

INDUSTRY COMMENTS & CENTRAL BANK'S RESPONSES- REVISIONS TO THE TERMS AND CONDITIONS FOR THE OPERATION OF A BUREAU DE CHANGE

NO.	PROPOSED CHANGE	COMMENT/ QUESTION	CBTT RESPONSE
1.	Section I Licensing 1.1 (iv)	Is there a time frame for licensing or completion of the licensing process?	The Central Bank will revert at its earliest opportunity with a response upon the receipt of all relevant information.
2.	Section I Licensing 1.1 (v) & (vi)	<p>Is it that the Dealer License and all corresponding certificates can be revoked based on delays to begin operations at an approved location?</p> <p>Should the 6-month timeframe pass, can the Bureau obtain an extension (of up to 3months for example) or would they need to apply again? If the approval is withdrawn does this prejudice any future reapplication?</p>	<p>For new applications, the Bureau licence and corresponding certificates will be revoked if operations do not commence within the stipulated timeframe, unless the Bureau provides just cause for the delay and an extension is agreed by the Central Bank.</p> <p>Each new application will be assessed on a case-by-case basis by the Central Bank giving consideration to all available information at that time.</p>
3.	Section I Licensing 1.1 (viii)	Licence will be valid for 3 years. Will the annual fee (replacing renewal fee) of \$20,000 be payable each year?	The annual fee (replacing renewal fee) of \$20,000 is payable each year.
4.	Section I Licensing 1.3 Use of Agents (v)	Will the objection/non-objection be performed via written communication?	Yes
5.	Section I Licensing 1.3 Use of Agents (vii)	Termination of Bureau - Will the Bureau be given a hearing prior to the Termination?	Please refer to Section 9 of the Terms and Conditions.

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6.	Section I Licensing 1.5 Fees	<p>The new fees represent a significant increase. The renewal fee for each new site is now 150% increase over the original amount (from \$2,000 to \$5,000).</p> <p>This increase is out of step with the other increase of the renewal application fee which increased by 33% (\$15,000 to \$20,000).</p>	<p>The annual fee for each additional authorized location in excess of five (5) locations, has been reduced to \$4,000 per location.</p>
7.	Section I Licensing 1.5 Fees – Annual Fee	<p>Upon the approval of the revision of the Terms & Conditions, would the Certificate/s or the License be issued to the primary Bureau operator be approved for only 1 year?</p>	<p>Upon further consideration, the 3-year term has been removed with effect from the expiration date of the existing licences. Going forward, Bureau Operators will be required to pay the annual fee and submit statutory returns in accordance with the requirements in the Terms and Conditions.</p>
8.	Section I Licensing 1.6 Capital	<p>Please provide clarification on the fee requirement for a new application with more than 5 additional locations.</p>	<p>Where a Bureau maintains in excess of five (5) Approved Locations, the entity is required to maintain TTD 500,000 plus additional capital of TTD 50,000 per Approved Location in accordance with section 2.6 of the Terms and Conditions.</p>
9.	Section I Licensing 1.7 Termination of a Licence	<p>Can an approved location alone be terminated without reference to the entire licence? Please clarify.</p> <p>Do we state the reason for the termination especially where the Agent/location has an outstanding balance for us? This is good market information for CBTT.</p>	<p>Section has been amended to reflect that a Bureau may surrender its authorization for an approved location(s) solely.</p> <p>Agreed, the Bureau is required to include in its notification to the Central Bank, the reason for surrendering the licence.</p>

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10.	Section II General Operations 2.4 Consumer Protection (iii) (Counterfeit Notes)	<p>For the avoidance of any doubt by regulated entities we suggest that the CBTT propose a minimum of requirements that the receipt for the acceptance of counterfeit notes from the customer should possess as well as a standard reporting form to be submitted to the police service.</p> <p>In addition, we also suggest that these types of reports be delivered to the Financial Investigation Branch (FIB) only or the Financial Investigation Unit of Trinidad & Tobago (FIUTT). The receiving entity should also issue a receipt to the institution reporting the counterfeit.</p>	The feedback is noted however, the requirement will remain as currently stated in the Terms and Conditions.
11.	Section II General Operations 2.4 Consumer Protection (Advertisements)	Separate Internal and External signs – Is it that the Authorized Dealer’s responsibility to ensure that the Cambio sign/s has its own space and is not placed next to the other signs on the same banner that displays the services/brands offered by the Bureau operator?	In accordance with section 3.6 of the Terms and Conditions, the Bureau must be readily distinguishable by appropriate signage when on the premises of another business entity.
12.	Section II General Operations 2.4 Consumer Protection (Advertisements)	What is the timeframe of being advised of the advertisement to be amended and the correction process?	The timeframe will be communicated in formal correspondence by the Central Bank following discussions with the Bureau.
13.	Section II General Operations 2.6 Separation of Business Operations, Accounts and Records	<p>The majority of our agents are small businesses which falls below the standard of an “industrial establishment” as outlined in OSHA section 26. The draft documents states this is to be applied where applicable.</p> <p>However, there should be clear guidance or an exemption clause for OSHA s.26 for smaller business entities.</p>	<p>We note the comment however we disagree with the need for an exemption for smaller business entities.</p> <p>Please note that OSHA defines an industrial establishment as:</p> <p><i>“as a factory, shop, office, place of work or other premises but does not include— (a) premises occupied for residential purposes only; or (b) other categories of establishment exempted by the Minister in accordance with this Act”.</i></p>

