

Central Bank of Trinidad and Tobago

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May 18, 2020

CIRCULAR LETTER TO:
FINANCIAL INSTITUTIONS AND
FINANCIAL HOLDING COMPANIES LICENSED
UNDER THE FINANCIAL INSTITUTIONS ACT, 2008

REF: CB-OIFI-2122/2020

PROMULGATION OF THE FINANCIAL INSTITUTIONS (CAPITAL ADEQUACY) REGULATIONS, 2020

The Central Bank of Trinidad and Tobago (“Central Bank” / “Bank”) is pleased to announce that the Financial Institutions (Capital Adequacy) Regulations, 2020 (“Regulations”) has been promulgated with effect from May 14, 2020. We wish to thank the industry for its contribution to this very significant milestone in the Basel II/III implementation process.

Accordingly, the Bank advises that the extension of the parallel reporting period communicated by Circular letter (**CB-OIFI: 988/2020**) dated May 8, 2020 would continue for a period of three months i.e. reporting on data as at May, June and July 2020. Thereafter, parallel reporting will be discontinued and licensees and financial holding companies will report capital adequacy using the **CB100B/2020_v3** only.

Further, in December 2018 the Central Bank completed consultation with the industry on the guideline entitled “*Guideline For The Use Of Credit Rating By Regulated Entities (“Guideline”)*” which:

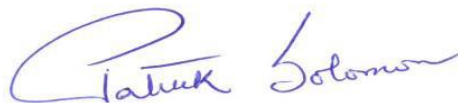
- i. sets out the criteria for the recognition of credit rating agencies (CRAs) that seek to have their ratings recognized for regulatory purposes; and
- ii. establishes rules for the use of credit ratings by regulated entities.

This Guideline is an important ancillary document for the implementation of the Regulations. Therefore, in light of the promulgation of the Regulations, we advise that the Guideline has been finalized and is available on the Central Bank’s website at <https://www.central-bank.org.tt/publications/legislations-and-guidelines/banking-sector-legislation-and-guidelines>.

As was signalled to the industry, the Central Bank will, at this time, recognise the credit ratings of Standards and Poor’s, Moody’s, Fitch and CariCris. A list of recognised credit rating agencies together with the equivalency mapping of their respective ratings is also available on the Bank’s website <https://www.central-bank.org.tt/publications/legislations-and-guidelines/banking-sector-legislation-and-guidelines>. The listing of recognized CRAs and their ratings will be reviewed and updated from time to time and the industry will be advised accordingly.

Any queries or concerns may be submitted to the Central Bank via email to Baselconsultation@central-bank.org.tt.

Yours sincerely



Patrick Solomon
INSPECTOR OF FINANCIAL INSTITUTIONS