

REGULATORY INNOVATION HUB FAQs

FINTECH

1. What is the position of the Authorities - Central Bank of Trinidad and Tobago (“the Central Bank”), the Financial Intelligence Unit of Trinidad and Tobago (“FIUTT”) and the Trinidad and Tobago Securities and Exchange Commission (“TTSEC”) - on financial technology (“fintech”)?
 - The Authorities’ response to fintech is one that is accommodative but cautious, having regard to the risks associated with these innovative fintech products and services. Further information on the Authorities’ position is available in the Fintech tab on their respective websites which can also be accessed via the following links:
<https://www.central-bank.org.tt/fintech>
<https://www.ttsec.org.tt/>
<https://www.fiu.gov.tt/>
2. What is the Authorities’ position on virtual assets/crypto assets/cryptocurrency?
 - The Authorities’ position on virtual currency is highlighted in their joint statement issued in January 2019 which can be accessed using the following link:
https://www.central-bank.org.tt/sites/default/files/page-file-uploads/Joint_Public_Statement_Virtual_Currency_Jan_2019.pdf.
 - The Authorities intend to establish a Joint Regulatory Sandbox which, once fully operational, will facilitate the testing of innovative fintech products and/or services, such as those involving cryptocurrencies/virtual assets. Further details of the Joint Regulatory Sandbox are included below.
 - Moreover, as part of its Draft Policy Proposal Document for a Payments Systems Bill for Trinidad and Tobago (published for consultation in May 2021), the Central Bank proposes a regulatory regime for the licensing of Virtual Assets Service Providers (VASPs) that provide services for the purpose of facilitating payments or transfers.
3. My company is seeking to operate a cryptocurrency exchange which facilitates the buying and selling of cryptocurrencies locally. Would my company have to be registered and if so, what information do I need to provide to the Authorities?
 - The Authorities will first have to determine whether your company’s proposed business activities are regulated activities that fall within their purview.

- To this end, at a minimum, a completed Form A (Request for Information) along with the following information should be submitted to assist the Authorities in their determination:-
 1. A detailed business plan which includes information on your company's proposed cryptocurrency operations.
 2. Business Operations
 - i. A clear and detailed schematic diagram showing the process flow of transactions and information with regards to the product or service.
 - ii. The business model, inclusive of the Operating Rules and Regulations governing the entity's operations.
 - iii. Samples of any agreements entered into with third party service providers, partners, or customers where applicable.
 3. Legal and Corporate Governance Arrangements
 - i. A certified copy of the Articles of Incorporation/Continuance, Certificate of Incorporation, Bye-laws or any other constituent document, including any amendments to same.
 4. Risk Management
 - i. Risk Management Policy and Framework inclusive of a Liquidity Risk Framework.
 - ii. Anti-Money Laundering and Combatting Terrorist Financing (AML/CTF) policies.
 5. Other information relevant to the proposed business activities, as requested by the Authorities.
 - The Form A (Request for Information) can be accessed using the following link: https://www.central-bank.org.tt/sites/default/files/page-file-uploads/request-for-information-form_0.pdf.
 - The completed Form A, along with supporting documentation, should be submitted to the Authorities via email to innohubtt@central-bank.org.tt to facilitate the efficient and timely processing of your request.
 - If insufficient details are presented, the Authorities may determine that the proposed product and/or service cannot be registered at this time or may request further information.
2. I would like a meeting with the Authorities to discuss my innovative fintech product and/or service. What should I do?

- Key details of your company’s operations and proposed fintech product and/or service must be submitted and reviewed *before* the Authorities determine whether a meeting could be accommodated.
- Entities should submit a Form A to innohubtt@central-bank.org.tt, which contains at a minimum, a comprehensive business plan which includes: -
 - i. Detailed business model comprising information on the proposed fintech product or service.
 - ii. A clear and detailed schematic diagram showing the end-to-end process flow of the transactions including, but not limited to, the submission of process flow diagrams showing the transaction flows from initiation of a transaction.
 - iii. Samples of any agreements entered into with third party service providers and any other partners, providers, or customers (where applicable).
 - iv. Details on Anti-Money Laundering and Combatting Terrorist Financing (AML/CTF) reporting systems/policies; and
- Projected financials for 3 years.
- Entities are required to provide these details via the Form A (Request for Information) which can be accessed using the following link: https://www.central-bank.org.tt/sites/default/files/page-file-uploads/request-for-information-form_0.pdf.
- The completed Form A, along with supporting documentation, should be submitted to the Authorities via email to innohubtt@central-bank.org.tt to facilitate the efficient and timely processing of your request.
- If insufficient details are presented, the Authorities may determine that a meeting cannot be accommodated at this time or may request further information.