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			<p>A shop is defined as “a building, booth, stall or place where goods are handled or exposed for sale, or where services are offered for sale, and includes a hotel, restaurant, pub, and recreational facility”.</p> <p>Additionally, in our view the exemptions contained in the Regulations to the Act do not apply in this instance.</p>
14.	Section III Fit and Proper 3.1 (<i>Change to Officers and Directors</i>)	This change should be material – can we have a sense of what these changes include?	Please refer to the Central Bank’s Fit and Proper Guideline for guidance.
15.	Section III Fit and Proper (<i>Requirement for annual submission of current organization chart and schedule of persons</i>)	If there is no change can this simply be confirmed as opposed to the annual declaration of the same thing? This especially where there is a requirement to update on changes.	The Central Bank notes the comment however, the requirement is consistent with the standard applied for licensees under the FIA and the IA.
16.	Section IV Reporting to the Central Bank 4.2	The following report – ‘ <i>Reports with respect to aggregate currency purchases and sales including names and addresses</i> ’ - is still shown as required by CBTT but it was clarified when the last terms and conditions were issued, that this was not required since we submit reports weekly. This would be a duplication of information. Please confirm if it would be required since it is still on the draft revisions.	This requirement has been removed in the revised Terms and Conditions.
17.	Section V Incidental Foreign Exchange Conversions 5.1 (vi)	The following report – ‘ <i>Must prepare monthly transaction reports for all inbound & outbound remittances in a form specified by CBTT</i> ’ is required for Incidental Foreign Conversions (remittances), which was seen on the prior Terms and Conditions but we have not received a template for this report thus far. We have email confirmation from when the	This Central Bank will advise of the form for reporting at the earliest opportunity. Until such time, the Bureaux who provide data to the Central Bank for Balance of Payments purposes must continue to do so in the current format.

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		T&C were issued previously, stating that this would be provided to us and we do not need to report until the template is provided. We need to confirm whether a template is prepared since it is still on the draft revisions.	
18.	Section V Incidental Foreign Exchange Conversions <i>(Internal Audit reviews of locations not authorized to conduct FX conversions)</i>	What are the proposed terms of reference for Internal Audit? Can guidance be provided?	Internal Audit is required to confirm that locations of the Bureau Operator which are not authorized by the Central Bank to conduct FX conversions, are not doing so inadvertently or deliberately. The testing may be risk based.
19.	Section VII On-Site Examinations <i>(Internal Audit reviews of locations not authorized to conduct FX conversions and liability of the Bureau Operator for the actions of their Agent(s))</i>	<p>To request clarity on the request for information from locations that are NOT carrying on bureau esp. where internal audit has conducted an audit and confirmed that these locations are not conducting bureau business</p> <p>We disagree with the requirement that Bureaus will be held fully responsible and liable for the behaviour or inaction of Agents. We have a duty to do what is objectively reasonable in our due diligence and to actively manage agents so they perform within regulatory and other standards. However, we should not be held responsible and most importantly, liable, for the actions/omissions of an agent once we meet a reasonable standard.</p>	<p>The Central Bank will place reliance on the outcomes on the Internal Audit. However, the Central Bank has the responsibility for administering the ECA and reserves the right to request information from any person for the purpose of ensuring compliance with or for determining breaches of the ECA, pursuant to the Fourth Schedule of the ECA.</p> <p>In accordance with the section 2.3 (vi.) and (viii) of the Terms and Conditions, the Bureau is responsible for ensuring that the Agent complies with the Terms and Conditions and for any breaches of the Terms and Conditions by the Agent.</p>
20.	Schedule I Licensing Part A New Applications	Information requested from the Applicant should be reasonable and adequate time allowed to respond.	Noted.
21.	APPENDIX 1: Instructions for the Electronic Payment of Fees	What will be accepted as evidence of payment for licensing fees paid electronically? Will a snapshot of ACH payment suffice?	A screenshot of the confirmed completed transaction will be acceptable.