels to 3.2 billion barrels. Approximately 90% of these resources are from deep water blocks TTDA 3 and TTDA 5.

6.1.2 Gas Reserves

The 2020 Ryder Scott audit showed 56 per cent of volume replacement in proven gas fields was achieved in 2020, as compared to 113% in 2019. With respect to Total Unrisked Technically Recoverable Resources, a consistent upward trend was observed from 2016 to 2019 with a small decline in 2020. This is primarily due to the significant decline in gas production between 2019 and 2020 as well as the Covid-19 pandemic which caused project delays. There was also a small decline in P1 + C1 Technically Recoverable Resources formerly referred to as Proved Reserves

¹³ Links to the Ryder Scott presentations can be found here: <https://www.energy.gov.tt/feature-address-by-minister-of-energy-and-energy-industries-at-the-presentation-of-the-gas-audit-results-for-the-year-end-2020-and-official-launch-of-the-2021-deepwater-bid-round/>

while P2 + C2 Resources, formerly referred to as Probable Reserves showed a 5.4% increase. Between 2019 and 2020, Exploration Resources increased by almost 10% due to prospects identified by the Ministry. Highlights of the 2020 Audit were:

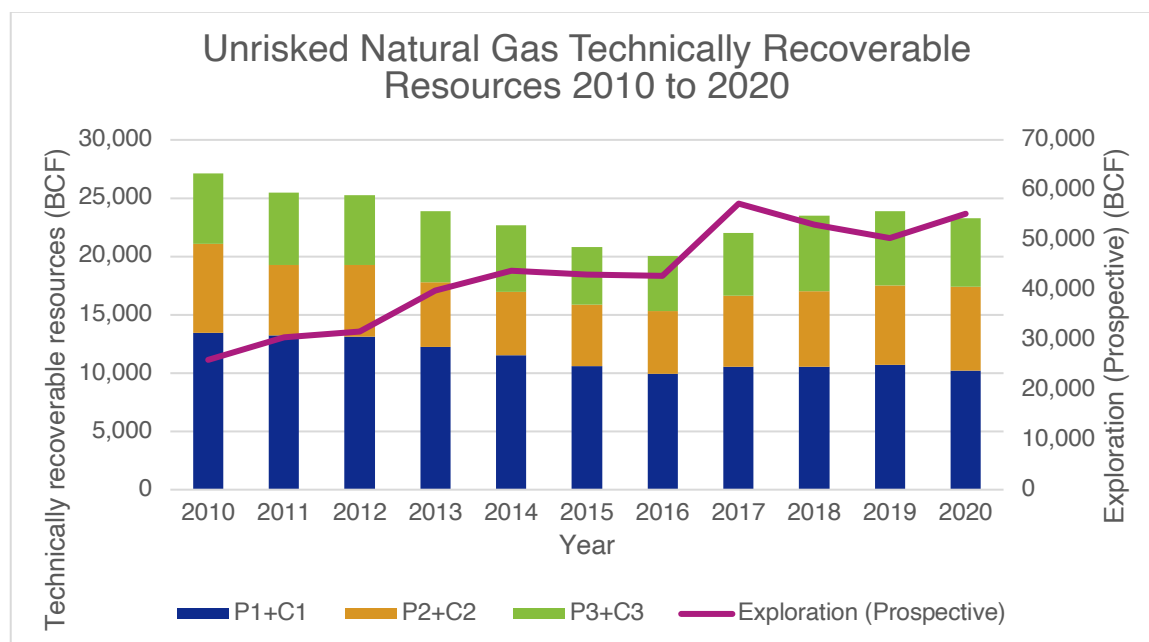
- Upward reserve adjustments for fields located in the Mahogany and Amherstia hubs due to TROC
- Further migration of resources to the P1 + C1 category due to Cassia offshore compression project
- Significant volumes added from BHP's Bele field as a result of updated mapping
- bpTT successful in Ginger exploration well from 2019 to early 2020
- There was a negative revision in the Bounty field due to the results of the B-3 well for Shell
- There was a positive revision in the Parula field for EOG

For 2022, the schedule of activities include an independent assessment of the Royston discovery by Touchstone in the Ortoire Block as well as remapping and revaluation of reserves of BHP's Delaware and Bongo fields, Shell's Cassra and Orchid fields and bpTT's Matapal field.

Table 6-1 Natural gas reserves

Category	2017 (TCF)	2018 (TCF)	2019(TCF)	2020 (TCF)
P1+C1	10.52	10.53	10.68	10.22
P2+C2	6.13	6.47	6.80	7.16
P3+C3	5.39	6.51	6.41	5.89

Source: MEEI, Ryder Scott Report



Source: MEEI¹⁴

Figure 6-1 Unrisked natural gas technically recoverable resources 2010 to 2020

¹⁴ <https://www.energy.gov.tt/wp-content/uploads/2021/12/MEEI-YE2020-Press-Conference-Presentation-12-14-2021.pdf>

The above data was presented by the Minister of Energy and Energy Industries in late 2021. He cited the reason for the uptick in prospective resources in 2020 as being the result of leads and prospects identified by the ministry in the lead up to the launch of a competitive bidding round.

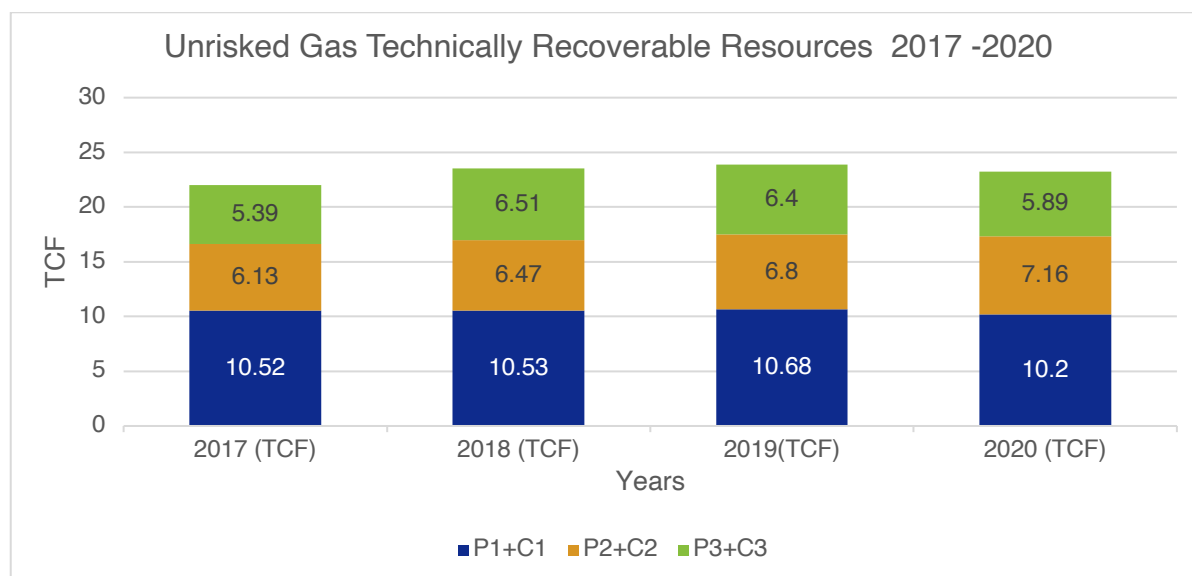


Figure 6-2 Unrisked gas technically recoverable resources 2017 to 2020

6.1.3 Mineral reserves

There is no recent data available for Trinidad and Tobago's mineral reserves. The 2018 EITI report outlined this issue and the table below illustrates the reserve findings from the 2013 study. Assessments of the country's mineral resources are conducted every ten years.

Table 6-2 Mineral reserves

Mineral Type	Acreage (Square Kilometres)	Reserves (Millions of Metric Tonnes)
Sand and Gravel	52	326
Blue Limestone	3.5	53
Clay	1.8	9.8
Plastering Sand	11.7	39.2
Yellow Limestone	0.8	26.1
Porcellanite	1.1	6.5
Andesite	0.5	6.5
Total	71.4	467.1

Source: MEEA SEIA Study 2013

6.2 Exploration in the extractive sector

In an effort to boost dwindling declining reserves, the Ministry of Energy and Energy Industries held Bid Rounds for new Acreage in 2019 and 2021. Further details can be found at: <https://www.energy.gov.tt>

In 2019 six shallow offshore blocks were offered, three on the east coast, two on the north coast and one in the Gulf of Paria. Shell and BP jointly bid on the three east coast blocks. No bids were received on the other areas.

The Deep Water Competitive Bid Round for fiscal year 2022 was launched in December 2021. The bid round opened for six months and ended on 2 June 2022 with successful bidders expected to be announced three months after. There were seventeen (17) offshore Deep Water blocks in this bid round which are located off the northern and eastern coasts of Trinidad and Tobago. These include, Blocks 23 (b), 24, 25 (a), 25 (b), 26, 27, TTDA 1, TTDA 2, TTDA 4, TTDA 8, TTDA 9, TTDA 11, TTDA 15, TTDA 25, TTDA 26, TTDA 28 and TTDA 29. This bid round is a significant one for the country as it is the first one being held since 2014. Preparation for this deep water bid round began in March 2020 and has successfully received 27 nominations. The onshore Competitive Bid round is expected to follow closely after the Deep Water Competitive Bid Round.

Table 6-3 Competitive bid rounds 2004 to 2021

Date	Number of Blocks on offer	Number of bids received	Number of PSC/ Licences signed
Dec-2021	17 deepwater	4	-
May-2019	6 shallow offshore	3	-
Mar-2014	6 deepwater	3	2
Oct-2013	3 onshore	11	3
Sep-2012	6 deepwater	12	4
Feb-2011	11 deepwater	5	3
Sep-2010	7 shallow offshore	6	5
Nov-2006	8 on and nearshore 3 shallow offshore	14	2
Dec-2006	8 deepwater	1	0
Jan-2004	10 shallow offshore	18	6

Source: Energy Chamber

There were several other significant developments in the exploration activity in both marine and land areas. The end of the first quarter of 2022 saw the production of first gas from the Colibri project by Shell which marks another significant milestone in Shell's growth strategy in country. The project is a joint venture with Heritage Petroleum and based in Block 22 and NCMA-4 in the North Coast Marine Area. The development project consists of drilling four subsea gas wells and the installation of flowlines to tie into the existing Poinsettia Platform. This backfill project is expected to add approximately 174 mmscf/d of sustained near-term gas production with a production peak of approximately 250 mmscf/d through a series of four subsea gas wells which is tied back to the existing Poinsettia Platform located in the NCMA acreage.

In the first quarter of 2020 Shell announced FID (Final Investment Decision) for the development of Barracuda field. By July of 2021, Shell produced first gas from the Barracuda Project (Block 5C) in the East Coast Marine Area (ECMA) in Trinidad and Tobago. The Barracuda Project is a backfill project with approximately 140 mmscf/d of sustained near-term gas production with an expected peak production of approximately 220 mmscf/d. This marks the first greenfield project by Shell in Trinidad and one of its largest in the country since the BG acquisition.

Drilling started in September 2021 on the Broadside-1 exploration well located in Block TTDA3. This undertaking was historic as it was the deepest well drilled in the history of the country's energy sector, at a depth of over 20,000 feet (approximately 4 miles). In January 2021, BHP confirmed, however, that this well offshore Trinidad and Tobago came up dry.

Touchstone had a bumper year in its Ortoire block with several discoveries in its Cascadura and Coho wells. First gas is expected by July 2022 and by 2023 the block is projected to produce 200 mmscf/d. The company's success has increased interest in the recently held onshore bid round.

Upstream activity in the past year has maintained its levels year on year between 2020 and 2021. However, while there was a similar number of rigs operating and development wells drilled in 2021 there was a marked decline in exploration drilling in 2021. In 2021 there were four exploration and 15 development wells drilled compared to eight exploration and 12 developmental wells drilled in 2020. BHP drilled three of the four exploration wells in 2021 and Touchstone drilled the other. In 2021 the lease and farmout operators (LOFO) and Heritage Petroleum accounted for 11 of the 15 developmental wells drilled. Rig days are a leading indicator of upstream activity and in 2021 there were 1,116 rig days compared to 822 rig days in 2020. The table below gives a snapshot of the upstream activity between 2020-2022.

Table 6-4 Upstream activity 2020 to 2022

Upstream Activity Indicator	2020	2021	2022 *
Rig days	822	1,116	206
Exploration Wells	8	4	1
Development Wells	12	15	4
Well Completions	10	20	6

*For 2022, only information up to May 2022 was available

6.3 Production data in the extractive sector (EITI Requirement 3.2)

The MEEI publishes annual oil and gas production data on its website at: <https://www.energy.gov.tt/data/historical-oil-and-gas-production-data/>. It also publishes a monthly bulletin which contains production information. These can be found at: <https://www.energy.gov.tt/publications/>. The annual data can be downloaded as an Excel spreadsheet but the monthly data is only available in PDF format.

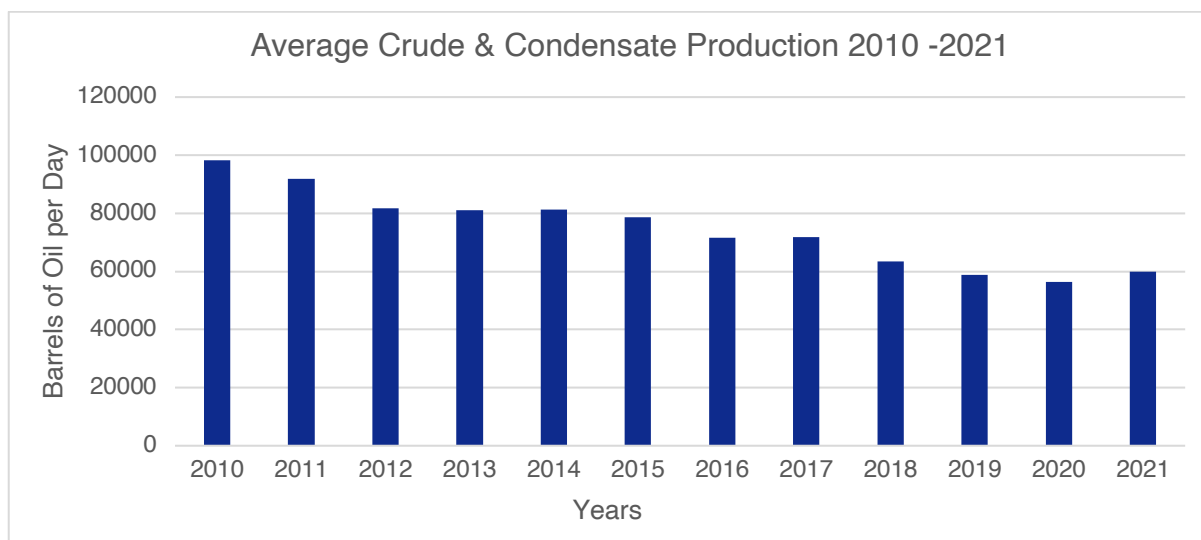
Trinidad and Tobago experienced a less sharp decline of 9.5% in the Petroleum sector in the first quarter of 2021 in comparison to the decline of 16.5% in the fourth quarter of 2020. The Ministry of Finance Review of the Economy 2021, stated that this is primarily due to declines in Manufacture of Petrochemicals; Natural Gas Exploration and Extraction; and Refining (incl. LNG). The Manufacture of Petrochemicals industry which is the largest petroleum sector contributor to real GDP contracted by 6.1% in the first quarter of 2021 compared to the slightly higher decline of 8.1% experienced in the fourth quarter of 2020. This was mainly attributed to disruptions in production as a result of the on-going Covid-19 pandemic which created unfavourable market conditions.

The accurate recording and capture of production data by companies and government are essential in ensuring that production-based payments are accurate.

