



Strategic Plan

2021/22 2025/26

Project
Implementation
Update
YEAR 2
Half Year 2

Central Bank of Trinidad and Tobago Strategic Plan 2021/22—2025/26: Progress from April 1, 2023 – September 30, 2023



Project Implementation Year 2 : 2022/2023 HY2

The performance momentum continued as the second year of the Central Bank of Trinidad and Tobago's current Strategic Plan drew to a close. The global economic backdrop was marked by volatility in financial markets, significant geopolitical tensions, and concerns of recession in several areas. Global inflation slowed but remained higher than target for many Central Banks. In Trinidad and Tobago, signs of a gradual economic recovery continued alongside a decline in headline inflation—with monetary policy remaining accommodative, the fiscal authorities reporting better budget outcomes than projected, and some steps being made on structural reforms to improve the ease of doing business. The domestic financial sector remained stable with institutions steadily moving more of their operations online.

In this context, and building on the solid foundation constructed over the last few years, the Central Bank made important tangible advances in

project execution over the past 6 months. The achievements were broad-based—spanning from implementation of electronic cheque processing and further streamlining of currency operations on the monetary front; to implementing a cybersecurity framework and Basel III requirements for licensees in the financial stability sphere; and boosting our contribution to disadvantaged communities and the arts as we fortified our internal operations. Engagement by staff remained high, and efforts are continuing to recognize the excellent teamwork that forms the basis for the Central Bank's achievements.

Highlights

(i) Three companies were granted full registration as electronic money providers in Trinidad and Tobago. On September 1, 2023, PayWise Limited, Pesh Limited, and the Telecommunications Company of Trinidad and Tobago (TSTT) graduated from provisional to full registration as e-money providers. PayWise had been under provisional registration for

12 months while the other 2 companies had functioned under the provisional regime for 6 months. The providers have indicated that with full registration they plan to launch several products over the next 6 months shaped by their experience to date. More generally, the technical assistance (TA) project with the International Monetary Fund (IMF) on Fintech Regulation and Legislation was conducted in April 2023. The IMF mission team included international experts on fintech and gave candid assessments and recommendations. The Central Bank is embracing many of these suggestions and, given our commitment to transparency and accountability, the TA Report was published in its entirety in September 2023 and is available via the [IMF's website](#).

(ii) The Central Bank initiated a national dialogue on crypto asset regulation. On September 5, 2023 the Bank, in collaboration with the Trinidad and Tobago Securities and Exchange Commission (TTSEC), hosted a panel discussion on [Considerations in Crypto Asset Regulation](#). The discussion brought together public and

private sector professionals, as well as the general public via livestream. The interaction and feedback were animated and compelling, serving to fulfil the objectives of (i) public education, and (ii) construction of a base for regulatory action. The IMF TA Report referred to above also covered options for dealing with the crypto market domestically. All in all, crypto activity in Trinidad and Tobago still seems to be a niche but growing market; the uncertainty as to the legal status and regulatory framework can on the one hand potentially stymie innovation/ investment, and on the other hand contribute to undesirable gaps in consumer knowledge/ investor protection. The Central Bank intends to finalize and share its perspectives on the overall regulatory environment for crypto assets with the Minister of Finance by October 31, 2023.

- (iii) **The Bank issued Guidelines on Cybersecurity for licensees, which can be used by other companies.** On June 6, 2023 the Central Bank hosted a public livestreamed webinar on [Cybersecurity in Financial Institutions: Best Practices](#). This followed earlier technical

assistance from the IMF on cybersecurity of Central Bank operations and supervision of cybersecurity of those financial institutions licenced by the Central Bank. The webinar helped to broaden the understanding of cybersecurity threats to financial entities and the key measures that can be adopted to manage or mitigate such challenges. Draft Guidelines were provided for public comment and the [final version](#) was published in mid-September 2023. A simple format was adopted, with a fillable 3-page PDF form that allows institutions to verify their compliance in areas such as reporting to their Boards, vendor management, client education and effectively treating with cyber incidents. The first cyber reports by licensees are scheduled to be submitted to the Central Bank by March 2024.

- (iv) **The opening of the Office of the Financial Services Ombudsman (OFSO) in Tobago is kickstarting a new level of engagement of the Bank in financial literacy and redress.** In mid-September 2023, the [OFSO opened an office](#), provided by the Tobago House of

Assembly, at the Victor E. Bruce Financial Complex in Scarborough, Tobago. The convenient location of this office makes it much easier for Tobagonians to interact with the OFSO. The development also creates a wider platform for further engagement by the Central Bank with Tobago on financial literacy matters and potential areas—such as exhibitions and other events—which have traditionally been held at the Central Bank’s museum, auditorium and conference facilities in Port-of-Spain. The OFSO celebrated its 20th year of operations in 2023 and has drawn up plans for wider outreach. These efforts will be complemented by new initiatives on the public education side to deal with emerging issues related to online banking and electronic money. A closer partnership with Government agencies will increase the reach and effectiveness of the financial literacy messages.

- (v) **A powerful engagement with *Chosen Hands* marked a major deepening of the Central Bank’s contribution in the area of Corporate Social Responsibility.** On July 2,

2023, the Central Bank collaborated with the non-Government Organization *Chosen Hands* to host an Evening of Art and Fashion. While the event itself was memorable, it demonstrated an evolution of the Bank’s involvement in supporting disadvantaged communities. The passion demonstrated by staff in arranging the affair has carried over to other activities, including in art and culture. For example, the Bank’s art collection was made more easily accessible for public viewing; a Creative Residency Program started in August 2023 with 2 visual and performing artists attached to the museum and auditorium; and in September a well-renowned local artist, Mr. Jackie Hinkson, put on an exhibition entitled Taking Shape: A Journey in Sculpture. The External Relations team has also continued to hone the Central Bank’s public interface in events, conferences, social and other media to global standards.

- (vi) **On the financial stability front, there was major progress on implementation of the Basel III capital adequacy requirements.** The Financial Institutions Supervision Department

has continued to embrace risk-based practices in supervising financial entities, introducing targeted guidance on several issues in recent months, including on pension administration, market conduct and cybersecurity. The new capital adequacy requirements will strengthen the capacity of financial institutions to deal with economic shocks. Some progress was made in advancing new payments legislation.

What's ahead for the Strategic Plan over the next six months?

The first half of the third year of the [current Strategic Plan](#) will largely be devoted to consolidating many of the projects executed to date—such as the start of cybersecurity supervision; registration of new e-money issuers; finalization of proposals on crypto asset regulation; assessment of the functioning of the new Tobago OFSO office; and implementation of the new capital requirements for banks.

In some cases, the coverage of projects will be extended—including preparation of coverage ratios

to deal with liquidity risks of banks; upgrade of the Bank's website; and new facets of the plans to shore up the Central Bank's physical infrastructure, notably the electrical system and computer facilities. The two projects with significant new work expected are (a) boosting the legislation/administration of the payments system; and (b) improving the supervision of the pension system in Trinidad and Tobago.

The implementation of recommendations emanating from the 2022 Staff Opinion Survey will continue to be an important component in improving the engagement and satisfaction of Central Bank staff who are executing the Strategic Plan on a daily basis.



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