



CENTRAL BANK OF TRINIDAD & TOBAGO

Eric Williams Plaza, Independence Square, Port-of-Spain, Trinidad, Trinidad and Tobago
Postal Address: P.O. Box 1250
Telephone: (868) 625-4835; 4921; 5028; Fax: (868) 627-4696
E-Mail Address: info@central-bank.org.tt
Website: www.central-bank.org.tt

May 10, 2011

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

REF: CB-OIFI-1004/2011

FITNESS AND PROPRIETY OF DIRECTORS AND OFFICERS

The Central Bank of Trinidad and Tobago (Central Bank) wishes to remind all financial institutions licensed (licensees) under the Financial Institutions Act, 2008 (FIA) of their duty to ensure that appointed directors and officers are fit and proper persons in accordance with the Second Schedule of the FIA and Central Bank's "Fit and Proper" Guideline (<http://www.central-bank.org.tt/sites/default/files/Fit%20and%20Proper%20.pdf>). The Central Bank also reminds licensees of their obligation under section 21(8) (b) of the FIA to notify the Central Bank within seven days of the appointment or change in directors or officers.

Licensees are therefore strongly urged to ensure that the screening process for appointing persons as officers and directors of their institutions is robust, and that such persons are of good character, competent, capable and financially sound in accordance with the "Fit and Proper" Guideline.

Further, enhanced due diligence should be applied when considering persons for the position of an officer or a director if such persons were previously employed or involved with a failed or failing financial institution. In such circumstances, the licensee should give due consideration to *inter alia*, the position that the person held and his/her role and function in the previous organization.

Notwithstanding the foregoing, licensees are reminded of sections 33(1) and 33(2) of the FIA which prescribe respectively, the circumstances under which:-

- (i.) the express approval of the Central Bank is required for a person to act as a director or officer of a licensee; and
- (ii.) a person is debarred from being a director or officer of a licensee.

Please be guided accordingly.

Yours faithfully

Carl Hiralal
INSPECTOR OF FINANCIAL INSTITUTIONS