



Central Bank of Trinidad & Tobago

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March 6, 2023

Circular Letter To:

*Commercial Banks licensed under
the Financial Institutions Act, 2008*

REF: CB-OIFI-630/2023

UPDATED GUIDANCE FOR THE APPLICATION OF SIMPLIFIED DUE DILIGENCE FOR BASIC BANKING ACCOUNTS (“SDD GUIDANCE”)

The Central Bank of Trinidad and Tobago (“Central Bank / Bank”) refers to Circular Letter CB-OIFI-2167-2021 dated September 13, 2021, regarding the subject at caption.

We note that the Finance Act 2022 increased the personal income tax allowance from TT \$84,000 to TT \$90,000 per annum, effective January 1, 2023 [See attached clause 8(a) of the Finance Act]. Consequently, we advise that the SDD Guidance has been revised to take the increased tax allowance into account.

Further, the Central Bank has taken the opportunity to clarify the minimum standards for ongoing risk based monitoring of these basic banking accounts. At a minimum, these accounts should be reviewed annually to determine whether transactional activity is within the established thresholds. Where thresholds have been exceeded and on the basis of risk, financial institutions should conduct standard customer due diligence on the customer, and determine whether:

1. the customer should be migrated to a regular savings account; or
2. the relationship should be terminated and a suspicious transaction or activity report be filed with the Financial Intelligence Unit of Trinidad and Tobago.

The updated SDD Guidance can be located at the following address:

<https://www.central-bank.org.tt/sites/default/files/page-file-uploads/ssd-requirements-for-basic-banking-account-march2023-20230803.pdf>.

The Central Bank expects that all commercial banks will adopt the revised parameters as far as possible in order to promote an inclusive financial system.

Please be guided accordingly.

Yours sincerely

Patrick Solomon

INSPECTOR OF FINANCIAL INSTITUTIONS