



CENTRAL BANK OF  
TRINIDAD & TOBAGO

# POLICY PROPOSAL DOCUMENT FOR REVISIONS TO THE TERMS AND CONDITIONS FOR THE OPERATION OF A BUREAU DE CHANGE

March 18, 2022

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## **List of Abbreviations/Acronyms**

Bureau de Change	Bureau
Central Bank / Bank	The Central Bank of Trinidad and Tobago
ECA	The Exchange Control Act, Chap. 79:50
Terms and Conditions	Terms and Conditions for the Operation of a Bureau de Change

## 1. Introduction

The Exchange Control Act, Chap. 79:50 ("ECA") governs the administration of the foreign exchange regime in Trinidad and Tobago. Under section 3(1) of the ECA, the Central Bank has delegated responsibility from the Minister of Finance for the general administration of the ECA. In this regard, persons desirous of operating a Bureau must be authorised by the Central Bank to conduct those activities, pursuant to section 5(1) of the ECA.

The Terms and Conditions govern persons who have been authorised pursuant to the ECA to buy and sell foreign currency. Persons may be authorised to conduct the following activities subject to the provisions contained in the Terms and Conditions:

- i. The buying and selling of foreign currency; and/or
- ii. Incidental foreign exchange conversions to facilitate international remittances or transfers.

At present, the Bureau sector consists of five (5) authorised Bureaux of which, two (2) companies<sup>1</sup> conduct bureau business only, whilst three (3) companies<sup>2</sup> also conduct other lines of business. Under the current Terms and Conditions, based on a requirement for a Bureau to display a licence at each of its authorised locations, a licence is issued to the Bureau and each of its respective agents and/or branches. As a result, the Central Bank has issued seventy-six (76) licences to these five (5) authorised Bureaux and their agents and /or branches. The issuance of a licence to an agent or branch can be misleading to the public as the authorised dealer is the Bureau who is conducting operations through branches and/or agents. It is against this background that the Central Bank is revising the Terms and Conditions and licensing process for Bureaux and their agents as well as addressing other issues.

## 2. Objective

This policy proposes amendments to rationalize and improve the current licensing process. This objective is embodied in the Bank's 2021/22- 2025/26 Strategic Plan Objective 10.3 to streamline the licensing of Bureaux and remittance companies which accept TTD to remit international transfers.

Other amendments are proposed to provide greater clarity regarding regulatory expectations in respect of certain provisions in the Terms and Conditions. These amendments take into consideration the following:

- Lessons learnt through the review and monitoring of the sector since the 2019 revisions to the Terms and Conditions;
- Developments in the sector due to the COVID-19 pandemic; and

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<sup>1</sup> Millennium Finance and Leasing Company Limited; and Global Exchange (Trinidad and Tobago) Limited.

<sup>2</sup> Grace Kennedy (Trinidad and Tobago) Limited; Eastern Credit Union Co-Operative Society Limited; and Massy Remittance Services Trinidad Ltd.

- Current trends and international best practices.

### **3. Proposed Amendments**

The significant revisions are as follows and are further detailed in the matrix of proposed changes appended to this policy.

#### **3.1 Revisions to the Licensing Framework**

The revised licensing process seeks to rationalise the licensing practice whereby licences will only be issued to the authorised Bureau. Authorised agents/branches of the Bureau will be issued a Certificate [Appendix I]. The Certificate will state the following:

1. Name of authorised agent/branch;
2. Address where the agent/branch will be conducting the Bureau business
3. Name of the authorised Bureau under whose licence the agent/branch is conducting the bureau business;
4. Licence number of the authorised Bureau;
5. The bureau activity/activities that the agent/branch is authorised to conduct; and
6. The issue and expiration dates.

#### **3.2 Other Amendments**

Revisions are being made to the overall Terms and Conditions to improve clarity of expectations and for consistency.

- a) **Direct Deposits:** Provisions were included to allow direct transfers to bank deposits from “receive transactions” to formalize measures implemented during the COVID-19 pandemic to facilitate safe and convenient ways of doing business. Guidance in respect of data protection of customer information is also included as a new Schedule in the Terms and Conditions.
- b) **Clarification of process in relation to counterfeit currency:** This section of the Terms and Conditions has been updated to ensure compliance with Central Bank’s Operating Circular No.4 Section 8 which states that financial institutions should submit counterfeit currency to the Trinidad and Tobago Police Service.
- c) **Advertising and Marketing:** A new section was included to clarify the Central Bank’s expectations in respect of advertisements and marketing conducted by the Bureau under its licenced and/or trade names.
- d) **Internal Audit:** A requirement has been included for a Bureau where it is part of a company that conducts other business e.g. remittances, to conduct periodic internal audits of the agents/branches that are not authorised to conduct business on behalf of the Bureau, to ensure that they are not conducting unauthorised FX activity.

