



Government of the Republic of Trinidad and Tobago

Ministry of Trade and Industry

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Partial Proclamation of the Scrap Metal Act, 2022 – Building Out the Transition

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MEDIA CONFERENCE SPEAKING NOTES

SENATOR THE HONOURABLE PAULA GOPEE-SCOON

MINISTER OF TRADE AND INDUSTRY

FEBRUARY 10TH, 2023

I am pleased to be here today to announce the partial proclamation of the Scrap Metal Act, 2022 and the lifting of the Prohibition (Carriage Coastwise, Importation and Exportation) (Amendment) (No. 2) Order 2022 which was in place in respect in respect of a ban on the exportation of scrap metal.

The partial proclamation of the Scrap Metal Act 2022 will take effect from **24th February, 2023** and from this date, will allow Dealers to resume operations and therefore allow persons in the industry to **get back to work** in accordance with the provisions of the **new** law.

The following sections of the Scrap Metal Act 2022 are to be proclaimed:

- ***Licensing of Scrap Dealers*** (Section 3 (2))
- ***Power of the Minister to Grant and Revoke Licences*** (Sections 5, 9 (b), (d) and (e))
- ***Conduct of Business by a Scrap Metal Dealer*** including the keeping of records and retention of Scrap Metal (Sections 17 (1), (3), (4) and (5), 18 (1 and (3), 19, 21)
- ***Export of Scrap Metal*** (Sections 23 (1), 24 (1),(2) ,(3),(4) and (6))
- ***Inspections of Premises and Persons*** (Section 25, 26)
- Offences (Section 34)
- ***Miscellaneous matters*** such as: The Right of Appeal and Transitional Provisions as spelt out in Sections 35, 36, 37, 38, 39, 40 and 41.

The sections that will **not** be proclaimed include those dealing with the Variation and Suspension of Licences; Collectors; and Scrap Metal Inspectors which require certain administrative arrangements to be put in place which are on-going.

RESUMPTION OF SCRAP METAL DEALING (*TRANSITIONAL ARRANGEMENTS-Section 39*)

It is to be noted that Section 39 of the Scrap Metal Act, 2022, which is the transitional provision, grants an extension to **all Dealers with valid Scrap Metal Dealers' licences issued** under the Old Metal and Marine Stores Act for the year ended December 31st, 2022. These Scrap Metal Dealers' licences will now be valid until **April 14th, 2023** and are subject to the proclaimed provisions of the Scrap Metal Act, 2022.

It should be noted that NO new licences will be granted during the transitional period.

CONDUCT OF A SCRAP METAL DEALER (Sections 17 (1), (3), (4) and (5), 18 (1 and (3), 19, 21)

Under the Scrap Metal Act, no person shall operate a scrap metal site without having a valid scrap metal dealers licence. Dealers are also expected to:

- display in a prominent place in an area accessible to the public at each scrap metal site:
 - a copy of the licence;
 - a sign over one of the principal entrances to the site, legibly printed with the name in full of the person holding the licence and the words "Licensed Scrap Metal Site";
- conduct business between 7:00 a.m. and 6:00 p.m.;
- only load scrap metal into containers at a scrap metal site listed in a scrap metal dealer's licence; and

- keep and not change in form or shape, any scrap metal purchased or received for a period of **fifteen** days unless an application is submitted to the Minister to alter the shape of the scrap metal prior to the fifteen (15) day period.

Record Keeping by Dealers

In the past, the state of records maintained by Dealers has resulted in difficulty in tracing the origin and source of scrap metal received by Dealers. Therefore, this Act requires that Dealers **must** keep accurate and legible records of scrap metal stored, received disposed at a scrap metal site, and exported either written or electronically. The Ministry of Trade and Industry has prepared a form with the specified format in which records must be kept. These forms are available online on the TTBizlink platform as well.

Let me specify the type of information which a Scrap Metal Dealer is required to capture in respect of each scrap metal transaction.

