



CENTRAL BANK OF TRINIDAD & TOBAGO

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September 30, 2015

**CIRCULAR LETTER TO ALL FINANCIAL INSTITUTIONS
LICENSED UNDER THE FINANCIAL INSTITUTIONS ACT, 2008**

REF: CB-OIFI-2266/2015

Draft Basel II Capital Adequacy Report and Instructions

The Central Bank of Trinidad and Tobago (Central Bank/ Bank) held an information session on September 3, 2015 to acquaint financial institutions licensed under the Financial Institutions Act, 2008 ('licensees') with the proposed Basel II Capital Adequacy Report ('Report'). As advised at that session, where appropriate, the Central Bank has amended the Report to incorporate your initial comments and is now issuing a revised Report with accompanying Instructions for your review and comment.

Please note that the Report and Instructions reflect the proposals put forward in the document entitled "*Proposals for the implementation of the Basel II/III for institutions licensed under the Financial Institutions Act, 2008*" which was issued in November 2014 and which can be located on the Bank's website (<http://www.central-bank.org.tt/content/draft-and-consultation-papers-1>). Consequently, you should also consult that document when reviewing the Report.

Licensees are advised to review the Report and Instructions and use them to identify any data gaps or information technology (IT) challenges which may impact proper implementation and automation of the Report at your institution. Accordingly, you are required to submit draft project plans detailing *inter alia*:

1. the status of your institution's preparedness for Basel II implementation;
2. challenges that your institution may face with implementing the Basel II requirements, and planned actions to address identified data gaps or IT issues; and
3. estimated resource requirements (human, capital, IT) needed for Basel II implementation.

In developing project plans, licensees should be guided by the milestones and timelines outlined in the Basel II Implementation Project Plan which was issued by the Central Bank on June 29, 2015.

Licensees are required to submit their draft project plans along with comments on the Report and Instructions by electronic mail to Baselconsultation@central-bank.org.tt by **October 30 2015**. Hard copies should be addressed to the undersigned.

The Central Bank looks forward to your submissions by the aforementioned deadline and anticipates your continued co-operation as we move forward with the implementation of this very important project.

Yours sincerely,

Carl Hiralal
INSPECTOR OF FINANCIAL INSTITUTIONS