

August 22, 2025

CIRCULAR LETTER TO:

*Licensed Financial Institutions and
Permitted Financial Holding Companies
under the Financial Institutions Act, Chap 79:09
The Bankers Association of Trinidad and Tobago
Institute of Chartered Accountants of Trinidad and Tobago*

REF: CB-OIFI-2915/2025

**ISSUANCE AND PUBLICATION OF THE LIQUIDITY REGULATIONS AND THE
LIQUIDITY COVERAGE RATIO GUIDELINE FOR THE IMPLEMENTATION OF
THE LIQUIDITY COVERAGE RATIO AND LIQUIDITY MONITORING TOOLS**

The Central Bank of Trinidad and Tobago (“Central Bank”/ “Bank”) advises that pursuant to section 9(1)(c) of the Financial Institutions Act, Chap 79:09 (“FIA”), “**The Financial Institutions (Liquidity) Regulations, 2025 – Legal Notice No. 284 of 2025**” hereinafter referred to as “The Liquidity Regulations”, were made by the Honourable Minister of Finance on August 14, 2025. Notification of the issuance and publication of the Liquidity Regulations was contained in the Trinidad and Tobago Gazette No. 122 on August 15, 2025.

The Liquidity Regulations which are subject to the negative resolution of Parliament and are due to come into effect **on October 1, 2025**. It prescribes the legal framework for implementation of the Liquidity Coverage Ratio (“LCR”) and the Liquidity Monitoring Tools (“LMT”). Accordingly, it stipulates the main components of the LCR, the minimum LCR, the scope of application, exempted institutions, the reporting requirements and transition provisions. The Liquidity Regulations require licensees and financial holding companies (“FHCs”) to maintain a minimum LCR of one hundred percent, on an individual and on a consolidated basis, as applicable, in the Trinidad and Tobago dollar equivalent of all currencies in aggregate.

The Liquidity Regulations must be read in conjunction with **The Liquidity Coverage Ratio Guideline, August 2025 (“Guideline”) issued by the Central Bank**. The Guideline specifies all the technical and operational requirements and details for the computation of the LCR, including permissible High Quality Liquid Assets (HQLA) and run-off rates for cash outflows. The Liquidity Regulations and Guideline are posted on the Bank’s website at <https://www.central-bank.org.tt/resources-category/publications-and-research/#banking-sector-legislation> and <https://www.central-bank.org.tt/resources-category/publications-and-research/#banking-sector-guidelines>, respectively.

The Liquidity Regulations and Guideline require licensees and FHCs to report the LCR and LMTs monthly, on an individual basis, and quarterly, on a consolidated basis. However, regulation 12(3)(1) and 12(3)(2) of the Liquidity Regulations outline the transition period for submitting reports as shown in the Table below:

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BATT and ICATT*

Institution Type	Basis	Frequency	12-Month Transition Period Submission Timelines	Post- Transition Period Submission Timelines
Licensee	Individual	Monthly	First 6 months - 20 days Next 6 months - 15 days	10 days
Licensee	Consolidated	Quarterly	20 days	15 days
FHC	Consolidated	Quarterly	20 days	15 days

Licensees and FHCs will be required to report the LCR using the CB120 LCR and the LMTs using the CB120 LMT returns. These returns will be disseminated to the industry soon under cover of a separate letter. The first LCR and LMT reports to be submitted will be as at October 31, 2025 and will be due on **November 28, 2025**.

The implementation of these Liquidity Regulations is an integral part of Phase 2 of the Basel II/III Implementation process, proposed by the Central Bank in August 2020 and are aimed at ensuring banks maintain adequate short-term liquidity for their operations.

We anticipate your usual cooperation and advise that queries on the implementation of these Liquidity Regulations should be submitted electronically to the Central Bank via Baselconsultation@central-bank.org.tt

Please be guided accordingly.

Yours sincerely



Michelle Francis-Pantor
INSPECTOR OF FINANCIAL INSTITUTIONS