CENTRAL BANK OF TRINIDAD & TOBAGO
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March 2, 2018

Circular Letter to All Financial Institutions
Licensed under the Financial Institutions Act, 2008

REF: CB-OIFI-570/2018

Basel II/ III Implementation-Parallel Reporting

The Central Bank of Trinidad and Tobago ("Central Bank / Bank") advises that the Basel II/ III parallel reporting period using the Basel II/III Capital Adequacy Reporting Template will commence in April 2018. In this regard, the updated template together with revised instructions can be accessed on the Central Bank's website at: https://www.central-bank.org.tt/core-functions/supervision/basel-ii_iii-implementation.

The parallel reporting period is expected to run for a period of six months but may be extended if the Regulations to give effect to the new capital adequacy rules are not made by the end of the parallel reporting period.

Licensees are reminded that the frequency of capital reporting remains unchanged. Individual reports under the existing and Basel II/III methodology are to be submitted monthly while consolidated reports are due quarterly. Therefore, during the parallel reporting period licensees and financial holding companies are required to submit:

1. The Basel I capital adequacy returns on an individual and/or consolidated basis as currently obtains;
2. The new Basel II/III Capital Adequacy Reporting Template for the same reporting periods as the Basel I return; and
3. A listing of issues / challenges that they may have had completing or submitting the new Capital Adequacy return.

The first submission of the returns mentioned in 1 and 2 above should be received by the Central Bank at cbttreports@central-bank.org.tt by **April 28, 2018 reporting on data as at March 2018**. Information pertaining to 3 above should be submitted in soft copy to **Baselconsultation@central-bank.org.tt** or sent in hard copy to the undersigned.

As discussed at the industry meeting on February 1, 2018, the Central Bank has amended the Basel II/III reporting template to treat with errors identified during and after the second Quantitative Impact Study. Additionally, the Central Bank has embedded the validation rules in the reporting template. In this regard, a validation schedule has been included whereby institutions will have immediate notification of validation errors in the template. Institutions are to ensure that every effort is made to correct validation errors prior to submission of the Basel II/III return to the Central Bank. **Institutions are also advised that the reporting template is not to be altered in any way**. Any alterations to the template which you think may be needed should be discussed with the Central Bank.

You are also advised that during the parallel reporting period, the Central Bank will engage with institutions to discuss issues with the QIS2 submission as well as to gain an understanding of the processes associated with the completion of the revised reporting template.

Any queries you may have regarding the parallel reporting period should be submitted by email to **Baselconsultation@central-bank.org.tt** or alternatively you may contact Ayana George at 621-2288 extension 5022.

The Central Bank looks forward to your continued active participation during this parallel reporting period as we seek to ensure readiness for revised capital reporting under the Basel II/II framework.

Yours sincerely

Michelle Francis-Pantor
Deputy Inspector - Banks, Non-Banks and Payment Systems Oversight
FINANCIAL INSTITUTIONS SUPERVISION DEPARTMENT