



CENTRAL BANK OF
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CIRCULAR LETTER NO. 9 OF 2004

May 28, 2004

**Amendment to Guidelines for the
Establishment and Operation of Mutual Funds by Institutions
Licensed Under the Financial Institutions Act, 1993**

The Inspector of Financial Institutions has reviewed the investment restrictions contained in the *Guidelines for the Establishment and Operation of Mutual Funds by Institutions Licensed under the Financial Institutions Act, 1993*, of June 21, 1994 and wishes to advise that item 3, namely, the **prohibition on the investment by a financial institution of mutual funds in the financial institution's shares or stock** has been amended.

This prohibition has been replaced by a **restriction limiting the investment by a financial institution of mutual funds in the shares or stock (equity) of the financial institution and its affiliates to ten per cent (10%) of the net assets of the fund.**

Licensees should note that this amendment to the Guideline, while in keeping with international best practice, is an interim measure, pending the enactment of relevant legislation to govern mutual funds and other collective investment schemes.

Please be advised accordingly.

Yours sincerely

Catherine Kumar