



Central Bank of Trinidad and Tobago

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CIRCULAR LETTER TO:

All Commercial Banks Licensed under the Financial Institutions Act, 2008
The Bankers Association of Trinidad and Tobago
The Institute of Chartered Accountants of Trinidad and Tobago

REF: CB-OIFI-1787/2021

**CENTRAL BANK OF TRINIDAD AND TOBAGO'S SECTOR REPORT
TARGETED FINANCIAL SANCTIONS ("TFS") THEMATIC REVIEW 2020**

Over the period April-June 2020, the Central Bank of Trinidad and Tobago ("Central Bank") undertook a desk-based TFS thematic examination of the eight (8) commercial banks ("banks"). The examination was a key deliverable for the Central Bank following the removal of Trinidad and Tobago from the Financial Action Task Force's 'Grey List' in February 2020.

The objective of the examination was to determine whether banks' documented policies and procedures adequately addressed the domestic TFS obligations and contained clearly defined processes for identifying and mitigating Terrorism and Proliferation Financing ("PF") risks. The Central Bank communicated its findings and recommendations in examination letters issued to the individual banks between October-December 2020.

The Central Bank is issuing this anonymized sector report on the thematic findings, which revealed that generally, there is room for improved documentation at most banks, particularly in respect of PF obligations and the control measures to mitigate the PF risks in trade finance business. The Central Bank expects the Board of Directors and senior management to provide oversight of the bank's TFS risk management framework. This includes being aware of the requirements of the domestic regulatory framework, understanding the bank's TF/PF risk exposure and ensuring that these risks are managed effectively.

As this was a desk-based examination, the review did not consider the effectiveness of the banks' implementation of their TFS control framework in day to day operations. Such an assessment of the effectiveness of the banks' TFS systems will be conducted at a future date.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Patrick Solomon".

Patrick Solomon
INSPECTOR OF FINANCIAL INSTITUTIONS