6.3.1 Oil production

6.3.1.1 Production volume

The Trinidad and Tobago oil industry is over 100 years and as a result oil fields have matured over time. Crude Oil Exploration and Extraction which is the third largest petroleum sector contributor has experienced a marginally positive growth of 0.1%. There has been a marginal increase in production of 59,850 bopd in 2021 compared to 56,474 bopd in 2020. For the period January to November 2020, crude oil production increased from 18.9 million barrels to 19.9 million barrels in 2021 for that same period. While Heritage Petroleum Company Limited continues to be the largest producer of oil, its share of production fell by 4% between 2020 and 2021.



Source: Ministry of Energy and Energy Industries (MEEI), Consolidated Monthly Bulletins

Figure 6-3 Average crude and condensate production 2010 to 2021

Oil and gas prices are at their highest in over seven years. Due to low production levels which have been negatively affecting the country's oil and gas revenues in general, Trinidad and Tobago has not been able to fully maximize the benefits of these high prices through higher revenues. However, revenues for 2022 are still expected to reach a nine-year high. While the country is still recovering from the impacts of the Covid-19 pandemic, high costs of production and development continue to impede oil production. The Government has projected that oil production will increase to 85,00 barrels per day by 2024 and to 104,000 barrels a day by 2026.

Table 6-5 Producers of crude oil in T&T

Producers of Crude Oil in T&T 2021	2018	2019	2020	2021
bpTT	11%	11%	12%	8%
Heritage Petroleum Company Limited	59%	57%	62%	58%
Perenco	17%	18%	16%	14%
BHP	7%	7%	8%	11%
Other	6%	7%	8%	8%

Source: Ministry of Energy and Energy Industries (MEEI), Consolidated Monthly Bulletins

6.3.1.2 Production value

The market value of crude oil production is calculated by multiplying total annual oil production volumes by the corresponding year's average annual WTI (West Texas Intermediate) price stated in US\$ per barrel. It is important to note WTI prices are used as proxy for the basket of local crude which at times is priced lower than WTI. Between 2018 to 2020 the total market value for crude oil production declined for two reasons namely falling oil production and lower oil prices. The market value of local crude produced decreased from US\$1.5 billion in 2018 to US\$800 million in 2020. In 2021, market value for crude oil increased as total annual oil production increased as well as the average WTI price. The increase in crude oil prices occurred as a result of the war in Ukraine, increased Covid-19 vaccination rates, loosening pandemic related restrictions and a growing economy which triggered an increase in petroleum demand.

Table 6-6 The market value of local oil production 2016 to 2021

	Total annual oil production	Average WTI Price (US\$)	Market value (US\$)
2016	26,092,390.00	43.14	1,125,734,422.89
2017	26,210,891.01	50.88	1,333,719,346.54
2018	23,175,675.00	64.94	1,504,989,708.38
2019	21,480,615.00	56.99	1,224,180,248.85
2020	20,613,010.00	38.96	803,082,869.60
2021	21,845,250.00	67.99	1,485,258,547.50

Source: MEEI & US EIA

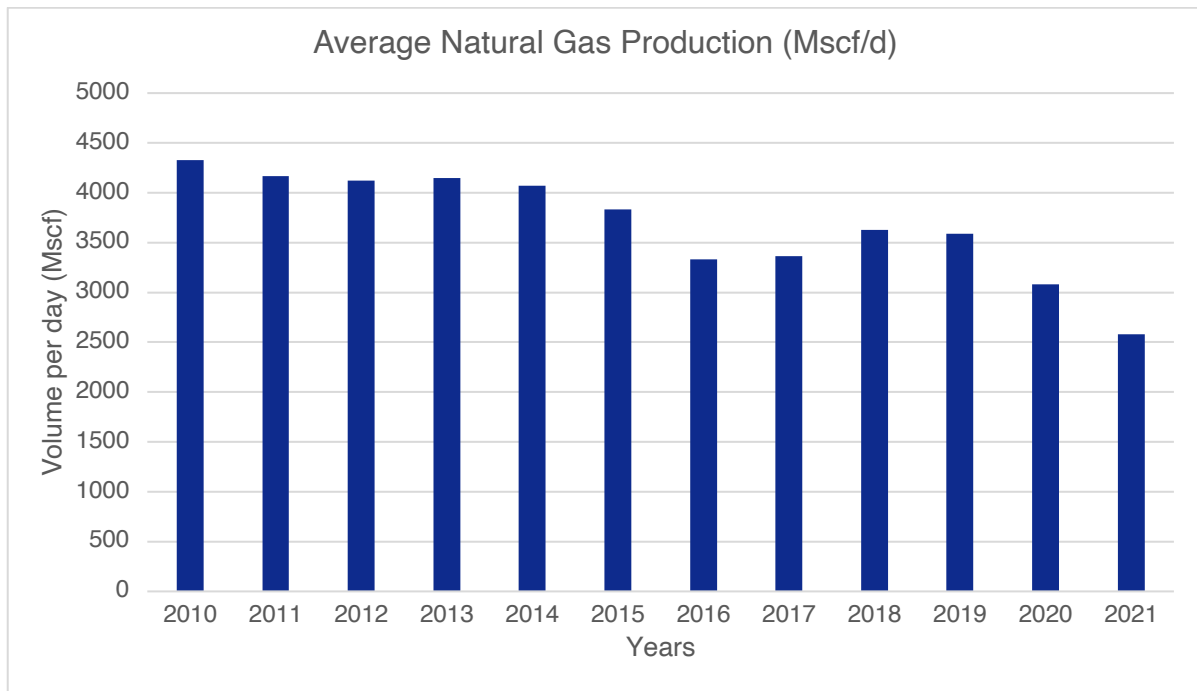
Note 2021 figures: are from January to November

6.3.2 Gas production

6.3.2.1 Production volume

The second largest contributor to GDP, Natural Gas Exploration and Extraction, had a less sharp decline of 20.1% during the first quarter of 2021 as opposed to the decline of 28.2% in the fourth quarter of 2020. This decline reflects a decreased output from major natural gas producers as a result of planned upgrade and maintenance activities to facilitate upcoming developments as well as lower demand for gas from the downstream sector.

In 2021 natural gas production averaged 2579 mmscf/d. This is the lowest production level for the past decade. bpTT in particular experienced a production decline in natural gas due to technical issues which was partially offset by the Matapal project in September 2021. Gas production levels for 2022 are forecast to be within the same range for bpTT with continued support from the Matapal project and the Cassia C project which is expected to come on stream in the third quarter of 2022. bpTT aims to continue investments that will spur production through initiatives such as the sanctioning of its joint project with EOG Resources and returning to infill drilling. For the period November 2021 to January 2022, Trinidad and Tobago has experienced an increase of natural gas production. The country moved from an average of 2344 mmscf/d to 2893 mmscf/d in January over the three-month period. This increase of over 23% within a three-month period has occurred at an opportune time considering the global increase in natural gas prices. There are several projects awaiting sanction that can help future improvements in gas supply and these include bpTT's Ginger, Cypre, and Coconut fields and extended field developments in its Mango, Savonette and Juniper fields. Additionally, bpTT is involved in a joint-venture with EOG in the Mento in the Ska/Mento/Reggae (SMR) Block. EOG Resources also has seven exploration Projects that are currently unsanctioned in the East Manzanilla Zone, the SMR block and the SECC block. The Government projects that annual gas production will reach 3.28 trillion cubic feet by 2024.



Source: Ministry of Energy and Energy Industries (MEEI), Consolidated Monthly Bulletins

Figure 6-4 Average natural gas production

Table 6-7 Producers of natural gas in T&T

Producers of Natural Gas in T&T	2018	2019	2020	2021
BHP	11%	11%	12%	14%
bpTT	57%	53%	55%	48%
EOG	13%	13%	10%	14%
Shell	16%	19%	20%	19%
Other	3%	3%	4%	4%

Source: Ministry of Energy and Energy Industries (MEEI), Consolidated Monthly Bulletins

Table 6-8 Natural gas production October 2021 to March 2022 (mmscf/d)

Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22	AVG
2,642.00	2,328.52	2,658.00	2,893.13	2,768.55	2,547.11	2,639.55

New Gas Production Outlook for T&T

- BHP Ruby project in Q3 2021, producing 150 mmscf/d
- Bp Matapal in 2022, producing 300 mmscf/d
- BP Cassia-C project increase of 300 mmscf/d
- Shell Trinidad and Tobago's Barracuda and Colibri in 2021 and 2022 combined additional 450 mmscf/d
- Shell Trinidad and Tobago's Manatee development to deliver first gas in the second half of the current decade, producing between 350 mmscf/d and 700 mmscf/d.

6.3.2.2 Liquefied Natural Gas

Atlantic LNG (ALNG) continues to be the largest user of natural gas in Trinidad and Tobago. The company liquefies natural gas from upstream gas producers in its liquefaction plants in Point Fortin. The liquefied natural gas (LNG) via tankers leaves for various destinations around the world from the country's only export facility. bpTT and Shell are the largest players in the upstream and are the two major shareholders in ALNG. NGC is also a shareholder of ALNG in Trains 1 and 4, as well as an offtaker via its subsidiary TTLNG. ALNG 1 has a merchant arrangement while Trains 2,3 and 4 have a tolling arrangement.

Train 1 has not been in operation for over a year and requires 250mmscf/d of gas for efficient operations. bpTT has historically supplied all the gas to Train 1. However, the company has identified supply shortfalls based on infill wells performing below expectations. As of January 2022, the Government and shareholders in ALNG have reached a Heads of Agreement (HoA) which will guide the company's restructuring. Currently, negotiations with Atlantic's shareholders centre on a new and extended contract term, third party access and a pricing formula that reflects market changes.

Regarding other users of natural gas there is also an unmet demand from the second largest user of natural gas the petrochemical sector. The NGC provides gas to the petrochemical sector as fuel and feedstock and has been unable to meet this demand due to a decline in supply. This demand supply imbalance has impacted relations between NGC and its customers for future contracts. However, with the decline in natural gas use for 2021 the petrochemical sector has seen an increase in gas used to fuel and provide feedstock for its plants.

Table 6-9 Users of natural gas

Users of Natural Gas	2018	2019	2020	2021
LNG	57.0%	57.3%	56.8%	42.7%
Petrochemical	30.7%	31.9%	31.9%	42.6%
Power Generation	7.1%	7.4%	8.2%	10.1%
Iron and Steel	1.3%	1.4%	1.3%	1.8%
Other	3.8%	1.8%	3.3%	2.8%

Source: MEEI

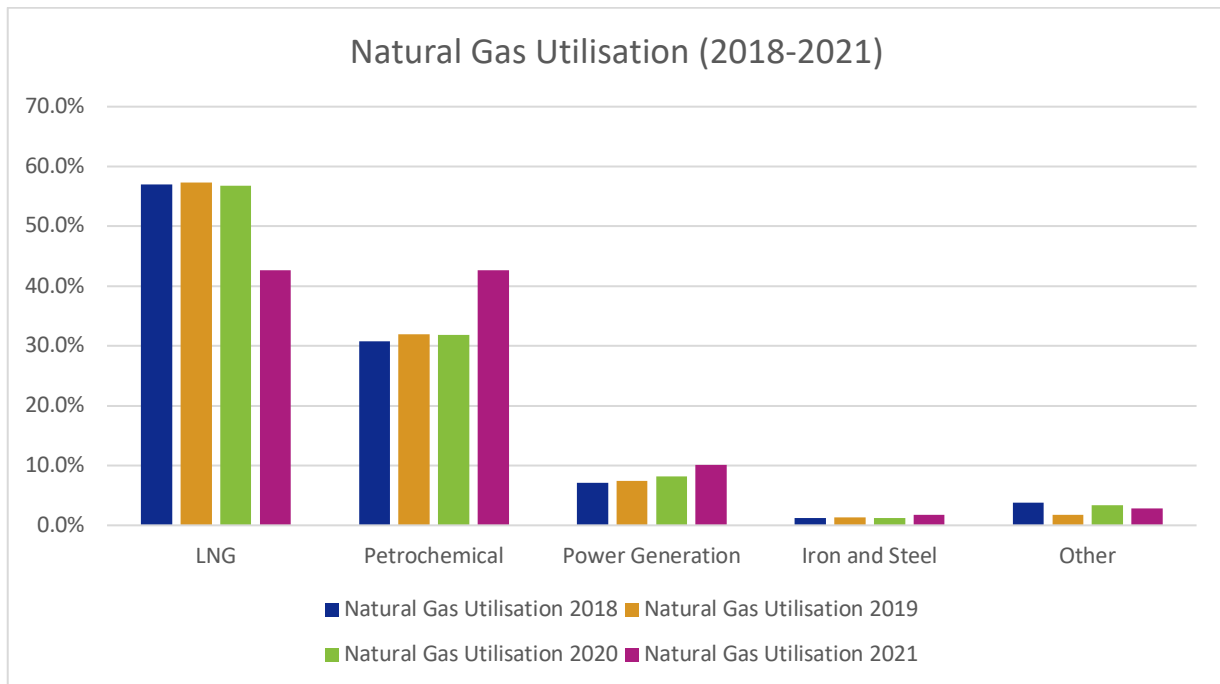


Figure 6-5 Natural gas utilisation 2018 to 2021

The data produced in table 7.3.4.1.1 remains the same as of May 2022 but may change by the time this report is published.

Table 6-10 Atlantic liquefaction trains

	Train 1	Train 2	Train 3	Train 4
Shareholders	Shell 46% BP 34% NGC 10% China Inv. Corp 10%	Shell 57.5% BP 42.5%	Shell 57.5% bpTT 42.5%	Shell 51.1% BPTT 37.8% NGC 11.1%
Gas supply	bpTT 100%	Shell 50% bpTT 50%	bpTT 75% Shell 25%	bpTT/bpTP 67% Shell 30% EOG 3%
LNG Purchasers/ Off-takers	Engie 60% Gas Natural 40%	Shell 20% Engie 11% Gas Natural 21% PFLE* 48% bpTT (excess volumes)	Shell 48% Other partners 52% BPTT (excess volumes)	BPGM 37.8% SLNG 22.2% TTLNG 11.1% SGSTL 28.9%
<i>PFLE: Point Fortin LNG Exports</i> <i>bpTP: BP Trinidad Processing</i> <i>SLNG: Shell LNG</i> <i>SGSTL: Shell Gas Supply Trinidad Limited</i> <i>TTLNG: NGC Subsidiary</i>				

Source: MEEI

Table 6-11 LNG production

LNG Production (mmBtu)	
2016	551,917,619
2017	565,502,280
2018	637,377,722
2019	646,009,003
2020	497,763,833
2021	341,926,543

Source: MEEI

6.3.2.3 Production value

The market value of LNG produced in T&T is calculated by multiplying the annual LNG production by the average LNG Free on Board¹⁵ (Point Fortin) prices quoted in US dollars per mmBtu. It should be noted that these are estimates based on benchmark prices and are not the certified value. There was a consistent increase in annual LNG production from 2016 to 2019. FOB prices also increased from 2016 to 2018, the increased production and higher prices resulted in increasing market values up to 2018. However, in 2019 the market value for Local LNG fell due to a fall in the FOB price. In 2020, the market value decreased even further due to a further decrease in the FOB price. In 2021, while annual LNG production decreased to its lowest over the last five years due to natural gas shortages, an increase in the FOB price caused the annual market value to increase.

Table 6-12 Market value of local LNG production 2016 to 2021

	Annual LNG production (mmBtu)	Avg. Annual Point Fortin FOB (US\$ per mmBtu)	(US\$) Annual market values
2016	551,917,619	2.59	1,431,920,386
2017	569,941,679	3.34	1,901,833,393
2018	637,377,722	3.85	2,453,904,229
2019	646,009,003	3.16	2,041,388,449
2020	532,630,134	2.0	1,065,260,268
2021	341,926,543	3.91	1,336,932,783

Source: MEEI, Minerals Division

6.3.3 Petrochemical production

6.3.3.1 Production volume

Ammonia

The production of ammonia was again impacted by plant maintenance and plant closures in 2021. In 2021, ammonia production declined to 4,929,765 tonnes from 5,066,346 in 2020. The AUM-NH₃ plant did not produce for seven months in 2021 while production from the PLNL, CNC and Tringen II plants declined by 97,000, 83,000 and 60,000 tonnes respectively compared with their 2020 output. This follows a trend. At the end of 2019 Yara Trinidad limited closed its Point Lisas ammonia plant due to falling commodity prices and misalignment with NGC on an agreement.

