



Central Bank of Trinidad and Tobago

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January 22, 2024

CIRCULAR LETTER TO:

*Licensed Financial Institutions and
Permitted Financial Holding Companies
under the Financial Institutions Act, 2008*

REF: CB-OIFI-224/2024

IMPLEMENTATION OF THE LEVERAGE RATIO RETURN REGULATION 19 OF THE FINANCIAL INSTITUTIONS (CAPITAL ADEQUACY) REGULATIONS, 2020

The Central Bank of Trinidad and Tobago (Central Bank) by Circular Letter ref#: **CB-OIFI-3360/2023** dated October 26, 2023, advised that a Notice by the Minister of Finance dated September 30, 2023, was published in the Gazette on October 12, 2023, (Appendix1). The Notice gave effect to Regulations 18 (Capital Conservation Buffer), 19 (Leverage Ratio) and 20 (Capital Add-on for a domestic systemic bank) of the Financial Institutions (Capital Adequacy) Regulations, 2020 commencing January 1, 2024. This Circular Letter pertains to the Leverage Ratio only.

The Leverage Ratio is a non-risk based “back stop” measure used to complement the risk based minimum requirements and to help safeguard against unsustainable levels of leverage in the banking sector. The first regulatory report on the Leverage Ratio will be as at January 31, 2024, and will be due for submission to the Central Bank twenty (20) working days after the end of the month.

Accordingly, we advise that the Leverage Ratio Return (CB100LR) has been finalized and posted to the website at <https://www.central-bank.org.tt/publications/regulatory-returns/banking-sector-regulatory-returns> along with the Instructions for Completing the CB100LR. The CB100LR Return should be submitted **via the Central Bank’s Go Anywhere Portal twenty working (20) days after the end of each reporting period**, in accordance with the Instructions for Completing the CB100LR. An important aspect of the finalised return is the inclusion of validation rules to assist with ensuring accuracy of the CB100LR. For guidance on completing the return, reporting institutions should refer to the calculation methodology as set out in the Central Bank’s Leverage Ratio Guideline which has been posted to the website at <https://www.central-bank.org.tt/publications/legislations-and-guidelines/banking-sector-legislation-and-guidelines>.

Queries on the Leverage Ratio Return can be submitted electronically to the Central Bank via Baselconsultation@central-bank.org.tt.

Please be guided accordingly.

Yours sincerely

Patrick Solomon
INSPECTOR OF FINANCIAL INSTITUTIONS

REPUBLIC OF TRINIDAD AND TOBAGO

THE FINANCIAL INSTITUTIONS ACT, CHAP. 79:09
FINANCIAL INSTITUTIONS (CAPITAL ADEQUACY) REGULATIONS 2020

NOTICE

ISSUED BY THE MINISTER OF FINANCE UNDER REGULATION 2 OF THE FINANCIAL INSTITUTIONS
(CAPITAL ADEQUACY) REGULATIONS, 2020

NOTICE is hereby given that Regulations 18, 19 and 20 of the Financial Institutions (Capital Adequacy) Regulations, 2020 shall come into force on January 1, 2024.

For the purpose of Regulation 20, a licensee shall be deemed to be systemically important based on the following criteria:

- (a) size;
- (b) interconnectedness;
- (c) substitutability; and
- (d) such other criteria as may be specified by the Central Bank following consultation with the licensees thereon.

Where a licensee is deemed systemically important, the Central Bank shall inform the licensee in writing of the relevant additional capital charge the licensee shall be required to maintain and the date from which the said additional capital charge shall be effective.

Dated this 30th day of September, 2023

C. IMBERT
Minister of Finance