- The name, address and age of the person from whom the scrap metal is received as evidenced by a valid passport, driver's permit or national identification card. A copy of the identification document should also be submitted;
- Other details of the person including: the person's date of birth, gender, race, eye colour and hair colour, where applicable, distinguishing marks, residential address and telephone number and business address and telephone number, if applicable;
- A description of the scrap metal including any serial number, unique identification marks including numbers or letters, engravings, patterns, weight, brand name, model number, colour, size, weight, type and number of each item;
- The date, time and place of receipt of the scrap metal;
- Price of the scrap metal;
- The vehicle registration number of any motor vehicle used to deliver the scrap metal;
- If a person other than the seller delivers the scrap metal, the name, address and age of the person who delivered the scrap metal; and
- A statement of ownership that is signed and dated by the person who delivered the scrap metal

Additionally, a Scrap Metal Dealer is to keep the following records for tax purposes (Sec 21 (5):

- Reconciliation of daily cash balances which include the amounts used to purchase scrap metal;
- Copies of all cheques issued and received; and
- Monetary advances made to suppliers.

CONSENT TO ENTRY (Section 5)

One of the key requirements for all licenced Dealers to be deemed eligible to operate under the new Act is that the Dealer **must** give consent to the entry of "*Authorized Officers*" to respective scrap metal sites. Authorized Officers comprise Police Officers; Constables of the Supplemental Police; Environmental Officers; Public Health Inspectors and Scrap Metal Inspectors. Scrap Metal Inspectors are currently being recruited and are expected to be in place by April 2023.

The Dealers' consent to entry will be given via a **Declaration of Consent to Entry Form** which is contained at the Second Schedule of the Act. This form may be downloaded from the TTBizLink online platform, and the TLU Office located at Ground Floor, TTMA Building, in Barataria.

The Ministry of Trade and Industry has put in place **administrative arrangements** to allow Dealers to submit the signed form, a copy of identification and a copy of the existing Dealer's Licence to the Trade Licence Unit of the Ministry of Trade and Industry during the period February 13th-17th, 2023.

EXPORT OF SCRAP METAL (Sections 23-24)

Dealers will now be in a position to export Scrap Metal with the exception of Copper under the following procedures.

The Scrap Metal Act, 2022 introduces new export procedures. A person who exports scrap will be required to obtain an export licence for all scrap metal- Ferrous and Non-Ferrous, from the Trade Licence Unit. Note however that a person who wishes to export scrap will also be required to submit **written notice** to the Minister of Trade and Industry and the Commissioner of Police **seven (7) days** prior to export. The Dealer must identify in the notice, the location of the scrap metal site and the date and time of loading of the scrap metal into a freight container. The MTI provides a **Notice of Intention to load Scrap Metal for Export form** which is available at the TLU office or may be downloaded from the TTBizlink platform.

The loading of a container for export will be permitted **only** at the scrap metal site specified in the licence of a licensed scrap metal dealer.

Where a **Notice of Intention to load Scrap Metal for Export** is received, the Minister and Commissioner of Police shall ensure the relevant officer, which at this time would be a Police Officer, is present at the scrap metal site to conduct inspections while the scrap metal is being loaded. Dealers **must also** present a **Scrap Metal Export Transactions Record Ledger** to the Police Officer present, for the loading of scrap metal for approval and signature. Prior to export, the approved and signed scrap metal export transactions ledger must be submitted to the TLU.

INSPECTION OF PREMISES (Section 25)

There are provisions which allow for the inspection of premises. The Act empowers any Authorized Officer, at any reasonable time, to enter any scrap metal site specified in a scrap metal dealer's licence for the carrying out inspections and any other examination as may be necessary to verify compliance with the Act

Dealers are expected to permit the Authorized Officer to enter the scrap metal site and inspect the dealer's records and all scrap metal, and shall answer any questions asked by such officer with reference to the dealer's records or scrap metal.

INSPECTION OF PERSON (Section 25)

Under the Act, a police officer may stop and search any person he reasonably suspects to be in possession of any scrap metal, that he is not the lawful owner of or entitled to possess. Where the person is found to

have in his possession any scrap metal that is not lawfully his, the police officer may arrest that person and seize the scrap metal for investigation.

Police officers may also arrest a Dealer who fails to produce for inspection any records that are to be kept under this Act and seize any scrap metal in relation to those records.