¹⁵ This Free on-board price is the average price of all of the LNG sold for each Atlantic entity/Train, as each Train has its own particular pricing formula.

Nutrien conducted maintenance on three of their plants (Nutrien 1, 2 and 4) during the period May to June 2020.

Methanol

Methanol production increased significantly between 2020 and 2021 with a 30% spike year on year. Methanol production was 5,510,230 tonnes in 2021 compared to 4,258,818 tonnes in 2020. This rise in production can be attributed to the CGCL plant starting production in January 2021 and production from the CMC plant increasing by 200,000 tonnes compared with its 2020 production. Several methanol plants were idle in 2020, the M3 and M2 plants owned by MHTL (Methanol Holdings Trinidad Limited) have been idle from April and May respectively. It is important to note that despite the year-on-year increase in total methanol production, in 2019 methanol production was 5,671,815 tonnes. This demonstrates the impact of the Titan plant closure on production as well.

Table 6-13 Petrochemicals production

Year	Ammonia Production (MT)	Methanol Production (MT)
2018	4,974,911	5,081,259
2019	5,444,338	5,671,815
2020	5,066,346	4,258,818
2021	4,929,765	5,510,230

Source: MEEI

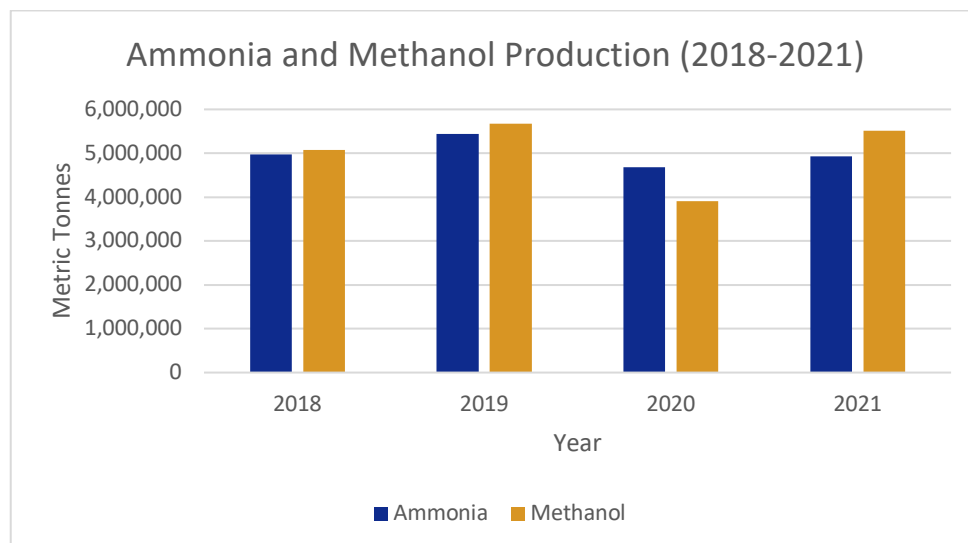


Figure 6-6 Petrochemicals production

6.3.3.2 Production value

The estimated market value of ammonia production is calculated by multiplying the annual average Caribbean Ammonia market price per metric tonne (US\$) by the corresponding total ammonia production volume. Similarly, the annual average Methanol Rotterdam price per metric tonne (US\$) is multiplied by total methanol production volumes to obtain market values of methanol production.

In 2019 the total market value for both ammonia and methanol production, fell due to lower domestic production and falling commodity prices.

Table 6-14 Petrochemical market value and prices

	Market Value of Ammonia Production (US\$)	Caribbean Ammonia Price (US\$/MT)	Market Value of Methanol (US\$)	Rotterdam FOB price (US\$/MT)
2017	1,205,650,886	239	1,661,429,569	334
2018	1,340,134,055	276	2,007,626,603	395
2019	1,154,199,656	212	1,361,777,412	268
2020	418,244,352	188	1,256,351,310	295
2021	2,696,581,455	547	1,103,238,451	503

Source: MEEI

6.3.4 Mineral production

6.3.4.1 Production volume

The volumes of minerals are quantified utilising an honour system whereby the operator submits the quarterly production reports to the Minerals Division. The royalties to be paid are calculated from the information on these reports and submitted to the Internal Audit Unit which conducts checks of the record books of the operator at their offices. There are challenges in analysing mineral production volumes because of the sparsity of data reported (for instance no data reported for andesite). Furthermore, the data shows volumes that are lower than previous years. The Minerals Unit of the MEEI provided the following explanations:

1. There is a trend of Quarterly Report submission lapses, which are generally approximately 3-6 months after the quarter has completed.
2. Simple delinquency by the operators has been an issue with which the Unit is seeking to address.
3. There is not a designated person assigned to deal with royalties and production compilation and the Quarry Management Officers are currently liaising with quarries to identify operational issues to address the challenges in data collection.

Table 6-15 Mineral production 2017 to 2020

Minerals	Year	Production m ³
ANDESITE	2017	-
	2018	-
	2019	125,844
	2020	87,703
BLUE LIMESTONE	2017	79,540
	2018	-
	2019	214,580
	2020	286,583
CLAY	2017	134,819
	2018	122,422
	2019	121,944
	2020	109,388
PORCELLANITE	2017	31,613
	2018	23,169

Minerals	Year	Production m ³
SAND	2017	251,967
	2018	-
	2019	7,432
	2020	16,000
SAND AND GRAVEL	2017	648,701
	2018	375,467
	2019	879,901.87
	2020	649,817
YELLOW LIMESTONE	2017	507,319
	2018	23,227
	2019	608,213
	2020	432,003.78
TAR SAND	2017	45,643
	2018	37,896

	2019	23,060
	2020	12,457

	2019	65,126
	2020	25,590
ASPHALT	2017	5,551
	2018	8,137
	2019	5,134
	2020	4,230

Source: MEEI, Minerals Division

6.3.4.2 Production value

A single market value of mineral production cannot be determined since there is no benchmark price of minerals sold on the local market. In addition, updated price and production value data for Lake Asphalt's products are not available.

6.3.5 Calculating and verifying production values and volumes

Oil & gas volumes

The net volumes of crude oil, condensate and natural gas, either sold or transferred during the month, are calculated by meters that are calibrated on a monthly basis.

The operators print out the production data generated by the computers in the format required by the MEEI. These reports are forwarded to the Contract Management Division (CMD) for their review. The CMD reviews the production reports monthly, if there are any issues these are raised with company representatives for clarification.

The Measurement Unit is charged with ensuring that measurement systems are approved and calibrated. The Unit uses a weekly inspection schedule for witnessing a sample of the calibrations taking place in the field. Personnel in the CMD use PROD Forms which represents the fiscalised production data received from operators. Daily production is first tallied by Petroleum Engineer Assistants (PEAs) using daily production reports submitted by operators— total in barrels (bbls) per operator is tallied on a daily basis. If there are visible variances that may be of concern, PEAs will then contact the relevant Petroleum Engineer (PE) to identify reasons which are indicated in a Report. This is considered preliminary production.

Monthly production is estimated by the PEA III using this daily production tallied for the previous month, total in barrels and barrels of oil per day (bopd) per Operator. Companies typically send in fiscalised production by the third working day in the following month and this is used as final production and cross checked with other production reports when received. (figures are usually the same). As final monthly production reports are submitted by the Operators (first by email), the above figures change from preliminary to corrected and indicated as such and is final production. PEA's check to ensure all relevant forms are received, by email, in signed hard copy and the totals on relevant forms are the same e.g., PROD 1 and 1a. Data from the production reports (PROD 1a) is then entered in excel spreadsheets by the PEA I. This is done by the Operator by Field (for both calendar and fiscal formats). If there are any queries to address, this is done by the PE's in CMD."

Mineral volumes

The volumes of minerals are quantified utilising an honour system whereby the operator submits the quarterly production reports to the Minerals Division. The royalties to be paid are calculated from the information on these reports and submitted to the MEEI Internal Audit Unit which conducts checks of the record books of the operator at their offices.

Currently, there is no system in place to independently verify mineral production volumes. The Auditor General's Report 2017 stated the following findings (Section EN1 3.11 pg. 53):

- Production data that was submitted by the extraction companies was not examined by the Ministry with a view of determining the accuracy of the data submitted

The Ministry of Energy's Minerals Division is considering Unmanned Aerial Systems (UAS) commonly known as drones to independently verify mineral production volumes. The UAS would allow the Minerals Division to conduct volumetric surveys for the calculation of volumes of minerals removed from the ground for the verification of mineral production and royalties owed by licensees to the State.

Mineral values

Auditor General's Report 2017¹⁶ in section EN1 noted several issues determining mineral production values, the findings of the report are as follows:

- 3.10 There was no documented system that allowed the Ministry to capture all the existing quarry operators (both registered and unregistered), for the purpose of collecting royalties due;
- 3.12 Operators in arrears were determined only from those who submitted Quarterly Returns to the Ministry. Operators in default of submission are therefore not recorded or notified of their arrears.

6.4 Sale of the state's share of production or other revenues kind (EITI Requirement 4.2)

6.4.1 In-kind revenues from oil and gas companies

Under the terms of the model deepwater Production Sharing Contract (PSC) the government is entitled to a share of the oil and gas produced. Further, the government, and each partner, shall take its share "*in kind*". In the case of gas, there are sales agreements for each PSC providing for the sale of gas produced to NGC (or to/via Atlantic LNG), so the government receives value for its share in cash by this mechanism. In respect of oil (and, if applicable, condensates), this is delivered to the export points (and previously, in some instances, to the Petrotrin refinery) where it is sold with each party receiving its share of the proceeds.

In addition, according to the model E&P licences, royalty is due on all oil and gas produced. Usually, this liability would be settled in cash, but the model contract provides that GoRTT is entitled to receive royalty in kind – i.e. as a volume of oil or gas. MEEI has stated that there were no revenues in kind between 2016 and 2020. NGC has confirmed that the Royalty gas arrangement ended in 2015. All monies owed to GoRTT from PSC arrangements are paid in full each month as invoiced by the Operator. For a detailed explanation see section 4.5 of the 2016 EITI Report.

6.4.2 Volume and value of state's share of production

One of the main objectives of the TTEITI is to report on the return Trinidad and Tobago gets in exchange for its oil and gas. Requirement 4.2 requires that the volumes and revenue received are disclosed. Through EITI reporting this is the first time that the value of the state's share has been available to the public. For 2019 and 2020, the value of the state's share was US\$ 299,980,678 and US\$238,548,090, a 20% decline. This was earned from sales of 679,782 barrels of oil and 99,410 mmscf of gas in 2019 and 553,190 barrels of oil and 72,360 mmscf of gas in 2020. There has been a significant decline in production and revenue earned from the sale of the state's share

¹⁶ The Auditor General Reports for 2019 does not detail issues with mineral production values.

of production as in 2018 the Government earned US\$ 315,938,511 from sales of 732,119 barrels of oil and 91,168 mmscf of gas.

6.4.3 Sale of the state's share of production

Energy commodity trading companies are not transparent regarding the value or volume of the first trade. NGC cites confidentiality issues concerning the identity of purchasers of LNG cargoes. These trading companies purchase barrels of oil, LNG cargoes and minerals from one country and sell them to its customers, sometimes, at a significant mark up.

In 2014, The Trafigura Group, one of the world's leading energy commodity trading companies, started publicly disclosing what it paid to SOEs such as Petrotrin and NGC for their cargoes. The company now reports the actual value and volume of products purchased from energy SOEs in all EITI member- countries in which it operates. For the years of 2018 and 2019 payments made to the Government are shown via the following SOE's Petroleum Company of Trinidad and Tobago Limited, Heritage Petroleum Company Limited and Trinidad and Tobago LNG Limited, a subsidiary of NGC. In 2019, Heritage Petroleum earned US\$91 million dollars from Trafigura for sale of its crude while NGC earned US\$13 million dollars for sale of its LNG cargoes. Data for 2020 is not yet available.

Trinidad and Tobago does not use swap agreements or resource-backed loans in the energy sector.

Table 6-16 Value and volume of refined products and gas commodity trades

Year	Company	Product Type	Volume (thousand tonnes)	Volume (thousand barrels)	Volume (mmBtu)	Value (US\$)
2014	Petrotrin	Refined	154.62	1,000.25	-	80,790,676.98
2014	NGC	Gas		1,643.43	9,531,881.00	105,594,826.78
2015	Petrotrin	Refined	571.07	4,381.83	-	277,672,794.92
2015	NGC	Gas		1,174.92	6,814,558.00	42,993,109.17
2016	Petrotrin	Refined	1425.94	10,586.01	-	506,148,765.69
2016	NGC	-	-	-	-	-
2017	Petrotrin	Refined	1965.78	13,905.16	-	758,650,634.46
2018	Petroleum Company of Trinidad and Tobago Limited	Refined	810.1	6,440.1	-	508,426,152
2018	Petroleum Company of Trinidad and Tobago Limited	Crude Oil	71.1	494.5	-	31,553,423
2018	Heritage Petroleum Company Limited	Crude Oil	70.4	482.6	-	22,035,327
2019	NGC	Gas	77.07	670.47	3,776,207	13,043,680
2019	Heritage Petroleum Company Limited	Crude Oil	150.00	1,029.80	-	69,057,652

Source: Trafigura Responsibility Report, Various Years

6.5 Transactions related to state-owned enterprises (EITI Requirement 4.5)

The National Gas Company of Trinidad and Tobago Limited (NGC) is the sole purchaser, aggregator and seller of natural gas in Trinidad and Tobago's domestic natural gas-based energy sector. Through its investments, subsidiaries and associated companies, the company is indirectly involved in the development of industrial port and site infrastructure, the production and marketing of Liquefied Natural Gas and Natural Gas Liquids, and upstream gas and oil exploration and production.

NGC is principally engaged in the purchase, aggregation, compression, transportation and distribution of natural gas to industrial users. According to its website <https://ngc.co.tt/>, the network, which has a capacity of 4.4 bcf/d comprises 1,000 km of onshore and marine pipelines. This extensive distribution network, which ranges from 2-inch to 36-inch diameter pipelines, delivers gas to petrochemical and heavy industrial plants at Point Lisas; the light industrial/manufacturing sector; the commercial sector and various gas stations which are equipped for the sale of CNG.

NGC provided information on quantities of gas purchased from producers in fiscal 2019 and 2020, as set out in the table below.

The FY 2018 EITI report included some details of contracts put in place to replace those expiring. No further information on the details of these contracts was provided by NGC for this report. It is important to have this information in support of the quantitative data below, and further discussions will be had on this for the next EITI report.

