



“DE-RISKING” OR THE WITHDRAWAL OF CORRESPONDENT BANKING RELATIONSHIPS



CENTRAL BANK OF
TRINIDAD & TOBAGO

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BACKGROUND

Correspondent Banking relationships (CBRs) are critical for access to the global payments and financial systems.

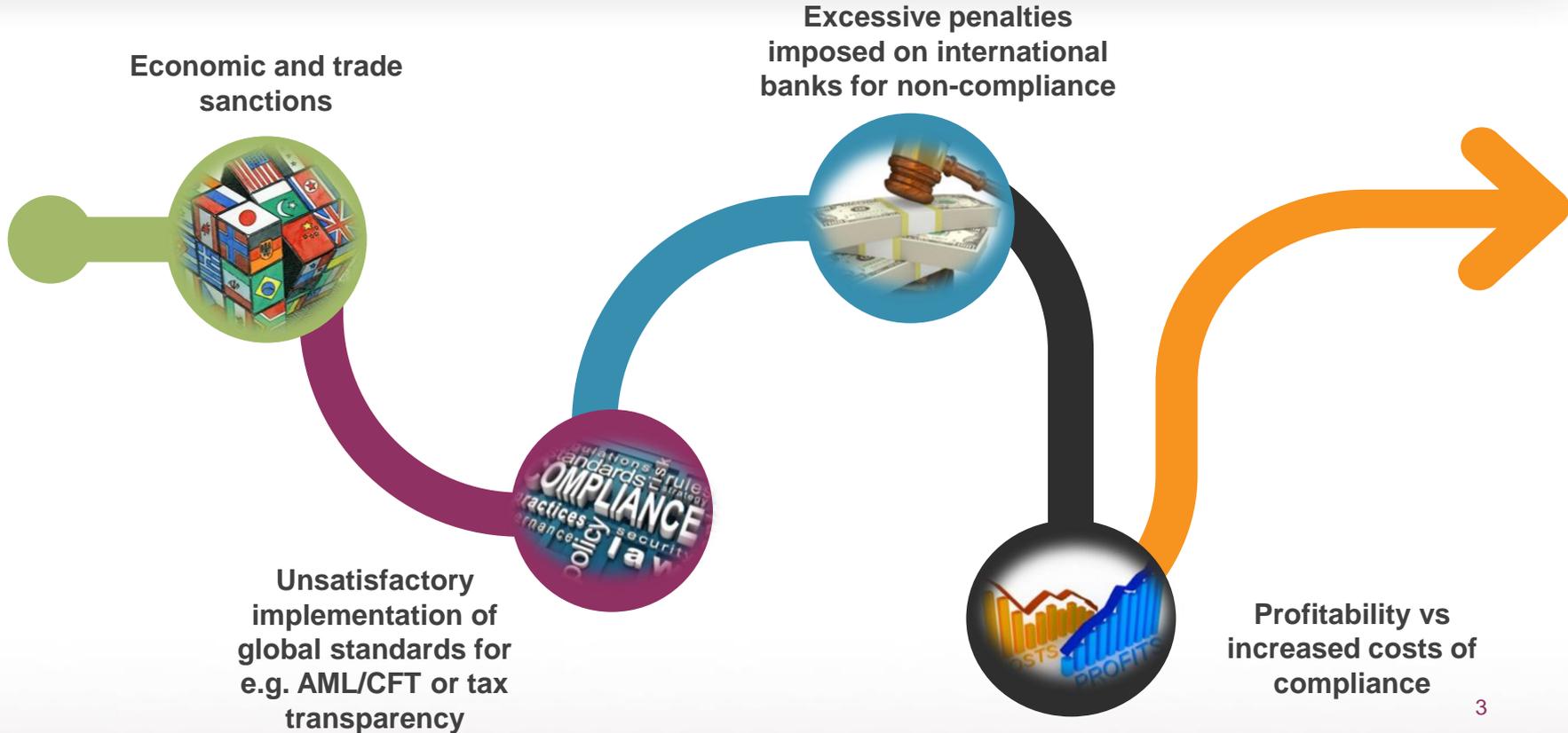
Certain international banks have been either terminating or severely limiting their CBRs with smaller banks from jurisdictions around the world. **A phenomenon known as “De-risking”.**



Studies show that **Latin America and the Caribbean** are the regions most severely affected by “**De-risking**”.