E-MONEY ISSUANCE ACTIVITIES

1. I want to provide e-wallet services or operate a mobile app that facilitates e-payments. What are the regulatory requirements to be satisfied in order to conduct such business?
 - In order to conduct such business, your company must first be registered by the Central Bank as an E-Money Issuer (“EMI”).
 - Information on the regulatory requirements to become an EMI set out in the E-Money Issuer Order, 2020 (“Order”) which can be accessed using the following link:
https://www.central-bank.org.tt/sites/default/files/page-file-uploads/legal-notice-284-e-money-issuer-order-2020_2.pdf
 - Applicants are encouraged to familiarize themselves with the Order and review the E-Money FAQs before submitting an application.

2. Section 5(2) of the Order states that an application to be a Payment Service Provider (“PSP”) and an EMI may be done simultaneously. In that case, do I need to submit 2 forms (a PSP and an EMI Form) as part of my EMI Application?
 - No, only an EMI Form is required and can be accessed using the following link which also provides further instructions on the application process:
https://www.central-bank.org.tt/sites/default/files/page-file-uploads/emi-form_1.pdf
3. If my company is already a registered PSP and wishes to engage in e-money activities, would an application and fresh supporting documents be required?
 - Yes, depending on the lapse of time since your company’s PSP Registration, fresh and/or updated supporting documents would have to be submitted to the Authorities along with a completed EMI Form.
 - The Authorities will provide guidance on what documents are required.
4. Other than the Central Bank, is any EMI required to register with any other Authority?
 - As stated in section 5(3) of the Order, EMIs are also required to register with the FIUTT within 5 business days after being granted approval or provisional registration by the Central Bank to operate as an EMI.
 - Also, a FIUTT Registration of Listed Business Form and a Compliance Officer Fit & Proper Questionnaire may accompany the EMI Form and can be accessed using the following link:
<https://www.fiu.gov.tt/about-us/publications/fiu-forms/>
5. Can I operate my e-money product or service without meeting the minimum capital requirements? Can I build up my capital overtime while I operate?
 - Section 8(1) of the Order provides that an EMI is required to have sufficient initial capital to mitigate risks, based on its size and scale, and shall maintain, at a minimum, the capital requirements outlined in Schedule 2. As such, entities must have the required capital at the outset, which must be evidenced when applying to be registered as an EMI.
6. Based on the different types of E-money Accounts listed in Schedule 2 of the Order, can an EMI or customer move from one tier or transactional limit to the next?
 - Wallet sizes and other limits are important risk mitigating measures from a regulatory perspective and are connected to both KYC and consumer protection policy objectives. It is noted that any movement between tiers will impact an EMI’s risk management framework, in particular its AML/CFT as well as capital requirements. Therefore, the EMI would be required, *inter alia*, to

show evidence of possession of the necessary capital, based on the relevant wallet sizes and e-money accounts, as stated in Schedule 2 of the Order.

7. If a user/company cashes-out (withdraws some or all the funds in its wallet), will it refresh the applicable monthly transaction limit?
 - The monthly transaction limit and maximum wallet size operate independently but concurrently and they must be strictly observed. If a user cashes-out, it will not refresh the applicable monthly transaction limit and the user will not be able to perform any further transactions until the next month.

JOINT REGULATORY INNOVATION HUB

1. What is the purpose of the Joint Regulatory Innovation Hub (“the Hub”)?
 - Generally, an Innovation Hub is an innovation facilitator set up by supervisory agencies that provide support, advice or guidance to regulated or unregulated firms in navigating the regulatory framework or identifying supervisory policy or legal issues and concerns (Basel Committee).
 - The Hub established by the Authorities, which became accessible to the public on October 2, 2020, **only** provides the opportunity for individuals and entities to:-
 - a. contact the Authorities and receive guidance on the regulatory requirements for innovative financial technology products, services, business models and/or delivery mechanisms; and
 - b. submit applications for approval to operate as a PSP and/or an EMI.
2. Does the Hub provide financing?
 - The Hub does NOT provide financing/funding to individuals or entities nor do the Authorities provide guidance on business plans or processes, “no objection letters” or testing of fintech products and/or services.
3. Can I use my participation in the Hub as a means of attracting investors for my business?
 - No. Responses from the Authorities sent via the Hub must not be:-
 - i. shared with any third party (either in part or in full) without the express written consent of the Authorities ; and
 - ii. used as a means of attracting investors for business and/or promotion of any proposed fintech service and/or product.
 - Moreover, interaction with the Authorities via the Innovation Hub does not constitute an endorsement or approval of the individual’s/entity’s fintech product and/or service, nor does it imply that the Authorities are in partnership

or collaboration with the individual/entity. Claims to the contrary may result in the individual/entity being barred from participation in the Innovation Hub and by extension the Regulatory Sandbox.