For details of government transfer of funds to SOEs for capital projects under the Public Sector Investment Programme, see: <https://www.finance.gov.tt/wp-content/uploads/2021/10/Final-PSIP-October-6-2021.pdf>

Table 6-17 NGC gas purchases 2019

Full legal name of party from whom gas purchased - Producing block	Full legal names of all parties to the contract (NGC and other parties)	Contract date: Date signed Date from Date to (see note above)	Payments made by NGC to? (block operator name or detail if more than one)	Quantity purchased 2019 (mmscf)
BHP Billiton (Trinidad 2C) Ltd - Block 2C	Gas Sales Contract by and among BHP Billiton (Trinidad - 2C) Limited., Total E&P Trinidad B.V., Talisman (Trinidad) Ltd. And The Minister of Energy & Energy Industries and The National Gas Company of Trinidad and Tobago Limited	24/7/2008 24/7/2008 22/4/2021	BHP Billiton (Trinidad 2C) Ltd; Chaoyang Petroleum (Trinidad) Block 2C Limited; Minister of Energy and Energy Affairs; NGC E&P Investments (Netherlands) B.V.	114,805,635
BP Trinidad & Tobago LLC	Gas Sales Contract Between The National Gas Company of Trinidad and Tobago Limited and BP Trinidad and Tobago LLC	13/6/2017 1/1/2019 31/12/2023	BP Trinidad & Tobago LLC	203,229,616
EOG Resources Trinidad Ltd.	Amended and Restated Contract for the Sale and Purchase of Natural Gas By and Between EOG Resources Trinidad Limited and The National Gas Company of Trinidad and Tobago Limited	27/1/2005 1/1/2004 31/12/2018	EOG Resources Trinidad Ltd.	119,667,453

EOG Resources Trinidad U(b) Block Unlimited. - U(b) Block	Contract for the Sale and Purchase of Natural Gas By and Between EOG Resources Trinidad Limited and The National Gas Company of Trinidad and Tobago Limited	23/1/2004 23/1/2004 23/1/2019	EOG Resources Trinidad Ltd.; EOG Resources Trinidad U(b) Block Unlimited.	
EOG Resources Trinidad Block 4(a) Unlimited. - 4(a) Block	Contract for the Sale and Purchase of Natural Gas by and between EOG Resources Trinidad Block 4(a) Unlimited and The National Gas Company of Trinidad and Tobago Limited	1/7/2007 1/6/2007 2/6/2022	EOG Resources Trinidad Block 4(a) Unlimited.	
EOG Resources Trinidad - U(a) Block Ltd. - U(a) Block	Gas Sales Contract between EOG Resources Trinidad, EOG Resources Trinidad -U(a) Block Limited and The National Gas Company of Trinidad and Tobago Limited	11/3/2002 11/3/2002 11/3/2022	EOG Resources Trinidad - U(a) Block Ltd.	
Shell Trinidad & Tobago Ltd - Blocks 6, 5A and E	Incremental Gas Sales Contract among BG Trinidad and Tobago Limited and Chevron Trinidad and Tobago Resources SRL as Sellers and The National Gas Company of Trinidad and Tobago Limited as Buyer pertaining to The Sale of Gas for use in The domestic market of the Republic of Trinidad and Tobago	18/5/2007 18/5/2007 31/12/2019	Shell Trinidad & Tobago Ltd; Chevron Resources SRL; Ministry of Energy & Energy Affairs	58,348,377
Shell Trinidad Central Block Ltd - Central Block	Binding Term Sheet for the Sale of Central Block Gas to NGC	4/2/2017 4/2/2017 31/12/2018	Shell Trinidad Central Block Ltd; Petroleum Company of Trinidad and Tobago Ltd	5,692,196
Shell Beachfield	Incremental Gas Sales Contract among BG Trinidad and Tobago Limited and Chevron Trinidad and Tobago Resources SRL as Sellers and The National Gas Company of Trinidad and Tobago Limited as Buyer pertaining to The Sale of Gas for use in The domestic market of the Republic of Trinidad and Tobago	18/5/2007 18/5/2007 31/12/2019	Shell Trinidad & Tobago Ltd; Chevron Resources SRL; Ministry of Energy & Energy Affairs	5,438,055
DeNovo Block 1A	Gas Sales Contract Among De Novo Energy Block 1A Limited NGC E&P Investments Limited and NGC.	29/8/2018 29/8/2018 29/8/2026	DeNovo Energy Block 1A Limited	29,236,170
				536,417,502

Table 6-18 NGC gas purchases 2020

Full legal name of party from whom gas purchased - Producing block	Full legal names of all parties to the contract (NGC and other parties)	Contract date: Date signed Date from Date to (see note above)	Payments made by NGC to? (block operator name or detail if more than one)	Quantity purchased 2020 (mmscf)
BHP Billiton (Trinidad 2C) Ltd - Block 2C	Gas Sales Contract by and among BHP Billiton (Trinidad - 2C) Limited., Total E&P Trinidad B.V., Talisman (Trinidad) Ltd. And The Minister of Energy & Energy Industries and The National Gas Company of Trinidad and Tobago Limited	24/7/2008 24/7/2008 22/4/2021	BHP Billiton (Trinidad 2C) Ltd; Chaoyang Petroleum (Trinidad) Block 2C Limited; Minister of Energy and Energy Affairs; NGC E&P Investments (Netherlands) B.V.	102,192,733
BP Trinidad & Tobago LLC	Gas Sales Contract Between The National Gas Company of Trinidad and Tobago Limited and BP Trinidad and Tobago LLC	13/6/2017 1/1/2019 31/12/2023	BP Trinidad & Tobago LLC	205,094,802
EOG Resources Trinidad Ltd.	Contract for the Sale and Purchase by and Among NGC as Buyer and EOG Resources Trinidad Limited.	13/6/2017 13/6/2017 31/12/2023	EOG Resources Trinidad Ltd.	82,931,009
EOG Resources Trinidad U(b) Block Unlimited. - U(b) Block	Contract for the Sale and Purchase by and Among NGC as Buyer and EOG Resources Trinidad Limited.	13/6/2017 13/6/2017 31/12/2023	EOG Resources Trinidad Ltd.	
EOG Resources Trinidad Block 4(a) Unlimited. - 4(a) Block	Contract for the Sale and Purchase of Natural Gas by and between EOG Resources Trinidad Block 4(a) Unlimited and The National Gas Company of Trinidad and Tobago Limited	1/7/2007 1/6/2007 2/6/2022	EOG Resources Trinidad Block 4(a) Unlimited.	
EOG Resources Trinidad - U(a) Block Ltd. - U(a) Block	Gas Sales Contract between EOG Resources Trinidad, EOG Resources Trinidad -U(a) Block Limited and The National Gas Company of Trinidad and Tobago Limited	11/3/2002 11/3/2002 11/3/2022	EOG Resources Trinidad - U(a) Block Ltd.	
Shell Trinidad & Tobago Ltd - Blocks 6, 5A and E	Domestic Gas Supply Contract between Shell Trinidad and Tobago Limited and NGC	31/10/2019 1/1/2020 3/12/2024	Shell Trinidad & Tobago Ltd	48,047,327
Shell Trinidad Central Block Ltd - Central Block	Domestic Gas Supply Contract between Shell Trinidad and Tobago Limited and NGC	31/10/2019 1/1/2020 3/12/2024	Shell Trinidad & Tobago Ltd	2,679,088

Shell Beachfield	Domestic Gas Supply Contract between Shell Trinidad and Tobago Limited and NGC	31/10/2019 1/1/2020 3/12/2024	Shell Trinidad & Tobago Ltd	1,526,098
DeNovo Block 1A	Gas Sales Contract Among De Novo Energy Block 1A Limited NGC E&P Investments Limited and NGC.	29/8/2018 29/8/2018 29/8/2026	DeNovo Energy Block 1A Limited	27,390,228
				469,861,285

7 Reconciliation results 2019 and 2020

7.1 Introduction

Three (3) government entities and forty-five (45) oil and gas companies (of which three (3) were SOEs) were invited to participate in the reconciliation. All companies reported the financial and non-financial flows between companies and government as determined by the TTEITI Steering Committee.

The basis of selection of participating entities and flows can be found in Section 4.2 of this report.

7.2 Crude oil & natural gas

7.2.1 Payment reconciliation between extractive entities and government agencies

A summary of the results of the FY 2019 and 2020 reconciliations is set out below. Detailed schedules are included as Annexes F and G.

Table 7-1 Payments reconciliation 2019 – Oil and gas

Company	Receipts reported by government			Payments reported by companies				Analysis of reconciling items		
	Original	Adjustments	Adjusted total per Government	Original	Adjustments	Adjusted total per Company	Reconciling items	Foreign exchange differences	Timing differences	Unidentified receipt
	TT\$	TT\$	TT\$	TT\$	TT\$	TT\$	TT\$	TT\$	TT\$	TT\$
Amoco Trinidad Gas BV Trinidad Branch	10,187,850	-	10,187,850	10,187,850	-	10,187,850	-	-	-	-
BP Trinidad and Tobago LLC Trinidad Branch	3,127,513,621	13,615,713	3,141,129,334	3,141,029,333	100,000	3,141,129,333	1	1	-	-
BP Exploration Operating Company Limited - Trinidad Branch	1,010,887	-	1,010,887	1,287,547	(271,905)	1,015,642	(4,755)	(4,755)	-	-
BP Trinidad Processing Limited	14,054,663	-	14,054,663	14,054,663	-	14,054,663	-	-	-	-
BP Group	3,152,767,021	13,615,713	3,166,382,734	3,166,559,393	(171,905)	3,166,387,488	(4,754)	(4,754)	-	-
BG International Limited	67,732,147	2,435,445	70,167,592	83,278,180	(13,172,073)	70,106,107	61,485	61,485	-	-
Shell Trinidad and Tobago Limited	3,143,007,003	298,501,436	3,441,508,439	2,863,516,884	573,723,545	3,437,240,429	4,268,010	4,268,010	-	-
Trinling Limited	3,385,914	-	3,385,914	3,385,914	-	3,385,914	-	-	-	-
BG 2/3 Investments Limited	913,644	-	913,644	913,833	-	913,833	(189)	(189)	-	-
Shell Gas Supply Trinidad Limited	5,718,299	2,549,392	8,267,691	8,267,691	-	8,267,691	-	-	-	-
Shell Trinidad Central Block Limited	28,904,965	-	28,904,965	28,906,874	-	28,906,874	(1,909)	(1,909)	-	-
Point Fortin LNG Exports Limited	21,751,071	-	21,751,071	21,748,133	-	21,748,133	2,938	2,938	-	-
Shell Trinidad 5A Limited	14,857,116	-	14,857,116	1,686,738	13,168,292	14,855,030	2,086	2,086	-	-
Shell Trinidad and Tobago Resources SRL	3,801,989	-	3,801,989	3,801,929	-	3,801,929	60	60	-	-
Shell Trinidad Block E Limited	1,142,723	-	1,142,723	1,141,633	-	1,141,633	1,090	1,090	-	-
Shell Trinidad North Coast Limited	48,473,520	-	48,473,520	48,473,444	-	48,473,444	76	76	-	-
Shell Group	3,339,688,389	303,486,273	3,643,174,662	3,065,121,251	573,719,765	3,638,841,016	4,333,646	4,333,646		

BHP Billiton (Trinidad-2C) Limited	957,936,192	65,302	958,001,494	1,069,273,763	(110,550,367)	958,723,396	(721,902)	(721,902)	-	-
BHP Billiton (Trinidad-3A) Limited	7,971,583	-	7,971,583	7,966,634	4,868	7,971,502	81	81	-	-
BHP Billiton Petroleum (Trinidad Block 14) Limited	10,697,741	1,299,878	11,997,619	11,988,603	19,279	12,007,882	(10,263)	(10,263)	-	-
BHP Billiton Petroleum (Trinidad Block 23A) Limited	21,488,138	0	21,488,138	21,520,465	1,202	21,521,667	(33,529)	(33,529)	-	-
BHP Billiton Petroleum (Trinidad Block 23B) Limited	-	-	-	-	-	-	-	-	-	-
BHP Billiton Petroleum (Trinidad Block 28) Limited	-	-	-	-	-	-	-	-	-	-
BHP Billiton Petroleum (Trinidad Block 29) Limited	9,456,759	1,877,913	11,334,672	11,089,367	278,283	11,367,650	(32,978)	(32,978)	-	-
BHP Billiton Petroleum (Trinidad Block 3) Limited	10,958,085	-	10,958,085	11,019,649	(62,579.84)	10,957,069	1,016	1,016	-	-
BHP Billiton Petroleum (Trinidad Block 5) Limited	11,579,072	-	11,579,072	11,613,114	-	11,613,114	(34,042)	(34,042)	-	-
BHP Billiton Petroleum (Trinidad Block 6) Limited	12,909,237	-	12,909,237	11,064,250	1,877,913	12,942,163	(32,926)	(32,926)	-	-
BHP Billiton Petroleum (Trinidad Block 7) Limited	-	-	-	-	-	-	-	-	-	-
BHP Group	1,042,996,807	3,243,094	1,046,239,901	1,155,535,845	(108,431,401)	1,047,104,444	(864,543)	(864,543)	-	-
De Novo Energy Block 1A Ltd	64,260,557	(426,829)	63,833,728	65,639,997	(1,806,507)	63,833,490	238	238	-	-
De Novo Group	64,260,557	(426,829)	63,833,728	65,639,997	(1,806,507)	63,833,490	238	238	-	-
EOG Resources Trinidad 4(A) Unlimited	517,549,196	9,301,467	526,850,663	509,114,347	17,736,316	526,850,663	-	-	-	-
EOG Resources Trinidad Limited	738,050,482	-	738,050,482	738,898,269	(845,995)	738,052,274	(1,792)	(1,792)	-	-

EOG Resources Trinidad- U(A) Block Limited	338,327,431	-	338,327,431	128,373,069	209,956,641	338,329,710	(2,279)	(2,279)	-	-
EOG Resources Trinidad U(B) Block Unlimited	52,871,931	-	52,871,931	42,483,493	10,383,459	52,866,952	4,979	4,979	-	-
EOG Group	1,646,799,040	9,301,466	1,656,100,506	1,418,869,177	237,230,421	1,656,099,598	908	908	-	-
Lease Operators Limited	638,327	35,005,102	35,643,429	35,643,429	0	35,643,429	-	-	-	-
The National Gas Company of Trinidad and Tobago	1,753,837,602	-86,550	1,753,751,052	1,775,659,854	(22,726,776)	1,752,933,078	817,974	817,974	-	-
NGC E&P Investments (Netherlands) B.V.	369,004,716	1,114,285	370,119,001	370,119,001	0	370,119,001	0	0	-	-
NGC Pipeline Company Limited	105,806,655	0	105,806,655	105,806,655	0	105,806,655	0	0	-	-
Trinidad and Tobago LNG Limited	139,900,379	0	139,900,379	139,900,379	0	139,900,379	0	0	-	-
NGC Group	2,368,549,352	1,027,735	2,369,577,087	2,391,485,890	(22,726,776)	2,368,759,114	817,973	817,973	-	-
Perenco T&T Limited	552,135,189	0	552,135,189	557,895,306	(5,760,759)	552,134,547	642	0	-	642
Repsol Angostura Limited	270,716	(270,716)	-	-	-	-	-	-	-	-
Primera Oil & Gas Limited	27,946,588	0	27,946,588	38,968,038	(11,021,451)	27,946,587	1	1	-	-
Touchstone Exploration (Trinidad) Ltd	0	20,797,452	20,797,452	0	20,797,452	20,797,452	-	-	-	-
Touchstone Group	27,946,588	20,797,452	48,744,040	38,968,038	9,776,001	48,744,039	1	1	-	-
Petroleum Company of Trinidad and Tobago	-	-	-	-	-	-	-	-	-	-
Heritage Petroleum Company Limited	696,548,173	0	696,548,173	696,612,450	-	696,612,450	(64,277)	(64,277)	-	-
Heritage Group	696,548,173	0	696,548,173	696,612,450	-	696,612,450	(64,277)	(64,277)	-	-
Oilbelt Services Limited	26,641,774	451,876	27,093,650	27,099,907	-	27,099,907	(6,257)	(6,257)	-	-
Trinity Exploration & Production (Galeota) Limited	53,093,498	5,073,703	58,167,201	53,000,042	5,177,681	58,177,724	(10,523)	(10,523)	-	-
Trinity Exploration and Production (Trinidad and Tobago) Limited	-	-	-	-	-	-	-	-	-	-

Trinity Exploration Group	79,735,272	5,525,579	85,260,851	80,099,949	5,177,682	85,277,630	(16,779)	(16,779)	-	-
Total	12,972,335,432	391,304,869	13,363,640,301	12,672,430,725	687,006,521	13,359,437,246	4,203,055	4,202,413	-	642