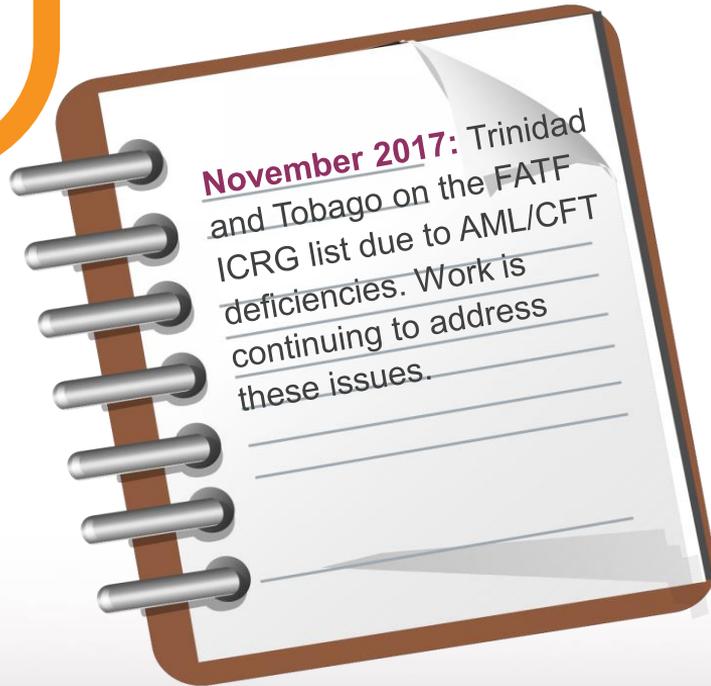
DRIVERS OF “DE-RISKING”





INTERNATIONAL LISTS

Concerns about perceived 'higher risks' due to the country being named on international lists



01

Adopting and implementing the remaining measures to further enhance international cooperation

02

Addressing issues related to transparency and beneficial ownership

03

Completing the legislative efforts to enhance the processing of ML charges before the courts

04

Implementing measures to monitor NPOs on the basis of risk



INTERNATIONAL LISTS

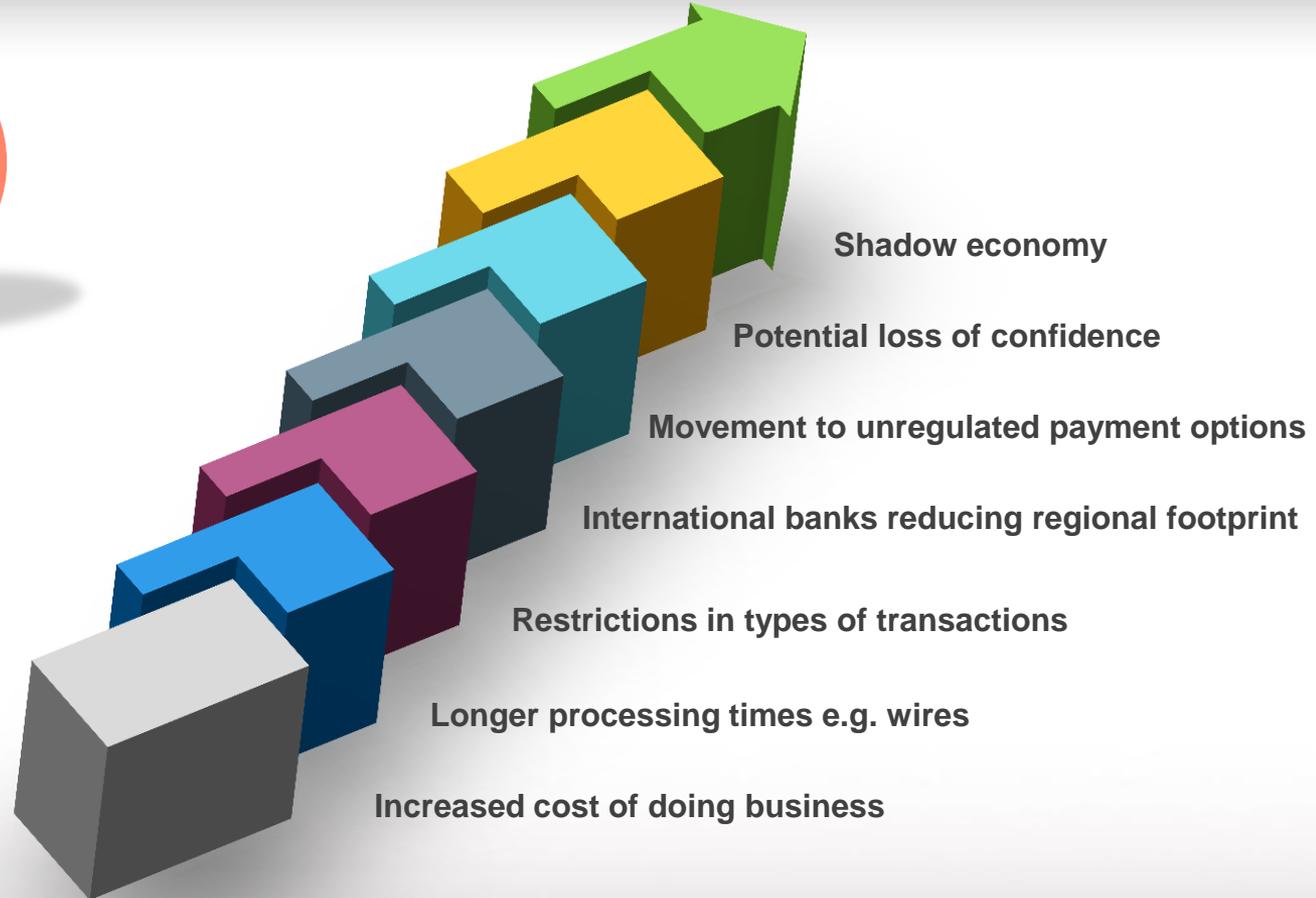
Concerns about
perceived 'higher
risks' due to the
country being named
on international lists