OFFENCES AND PENALTIES (Section 34)

This new Act increases the penalties and fines to address the instances of criminal activity faced by the Industry. Where a person commits an offence related to dealing in scrap metal, for example, carrying on a business without a scrap metal dealers licence, operating a site that is not specified in his licence, breaching any condition, requirement or restriction on which the licence was granted or failing to notify the Minister of any change in the particulars of his business; he will face on summary conviction, a fine of three hundred thousand (\$300,000) and imprisonment for three (3) years or upon conviction on indictment to a fine of five hundred thousand (\$500,000) and imprisonment for five (5) years.

For other types of offences under this Act, a Dealer may face fines ranging from two hundred and fifty thousand (\$250,000) to one million dollars (\$1,000,000) and imprisonment time of a maximum of up to seven (7) years.

The Ministry of Trade and Industry will work with the Trinidad and Tobago Police Service to adopt a **zero tolerance** approach to any criminal activity in the Industry. It will be the responsibility of the TTPS to enforce the Act.

The Ministry of Trade and Industry will also maintain a register of all scrap metal dealers that would be kept both physically and electronically and accessible to the public.

A person who is aggrieved by a decision taken by the Minister may file an appeal to the High Court within thirty days of being informed of that decision.

The Court may also revoke or suspend the licence of any licensee who is convicted of an offence under this Act.

PROHIBITION ON COPPER

As earlier indicated, the 2022 Prohibition Order is to be revoked which will allow for the resumption of the export of ferrous and non-ferrous scrap metals **with the exception of Copper.**

The definition of Scrap Metal in the Scrap Metal Act **does not** include Copper as a scrap metal and therefore **no person is allowed to deal in Copper except particular manufacturers.**

Concomitantly, the Government will place a one-year ban on the exportation of Copper. The export of copper will only be permitted by manufacturers licenced by the Minister of Trade and Industry, to export copper as a by-product of manufacturing articles or as surplus materials not required for manufacturing

them. Under this new regime, manufacturers are expected to meet the new export licencing criteria which includes but not limited to an inspection of the copper carried out by the (Customs and Excise Division).

Exporters are to be advised that containers currently awaiting to be shipped on the Ports must undergo inspection by the Customs and Excise Division.

The Scrap Metal Unit

To facilitate the resumption of operations within the Industry, the MTI has established an interim quasi-unit under the Trade Licence Unit (TLU) to carry out the administrative requirements during this transitional period.

This quasi-unit would:

- Provide and receive the Consent to Entry Form (Second Schedule);
- Provide the Application for Shipment or Alteration of Scrap Metal Form;
- Process Applications for Export Licences;
- Receive the seven (7) day written notice for intention to load scrap metal for export; and
- Receive reports from Authorised Officers on any non-compliance by Dealers

This quasi-unit will be in place until the MTI commissions a **Scrap Metal Unit** which would be responsible for the management of this Act and regulation of the Industry. The SMU is expected to be functional by April 2023.

The SMU will house Scrap Metal Inspectors and I will briefly talk about their duties:

The Inspectors will be, inter alia, authorized to:

- examine scrap metal sites, facilities, and site equipment;
- certify scrap metal for export;
- inspect any motor vehicle or goods vehicle, or container, ship or vessel intended for storage or transport of scrap metal; and
- examine, make copies or take extracts from any scrap metal dealer or collector's record books.

The Inspectors will closely monitor the operations of all Scrap Metal Dealers and Collectors to ensure compliance to the Act.

Notice to the Public

As we try to ensure a secure environment and a transparent Industry, this new legislation will also place some responsibility on the public. Members of the public will be required to provide basic information to Dealers and Collectors when selling old and obsolete metal and metal equipment. Additionally, the Act allows members of the public reasonable opportunity to view scrap metal before it is loaded for export. Scrap metal may be held on a site for five days for public viewing. Scrap Metal Dealers should note that this can be done concurrent with the seven-day period for which the Notice to Load Scrap Metal for export is given. Should a person wish to view any scrap metal, he or she is to inform the Dealer via written notice and the Dealer shall afford an opportunity to view the scrap metal before loading for export.

Conclusion

The Government remains committed to the sustainability of the Scrap Metal Industry. We anticipate a seamless transition into this new regime which would create a facilitating and enabling environment for businesses to thrive.

I thank you.