Table 7-2 Payments reconciliation 2020 – Oil and gas

	Receipts reported by government			Payments reported by companies				Analysis of reconciling items		
Company	Original	Adjustments	Adjusted total per Government	Original	Adjustments	Adjusted total per Company	Reconciling items	Foreign exchange differences	Timing differences	Unidentified receipt
	TT\$	TT\$	TT\$	TT\$	TT\$	TT\$	TT\$	TT\$	TT\$	TT\$
Amoco Trinidad Gas BV Trinidad Branch	10,612,562	1,163	10,613,725	10,613,724	-	10,613,724	1	1	-	-
BP Trinidad and Tobago LLC Trinidad Branch	1,326,510,127	19,117,633	1,345,627,760	1,345,627,740	-	1,345,627,740	20	20	-	-
BP Exploration Operating Company Limited - Trinidad Branch	1317	-	1,317	1317	-	1,317	-	-	-	-
BP Trinidad Processing Limited	100,291,670	-	100,291,670	184,020,744	(83,729,074)	100,291,670	-	-	-	-
BP Group	1,437,415,676	19,118,796	1,456,534,472	1,540,263,525	(83,729,074)	1,456,534,451	21	21	-	-
BG International Limited	50,528,699	10,838,004	61,366,703	60,643,582	723,121	61,366,703			-	-
Shell Trinidad and Tobago Limited	528,940,514	-	528,940,514	534,381,545	(5,516,634)	528,864,911	75,603	75,603	-	-
Trinling Limited	5,551,995	-	5,551,995	5,551,995	-	5,551,995	-	-	-	-
BG 2/3 Investments Limited	651,856	-	651,856	651,856	-	651,856	-	-	-	-
Shell Gas Supply Trinidad Limited	-	6,419,103	6,419,103	6,419,103	-	6,419,103	-	-	-	-
Shell Trinidad Central Block Limited	68,119,681	2,851,337	70,971,018	70,967,724	-	70,967,724	3,294	3,294	-	-
Point Fortin LNG Exports Limited	17,770,250	-	17,770,250	17,770,250	-	17,770,250	-	-	-	-
Shell Trinidad 5A Limited	50,849,509	(10,113,883)	40,735,626	36,734,045	4,012,191	40,746,236	(10,610)	(10,610)	-	-
Shell Trinidad and Tobago Resources SRL	1383964	-	1,383,964	1,140,393	243,931	1,384,324	(360)	(360)	-	-
Shell Trinidad Block E Limited	47,126,738	-	47,126,738	45,373,378	1,748,381	47,121,759	4,979	4,979	-	-

Shell Trinidad North Coast Limited	81603816	-	81,603,816	81,603,816	-	81,603,816	-	-	-	-
Shell Group	852,527,021	9,994,561	862,521,582	861,237,687	1,210,991	862,448,678	72,904	72,904	-	-
BHP Billiton (Trinidad-2C) Limited	681,416,719	172,951	681,589,670	751,078,933	(69,634,332)	681,444,601	145,069	145,069	-	-
BHP Billiton (Trinidad-3A) Limited	8,409,983	-	8,409,983	8,409,984	-	8,409,984	(1)	(1)	-	-
BHP Billiton Petroleum (Trinidad Block 14) Limited	9,236,773	1,127,900	10,364,673	10,345,472	8,970	10,354,442	10,231	10,231	-	-
BHP Billiton Petroleum (Trinidad Block 23A) Limited	18,177,416	4,185,249	22,362,665	22,335,930	31,519	22,367,449	(4,784)	(4,784)	-	-
BHP Billiton Petroleum (Trinidad Block 23B) Limited	-	-	-	-	-	-	-	-	-	-
BHP Billiton Petroleum (Trinidad Block 28) Limited	-	-	-	-	-	-	-	-	-	-
BHP Billiton Petroleum (Trinidad Block 29) Limited	3,039,658	132,374	3,172,032	4,732,472	(1,566,733)	3,165,739	6,293	6,293	-	-
BHP Billiton Petroleum (Trinidad Block 3) Limited	9,981,775	1,607,583	11,589,358	11,615,082	-	11,615,082	(25,724)	(25,724)	-	-
BHP Billiton Petroleum (Trinidad Block 5) Limited	10,527,550	1,664,152	12,191,702	12,197,225	1,000	12,198,225	(6,523)	(6,523)	-	-
BHP Billiton Petroleum (Trinidad Block 6) Limited	10,095,537	1,515,109	11,610,646	11,615,489	-	11,615,489	(4,843)	(4,843)	-	-
BHP Billiton Petroleum (Trinidad Block 7) Limited	-	-	-	-	-	-	-	-	-	-
BHP Group	750,885,413	10,405,317	761,290,730	832,330,587	(71,159,576)	761,171,011	119,719	119,719	-	-
De Novo Energy Block 1A Ltd	96,648,401	-	96,648,401	96,263,582	389,388	96,652,970	(4,569)	(4,569)	-	-
De Novo Group	96,648,401	-	96,648,401	96,263,582	389,388	96,652,970	(4,569)	(4,569)	-	-
EOG Resources Trinidad 4(A) Unlimited	397,641,548	2,152,839	399,794,387	399,783,902	10,485	399,794,387	-	-	-	-
EOG Resources Trinidad Limited	388,671,296	10,043,863	398,715,159	397,709,912	1,005,247	398,715,159	-	-	-	-
EOG Resources Trinidad-U(A) Block Limited	278,642,831	-	278,642,831	278,642,821	-	278,642,821	10	10	-	-
EOG Resources Trinidad U(B) Block Unlimited	15,146,773	-	15,146,773	15,146,773	-	15,146,773	-	-	-	-
EOG Group	1,080,102,447	12,196,702	1,092,299,149	1,091,283,408	1,015,732	1,092,299,140	9	9	-	-

Lease Operators Limited	1,854,269	4,847,804	6,702,073	6,495,128	206,945	6,702,073	-	-	-	-
The National Gas Company of Trinidad and Tobago	861,221,789	2,119,288	863,341,077	937,078,502	(73,122,988)	863,955,514	(614,437)	(614,437)	-	-
NGC E&P Investments (Netherlands) B.V.	220,769,445	(254,988)	220,514,457	220,513,457	1,000	220,514,457	-	-	-	-
NGC Pipeline Company Limited	97,324,421	-	97,324,421	97,324,421	-	97,324,421	-	-	-	-
Trinidad and Tobago LNG Limited	11,098,149	-	11,098,149	11,098,149	-	11,098,149	-	-	-	-
NGC Group	1,190,413,804	1,864,300	1,192,278,104	1,266,014,529	(73,121,988)	1,192,892,541	(614,437)	(614,437)	-	-
Perenco T&T Limited	318,288,181	-	318,288,181	303,405,523	14,882,658	318,288,181	-	-	-	-
Repsol Angostura Limited	108,824	95,287	204,111	204,110	-	204,110	1	1	-	-
Primera Oil & Gas Limited	6,412,516	3,814,468	10,226,984	10,226,983	-	10,226,983	1	1	-	-
Touchstone Exploration (Trinidad) Ltd	14,246,417	92,000	14,338,417	14,338,417	-	14,338,417	-	-	-	-
Touchstone Group	20,658,933	3,906,468	24,565,401	24,565,400	-	24,565,400	1	1	-	-
Pertroleum Company of Trinidad and Tobago	-	-	-	-	-	-	-	-	-	-
Heritage Petroleum Company Limited	795,913,449	4,594,939	800,508,388	800,430,201	(1)	800,430,200	78,188	78,188	-	-
Heritage Group	795,913,449	4,594,939	800,508,388	800,430,201	(1)	800,430,200	78,188	78,188	-	-
Oilbelt Services Limited	10,237,209	1,825,811	12,063,020	12,076,640	3,526	12,080,166	(17,146)	(13,620)	-	(3,526)
Trinity Exploration & Production (Galeota) Limited	38,081,995	1,148,016	39,230,011	39,261,339	-	39,261,339	(31,328)	(31,328)	-	-
Trinity Exploration and Production (Trinidad and Tobago) Limited	-	-	-	-	-	-	-	-	-	-
Trinity Exploration Group	48,319,204	2,973,827	51,293,031	51,337,978	3,526	51,341,504	(48,473)	(44,948)	-	(3,525)
Total	6,593,135,619	69,998,003	6,663,133,622	6,873,831,658	(210,301,398)	6,663,530,260	(396,638)	(393,113)	-	(3,525)

7.2.2 MEEI payments from profit share to MOF-IRD for taxes from PSCs

The MEEI reported the profit share received from the PSC companies for each reporting period. The MEEI uses a portion of the profit share receipts to make payments to the MOF-IRD for PSC company taxes. A comparison between profit share received by MEEI and the taxes paid to the MOF-IRD on behalf of PSC companies is set out in the table below. This is not a reconciliation, but rather disclosure of amounts received and the portion paid as taxes:

Table 7-3 MEEI payments from profit share to MOF-IRD for taxes from PSCs

Company	MEEI declared taxes paid to MOF-IRD on behalf of company		Profits share received from PSC company as reported by MEEI	
	2019 TT\$	2020 TT\$	2019 TT\$	2020 TT\$
DE NOVO ENERGY BLOCK1A LIMITED	480,723	1,419,795	55,808,898	87,660,504
EOG RESOURCES TRINIDAD BLOCK 4(A) UNLIMITED	174,347,987	135,423,399	260,411,772	205,314,344
BHP BILLITON (TRINIDAD Block 23a) LIMITED	-	-	329,727	-
THE NATIONAL GAS COMPANY OF T&T LIMITED	-	-	847,710,077	625,859,541
BHP BILLITON (TRINIDAD 2C) LIMITED	670,016,682	436,721,976	255,525,485	227,045,867
EOG RESOURCES TRINIDAD - U(A) BLOCK LIMITED	211,032,941	44,734,408	115,741,851	221,773,894
EOG RESOURCES TRINIDAD U(B) BLOCK UNLIMITED	18,051,339	86,271	9,658,688	6,679,826
Shell Trinidad and Tobago Resources SRL Block 6	1,910,471	519,408	-	-
Shell Trinidad and Tobago Resources SRL Block 5A	303,516	85,959	-	-
Shell Trinidad and Tobago Resources SRL Block E	765,000	290,391	-	-
Shell Trinidad and Tobago Ltd Block E	763,332	294,461	-	-
Shell Trinidad and Tobago Limited Block 5A	1,788,878	111,114	-	-
NGC E&P Investments (Netherlands) B.V. Blk 2C	454,518	220,514,457	-	-
Shell Trinidad Limited NCMA1	590,520,324	21,667,959	-	-
NGC E&P Investments (De Novo) Block 1A	100,454	328,640	-	-
TOTAL	1,670,536,165	862,198,238	1,545,186,498	1,374,333,976

7.2.3 MEEI payments from profit share to MOF-IRD for taxes from PSCs

MEEI submitted payments to MOF-IRD on behalf of participants. MOF-IRD stated the amounts received from MEEI on behalf of participants. These payments and receipts are reconciled below.

The figures reported by the MEEI are also reconciled against the payments reported by the PSC companies as having been made on their behalf by the MEEI.

Table 7-4 MEEI payments to MOF-IRD on behalf of PSCs reconciled to company data

	2019 TT\$	2020 TT\$
Payments reported by MEEI	1,670,536,165	862,198,238
Payments reported by companies	1,624,559,914	860,680,702
Discrepancies	45,976,251	1,517,536

Discrepancies	2019 TT\$	2020 TT\$
Omissions by participants	522,018,300	3,457,348
Omissions by MEEI	(476,042,049)	(1,939,812)
Discrepancies	45,976,251	1,517,536

The figures reported by the MEEI are also reconciled against the payments reported by the PSC companies as having been made on their behalf by the MEEI.

With regard to PSC Holding Fees, none was waived in 2019 or 2020. These fees are usually reduced by the participant's market development costs. If such fees are to be waived, the Minister or the Ministry (MEEI) has the authority, granted through the letter of the specific contract.

7.2.4 Production reconciliation

Production was reported by

1. Companies
2. MEEI Commercial (PSCs only)
3. MEEI Downstream and Retail Marketing Group (PSC and E&P gas)
4. MEEI Energy Information Management & Technology Division (PSC and E&P oil)

The results of the production reconciliations between 1, 3 and 4 as above are as follows:

Table 7-5 Production reconciliation 2019 – Oil and gas

Company	Oil Production 2019			Company	Gas Production 2019		
	MEEI barrels	Company barrels	Difference		MEEI mmscf	Company mmscf	Difference
BP Trinidad and Tobago LLC Trinidad Branch	2,523,338	2,523,340	(2)		706,928,567	706,928,563	4
Shell Trinidad and Tobago Limited	50,929	50,930	(1)		181,933,163	181,933,164	(1)
Shell Trinidad Central Block Limited	204,742	204,742	-		15,273,044	15,273,044	-
Shell Trinidad 5A Limited	7559	7558	1		14,448,867	14,448,867	-
Shell Trinidad Block E Limited	107	111	(4)		40,610,232	40,610,232	-
BHP Billiton (Trinidad-2C) Limited	1,510,887	1,510,887	-		145,603,786	145,603,786	-
EOG Resources Trinidad 4(A) Unlimited	-	-	-		22,612,312	22,612,312	-

EOG Resources Trinidad Limited	437,591	437,591	-	111,874,235	111,874,234	1
EOG Resources Trinidad- U(A) Block Limited	1,392	1,392	-	32,262,455	32,262,455	-
EOG Resources Trinidad U(B) Block Unlimited	5,727	5,727	-	3,254,432	3,254,433	(1)
Lease Operators Ltd	877,202	877,200	2	-	-	-
De Novo Energy Limited	131,279	131,279	-	25,154,079	25,154,079	-
Perenco T&T Limited	3,710,139	3,710,139	-	6,786,066	6,786,066	-
Primera Oil & Gas Limited	84,061	84,061	-	-	-	-
Touchstone Exploration (Trinidad) Ltd	-	-	-	-	-	-
Petroleum Company of Trinidad and Tobago	1,563,241	1,563,241	-	851,715	851,714	1
Heritage Petroleum Company Limited	7,524,133	7,524,133	-	4,391,726	4,391,726	-
Oilbelt Services Limited	663,957	673,437	(9,480)	-	-	-
Trinity Exploration & Production (Galeota) Limited	444,508	444,508	-	-	-	-
Petroleum Company of Trinidad and Tobago	-	-	-	-	-	-
Total	19,740,792	19,750,276	(9,484)	1,311,984,679	1,311,984,675	4

Table 7-6 Production reconciliation 2020 – Oil and gas

Company	Oil Production 2020			Gas Production 2020		
	MEEI barrels	Company barrels	Difference	MEEI mmscf	Company mmscf	Difference
BP Trinidad and Tobago LLC Trinidad Branch	2,355,155	2,355,152	3	671,358,760	671,358,757	3
Shell Trinidad and Tobago Limited	24,447	24,447	-	173,535,190	173,535,190	-
Shell Trinidad Central Block Limited	148,769	148,769	-	12,377,714	12,377,714	-
Shell Trinidad 5A Limited	988	1003.12	(15)	4,131,808	4,131,808	-
Shell Trinidad Block E Limited	385	363.66	21	42,144,046	42,144,046	-
BHP Billiton (Trinidad-2C) Limited	1,104,926	1,104,925	1	134,592,633	134,592,633	-
EOG Resources Trinidad 4(A) Unlimited	-	-	-	9,782,404	9,782,403	1
EOG Resources Trinidad Limited	335,501	335,501	-	76,208,634	76,208,633	1
EOG Resources Trinidad- U(A) Block Limited	-	-	-	34,711,305	34,711,305	-
EOG Resources Trinidad U(B) Block Unlimited	3,104	3,104	-	2,439,481	2,439,482	(1)
Lease Operators Ltd	712,176	712,176	-	-	-	-
De Novo Energy Limited	197,624	197,624	-	28,247,718	28,247,718	-
Perenco T&T Limited	3,416,956	3,416,960	(4)	7,133,056	7,133,056	-
Primera Oil & Gas Limited	62,491	62,491	-	-	-	-
Touchstone Exploration (Trinidad) Ltd	-	-	-	-	-	-

Petroleum Company of Trinidad and Tobago	10,050,513	10,050,513	-	5,700,987	5,700,987	-
Heritage Petroleum Company Limited	753,910	778,161	(24,251)	-	-	-
Oilbelt Services Limited	441,817	441,817	0	-	-	-
Trinity Exploration & Production (Galeota) Limited	-	-	-	-	-	-
Total	19,608,762	19,633,007	(24,245)	1,202,363,736	1,202,363,732	4

MEEI Commercial does not monitor oil and gas production from non-PSC operations.