- e) **Annual and Renewal fees:** The renewal fee is being replaced with an annual fee relative to the Central Bank's supervisory and regulatory oversight of the sector to align with industry standards. The change is reflected in **Table 1:**

**TABLE 1: REVISIONS TO THE FEE STRUCTURE**

CURRENT LICENSING FRAMEWORK			REVISED LICENSING FRAMEWORK		
FEE TYPE	AMOUNT (NON-REFUNDABLE)	APPLICABLE TO	FEE TYPE	AMOUNT (NON-REFUNDABLE)	APPLICABLE TO
NEW APPLICATION	\$20,000	Principal Office	NEW APPLICATION	\$20,000	Principal Office
NEW LOCATION APPLICATION (FOR AGENT OR BRANCH)	\$3,000	Each Location	NEW LOCATION APPLICATION (FOR AGENT OR BRANCH)	\$3,000	Each Location
RENEWAL APPLICATION	\$15,000	Principal Office	ANNUAL	\$20,000	Bureau's Principal Office and up to 5 Approved Locations
LOCATION RENEWAL APPLICATION	\$2,000	Each Approved Location		\$5,000	Each additional location in excess of the 5 Approved Locations
RELOCATION APPLICATION	\$1,000	Each Location	RELOCATION APPLICATION	\$1,000	Each location

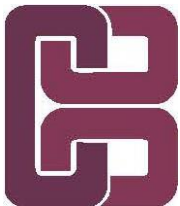
## 4. Transition

Upon issuance of the revised Terms and Conditions, it is proposed that existing Bureaux and their authorised agents/branches will continue operations until the expiration of their licences, at which time the Bureau and its agents and/or branches will be authorised under the revised licensing regime. This means that upon renewal, a licence will be issued to the Bureau and a Certificate will be issued to agents/branches of the Bureau, once approved to continue to conduct the business of a Bureau de Change.

New applicants seeking to be authorised as a Bureau de Change after the date of issuance of the amended Terms and Conditions will be subject to the revised licensing process.

## **APPENDIX 1**

### **Draft Licence and Certificate Templates**



LICENCE NO: BC 60923

# CENTRAL BANK OF TRINIDAD AND TOBAGO

## AUTHORISED DEALER BUREAU DE CHANGE LICENCE

*Granted pursuant to Section 5(1) of the Exchange Control Act, Chapter 79:50*

**AUTHORISED DEALER:**

ABC LIMITED EXAMPLE

**REGISTERED ADDRESS:**

TRINCITY INDUSTRIAL ESTATE, CORNER TISSUE DRIVE &  
CHURCHILL ROOSEVELT HIGHWAY, TACARIGUA

**THIS LICENCE<sup>1</sup> IS GRANTED TO CONDUCT THE FOLLOWING ACTIVITIES:**

- **BUYING AND SELLING OF FOREIGN CURRENCY**
- **FOREIGN EXCHANGE CONVERSIONS WHICH ARE INCIDENTAL TO PRIMARY REMITTANCE BUSINESS**

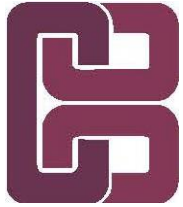
**THIS LICENCE WILL EXPIRE ON FEBRUARY 28, 2023.**

**Date of Issue:** .....

DEPUTY INSPECTOR OF FINANCIAL INSTITUTIONS

<sup>1</sup> Holders of this Licence must abide by the Central Bank of Trinidad and Tobago's 'Terms and Conditions for the Operation of a Bureau de Change'.





# CENTRAL BANK OF TRINIDAD AND TOBAGO

## CERTIFICATE ISSUED TO AN AGENT OF AN AUTHORISED BUREAU DE CHANGE

*Issued to an Agent of an Authorised Dealer licensed pursuant to Section 5(1) of the Exchange Control Act, Chapter 79:50*

**AGENT NAME:**

XYZ DRUGSTORE LIMITED EXAMPLE

**ADDRESS:**

SHOP #1, BUILDING E, GRAND BAZAAR  
CHURCHILL ROOSEVELT HIGHWAY, VALSAYN

**AUTHORISED DEALER:**

ABC LIMITED EXAMPLE (BUREAU LICENCE BC 60923)

**THE AGENT NAMED HEREIN SHALL CONDUCT THE FOLLOWING ACTIVITY ONLY:**

- FOREIGN EXCHANGE CONVERSIONS WHICH ARE INCIDENTAL TO ITS PRIMARY REMITTANCE BUSINESS

THIS CERTIFICATE<sup>1</sup> WILL EXPIRE ON **FEBRUARY 28, 2023**.

**Date of Issue:** .....

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**DEPUTY INSPECTOR OF FINANCIAL INSTITUTIONS**

<sup>1</sup> Holders of this Certificate must abide by the Central Bank of Trinidad and Tobago's 'Terms and Conditions for the Operation of a Bureau de Change'.