



Central Bank of Trinidad and Tobago

Eric Williams Plaza, Independence Square, Port-of-Spain, Trinidad, Trinidad and Tobago
Postal Address: P.O. Box 1250
Telephone: (868) 621-CBTT (2288), 235-CBTT (2288); Fax: (868) 612-6396
E-Mail Address: info@central-bank.org.tt
Website: www.central-bank.org.tt

February 22, 2022

Circular Letter to:

All Institutions Licensed Under the Financial Institutions Act, 2008

Insurance Companies Registered under Insurance Act, 2018

Financial Holding Companies

Bureaux de Change

Licensed Payment Systems and Payment System Operators

Registered Payment Service Providers

E-Money Issuers

Bankers Association of Trinidad and Tobago (BATT)

The Association of Trinidad and Tobago Insurance Companies (ATTIC)

Institute of Chartered Accountants of Trinidad and Tobago (ICATT)

REF: CB-OIFI-428/2022

GUIDELINE FOR THE MANAGEMENT OF OUTSOURCING RISKS

The Central Bank of Trinidad and Tobago (“the Central Bank”) acknowledges the comments that were received from the industry on the updated draft Guideline for the Management of Outsourcing Risks (“Guideline”) which was issued on May 21, 2020 for comment. The Central Bank has considered carefully the substantial feedback received and is pleased to issue the final Guideline for your perusal and implementation.

The Guideline establishes **minimum standards** for the management of outsourcing risks by regulated institutions, and sets out the expectations of the Central Bank for the management of risks arising from the outsourcing of **material** activities, functions, and services by regulated institutions.

In particular, you should take note of section 12 of the Guideline on “Effective Date and Transition Periods” which set out obligations and expectations for licensees and registrants with respect to this Guideline. This includes reviewing all existing material outsourcing contracts to assess compliance with the Guideline and notifying the undersigned of all existing material outsourcing contracts using Appendix 2 of the Guideline within the next six months. Where changes to material outsourcing contracts to ensure compliance with the Guideline cannot be made in the requisite timeframe, you are required to notify the Inspector in accordance with section 12.6 and provide a plan of action to manage the associated risks.

The Guideline has been placed on the Central Bank’s website at <https://www.central-bank.org.tt/core-functions/supervision> under the “Legislation and Guideline” tab for each relevant industry sector. In addition, the collated comments on the Guideline along with the Central Bank’s responses have been posted at the “Draft and Consultation Papers” tabs for each industry sector.

Questions on the Guideline may be directed to Outsourcing-comments@central-bank.org.tt.

Please be guided accordingly.

Patrick Solomon

INSPECTOR OF FINANCIAL INSTITUTIONS