A comparison of the production figures reported by various sources within the MEEI is as follows:

Table 7-7 MEEI production reporting reconciliation 2019 – Oil

Company	2019 Oil Production				
	MEEI Commercial	Difference	MEEI Energy Information Management & Technology Division	Difference	Company
	Barrels	Barrels	Barrels	Barrels	Barrels
PSCs					
BHP Block 2(c)	1,510,654	233	1,510,887	-	1,510,887
EOG Resources Block MOD U(a)	1,392	0	1,392	-	1,392
EOG Resources Block MOD U(b)	5,727	0	5,727	-	5,727
EOG Resources Block 4(a)	0	0	0	-	-
SHELL 5(a)	37,417	(29,858)	7,559	(1)	7,558
Shell Trinidad Limited Central Block		204,742	204,742	-	204,742
DeNovo Energy Limited	102,041	29,238	131,279	-	131,279
SHELL BLOCK E	0	107	107	4	111
SHELL BLOCK 6	49,838	(49,838)			
SHELL BLOCK NCMA 1	0	50,929	50,929	1	50,930
Sub total	1,707,069	205,553	1,912,622	4	1,912,626
E&P					
EOG Resources Trinidad Limited			437,591	-	437,591
BG Trinidad Central Block Limited					
BP Trinidad and Tobago LLC Trinidad Branch			2,523,338	2	2,523,340
Repsol E&P TT Ltd					
Lease Operators Ltd			877,202	(2)	877,200
Heritage Petroleum Company Limited			7,524,133	-	7,524,133
Touchstone Exploration (Trinidad) Ltd			-	-	-
PRIMERA OIL & GAS LIMITED			84,061	-	84,061
TRINITY EXPLORATION & PRODUCTION (GALEOTA)			444,508	-	444,508
PETROTRIN COMPANY OF TRINIDAD AND TOBAGO LIMITED					
TRINITY EXPLORATION AND PRODUCTION (OILBELT)			663,957	9,480	673,437
PERENCO T&T LTD			3,710,139	-	3,710,139
Sub-total - EITI reporting companies			18,177,551	9,484	18,187,035
PETROTRIN COMPANY OF TRINIDAD AND TOBAGO LIMITED					
- Farmouts			176,363		
- IPSCs			310,966		
- Lease operators			2,456,891		
Leni Trinidad Limited			3,690		
MASSY ENERGY PRODUCTION RESOURCES			22,091		
NEW HORIZON EXPLORATION T & T UNLIMITED			22,995		
Columbus Energy Bonasse Limited			3,359		
Total all companies			21,173,906		

Table 7-8 MEEI production reporting reconciliation 2019 – Gas

Company	2019 Gas Production				
	MEEI Commercial	Difference	MEEI Energy Information Management & Technology Division	Difference	Company
	Barrels of oil equivalent	Barrels of oil equivalent	Barrels of oil equivalent	Barrels of oil equivalent	Barrels of oil equivalent
PSCs					
BHP Block 2(c)	19,040,690	6,063,411	25,104,101	-	25,104,101
EOG Resources Block MOD U(a)	5,562,492	-	5,562,492	-	5,562,492
EOG Resources Block MOD U(b)	561,109	-	561,109	-	561,109
EOG Resources Block 4(a)	3,898,674	-	3,898,675	-	3,898,674
SHELL 5(a)	3,894	2,487,289	2,491,184	-	2,491,184
Shell Trinidad Limited Central Block		2,633,283	2,633,283	-	2,633,283
DeNovo Energy Limited	4,281,209	55,701	4,336,910	-	4,336,910
SHELL BLOCK E	5,568	6,996,196	7,001,764	-	7,001,764
SHELL BLOCK 6	11,297	(11,297)	-	-	-
SHELL BLOCK NCMA 1	15,970	31,351,817	31,367,787	-	31,367,787
Sub total	33,380,903	49,576,402	82,957,305	-	82,957,305
E&P					
EOG Resources Trinidad Limited			19,288,661	-	19,288,661
BG Trinidad Central Block Limited					
BP Trinidad and Tobago LLC Trinidad Branch			121,884,236	(1)	121,884,235
Repsol E&P TT Ltd					
Lease Operators Ltd					
Heritage Petroleum Company Limited			757,194	-	757,194
Touchstone Exploration (Trinidad) Ltd			-	-	-
PRIMERA OIL & GAS LIMITED			-	-	-
TRINITY EXPLORATION & PRODUCTION (GALEOTA)			-	-	-
PETROTRIN COMPANY OF TRINIDAD AND TOBAGO LIMITED					
TRINITY EXPLORATION AND PRODUCTION (OILBELT)			-	-	-
PERENCO T&T LTD			1,170,011	-	1,170,011
Sub total - EITI reporting companies			226,057,407	-	226,057,407
PETROTRIN COMPANY OF TRINIDAD AND TOBAGO LIMITED					
- Farmouts					
- IPSCs					
- Lease operators					
Leni Trinidad Limited					
MASSY ENERGY PRODUCTION RESOURCES					
NEW HORIZON EXPLORATION T & T UNLIMITED					
Columbus Energy Bonasse Limited					
Total all companies			226,057,407		

Table 7-9 MEEI production reporting reconciliation 2020 – Oil

Company	2020 Oil Production				
	MEEI Commercial	Difference	MEEI Energy Information Management & Technology Division	Difference	Company
	Barrels	Barrels	Barrels	Barrels	Barrels
PSCs					
BHP Block 2(c)	1,104,925	1	1,104,926	(1)	1,104,925
EOG Resources Block MOD U(a)	-	-	-	-	-
EOG Resources Block MOD U(b)	3,104	-	3,104	-	3,104
EOG Resources Block 4(a)	-	-	-	-	-
SHELL 5(a)	-	988	988	15	1,003
Shell Trinidad Limited Central Block	-	148,769	148,769	-	148,769
DeNovo Energy Limited	190,933	6,691	197,624	-	197,624

SHELL BLOCK E	-	385	385	(21)	364
SHELL BLOCK 6	-	-	-	-	-
SHELL BLOCK NCMA 1	-	24,447	24,447	0	24,447
Sub total	1,298,962	181,281	1,480,243	(7)	1,480,236
E&P					
EOG Resources Trinidad Limited			335,501	-	335,501
BG Trinidad Central Block Limited			-	-	-
BP Trinidad and Tobago LLC Trinidad Branch			2,355,155	(3)	2,355,152
Repsol E&P TT Ltd			-	-	-
Lease Operators Ltd			712,176	-	712,176
Heritage Petroleum Company Limited			10,050,513	-	10,050,513
Touchstone Exploration (Trinidad) Ltd			-	-	0
PRIMERA OIL & GAS LIMITED			62,491	-	62,491
TRINITY EXPLORATION & PRODUCTION (GALEOTA)			441,817	-	441,817
PETROTRIN COMPANY OF TRINIDAD AND TOBAGO LIMITED			-	-	-
TRINITY EXPLORATION AND PRODUCTION (OILBELT)			753,910	24,251	778,161
PERENCO T&T LTD			3,416,956	4	3,416,960
Sub total - EITI reporting companies			19,608,762	24,245	19,633,007
PETROTRIN COMPANY OF TRINIDAD AND TOBAGO LIMITED					
- Farmouts			150,496		
- IPSCs			224,436		
- Lease operators			2,272,216		
Leni Trinidad Limited			8,648		
MASSY ENERGY PRODUCTION RESOURCES			20,838		
NEW HORIZON EXPLORATION T & T UNLIMITED			16,927		
Columbus Energy Bonasse Limited			5,330		
Total all companies			22,307,653		

Table 7-10 MEEI production reporting reconciliation 2020 – Gas

Company	2020 Gas Production				
	MEEI Commercial	Difference	MEEI Energy Information Management & Technology Division	Difference	Company
	Barrels of oil equivalent	Barrels of oil equivalent	Barrels of oil equivalent	Barrels of oil equivalent	Barrels of oil equivalent
PSCs					
BHP Block 2(c)	153,462	23,052,164	23,205,626	-	23,205,626
EOG Resources Block MOD U(a)	5,984,708	-	5,984,708	-	5,984,708
EOG Resources Block MOD U(b)	420,601	(1)	420,600	-	420,600
EOG Resources Block 4(a)	1,686,621	-	1,686,621	-	1,686,621
SHELL 5(a)	2,141	710,240	712,381	-	712,381
Shell Trinidad Limited Central Block	12,785	2,121,304	2,134,089	-	2,134,089
DeNovo Energy Limited	4,813,096	57,200	4,870,296	-	4,870,296
SHELL BLOCK E	5,822	7,260,393	7,266,215	-	7,266,215
SHELL BLOCK 6	13,909	(13,909)		-	
SHELL BLOCK NCMA 1	12,785	29,907,075	29,919,860	-	29,919,860
Sub total	13,105,930	63,094,466	76,200,396	-	76,200,396
E&P					
EOG Resources Trinidad Limited			13,139,420	(1)	13,139,419
BG Trinidad Central Block Limited				-	
BP Trinidad and Tobago LLC Trinidad Branch			115,751,510	-	115,751,510
Repsol E&P TT Ltd				-	
Lease Operators Ltd			-	4,870,296	4,870,296
Heritage Petroleum Company Limited			982,929	-	982,929
Touchstone Exploration (Trinidad) Ltd			-	-	-
PRIMERA OIL & GAS LIMITED			-	-	-
TRINITY EXPLORATION & PRODUCTION (GALEOTA)			-	-	-
PETROTRIN COMPANY OF TRINIDAD AND TOBAGO LIMITED				-	

TRINITY EXPLORATION AND PRODUCTION (OILBELT)			-	-	-
PERENCO T&T LTD			1,229,837	-	1,229,837
Sub-total - EITI reporting companies			207,304,092	4,870,295	212,174,387
PETROTRIN COMPANY OF TRINIDAD AND TOBAGO LIMITED					
- Farmouts					
- IPSCs					
- Lease operators					
Leni Trinidad Limited					
MASSY ENERGY PRODUCTION RESOURCES					
NEW HORIZON EXPLORATION T & T UNLIMITED					
Columbus Energy Bonasse Limited					
Total all companies			207,304,092		

Production reported by companies was reconciled to oil production reported by Downstream Petroleum Management Division and gas production reported by Energy Information Management & Technology Division. However, differences between information generated by the Commercial Division were not reconciled with the production figures reported by either Downstream Petroleum Management Division or Energy Information Management & Technology Division.

Companies which were not part of the EITI reporting group were not required to provide data on production, so no comparison is made with MEEI figures for these companies.

7.2.5 Escrow

According to Article 37 of the Model PSC Contract 2018, from the date of the first Commercial Discovery, the Minister and Contractor shall agree to establish an interest bearing escrow account in the name of the Minister at a financial institution determined by the Minister to accumulate cash reserves for use to fund against possible pollution and eventual abandonment of wells and decommissioning of facilities related to Petroleum Operations in the Contract Area. The Contractor shall pay twenty five (25) cents in the currency of the United States of America per Barrel of oil equivalent produced into said escrow account from the date of first production.

Within sixty (60) days after cessation of Production or the sooner relinquishment of some or all of the Contract Area, Contractor shall carry out to the Minister's satisfaction a programme for abandonment and decommissioning of facilities agreed with the Minister for all installations and pipelines provided by Contractor under this Contract that the Minister elects not to have delivered up to him. The approved budget for carrying out the approved abandonment and decommissioning of facilities programme shall be provided for by monies paid into the escrow account. If the escrow amount is insufficient to complete the approved programme or environmental remediation, Contractor shall pay all such additional required costs.

The Minister may at his sole discretion access funds from the escrow account in the event that Contractor fails to (i) effect environmental clean-up, or (ii) properly abandon wells, or decommission facilities to the satisfaction of the Minister. Where the Minister accesses the escrow account as aforementioned during the term of the Contract, Contractor shall be required to pay into the account the sum used for said purposes within sixty (60) days.

Below is a schedule of the escrow accounts in US\$.

Table 7-11 Schedule of escrow accounts

Account name	Balance at 30 Sept 2018	Receipts from companies 2019	Interest received 2019	Disbursements 2019	Balance at 30 Sept 2019
	US\$	US\$	US\$	US\$	US\$
Petrotrin And Bg T'dad Central Block Ltd	6,136,048		110,633		6,246,681
Petrotrin - Balata East Shallow Horizons	122,239	7,959	2,245		132,442
Petrotrin - Cruse Horizons	6,908,015	215,402	125,826		7,249,243
Petrotrin - Guapo Oropouche Brighton	3,813,530	188,019	69,764		4,071,313
Petrotrin - Herrera Horizons	9,197,538	475,748	168,356		9,841,643
Petrotrin - Mayaro Guayguayare Horizons	1,167,183	75,803	21,432		1,264,419
Primera Oil & Gas Ltd - Fyzabad	12,610		228		12,838
Primera Oil & Gas Ltd - Palo Seco Block	49,261		891		50,152
Petrotrin And Beach Oilfield Ltd-South West Peninsula	124,889		2,258		127,147
Trinidad Northern Areas (Trinmar) Public Petroleum Rights, Petroleum Company Trinidad & Tobago	9,306,123	771,239	171,486		10,248,848
Eog Resources Trinidad Block U (A) Osprey Field	22,325,609		403,596		22,729,204
Eog Resources Trinidad Block 4 (A) Offshore	20,631,523		372,971		21,004,494
Trinity Exploration And Production (Galeota) Limited, Galeota Area, Public Petroleum Rights	2,111,352	82,083	30,697	(1,108,393)	1,115,739
Point Ligoure– Guapo Bay– Brighton Marine Block	333,032	12,908	6,116		352,056
Guapo Bay– Brighton Marine Block Trinidad (Offshore) Block	899,881	8,342	16,327		924,551
Petro'in & Massy Engy- Moruga West Block	537,902		9,724		547,626
TOTAL	83,676,737	1,837,504	1,512,549	(1,108,393)	85,918,397

7.3 Minerals

7.3.1 Payment reconciliation between extractive entities and government agencies

Table 7-12 Payments reconciliation 2019 and 2020 – Minerals

Company	2019			2020		
	Adjusted totals		Reconciling items TT\$	Adjusted totals		Reconciling items TT\$
	Government TT\$	Company TT\$		Government TT\$	Company TT\$	
National Quarries Company Limited	2,548,751	2,548,751	-	1,035,249	1,034,149	1,100
Lake Asphalt Trinidad & Tobago (1978) Limited	404,265	404,265	-	750,040	750,040	-
Hermitage Limestone Limited	311,825	311,825	-	272,915	272,914	1
Trinidad Cement Limited	-	-	-	-	-	-
F. W. Hickson & Co Ltd	-	-	-	-	-	-
TOTAL	3,264,841	3,264,841	-	2,058,204	2,057,103	1,101

7.3.1.1 National Quarries Company Limited

These reconciling differences were determined to have arisen from interest charged by MOF-IRD to the participant. The participant had no source documentation to substantiate these payments and the IA had no access to MOF-IRD to verify their authenticity.

Table 7-13 National Quarries Limited reconciling differences

IRD Receipt #	Date of Payment	Interest TT\$
R650546176	20 November 2019	950.70
R20958208	17 February 2020	150.03

7.3.1.2 Trinidad Cement Limited

Trinidad Cement Limited signed the memorandum of Understanding to support production of EITI reporting. However, the company provided no information from either the company or any that MOF-IRD may have provided to then for onward submission to the IA. The materiality of payments to governmental entities could not be determined from perusal of the unqualified audited consolidated financial statements located at <http://www.tclgroup.com/tcl-annual-report-2019/> and <http://www.tclgroup.com/wp-content/uploads/2021/05/WEB-%E2%80%A2-TCL-AR-2020.pdf>

7.3.1.3 FW Hickson & Co Ltd

F.W. Hickson & Co. Ltd. Provided reporting templates with no payments made to any party in relation to its operations during 2019 or 2020. Likewise, the MEEI reported receipt of no payments from this company. No templates were received through the company from MOF-IRD, against which the reported ‘\$nil’ balances could be juxtaposed for reconciliation.

