



# CENTRAL BANK OF TRINIDAD & TOBAGO

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January 6, 2021

**CIRCULAR LETTER TO:**

All Institutions Registered Under the Insurance Act  
Association of Trinidad and Tobago Insurance Companies  
Caribbean Actuarial Association

**REF: CB-OIFI-32/2021**

**GUIDELINES ON THE MANAGEMENT OF LIQUIDITY RISK**

The Central Bank of Trinidad and Tobago (“Central Bank” \ “Bank”) by circular letter **REF: CB-OIFI-1513/2020** dated July 27, 2020 issued for industry comment draft guidelines for the management of credit and liquidity risks. Upon review of the comments received, the Bank has amended the scope of the “*Guideline on the Management of Liquidity Risk*” (“Guideline”) to apply only to institutions licensed or permitted under the Financial Institutions Act, 2008. The final Guideline can be found on the Bank’s website at <https://www.central-bank.org.tt/publications/legislations-and-guidelines/banking-sector-legislation-and-guidelines>.

Notwithstanding, effective liquidity risk management is an important component of an insurer’s enterprise-wide risk management framework. Institutions are therefore advised that the Central Bank will be issuing a separate liquidity risk management guideline that treats specifically with the peculiarities of the insurance sector.

The Central Bank thanks you for your comments which contributed to the finalizing of the Guideline. In addition, the Bank’s responses to comments received can be viewed at <https://www.central-bank.org.tt/core-functions/supervision/banking-sector-draft-consultation-papers>.

Yours sincerely

A handwritten signature in blue ink that reads "Patrick Solomon".

Patrick Solomon

**INSPECTOR OF FINANCIAL INSTITUTIONS**