



Central Bank of Trinidad and Tobago

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CIRCULAR LETTER TO ALL FINANCIAL INSTITUTIONS

REF: CB-OIFI-1235/2020

REVISED DRAFT CORPORATE GOVERNANCE GUIDELINE

The Central Bank of Trinidad and Tobago ('Central Bank'/'Bank') advises that it has updated its Corporate Governance Guideline ("Guideline"). The Guideline represents an update to the May 2007 Corporate Governance Guideline.

The global financial crisis which occurred in 2007/2008 exposed several corporate governance weaknesses at financial institutions. Accordingly, international standard setters such as the Basel Committee on Banking Supervision and International Association of Insurance Supervisors have issued updated standards for corporate governance of financial institutions. This Guideline therefore reflects emerging best practices and is intended to strengthen corporate governance practices at financial institutions and financial groups, particularly for those considered to be systemically important and with many linkages in the financial system.

One of the primary objectives of the revised Guideline is to reinforce the collective oversight and governance responsibilities of the board. A second important objective is to emphasize key components of risk governance such as risk culture and risk appetite and their relationship to the bank's risk capacity. The revised Guideline also delineates specific roles for the board, board committees, senior management and the control functions, including the Chief Risk Officer and internal audit.

Consequently, the Bank is now seeking your feedback on the attached draft Guideline, which can be found on the Central Bank's website at <https://www.central-bank.org.tt/core-functions/supervision/banking-sector-draft-consultation-papers>.

Comments should be submitted in soft copy to corporategovernance@central-bank.org.tt by **August 3, 2020**.

We anticipate your usual cooperation.

Yours sincerely

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

Patrick Solomon
INSPECTOR OF FINANCIAL INSTITUTIONS