7.3.2 Production

Table 7-14 Production reconciliation - Minerals

Company	2019			2020		
	MEEI Tonnes	Company Tonnes	Difference Tonnes	MEEI Tonnes	Company Tonnes	Difference Tonnes
National Quarries Company Limited	481,460	689,195	207,735	442,438	561,243	118,805
Lake Asphalt Trinidad & Tobago (1978) Limited	4,724	5404	680	2,760	6,080	3,320
Hermitage Limestone Limited	158,889	158,766	(123)	168,459	157,549	(10,910)
Trinidad Cement Limited		None declared			None declared	
F. W. Hickson & Co Ltd		None declared			None declared	
TOTAL	645,073	853,365	208,292	613,657	724,872	111,215

Where no production is included in the table above, the company and/or MEEI did not provide any information.

7.3.3 Escrow

Poor regulation in past years led to indiscriminate quarrying, severe land degradation, loss of valuable flora and fauna, pollution of watercourses and reduced coastal water quality through sediments being transported to the sea. Environmental rehabilitation is therefore critical.

Although the mining industry does not have abandonment provisions in the form of an escrow, similar to that which exists in the oil and gas sector, according to the Minerals Act, Chapter 61:03 (Act 61 of 2000), every person to whom the Minister has decided to issue a licence shall, before the issue of the licence, deposit with the Director a bond in the form of a Rehabilitation Bond in such amount and form and subject to such conditions as may be prescribed for the proper rehabilitation of the land for which the licence is to be issued. The amount of the bond shall be determined having regard to the potential environmental impact that is likely to be caused by the mining operation for which the licence is issued.

Where the licensee commits any breach of the terms and conditions, the Minister may forfeit the bond deposited and costs and damages arising out of the breach shall be recovered as a debt due to the State.

7.4 Other matters

7.4.1 Amounts due and paid from PSCs

PSC payment received by MEEI are used to make myriad payments to MOF-IRD on behalf of participants. These payments, which are monitored by the Commercial Evaluation Division at MEEI, include:

- Supplemental Petroleum Taxes
- Petroleum Profits Taxes
- Unemployment Levy
- Corporation tax (if applicable)

- Business Levy

PSC is also used to make payments to MEEI on behalf of participants. These payments, which are monitored by the Accounting Unit at MEEI, include:

- Transfer Fees
- Ent Provisions
- Annual Administration Charges
- Training
- Research and Development Costs
- Production Bonus
- Technical Assistance

The PSC information provided by MEEI is summarised in the table below:

Table 7-15 PSC payment reconciliation 2019 and 2020

Block	Operator	Balance due/(overpaid) at 31-Dec-18			2019 transactions		Balance due/(overpaid) at 31-Dec-19	2020 transactions		Balance due/(overpaid) at 31-Dec-20
		As previously reported	Amendment	As now reported	Amounts due	Amounts paid		Amounts due	Amounts paid	
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
BLOCK 1(A)	DeNovo	202	(201)	1	1,033,776	(1,033,788)	(11)	1,062,920	(1,062,920)	(11)
BLOCK 2(C)	Woodside Energy(BHP)	214	-	214	1,777,466	(1,777,466)	214	1,881,627	(1,881,628)	213
BLOCK 4(A)	EOG	525	(523)	2	1,107,479	(1,107,479)	2	1,172,128	(1,172,128)	2
BLOCK 5(B)	ATGB V	1,742	(69)	1,673	1,476,874	(1,476,476)	2,071	1,565,486	(1,565,065)	2,492
BLOCK 22	BG International	812	(1,374)	(562)	1,406,086	(1,288,897)	116,627	1,409,639	(1,409,964)	116,302
BLOCK 23(A)	BHP	8,931	(5,620)	3,311	3,129,775	(3,129,972)	3,114	3,300,718	(3,300,897)	2,935
BLOCK 3(A)	Woodside Energy(BHP)	-	-	-	1,181,066	(1,181,152)	(86)	1,248,506	(1,248,416)	4
BLOCK 5(A)	Shell	816	369	1,185	1,494,928	(1,494,635)	1,478	1,584,670	(1,585,156)	992
BLOCK 5(C)	BGI	50,758	(380)	50,378	3,318,287	(3,318,765)	49,900	1,388,384	(1,345,600)	92,684
BLOCK 5(D)	BGI	97,408	18,120	115,528	6,211,098	(6,106,343)	220,283	1,267,973	(1,150,474)	337,782
BLOCK E	Shell	39,313	(39,313)	-	100,000	(100,000)	-	100,000	(100,000)	-
BLOCK MOD U(A)	EOG	261	(266)	(5)	1,655,116	(1,655,116)	(5)	1,754,423	(1,754,424)	(6)
BLOCK MOD U (B)	EOG	45	(43)	2	1,237,039	(1,237,040)	1	1,310,361	(1,310,361)	1
BLOCK NCMA1	Shell	4,884	(572)	4,312	1,695,451	(1,695,241)	4,522	1,797,175	(1,796,955)	4,742
BLOCK NCMA 4	BG International	4,329	216	4,545	1,237,044	(1,146,674)	94,915	1,249,594	(1,229,155)	115,354
BLOCK TTDA 14	BHP	3,373	(2,158)	1,215	1,586,083	(1,551,700)	35,598	1,527,701	(1,529,479)	33,820
BLOCK TTDA 28	BHP	(42,430)	42,430	-	-	-	-	-	-	-
BLOCK TTDA 29	BHP	2,125	(2,126)	(1)	1,637,930	(1,637,930)	(1)	427,492	(427,498)	(7)
BLOCK TTDA 3	BHP	588	(588)	-	1,661,276	(1,661,276)	-	1,747,396	(1,747,399)	(3)
BLOCK TTDA 5	BHP	2,323	(2,325)	(2)	1,715,315	(1,715,315)	(2)	1,802,038	(1,802,045)	(9)
BLOCK TTDA 6	BHP	2,142	(2,117)	25	1,634,219	(1,634,219)	25	1,716,076	(1,716,082)	19
Total		178,361	3,460	181,821	36,296,308	(35,949,484)	528,645	29,314,307	(29,135,646)	707,306

8 Recommendations

8.1 Review of prior year recommendations

The Steering Committee has an established process to review and take action on recommendations included in EITI reports.

A summary of recommendations from the FY 2018 report is shown below together with an indication of the progress made. Further details can be found in 9.2 below.

Table 8-1 Summary of prior year recommendations

EITI Report FY 2018 Ref.	Subject of recommendation	Status		EITI Report FY 2019-20 Ref.
6.2.1	Confidentiality issues acting as a barrier to transparency	Repeated	Little/no progress	8.2.1
6.2.2	Auditor General staff numbers	Repeated	Little/no progress	8.2.2
6.2.2	Audit of MOF-IRD records by Auditor General	Repeated	Little/no progress	8.2.2
6.2.2	Auditor General assurance over EITI reporting	Repeated	Little/no progress	8.2.2
6.2.2	MEEI to improve monitoring of amounts due under PSCs and E&P	Repeated	Little/no progress	8.2.2
6.2.2	Audit of extractives SOEs	Repeated	Some progress	8.2.2
6.2.3	Engaged more O&G companies in EITI reporting	Cleared		8.2.3
6.2.4	Introduction of appropriate computerised systems by MEEI	Cleared		8.2.4
6.2.5	Consider whether and how to move quarrying reporting beyond a pilot	Cleared		8.2.5
6.2.5	Reporting by SOEs in the mining sector	Cleared		8.2.5
6.2.6	Introduction of provisions into all new licences/PSCs for companies to adhere to TTEITI requirements	Repeated	Little/no progress	8.2.6
6.2.7	MEEI to maintain publicly available license register with timely and comprehensive information	Repeated	Little/no progress	8.2.7
6.2.8	Individual company audits	Cleared		8.2.8
6.2.9	MEEI to enact a plan to bring licensing in mining sector up to date	Repeated	Little/no progress	8.2.9
6.2.9	MEEI to expedite drone technology procurement	Repeated	Some progress	8.2.9
6.2.10	Including of companies making escrow payments in reporting	Cleared		8.2.10
6.2.11	Review of accuracy of data on the petroleum register	Repeated	Some progress	8.2.11

8.2 Follow up of recommendations of EITI implementation (EITI Requirement 7.3)

Key:

Recommendations included in 2018 EITI Report – these are included exactly as published in the 2018 EITI Report for reference

Update as at June 2022 – these updates reflect activity up to 30 June 2022

8.2.1 Review barriers to transparency

Information gathering and disclosure for the current EITI report was affected in a number of areas by concerns expressed by stakeholders over confidentiality. As described in section 2.7.1,

- *MOF-IRD cites section 4.2 of the Income Tax Act as imposing restrictions on disclosure of information to, amongst others, the Auditor General, the EITI independent Administrator and the TTEITI Steering Committee. Discussions between the MOF-IRD, the Auditor General and the Attorney General have not produced a resolution, and it would appear to require ministerial intervention in order to permit appropriate access, such as has been granted to other agencies.*
- *MEEI legal opinion regarding the issue of disclosure of contracts and licences, as required for example by Requirement 2.4 of the Standard for contracts entered into or amended from 1 January 2021, is that the E&P licences and PSCs are confidential documents by virtue of section 35 of the Petroleum Act, Chap. 62:01 and further, that they are exempt documents under Section 31 (1) (a) of the Freedom of Information Act, Chap. 22:02 and may not be disclosed.*
- *Analysis of the volumes of the government share of production in line with the level of disaggregation adopted for other reporting was not provided on grounds of confidentiality.*
- *NGC explained that the contracts for gas sale and purchases were confidential; and similarly transportation, where analysis of transportation revenue in line with the level of disaggregation adopted for other reporting and Requirement 4.4 of the Standard was not provided.*

We recommend that the Steering Group should

- 1. Identify any barriers to transparent disclosure under EITI; and*
 - 2. Review and confirm its approach to the matters above and to any additional matters arising from its review;*
- and based on its agreed approach*
- 3. Engage with companies, including SOEs, to find solutions to concerns expressed by them over confidentiality*
 - 4. Promote any changes required to legislation and/or contracts with senior government officials including, as necessary, ministers*
 - 5. Given the access granted by MOF-IRD to certain agencies, seek action at senior government level to allow improved disclosure for EITI reporting*

There has been limited progress on engagement with MOF-IRD due to two changes in Chairman.

There were three activities relating to legislative or contractual changes:

1. A Cabinet note on EITI legislation.
2. A note to the Honourable Minister Young on the inclusion of EITI clauses in contracts.
3. A recommendation to MEEI on suggested changes to the Petroleum Act.

The Government did not accept recommendations for embedding EITI into oil and gas model deep water agreements. They are still considering both the Cabinet note on EITI legislation and EITI clauses in mining licenses.

The volumes of the Government share of production on a disaggregated basis are not being disclosed on grounds of confidentiality.

NGC agreed to disclose transportation revenue for 2019 and 2020, and the template issued to NGC was amended to facilitate the collection of this data. However, NGC does not disclose information on LNG sales which we understand is due to confidentiality clauses contained in the sales contracts.

8.2.2 Assurance environment in government reporting

The reliability of data disclosed, whether through a separately commissioned report such as the annual EITI report, or through established government systems (“mainstreamed”, as it were), is an essential element for transparency.

MEEI reporting is largely dependent on manual systems, prone to error and inconsistency. The Auditor General’s (AG) staffing is said to be insufficient to provide assurance over information reported for EITI, and the AG is not given access to all the records (MOF-IRD).

Monitoring in MEEI of amounts due and paid under PSCs provided data which was inconsistent with other MEEI data for revenues and production. In this context, we note that the role of the PSC audit department is to validate revenues and costs with the operators and does not cover internal reporting in MEEI nor procedures for collection of transfer fees and other amounts due under PSCs.

The assurance function for which MOF-Investment Division is responsible, in terms of ensuring annual audit of extractive sector SOEs, is deficient.

We recommend that the Steering Committee should

- 1. Engage with the Auditor General (AG) over weaknesses identified in MEEI controls over PSC amounts due (including calculation and collection of transfer fees, records of guarantees/bonds due/held/released, etc.) with a view to the AG extending the work programme to keep these under review*
- 2. Engage with the AG to deliver improved assurance is required over government reporting for TTEITI, such discussions to be concluded in time for the AG to incorporate in the department’s work programme any actions which may be required prior to the next TTEITI report*
- 3. Seek support from GoRTT for the removal of any impediments to the audit of MOF-IRD revenue records and reporting by the AG under INTOSAI; and*
- 4. In the event that the AG raises resource constraints as an impediment to improving the weaknesses and assurance issues in MEEI or MOF-IRD, seek further support from GoRTT for appropriate resource levels for the AG such that there are out regular audits of good quality under INTOSAI provisions of the MOF-IRD and MEEI revenue and cost records; and*
- 5. Engage with MOF-Investment Division over its plans to bring the audit of extractive SOEs up to date (see section 3.5.6.2) and remains informed on*
 - a. progress in meeting these dates; and*
 - b. the plan for the audit of NQCL financial statements for 2019 and 2020; and*
 - c. the plan for the audit of LATT financial statements for 2015 and following*

The recommended engagement with the Auditor General (AG) has taken place.

There have been separate meetings between TTEITI and MOF-IRD and the AG. TTEITI are awaiting feedback on the meeting from MOF-IRD. However, the recently proclaimed Trinidad and Tobago Revenue Authority legislation includes clauses that allow the AG access to the MOF-IRD/TTRA accounts and records for audits. Sections 33 (2) and (3) state:

'The Auditor General shall have access to all books of accounts, records, documents, assets and information held by the Authority...

'...Subject to section 8(1)(g), nothing in subsection (1) precludes the Auditor General from performing a management or comprehensive audit of the operations and activities of the Authority'.

MOF-Inv provided an update on efforts to bring the audit of SOEs up to date, and this is attached as Annex K.

Following a request submitted by TTEITI to the MEEI Commercial Evaluation Division (CED) information was provided for 2019 and 2020 with respect to the following:

1. Minister's Share payments received for 2019 and 2020
2. Financial Obligations payments received for 2019 and 2020
3. Methodology for determining Signature Bonus.

8.2.3 Improve methodology for determination and inclusion of all companies making material payments to government (oil & gas)

The Steering Committee has expressed uncertainty over whether certain companies make material payments to government. We also noted that there were inconsistencies between production and payments from certain companies operating under the Petrotrin LOFO/IPSC regime. We also noted that certain of the LOFO companies not included in the reconciliation (nor in the Steering Committee list of uncertainty) made substantial and material payments to MEEI in escrow for rehabilitation and abandonment. It would appear that improvements in information over the relationships held between Petrotrin (now Heritage Petroleum) and the LOFOs and IPSCs are required.

Two SOEs with connections to the extractive sector were omitted from the mining sector pilot.

- *Estate Management and Business Development Company Limited*
- *Palo Seco Agricultural Enterprises Ltd (PSAEL)*

Given that these are SOEs in a sector where the Steering Committee is seeking to improve public understanding, there is no reason to exclude them. We note that PSAEL rejected a request from the Minister for Energy to participate, which is inconsistent with the commitment of GoRTT to support EITI disclosure in Trinidad and Tobago.

The signatory requirements for the MOU are unclear and inconsistent. The MOU is an agreement between the signatories governing the voluntary participation of companies in the TTEITI process; however, not all the participants are signatories. For example, all the subsidiaries of BHP Billiton are signatories in their own right, but in other groups (including by way of example, but not limited to, Shell, NGC) only one company is a signatory. Thus, there were 41 oil and gas companies and 5 mining companies selected for EITI reporting, but there are only 22 oil and gas companies and 5 mining companies.