4. How long does it take for EMI applications to be processed through the Hub?
 - The Authorities seek to process applications received through the Hub within a reasonable timeframe from the date of receipt of a completed application, along with all required supporting documentation and applicable fees.
 - Each application undergoes a rigorous review process which is guided by, among other things, the requisite laws, guidelines and Order. Thus, the processing time will depend on several factors including the complexity of the matter, the number of Authorities involved and whether there is need for the Authorities to engage directly with the applicant for clarification and to request further supporting documentation.

5. How much is my application fee and when should it be paid?
 - The Application Fee for registration as a PSP is \$xx and for an EMI is \$xx and (where applicable) can be paid at the time of or following the submission of the relevant Application Form.
 - An applicant is required to provide evidence of payment of the Application Fee *before* the Authorities commence the review of the Application and adequate supporting documents.

6. What types of supporting documents are acceptable by the Authorities?
 - With respect to official documents, the Authorities will only accept documents that have been certified by or bear official stamps from the issuing authorities or agencies.
 - With respect to documents concerning an applicant's fintech product and/or service, only executed agreements and approved policies, frameworks, plans diagrams etc. will be accepted.
 - With respect to Personal Questionnaire and Declaration Forms ("PQD Forms") for directors and senior officers, same must be:-
 - a. signed and witnessed by the Chief Executive Officer or the Corporate Secretary must sign as a witness; and
 - b. stamped by the entity on whose behalf the application is being made.

If not possible, the PQD Forms must comply with the alternative requirements set out in the Circular Letter on the "*Revised Personal Questionnaire and Declaration Form: Clarification of Witness Requirement and Special Covid-19 Provisions*" dated April 28, 2020, which can be accessed using the following link:-

https://www.central-bank.org.tt/sites/default/files/circular_letters/circular-letter-clarifying-witness-requirements-on-pdq-form-and-covid-19-provisions.pdf

- These requirements may be subject to change by the Authorities from time to time.
7. What measures are in place to ensure the confidentiality of information submitted via the Hub?
- In the exercise of their functions, the Authorities are required to adhere to strict confidentiality of obligations as stipulated in their respective legislative frameworks, which extends to information supplied to them via the Hub.
8. How can an applicant follow up on the progress of an application submitted via the Hub?
- Once an application has been submitted via the Hub, communications between the applicant and the Authorities, including any enquiries on the progress of an application, shall be channelled through the Hub.
9. Can third parties make enquiries of the Authorities on behalf of or concerning an applicant or entity participating in the Hub?
- Having regard to their strict statutory confidentiality obligations, the Authorities will not respond to such enquiries made by third parties, unless it receives the express written consent of the applicant or entity participating in the Hub.
 - Further details on the rules of engagement for the Hub are available via the following link:-

JOINT REGULATORY SANDBOX

1. How does the Joint Regulatory Sandbox (“the Sandbox”) differ from the Hub?
- Unlike the Hub, the main aim of the Sandbox is to determine whether an innovative financial product and/or service could be introduced safely into the domestic financial landscape.
 - The Sandbox allows entities to test their innovative financial products and/or services in a controlled environment, for a limited period, under the supervision of the Authorities.
2. I want to be a Sandbox participant. How can I join?
- The Sandbox is being launched in 2 phases.
 - Phase I, which is ongoing, is aimed specifically at EMIs. The Order provides for a form of ‘sandboxing’ of EMIs through the granting of provisional registration, for an initial period of up to 6 months and subject to specified terms and conditions.

A banner for the Regulatory Innovation Hub. It features a dark blue background with glowing digital elements and hands interacting with light. The text 'REGULATORY INNOVATION HUB' is in large white letters, and 'OPEN FOR BUSINESS' is in smaller teal letters below it.

REGULATORY INNOVATION HUB

OPEN FOR BUSINESS

- Phase II entails broader fintech initiatives that may span all Authorities, including those entities proposing to engage in crypto-asset/virtual asset services. Phase II is, however, not yet operational as it necessitates certain legislative amendments and other operational requirements for extending the Sandbox to non-EMI initiatives. Until such time, participation in the Sandbox by broader fintech entities (i.e. non-EMIs) is not allowed.
- Further information on the Regulatory Sandbox, is available using the following link: <https://www.central-bank.org.tt/fintech/regulatory-sandbox> .