



CENTRAL BANK OF TRINIDAD & TOBAGO

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February 5, 2019

CIRCULAR LETTER TO:

ALL INSTITUTIONS LICENSED UNDER
THE FINANCIAL INSTITUTIONS ACT, 2008 AND
REGISTERED UNDER THE INSURANCE ACT CHAP 84:01
BUREAUX DE CHANGE REGISTERED UNDER THE EXCHANGE
CONTROL ACT CHAP 79:50
BANKERS ASSOCIATION OF TRINIDAD AND TOBAGO
ASSOCIATION OF TRINIDAD AND TOBAGO INSURANCE COMPANIES
INSTITUTE OF CHARTERED ACCOUNTANTS OF TRINIDAD AND TOBAGO
INSURANCE BROKERS ASSOCIATION OF TRINIDAD AND TOBAGO
CARIBBEAN ACTUARIAL ASSOCIATION

REF: CB-OIFI-292/2019

DRAFT REVISED FIT AND PROPER GUIDELINE

The Central Bank of Trinidad and Tobago ('Central Bank'/'Bank') is updating its Fit and Proper Guideline ('Guideline') to reflect international best practices. As you are aware, the Central Bank has a statutory duty to ensure that persons who own, control or manage regulated entities (such as directors, officers and shareholders¹) or perform key regulated functions (such as insurance salespersons and adjusters) are fit and proper to carry out their responsibilities effectively.

Notwithstanding the Bank's duty to approve such persons, the primary responsibility for ensuring that regulated entities are prudently and soundly managed rests with the regulated entities and persons themselves. As such, the Guideline seeks to provide adequate guidance to key persons and regulated entities on the minimum standards to which they will be held when assessing fitness and propriety.

To this end, the Guideline not only enhances provisions contained in the current Fit and Proper Guideline but also introduces new requirements, such as, conflicts of interests, time commitment, and collective suitability of the board of directors. Areas to be considered when assessing fitness and propriety of a corporate shareholder have also been introduced.

A soft copy of the Guideline is appended and can also be accessed at <https://www.central-bank.org.tt/core-functions/supervision> under the "drafts and consultation papers" tab of your respective sector for your review and feedback. Comments should be submitted electronically to Fit&ProperComments@central-bank.org.tt by March 8, 2019. Queries on the Guideline should also be directed to the Central Bank via this e-mail address.

¹ Fit and proper tests must be applied at the threshold of 10% shareholding in the case of an acquirer, 20% for a significant shareholder and 50% for a controlling shareholder.

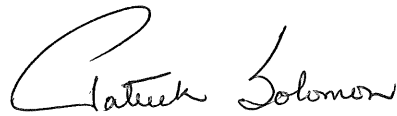
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BATT; ATTIC; ICATT; IBATT; AND CAA

February 5, 2019

The Central Bank anticipates your usual co-operation and looks forward to your timely feedback.

Yours sincerely

A handwritten signature in black ink that reads "Patrick Solomon". The signature is written in a cursive style with a large initial "P".

Patrick Solomon
INSPECTOR OF FINANCIAL INSTITUTIONS