We recommend that the Steering Committee should

1. *Work with Heritage Petroleum to obtain a clear understanding of arrangements with Lease Operators, Farm Out operators, IPSCs with particular reference to*

- a. *Royalty liabilities*
 - b. *Settlement of royalties between LOFO/IPSC and Heritage / MEEI*
 - c. *Escrow responsibilities*
 - d. *And similar items*
2. *Take all necessary steps to ensure that all SOEs in the oil, gas and mining sectors participate in future EITI reporting*
 3. *Ensure that it (the Steering Committee) remains informed of all changes to company ownership and licences on a timely basis; and that its process for selection of companies for inclusion in future reconciliations includes a review of changes of ownership and/or activity during or subsequent to the reconciliation period, so that data requests can be directed appropriately.*
 4. *Joins all companies making material payments, on a company by company basis, as signatories to the MOU*

Heritage provided a file note and listing of companies that signed new contracts with EITI Clause. This can be found as Annex H.

Chair of the TTEITI and the Honourable Minister of Energy & Energy Industries wrote to PSAESL & EMBD requesting participation in EITI reporting. EMBD agreed to participate in EITI reporting for fiscal 2021 report, so is not included in this report.

PSAEL did not agree to participate in EITI reporting but noted that company is not an extractive company and its core function is project management.

8.2.4 MEEI systems

The records in the MEEI are kept using manual spreadsheet-based systems. Such systems

- *often contain inadequate controls over data integrity*
- *are time consuming to maintain*
- *make management of information – in this case, information on government revenues - difficult, and*
- *are prone to error*

Without adequate systems, preparation of data for EITI reporting – including any plans to mainstream information – are not likely to be effective.

We recommend that MEEI give priority to the introduction of appropriate computerised systems to record and control information relating to the production and finances from the oil and gas sector.

A meeting took place between TTEITI and the new MEEI IT team. The meeting considered use of MEEI's tool, the Energy Data Hub (EDH). This tool could computerize the databases within the ministry. However, MEEI has not yet utilized this tool other than for production data. During the meeting it was discussed how MEEI could use EDH for all data held by the ministry.

We recommend the MEEI uses the EDH to link its databases and sync information so different divisions/units have sight of key data on production, royalty, PSC obligations etc.

8.2.5 Steering Committee to decide on how to move quarrying reporting from a pilot for the next EITI report (2019)

Five mining companies were selected by the Steering Committee for the 2015 EITI report as a pilot project. These companies remain the only mining companies selected for the current report, again on a pilot basis. Two SOEs with interests in the mining sector have chosen not to participate. One of the selected companies, Trinidad Cement Limited (TCL), did not provide any information and MOF-IRD

provided no information on two of the selected companies, including TCL. Greater focus is needed to increase coverage and participation by mining and quarrying companies.

We recommend that the Steering Committee should

- 1. Review the lessons learned from the pilot study; and*
- 2. Determine how to increase reporting on the mining sector; and*
- 3. Take all necessary steps to ensure that selected companies participate fully*

The Steering Committee considered whether to move the quarrying sector from a pilot stage and into full EITI reporting for the 2019 and 2020 report. The decision was to retain quarrying as a pilot at this stage.

8.2.6 EITI compliance

The introduction of all-encompassing EITI legislation, or some amendments to proposed/existing legislation, in Trinidad and Tobago has been under discussion for some years, but none has yet been introduced. Heritage Petroleum intends to refresh the contractual arrangements with LOFOs and IPSCs, which is to include a requirement for each company to participate in EITI reporting. And inclusion of a similar provision in new licences/PSCs is under active consideration by MEEI.

We recommend that the Steering Committee should promote and follow up these initiatives which would improve EITI reporting in Trinidad and Tobago, and should seek support from government for their implementation.

See 9.2.1. above.

8.2.7 Licensing data and procedures should be up to date and improved

- Procedure required to maintain up to date oil and gas licence data on MEEI website on a timely basis*
- Steering Committee to engage with MEEI and to review as necessary all existing E&P licences and PSCs to ensure that bonds, guarantees, transfer fees and similar are in place and in force*
- Steering Committee to review MEEI procedure for ensuring that prior to any licence changes, surrenders, etc. all necessary actions have been taken to collect monies due to GoRTT*

The MEEI's legal unit updated the oil and gas and mining register using EITI Requirements. Gaps were identified by TTEITI Secretariat and the MEEI updated the oil and gas license register reflecting the majority of changes necessary. The mining sector register was last updated in 2020 as no new licences have been awarded since. The MEEI legal unit also provided information on the transfers and assignments for 2019-2021.

8.2.8 Individual company audits

Of the 41 oil and gas companies participating, only 18 companies (including 4 SOEs) provided audited financial statements (AFS) for the company itself, while 18 companies provided copies of AFS for the group, and 5 companies did not provide AFS.

The level of assurance applying to a particular company from audited group accounts differs from that given by audited accounts for the company itself. A company auditor will assess risks and set a level of materiality specific to the company being audited, while a group auditor will do this for the group as a whole. So the level of assurance from a set of group AFS is not as great as for company AFS, since it depends on how material the individual company is to the group. In an extreme case, the figures for an individual company may be below the auditor's level of materiality applied to the group and therefore, the audit report on the group might in effect give no assurance over the figures for that company. Equally, given that the results of individual operations change from year to year, a reliance on the assurance given by group AFS means that the level of assurance may vary (up or down) in any particular year.

A good assurance environment is important to underpin the credibility of the EITI reporting process and also for reliable and effective mainstreaming.

We recommend that audited accounts should be required for every company operating in the oil/gas sector in Trinidad and Tobago, with an exemption for small operators.

Based on legal advice and a review of clauses of the Companies Act, there is no legal requirement/provision for subsidiary companies or branches of foreign entities operating in T&T to prepare audited financial statements. Sections 156, 163, 164 of the Companies Act highlight this issue.

We understand that an amendment to the Companies Act is currently seen as impractical, so although this recommendation is cleared, a follow-up recommendation can be found at Section 8.3.2 below.

8.2.9 Mining sector

There are numerous unlicensed operators, including the government itself (NQCL), and the process of obtaining licences and permits is time consuming, due both to the involvement of several agencies in the permitting process and to the response time in the government agencies. Nevertheless, GoRTT should ensure that all its SOE mining operations are licensed and permitted in accordance with the law; and should adopt a phased approach, starting with the largest operators, to license and put in place permits covering their mining operations.

Calculation of royalties is currently based on operator declarations since most have no weighbridges. MEEI is investigating drone technology, which is already in use in the private sector, to assess production but progress has been slow.

We recommend that

- 1. a time bound schedule be initiated by the MEEI, agreed by the other permitting agencies, so that the award of licences and permits to all mining SOEs covering each and all of their operations is effected before publication of the next EITI report; and that a similar schedule be initiated for each and all of the operations of the ten largest private producers; and*
- 2. MEEI expedites its procurement of drone technology to monitor production, so that royalties may be better assessed and collected. We note that drone technology is already in use in the private sector in Trinidad and Tobago.*

The Steering Committee held a Mining Sector Forum, but decided to retain the mining sector at a pilot stage for 2019 and 2020.

TTEITI had increased engagement with companies through a Communications Strategy including with SOEs. See 9.2.3 above for further details.

The Minerals Division of MEEI is challenged in confirming the production volumes at each quarry in order to determine Royalties. Currently, the Minerals Division has limited capacity for internal checks. Recently, four (4) geologists joined the Minerals Division and have been checking the geology of the quarries and collecting monthly data to assist in quantifying production volumes. This technical capacity has helped and has been augmented by the use of free satellite imaging software. However, this has not been ideal because of inherent time lags. For the purposes of the Minerals Division, real-time information is key.

The Division's operations are also stymied by the lack of vehicles, as physical verification requires access to the quarries.

The Division is in the process of obtaining unmanned aircraft systems (UESs) or drones to assist in the rapid collection of data. Where using traditional methods, surveying a twenty (20) acre plot would take a day of interruptions to the continuation of operations at a quarry, the use of a drone would reduce that period of half of an hour. With the engagement of new technology, there would be limited reliance on production figures from quarry operators, as the Division would have the capacity for verification against internally generated data.

8.2.10 Escrow accounts

Balances held at the Central Bank in escrow accounts between MEEI and oil/gas companies, and movements on those accounts, have been included in EITI reporting. In reconciling receipts on the accounts with payments reported by companies, we noted three companies not included in scope by the Steering Committee making material payments into escrow (see further section 4.9.3.3).

Under Requirement 6.1.b, where material payments by companies to the government related to the environment are mandated by law, regulation or contract that governs the extractive investment, such payments must be disclosed. Given the materiality of the escrow amounts, it is desirable that they should be reconciled as well as disclosed.

We recommend that the Steering Committee should include companies making escrow payments in future reconciliations, and that the payments be reconciled, commencing with the FY 2019 report.

Escrow payment information was received from those additional entities identified in the FY 2018 report and is included in this report

8.2.11 Petroleum licence register

We noted apparent errors relating to company names and licence holders on the petroleum register on the MEEI website (see section 4.7.1.2).

We recommend that a thorough review be undertaken of the register and that changes in licence holders including the applicable dates of the changes should be recorded, so that the full history of the licence may easily be seen.

An gap analysis was carried out by TTEITI alongside a legal representative from MEEI. Gaps were identified in the data, with the most common omissions being the date of application for the licence and the duration of the licence. See comment above on register.

8.3 Recommendations arising from the 2019 2020 Report

8.3.1 Integrity of the reconciliation process

The EITI Standard 2019 states that:

“The EITI requires disclosure of all material payments by oil, gas and mining companies to governments (“payments”) and all material revenues received by governments from oil, gas and mining companies (“revenues”) to a wide audience in a publicly accessible, comprehensive and comprehensible manner. The expectation is that implementing countries will disclose the requisite information through routine government and corporate reporting (websites, annual reports, etc.), with EITI Reports used to collate this information and address any concerns about gaps and data quality.”

Implicit in this requirement is a separation of responsibility, with “payments” being reported by companies and “revenues” being reported by government. The reconciliation process then identifies differences between the data sets and explanations for those differences.

In T&T there is a legislative impediment to the MOF-IRD providing “revenues” data directly to TTEITI or to the IA. In the past this was navigated by having a face-to-face handover meeting, where MOF-IRD would hand paper documents to a company representative who would then pass them to the IA. This mechanism was not made available for this report, and MOF-IRD sent their completed templates for each company to the company for them to forward on.

In some cases companies have then entered into correspondence with MOF-IRD over differences in the data and attempted to address discrepancies before passing on the templates.

Although we do not have any evidence of illicit activity, this mechanism creates weaknesses in the integrity of the reconciliation process.

- Companies could amend the templates provided by MOF-IRD to align with their own “payments” data to disguise discrepancies
- Companies could amend their own templates to align to those provided by MOF-IRD without having give due consideration as to why a discrepancy exists
- By undertaking their own reconciliation process excluding the IA, companies and MOF-IRD could reconcile differences resulting from systematic failures in the systems of either the company or MOF-IRD, and which should be understood and reflected in this report and its recommendations.

We recommend that:

1. TTEITI, MOF-IRD and the IA should work together to find a practical solution whereby templates and other data provided by government can be shared with the IA in a way which does not give the companies advanced access or editorial access to those templates. With the relaxation of Covid-19 related rules it is possible that this might be achieved by a return to the previous approach of having a physical handover meeting.

8.3.2 Legislative reform

The 2018 recommendation under 8.2.8 above resulted in a conclusion that an amendment to the Companies Act is impractical. However, there have been amendments to the Companies Act for other purposes (e.g. beneficial ownership), so the impracticality must be related to either:

- Timing – There is no legislative/parliamentary opportunity for a change in the near future
- Subject matter – There is a legislative impediment to changing the Companies Act in this case.

As the underlying issue in 8.2.8 remains, it is important to understand which of these is the case, and what that might mean for a future amendment to the Companies Act.

We recommend that:

1. TTEITI should establish whether an amendment to the Companies Act is impractical as a result of timing or subject matter.
2. If it is a matter of timing, TTEITI should establish mechanisms to monitor when there may be an opportunity to amend the Companies Act, and work on a timely basis to propose suitable amendments.
3. If it is an issue with the subject matter, TTEITI should establish the nature of the impediment, and what actions could be undertaken to facilitate an amendment to the Companies Act.

8.3.3 Regulatory enforcement

The Minerals Act 2000 seeks to ensure that the mining sector is regulated through the enforcement of several guidelines linked to exploration, mining and processing licences, illegal mining, quarry rehabilitation and environmental protection.

On paper, these are critical additions, but mechanisms need to be put in place to ensure that they are enforced if citizens are to reap the full rewards of the sector, especially given the sector's challenges.

We recommend that:

1. TTEITI should undertake a scoping study to establish the mining sector guidelines, the existence and effectiveness of any current mechanisms for their enforcement, and develop recommendations for suitable mechanisms to improve regulatory compliance.

8.3.4 Mineral reserves

There is no recent data for T&T mineral reserves. The last study carried out for MEEI was in 2013 as part of the Strategic Environmental Impact Assessment Study. Over the course of nearly a decade there is likely to have been significant change in the volume, value and mix of these discovered but unexploited reserves.

Effective policy decisions are driven by accurate data, and it is important for GoRTT and citizens and other stakeholders to understand the prospective scale and nature of the minerals sector.

We recommend that:

1. TTEITI should engage with MEEI to encourage the preparation of an up-to-date survey of minerals reserves to take place during 2022/23, with the results of that survey being systematically disclosed by MEEI and referenced in the following EITI Report.

8.3.5 Beneficial ownership

TTEITI has made considerable progress in advancing beneficial ownership transparency. This has included establishing an online register of companies that hold exploration licences and PSCs in Trinidad & Tobago. Such a registry is most effective if it is as complete as possible and kept up to date. As noted in section 5.8.1, the registry is not yet complete as not all companies have supplied their BO details and some vital information for every company is missing, particularly the nature and level of ownership or control of each beneficial owner.

We recommend that:

1. TTEITI put in place a system to ensure that each company listed on the registry undertakes an annual update and/or reconfirmation of the accuracy and completeness of the information held on the registry. This should include adding to each company's listing the date of the most recent update or reconfirmation.
2. TTEITI adds fields to each company's entry on the registry to record the nature and extent of the ownership and/or control of each beneficial owner listed.
3. TTEITI co-operate with the MEEI to ensure that beneficial ownership details for each applicant for and oil and gas exploration licence or mining licence are collected and added to the online registry.
4. TTEITI persist with efforts to persuade all companies in scope for reporting provide their beneficial ownership details for the registry.

8.3.6 Contract transparency

There are considerable legal barriers and practical to contract transparency. The result is that the texts of contracts are not yet publicly available.

We recommend that:

1. TTEITI should engage with the relevant government agencies to identify opportunities to embed provisions that will support EITI implementation including on contract transparency as part of any legal reforms of the extractive industries. In particular, this should include reform of confidentiality provisions to allow the disclosure of the text of contracts and licenses.
2. TTEITI should undertake a scoping study to create a contract transparency regime in the country. This study should include consideration of the contract information that is likely to cause commercial damage if disclosed, the resources required to upgrade the contract and license information already available on the MEEI website and the resources required to implement an online database of contracts and licenses.
3. TTEITI should engage with EITI supporting companies and seek to build a case for the waiver of confidentiality clauses in contracts and take that proposal to the government.

8.3.7 Gender reporting

Requirement 6.3 of the EITI Standard 2019 states that:

"Employment in the extractive industries in absolute terms and as a percentage of the total employment. The information should be disaggregated by gender and, when available, further disaggregated by company and occupational level."

TTEITI should be aiming to gather and publish gender data disaggregated by company and occupations level. At present this information is not requested from reporting companies, and as a result T&T is not on a path to making these disclosures.

We recommend that:

1. Company reporting templates for FY 2021 should include a request for each company to report employment data disaggregated by gender and occupations level.
2. Disclosures should be included in the 2021 EITI Report showing disaggregated data where possible.

8.3.8 Mainstreaming

This report has highlighted areas where information on the extractive industries, such as the legislative framework and data on production is already systematically disclosed. As stakeholders may require want to access this information at any time, it is insufficient that the only guide to finding information is an annual report.

We recommend that:

1. TTEITI establish a mainstreaming page on its website which provides links to mainstream information, including any notes on how to access. This page should be kept up to date at least on a monthly basis.
2. TTEITI should liaise with MEEI to ensure its website is updated to ensure the latest version of legislation is available.