October 2018: Only country
rated by Global Forum as
“non-compliant” for not
implementing the agreed tax
transparency standards.



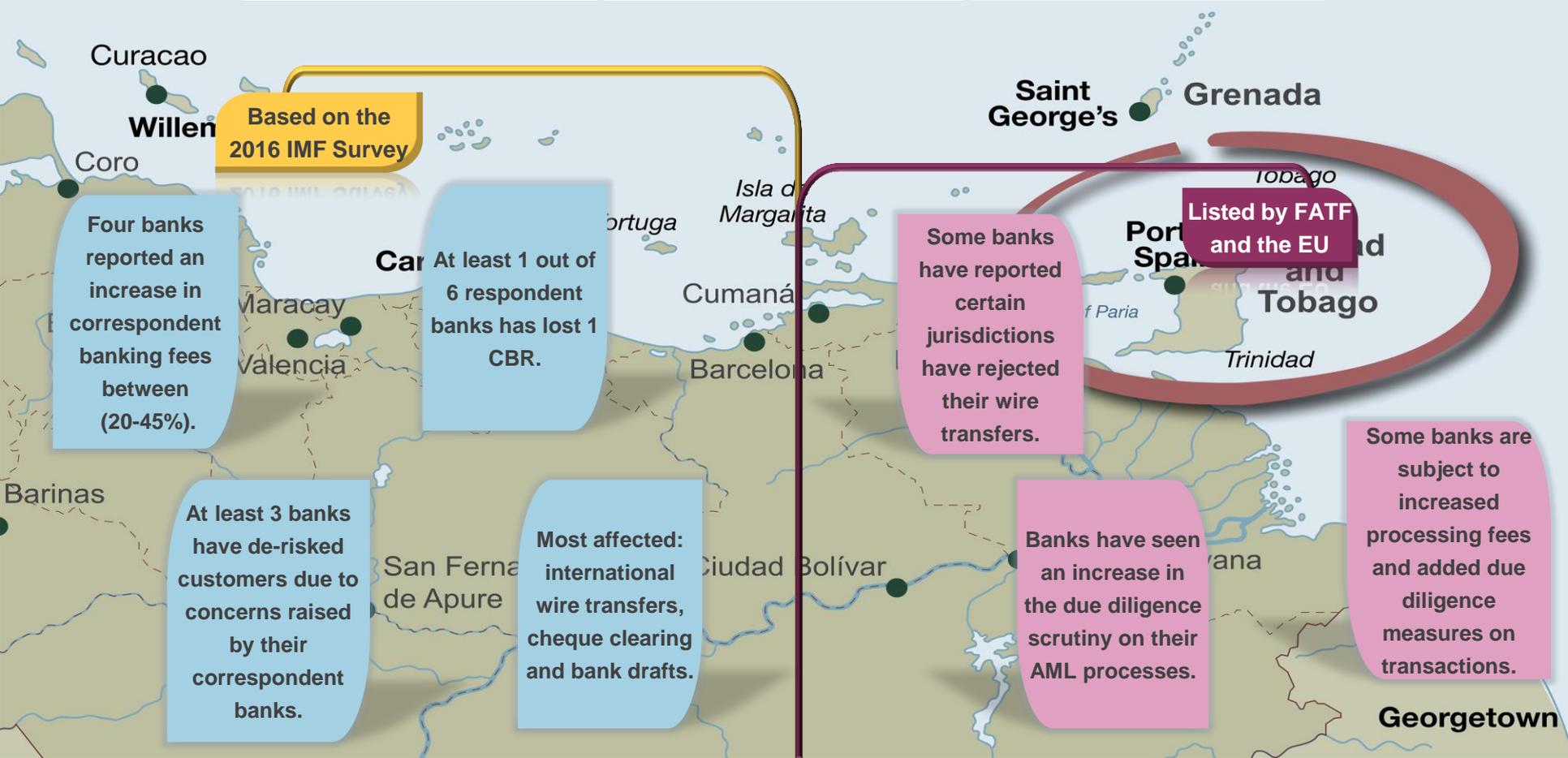


IMPACT OF DE-RISKING





HAS TRINIDAD AND TOBAGO BEEN AFFECTED?





WHAT IS TRINIDAD AND TOBAGO DOING?



Since November 2017, the country has either amended legislation or enacted new legislation to address AML/CFT and tax transparency gaps.



WHAT IS CENTRAL BANK DOING?

REGULATOR/SUPERVISOR

Ensure licensees comply with AML/CFT obligations; issue guidelines and conduct outreach.

1

COLLABORATION

With regulators and through regional and international forums to address de-risking.

3

2

ADVOCACY

Contribute to strengthening AML/CFT framework as member of the National AML/CFT Committee.

4

MONITOR

Impact of listings on individual financial institutions via BATT as well as the financial system as a whole and any emerging financial stability issues.



THE WAY FORWARD – NATIONAL INITIATIVES

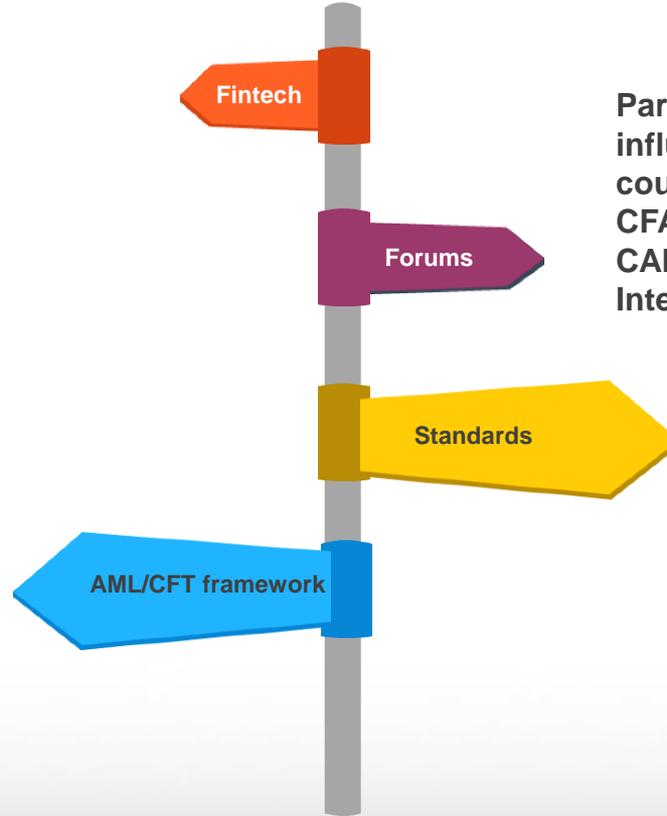
FINTECH INITIATIVES

Exploration of fintech initiatives and other technology solutions to improve KYC/CDD.

AML/CFT

Ensuring a robust AML/CFT regulatory framework which satisfies the FATF Standards through inter alia:

- The passage of legislation;
- Implementation of effective policies, procedures and systems that ensure compliance.



FORUMS

Participation at all relevant forums to influence decisions impacting the country and the region: such as CFATF and FATF plenaries; CARICOM Heads of Government Intercessional meetings.

GLOBAL FORUM

Ensuring compliance with Global Forum Standards on tax transparency.



“WE NEED TO STEER THE BOAT, NOT DRIFT!”



*“To reach a port, we must sail sometimes with the wind and sometimes against it—
but we must sail, and not drift, nor lie at anchor.”*
Great American poet, **Oliver Wendell Holmes Sr.**



THANK YOU